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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM ANDERSON COUNTY
Court of Common Pleas

R. Lawton McIntosh, Circuit Court Judge

Case No. 2020-CP-04-00085
Appellate Case No. 2024-001911

Moats Construction, Inc., and Russell Moats, Appellants,

v.

Anderson County, Rusty Burns, Matt Schell and Holt Hopkins, Respondents.

**INITIAL BRIEF OF RESPONDENT
ANDERSON COUNTY**

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STATEMENT OF ISSUES ON APPEAL

1. DID THE TRIAL COURT PROPERLY GRANT A NEW TRIAL ABSOLUTE WHERE IT FOUND THAT THE VERDICT WAS GROSSLY EXCESSIVE AND NOT JUSTIFIED BY THE EVIDENCE?
2. DID THE TRIAL COURT PROPERLY GRANT A NEW TRIAL PURUSANT TO THE THIRTHTEEN JUROR DOCTRINE WHERE IT FOUND THAT THE EVIDENCE DID NOT JUSTIFY THE VERDICT?
3. DID THE TRIAL COURT PROPERLY DENY MOATS'S BELATED MOTION TO AMEND ITS COMPLAINT TO ADD A NEW CLAIM AGAINST ANDERSON COUNTY FOR DEFAMATION?

STATEMENT OF FACTS

Anderson County and Moats Construction, Inc (“Moats”) entered into two separate contracts for work in Anderson County. One contract was for the cleanup and remediation of Toxaway Mill (the “Toxaway Project”) and the other contract was for the construction of the East West Park (the “East West Project”). Neither project was completed by Moats. (Trans. p. 523 l. 4 – p. 524 l. 13; Trans. p. 609 ll. 9-10).

The East West contract was dated August 17, 2016. (Def. Ex. 1, Tab 3). Moats Construction began work on the East West Project which called for, in pertinent part, the construction of various walkways for the park. *Id.* The original contract amount was \$159,604.75. During the project, Moats complained that the plans could not be built such that the walkways would comply with the Americans with Disabilities Act (“ADA”). (Trans. p. 95 l. 9 – p. 98 l. 16). Anderson County agreed to several design revisions and gave change orders to Moats relating to the design of the walkways and other changes made to the project. (Def. Ex. 1, Tab 8). The contract amount was increased to \$324,761.28. (*Id.*; Def. Ex. 1, Tab 4).

The Toxaway Project related to the clean-up and remediation of the Toxaway Mills site. The contract was dated June 7, 2017 and the contract amount \$223,000. (Def. Ex. 1, Tab 1). Anderson County was in the process of obtaining the asbestos survey and storm water permit necessary for the work. (Def. Ex. 1, Tab 13). Moats commenced work but exceeded the work allowed before the permits and survey were obtained. *Id.* Anderson County directed Moats to stop work and then terminated the contract. (Def. Ex. 1, Tab 5; Trans. p. 274 ll. 2-12). The letter terminating the contract went on to state that Anderson County is willing to discuss payment for the work performed and, in fact, paid Moats \$59,000 for the work done as recited in the Mediated Settlement Agreement. (Def. Ex. 1, Tab 4 at paragraph 13.b). It is undisputed that Moats did no further work on Toxaway and was paid for the work it had done on the Toxaway project prior to

being directed to stop work. (Trans. p. 277 l. 16 - p. 278 l. 4).

The parties agreed to mediate the disputes over both projects in March 2018. As a result of the mediation, the parties entered into a binding Mediated Settlement Agreement dated March 29, 2018. (Def. Ex. 1, Tab 4). Anderson County and Moats provided for the completion of the work on the East West Project and the Toxaway Project pursuant to the terms contained in the Mediated Settlement Agreement. *Id.* As required by the Mediated Settlement Agreement, Anderson County issued a Notice to Proceed on April 25, 2018 directing Moats to begin work on the East West Project and made a payment to Moats of \$26,155.89. (Def. Ex. 1, Tab 19). Moats began installing forms for the concrete walkways. (Trans. p. 553 l. 22 – p. 554 l. 17). Although not required by the Mediated Settlement Agreement, Moats demanded that Anderson County approve the forms for ADA compliance before the walkways were poured. (Trans. p. 560 l. 9 – p. 563 l. 1). Holt Hopkins, the Deputy County Administrator for Anderson County, met with Moats and informed Moats that if the forms were adjusted in a few places, Anderson County would approve the work. *Id.* Moats began revising the forms but then informed Anderson County that the work could not be done. *Id.* Moats then removed its forms and pulled off of the East West project on.

There was a disagreement at trial over whether the East West project was to be completed before the work on the Toxaway project would begin. (Def. Ex. 1, Tab 4 at paragraph 13; Trans. p. 300 l. 19 – p. 303 l. 18).

After Moats stopped work on the East West Project, Anderson County completed both the East West and Toxaway projects. (Trans. p. 523 l. 4 – p. 524 l. 13; Trans. p. 609 ll. 9-10).

No later than August 2, 2018, Moats contacted a bonding company to issue bid bonds required to bid public projects. (Def. Ex. 1, Tab 23 at Moats 01459). The bonding company denied

the requested bonds on August 27, 2018. (*Id.* at Moats 01475). The bonding company stated that its denial was based on the following:

1. Personal credit remained locked after repeated attempts. Unable to continue underwriting.
2. Preponderance of open lawsuits shown in Westlaw inquiry, specifically New Beach Construction Partners, Inc. and claim against Travelers Casualty and Surety, Doug Proctor, and AT&T.
3. Requested amount of surety support was \$400,000 above previously completed largest job.
4. Lack of CPA prepared financial statements
5. Lack of bank line of credit
6. Lack of requested personal and corporate tax returns

(Def. Ex. 1, Tab 23 at Moats 01475; *see* Trans. p. 686 l. 11 – p. 690 l. 19.)

On January 10, 2020, Moats Construction and Russell Moats brought this action alleging that Anderson County breached the East West contract, the Toxaway contract, and the Mediated Settlement Agreement. (Complaint). The Complaint also alleges causes of action for a violation of the S.C. Freedom of Information Act and defamation against several employees or former employees of Anderson County. Anderson County counterclaimed for the costs incurred in the completion of the East West Project. (Answer and Counterclaim of Anderson County).

All of the causes of action except the FOIA claim were tried before a jury in Anderson County on April 15-19, 2024. At the close of the Plaintiffs' case, the trial court granted directed verdicts in favor of Anderson County, including but not limited to, that the claims for breach of the East West Project contract and the Toxaway Project contract were resolved by the Mediated Settlement Agreement with the exception of Moats' claim for retainage on the East West Project, claims for punitive damages from Anderson County, and that Plaintiffs were not entitled to lost profits. The trial court also directed a verdict against Anderson County as to the \$50,000 delay

damages payment contained in the Mediated Settlement Agreement. The trial court also denied the Plaintiffs' motion to amend the pleadings to conform to the evidence by adding a new defamation claim against Anderson County based on statements by Anderson County to the sureties on the East West and Toxaway Projects, and directed a verdict in favor of the individual defendants on the defamation claim. (Trans. pp. 666-667).

The breach of the Mediated Settlement Agreement and Anderson County's counterclaim were submitted to the jury. Moats asked the jury to return a verdict on the Mediated Settlement Agreement for \$33,105.91, comprising retainage of \$27,555.91 and a net amount of \$5,550 for the Change Order provided for in the Mediated Settlement Agreement, plus "any other amounts you think is appropriate for breach of the contract." (Trans. p. 837 ll. 17-18). The jury returned a verdict in favor of Plaintiff on the Breach of Contract of the Mediated Settlement Agreement claim and awarded Plaintiff \$412,105.00 in damages. The jury awarded Anderson County damages of \$1,900.00 on its counterclaim for the costs incurred to complete Moats's work on the East West project. (Trans. p. 900 ll. 11-14).

Anderson County timely filed post-trial motions, including Motion for Judgment Notwithstanding the Verdict, or in the Alternative a New Trial Absolute or a New Trial Pursuant to the "Thirteenth Juror Doctrine," New Trial Nisi Additur or New Trial Nisi Remittitur. (Defendant Anderson County's Post-Trial Motions for Judgment Notwithstanding the Verdict, or in the Alternative a New Trial Absolute or a New Trial Pursuant to the "Thirteenth Juror Doctrine," New Trial Nisi Additur or New Trial Nisi Remittitur). The trial court heard arguments on Anderson County's motions on July 22, 2024 and after allowing the parties time to discuss their options, issued its Order granting Anderson County a new trial absolute and a new trial pursuant to the Thirteen Juror doctrine on October 14, 2024. Moats Construction appealed the

trial court's Order.

STANDARD OF REVIEW

“The decision to grant or deny a new trial absolute based on the excessiveness of a verdict rests in the sound discretion of the trial court and ordinarily will not be disturbed on appeal.” *Welch v. Epstein*, 342 S.C. 279, 302, 536 S.E.2d 408, 420 (Ct. App. 2000). The “trial court has discretion in determining the excessiveness or inadequacy of verdicts and its decision will not be disturbed absent an abuse of discretion.” *Dillon v. Frazer*, 383 S.C. 59, 63, 678 S.E.2d 251, 253 (2009) (citing *Toole v. Toole*, 260 S.C. 235, 239, 195 S.E.2d 389, 390 (1973)). “An abuse of discretion occurs if the trial court’s findings are wholly unsupported by the evidence or the conclusions reached are controlled by an error of law.” *Welch*, 342 S.C. at 302, 536 S.E.2d at 420. “In deciding whether to assess error when a new trial motion is denied, this Court must consider the testimony and reasonable inferences therefrom in the light most favorable to the nonmoving party.” *Id.* at 302-03, 536 S.E.2d at 420.

The trial court’s ruling on the Thirteenth Juror Doctrine should not be disturbed on review “unless the finding is wholly unsupported by the evidence or the conclusion has been controlled by error of law.” *RFT Mgmt. Co., LLC v. Tinsley & Adams L.L.P.*, 399 S.C. 322, 334, 732 S.E.2d 166, 172 (2012); *S.C. State Highway Dept. v. Clarkson*, 267 S.C. 121, 126, 226 S.E.2d 696, 697 (1976). A ruling based upon conflicting testimony will not be disturbed on appeal. *Clarkson*, 276 S.C. at 126, 226 S.E.2d at 697.

“The decision whether to allow the amendment of pleadings to conform to the evidence is left to the sound discretion of the trial court.” *Dunbar v. Carlson*, 341 S.C. 261, 266, 533 S.E.2d 913, 916 (Ct. App. 2000).

ARGUMENT

I. THE TRIAL COURT PROPERLY ORDERED A NEW TRIAL BASED UPON THE LACK OF EVIDENCE SUPPORTING THE JURY'S GROSSLY EXCESSIVE VERDICT.

The trial court properly reviewed the jury's verdict and the evidence and determined that the evidence did not justify the grossly excessive verdict and granted a new trial.

SCRCP 59 provides that a new trial may be granted "in an action in which there has been a trial by jury, for any of the reasons for which new trials have heretofore been granted in actions at law in the courts of the State." *See* Rule 59(a), SCRCP. In ruling on a motion for a new trial based on the excessiveness of the verdict, "the trial judge must distinguish between awards that are merely unduly liberal or conservative and awards that are actuated by passion, caprice or prejudice." *Welch*, 342 S.C. at 302, 536 S.E.2d at 420 (citing *Allstate Ins. Co. v. Durham*, 314 S.C. 529, 431 S.E.2d 557 (1993)). "The trial court must grant a new trial absolute if the amount of the verdict is grossly . . . excessive so as to shock the conscience of the court and clearly indicates the figure reached was the result of passion, caprice, prejudice, partiality, corruption or some other improper motive." *Dillon*, 383 S.C. at 63, 678 S.E.2d at 253 (2009) (quoting *Vinson v. Hartley*, 324 S.C. 389, 404–05, 477 S.E.2d 715, 723 (Ct. App. 1996)).

"Ordinarily the only means of discovering the existence of passion and prejudice as influencing the verdict is by comparing the amount of the verdict with the evidence before the trial court." *Nelson v. Charleston & W. C. Ry. Co.*, 231 S.C. 351, 362, 98 S.E.2d 798, 802 (1957). But when there is no evidence from which the jury could reasonably reach the damages awarded, "[t]he size of the jury's verdict alone establishes it as grossly excessive." *Small v. Springs Indus., Inc.*, 292 S.C. 481, 486, 357 S.E.2d 452, 455 (1987); *see id.* at 486-87, 357 S.E.2d at 455 (holding new trial was required because amount awarded was "more than actual compensation at present value for the income" the plaintiff could have earned for the remainder of her life); *see also*

Sanders v. Prince, 304 S.C. 236, 238-39, 403 S.E.2d 640, 642 (1991) (holding new trial required in defamation action because damages award of \$1.25 million was grossly excessive; there was evidence that the plaintiff’s reputation was harmed but also evidence that subsequent to the defamation, she was re-elected to the school board).

The Supreme Court has recently clarified the trial court’s duty in deciding whether to grant a new trial absolute based on the excessiveness of the verdict:

Substantively, the trial court must give substantial deference to the jury in deciding whether the verdict is inadequate or excessive. Procedurally, if the trial court determines the jury’s verdict is inadequate or excessive, it must explain the reasons it made that determination, and those reasons must be compelling. The two requirements apply in all situations in which the trial court is considering a new trial *nisi* or absolute.

Jolly v. Fisher Controls Int’l, LLC, 443 S.C. 511, 524–25, 905 S.E.2d 380, 387 (2024). Applying *Jolly*, the trial court correctly concluded that the jury’s \$412,105 verdict in favor of Moats Construction “was grossly excessive in that there is no evidence to support it and, therefore, the verdict was the result of passion, prejudice, partiality, corruption or other considerations not reflected by the evidence such as confusion and/or misunderstanding of the of the evidence.” Order at 4. In accordance with *Jolly*, the trial court set forth compelling reasons for reaching this conclusion:

There is no trial evidence supporting any verdict over \$33,105.91, which would have been the maximum contractual damages recoverable by the Plaintiffs based on the evidence presented because evidence of the Court’s directed verdict of \$50,000 on delay damages was not submitted to the jury. Therefore, at most, the contract damages under the Mediated Settlement Agreement were \$33,105.91, which consisted of \$27,555.91 in retainage on East West Park Project and \$5,550.00, or the net amount of the Change Order. The Plaintiffs also asked the jury to make an award to Moats Construction related to its inability to obtain bid bonds because the County did not rescind its termination of the Toxaway Contract. The County argued at directed verdict, at the close of all evidence, and again during post-trial motions that there was no evidence by which

the jury could determine such damages and that such damages were speculative.

Id. This conclusion was entirely correct. The damages requested by Moats at trial that were argued to the jury totaled \$33,105.91, comprising retainage of \$27,555.91 and a net amount of \$5,550 from the Change Order provided for in the Mediated Settlement Agreement plus “any other amounts you think is appropriate for breach of the contract.” (Trans. p. 832 l. 9 – p. 837 l. 10). Therefore the “other amount” found by jury was roughly \$379,000. The “other damages” were more than 10 times the amount of the retainage and change order damages related to the East West project.

During the hearing on the post-trial motions, the trial court addressed its specific concerns with the verdict. The trial court said that it was “taken aback” by the verdict (Post-Trial Hearing Trans. p. 20 l. 10) and that, “in this case, I mean, I just don’t see anything in there that comes close to supporting a verdict of that magnitude at all.” (Post-Trial Hearing Trans. p. 20 ll. 4-10). As to the amount of the verdict, the trial court further stated that “You don’t see this over here like that very often, but that makes it even more so to me the fact that it was passion, prejudice, or reason not supported by anything in the record.” (Post-Trial Hearing Trans. p. 22 l. 24 – p. 23 l. 2). The trial court further opined that a new trial may not be “the best way to treat the parties after litigating for a week, but I can tell you that my view is that 412 is nowhere close to the real damages in this case.” (Post-Trial Hearing Trans. p. 23 ll. 6-12).

The trial court’s concerns are reflected in the Order. The trial court found that the verdict was “grossly excessive and clearly the result of passion, caprice, prejudice, partiality, corruption, or other consideration not reflected by the evidence such as confusion and/or misunderstanding of the evidence.” Order at 4. Therefore, the trial court ordered a new trial absolute. The trial court’s decision is well within its discretion and should not be disturbed.

According to Moats, because of Anderson County's actions Moats could not obtain bid bonds for the purpose of bidding on new contracts, and this caused the company to collapse. (Trans. pp. 671-673). But this is pure speculation, and it is contradicted by substantial evidence that Anderson County had nothing to do with Moats's inability to obtain bid bonds.

Moats cites a 2019 email from its then bonding company that said that it would reexamine issuing bonds when a UCC-1 filing relating to the Toxaway project was removed. (Trans. p. 211 l. 8 – p. 212 l. 15; Pl. Ex. 12). Moats was not able to provide a copy of the UCC-1 and it is not in evidence. (Trans. p. 211 l. 8 – p. 212 l. 15; Pl. Ex. 12). It is uncontested that Moats did not complete either the Toxaway or East West projects. After Moats walked off the East West project, Anderson County notified Moats' bonding company that Moats refused to complete the project and that Anderson County was going to complete the project and hoped that the amount remaining on the contract will be sufficient to complete the work. (Pl. Ex. 42). No similar letter regarding Toxaway was introduced into evidence. However, Moats bonding company requested a status regarding the Toxaway project from Anderson County. Anderson County truthfully responded that the "Contractor failed to meet their obligation as required by mediation." (Pl. Ex. 43). There is nothing untrue about the East West letter nor the Toxaway update. Moats did not complete either project.

Importantly, there is substantial evidence that Moats's inability to obtain bid bonds had nothing to do with Anderson County. Almost a year before the communication from the bonding company discussed above, Moats was working with another bonding company to obtain bid bonds. During that process, the bonding company asked Moats for various forms of information, including about several pending lawsuits. (Trans. p. 684 l. 5 – p. 686 l. 7; Def. Ex. 1, Tab 23 at Moats 01473). Ultimately, that bonding company refused to issue bid bonds for Moats for reasons

completely unrelated to Anderson County. Specifically, the bonding company explained that its denial of bid bonds to Moats was based on the following:

1. Personal credit remained locked after repeated attempts. Unable to continue underwriting.
2. Preponderance of open lawsuits shown in Westlaw inquiry, specifically New Beach Construction Partners, Inc. and claim against Travelers Casualty and Surety, Doug Proctor, and AT&T.
3. Requested amount of surety support was \$400,000 above previously completed largest job.
4. Lack of CPA prepared financial statements
5. Lack of bank line of credit
6. Lack of requested personal and corporate tax returns

(Def. Ex. 1, Tab 23 at Moats 01475; *see* Trans. p. 686 l. 11 – p. 690 l. 19.) At trial, Moats agreed that the list of reasons justifying the refusal did not mention Anderson County at all. (Trans. p. 688 ll. 1-5).

Aside from this, Moats offered no evidence whatsoever to prove that it would have obtained even one of the contracts it claimed it could not bid on. Recognizing the speculative nature of Moats's claim, the trial court precluded Moats from arguing lost profits to the jury. (Trans. p. 662 ll. 1-13). In its brief, Moats argues that the unexplained \$379,000 constitutes damages for Moats's loss of business goodwill. (Appellant's Br. at 16-18). But calling it "good will" instead of "lost profits" does not make it any less speculative. In this case, as in *Small and Sanders, supra*, there simply is nothing in the record for the jury to base \$379,000 worth of damages on. Accordingly, given the complete lack of evidence and the size of the verdict, a new trial absolute was clearly warranted on the grounds that the verdict could only have been based on passion, caprice, prejudice, partiality, corruption or some other improper motive.

II. THE TRIAL COURT PROPERLY ORDERED A NEW TRIAL BASED UPON THE THIRTEENTH JUROR DOCTRINE.

The trial court also granted a new trial absolute pursuant to the Thirteenth Juror Doctrine because the evidence did not justify the verdict. Order at 4-5. The trial court's ruling should be affirmed.

Under the "thirteenth juror" doctrine, a trial court may grant a new trial absolute when it finds the evidence does not justify the verdict. *See Folkens v. Hunt*, 300 S.C. 251, 254, 387 S.E.2d 265, 267 (1990) (affirming trial court's order granting a new trial under the thirteenth juror doctrine); *McEntire v. Mooregard Exterminating Services*, 353 S.C. 629, 631, 578 S.E.2d 746, 747 (Ct. App. 2003); *Sorin Equip. Co. v. Firm, Inc.*, 323 S.C. 359, 363-64, 474 S.E.2d 819, 822 (Ct. App. 1996). In other words, South Carolina's "thirteenth juror" doctrine entitles the trial judge to sit, in essence, as the thirteenth juror when he or she finds the evidence does not justify the verdict, and then to grant a new trial based solely "upon the facts." *Norton v. Norfolk S. Ry. Co.*, 350 S.C. 473, 567 S.E.2d 851 (2002). As the "thirteenth juror," the trial judge can hang the jury by refusing to agree to the jury's otherwise unanimous verdict. *See id.* The trial court's ruling should not be disturbed on review "unless the finding is wholly unsupported by the evidence or the conclusion has been controlled by error of law." *RFT Mgmt. Co., LLC v. Tinsley & Adams L.L.P.*, 399 S.C. 322, 334, 732 S.E.2d 166, 172 (2012); *S.C. State Highway Dept. v. Clarkson*, 267 S.C. 121, 126, 226 S.E.2d 696, 697 (1976). An order based upon conflicting testimony will not be disturbed on appeal. *Id.*

As discussed in section I, the trial court reasoned that the evidence was not sufficient for a verdict of \$412,105. (Post-Trial Hearing pp. 20-23). Such a ruling is within the trial court's discretion and should be affirmed.

Moats asserts that the trial court abused its discretion or committed an error of law by excluding goodwill damages. However, the Order does not exclude goodwill damages. Rather, the trial court simply found that such damages were not justified. As discussed above, there was conflicting evidence regarding the goodwill damages. Moats argues that Anderson County caused Moats to lose the ability to obtain bid bonds. Moats argues that Anderson County filed a bond claim due to Moats not completing the Toxaway Project and did not rescind the termination of the contract, among other things, that impacted its ability to obtain bid bonds. However, the record contains evidence that contradicts that Anderson County was the cause of the loss of business goodwill and the inability of Moats Construction to obtain bid bonds. The record contains evidence that Moats walked off of and did not complete the East West project and did not restart the Toxaway project as required by the Mediated Settlement Agreement. The record also contains evidence that Moats' inability to obtain bid bonds was unrelated to Anderson County. (Trans. p 686 l. 11 – p. 690 l. 19; Def. Ex. 1, Tab 23 at Moats 01475). To the contrary, there was also evidence that the bonding issues were caused by Moats's conduct, including not providing sufficient information to the bonding company, the amount of litigation it was involved in, and that it sought bonding in an amount much higher than its largest projects. *Id.*

Conflicting evidence does not preclude the trial court from finding that the verdict was not justified by the evidence as it did here. *Ex Parte Travelers Home & Marine Ins. Co. v. Stringfellow*, 427 S.C. 238, 244-45, 830 S.E.2d 718, 721-22 (Ct. App. 2019). Therefore, the ruling is within the trial court's discretion and should not be disturbed. The trial court's decision is not based on an error of law nor an abuse of discretion and should be affirmed.

III. THE TRIAL COURT PROPERLY DENIED MOATS'S BELATED MOTION TO AMEND THE COMPLAINT TO ALLEGE DEFAMATION AGAINST ANDERSON COUNTY.

Rule 15(b), SCRCP, allows a party to amend his or her pleadings to conform to the evidence

“if an issue not raised by the pleadings is tried by express or implied consent of the parties.” *Dunbar*, 341 S.C. at 266–67, 533 S.E.2d at 916 (quoting *Sunvillas Homeowners Ass’n. v. Square D Co.*, 301 S.C. 330, 334, 391 S.E.2d 868, 871 (Ct. App. 1990)). “Although the spirit of the modern procedural rules is to promote pleading flexibility to ensure disputes are decided on their merits rather than the whims of formalism, Rule 15(b) reminds us that pleading is not altogether formless, and issues cannot enter a trial by stealth.” *Northwest Props., LLC v. Strebler*, 424 S.C. 617, 626, 819 S.E.2d 154, 159 (Ct. App. 2018). “[I]f late amendment of the pleadings would cause prejudice to the opposing party, the court should either deny the amendment or grant a continuance reasonably necessary to allow the opposing party to meet the amendment.” *Ball v. Canadian Am. Exp. Co.*, 314 S.C. 272, 275, 442 S.E.2d 620, 622 (Ct. App. 1994). “Prejudice occurs when the amendment states a new claim or defense which would require the opposing party to introduce additional or different evidence to prevail in the amended action.” *Id.*

After presenting its case-in-chief on all issues, Moats moved “to amend [its] complaint to allege defamation against Anderson County with respect to ... these bonding issues,” *i.e.*, writing a claim letter to the bonding company regarding the East-West Project and responding to the status request on the Toxaway Project by stating that Moats had breached the Mediated Settlement Agreement. (Trans. p. 666 l. 24 – p. 667 l. 9; *see* Appellant’s Br. at 23). The trial court responded,

That’s just not been part of your case in the defamation, and they [the County] haven’t had a chance to respond to it so I’m denying that because it would not be fair to the County or to the individuals.

(Trans. p. 667 ll. 6-9). When Moats raised the issue again later in the proceedings, the trial court reiterated that the statements about the bonding issues were related to damages, not to a defamation claim against Anderson County, and in any event the statements were not defamatory as a matter of law. (Trans. p. 729 ll. 15-23).

The trial court did not abuse its discretion in denying the motion to amend. First, Anderson

County would clearly have been prejudiced by the amendment. Throughout the trial, all of Moats's evidence on defamation related to the individual County employees named in the complaint. As the trial court recognized, evidence regarding the bond-related statements was presented solely for the purpose of establishing Moats's damages due to Anderson County's alleged breach of the Mediated Settlement Agreement. In that context, whether the statements are true or false is not at issue; the only questions are whether the statements constituted a breach of the Mediated Settlement Agreement and, if so, whether they caused damages. If the statements were presented as being defamatory, the truth or falsity of the statements is of central importance, because truth is a defense to defamation. *See Kennedy v. Richland Cty. Sch. Dist. Two*, 428 S.C. 98, 130, 833 S.E.2d 414, 431 (Ct. App. 2019) ("Truth of a statement is a defense to defamation."). Because Moats waited until after the end of its case-in-chief to move to amend its complaint, Anderson County had no opportunity to cross-examine Russell Moats (or any other witness) as to the truth or falsity of the statements, and therefore it would have been prejudiced by the amendment. Moats's motion was properly denied.

CONCLUSION

For the foregoing reasons, Respondent Anderson County respectfully requests that the Court of Appeals AFFIRM the Order Granting New Trial issued by the Honorable R. Lawton McIntosh dated October 14, 2024.

s/ John W. Davidson

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