

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF MARLBORO

FOURTH JUDICIAL CIRCUIT

SHARON COVINGTON AND DOROTHY DOUGLAS,

Case No. 2025-CP-34-00154

Plaintiffs,

v.

**ORDER DENYING ENFORCEMENT OF ARBITRATION**

IST BETTER LIVING 2, LLC; MARLBORO COUNTY DELINQUENT TAX COLLECTOR; NEWREZ, LLC d/b/a SHELLPOINT MORTGAGE SERVICING,

Defendants.

On December 4, 2025, this Court heard Defendant Newrez, LLC d/b/a Shellpoint Mortgage Servicing's ("Shellpoint") Motion to Dismiss Plaintiff's Amended Complaint ("Motion to Dismiss"), which sought among other relief to dismiss the claims against it due to an alleged agreement to arbitrate, or to stay the claims and compel arbitration. The Court entered a Form 4 Order denying the Motion to Dismiss on December 9, 2025, and now enters a more formal order specifically finding that the parties do not have a binding agreement to arbitrate and denying Shellpoint's request to compel arbitration. Having reviewed the Motion to Dismiss and its Exhibit A, having reviewed the memoranda filed by the parties, having heard the arguments of counsel, and being otherwise fully informed and advised, the Court makes the following findings of fact and conclusions of law:

1. On or about August 14, 1998, Plaintiff Dorothy Q. Douglas executed a Manufactured Home Retail Installment Contract and Security Agreement ("Security Agreement") financing the purchase of a manufactured home for \$53,327.78 and granting Green Tree Financial Servicing Corporation a security interest in the manufactured home.

2. The Security Agreement contains a purported agreement to arbitrate certain disputes, as follows:

14. **ARBITRATION:** All disputes, claims or controversies arising from or relating to this Contract or the parties thereto shall be resolved by binding arbitration by one arbitrator selected by Assignee with consent of Buyer(s). This agreement is made pursuant to a transaction in interstate commerce and shall be governed by the Federal Arbitration Act at 9 U.S.C. Section 1. Judgment upon the award rendered may be entered in any court having jurisdiction. The parties agree and understand that they choose arbitration instead of litigation to resolve disputes. The parties understand that they have a right to litigate disputes in court, but that they prefer to resolve their disputes through arbitration, except as provided herein. **THE PARTIES VOLUNTARILY AND KNOWINGLY WAIVE ANY RIGHT THEY HAVE TO A JURY TRIAL EITHER PURSUANT TO ARBITRATION UNDER THIS CLAUSE OR PURSUANT TO A COURT ACTION BY ASSIGNEE (AS PROVIDED HEREIN).** The parties agree and understand that all disputes arising under case law, statutory law and all other laws Including, but not limited to, all contract, tort and property disputes will be subject to binding arbitration in accord with this Contract. The parties agree and understand that the arbitrator shall have all powers provided by the law and the Contract. These powers shall include all legal and equitable remedies including, but not limited to, money damages, declaratory relief and injunctive relief. Notwithstanding anything hereunto the contrary, Assignee retains an option to use judicial (filing a lawsuit) or non-judicial relief to enforce a security agreement relating to the Manufactured Home secured in a transaction underlying this arbitration agreement, to enforce the monetary obligation secured by the Manufactured Home or to foreclose on the Manufactured Home. The Institution and maintenance of a lawsuit to foreclose upon any collateral, to obtain a monetary judgment or to enforce the security agreement shall not constitute a waiver of the right of any party to compel arbitration regarding any other dispute or remedy subject to arbitration in this Contract, including the filing of a counterclaim in a suit brought by Assignee pursuant to this provision.

3. At the hearing, Shellpoint's counsel additionally submitted a copy of Green Tree Financial Servicing Corporation's Application by a Foreign Corporation for a Certificate of Authority to Transact Business in the State of South Carolina filed with the Secretary of State on May 9, 1995, stating that Green Tree Financial Servicing Corporation was a Delaware company with its principal place of business in Saint Paul, Minnesota.

4. For the reasons set forth in Plaintiffs' Memorandum in Opposition to Shellpoint's Motion to Dismiss filed December 4, 2025, and as further articulated by Plaintiff's counsel on the record at the December 4, 2025 hearing, the Court finds that the purported agreement to arbitrate is unenforceable.

**IT IS THEREFORE ORDERED AND ADJUDGED** that Shellpoint's Motion to Dismiss the Amended Complaint based on the arbitration provision, or to stay the claims against Shellpoint and compel arbitration is **DENIED**.

**IT IS SO ORDERED.**

**[JUDGE'S SIGNATURE PAGE TO FOLLOW]**



Marlboro Common Pleas

**Case Caption:** Sharon Covington VS 1st Better Living 2, LLC

**Case Number:** 2025CP3400154

**Type:** Order/Other

So Ordered

s/ R.E. Hood #2164