

EXHIBIT 2

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SC Court of Appeals

IN THE COURT OF COMMON PLEAS
THIRTEENTH JUDICIAL CIRCUIT

CASE NUMBER: 2021-CP-23-04836

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

Thomas J. Stultz, Lecia S. Franklin, R.C.
Frederick Hanold, III,

Plaintiffs,

vs.

Rallis Holdings, LLC,

Defendant.

**ORDER GRANTING PLAINTIFFS' THIRD
MOTION TO COMPEL AND STRIKING
DEFENDANT'S AMENDED ANSWER**

THIS MATTER came before the Court on June 27, 2025 for an in-person hearing on Plaintiffs Thomas J. Stultz, Lecia S. Franklin, R.C. Fredrick Hanold, III's ("Plaintiffs") Third Motion to Compel/Motion for Default Judgment ("Motion"). At the call of the case, Plaintiffs were represented by Attorneys Bruce W. Bannister and Ryan W. Pasquini. Defendant Rallis Holdings, LLC ("Defendant" or "Rallis Holdings") was represented by Attorney Ashaley C. Boatwright. After considering all motions, filings, the record, oral arguments, and the discovery efforts undertaken by the parties, this Court respectfully GRANTS the Plaintiffs' Motion.

FACTUAL AND PROCEDURAL BACKGROUND

1. This matter was initiated by the filing of a Complaint on October 11, 2021. Plaintiffs are asserting causes of action against Defendant Rallis Holdings for Breach of Covenants and Permanent Injunction.

2. Defendant Rallis Holdings filed an Answer on December 27, 2021. With consent of Plaintiffs, Rallis Holdings filed an Amended Answer on October 18, 2022, asserting several affirmative defenses including abandonment and waiver.

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3. Rallis Holdings owns two parcels in Greenville County, South Carolina, TMS # 0543.0301- 057.00 and TMS # Tax Map Number: 0543.03-01-057.01 as more fully described in the Complaint (“the Property”). The Property was previously owned by Lincoln of South Carolina, Inc. (“Lincoln”). On January 16, 1981, prior to conveying the Property, Lincoln filed a Declaration of Restrictions and Protective Covenants (“the Covenants”).

4. Plaintiffs are owners of property in the Watson’s Orchard Subdivision and the Covenants inure to their benefit. In the instant case, Plaintiffs are asserting causes of action against Rallis Holdings for Breach of Covenants and Permanent Injunction.

5. Specifically, Plaintiffs contend that pursuant to the Covenants Art. I(1), “All lots shall be used exclusively for residential purposes.” Pursuant to the Covenants Art. II(2)(i), the Property “shall have all lots facing Pelham Road with a minimum frontage of 200 feet, and a minimum lot size of 55,000 square feet.” Therefore, these two provisions restrict the Property to being used exclusively for residences with the number of residences being restricted to eleven.

6. Furthermore, pursuant to the Covenants Art. IV(4), “The removal of any tree which is in excess of six (6) inches in diameter (dbh) will require prior approval of the Architecture Committee.” On August 2, 2021, Rallis Holdings applied to rezone the property from Agricultural to C2 (a commercial classification).

7. During the summer of 2021, Defendant clear-cut and removed numerous trees from the multi-acre Property in violation of the Covenants.

8. Defendant admits that it removed trees from the Property and that one or more of those trees exceeded six inches in diameter. See Answer ¶¶ 12-13.

9. On July 13, 2022, Plaintiffs served Plaintiffs’ First Set of Interrogatories and First Requests for Production on Defendant.

10. On August 17, 2022, Defendant requested a thirty-day extension to respond, making its responses due September 16, 2022.

11. On September 20, 2022, Defendant's prior counsel emailed Plaintiffs proposed revised restrictive covenants and a site plan showing forty-nine residential lots.

12. On September 26, 2022, Plaintiffs served revised interrogatories and asked Defendant to advise when discovery responses could be expected.

13. Defendant requested until October 10, 2022, to serve its discovery responses, and Plaintiffs agreed.

14. On October 4, 2022, Defendant's counsel sent Plaintiffs' counsel an email containing a proposed subdivision of the Property created by Site Design, Inc.

15. On October 13, 2022, Defendant served written discovery responses without an accompanying production of documents to Plaintiffs' Discovery Requests.

16. On November 9, 2022, Defendant filed, and Plaintiffs consented to a Motion for Substitution of Counsel.

17. On November 17, 2022, the court ordered that Ashaley C. Boatwright and the firm Boatwright Legal, LLC, along with Erika Baldwin and the firm Baldwin Law, LLC, are substituted as counsel in this action for Defendant Rallis Holdings, LLC.

18. Defendant's discovery responses were deficient; therefore, Plaintiffs notified Defendant's new counsel by letter dated March 13, 2023, that if the deficiencies were not cured, Plaintiffs would file a Motion to Compel and assess costs and reasonable attorney fees.

19. Defendant's new counsel responded to Plaintiffs' deficiency letter on May 30, 2023, but did not cure the discovery deficiencies or produce any documents.

20. On September 28, 2023, Plaintiffs deposed the owner of Defendant, and it became clear there were additional deficiencies in Defendant's discovery responses.

21. Plaintiffs notified Defendant with an additional deficiency letter on October 23, 2023, that if deficiencies were not cured on or before November 6, 2023, Plaintiffs would file a Motion to Compel and assess costs and reasonable attorney fees.

22. Defendant's responses were deficient for numerous reasons, including but not limited to those stated in Plaintiffs' October 23, 2023 letter.

23. Because the Defendant's responses were deficient, Plaintiffs filed a Motion to Compel Discovery on November 9, 2023. There was a hearing on the motion, which was resolved by this Court's November 30, 2023 Order directing the parties to engage the services of a mediator to give guidance toward resolution of their discovery issues and the issue of sanctions was held in abeyance.

24. On November 13, 2023, Defendant's counsel sent Plaintiffs' counsel a letter attempting to supplement Interrogatory 1 to add the name Zach Hines as a witness.

25. Following Judge Kinlaw's November 30, 2023 Order, the parties engaged the services of mediator, Eric Englehardt, in attempt to resolve the outstanding discovery concerns outlined in Plaintiffs' First Motion to Compel, filed on November 9, 2023.

26. On March 11, 2024, both parties' counsel, along with Mr. Englehardt mediated the issues outlined in Plaintiffs' motion to compel. Pursuant to the Memo of Agreement and Consent Order resulting from the discovery mediation, Defendant agreed to produce certain requested information and documents no later than April 10, 2024.

27. In violation of the Order, Defendant failed to produce any supplemental discovery or provide any of the agreed upon information and documents by April 10, 2024.

28. On April 11, 2024, Plaintiffs' counsel sent Defendant an email and letter asking him to provide the information and documents by 12:00 PM on April 12, 2024, or Plaintiffs will be forced to move this Court to compel the Defendant to comply with the Consent Order.

29. On April 11, 2024, Defendant's counsel sent Plaintiffs' counsel response stating that there were no additional documents to provide aside from the documents submitted to the Planning Commission.

30. In response, on April 11, 2024, Plaintiffs' counsel asked Defendant's counsel when and how his client conveyed the information and documentation that Defendant's counsel claimed was already provided. Defendant's counsel explained that the responsive documents had originally been transmitted by prior counsel; that he had simply restated the earlier relevance objections; and that, in his view, all pertinent materials had already been provided, and offered to resend them if Plaintiffs wished.

31. On May 21, 2024, having received no additional documents, Plaintiffs' counsel again sent Defendant's counsel a letter requesting that Defendant's counsel formally supplement his discovery responses and comply with the Consent Order from the discovery mediation.

32. Over numerous e-mails, Defendant's counsel stated that his client believed all responsive documents had been produced years ago and claimed there was nothing further to provide. When Plaintiff requested identification of the documents already produced, Defendant's counsel refused, acknowledging that he did not have copies of prior emails or discovery responses sent by former counsel and was unaware of what had previously been provided.

33. Despite mediation, the parties remained at an impasse over Interrogatory 7 and Request for Production 10, prompting Plaintiffs to file a Second Motion to Compel, which the Court heard on November 19, 2024.

34. Defendant's supplemental responses of May 24, 2024 added only one new witness while denying that any meetings had occurred and insisting that all responsive communications were already in Plaintiffs' possession. Defendant also maintained that it lacked documents concerning its subdivision application, explaining that it was waiting for a response to a subpoena it had issued.

35. On July 22, 2024, Defendant served another supplemental response. With respect to Request for Production 9, it again claimed no additional emails existed, producing just four PDF files totaling twenty-six pages, none of which cured the previously identified deficiencies.

36. On December 4, 2024, the Court granted Plaintiffs' motion to compel further answers to Interrogatory 7 and Request for Production 10, ordering Defendant to withdraw its objections and provide complete responses within twenty-one days.

37. On December 13, 2024, Defendant submitted a nominal supplement to Request for Production 10 yet produced no documents.

38. On December 19, 2024, Defendant supplemented Interrogatory 7 by naming only one additional witness and left the balance of its response unchanged.

39. On January 6, 2025, Defendant filed a motion to compel. Plaintiffs advised that the requested materials had been produced long ago; subsequent correspondence revealed that Defendant no longer possessed hundreds of the documents Plaintiffs' provided documents.

40. Plaintiffs on March 31, 2025, re-sent links to their entire production, more than 3,000 pages, at Defendant's request.

41. Over years of litigation, Plaintiffs have been forced to file multiple motions to compel, participate in discovery mediation, and argue several discovery hearings. During that period, Defendant produced incomplete interrogatory answers, a subdivision plan drawing meant

for mediation negotiation, and a few dozen pages of emails, scarcely more than thirty unique documents in total, even though it had agreed, and was later ordered, to provide other information and documents such as Planning Commission filings and correspondence with prospective purchasers.

42. Accordingly, on January 6, 2025, Plaintiffs filed the present Motion for Default Judgment and Third Motion to Compel.

43. Less than forty-eight hours before the hearing, Defendant provided an 1,837-page PDF it claimed was its complete file and production.

44. A review of the production revealed that almost all of the pages were duplicates or irrelevant: two full copies of an appellate record from an unrelated case, numerous Westlaw printouts, duplicates of Plaintiffs' own documents, repeated engagement letters, and publicly available property records. The production still omitted the information, documents, communications, emails, text messages, and Planning Commission materials that the Court had expressly ordered Defendant to provide.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. HISTORY OF NON-COMPLIANCE WITH THE DISCOVERY RULES AND ORDERS OF THIS COURT

The record reflects ongoing challenges with the Defendant's discovery compliance, spanning three court orders and numerous informal requests by Plaintiffs for basic information. First, by Order dated November 30, 2023, the Court compelled the parties to participate in Court Ordered Discovery Mediation. As a conclusion to the mediation, a Consent Order was filed which required Defendant to provide full, verified answers to Interrogatories 1, 4, and 6 and complete responses to Requests for Production 9, 10, and 14 no later than April 10, 2024. Defendant did not

do so. Instead, Defendant simply asserted that “the relevant stuff had been provided before we got on the case,” a statement the Court now finds was plainly inaccurate.

Second, after discovery mediation failed to resolve Interrogatory 7 and Request for Production 10, Plaintiffs filed a Second Motion to Compel. The motion was heard on November 19, 2024, and resulted in the Court’s Order of December 4, 2024. That Order held the disputed material “relevant and discoverable,” directed the Defendant to withdraw all objections, and required complete supplementation within twenty-one days. The Defendant’s subsequent production was deficient. On December 13, 2024, Defendant declared, without qualification, that “there are no responsive documents” to Request for Production 10. On December 19, 2024, Defendant supplemented Interrogatory 7 by adding only one name, Jay Stephens, notwithstanding earlier testimony that negotiations had occurred with QuikTrip and other prospective buyers of the Property.

The Court notes that, during the November 19, 2024 hearing, defense counsel disclosed that the Defendant had negotiated with QuikTrip for the sale of a portion of the Property for approximately three million dollars and further conceded he had advised his client not to disclose any other prospective purchasers because, in counsel’s view, “Quick Trip wasn’t relevant.” No communications with QuikTrip, Flournoy Properties Group, or any other buyer have ever been produced by Defendant. The sole reason Plaintiffs are even aware of the existence of the negotiations is through a third-party subpoena response from Zach Hines.

Third, the Defendant’s omissions have prejudiced the Plaintiffs. Communications with prospective purchasers bear directly on Defendant’s knowledge of the restrictive covenants, his efforts to overturn those covenants, his specific violations of those covenants, and the market value

and intended commercial use of the Property. The Court is satisfied that such prejudice is not just speculative at this late stage of the litigation.

The Defendant's conduct also violates his independent duty under Rule 34, SCRPC, to produce documents within his possession, custody, or control. Rule 34, SCRPC, requires a party to produce documents within their "possession, custody, or control." Courts have consistently held that a request for production is not limited to documents physically possessed by a party but extends to items within that party's "control." *Rule 34(a)(1), SCRPC*. The term "control" has been broadly interpreted to include the legal right or practical ability to obtain the requested documents from a third party. *In re Bankers Trust Co.*, 61 F.3d 465, 469 (6th Cir. 1995); *Mercy Catholic Med. Cntr. v. Thompson*, 380 F.3d 142, 160 (3d Cir. 2004); *Searock v. Stripling*, 736 F.2d 650, 653 (11th Cir. 1984).

As sole owner of Rallis Holdings, the Defendant had both legal authority and practical capacity to retrieve corporate records concerning Planning-Commission filings, neighborhood outreach, and negotiations with purchasers. Moreover, South Carolina law imposes a duty to preserve relevant evidence once litigation is reasonably anticipated. The Defendant has been on notice of this dispute since 2021 and offers no credible explanation for the non-production of plainly relevant materials.

In light of the foregoing, the Court concludes that sanctions under Rule 37 are warranted to protect the integrity of the discovery process, punish disobedience of the Court's authority, and deter similar conduct in the future. The Court therefore finds that Defendant has violated its prior orders and that an appropriate sanction must be imposed.

2. ANALYSIS OF RULE 37 FACTORS SUPPORTS IMPOSITION OF SEVERE SANCTIONS

“[T]he rights of discovery provided by the rules give the trial lawyer the means to prepare for trial, and when these rights are not accorded, prejudice must be presumed.” *Samples v. Mitchell*, 329 S.C. 105, 113-114, 495 S.E.2d 213, 215 (Ct. App. 1997) (citing *Downey v. Dixon*, 294 S.C. 42, 46, 362 S.E.2d 317, 319 (Ct. App. 1987)). “[T]he entire thrust of the discovery rules involve full and fair disclosure, to prevent a trial from becoming a guessing game or one of surprise for either party.” *Id.* at 113, 495 S.E.2d at 217 (citing *State Highway Dep’t v. Booker*, 260 S.C. 245, 252, 195 S.E.2d 615, 619 (1973)).

“If a party . . . fails to obey an order to provide or permit discovery . . . the court in which the action is pending may make such orders in regard to the failure as are just, and among others the following: An order striking out pleadings . . . or rendering a judgment by default against the disobedient party.” Rule 37(b)(2)(C), SCRCF. A Court may also order that “designated facts shall be taken to be established for the purposes of the action” and may award reasonable attorneys fees and costs. Rule 37(b)(2) and (A).

“The orders of the trial court are not Shakespearean in nature ‘full of sound and fury, [s]ignifying nothing.’” *Griffin Grading & Clearing, Inc. v. Tire Service Equip. Manufacturing Co., Inc.*, 334 S.C. 193, 199, 511 S.E.2d 716, 719 (Ct. App. 1999) (internal citation omitted). “If a party fails to obey an order to provide or permit discovery, the trial court may impose sanctions such as striking the pleadings, dismissing the action, or rendering a default judgment.” *Griffin*, 334 S.C. at 198, 511 S.E.2d at 718. “The selection of a sanction for discovery violations is within the trial court’s discretion.” *Griffin*, 334 S.C. at 198, 511 S.E.2d at 718. “The sanction should be aimed at the specific conduct of the party sanctioned and not go beyond the necessities of the situation to

foreclose a decision on the merits of the case.” *Id.* In determining the appropriate sanction, the Court must consider certain factors, including, but not limited to:

- A) The precise nature of the discovery;
- B) The discovery posture of the case;
- C) The willfulness of the violation; and
- D) The degree of prejudice to the opposing party.

Griffin, 334 S.C. at 199, 511 S.E.2d at 719.

In *Griffin*, the Court of Appeals upheld an order striking the Defendant’s answer when the Defendant had violated multiple orders compelling it to provide complete discovery responses and to produce witnesses for deposition. Here, the Defendant has failed to comply with the Court’s previous orders to provide full and complete interrogatory answers and responses to requests for production. With this history in mind, the Court considers the following factors relevant to any decision to award sanctions:

A) NATURE OF DISCOVERY

Plaintiffs seek from Defendant verified answers to the outstanding interrogatories, full and complete responses to the requests for production, and all additional discovery items that Defendant agreed to provide during court-ordered discovery mediation.

For more than three years, Plaintiffs have sought, but still have not received, full, verified answers to Interrogatories 1, 4, 6, and 7. Defendant has likewise failed to provide complete responses to Requests for Production 9, 10, and 14. Critical items, including correspondence with QuikTrip, Flournoy Properties Group, neighborhood residents, and other prospective buyers, remain undisclosed, and no privilege log has been furnished to justify these omissions.

Moreover, despite the court-ordered mediation agreement, Defendant has never produced

the materials it submitted to the Planning Commission. Because some of the pivotal questions in this case are whether Defendant knowingly breached the Covenants, pursued commercial rezoning in violation of their terms, and attempted to purchase neighborhood acquiescence, the missing documents and answers are indispensable to Plaintiff preparing its case. Defendant's failure to comply with any of the rules of discovery weighs in favor of entering significant sanctions.

B) DISCOVERY POSTURE OF THE CASE

As detailed above, the record shows a persistent pattern of discovery abuse by Defendant, spanning three separate court orders and numerous informal efforts by Plaintiffs to obtain basic information. Plaintiffs have spent considerable time and resources on discovery mediation and repeated hearings addressing the same unresolved issues. As of the June 27, 2025 hearing, this case had been pending for 1,355 days, with 1,080 days having passed since Plaintiffs first served discovery in July 2022. The matter now stands in chronic, unresolved non-compliance on the eve of trial. This prolonged delay is highly prejudicial to Plaintiffs, and the present discovery posture strongly supports the imposition of significant sanctions.

C) WILLFULNESS OF THE VIOLATIONS

The Defendant's discovery misconduct is neither accidental nor the product of misunderstanding; rather, it reflects a deliberate and calculated strategy to frustrate the discovery process and undermine the authority of this Court. This is not a case of isolated oversight or excusable neglect. Instead, the record establishes a persistent and knowing disregard for clear and repeated judicial orders. As detailed above, this Court has issued multiple orders compelling Defendant to produce specific categories of documents and information, each time after full

briefing and argument, and each time the Defendant has either ignored the obligation or offered insufficient, evasive, and incomplete responses.

Despite many opportunities to cure these deficiencies and unambiguous warnings from the Court, Defendant has made no meaningful effort to comply. The failure to produce responsive communications, transactional records, and other documentation ordered in prior rulings, spanning from the November 30, 2023 hearing and subsequent discovery mediation to the May 22, 2024 Consent Order and the December 4, 2024 Order, demonstrates not merely noncompliance, but open defiance. Defendant's continued refusal to comply with the discovery rules and orders of the court evidences a willfulness that weighs in favor of entering significant sanctions.

D) DEGREE OF PREJUDICE TO PLAINTIFFS

Defendant continued to refuse to fully answer interrogatories and respond to requests for production in defiance of numerous court orders have prohibited Plaintiffs from conducting discovery and fully preparing their case in chief. For example, without the Planning-Commission file they cannot prove Defendant's knowledge when it sought to rezone. Plaintiffs have been compelled to draft three motions to compel, attend multiple hearings, participate in mediation, and re-produce their own discovery, all because Defendant insists the critical documents either never existed or were already provided.

In addition, the Court is mindful that "the rights of discovery provided by the rules give the trial lawyer the means to prepare for trial, and when these rights are not accorded, prejudice must be presumed." *Samples v. Mitchell*, 329 S.C. 105, 113-114, 495 SE2d 213, 215 (Ct. App. 1997). Accordingly, the degree of prejudice to the Plaintiff weighs in favor of entering significant sanctions.

3. STRIKING DEFENDANT’S ANSWER IS THE APPROPRIATE SANCTION

Now, to determine an appropriate sanction in light of Defendant’s conduct. Options for sanctions include a fine, striking of pleadings or a spoliation charge to the jury. A spoliation charge to the jury would allow the jury to draw an inference that destroyed evidence would have been unfavorable to the Defendant. *Stokes v. Spartanburg Regional Medical Center*, 368 S.C. 515 (2006). A charge for spoliation seems like a mere tap on the hand in view of the Defendant’s egregious conduct, especially since the failure to provide the information severely hampers the Plaintiffs’ ability to prove their case, thus rendering the spoliation charge not sufficient. The Court has threatened with other sanctions, but the Defendant still has not provided the requested information and complied with its Orders.

When a party or counsel for a party fails to take their discovery obligations seriously and fails to comply with the Rules of Civil Procedure and a court Order, the most powerful and effective remedy at this Court’s disposal is the issuance of sanctions pursuant to Rule 37, SCRC.P.

Defendant’s actions regarding discovery in this case have been willful and in bad faith. Defendant’s discovery responses have been untimely, improper, evasive, misleading, incomplete and in violation of the discovery rules and the Orders issued this Court. Defendant has had more than enough time and opportunities to comply. Precedent requires a meaningful sanction in this case.

On several occasions, South Carolina’s appellate courts have upheld the ultimate sanctions for discovery abuse – striking an answer and placing a party in default or dismissal. In *Griffin*, the South Carolina Court of Appeals confirmed the circuit court's decision to strike defendant's answer as a discovery sanction. The plaintiff attempted to conduct discovery for nearly two (2) years. *Griffin*, 334 S.C. at 195, 511 S.E.2d at 717. Three months after serving discovery on defendant,

the plaintiff was forced to file a motion to compel. *Id.* Eventually, defendant responded but gave incomplete answers to four (4) of the six (6) interrogatories.

Nearly seven (7) months later, Griffin requested a hearing on its motion to compel because defendant had yet to supplement its answers to interrogatories. *Id.* The hearing was eventually scheduled to be heard nearly a year after the defendant had partially answered the first set of interrogatories. *Id.* On the day of the hearing, the parties signed a consent order providing that defendant would fully answer and respond to Griffin's first set of interrogatories within two (2) weeks, supplement its responses to Griffin's requests to produce within two (2) weeks; and reschedule and allow Griffin to take the depositions of two (2) defendant employees and a Rule 30(b)(6) witness within one (1) month. *Id.* The defendant in *Griffin* continued to disobey court orders and refused to cooperate in discovery. The court eventually struck the defendant's answer after finding a pattern of non-compliance with three discovery orders and repeated failures to supplement basic interrogatories and requests for production. The Court of Appeals affirmed, citing willfulness, bad faith, and prejudice to the plaintiff.

The facts of the present case are analogous to those in *Griffin* and demonstrate a clear pattern of discovery abuse and willful noncompliance. Similar to *Griffin*:

- (1) Plaintiffs have attempted to obtain basic discovery from Defendant for over 34 months (twice as long as in *Griffin*), including documents and communications critical to assessing Defendant's representations about the property, the alleged restrictive covenant violations, and potential third-party purchasers;
- (2) Plaintiffs were forced to file multiple motions to compel after numerous letters and informal efforts went unanswered, with no meaningful discovery produced years after service;

(3) As a result of the first motion to compel, the parties participated in court-ordered discovery mediation, culminating in a Consent Order entered on May 22, 2024, which required Defendant to produce specific documents and supplement multiple interrogatory responses by April 10, 2024;

(4) Defendant has continued to violate the Consent Order, offering no supplemental production by the deadline and instead sending an informal email claiming prior counsel had “already produced everything” without identifying what had actually been produced;

(5) Plaintiffs again requested compliance, prompting Defendant to serve deficient “supplemental” responses in May 2024 that contained no new documents and only conclusory statements;

(6) Defendant’s non-compliance necessitated a second Motion to Compel as to Interrogatory 7 and Request for Production 10, which the Court granted after a hearing on November 19, 2024;

(7) On December 4, 2024, Judge Kinlaw issued a second Order compelling Defendant to withdraw all objections and fully respond within twenty-one days;

(8) Defendant failed to comply again, claiming no responsive documents existed despite prior admissions, including statements made by counsel in open court, that Defendant had engaged in multimillion-dollar negotiations with third parties such as QuikTrip;

(9) Defendant’s supplemental responses offered no documents and refused to identify contact information for the very third-party purchasers previously acknowledged to exist.

This prolonged and repeated noncompliance reflects a deliberate disregard for this Court’s authority and for the rights of the Plaintiffs. Defendant’s actions have caused unnecessary delay, prejudiced Plaintiffs’ ability to prepare their case, and constitute clear evidence of bad faith and

intentional obstruction. This is precisely the type of conduct Rule 37 was designed to deter. Defendant is attempting to force Plaintiffs to trial without producing documents it was ordered to provide. Trial is currently set for September 2025, less than two months away, and Defendant has yet to comply with multiple court orders to produce these documents.

The Court finds that the discovery behavior and failures detailed above are part of a broader pattern of noncompliance, which includes, but is not limited to: refusing to provide verified responses to Interrogatories as required by Rule 33, SCRCF; failing to produce documents and communications within its possession, custody, or control as required by Rule 34, SCRCF; ignoring repeated written requests from Plaintiffs' counsel seeking supplementation; misrepresenting the existence and scope of previously produced materials; providing deficient responses to Interrogatories 1, 4, 6, and 7; failing to produce any documents responsive to Requests for Production 9 and 10; violating two separate Court Orders compelling specific discovery responses; and ultimately producing a voluminous, last-minute document dump filled with irrelevant and duplicative materials in an apparent effort to simulate compliance.

The Court finds that Defendant's conduct reflects a willful and deliberate pattern of discovery abuse and noncompliance. These deficiencies are not technical oversights or inadvertent errors; rather, they demonstrate a calculated effort to obstruct the discovery process and evade meaningful participation in this litigation.

The Court further finds that the defendant is in willful violation of the previous referenced Orders of the Court and discovery and Orders the following:

1. Due to Defendant's repeated failure to respond to discovery and its persistent non-compliance with prior court orders, Defendant's Answer is hereby STRICKEN pursuant to Rule 37, SCRCF, and default is entered against Defendant effective June 1, 2025, the

date the Form 4 Order was filed;

2. This matter shall be set for a damages hearing and Plaintiffs' counsel shall coordinate with the Clerk of Court to schedule the hearing.

AND IT IS SO ORDERED!

[Signature Block to Follow]



Greenville Common Pleas

Case Caption: Thomas J Stultz , plaintiff, et al vs. Rallis Holdings LLC

Case Number: 2021CP2304836

Type: Order/Sanctions

So Ordered

Vernon F. Dunbar