THE STATE OF SOUTH CAROLINA
In the Supreme Court

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SC Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas
Donald B. Hocker, Circuit Court Judge

Appellate Case No. 2026-001400

South Carolina Community Bank, ... Respondent,

v.

Salon Proz, LLC, Columbia Empowerment Zone, Inc. d/b/a The Columbia Empowerment Zone, and Frank Mitchell, Defendants,

Of whom Salon Proz, LLC is the .... Petitioner.

RESPONDENT SOUTH CAROLINA COMMUNITY BANK'S RETURN TO PETITIONER'S PETITION FOR WRIT OF CERTIORARI

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V. Whether the Court of Appeals correctly referred the matter to the master-in-equity based on the striking of Petitioner's counterclaims.

COUNTER-STATEMENT OF THE CASE

Petitioner Salon Proz, LLC's ("Salon Proz") asks this Court to review an unpublished decision by the Court of Appeals, agreeing with and affirming the circuit court's order holding Salon Proz and its sole member, Yvonne Jones, liable for the blatant disregard of the circuit court's orders.

This case was originally filed by South Carolina Community Bank ("SCCB") on October 26, 2011, as a foreclosure of commercial real property in Richland County located at 2901 Two Notch Road, Columbia, South Carolina ("Subject Property"). After SCCB learned that property taxes were not being paid on the Subject Property, SCCB sought an Order appointing a receiver for the Subject Property. On October 2, 2020, the Honorable Alison Lee appointed a Receiver ("Receivership Order"). The Receivership Order instructed the Receiver to "take charge of the real property, which is subject of this action and to collect rent, debts, and any fees pertaining to the property . . . . The Receiver will maintain all keys, books, records, indices, rental proceeds, bank accounts, funds, deposits, and other tangible items or documents involving the property." (R. p. 14).

Salon Proz and Ms. Jones willfully failed to comply with the Receivership Order, and SCCB filed a Rule to Show Cause in March 2021. The Honorable Donald B. Hocker found that Salon Proz had failed to comply with the Receivership Order and ordered compliance within thirty days ("Rule to Show Cause Order"). (R. p. 21). Despite the Rule to Show Cause Order, Salon Proz continued to violate the Receivership Order and further violate the Rule to Show Cause Order by contacting tenants, not allowing the Receiver to collect all rent due, and failing to provide the Receiver with all information required under the Receivership Order. Because of these repeated violations, SCCB filed a motion to enforce prior orders of the court in December 2021. (R. p. 101).

On March 22, 2022, Judge Hocker found that "the Defendant, Salon Proz, LLC, and its managing partner, Yvonne Jones, have willfully failed to comply with the [Receivership Order and Rule to Show Cause Order]." (R. p. 2). This Order sanctioned Salon Proz and Yvonne Jones for the admitted violations and ordered payment of attorney fees and Receiver's fees. (*Id.*). Further, Judge Hocker referred this case to the master-in-equity and ordered "all rental payments from this date forward shall be paid to the Receiver and there shall be no interference by the Defendant and its managing partner." (*Id.*). On March 29, 2022, Judge Hocker issued an order striking Salon Proz's counterclaims based on the repeated misconduct at issue. (R. p. 4). The March 22 and March 29 Orders form the basis of Salon Proz's present appeal and petition. Salon Proz moved for Judge Hocker to reconsider the March 22 and March 29 Orders. (R. pp. 133-38). He denied the motion. (R. pp. 10-11).

Salon Proz filed a notice of appeal on May 22, 2022. On January 14, 2026, the Court of Appeals issued a panel opinion without oral argument pursuant to Rule 215, SCACR, and affirmed the circuit court's decision. Salon Proz submitted a petition for rehearing and a suggestion for rehearing en banc shortly thereafter. After receiving additional briefs from Petitioner and Respondent, on May 29, 2026, the Court of Appeals denied the petition for rehearing and affirmed the circuit court's orders in full, finding there was no basis for granting a rehearing. Salon Proz has now petitioned this Court for a writ of certiorari.

ARGUMENT

The Court of Appeals correctly affirmed the circuit court's orders holding Salon Proz and Ms. Jones liable for their repeated and willful disregard of the circuit court's orders and finding that the sanctions imposed were appropriate under the circumstances. The Court of Appeals likewise correctly affirmed the circuit court's ruling that all tenants of the Subject Property, including those occupying under purported lease arrangements created through a manufactured or sham leasing structure, were required to pay rent to the Receiver. As a result, Petitioner presents no grounds warranting certiorari. *See* Rule 242(b), SCACR.

Contrary to Petitioner's assertions, neither Judge Hocker's orders nor the Court of Appeals' decision rests on the notion that a judge may "act against anyone, at any time . . . ." (Pet. for Writ of Cert. at p. 11). Rather, both decisions are firmly grounded in established South Carolina law and well-settled principles governing the enforcement of court orders. Specifically, they are consistent with (1) South Carolina precedent recognizing that courts may disregard separate entity status where corporate forms are abused; (2) numerous state and federal decisions holding that nonparties, including individuals such as Ms. Jones, may be sanctioned when they knowingly violate court orders; and (3) South Carolina authority affirming that the imposition of sanctions lies within the sound discretion of the circuit court and will be upheld when supported by the factual record. Far from representing an unprecedented expansion of judicial authority, the decision below correctly applies these settled principles to the particular facts presented in this case.

I. THE COURT OF APPEALS CORRECTLY AFFIRMED THE CIRCUIT COURT'S CONCLUSION THAT THE RECEIVERSHIP ORDER EXTENDS TO THE SUBJECT PROPERTY AS A WHOLE.

Most of Petitioner's misguided arguments stem from a misreading or misunderstanding of the Receivership Order. As quoted in the panel opinion, the Receivership Order requires the Receiver to:

> ***take charge of the real property***, which is subject of this action and to collect rent, debts, and any fees ***pertaining to the property***. The Receiver is to ***take charge of the property*** including the building used for a hair and nail salon. The Receiver will maintain all keys, books, records, indices, rental proceeds, bank accounts, funds, deposits, and other tangible items or documents ***involving the property***.

(R. p. 14 (emphasis added)). Pursuant to the Receivership Order, the Receiver was charged with collecting rents for the *<u>Subject Property</u>*. The Receiver's duties were **not** limited to collecting rents of Salon Proz (the entity owning the property) and were explicitly extended to the Subject Property as a whole. This is only logical, as the note and mortgage that are the subject of the underlying foreclosure action attached to the Subject Property regardless of the legal entity that had a lease or sub-lease and that was responsible for collecting rents. Any other conclusion would permit and encourage the type of gamesmanship that Salon Proz and Ms. Jones tried to foist upon SCCB, the Receiver, and the circuit court—avoiding legal obligations like complying with court orders and/or paying a receiver through the creation of sham corporate entities.

Additionally, stemming from Petitioner's misinterpretation of the Receivership Order, Petitioner fails to acknowledge that an action for foreclosure "is a proceeding in personam as well as in rem." *Bartles v. Livingston*, 282 S.C. 448, 454, 319 S.E.2d 707, 711 (Ct. App. 1984) (first citing *Perpetual Building & Loan Ass'n v. Braun*, 270 S.C. 338, 242 S.E.2d 407 (1978); and then citing *Anderson v. Pilgram*, 30 S.C. 499, 9 S.E. 587 (1889)). "Actions in rem are prosecuted to enforce a right to things," whereas "actions in personam are those in which an individual is charged personally." *The Sabine*, 101 U.S. 384, 388 (1879). "Because in rem actions adjudicate rights in specific property before the court, judgments in them operate against anyone in the world claiming against that property." *R.M.S. Titanic, Inc. v. Haver*, 171 F.3d 943, 957 (4th Cir. 1999). Thus, the concept of *in rem* jurisdiction further explains how and why the Receivership Order extended to the Subject Property as a whole. Once the court acquired jurisdiction over the Subject Property, its authority was not limited to specific parties or particular ownership interests. Instead, the court exercised dominion over the entire res, rendering all interests in the Subject Property subject to the Receivership Order and the court's continuing supervision. Because the Receivership Order extends to the Subject Property as a whole, the Court of Appeals correctly affirmed the circuit court's conclusion that the Receiver had the right to collect all rents from all tenants of the Subject Property.

II. THE COURT OF APPEALS CORRECTLY AFFIRMED THE CIRCUIT COURT'S CONCLUSION THAT PETITIONER WILLFULLY DISOBEYED THE CIRCUIT COURT'S ORDERS AND THAT MS. JONES COULD BE HELD PERSONALLY LIABLE FOR HER INTERFERENCE WITH THE SAME.

The Court of Appeals correctly affirmed the circuit court's determination that Ms. Jones, although not a party to this action, could be held liable for her knowing and willful violation of the circuit court's orders. The Court of Appeals likewise correctly affirmed the circuit court's finding that Petitioner knowingly and willfully disregarded those same orders. Having upheld those findings, the Court of Appeals further correctly affirmed the sanctions imposed by the circuit court, including the striking and dismissal of Petitioner's counterclaims. Each of these rulings is firmly supported by settled South Carolina law, and Petitioner has identified no conflict in the law, novel question of statewide importance, or other basis warranting certiorari on these findings.

After multiple rounds of briefing across several courts, Petitioner has failed to cite any legal authority indicating that the Court of Appeals acted improperly in exercising jurisdiction over Ms. Jones. Instead, Petitioner only cites generic case law for the proposition that a court cannot issue an order that affects a party's rights unless the court has personal jurisdiction over the party. This argument fails.

Ms. Jones, as the sole member of Salon Proz, consistently acted on behalf of Salon Proz to willfully disobey the circuit court's orders. The circuit court's authority to sanction Salon Proz and Ms. Jones arises from its authority to act *sua sponte* in issuing sanctions for contempt. "All courts have the inherent power to punish for contempt." *Ex parte Cannon*, 385 S.C. 643, 660, 685 S.E.2d 814, 824 (Ct. App. 2009). "[J]udges have the authority to *sua sponte* use contempt proceedings to preserve the authority and dignity of their courts." *McEachern v. Black*, 329 S.C. 642, 649, 496 S.E.2d 659, 662-63 (Ct. App. 1998) (first citing *State v. Blanton*, 278 S.C. 597, 300 S.E.2d 286 (1983); and then citing *Long v. McMillan*, 226 S.C. 598, 86 S.E.2d 477 (1955)); *see* 17 C.J.S. Contempt § 63 (1963) ("The court, without complaint, may of its own motion, institute proceedings to punish for offenses against its dignity and authority, although the contempt was not, strictly speaking, committed in the presence of the court.").

Here, "the record . . . clearly and specifically reflect[ed] the contemptuous conduct" on the part of Salon Proz. *Eaddy v. Oliver*, 345 S.C. 39, 42, 545 S.E.2d 830, 832 (Ct. App. 2001). Specifically, SCCB "ma[de] a prima facie showing by pleading an order and demonstrating noncompliance" through its previous rule to show cause. *Id.* The record is rife with witness testimony and documentation demonstrating specific instances of Petitioner's chronic non-compliance. (R. pp. 101-28).

Despite its prolonged non-compliance, Petitioner failed "to establish [a] defense and inability to comply" with the circuit court's orders. *Eaddy*, 345 S.C. at 42, 545 S.E.2d at 832. The record demonstrates that Petitioner's conduct was not the product or confusion, misunderstanding, or true inability to comply with the circuit court's orders but instead reflect a deliberate decision to disregard the court's orders because Petitioner disagreed with the Receiver. Rather than seeking relief from the court, however, Petitioner knowingly elected to pursue self-help remedies that were inconsistent with the court's orders. That course of conduct constitutes willful disobedience regardless of Petitioner's professed motivations—which, to be clear, SCCB vehemently denies. The relevant inquiry is simple: whether Petitioner knowingly engage in conduct that violated the circuit court's orders. The record supports the circuit court's conclusion that it did. Petitioner was not free to unilaterally decide which provisions of the court's orders it would follow and which it would ignore.

Second, the Court of Appeals properly applied the single business enterprise theory to disregard the legal distinctions between Salon Proz, Office Suites, LLC, and The Event Hall, LLC. As the sole member of those three entities, Ms. Jones repeatedly used their corporate structures to evade liability and defraud SCCB, the Receiver, and the Court. As noted by the Court of Appeals, South Carolina law allows courts to disregard separate entity status when there is evidence, as here, of "bad faith, abuse, fraud, wrongdoing, or injustice resulting from the blurring of the entities' legal distinctions." *Pertuis v. Front Roe Rests., Inc.*, 423 S.C. 640, 655, 817 S.E.2d 273, 281 (2018). "[W]hen the notion of legal entity is used to protect fraud, justify wrong, or defeat public policy, ***the law will regard the corporation as an association of persons***." *Id.* (citation omitted).

In this case, there is an abundance of evidence in the record showing bad faith and wrongdoing and supporting the circuit court's award of sanctions: Ms. Jones is the sole partner of all three entities; the leases between Salon Proz and Office Suites, LLC and/or The Event Hall, LLC were for well below market value (and thus substantially lower than the value of the sub-leases); there was no clear testimony or evidence related to the maintenance of separate and distinct bank accounts for the three entities; and Ms. Jones lacked credibility regarding her management of the three entities. In sum, the totality of the evidence presented to the circuit court plainly established that the various entities were being used improperly and fraudulently, thus satisfying the standard articulated by this Court in *Pertius*. Accordingly, the Court of Appeals correctly affirmed the circuit court's decision to disregard the entities' separate legal status under the circumstances presented.

Lastly, the Court of Appeals correctly affirmed the circuit court conclusion that it had the authority to impose sanctions on Ms. Jones individually because she exercised complete control over the LLCs and personally directed the conduct that violated the circuit court's orders. Indeed, there is substantial precedent throughout the country supporting the proposition that courts may sanction nonparties to a lawsuit, such as Ms. Jones in her individual capacity, when they personally participate in or direct conduct that defies a court order. For example, in *1319 Third Avenue Realty Corp. v. Chateaubriant Restaurant Development Co.*, the court affirmed a finding of contempt against "the sole owner and principal of plaintiff" even though he was "not a party to the action" because it was undisputed that he "was aware of the mandates contained" in the order and deliberately defied them. 57 A.D.3d 340, 341, 870 N.Y.S.2d 249, 250 (2008). The New York court noted that it would "def[y] credulity" to claim that he was unaware of the orders. *Id.* Other courts in New York have reached similar conclusions. *See Tishman Constr. Corp. v. United Hisp.*

Constr. Workers, Inc., 158 A.D.3d 436, 437, 71 N.Y.S.3d 21, 22 (2018) (determining the lower court properly exercised jurisdiction to sanction an individual for contempt who signed an agreement on behalf of a corporation where the evidence presented at the contempt hearing demonstrated that the individual himself violated the court's mandates).

In addition to these cases from New York, federal courts have similarly held that non-parties can and should be sanctioned and/or held in contempt when they knowingly violate court orders. Most notably, the Supreme Court has long recognized that a person "not a party to the suit, [may be] guilty of contempt for violation of an order of that court, made in such suit, and imposing a fine for such contempt." *Bessette v. W.B. Conkey Co.*, 194 U.S. 324, 325 (1904). And Judge Learned Hand explained that, while no court can make a decree that binds "the world at large," a non-party "may be punished if he either abet[s] the defendant or [is] legally identified with him." *Alemite Mfg. Corp. v. Staff*, 42 F.2d 832, 833 (2d Cir.1930). More recently, the Eighth Circuit has noted, "[i]t is well-settled that a court's contempt power extends to non-parties who have notice of the court's order and the responsibility to comply with it." *Chi. Truck Drivers v. Bhd. Lab. Leasing*, 207 F.3d 500, 507 (8th Cir. 2000).

There are numerous examples of federal and state courts throughout the country confirming that nonparties can be held in contempt and/or sanctioned for knowingly violating court orders. *See, e.g.*, *Additive Controls & Measurement Sys., Inc. v. Flowdata, Inc.*, 96 F.3d 1390, 1395 (Fed. Cir. 1996) ("[T]he prohibition against entering an injunction against non-parties does not mean that non-parties may not be held in contempt of court for violating injunctions directed at others."); *Fox Corp. v. Media Deportes Mex., S. de R.L. de C.V.*, 808 F. Supp. 3d 642, 657 (S.D.N.Y. 2025) ("The law is clear that a nonparty may be punished for contemptuous conduct so long as the nonparty is either 'legally identified' with a party or abets the contemptuous conduct of a party, and so long as the nonparty had ‘actual notice,’ whether by ‘personal service or otherwise,’ of the relevant court order.” (quoting Havens v. James, 76 F.4th 103, 111-12 (2d Cir. 2023)); *Bootery, Inc. v. Cumberland Creek Props., Inc.*, 271 Ga. 271, 272, 517 S.E.2d 68, 69 (1999) (“In Georgia and the majority of foreign jurisdictions, the violation of a court’s order by one who was not a party to the proceedings can be punished as a contempt only if it is ‘alleged and proved that the contemnor had actual notice of the order for disobedience of which he is sought to be punished.’” (citation omitted)); *In re Paternity of N.T.*, 961 N.E.2d 1020, 1021 (Ind. Ct. App. 2012) (“One not a party who has knowledge of a court order but nevertheless aids, conspires with, and abets a party to an action in violating a court order entered therein, may be punished for contempt.” (quoting *Owen v. Vaughn*, 479 N.E.2d 83, 86 (Ind. Ct. App. 1985)); *Com. Wharf E. Condo. Ass’n v. Bos. Boat Basin, LLC*, 93 Mass. App. Ct. 523, 533, 106 N.E.3d 1114, 1123 (2018) (“[A] nonparty may be held in contempt for counseling, aiding, abetting, or otherwise acting in concert with a party in violating an order[.]”); *In re Contempt of Pavlos-Hackney*, 343 Mich. App. 642, 668, 997 N.W.2d 511, 528 (2022) (“Because individuals who are officially responsible for the conduct of a corporation’s affairs are required to obey a court order directed at the corporation, these same individuals may be sanctioned if they fail to take appropriate action within their power to ensure that the corporation complies with the court order.” (quoting *In re Moroun*, 295 Mich. App. 312, 332, 814 N.W.2d 319 (2012))).

Thus, the proposition that a nonparty can be held in contempt and/or sanctioned for knowingly violating a court order, especially when that nonparty is closely related or in privity with a party to the action such as Ms. Jones, is unremarkable and appears to be a nearly universal rule across American jurisprudence. Additionally, Ms. Jones had notice and opportunity to argue against the imposition of any sanctions, so her status as a non-party does not insulate her from sanctions where the record clearly demonstrates her personal involvement in the misconduct. (R. p. 194 line 12 through p. 196 line 8). Accordingly, Petitioner's technical and legal distinctions between Ms. Jones and Salon Proz and its suggestion that certiorari is warranted because the circuit court lacked personal jurisdiction over Ms. Jones are wholly without merit.

As a final note, Petitioner incorrectly contends that the Court of Appeals departed from its prior holding in *Green Tree Servicing, LLC v. Adams,* which addressed whether a court may bind a non-party to a foreclosure judgment without first obtaining jurisdiction over that person. *See Green Tree Servicing, LLC v. Adams*, 375 S.C. 583, 586, 654 S.E.2d 100, 102 (Ct. App. 2007). The holding in *Green Tree Servicing* does not address the independent basis supporting the sanctions imposed here—the fact that the sanctions against Ms. Jones are based on her own conduct in directing Salon Proz's affairs and participating in actions that violated the circuit court's orders. As a result, the Court of Appeals' decision in this case does not interfere with its holding in *Green Tree Servicing*.

III. THE COURT OF APPEALS CORRECTLY AFFIRMED THE CIRCUIT COURT'S ISSUANCE OF SANCTIONS AGAINST SALON PROZ AND MS. JONES.

A. Office Suites, LLC and The Event Hall, LLC were never sanctioned, and Petitioner misinterprets the record on appeal and the Court of Appeals' opinion by suggesting that they were.

As an initial matter, Petitioner claims the circuit court never obtained personal jurisdiction over Office Suites, LLC and/or The Event Hall, LLC. However, it is clear from the March 22 and March 29 Orders that the circuit court never directly sanctioned these entities. Thus, any claim that the Court of Appeals finding was in error because of improper sanctions against Office Suites, LLC and the Event Hall, LLC is completely misguided and does not serve as a basis for granting certiorari.

However, even if the circuit court had elected to do so, it would have been well within its authority to impose sanctions on Office Suites, LLC and The Event Hall, LLC, either under the single business enterprise theory or based on the entities' close relationship and coordinated conduct with Salon Proz through Ms. Jones. The fact that the circuit court chose to sanction only Salon Proz and Ms. Jones does not undermine the Court of Appeals' application of the single business enterprise theory. That doctrine is an equitable tool permitting a court to disregard artificial distinctions among closely related entities when necessary to prevent injustice, and it does not require that identical liability or sanctions be imposed on every affiliated entity. *See Stoneledge at Lake Keowee Owners' Ass'n, Inc. v. IMK Dev. Co., LLC*, 435 S.C. 109, 125-26, 866 S.E.2d 542, 551-52 (2021). Accordingly, the circuit court acted well within its discretion in concluding that the circumstances justified disregarding the entities' separate legal status while tailoring sanctions appropriate to Salon Proz and Ms. Jones, the actors whose misconduct warranted those remedies.

B. The Court of Appeals correctly affirmed the Circuit Court's striking of Petitioner's Pleadings as a sanction for misconduct.

Petitioner argues that certiorari should be granted because the procedural prerequisites to sanction Salon Proz were not present. More specifically, Petitioner claims that sanctions were inappropriate because there were no contempt proceedings brought by a rule to show cause. Petitioner appears to be selectively reviewing and interpreting the record, as there was a verified rule to show cause petition filed on March 10, 2021, with a subsequent hearing held. (R. 58).

Moreover, imposing sanctions of these kinds is well within the broad discretion of the court. *QZO, Inc. v. Moyer*, 358 S.C. 246, 255, 594 S.E.2d 541, 546 (Ct. App. 2004). A trial court's decision to impose such sanctions shall not be disturbed unless the trial court abused its discretion. *Griffin Grading & Clearing, Inc. v. Tire Serv. Equip. Mfg. Co.*, 334 S.C. 193, 198, 511 S.E.2d 716, 718 (Ct. App. 1999). As established, sanctions can be imposed without a formal finding of contempt. Rule 37 of the SCRCP allows courts to impose sanctions for failure to comply with discovery orders, or other court orders or directives. *See QZO, Inc.*, 358 S.C. at 252, 594 S.E.2d at 544 (upholding the striking of a party's pleadings based on that party's failure to comply with a temporary restraining order, intentional defiance of the court's order, and willful destruction of evidence). Thus, the Court of Appeals correctly affirmed the circuit court's imposition of sanctions.

C. The Court of Appeals correctly affirmed the circuit court's reference of this matter to the master-in-equity.

Petitioner next argues the Court should grant its petition because it is the law of the case that Salon Proz is entitled to a jury trial given the case was referred to the master-in-equity when the counterclaims were still pending (i.e., before the counterclaims were stricken). Petitioner's argument places form over substance and would create unnecessary inefficiencies. Because the striking of the counterclaim was proper, Salon Proz is not entitled to a jury trial, and the referral to the master-in-equity was appropriate. In fact, Salon Proz does not attempt to argue that the referral is inappropriate if the counterclaims were properly stricken. Instead, Petitioner makes a technical argument that the *timing* was off by a matter of days.

It is not clear from the record on appeal whether the referral was actually made. There is clearly an order indicating that the case will be referred, but there is no indication that the referral was effectuated due to this pending appeal. Regardless, even if this Court were to find that the timing was backwards, the solution would be a reversal, remand, and then a subsequent referral. Such procedural hijinks would be a complete waste of judicial resources.

Lastly, Petitioner attempts to invoke the law of the case doctrine in its argument related to the referral being in error. Notably, however, Petitioner failed to argue law of the case in its initial appeal to the Court of Appeals, and this argument is therefore waived.

D. The sanctions imposed were substantively appropriate.

The Court of Appeals properly affirmed the circuit court's exercise of its discretion in determining what sanctions to issue. The circuit court has discretion to evaluate the record and determine if sanctions are appropriate. *Karppi v. Greenville Terazzo Co.*, 327 S.C. 538, 542, 489 S.E.2d 679, 681 (Ct. App. 1997) ("The imposition of sanctions is generally entrusted to the sound discretion of the Circuit Court."). "An abuse of discretion may be found where the appellant shows that the conclusion reached by the trial court was without reasonable factual support and resulted in prejudice to the rights of the appellant, thereby amounting to an error of law." *Id.*

Here, there is more than enough factual support to warrant sanctions of this nature such that there was no error of law. *See Griffin*, 334 S.C. at 198, 511 S.E.2d at 718 (stating there are some instances where striking pleadings is an appropriate sanction). Salon Proz and Ms. Jones willfully refused to comply with multiple court orders while the suit has been pending for over eleven years, causing undue delay and expense to SCCB as well as wasting the court's time. Because SCCB was forced to expend time and resources in trying to chase down Salon Proz and Ms. Jones to make them adhere to the circuit court's orders, such failure to comply inherently caused SCCB prejudice by hindering SCCB's ability to spend those same resources defending itself against the counterclaims. Such deliberate refusal to comply with multiple court orders over an excessive period of time is the court's basis for sanctions, not a failure to pay mortgage payments like Petitioner suggests.

Finally, there is a direct connection between Salon Proz counterclaims and the misconduct of Salon Proz and Ms. Jones. Two of Salon Proz's counterclaims are slander of title and unclean hands. Salon Proz and Ms. Jones were participating in precisely the same conduct that Salon Proz was accusing SCCB of by misrepresenting to tenants the legal status of the Subject Property (thereby effecting its marketability) and by attempting to defraud SCCB by participating in inequitable and inappropriate conduct. It is entirely logical to strike counterclaims that were directly encompassed and/or called into question by Salon Proz's own conduct, so Petitioner's argument on this topic is without merit and does not warrant certiorari.

CONCLUSION

Because Petitioner has failed to show that the Court of Appeals' decision demonstrates a disregard for established principles of South Carolina law, SCCB requests this Court decline to grant certiorari in this case.

Respectfully submitted,

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