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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Deadra L. Jefferson, Circuit Court Judge

APPELLATE CASE NO.: 2026-001914

Lisa Pollner and Caleb Fournier,.....Appellants,

v.

Scott Hansen and Meghan Hansen,.....Respondents.

RESPONDENTS' MEMORANDUM OF LAW REGARDING APPEALABILITY

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*Attorneys for Respondents Scott Hansen and
Meghan Hansen*

COMES NOW Respondents Scott Hansen and Meghan Hansen, by and through undersigned counsel, and, on the grounds set forth below, hereby provide this Memorandum of Law regarding the appealability of the circuit court Order dated July 29, 2026 as requested by this Honorable Court.

INTRODUCTION

Appellants' attempted appeal was taken from an Order compelling arbitration and otherwise staying the underlying civil action without dismissing it. See Exhibit A; S.C. Code Ann. § 15-48-200 (2005) (detailing exclusive grounds for appeal related to arbitration rulings). The circuit court's Order does not fall within an exclusive category of appealable matters under the South Carolina Uniform Arbitration Act ("SCUAA") and supporting case law.

FACTUAL AND PROCEDURAL BACKGROUND

This case involves sophisticated investors who agreed to a broad arbitration agreement when they made their investments in a closely held company, called Padgett Thomas, LLC ("Padgett Thomas"). Exhibit A, at 4. On March 1, 2019, in conjunction with their investments, Appellants signed an Amended and Restated Operating Agreement of Padgett Thomas ("Operating Agreement") that contained a valid and binding arbitration provision. Id.

Despite the controlling arbitration agreement, on August 28, 2025, Appellants filed a civil action related to their investment in Padgett Thomas. On October 24, 2025, Respondents filed a Motion to Dismiss or Stay and Compel Arbitration. The circuit court heard oral arguments in the case on March 4, 2026.¹ By Order filed on July 29, 2026, the circuit court ruled on the

¹ Before the circuit court at the March 4, 2026 hearing were three pending motions: Respondents' Motion to Dismiss or Stay and to Compel Arbitration filed October 24, 2025; Respondents' Motion to Dismiss Appellants' Amended Complaint filed December 9, 2025; and Respondents' Objection to Appellants' Voluntary Dismissal Without Prejudice and Motion to Add Necessary Parties filed December 9, 2025.

Respondents' Motion to Dismiss or Stay and Compel Arbitration² and granted Respondents' Motion to Stay and Compel Arbitration but denied Respondents' Motion to Dismiss. Id. at 7. Appellants subsequently took an appeal from the circuit court's Order staying the case and compelling arbitration.

LEGAL ARGUMENT

"The right of appeal arises from and is controlled by statutory law." Ex parte Capital U-Drive-It, Inc., 369 S.C. 1, 6, 630 S.E.2d 464, 467 (2006). The controlling statute here is the SCUAA, specifically S.C. Code Ann. § 15-48-200. See Toler's Cove Homeowners Assoc., Inc. v. Trident Constr. Co., Inc., 355 S.C. 605, 611, 586 S.E.2d 581, 585–86 (2003) (holding that, even in cases where the Federal Arbitration Act applies to preempt substantive state law, it does not preempt state procedural law regarding the appealability, or lack thereof, of orders regarding arbitration). Pursuant to S.C. Code Ann. § 15-48-200(a), an appeal may be taken from:

- (1) An order denying an application to compel arbitration made under Section 15-48-20;
- (2) An order granting an application to stay arbitration made under Section 15-48-20(b);
- (3) An order confirming or denying confirmation of an award;
- (4) An order modifying or correcting an award;
- (5) An order vacating an award without directing a rehearing; or
- (6) A judgment or decree entered pursuant to the provisions of this chapter.

Accordingly, our South Carolina Supreme Court has held that § 15-48-200(a) "does not . . . permit an appeal from an order *granting* an application to compel arbitration or from an order *to stay* claims pending arbitration." Carolina Care Plan, Inc. v. United HealthCare Servs., Inc., 361 S.C. 544, 558, 606 S.E.2d 752, 759 (2004) (emphasis added). This precedent is determinative of the

² In the interim, there were various other court rulings that did not address the Respondents' Motion to Dismiss or Stay and Compel Arbitration; none of those Orders are the subject of the present Appeal.

present case. The Court of Appeals has applied this rule with equal force when a circuit court errs in the other direction, mistakenly dismissing an action instead of staying it. See, e.g., Weldon v. Dominion Clemson, LLC, No. 2023-000033, 2025 WL 1328815, at *1 (S.C. Ct. App. May 7, 2025) (reversing the circuit court that compelled arbitration and dismissed the action and remanding the action to the circuit court to stay the action pending the outcome of arbitration).

ANALYSIS

Applying this legal framework to the present matter confirms that Appellants' attempted appeal is improper. The Order does not fall within the scope of § 15-48-200, because it does not "deny[] an application to compel arbitration made under § 15-48-20." S.C. Code Ann. § 15-48-200(a)(1) (emphasis added). To the contrary, the Order *grants* such an application, and as such, the Order is not appealable. See Carolina Care Plan, Inc., 361 S.C. at 558, 606 S.E.2d at 759. The Order also does not fall within subsection (a)(2) of § 15-48-200, because it does not "grant[] an application to *stay arbitration* made under § 15-48-20(b)." S.C. Code Ann. § 15-48-200(a)(2) (emphasis added). Because the circuit court *compelled arbitration* of the claims against the Respondents and stayed the action, rather than dismissing it, the Order is not immediately appealable.

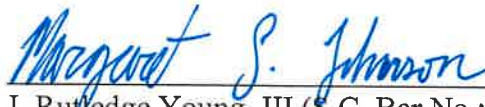
Consistent with the South Carolina Supreme Court, this Court should remand this case to the circuit court on the basis that the Order compelling arbitration is neither appealable nor final: it does not preclude the parties from returning to the circuit court once arbitration concludes. See Carolina Care Plan, Inc., 361 S.C. at 558, 606 S.E.2d at 759.

Because the Order is not appealable under the SCUAA's exclusive list in S.C. Code § 15-48-200(a), this Court lacks jurisdiction to consider the merits of this appeal and should remand the case to the circuit court.

CONCLUSION

For the reasons set forth above, the Court should remand this matter pursuant to Rules 201 and 215, SCACR.

Respectfully submitted,



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September 8, 2026
Charleston, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
COUNTY OF CHARLESTON	)	FOR THE NINTH JUDICIAL CIRCUIT
	)	
Lisa Pollner and Caleb Fournier,	)	
	)	
Plaintiffs,	)	CASE NO. 2025-CP-10-4868 ¹
	)	
vs	)	ORDER GRANTING DEFENDANTS'
	)	MOTION TO DISMISS OR STAY
Scott Hansen and Meghan Hansen,	)	AND COMPEL ARBITRATION
	)	
Defendants.	)	
	)	

Presiding Judge:	Deadra L. Jefferson
Plaintiffs' Attorney:	David Haller, Esq.
Defendants' Attorney:	J. Rutledge Young, Esq.
Date of Hearing:	March 4, 2026
Court Reporter:	Webex

This matter came before the Court on March 4, 2026, on Defendants' Motion to Dismiss or Stay and Compel Arbitration filed October 24, 2025. Appearing for the Plaintiffs is David Haller, Esq. Appearing for the Defendants is J. Rutledge Young, Esq.² Defendants Memorandum in Support was filed March 2, 2026. Plaintiffs did not file a memorandum in response. Having considered the pleadings, the filings, and the arguments of counsel, Defendants' Motion to Stay and Compel Arbitration filed October 24, 2025, is heard and Granted.³

¹ Defendant Scott Hansen and ABH, LLC are parties to a separate breach of contract case with Servisfirst Bank regarding a business credit card debt. Case No.: 2025-CP-10-01971.

² Sean Thorton, Esq. appeared on behalf of MOTU, LLC, and Padgett Thomas, LLC, which parties were dismissed by Plaintiffs on November 24, 2025, pursuant to Rule 41(a), SCRCF.

³ The Defendants made a reference to Rule 12(b)(6) as the basis of their Motion; however, the Court considers this basis abandoned as it was not addressed in their memorandum or argument. Further, Defendants filed a Motion to Dismiss Plaintiffs' Amended Complaint pursuant to Rule 12(b)(6), SCRCF on December 9, 2025, which the Court heard and Denied on May 4, 2026, rendering this basis moot.

FACTUAL BACKGROUND

Defendant Scott Hansen, created American Beverage Holdings, LLC (“ABH”)⁴ on May 9, 2016, with Brandon Perry for the purpose of brewing and distributing a beer brand known as “Island Brand.” Defendant Scott Hansen resided on Sullivan’s Island, South Carolina, with his wife, Defendant Meghan Hansen (collectively “Defendants”). During that time, Scott Hansen became acquainted with Plaintiffs Lisa Pollner and Caleb Fournier. In 2018, Defendant Scott Hansen approached Plaintiffs regarding an investment opportunity in ABH. Plaintiffs allege that Defendant Scott Hansen represented that, in exchange for an investment of \$125,000.00 each, Plaintiffs would receive a 1.25% ownership interest in ABH. Plaintiffs agreed to invest. On May 29, 2018, Defendant Scott Hansen opened a Wells Fargo bank account in the name of Padgett Thomas, LLC, an entity in which Defendants were members. On three (3) separate occasions between June 5, 2018, and February 27, 2019, Plaintiffs wired a total of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to the Padgett Thomas, LLC checking account.

On March 1, 2019, Plaintiffs signed an Operating Agreement for Padgett Thomas, LLC (“Operating Agreement”). Article 14 of the Operating Agreement provides for arbitration of LLC disputes (“Arbitration Clause”). The Arbitration Clause states: “Any dispute between or among the parties, in law or in equity, initiated by any Member or any Manager relating to Arbitrable Matters... shall be exclusively and finally resolved by arbitration by a single arbitrator...” Arbitration Clause, Art. 14.1. The Arbitration Clause defines “Arbitrable Matters” as:

- a. How to construe and enforce the provisions of this Agreement and/or Section (including any matter concerning the scope of these provisions);
- b. Any claims by a Member in the Member’s capacity as a Member against any other Member in that other Member’s capacity as a Member;

⁴ ABH, LLC’s Articles of Termination were filed with the South Carolina Secretary of State on May 12, 2025.

- c. Whether any action by the LLC or by the Members is contrary to this Agreement;
- d. Whether the expulsion of a Member under Article 6 is contrary to the provisions of that Article; and
- e. Any other matter that, in the Arbitrator's view, is appropriate for decision under this Section.

Arbitration Clause, Art. 14.2.

Plaintiffs allege that, rather than transferring the \$500,000.00 they transferred to ABH, Defendants used the money for personal expenditures. The Summons and Complaint was filed August 28, 2025. Plaintiffs assert claims for breach of fiduciary duty, fraud, accounting, conversion, and civil conspiracy. The Complaint further references the Operating Agreement in support of Plaintiffs' allegations. Compl. ¶¶ 11, 25, 44.

CONCLUSIONS OF LAW

Defendants move to dismiss the action premised on Rule 12(b)(1), SCRPC. As to dismissal based on Rule 12(b)(1), "jurisdiction refers to the authority of a court over a particular person (personal jurisdiction) or the authority of a court to entertain a particular action (subject matter jurisdiction), but the concept does not refer to the validity of the claim on which an action against a person is based." Boan v. Jacobs, 296 S.C. 419, 421, 373 S.E.2d 697, 698 (Ct. App. 1988). Subject matter jurisdiction has been defined as "the power to hear and determine cases of the general class to which the proceedings in question belong." Capital City Ins. V. BP Staff, Inc., 382 S.C. 92, 100, 674 S.E.2d 524 (Ct. App. 2009). Plaintiffs assert claims of fiduciary duty, fraud, accounting, conversion, and civil conspiracy, which are within the jurisdiction of this Court. As such, this Court has subject matter jurisdiction over the claims. Accordingly, Defendants' Motion to Dismiss based on Rule 12(b)(1), SCRPC is heard and Denied.

Additionally, Defendants move to dismiss or stay the action and to compel arbitration premised on the South Carolina Uniform Arbitration Act (“SCUAA”) §§ 15-48-10, *et seq.* and the Federal Arbitration Act (“FAA”), 9 U.S.C. § 1.

I. Existence of an Arbitration Agreement

“Whether a valid arbitration agreement exists is a matter for judicial determination.” York v. Dodgeland of Columbia, Inc., 406 S.C. 67, 78, 749 S.E.2d 139, 144 (Ct. App. 2013). In making this determination, a trial court should consider general contract defenses to ensure a meeting of the minds to arbitrate existed, and that such an agreement was not the result of “fraud, duress, or unconscionability.” Id.

Plaintiffs argue the Operating Agreement itself was part of a larger fraud committed by the Defendants and therefore the Arbitration Clause is unenforceable. Amended Compl. ¶ 25. The South Carolina Supreme Court has held that a party cannot avoid arbitration through rescission of the entire contract when there is no independent challenge to the arbitration clause. S.C. Pub. Serv. Auth. v. Great W. Coal (Kentucky), Inc., 312 S.C. 559, 562–63, 437 S.E.2d 22, 24 (1993) (“Fraud as a defense to an arbitration clause must be fraud specifically as to the arbitration clause and not the contract generally. The arbitration clause is separable from the contract.”). Therefore, Plaintiffs’ fraud in the inducement argument is unpersuasive because Plaintiffs have not identified any valid and independent challenge to the arbitration provision in the Operating Agreement.

Additionally, there is no evidence that Plaintiffs signed the Operating Agreement while under duress. Further, it is undisputed that Plaintiffs were sophisticated investors. Thus, Plaintiffs were able to understand the meaning of the broad arbitration provision contained in the company’s Operating Agreement. See Towles v. United HealthCare Corp., 338 S.C. 29, 39, 524 S.E.2d 839, 845 (Ct. App. 1999).

II. Scope of Arbitration Agreement

Once a court determines an arbitration agreement exists, the court must then decide whether that agreement encompasses the dispute at hand. York, 406 S.C. at 95, 749 S.E.2d at 153. “[T]he party resisting arbitration bears the burden of proving that the claims at issue are unsuitable for arbitration.” Dean v. Heritage Healthcare of Ridgeway, LLC, 408 S.C. 371, 379, 759 S.E.2d 727, 731 (2014).

Once a court determines an arbitration agreement exists, the court must then decide whether that agreement encompasses the dispute at hand. York, 406 S.C. at 95, 749 S.E.2d at 153. “[T]he party resisting arbitration bears the burden of proving that the claims at issue are unsuitable for arbitration.” Dean, 408 S.C. at 379, 759 S.E.2d at 731. A clause which requires arbitration of all disputes “arising out of or relating to” a contract is construed broadly and is “capable of an expansive reach.” York, 406 S.C. at 95, 749 S.E.2d at 153. Thus, a claim is within the scope of an arbitration clause that purports to cover all related disputes, so long as a significant relationship exists between the claim and the contract containing the arbitration agreement. Id. A court should order arbitration unless it can say with positive assurance that the arbitration clause is not susceptible to any interpretation that covers the dispute. Zabinski v. Bright Acres Assocs., 346 S.C.580, 597, 553 S.E.2d 118 (2001) (“Motions to compel arbitration should not be denied unless the arbitration clause is not susceptible of any interpretation that would cover the asserted dispute.”).

In this case, the Plaintiffs signed an Operating Agreement which contains a broad agreement to arbitrate. The clause broadly requires arbitration of “[a]ny dispute between or among the parties, in law or in equity,” relating to “Arbitrable Matters,” including disputes concerning the construction and enforcement of the Operating Agreement, whether actions taken by the LLC

or its Members contravene the Agreement, and “any matter concerning the scope of these provisions.” Arbitration Clause, Arts. 14.1–14.2. Moreover, the parties expressly delegated to the arbitrator the authority to determine issues relating to the scope and applicability of the Arbitration Clause, as well as “any other matter that, in the Arbitrator’s view, is appropriate for decision under this Section.” *Id.* Accordingly, the issues raised in this action are subject to arbitration, and threshold questions concerning arbitrability have been delegated to the arbitrator.

III. Governing Law - South Carolina Uniform Arbitration Act

The South Carolina’s Uniform Arbitration Act (“SCUAA”) provides that courts shall order the parties to proceed with arbitration upon the application of a party showing an agreement described in Section 15-48-10. *See* S.C. Code Ann. § 15-48-20(a). Further, “[a]ny action or proceeding involving an issue subject to arbitration shall be stayed if an order for arbitration or an application therefor has been made under this section... [and] [w]hen the application is made in such action or proceeding, the order for arbitration shall include such stay.” S.C. Code Ann. § 15-48-20(d). The SCUAA also provides that agreements to arbitrate are “valid, enforceable, and irrevocable, save upon such grounds as exist at law or in equity for the revocation of any contract.” S.C. Code Ann. § 15-48-10(a).

The technical requirements of the SCUAA state: “Notice that a contract is subject to arbitration pursuant to this chapter shall be typed in underlined capital letters, or rubber-stamped prominently, on the first page of the contract and unless such notice is displayed thereon the contract shall not be subject to arbitration.” S.C. Code Ann. § 15-48-10(a) (emphasis added). The South Carolina Supreme Court has repeatedly emphasized its strict interpretation of the statute. *Zabinski*, 346 S.C. at 588, 553 S.E.2d at 114; *Soil Remediation Co. v. Nu-Way Env’t, Inc.*, 323

S.C. 454, 457, 476 S.E.2d 149, 151 (1996); Osteen v. T.E. Cuttino Constr. Co., 315 S.C. 422, 424, 434 S.E.2d 281, 283 (1993).

The following is found at the top of the first page of the Operating Agreement: “**NOTICE:** **THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET SEQ. OF THE CODE OF LAWS OF SOUTH CAROLINA**” (emphasis in original). Here, the notice satisfies the technical requirements of the SCUAA because it appears in underlined capital letters on the first page of the Operating Agreement. Accordingly, the Operating Agreement complies with the SCUAA’s technical notice requirements, and the SCUAA is the applicable law.

CONCLUSION

Based on the foregoing,

IT IS ORDERED, AJUDGED, AND DECREED that Defendants’ Motion to Dismiss is heard and Denied.

IT IS FURTHER ORDERED, AJUDGED, AND DECREED that Defendants’ Motion to Stay and Compel Arbitration is heard and Granted.

IT IS SO ORDERED.

Hon. Deadra L. Jefferson
Presiding Judge
Ninth Judicial Circuit

Charleston, South Carolina
July 28, 2026



Charleston Common Pleas

Case Caption: Lisa Pollner , plaintiff, et al VS Scott Hansen , defendant, et al
Case Number: 2025CP1004868
Type: Order/Compel

IT IS SO ORDERED.

s/D.L. Jefferson Ninth Judicial Circuit Judge 2128

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Meghan Hansen*

I, Margaret S. Johnson, of Duffy & Young, LLC, attorney for Respondents, hereby certify that the foregoing Memorandum of Law Regarding Appealability was served on the other parties to this matter on September 8, 2026, via email (see attached) to their counsel of record:

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Respectfully submitted,

By:

s/Margaret S. Johnson
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Attorney for Respondents Scott Hansen and Meghan Hansen

Charleston, South Carolina
September 8, 2026