**THIS OPINION HAS NO PRECEDENTIAL VALUE. IT SHOULD NOT BE CITED OR RELIED ON AS PRECEDENT IN ANY PROCEEDING EXCEPT AS PROVIDED BY RULE 268(d)(2), SCACR.**

**THE STATE OF SOUTH CAROLINA**
**In The Court of Appeals**

Bullard & Son, Inc., d/b/a Lowcountry Medical Linens,
Respondent,

v.

Ridgeland Nursing Center, Inc., Ridgeland NC, LLC, and SC OPCO, LLC, Defendants,

Of which SC OPCO, LLC is the Appellant.

Appellate Case No. 2024-000006

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Appeal From Jasper County
C. Stephen Bennett, Special Referee

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Unpublished Opinion No. 2026-UP-435
Submitted September 3, 2026 – Filed September 16, 2026

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**AFFIRMED**

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Kirsten Elena Small, of Maynard Nexsen, PC, of Greenville, Kyle Aaron Brannon, of Maynard Nexsen, PC, of Columbia, and Jennifer Joan Hollingsworth, of Conway, all for Appellant.

Kathleen Chewning Barnes and William Franklin Barnes, III, both of Barnes Law Firm, LLC, of Hampton, for Respondent.

**PER CURIAM:** This is an appeal from a default judgment in an action for breach of contract and quantum meruit brought by Respondent Bullard & Son, Inc. d/b/a Lowcountry Medical Linens (Lowcountry) after Appellant SC OPCO, LLC, (SC OPCO) failed to pay some 50 (fifty) invoices for weekly medical linen services. SC OPCO appeals three orders related to the default judgment and award of attorney's fees, arguing the special referee erred in (1) denying its motions to set aside the default and for a new trial; (2) awarding damages pursuant to a contract to which SC OPCO was not a party; and (3) awarding attorney's fees based upon a contingency fee. We affirm.

**Facts and Procedural History**

Ridgeland Nursing Center (Ridgeland) and Lowcountry entered into a contract (the Service Agreement) in which Lowcountry agreed to provide medical linen services for sixty months starting on April 1, 2020. The Service Agreement stated, "The Customer agrees to pay all invoices within thirty (30) days of invoice receipt. Any invoice in the over 30 day status will be subject to a 1.5% late charge (18% per annum). The Customer will be responsible for all legal fees to collect any unpaid balances." The Service Agreement further provided:

> If the Customer terminates this agreement prior to the agreement term, the Customer agrees to pay the Supplier at a depreciated rate of 50% of the rental rate times the number of weeks left in the agreement. This agreement is in effect and shall enure to the benefit of any successors or assignees.

SC OPCO purchased the skilled nursing facility on November 1, 2021, and changed the operating name to Ridgeland Nursing & Rehabilitation Center. On June 21, 2022, employee Trisha Dixon notified Lowcountry that Ridgeland no longer needed medical linen services.

On December 29, 2022, Lowcountry served the Summons and Complaint upon Lisa Culler, "Office Manager for Registered Agent Cogency Global Inc, for SC OPCO LLC d/b/a Ridgeland Nursing & Rehabilitation Center." On January 5, 2023, Lowcountry electronically filed the pleadings against both Ridgeland (listing its former name, Ridgeland Nursing Center), Ridgeland NC, LLC, and SC OPCO for breach of contract and quantum meruit due to multiple unpaid invoices. An

affidavit of service indicates the filed pleadings were served on SC OPCO, again through Lisa Culler, on January 6, 2023.

According to the affidavit of Joe Neuman, the New Jersey resident who oversees the business activities of SC OPCO and has "primary responsibility for the business operations of Ridgeland Nursing & Rehab," the Ridgeland facility received a letter on January 11, 2023, containing the summons and complaint. Neuman's affidavit claims, "When SC OPCO received a copy of the Complaint from its Registered Agent, it believed in good faith that its response was not necessary because [Lowcountry] did not, and could not, plead that it entered into a contract with SC OPCO." And, although the following statement strains credulity, Neuman further attested:

> Because SC OPCO had no knowledge of the Plaintiff and because there was no contract that existed between the Plaintiff and SC OPCO, SC OPCO mistakenly believed that the lawsuit was against the prior owner, Ridgeland Nursing Center, Inc., and did not realize the lawsuit also claimed SC OPCO LLC was liable to the Plaintiff.

Neuman also admitted that prior to and during the litigation, "multiple letters were received at the facility."

SC OPCO chose not to answer, and Lowcountry filed an affidavit of default. By order dated February 18, 2023, the circuit court referred matters related to the default to a special referee. On March 1, the circuit court entered an order of default as to SC OPCO.

On March 30, 2023, Lowcountry served SC OPCO's registered agent with notice of the April 25 damages hearing. Again, SC OPCO chose not to appear. On May 12, 2023, the special referee entered a judgment of $154,178.33 against SC OPCO and Ridgeland NC, LLC.

On May 16, 2023, SC OPCO's attorney emailed counsel for Lowcountry, informing him that she had been retained. Counsel for Lowcountry promptly replied that the damages hearing had been held in late April; he also provided copies of the judgment and Form 4C for her reference.

On May 25, 2023, SC OPCO filed a motion to set aside default and for a new trial, claiming it did not assume the liabilities or contracts of the nursing facility's former

owner. Although SC OPCO admitted that on January 11, 2023, a letter was received at Ridgeland containing the summons and complaint, it asserted that because the letter was addressed to Ridgeland's former name—Ridgeland Nursing Center—it "did not realize it was expected to take action in response to the January 2023 Letter." SC OPCO admitted Ridgeland received another letter addressed to the old name on April 25, 2023, providing notice of a hearing. Despite receiving these—and the multiple prior Lowcountry invoices—SC OPCO argued its "confusion and good-faith mistake of fact was that there was no expectation that SC OPCO was to respond to any of this correspondence."

Following a hearing, the special referee denied SC OPCO's motion to set aside the default. The special referee found Rule 55(c), SCRCP, was inapplicable because a default judgment had already been entered when SC OPCO filed its motions. And, SC OPCO was not entitled to relief under Rule 60(b), SCRCP, because it failed to make a sufficient showing of mistake by purposefully ignoring the complaint based upon its purported belief that it was incorrectly named as a party. The special referee ruled that under the terms of the Service Agreement, SC OPCO was liable to Lowcountry for $20,311.36 in unpaid invoices, $1,243.83 for unreturned products, a 1.5% late charge, and the depreciated rate (50%) for early termination of the Service Agreement ($623.13) times the 145 weeks remaining on the contract ($90,353.85). The special referee also awarded Lowcountry $38,419.45 in attorney's fees and $500.54 in costs. The total judgment awarded pursuant to the terms of the Service Agreement was $154,178.33. SC OPCO filed a Rule 59(e), SCRCP, motion, which the special referee denied.

**Standard of Review**

"The decision to grant or deny a motion for relief from judgment lies within the sound discretion of the trial court and will not be disturbed on appeal absent an abuse of discretion." *Green v. Johnson*, 446 S.C. 326, 337, 919 S.E.2d 894, 900 (2025) (quoting *McClurg v. Deaton*, 380 S.C. 563, 570, 671 S.E.2d 87, 91 (Ct. App. 2008)). "An abuse of discretion occurs when the judge issuing the order was controlled by some error of law or when the order, based upon factual, as distinguished from legal conclusions, is without evidentiary support." *Palmetto Constr. Grp., LLC v. Restoration Specialists, LLC*, 444 S.C. 328, 339, 907 S.E.2d 129, 135 (Ct. App. 2024) (quoting *Sundown Operating Co. v. Intedge Indus., Inc.*, 383 S.C. 601, 607, 681 S.E.2d 885, 888 (2009)).

## I. Motion to Set Aside Default

SC OPCO argues it is entitled to relief from the default judgment under Rules 55(c) and 60(b), SCRCP, because it made a good faith mistake of fact in failing to appear.[1] We disagree.

"When a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend as provided by these rules and that fact is made to appear by affidavit or otherwise, the clerk shall enter his default upon the calendar (file book)." Rule 55(a), SCRCP. "For good cause shown the court may set aside an entry of default and, if a judgment by default has been entered, may likewise set it aside in accordance with Rule 60(b)." Rule 55(c), SCRCP. Rule 60(b) provides, "On motion and upon such terms as are just, the court may relieve a party or his legal representative from a final judgment, order, or proceeding for the following reasons: (1) mistake, inadvertence, surprise, or excusable neglect . . . ."

> Once a default judgment has been entered, a party seeking to be relieved must do so under Rule 60(b), SCRCP. The standard for granting relief from a default judgment under Rule 60(b) is more rigorous than the "good cause" standard established in Rule 55(c). Rule 60(b) requires a more particularized showing of mistake, inadvertence, excusable neglect, surprise, newly discovered evidence, fraud, misrepresentation, or "other misconduct of an adverse party." Rule 60(b), SCRCP. The different standards under the two rules underscore the clear intent to make it more difficult for a party to avoid a default once the court has entered a judgment, which carries greater finality, and often occurs later than, a clerk's entry of default.

*Sundown*, 383 S.C. at 608, 681 S.E.2d at 888–89 (citations omitted).

"The movant in a Rule 60(b) motion has the burden of presenting evidence proving the facts essential to entitle him to relief." *Nelson v. Nelson*, 428 S.C. 152, 173–74,

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[1] SC OPCO's argument that it is entitled to relief under Rule 60(b)'s "mistake" provision appears to hinge on the fact that the complaint was filed against both Ridgeland Nursing Center (the nursing facility's name under the former owner) and SC OPCO.

833 S.E.2d 432, 443 (Ct. App. 2019) (quoting *Bowers v. Bowers*, 304 S.C. 65, 67, 403 S.E.2d 127, 129 (Ct. App. 1991)).

> Rule 60(b)(1), SCRCP provides that this court may relieve a party from a final judgment or order if the judgment or order was induced by mistake, inadvertence, surprise, or excusable neglect. This rule is an appropriate remedy for good faith mistakes of fact if all other applicable factors are met. However, a party may not generally use Rule 60(b)(1) as a vehicle for relief from a mistake of law.

*Hillman v. Pinion*, 347 S.C. 253, 256, 554 S.E.2d 427, 429 (Ct. App. 2001) (footnotes omitted) (citation omitted). "[L]ack of familiarity with legal proceedings is not an acceptable excuse and the court will hold a layman to the same standard as an attorney." *Rouvet v. Rouvet*, 388 S.C. 301, 310, 696 S.E.2d 204, 208 (Ct. App. 2010).

In *Hillman*, Husband brought an action for divorce, but Wife died testate before the final hearing. 347 S.C. at 255, 554 S.E.2d at 428. The family court then dismissed the case with prejudice by consent order initiated by Husband's attorney. *Id.* A year later, Husband's new attorney filed a Rule 60 motion for relief from the order of dismissal, arguing, among other things, that the parties mistakenly believed the divorce action was rendered moot by Wife's death. *Id.* The family court denied the motion, and Husband appealed. *Id.* at 255, 554 S.E.2d at 429. The court of appeals affirmed the family court's denial of Rule 60(b) relief, explaining,

> The mistake Husband asserts entitles him to relief under Rule 60(b)(1), SCRCP is the parties' mistaken assumption that Wife's death abated the equitable apportionment action. This court has held that the death of one party to an action does not abate an action for equitable distribution. However, because this is a mistake of law, not fact, we find this is not the type of mistake, surprise, inadvertence, and excusable neglect generally contemplated by Rule 60(b)(1).

*Id.* at 257, 554 S.E.2d at 429 (citations omitted).

Here, we find the special referee did not abuse his discretion in denying the motion to set aside the default judgment because SC OPCO failed to demonstrate the good faith mistake of fact necessary to warrant Rule 60(b) relief. Like the special referee, we view SC OPCO's claimed mistaken belief that it was not required to appear or answer because Ridgeland was listed under its former operating name (or because Ridgeland's former owner entered the Service Agreement) as a mistake of law akin to the mistake in *Hillman*. *See id.* (holding Husband's mistake of law did not entitle him to relief under Rule 60(b)); *see also Hill v. Dotts*, 345 S.C. 304, 310, 547 S.E.2d 894, 897 (Ct. App. 2001) (noting a party's "failure to understand the legal process is not excusable neglect under Rule 60(b)").

Helpful to our analysis is the special referee's August 2023 letter explaining his reasoning for the denial of SC OPCO's motions. In this correspondence, the special referee commended the professionalism of the parties' counsel and stated:

> However, in ruling, I cannot get beyond the fact that the Defendant SC OPCO's agents, officers, servants, and/or employees appeared to make an absolute conscious decision to repeatedly and blatantly ignore a validly served Summons and Complaint in this matter, and to compound their self-made legal quagmire, they failed to contact me or appear at the [April 2023] Default Damages Hearing held by me after due and timely notice of the hearing was given to the Defendants by Plaintiff's attorney.
>
> Here, I am certainly not convinced that we are dealing with unsophisticated parties, but that we are dealing with a sophisticated Defendant [SC OPCO] which did not pay for goods and services rendered to it for an extended period of time by the Plaintiffs.
>
> Under Rule 60, there is no evidence of mistake, inadvertence, surprise, or excusable neglect. It is clear that SC OPCO consciously chose to ignore the repeated invoicing by the Plaintiffs and then consciously chose to ignore the pleadings served on it and the damages hearing.

We affirm the special referee's ruling that SC OPCO failed to demonstrate a good faith mistake of fact. Because SC OPCO cannot satisfy this threshold Rule 60(b) requirement, we decline to address the remaining factors applicable to a court's determination of whether to set aside a default judgment. *See ITC Com. Funding, LLC v. Crerar*, 393 S.C. 487, 496, 713 S.E.2d 335, 339–40 (Ct. App. 2011) ("Having concluded the trial court did not abuse its discretion in finding the Appellant was not entitled to relief on any of the grounds specified in Rule 60(b), SCRCP, we need not address whether the Appellant has a meritorious defense."); *see also Futch v. McAllister Towing of Georgetown, Inc.*, 335 S.C. 598, 613, 518 S.E.2d 591, 598 (1999) (holding an appellate court need not address remaining issues when determination of a prior issue is dispositive).

## II. Amount of Damages and Attorney's Fees

SC OPCO next asserts that even if it is not entitled to relief from default, this court should reverse the damages award because it is unfair, unjust, and unconscionable. It contends any award should be limited to the quantum meruit claim and that the award of attorney's fees is unreasonable. Again, we disagree.

"A defendant in default admits liability but not the damages as set forth in the prayer for relief. The amount of damages in a default action must be proved by the preponderance of the evidence." *Solley v. Navy Fed. Credit Union, Inc.*, 397 S.C. 192, 203, 723 S.E.2d 597, 603 (Ct. App. 2012) (citation omitted). "Actions on a contract must be based on the terms of the contract." *Crenshaw v. Erskine Coll.*, 432 S.C. 1, 24, 850 S.E.2d 1, 13 (2020).

SC OPCO's arguments that it should not be held liable for damages under the Service Agreement relate to successor liability and contract versus quantum meruit considerations. However, as noted above, a defendant in default has admitted liability. *See Solley*, 397 S.C. at 203, 723 S.E.2d at 603 ("A defendant in default admits liability but not the damages as set forth in the prayer for relief."); *id.* ("In essence, the defaulting defendant has conceded liability." (quoting *Howard v. Holiday Inns, Inc.*, 271 S.C. 238, 242, 246 S.E.2d at 880, 881 (1978)). Therefore, we reject SC OPCO's arguments that it should not be responsible for damages under the Service Agreement or on a contract cause of action.

Nor did the special referee abuse his discretion in calculating damages. The Service Agreement provided the medical linen services would begin on April 1, 2020, and continue for sixty months. It further stated, "Any invoice in the over 30 day status will be subject to a 1.5% late charge (18% per annum). The Customer

will be responsible for all legal fees to collect any unpaid balances." As to early termination, the Service Agreement provided for payment "at a depreciated rate of 50% of the rental rate times the number of weeks left in the agreement." Because the special referee awarded damages consistent with the Service Agreement and SC OPCO has identified no error of law, we affirm the damages award.

"Attorney's fees are not recoverable unless authorized by contract or statute." *Jackson v. Speed*, 326 S.C. 289, 307, 486 S.E.2d 750, 759 (1997). In determining a reasonable attorney's fee award, a court should consider the professional standing of counsel and "the customary legal fees for similar services. The reasonableness of the number of hours billed scrhall be determined according to: (1) the nature, extent, and difficulty of the case; and (2) the time necessarily devoted to the case." *Glasscock v. Glasscock*, 304 S.C. 158, 161, 403 S.E.2d 313, 315 (1991).

The special referee awarded Lowcountry $38,419.45 in attorney's fees based upon a contingency fee agreement of 33 1/3% and $500.54 in costs, citing the Service Agreement's language providing that the "Customer will be responsible for all legal fees to collect any unpaid balances." The Service Agreement contains no legal prohibition on such a contingency fee arrangement. But also relevant to our review is the special referee's determination that under the *Glasscock* factors, the award was reasonable and appropriate. The special referee's order explains that the case was pending for a year and a half, counsel had fourteen years of experience, was in good professional standing, represented Lowcountry well, and timely obtained a beneficial result. We see no error in this determination and thus affirm the special referee's analysis and resulting fee award.

**Conclusion**

Based on the foregoing, we affirm the orders of the special referee.

**AFFIRMED.**

**WILLIAMS, C.J., and MCDONALD and TURNER, JJ., concur.**