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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM GREENVILLE COUNTY
Court of Common Pleas

Honorable Perry H. Gravely, Circuit Court Judge

Appellate Case No. 2025-002304
Case No. 2018-CP-23-01934

James Boyd, Jr.

Appellant,

v.

THI of South Carolina at Magnolia Place at Greenville, LLC;
Fundamental Administrative Services, LLC; and
Fundamental Clinical and Operational Services, LLC,

Respondents.

FINAL BRIEF OF APPELLANT

CANTWELL LAW FIRM, LLC
Joshua P. Cantwell
S.C. Bar No. 76368
P.O. Box 600
Charleston, South Carolina 29402
(843) 801-4104
josh@cantwelllawfirm.org

Attorney(s) for Appellant

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STATEMENT OF ISSUES ON APPEAL

- I. Did the Trial Court err in finding that Appellant's mother, Wilda Boyd, possessed apparent authority to execute the Arbitration Agreement on Appellant's behalf where: (a) the only statement attributed to Appellant — a two-word response to a hospital caseworker — concerned general "admissions paperwork" and was never communicated directly to Respondents; (b) the Arbitration Agreement was a stand-alone document that was not required for admission; and (c) Respondents never communicated with Appellant about the Arbitration Agreement before it was executed?

STATEMENT OF THE CASE

On the morning of June 3, 2016, Appellant James Boyd, Jr. was struck by a motor vehicle while riding his bicycle. An MRI confirmed cord contusion and compression at the C4-C5 level requiring surgical intervention. Although Mr. Boyd sustained severe physical injuries, he suffered no cognitive impairment and remained mentally competent throughout his hospitalization at Palmetto Health Baptist Hospital ("Hospital") and his subsequent admission to the Facility. He had no power of attorney, conservator, guardian, or any legal representative with authority over his affairs. (R. 0566, 0570, 0589, 0019).

After his hospitalization, Mr. Boyd was transferred to Respondent THI of South Carolina at Magnolia Place at Greenville, LLC's ("Facility") rehabilitation and nursing center. Prior to his arrival on June 30, 2016, Respondents' Admissions Coordinator, Leola Burt, contacted the Hospital's case manager, Peggy Fields, to determine who would handle Mr. Boyd's admission paperwork. (R. 0020). Ms. Burt did not contact Mr. Boyd directly. (R. 0633, pp 1-3).

Ms. Fields testified that when she asked Mr. Boyd who would be "signing paperwork on his behalf," he responded — to the caseworker — with words to the effect of "yes, mother" or "his mother." (R. 0021). That two-word response was the entirety of the communication attributed to Mr. Boyd. It was relayed second-hand from Ms. Fields to Ms. Burt. The Court below also

considered a sworn declaration submitted by Ms. Fields. (R. 0019). On the strength of this attenuated exchange, the admissions paperwork — including the stand-alone Arbitration Agreement — was faxed directly to Wilda Boyd for execution, without any further communication with Mr. Boyd about what was being signed.

Wilda Boyd signed and returned the documents. Neither Ms. Burt nor anyone else ever explained the Arbitration Agreement's contents, meaning, or legal consequences to Wilda Boyd or to Appellant. (R. 0641, lines 14-15; 22-24). The Trial Court's own Order confirmed that the Arbitration Agreement was a "separate, stand-alone" document and that "by its terms, the Arbitration Agreement was not a precondition to admission" — the patient or his representative could "choose whether to accept or refuse it." (R. 0019-0020).

Appellant arrived at the Facility on June 30, 2016, by ambulance, unaccompanied. (R. 0581-0582). During his deposition, Mr. Boyd testified consistently that: (1) he never gave anyone at the Hospital authority to designate his mother as his agent for paperwork, (R. 0583-0584); (2) he never authorized his mother to execute an arbitration agreement on his behalf, (R. 0594; 0600-0601); (3) he was never shown or given a copy of the Arbitration Agreement prior to this litigation, (R. 0601); and (4) had anyone from the Facility told him his mother was signing away his right to a jury trial and asked whether he agreed, he would not have done so. (R. 0601).

Respondents filed a Motion to Compel Arbitration on May 2, 2018. The Court denied the motion without prejudice on July 9, 2018, ordering additional discovery on agency law. Following supplemental briefing and a second hearing on May 20, 2019, the Court issued its Order on August 20, 2019 ("Order"), granting the Motion to Compel. The Order found apparent authority based primarily on the testimony of Ms. Fields, Ms. Burt, and Wilda Boyd, while preferring those

witnesses over Mr. Boyd's testimony. (R. 0028-0029). The Court relied on two out-of-jurisdiction or unpublished cases — the South Carolina Court of Appeals' unpublished decision in *Horton v. Pyramid Masonry Contractors* and the North Carolina Court of Appeals' decision in *Bookman v. Britthaven, Inc.* — as persuasive authority. (R. 0025-0028). The Court expressly declined to reach the ratification argument. (R. 0029). The Motion to Reconsider was denied October 17, 2019. The parties conducted arbitration in October 2021, resulting in a finding for Respondents. The Court confirmed the arbitration award on October 16, 2025, and this appeal followed.

STANDARD OF REVIEW

Determinations of arbitrability are subject to de novo review, but if any evidence reasonably supports the circuit court's factual findings, the Court of Appeals will not overrule those findings. *Pearson v. Hilton Head Hosp.*, 400 S.C. 281, 286, 733 S.E.2d 597, 599 (Ct.App.2012). The determination of whether an agency relationship exists is a mixed question of law and fact. The legal question of what constitutes apparent authority — including whether the evidence is legally sufficient to satisfy its elements — is reviewed de novo. Where, as here, the trial court misapplied the legal standard for apparent authority by treating a two-word response to a third-party intermediary as sufficient to confer authority to waive a constitutional right, the error is one of law subject to this Court's independent review.

ARGUMENT

Forced Arbitration agreements are legally enforceable only where a valid agreement to arbitrate exists. *Towles v. United Healthcare Corp.*, 338 S.C. 29, 37, 524 S.E.2d 839, 844 (Ct. App. 1999). The FAA and South Carolina law look to state contract law principles to resolve threshold questions of formation, including agency. *Id.*, *Munoz v. Green Tree Fin. Corp.*, 343 S.C.

531, 542 S.E.2d 360, 364 (2001). No valid arbitration agreement exists here because Respondents cannot satisfy the legal requirements for apparent authority.

I. THE TRIAL COURT ERRED IN FINDING THAT WILDA BOYD POSSESSED APPARENT AUTHORITY TO EXECUTE THE ARBITRATION AGREEMENT ON APPELLANT'S BEHALF.

South Carolina places the burden of proving agency on the party asserting it, and requires that agency be "clearly established by the facts" — not merely suggested by a prima facie showing. *Pee Dee Nursing Home, Inc. v. Florence Gen. Hosp.*, 309 S.C. 80, 85, 419 S.E.2d 834, 837 (Ct. App. 1992). A party dealing with an alleged agent has a legal duty to determine the scope of that agent's authority. *Id.*

The Trial Court correctly stated the legal framework for apparent authority, citing *Eadie v. H.A. Sack Co.*, 322 S.C. 164, 171, 470 S.E.2d 397, 401 (Ct. App. 1996), and *Charleston, S.C. Registry for Golf & Tourism, Inc. v. Young Clement Rivers & Tisdale, LLP*, 359 S.C. 635, 642, 598 S.E.2d 717, 721 (Ct. App. 2004): apparent authority 'depends upon manifestations by the principal to a third party and the reasonable belief by the third party that the agent is authorized to bind the principal.' [ROA 0025]. The Court erred, however, in its application of this standard to the facts before it.

Apparent authority must be traced to the *principal's* own conduct. *Richardson v. PV, Inc.*, 383 S.C. 610, 615, 682 S.E.2d 263, 265 (2009); *Cowburn v. Leventis*, 366 S.C. 20, 39, 619 S.E.2d 437, 448 (Ct. App. 2005). A principal is bound when it 'holds another out as having the authority to act on his behalf or knowingly permits another to act as his agent.' *R & G Const., Inc. v. Lowcountry Reg'l Transp. Auth.*, 343 S.C. 424, 433, 540 S.E.2d 113, 118 (Ct. App. 2000). The doctrine protects third parties who deal with an agent 'in good faith and in the exercise of

reasonable prudence.' *Id.* Reasonable prudence is not a passive inquiry — it requires that the third party make some effort to confirm the scope of the agent's authority before proceeding.

A. Apparent Authority Must Be Traceable to the Principal's Own Representations to the Third Party — A Two-Word Response to a Hospital Caseworker Cannot Confer Authority to Waive a Constitutional Right.

The Trial Court found that Mr. Boyd's statement to Ms. Fields — relayed to Ms. Burt — constituted sufficient "manifestation" to support apparent authority over the Arbitration Agreement. This finding cannot withstand *de novo* review for two independent reasons: (1) the statement was not made to Respondents, and (2) even as made, it did not encompass the specific authority to waive Mr. Boyd's right to a jury trial.

First, apparent authority is generated by the principal's manifestations to the *third party* asserting authority — here, Respondents. *Eadie*, 322 S.C. at 171, 470 S.E.2d at 401; *Charleston Registry*, 359 S.C. at 642, 598 S.E.2d at 721. The statement at issue was made to Ms. Fields, a caseworker at the Hospital — an intermediary with no agency relationship to Respondents and no authority to bind them or their admissions process. Ms. Burt then received a second-hand account from Ms. Fields of what Mr. Boyd allegedly said. This is not a principal's manifestation to a third party. It is rank hearsay relayed through an uninvolved intermediary, and it cannot constitute the kind of direct holding-out required to create apparent authority.

Second, the content of the statement attributed to Mr. Boyd was itself inadequate. According to Ms. Fields' own testimony, Mr. Boyd said nothing more than "yes, mother" or "his mother" in response to a question about who would be "signing paperwork on his behalf." (R. 0021). He did not say his mother had authority to execute legal agreements, waive his rights, or execute any specific document. A two-word response to a general question about who would

handle admission logistics cannot, as a matter of law, constitute a knowing manifestation of authority to bind him to a stand-alone arbitration agreement that was explicitly designated as optional and separate from the admission itself.

The Trial Court acknowledged that the Arbitration Agreement 'was not a precondition to admission' and that the patient 'could choose whether to accept or refuse it.' (R. 0019-0020). This acknowledgment is fatal to the apparent authority finding. If the document was optional and separable, then general authority over 'admissions paperwork' cannot logically encompass it. Where a facility itself treats an arbitration agreement as distinct from necessary admission documents, a patient's general reference to someone handling his 'paperwork' cannot be read as conferring authority over that separate, optional legal instrument.

Additionally, Ms. Burt admitted she never personally spoke with Mr. Boyd prior to Wilda Boyd executing any documents, including the Arbitration Agreement. (R. 0633, lines 1-3). The person who actually secured the Agreement's execution had no direct communication with the alleged principal prior to that execution. The 'reasonable prudence' required by *R & G Construction* demands at minimum that a party confirm the scope of an alleged agent's authority when executing a document of this legal significance — particularly where the alleged principal was available, competent, and present at the same facility.

B. The Trial Court's Reliance on *Horton* and *Bookman* Was Misplaced Because Neither Case Involves a Competent Patient Who Was Never Consulted About the Specific Legal Document at Issue.

The Trial Court drew support from two cases: the unpublished South Carolina Court of Appeals opinion in *Horton v. Pyramid Masonry Contractors, Inc.*, No. 2008-UP-208, 2008 WL 9841237 (S.C. Ct. App. Mar. 27, 2008), and the North Carolina Court of Appeals' decision in

Bookman v. Britthaven, Inc., 233 N.C. App. 454, 756 S.E.2d 890 (2014). (R. 0025-0028). Neither case supports the result reached below.

In *Horton*, a hiring employee made express, direct representations to a job applicant about the terms of his employment, including transportation. 2008 WL 9841237, at *6. The court found apparent authority because the hiring employee occupied a position (recruiter) that gave prospective employees a reasonable basis to believe he could negotiate employment terms. *Id.* That case involved a direct representation by someone in an expressly authorized role — the opposite of the indirect, second-hand chain of communication at issue here. Moreover, *Horton* is an unpublished opinion that, under South Carolina Appellate Court Rule 268, has no precedential value.

In *Bookman*, the North Carolina Court of Appeals found sufficient evidence that a nursing home resident's husband and daughter may have had apparent authority to execute an arbitration agreement. 233 N.C. App. at 460, 756 S.E.2d at 895. Critically, however, there was no suggestion in *Bookman* that the resident was competent at the time of admission and capable of speaking for herself. The case involved a different factual scenario where the resident appeared incapable of managing her own affairs, and family members presented themselves as her representatives throughout the process. By contrast, the Trial Court here expressly found — and Respondents do not dispute — that Mr. Boyd was competent at admission and capable of executing documents himself. (R. 0019; 0589).

A finding of apparent authority for a family member to bind a competent adult patient to a waiver of constitutional rights requires substantially more than what was shown here. The fact that a competent patient mentions his mother in response to a general logistics question cannot be

treated as the functional equivalent of presenting a family member as an authorized legal representative to sign documents of legal consequence. The Trial Court's effort to draw an equivalence between these scenarios was error.

Furthermore, *Bookman* was explicitly characterized by the Trial Court itself as 'not controlling precedent.' (R. 0028). Reliance on a non-controlling opinion from another state interpreting that state's law — without engaging in a careful analysis of how South Carolina's distinct apparent authority framework applies — is an insufficient basis for a legal conclusion that strips a competent adult of his constitutional right to a jury trial.

C. General Authority to Handle 'Admissions Paperwork' Cannot, as a Matter of Law, Be Read to Include Authority to Waive a Patient's Right to a Jury Trial in a Stand-Alone Arbitration Agreement.

The Trial Court reasoned that because Mr. Boyd authorized his mother to execute 'admissions paperwork on his behalf, he effectively placed her in a position where third parties, and in particular Ms. Burt, would believe she had authority to bind Plaintiff to all admissions documents, including the Arbitration Agreement.' (R. 0028). This reasoning conflates the general with the specific in a way that South Carolina law does not permit.

The Arbitration Agreement was not merely another piece of admissions paperwork. It was a legally distinct instrument that: (i) the Facility itself designated as separate and stand-alone; (ii) was explicitly optional and not required for admission; and (iii) operated to permanently waive Mr. Boyd's constitutional right to have any claims against the Facility decided by a jury. (R. 0019-0020). These characteristics remove it categorically from general admissions documents.

The analogy the Trial Court drew to *Horton* — where broad authority to negotiate employment terms encompassed the specific term of providing transportation — fails precisely

because of these distinctions. Transportation is an ordinary term of employment within the scope of an employment negotiation. An arbitration agreement is not an ordinary term of admission; it is a separate legal contract requiring knowing and voluntary consent. If the Facility itself did not treat the Arbitration Agreement as simply part of the admission paperwork — it was optional, separate, and distinct — then no general authority to handle admission paperwork could logically or legally encompass authority to execute it.

South Carolina's apparent authority doctrine, as articulated in *Fernander v. Thigpen*, 278 S.C. 140, 293 S.E.2d 424 (1982), protects parties who act on reasonable assumptions about an agent's authority. Reasonableness here required Respondents to verify — at minimum by speaking directly with the competent, available, and present Mr. Boyd — that his mother was indeed authorized to waive his specific constitutional rights. Having chosen not to do so, Respondents cannot invoke apparent authority to enforce a waiver that Appellant consistently maintains was never authorized.

CONCLUSION

The Trial Court's Order granting Respondents' Motion to Compel Arbitration should be reversed. Wilda Boyd did not have apparent authority to execute the Arbitration Agreement because: (1) the only statement attributed to Mr. Boyd was a two-word response to a hospital caseworker — not a representation made to Respondents; (2) that statement concerned general admission logistics, not authority to execute a separate, optional, stand-alone legal agreement waiving a constitutional right; (3) the Facility's own admissions coordinator never spoke with Mr. Boyd prior to execution of the Arbitration Agreement; and (4) the cases relied upon by the Trial Court — one unpublished and without precedential value, one from a different state interpreting different law — do not support apparent authority on these facts.

For all of the foregoing reasons, Appellant respectfully requests that this Court reverse the Order granting the Motion to Compel Arbitration, vacate the arbitration award, and remand this matter for further proceedings before the Greenville County Court of Common Pleas.

Respectfully submitted,

CANTWELL LAW FIRM, LLC

By: s/ Joshua P. Cantwell

Joshua P. Cantwell

S.C. Bar No. 76368

P.O. Box 600

Charleston, South Carolina 29402

(843) 801-4104

josh@cantwelllawfirm.org

Attorney(s) for Appellant

Dated: October 7, 2026

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CERTIFICATION

CANTWELL LAW FIRM, LLC
Joshua P. Cantwell
S.C. Bar No. 76368
P.O. Box 600
Charleston, South Carolina 29402
(843) 801-4104
josh@cantwelllawfirm.org

Attorney(s) for Appellant

I, Joshua P. Cantwell, of the Cantwell Law Firm, LLC, attorney for Appellant, hereby certify that the APPELLANT'S FINAL BRIEF complies with Rule 211 (b) SCACR and Supreme Court order of April 15, 2014.

Respectfully submitted,

CANTWELL LAW FIRM, LLC

By: s/ Joshua P. Cantwell

Joshua P. Cantwell

S.C. Bar No. 76368

P.O. Box 600

Charleston, South Carolina 29402

(843) 801-4104

josh@cantwelllawfirm.org

Attorney(s) for Appellant

Charleston, South Carolina

Dated: October 7, 2026