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STATE OF SOUTH CAROLINA COUNTY OF YORK	)	IN THE COURT OF COMMON PLEAS
SPG Construction, LLC. Plaintiff,	)	C.A. No. 2025-CP-46-02598
v.	)	**AMENDED ORDER DENYING DEFENDANT'S MOTION TO VACATE AND GRANTING PLAINTIFF'S MOTION TO CONFIRM ARBITRATION AWARD**
National Partitions, Inc.; Defendant.	)	

This matter was before the Court on July 28, 2026, on Plaintiff's Motion to Confirm the Arbitration Award and Defendant's Motion to Vacate the Arbitration Award. Counsel submitted detailed memoranda in support of their respective motions and in opposition to the other party's motion. After reading the submissions by counsel and hearing oral arguments, the Court denies Defendant's Motion to Vacate and grants Plaintiff's Motion to Confirm.

A. BACKGROUND

Plaintiff, SPG Construction, LLC (SPG) was hired by Silfab Solar Cells SC Inc. (Silfab) to convert a large existing building in York County into a manufacturing facility. Silfab sought out and negotiated with Defendant, National Partitions (NP), to design, fabricate, and install materials for a commercial "Clean Room" in Silfab's facility. Silfab negotiated contract scope and prices directly with NP. Silfab then directed SPG to contract with NP for the scope of work Silfab had negotiated with NP. SPG issued a $12,000,000.00 Purchase Order to NP for the design, manufacturing, and supply of materials. SPG entered a separate contract with NP to install the materials NP manufactured for over $5,000,000.00. The largest part of the NP material and installation contracts was a 100-foot-wide, almost 1,400-foot-long industrial Clean Room that would house the manufacturing equipment for making solar panels. Before NP completed its contract, on April 2, 2025, NP left the project and filed a $3,000,000.00 mechanic's lien. SPG filed suit in York County for breach of contract and requested the court to stay the proceedings and compel arbitration. SPG and NP entered a consent order staying the court action and compelling arbitration. The Arbitration was held in May 2026. The Arbitrator, Frank Smith, issued his Final Award on July 3, 2026, and SPG filed its Motion to Confirm on July 6, 2026. On July 14, 2026,

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NP filed a Motion to Alter or Amend with the Arbitrator and filed its Motion to Vacate with the Court on July 18, 2026. On July 22, 2026, the Arbitrator denied NP's Motion to Alter or Amend a 2-page written Order. The hearing on NP's Motion to Vacate and SPG's Motion to Confirm the Award was held on July 28, 2026.

B. STANDARD OF REVIEW

"Arbitration is a favored method of settling disputes in South Carolina." Pittman Mortg. Co. v. Edwards, 327 S.C. 72, 75, 488 S.E.2d 335, 337 (1997) (citing Batten v. Howell, 300 S.C. 545, 389 S.E.2d 170 (Ct. App. 1990); Trident Technical College v. Lucas & Stubbs, Ltd., 286 S.C. 98, 333 S.E.2d 781 (1985)). See also Lauro v. Visnapuu, 351 S.C. 507, 516, 570 S.E.2d 551, 555 (Ct. App. 2002): "When a dispute is submitted to arbitration, the arbitrators determine questions of both law and fact." Pittman at 337 (citing S.C. Code Ann. § 15-48-180). "Generally, an arbitration award is conclusive, and courts will refuse to review the merits of an award. An award will be vacated only under narrow, limited circumstances." Pittman *at 337.* Case law presupposes something beyond a mere error in construing or applying the law. Even a "clearly erroneous interpretation of the contract" cannot be disturbed. Pittman at 337, citing Trident at 787.

"In reviewing arbitration awards, 'the standards for judicial intervention are . . . narrowly drawn to assure the basic integrity of the arbitration process without meddling in it.'" Crouch Constr. Co. v. Causey, 405 S.C. 155,747 SE2d 482, 486 (quoting Merit Ins. Co. v. Leatherby Ins. Co., 714 F.2d 673, 681 (7th Cir. 1983)). "An award will be vacated only under narrow, limited circumstances, inter alia, 'when the arbitrator exceeds his or her powers and/or manifestly disregards or perversely misconstrues the law.'" C-Sculptures, LLC v. Brown, 403 S.C. 53, 56, 742 S.E.2d 359, 360 (2013) (quoting Gissel v. Hart, 382 S.C. 235, 240, 676 S.E.2d 320, 323 (2009)). "An arbitrator's 'manifest disregard of the law,' as a basis for vacating an arbitration award occurs when the arbitrator knew of a governing legal principle yet refused to apply it." C-Sculptures at 360. (citing Gissel at 323). "Factual and legal errors by arbitrators do not constitute an abuse of powers, and a court is not required to review the merits of a decision so long as the arbitrators do not exceed their powers." Gissel at 324 citing Pittman at 338.

To vacate the arbitration award, NP must show "'something beyond and different from a mere error of law or failure on the part of arbitrator[] to understand or apply the law.'" Batten, at 172 (quoting Trident Tech. College v. Lucas & Stubbs, at 787.

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C. ANALYSIS

The basis upon which NP moves to vacate the Final Award is based on the premise that the arbitrator exceeded his powers or manifestly disregarded the law. S.C. Code Ann. § 15-48-130(a)(3).

1. NP contends the Arbitrator exceeded his powers or manifestly disregarded the law because the Award grants a remedy the parties struck from the Agreement.

NP contends the Final Award should be vacated because the Final Award granted damages that were inconsistent with language agreed to be struck from SPG's contract with N.P. (the "Contract").

The Court first looks at how the Arbitrator viewed the nature of the dispute and the Contract, and then at the Contract language struck out by the parties, to see whether the Arbitrator strayed from the Contract.

In the Final Award, the Arbitrator described the issue before him. The issue was the subject of the state court case filed by SPG and squarely within his authority:

> *"*The disputes relate primarily to who breached their contractual obligations. There is disagreement on NP's responsibilities for its subcontractor DSI, responsibility for additional materials relating to design changes and use of materials on site during installation, SPG's right to supplement NP's forces and the costs of that supplementation." *Page 3 of the Final Award.*

AND

> *"*The primary issue in this case is who materially breached their contractual obligations." *Page 6 of the Final Award.*

The parties agreed to NP striking the majority of paragraph 8(e), which addresses what NP would be subject to if it were to fall behind on the project. The remainder of paragraph 8 remained in the Contract (untouched) and required NP to work diligently and promptly to avoid delays (paragraph 8(a)). Based on the evidence, the Arbitrator concluded that NP had breached the contract and awarded SPG damages accordingly:

> "As discussed below, I find that NP materially breached its contractual obligations to SPG. SPG did not owe any amounts to NP when NP left the site on April 2, 2025, and SPG was not in breach of its obligations when NP left the site. Due to contract terms discussed below, NP's abandonment of the project will be treated as a termination for convenience." *Page 6 of the Final Award*

The Arbitrator made specific findings of fact on pages 4-5 of the Final Award that led him to the legal conclusion that NP materially breached contract. Some of these facts also determined how he based his award of damages to SPG.

The Arbitrator determined that NP and its subcontractor, DSI, started the installation Contract behind schedule and weren't making progress, forcing SPG to step in. The above-stated factual findings established NP's failure to promptly and diligently perform its work starting at the beginning of the installation contract and continuing until NP abandoned the contract in April 2025. The Arbitrator also found that when SPG notified NP of the costs it had incurred for labor and equipment in performing NP's work, NP took some responsibility for the costs SPG had incurred doing NP's work. This is critical not just to prove NP breached its contract, but to support the basis of his award of damages.

> "NP accepted some responsibility for the spaceframe costs but refused to accept responsibility for decking costs and told SPG that it never approved SPG to install any decking." *Page 5 of the Final Award*.

Based on his determination that NP materially breached the contract and SPG did not breach the contract, the Arbitrator turned to the issue of determining damages.

> "Therefore, the issue to be decided is what is the value of the work NP performed before it left the project. By necessity, we must determine what work NP performed on its scope of work as opposed to work performed by SPG or its subcontractors on NP's scope of work." *Page 7 of the Final Award*.

The Arbitrator's ruling shows an award of damages consistent with the Contract. The emails cited by the Arbitrator show that NP knew it would be paid only for the portion of work it performed. NP admits that SPG retained the right to withhold payment (from NP) for unearned work, Par. 5 of the Contract. The Arbitrator based damages on the evidence of NP's proof of work. The result was that NP had been overpaid for the work it earned when it abandoned the project.

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The Arbitrator determined what was awarded to SPG and it directly arose from the Contract. In the Arbitration Order on NP's Motion to Alter or Amend, the Arbitrator responded directly to NP's claim that the award was simply reviving language straight from the Contract. The Arbitrator wrote at the top of page 2 of the Order that the unstruck portions of Par. 8 of the Contract, "... the remaining portions of paragraph 8 created substantial obligations on the part of Respondent [NP] and Respondent failed to meet those obligations."

The above-referenced emails showed NP knew it was responsible for the cost SPG was incurring performing NP's work, and the Arbitrator found liability and damages consistent with the remaining language of the Contract. All of this is based on the Contract and the Arbitrator noted this throughout his Final Award. The Arbitrator did not exceed his authority. The Final Award is justly based on the Contract.

A. NP contends the deleted language shows the Parties' intent and that intent controls; this amounts to the Arbitrator exceeding his authority and manifestly disregarding the law.

It may be true the struck language partially reflected the intent of one or both of the parties, but it doesn't mean the Arbitrator exceeded his authority or disregarded the law. The Arbitrator addressed this argument twice in the Final Award.

> "Paragraph 8e was deleted in its entirety except for the last sentence. NP contends that because of this deletion, it cannot be liable for delays caused by its failure to prosecute the Work as directed by SPG. NP's contention that the deletion of the paragraph 8e language eliminates any liability for NP's failure to meet its contractual obligations is without merit. The 8e language addresses some specifics relating to damages for breach relating to delays; however, the deletion of that language does not operate as a waiver of damages or a limitation of liability. NP still had contractual obligations to perform its work timely (see subparagraphs 8 a, b, c and d)"

AND

> "NP contends that SPG cannot "recover" for the work it performed because the contract does not allow for it; however, in addition to justifications above it would be inequitable to allow NP to benefit from work performed by SPG when calculating the value of the work NP performed on the project. Therefore, I find that SPG's work performed on NP's scope can be considered in calculating the value performed by NP."

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The Court agrees that the struck language does not operate as a waiver or limitation of liability; it simply means that the struck language does not automatically apply. The Arbitrator interpreted the contract and therefore did not exceed his authority or disregard the law.

B. NP claims the Final Award restores the struck remedy in substance and by name and this amounted to the Arbitrator exceeding his authority or manifestly disregarding the law.

This argument also fails because the award of damages does not rely on and does not include the items struck in the Contract. NP's entire argument is based on this interpretation of the Final Award.

First and most fundamental, the Final Award and the struck language are completely different. The Arbitrator did award damages for NP's breach of contract, but the similarities with the stricken language in paragraph 8(e) of the contract stop there. None of the types of damages struck in paragraph 8(e) were a part of the Arbitrator's Final Award. The Final Award apportioned the value of the work performed by NP and SPG up and only until NP left the job and then adjusted what SPG had paid NP to account for the value of work NP provided. That was the basis of the damages awarded for NP's material breach of Contract.

If it had not been struck, paragraph 8(e) would have required NP to pay SPG for all damages, including consequential, incidental and special damages. None of those are damages included in the Final Award. 8(e) would have required NP to pay liquidated damages. Those are not in the Final Award. 8(e) would have allowed SPG to recover extended jobsite overhead, general condition costs, and extended home office overhead. None of that is in the Final Award. It also says that SPG's determination for damages would have been final and binding. The Final Award reflects that SPG did not receive all the damages it sought. The Final Award reflects that, in February 2025, SPG directed NP to increase manpower, and NP refused. 8(e) would have allowed SPG to force NP to increase manpower. If SPG determined NP had fallen behind or was failing to timely prosecute the work, 8(e) would have allowed SPG to take whatever other steps it deemed appropriate to include supply additional labor and equipment and NP would be obligated to pay SPG's actual costs. The Final Award did not award SPG this either. The Final Award did not revive any of the language struck in paragraph 8(e).

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The Final Award agreed that the parties struck paragraph 17(a) that would have allowed SPG to terminate NP for cause. That clause would have allowed SPG to recover from NP the extra costs it incurred to finish NP's work after NP left the job. The Final Award did not award this relief to SPG.

Upon close inspection, the Final Award did not do what NP claimed it did. The remedies NP claims to have struck from the Contract are not included in the Final Award. NP has not articulated or supported any condition where the Arbitrator strayed from the Contract or ignored any governing principle of law. The Final Award and Order denying NP's Motion to Alter or Amend shows the Arbitrator followed the Contract and applied appropriate law given his findings that NP materially breached the Contract. NP would have the Court decide that the struck language allowed NP to fail to perform, fail to pay, and be insulated from any consequences of its breach of the contract. That is not the contract NP negotiated and signed, nor is it consistent with governing law.

C. NP claims the Final Award rests on the Arbitrator's own sense of equity, not on the contract, and this is evidence that the Arbitrator exceeded his authority.

This argument also fails. The Final Award shows the Arbitrator carefully walked through his factual findings and applied the Contract. The factual findings dictated how the Arbitrator fashioned the damages award, exactly within his authority and consistent with the Contract. On page 7 of the Final Award, the Arbitrator explained how the damages were determined:

> "Based on the contract terms in the light most favorable to NP, SPG did not have the right to terminate NP for default; however, SPG could terminate NP at any time for convenience and NP would only be entitled to recover for "work performed prior to termination". It is undisputed that NP walked off the job on April 2, 2025. Based on the contract terms, it is irrelevant whether NP was justified in walking off the project, NP was in essence terminated for convenience when it left the project and it is only entitled to recover for work performed.
>
> Therefore, the issue to be decided is what is the value of the work NP performed before it left the project. By necessity, we must determine what work NP performed on its scope of work as opposed to work performed by SPG or its subcontractors on NP's scope of work."

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The above language is not applying equity it is enforcing the Contract. NP makes its argument here based on two statements of the Arbitrator. The Arbitrator addressed NP's position at the hearing and found:

> Determining the value of work performed by NP is difficult because SPG contributed labor and paid for cranes that were used to complete NP's scope of work. NP contends that SPG cannot "recover" for the work it performed because the contract does not allow for it; however, in addition to the justifications above it would be inequitable to allow NP to benefit from work performed by SPG when calculating the value of the work NP performed on the project. Therefore, I find that SPG's work performed on NP's scope can be considered in calculating the value performed by NP. Final Award Pp. 7-8

The Arbitrator's use of the term "inequitable" does not rise to substituting his own idea of equity to the exclusion of the Contract. By reading the Final Award as a whole, it is clear the Arbitrator was applying the Contract and, in this statement, was simply responding to an argument raised by NP. The Arbitrator responded to the same argument advanced in NP's Motion to Alter or Amend in the Arbitrator's Order denying the motion:

> Respondent also argues that any equitable decisions in the award are not allowed because they conflict with the contract deletions. While it is true that, under South Carolina law, unwise contractual provisions must be enforced "regardless of their wisdom or folly"; that legal principle does not apply here because no part of the award conflicts with any contract provisions. Respondent's deletions related to specific actions under certain circumstances; however, there was no language added to explain the Parties' intent when those specific circumstances arose. When a contract does not address a specific issue, reasonableness is the rule. Order p. 2.

This language shows the Arbitrator was applying the Contract. NP has pointed to no instance where the Arbitrator disregarded or perversely misconstrued the law governing this dispute. Waldo v. Cousins, 901 SE 2d 276 at 278 (S.Ct. 2024)(citing Gissel v. Hart, supra. at 323. The Supreme Court in Waldo said, "Courts may now vacate an arbitration award, but only when it is untethered from controlling legal principles known to, but shrugged off by, the arbitrator. This may occur when the arbitrator substitutes his personal policy views in place of a plainly binding legal principle." supra. at 279. After reviewing the Final Award and record properly before the court, I find that there is no evidence of such conduct by the Arbitrator in this case. The record below

supports the finding that the Arbitrator followed and enforced the Contract then fashioned a remedy supported by the evidence presented to him.

2. NP argues the Final Award should be modified for evident material miscalculation of figures

In his Order denying NP's Motion to Alter or Amend, the Arbitrator addressed each of these claims and explained that NP's position was not accurate and no computational errors had been made. Factual findings will not be disturbed by the court.

A. Crane Calculation

NP contested the crane calculation. First, NP claims that SPG's original crane costs were less and included marked-up pricing. NP referenced an SPG deductive change order for 2025 shortly after leaving the project. On May 28, 2026, before the close of the hearing, the Arbitrator sought clarification, for among other things, the crane invoices by issuing an email of questions, some directed to SPG and some to NP. There was a total of 8 questions asked by the Arbitrator. SPG responded with all the crane invoices. The total attributed to the crane rental in the Final Award was the actual costs of the crane and crew incurred by SPG. In the Order denying NP's Motion to Alter or Amend the Arbitrator stated, "Invoices were submitted that support the crane charges and all calculations were performed based on the evidence presented." The Court will not disturb this factual finding by the Arbitrator under the standard for vacatur or the standard under S.C. Code Ann. § 15-48-140(A)(1).

B. Markup

NP also argued there were impermissible embedded markups in the deductive change order SPG submitted to NP. As noted above, NP was referring to a deductive change order from 2025 when NP had left the project. The Arbitrator corrected this allegation by NP in the Order denying the Motion to Alter or Amend. Nonetheless, NP still offers no specific evidence to contradict the factual findings of the Arbitrator. Factual findings will not be disturbed by the Court.

C. SPG's payment to DSI, NP's subcontractor

NP also argues computational errors in the value of the SPG's payment to DSI. In SPG's Memorandum in Opposition to the Motion to Vacate, SPG attached and noted Exhibits 136 and

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137 which support its payment to DSI and the Arbitrator's findings related thereto. Factual findings will not be disturbed by the Court.

3. NP requested the Court to stay the award pending disposition of the Motion to Vacate

NP pointed out the Final Award directed payment of $400,000.00 into escrow within 30 days of the Final Award. NP contends the Escrow Agreement between the parties conditions the release of the funds on, "an arbitration award that becomes final and binding." The Court denies NP's Motion to Vacate and Confirms the arbitration award as a judgment. The Arbitrator has issued his Final Award. NP asked the Arbitrator to alter or amend the award and that motion was denied by the Arbitrator. This proceeding is to have the Final Award confirmed as a judgment. The Court is unaware of SPG taking any action on the Escrow Agreement. With this Order, if NP wants to stay execution of the judgment, then it may petition the court to stay the execution upon the posting of a bond as required in S.C. Code 18-9-130(A).

CONCLUSION

For all the reasons stated above, Defendant, NP's Motion to Vacate is **DENIED**. Having heard and resolved the Motion to Vacate the arbitration award, the Court **CONFIRMS** the arbitration award under S.C. Code Ann. § 15-48-130(d).

IT IS SO ORDERED.

The Honorable Thomas W. McGee, III

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York Common Pleas

Case Caption:	Spg Construction, Llc , plaintiff, et al VS National Partitions, Inc. , defendant, et al
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Type:	Order/Amend

So Ordered

s/ Thomas W. McGee III, Judge Code 2786