

STATE OF SOUTH CAROLINA )  
 )  
 COUNTY OF ABBEVILLE )  
 )  
 )  
 )  
Crystal Spires Wiley )  
 ) Plaintiff, )  
 )  
 ) vs. )  
 )  
 )  
Laura B. Willis et al )  
 ) Defendant. )

IN THE COURT OF COMMON PLEAS  
 EIGHTH JUDICIAL CIRCUIT

CASE NO.: 2012-CP-01-00343

**MOTION AND ORDER INFORMATION  
 FORM AND COVERSHEET**

Plaintiff's Attorney: Thomas E. Hite, Bar No. _____ Address: P.O. Box 805, Abbeville, SC 29620 Phone: 864.366.5400 Fax _____ E-mail: tommyhite@hotmail.com Other: _____	Defendant's Attorney: C. Mitchell Brown, Bar No. 012872 Address: P.O. Box 11070, Columbia, SC 29211 Phone: 803.255.9595 Fax 803.255.9025 E-mail: mitch.brown@nelsonmullins.com Other: _____
--	--

**MOTION HEARING REQUESTED** (attach written motion and complete SECTIONS I and III)  
 **FORM MOTION, NO HEARING REQUESTED** (complete SECTIONS II and III)  
 **PROPOSED ORDER/CONSENT ORDER** (complete SECTIONS II and III)

**SECTION I: Hearing Information**

Nature of Motion: Motion to Quash Subpoena  
 Estimated Time Needed: 30 minutes Court Reporter Needed:  YES /  NO

**SECTION II: Motion/Order Type**

Written motion attached  
 Form Motion/Order  
 I hereby move for relief or action by the court as set forth in the attached proposed order.

\_\_\_\_\_  
 Signature of Attorney for  Plaintiff /  Defendant Date submitted

**SECTION III: Motion Fee**

PAID - AMOUNT: \$ \_\_\_\_\_  
 EXEMPT: (check reason)

Rule to Show Cause in Child or Spousal Support  
 Domestic Abuse or Abuse and Neglect  
 Indigent Status  State Agency v. Indigent Party  
 Sexually Violent Predator Act  Post-Conviction Relief  
 Motion for Stay in Bankruptcy  
 Motion for Publication  Motion for Execution (Rule 69, SCRPC)  
 Proposed order submitted at request of the court; or,  
 reduced to writing from motion made in open court per judge's instructions  
 Name of Court Reporter: \_\_\_\_\_  
 Other: \_\_\_\_\_

**JUDGE'S SECTION**

Motion Fee to be paid upon filing of the attached order.  
 Other: \_\_\_\_\_

JUDGE CODE **RECEIVED**  
 Date: \_\_\_\_\_ **MAY 30 2014**

**CLERK'S VERIFICATION**

**SC Court of Appeals**

Collected by: \_\_\_\_\_ Date Filed: \_\_\_\_\_  
 MOTION FEE COLLECTED: \$ \_\_\_\_\_  
 CONTESTED - AMOUNT DUE: \$ \_\_\_\_\_

STATE OF SOUTH CAROLINA	)	
	)	IN THE COURT OF COMMON PLEAS
COUNTY OF ABBEVILLE	)	EIGHTH JUDICIAL CIRCUIT
CRYSTAL SPIRES WILEY,	)	Civil Action No. 2012-CP-01-343
	)	
Plaintiff,	)	
	)	
vs.	)	<u>MOTION OF DEFENDANT</u>
	)	<u>MONTGOMERY INSURANCE</u>
LAURA B. WILLIS, individually, and	)	<u>COMPANY TO QUASH SUBPOENA</u>
as agent for Southern Risk Insurance	)	
Company and Montgomery Insurance	)	
Company, JESSE A. DANTICE,	)	
individually and as broker/agent for	)	
Southern Risk Insurance Services, LLC	)	
and Montgomery Insurance Company,	)	
SOUTHERN RISK INSURANCE	)	
SERVICES, LLC, and	)	
MONTGOMERY INSURANCE	)	
COMPANY,	)	
	)	
	)	
Defendants.	)	
	)	

---

Pursuant to Rules 26(c) and 45 of the South Carolina Rules of Civil Procedure, Defendant Montgomery Insurance Company (“Montgomery” or “the Insurer”), by and through its undersigned attorneys, hereby moves to quash the third-party subpoena sent to the Insurer on or around May 14, 2014 (attached as Exhibit A).

As explained below, the grounds for this motion are that this Court no longer has jurisdiction over any claims against the Insurer due to the Insurer’s pending appeal of this Court’s prior motion refusing to compel arbitration, and all proceedings—including discovery—against the Insurer in this suit are stayed pending the outcome of the aforementioned appeal. Accordingly, this Court should quash the subpoenas.

## **BACKGROUND**

The Insurers have been sued in several lawsuits filed in Abbeville County. In each of the Complaints filed by the Abbeville plaintiffs—including Wiley—they allege they were harmed by the tortious acts of Laura B. Willis, an insurance agent operating under the supervision of the Southern Risk Insurance Agency. The Abbeville Plaintiffs further allege that the Insurer(s) had a duty to properly investigate, train, and supervise Willis, that they failed to detect and stop her wrongdoing, and that they engaged in unfair trade practices, civil conspiracy, conversion, fraud, and negligent misrepresentation.

In each pending lawsuit, the Insurers filed motions to compel arbitration of the various Abbeville Plaintiffs' claims against them, explaining that at the time of Willis' alleged wrongdoing, the Insurers' relationship with Willis and Southern Risk was established and governed by an Agency Agreement containing an arbitration agreement. The motions further explained that the Abbeville Plaintiffs' claims against the Insurers were premised on this contract, that in South Carolina and other jurisdictions a defendant may compel arbitration of the claims of a plaintiff who was not a signatory to the arbitration agreement, and that the Federal Arbitration Act requires arbitration of the claims against the Insurers.

This Court denied the motions to compel arbitration, and the Insurers filed motions to alter or amend that order. On April 21, 2014, this court denied the Insurers' motion to alter or amend the prior order refusing to compel arbitration, and on April 25, 2014, the Insurers filed their notices of appeal with the Court of Appeals.

Only one of the Abbeville Plaintiffs served any discovery requests on the Insurers.<sup>1</sup> Montgomery responded to those requests, objecting to the requests on a variety of grounds including that Montgomery's appeal of the order denying its motion to compel arbitration divested the court of jurisdiction over the claims against it and brought further proceedings—including discovery—to a halt pending resolution of the appeal.

On May 14, 2014, Defendant Southern Risk Insurance Services served subpoenas duces tecum on the Insurers in each of the Abbeville lawsuits, demanding the production of "any and all records regarding" each Abbeville Plaintiff's insurance coverage, including but not limited to their entire insurance file, policies, payment logs, notes messages, invoices, past due correspondence, insurance suspension correspondence and any and all documents regarding that Abbeville Plaintiff. (*See Ex. A.*)

### ARGUMENT

This Court should quash Southern Risk's subpoena because all proceedings against the Insurer, including discovery—compelled or otherwise—is stayed pending resolution of the Insurer's appeal. An order denying a motion to compel arbitration under the FAA is immediately appealable. *See* 9 U.S.C. § 16(a)(1)(C); *Cape Romain Contractors, Inc. v. Wando E., LLC*, 405 S.C. 115, 121 n.4, 747 S.E.2d 461, 464 n.4 (2013) (citing *Towles v. United HealthCare Corp.*, 338 S.C. 29, 34-35, 524 S.E.2d 839, 842 (Ct. App. 1999)). The appeal of such an order stays further proceedings in the trial court and divests it of jurisdiction over the suit. *See* Rule 241, SCACR ("As a general rule, the service of a notice of appeal in a civil matter acts to automatically stay matters decided in the order,

---

<sup>1</sup> In *Spires v. Willis et al.*, No. 2012-CP-01-342. In the suit brought by Southern Risk Insurance Services, LLC against Safeco and others (No. 2013-CP-04-1287), Southern Risk served Requests to Produce and Interrogatories on Safeco. Safeco responded to these with the same objections noted above.

judgment, decree or decision on appeal.”); Rule 205, SCACR (“Upon the service of the notice of appeal, the appellate court shall have exclusive jurisdiction over the appeal.”). The South Carolina Court of Appeals has recognized that an appeal of an order denying arbitration deprived the trial court of further jurisdiction over the suit. *See MailSource, LLC v. M.A. Bailey & Assocs.*, 356 S.C. 363, 588 S.E.2d 635 (Ct. App. 2003) (affirming trial court’s ruling that it could not grant an injunction because the pending appeal of an order denying arbitration divested the trial court of jurisdiction).

Discovery proceedings should not continue in the trial court once a notice of appeal of the denial of a motion to compel arbitration has been served and filed. *See, e.g., Levin v. Alms & Assocs.*, 634 F.3d 260-64 (4th Cir. 2011) (holding the appeal of an order denying arbitration automatically divests trial court of jurisdiction and thus halts discovery because “[d]iscovery is a vital part of the litigation process and permitting discovery constitutes permitting the continuation of the litigation, over which the district court lacks jurisdiction”); *Bradford-Scott Data Corp. v. Physician Computer Network*, 128 F.3d 504, 505-06 (7th Cir. 1997) (staying discovery pending appeal of an order denying arbitration, noting that “[c]ontinuation of proceedings in the district court largely defeats the point of the appeal and creates a risk of inconsistent handling of the case by two tribunals” and thus holding that “preparation for trial must be suspended until the court of appeals renders a decision”).

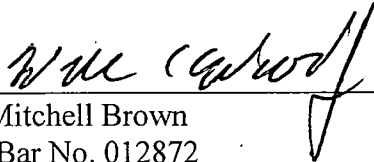
Because the Insurer has appealed the court’s denial of its motion to compel arbitration, the trial court lacks jurisdiction over this matter, and all litigation proceedings including discovery must be suspended pending resolution of the appeal. Accordingly,

this Court should quash the subpoena and prevent any impermissible discovery pending resolution of the Insurer's appeal.

### CONCLUSION

For the foregoing reasons, Montgomery seeks an Order Quashing the subpoenas duces tecum dated May 14, 2014 and providing such other and further relief as the Court deems just and proper. This motion is based on the South Carolina of Civil Procedure, the Federal Arbitration Act, applicable federal and state case law, and such other and further authorities and/or arguments as may be advanced in the memorandum in support of this motion and exhibits submitted to the Court prior to the hearing of this matter, and at any hearing.

NELSON MULLINS RILEY & SCARBOROUGH LLP

By:  \_\_\_\_\_

C. Mitchell Brown  
SC Bar No. 012872  
E-Mail: mitch.brown@nelsonmullins.com  
William C. Wood, Jr.  
SC Bar No. 015111  
E-Mail: bill.wood@nelsonmullins.com  
1320 Main Street / 17th Floor  
Post Office Box 11070 (29211-1070)  
Columbia, SC 29201  
(803) 799-2000

Robert C. Calamari  
SC Bar No. 064985  
E-Mail: bob.calamari@nelsonmullins.com  
3751 Robert M. Grissom Parkway / Suite 300  
Post Office Box 3939 (29578-3939)  
Myrtle Beach, SC 29577-3165  
(843) 448-3500

Attorneys for Defendant Montgomery Insurance  
Company

Columbia, South Carolina  
May 29, 2014

*Exhibit A*

**RECEIVED**  
MAY 30 2014  
SC Court of Appeals

STATE OF SOUTH CAROLINA

ISSUED BY THE COMMON PLEAS COURT IN THE COUNTY OF ABBEVILLE

CRYSTAL SPIRES WILEY,

Plaintiff,

v.

SUBPOENA DUCES TECUM  
IN A CIVIL CASE

Case Number: 2012-CP-01-343

LAURA B. WILLIS, individually, and as agent for Southern Risk Insurance Services, LLC, and Montgomery Insurance Company, JESSE A. DANTICE, individually and as broker/agent for Southern Risk Insurance Services, LLC, and Montgomery Insurance Company, SOUTHERN RISK INSURANCE SERVICES, LLC, and MONTGOMERY INSURANCE COMPANY,

Defendants.

TO: **Montgomery Insurance Company**  
**Attn: Records Custodian**  
**13830 Ballantyne Corporate Pl #300**  
**Charlotte, NC 28277**

YOU ARE COMMANDED to appear in the Court of Common Pleas at the place, date and time specified below to testify in the above case.

PLACE OF TESTIMONY	COURTROOM
	DATE AND TIME

YOU ARE COMMANDED to appear at the place, date and time specified below to testify at the taking of a deposition in the above case.

DATE AND TIME
---------------

YOU ARE COMMANDED to produce: Any and all records regarding your former insured's, Crystal Spires Wiley, auto and/or home owners insurance coverage, including but not limited to their entire insurance file, policies, payment logs, notes, messages, invoices, past due correspondence, insurance suspension correspondence and any and all documents regarding Ms. Wiley.

Grier, Cox & Cranshaw, LLC P.O. Box 2823 Columbia, SC 29202	DATE AND TIME TO BE DELIVERED BY: May 29, 2014 by 5:00 PM
---	---

YOU ARE COMMANDED to permit inspection of the following premises at the date and time specified below.

PREMISES	DATE AND TIME
----------	---------------

ANY ORGANIZATION NOT A PARTY TO THIS SUIT THAT IS SUBPOENAED FOR THE TAKING OF A DEPOSITION SHALL DESIGNATE ONE OR MORE OFFICERS, DIRECTORS, OR MANAGING AGENTS, OR OTHER PERSONS WHO CONSENT TO TESTIFY ON ITS BEHALF, AND MAY SET FORTH, FOR EACH PERSON DESIGNATED, THE MATTERS ON WHICH THE PERSON WILL TESTIFY. FEDERAL RULES OF

CIVIL PROCEDURE, 30(b)(6).

Issuing Officer's Name, Address and Telephone Number:

James C. Cox, III., Esquire

Danielle F. Payne, Esquire

Grier, Cox & Cranshaw, LLC

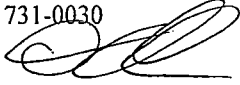
2999 Sunset Blvd, Suite 200

West Columbia, South Carolina 29169

(803) 731-0030

or P.O. Box 2823

Columbia, SC 29202



ATTORNEY FOR DEFENDANT(S)

DATE:

5/18/17

Signature

(See Rule 45, Federal Rules of Civil Procedure, Parts C & D on Reverse)

CERTIFICATE OF SERVICE

I, the undersigned Administrative Assistant of the law offices of Nelson Mullins Riley & Scarborough LLP, attorneys for Montgomery Mutual Insurance Company, do hereby certify that I have served all counsel in this action with a copy of the pleading(s) hereinbelow specified by mailing a copy of the same by United States Mail, postage prepaid, to the following address(es):

Pleadings:

Motion of Defendant of Montgomery Insurance Company to  
Quash Subpoena

Counsel Served:

*Attorneys for Plaintiffs*

Thomas E. Hite, Jr., Esquire  
Hite & Stone  
Post Office Box 805  
Abbeville, SC 29620

*Attorneys for Defendant Laurie Wilson Williams*

Jane H. Merrill, Esquire  
Hawthorne Merrill Law, LLC  
410 Main Street  
Greenwood, SC 29646

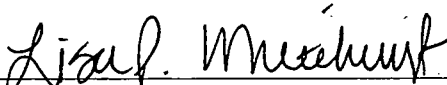
*Attorneys for Defendant Jesse A. Dantice and Southern  
Risk Insurance Services LLC*

James C. (Trey) Cox III, Esquire  
Grier Cox & Cranshaw LLC  
Post Office Box 2823  
Columbia SC 29202-2823

**RECEIVED**  
MAY 30 2014  
SC Court of Appeals

*Attorneys for Defendant Laura Willis*

William H. Nicholson III, Esquire  
Nicholson & Anderson  
Post Office Box 457  
Greenwood SC 29648

  
\_\_\_\_\_  
Lisa P. Whitehurst  
Administrative Assistant

May 29, 2014

# Nelson Mullins

Nelson Mullins Riley & Scarborough LLP  
Attorneys and Counselors at Law  
1320 Main Street / 17th Floor / Columbia, SC 29201  
Tel: 803.799.2000 Fax: 803.256.7500  
www.nelsonmullins.com

William C. Wood, Jr.  
Tel: 803.255.9534  
bill.wood@nelsonmullins.com

May 29, 2014

The Honorable Emily Yeargin McMahan  
Clerk of Court  
Abbeville County Courthouse  
Post Office Box 99  
Abbeville, SC 29620-0099

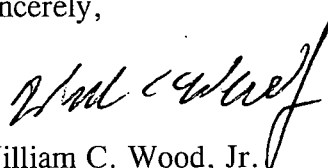
RE: Crystal Spires Wiley v. Laura B. Willis, et al.  
Civil Action No.: 2012-CP-01-343  
Appellate Case No. 2014-000983  
Our File No.: 00350.01684

Dear Ms. McMahan:

Enclosed please find the original and one copy of the Motion of Defendant Montgomery Insurance Company to Quash Subpoena in regard to the above-referenced matter. We would ask that you file the original and return a clocked-in copy to us in the envelope provided for your convenience. Also enclosed is our check in the amount of \$25.00 as the required filing fee.

By copy of this letter to counsel of record, we are serving them with a copy of this pleading.

Sincerely,



William C. Wood, Jr.

WCWJR:lpw

Enclosures

cc: The Honorable Jenny Abbott Kitchings  
Thomas E. Hite, Jr., Esquire  
James C. (Trey) Cox III, Esquire  
William H. Nicholson III, Esquire  
Jane H. Merrill, Esquire