

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

RECEIVED

Jan 05 2021

APPEAL FROM CHARLESTON COUNTY
Master-In-Equity

SC Court of Appeals

Mikell R. Scarborough, Master-In-Equity for Charleston County

Appellate Case No. 2020-000029
Trial Court Case No. 2017-CP-10-3705

Ho Dong Lee,

Appellant,

v.

Yong Wook Park and Sunny Kim Park,

Respondents,

FINAL BRIEF OF RESPONDENTS

Ellis R. Lesemann
Michelle A. Matthews
Lesemann & Associates LLC
418 King Street, Suite 301
Charleston, South Carolina 29403
(843) 724-5155
Attorneys for Respondents

TABLE OF CONTENTS

TABLE OF AUTHORITIES3

STATEMENT OF ISSUES ON APPEAL5

STANDARD OF REVIEW ON APPEAL6

STATEMENT OF THE CASE.....6

A. Business Relationship and Transfer of Assets..... 6

B. Procedural History..... 9

ARGUMENT.....11

I. Lee’s Unsupported Arguments on Appeal Should Be Deemed Abandoned . 11

**II. The Master Properly Entered Summary Judgment in Favor of Respondents
Where Lee Failed to Demonstrate the Existence of a Material Question of
Fact as to the Essential Elements of Each Claim 12**

**III. The Master Properly Considered the Statute of Limitations Defense as an
Additional Sustaining Ground for Summary Judgment in Favor of
Respondents..... 16**

CONCLUSION19

TABLE OF AUTHORITIES

Cases

Adams v. G.J. Creel & Sons, Inc., 320 S.C. 274, 465 S.E.2d 84 (1995) 15

Austin v. Conway Hosp., Inc., 292 S.C. 334, 356 S.E.2d 153 (Ct. App. 1987)..... 18

Berry v. McLeod, 328 S.C. 435, 492 S.E.2d 794 (Ct. App. 1997)..... 17

Broom v. Jennifer J., 403 S.C. 96, 742 S.E.2d 382 (2013)..... 12

Brown v. Stewart, 348 S.C. 33, 557 S.E.2d 676 (Ct. App. 2001)..... 16

Carolina Marina Handling, Inc. v. Lasch, 363 S.C. 169, 609 S.E.2d 548 (Ct. App. 2005)..... 16

First Sav. Bank v. McLean, 314 S.C. 361, 444 S.E.2d 513 (1994)..... 12

Fuller v. Eastern Fire & Casualty Ins. Co., 240 S.C. 75, 124 S.E.2d 602 (1962) 13

Gauld v. O’Shaughnessy Realty Co., 380 S.C. 548, 671 S.E.2d 79 (Ct. App. 2008)..... 14

Hansson v. Scalise Builders of S.C., 374 S.C. 352, 650 S.E.2d 68 (2007)..... 6

J.B. Colt Co. v. Britt, 129 S.C. 226, 123 S.E. 845 (1924) 14

Moates v. Bobb, 322 S.C. 172, 470 S.E.2d 402 (Ct. App. 1996)..... 16

Moriarty v. Garden Sanctuary Church of God, 341 S.C. 320, 534 S.E.2d 672 (2000)..... 17

Patton v. Miller, 420 S.C. 471, 804 S.E.2d 252 (2017)..... 18

Penton v. J.F. Cleckley & Co., 326 S.C. 275, 486 S.E.2d 742 (1997) 13

RoTec Servs., Inc. v. Encompass Servs., Inc., 359 S.C. 467, 597 S.E.2d 881 (Ct. App. 2004).... 15

Solomon v. City Realty Co., 262 S.C. 198, 203 S.E.2d 435 (1974)..... 12

State v. Jones, 344 S.C. 48, 543 S.E.2d 541 (2001) 12

State v. Lindsey, 394 S.C. 354, 714 S.E.2d 554 (Ct. App. 2011) 12

Swanson v. Stratos, 350 S.C. 116, 564 S.E.2d 117 (Ct. App. 2002) 14

Weaver v. Lentz, 348 S.C. 672, 561 S.E.2d 360 (Ct. App. 2002)..... 17

Woodson v. DLI Properties, LLC, 406 S.C. 517, 753 S.E.2d 428 (2014) 6

Statutes

S.C. Code Ann. § 15-3-530(1) 16

S.C. Code Ann. § 15-3-530(5) 16

Rules

Rule 15(a), SCRCP 17, 18

Rule 15, SCRCP 18

Rule 208(b)(1)(E), SCACR 11

Rule 208, SCACR 5, 11

Rule 220(c), SCACR 18

Rule 56(c), SCRCP 6

Rule 56, SCRCP 16

STATEMENT OF ISSUES ON APPEAL

- I. HAS APPELLANT ABANDONED THE ARGUMENTS ON APPEAL WHERE APPELLANT'S INITIAL BRIEF IS DEVOID OF DISCUSSION AND CITATIONS OF AUTHORITY AS REQUIRED BY RULE 208, SCACR?

- II. DID THE MASTER-IN-EQUITY CORRECTLY GRANT SUMMARY JUDGMENT IN FAVOR OF RESPONDENTS WHERE APPELLANT FAILED TO PROVE THE EXISTENCE OF ANY MATERIAL QUESTION OF FACT AS TO THE ESSENTIAL ELEMENTS OF EACH CAUSE OF ACTION?

- III. DID THE MASTER-IN-EQUITY PROPERLY ENTER SUMMARY JUDGMENT ON THE ADDITIONAL GROUND THAT THE STATUTE OF LIMITATIONS HAD RUN ON EACH OF APPELLANT'S CAUSES OF ACTION WHERE THE LAWSUIT WAS FILED MORE THAN FOUR YEARS AFTER APPELLANT KNEW OF HIS ALLEGED CLAIMS?

STANDARD OF REVIEW ON APPEAL

In reviewing a grant of summary judgment, the appellate court applies the same standard as the trial court under Rule 56(c), SCRCP. *Woodson v. DLI Properties, LLC*, 406 S.C. 517, 528, 753 S.E.2d 428, 434 (2014). Under that legal standard, “summary judgment is proper if, viewing the evidence and inferences to be drawn therefrom in a light most favorable to the nonmoving party, the pleadings, depositions, answers to interrogatories, admissions, and affidavits, if any, show that there is no genuine issue of material fact and that the moving party is entitled to a judgment as a matter of law.” *Id.*, citing Rule 56(c), SCRCP.

It is established that “[t]he plain language of Rule 56(c) mandates the entry of summary judgment [. . .] against a party who fails to make a showing sufficient to establish the existence of an element essential to the party’s case, and on which that party will bear the burden of proof.” *Hansson v. Scalise Builders of S.C.*, 374 S.C. 352, 357, 650 S.E.2d 68, 71 (2007).

STATEMENT OF THE CASE

A. Business Relationship and Transfer of Assets

The underlying dispute arises from a business dispute among family members who immigrated to the United States from South Korea. (R. p. 318, lines 20-22.) Prior to February 27, 2013, Appellant Ho Dong Lee (“Appellant” or “Lee”) and Respondent Yong Wook Park (“Mr. Park”) were joint owners of several properties and operated several restaurant businesses as co-owners. (R. p. 323, line 4 – p. 325, line 14.) Lee is Mr. Park’s brother-in-law. (R. p. 318, line 13.) Respondent Sunny Park (“Ms. Park”) is Mr. Park’s wife.

Lee and Mr. Park had a difference of opinion as to how to resolve the debts of the jointly-owned restaurants and properties following the economic downturn. (R. p. 357, lines 18-22.) They decided to end the business partnership and separate their interests. (R. p. 354, lines 7-24.) Lee

wanted to own a single restaurant, Yokoso, Inc., and reduce debt exposure. (R. p. 354, lines 18-24.) To accomplish this goal, each party obtained legal counsel and negotiated a division of the assets and debts of the businesses. Lee was represented by legal counsel in the negotiation and entering of the Agreement. (R. p. 229, lines 1-5.) Lee was represented by Graves Wilson, Esq. (R. p. 550, lines 12-18; R. pp. 105-106; R. pp. 147-148.) Mr. Park was represented by Derek Dean, Esq. (R. pp. 147-148.)

Lee and Mr. Park entered into the Agreement for Sale and Purchase on February 27, 2013 (“Agreement”). (R. pp. 75-101.) Ms. Park is not a party to the Agreement. Lee understood that he would take possession of one restaurant and that Mr. Park would take four restaurants under the Agreement. (R. p. 574, lines 13 – 14.) Although Mr. Park acquired more than half of the assets, he also received a corresponding share of the debts. While Lee took responsibility for approximately \$700,000 to \$800,000 of the debts, Mr. Park took responsibility for approximately \$3,700,000 to \$3,800,000 of the debts. (R. p. 355, lines 18-23 - p. 356, lines 13-19.)

Subsequent to the execution of the Agreement and transfer of the assets, Lee was unsuccessful in operating his restaurant, Yokoso, Inc., which failed within two years of Lee taking control. Lee failed to make required payments to his lender and the loan was in default. (R. p. 154, lines 10 – 22.) Lee did not successfully negotiate a modification or additional forbearance with his lender, resulting in a foreclosure and auction sale of the underlying real property where the restaurant was located. (R. p. 426.) Mr. Park sold the assets he acquired under the Agreement for a profit. (R. p. 362, lines 5-12.)

The record demonstrates that the division of the assets and debts was based on the mutual agreement between Lee and Mr. Park. (R. pp. 366-367.) The Agreement follows the terms and conditions outlined by Lee’s attorney in a letter dated August 13, 2012 to Mr. Dean. (R. pp. 147-

148.) Lee testified that he met with his attorney five or six times prior to signing the Agreement and brought a Korean translator to his office on two occasions. (R. p. 152.) With regard to the “value” of the divided assets, the Parties stipulated that the division of the assets was fair and equitable:

Value of Transfers. Park and Lee expressly agree that each of the transactions contemplated herein and the attendant transfers of ownership, interests, shares, equity, assets, good will, real property and personal property between them as set forth herein are of equal value, and are fair and equitable. Park and Lee understand that there may be tax consequences, adverse or otherwise, as to each of them from the contemplated transfers, and each of Park and Lee agree to accept said consequences, it being their intention that neither is to recognize any taxable gain from the transactions noted above. Park and Lee expressly affirm that each of them has had the opportunity to obtain such tax advice as each of them deems necessary prior to the execution of this agreement.

(R. pp. 40-41 (emphasis added).) The Agreement also included the following acknowledgement:

“24. Right to Review and Legal Counsel. The Parties expressly acknowledge and agree that each has had the opportunity to review the Agreement, and to seek and receive legal advice for the same.” (R. p. 45.)

Lee stipulated to Paragraph 17, entitled “Complete Agreement/Merger,” in the Agreement that neither Mr. Park, “nor any of his agents, employees or anyone on his behalf, have made any representations, warranties, guaranties or promises with respect to the within transactions, transfers, entities, operations, locations, real property or personal property.” (R. pp. 44-45.) Lee expressly agreed that the Agreement contained the entire understanding between Lee and Mr. Park “regarding the terms and conditions of [the] Agreement and its subject matter, any of the entities (including their operations, locations and personal property) or real property referred to herein, and/or any of the transactions and/or transfers.” (R. pp. 44-45.)

During his deposition on April 10, 2019, Lee testified that he believed there should have been additional restaurants that were not listed in the Agreement. (R. p. 151, lines 3-8; R. p. 227,

lines 14-16; R. p. 554, line 5 – p. 556, line 11.) The record demonstrates that Mr. Park and Lee were not members of the additional restaurants named by Lee during his deposition. (R. p. 158.) Furthermore, despite alleging in the Complaint that Respondents misrepresented the value of the assets in the Agreement, Lee testified that Respondents made no representations relating to the value of the assets prior to signing the Agreement. (R. p. 153, line 14 – p. 154, line 2; R. p. 155, lines 13-19 – p. 156, lines 6-10; R. p. 572, lines 7 -17.) Lee testified that he considered filing a lawsuit prior to signing the Agreement on February 27, 2013, but opted instead to sign the Agreement and hope “everything works out well.” (R. p. 152; R. p. 155, lines 18 – 23.)

The central theme of Lee’s claims and argument on appeal is his alleged inability to understand the English language. However, the record establishes that Lee has operated several businesses and has entered into numerous agreements, leases, tax returns, and other documents. (R. pp. 382-383; R. p. 482, line 14 – p. 483, line 17; R. p. 487, line 2 – p. 488, line 2; R. p. 492, line 1 – p. 494, line 18; R. p. 498, line 21 – p. 499, line 2; R. p. 500, lines 9-11; R. p. 503, line 24 – p. 504, line 1; R. p. 506, lines 20-22.) Lee testified that even if he had read the Agreement before signing it, he would not have understood it because English is his second language. (R. p. 155, lines 9-23.)

B. Procedural History

On July 21, 2017, Lee filed the Complaint against Respondents in which he asserted claims breach of contract, breach of contract accompanied by fraudulent act, unjust enrichment, negligent misrepresentation, and breach of the covenant of good faith and fair dealing relating to the Agreement and underlying transaction. (R. pp. 22-30.) A hearing on Respondents’ Motion for Summary Judgment was held on May 15, 2019 before The Honorable Mikell R. Scarborough, Master-in-Equity (the “Master”) for Charleston County. (R. pp. 454-475.)

Respondents filed their Motion for Summary Judgment on April 12, 2019, and Memorandum in Support of Motion for Summary Judgment on April 22, 2019, in which they sought summary judgment on the basis that each of Lee's causes of action failed as a matter of law and were time-barred under the three-year statute of limitations applicable to each claim. (R. pp. 105-117.) Although Respondents argued and briefed the untimeliness of Lee's claims in the Motion and Memorandum in Support of Motion for Summary Judgment, Lee argued that Respondents had waived the affirmative defense by failing to specifically raise it in their original Answer. However, during the course of discovery, new admissions by Lee contradicted allegations in his Complaint and, in turn, demonstrated the untimeliness of his claims. (R. p. 17.) This includes his admissions that: (1) no representations relating to the value of the assets and debts to be divided had been made to him by either Respondent; and (2) Lee had considered filing suit prior to signing the Agreement, but proceeded instead with signing the Agreement.

Based on the new evidence presented in Lee's deposition, Respondents filed a Motion to Amend Answer to include the statute of limitations as an additional affirmative defense. Lee did not submit a response in opposition to Respondents' Motion to Amend Answer. The Master granted Respondents' Motion to Amend Answer on September 11, 2019. (R. p. 21.)

On December 19, 2019, the Master issued the Order Granting Respondents' Motion for Summary Judgment (the "Order"). (R. pp. 6-20.) As set forth in the Order, summary judgment was granted in favor of Respondents on all causes of action. The Master found that Lee failed to make a showing to establish the existence of any claim against Ms. Park. (R. pp. 10-11.) As set forth more fully below, the Master found that Lee failed to establish the elements necessary for each cause of action. As an additional ground, the Master found that Lee's claims were barred by the statute of limitations. (R. p. 17.) The Master found that there was no evidence in the record of an

act or event arising after July 21, 2014, which is three years prior to the date the Complaint was filed. (R. p. 18.) Viewing the record in the light most favorable to Lee, as the non-moving party, the Master concluded that the only available inference is that Lee knew of the alleged claims against Respondents at the time he signed the Agreement on February 27, 2013. (R. p. 18.)

On January 6, 2020, Mr. Park filed a Motion for Attorney’s Fees and Costs. The Agreement allows for the recovery of attorney’s fees and costs by the “prevailing party” in any suit that is brought or claim that is made arising out of the Agreement. (R. pp. 42-43.) Having successfully obtained summary judgment on all causes of action asserted in Lee’s Complaint, Mr. Park is the “prevailing party” in the action. As indicated in the Form 4 Order issued by the Honorable Bentley D. Price on April 27, 2020, the Motion for Attorney’s Fees has been stayed and continued pending this appeal.

ARGUMENT

The Master properly granted summary judgment in favor of Respondents on each of Lee’s unsupported and time-barred claims for breach of contract, breach of contract accompanied by fraudulent act, unjust enrichment, negligent misrepresentation, and breach of the covenant of good faith and fair dealing.

I. Lee’s Unsupported Arguments on Appeal Should Be Deemed Abandoned

As a preliminary matter, Lee fails to cite to any authority in support of his arguments on appeal. Rule 208 of the South Carolina Appellate Court Rules requires citation to authority in the argument section of an appellant’s brief. *See* Rule 208(b)(1)(E), SCACR (“At the head of each part, the particular issue to be addressed shall be set forth in distinctive type, followed by discussion and citations of authority”).

The “Argument” section of Appellant’s Initial Brief contains no authority whatsoever. Lee

provides no citations of any authority to show how the ruling was erroneous in a manner that warrants reversal. *See Broom v. Jennifer J.*, 403 S.C. 96, 115, 742 S.E.2d 382, 391 (2013) (finding an issue abandoned where the party’s brief cited only one family court rule and presented no argument as to how the ruling was an abuse of discretion or constituted prejudice). Appellant’s Initial Brief consists of arguments of counsel and conclusory statements without supporting authority. *See Solomon v. City Realty Co.*, 262 S.C. 198, 203 S.E.2d 435 (1974) (where only passage in brief relating to issue appealed was single conclusory statement which left unargued the error assigned by exception, issue was abandoned).

Lee’s argument on appeal is so conclusory that the underlying issues have been abandoned. An issue is deemed abandoned and will not be considered on appeal if the argument is raised in a brief but not supported by authority. *See, e.g., State v. Jones*, 344 S.C. 48, 58–59, 543 S.E.2d 541, 546 (2001); *First Sav. Bank v. McLean*, 314 S.C. 361, 363, 444 S.E.2d 513, 514 (1994) (noting when a party fails to cite authority or when the argument is simply a conclusory statement, the party is deemed to have abandoned the issue on appeal); *State v. Lindsey*, 394 S.C. 354, 363, 714 S.E.2d 554, 558 (Ct. App. 2011) (“An issue is deemed abandoned and will not be considered on appeal if the argument is raised in a brief but not supported by authority.”). Upon review of the record, it is apparent that the lower court considered all of the arguments being raised, but found that each claim was deficient on multiple grounds.

Accordingly, Lee’s arguments on appeal should be deemed abandoned without further consideration by this Court.

II. The Master Properly Entered Summary Judgment in Favor of Respondents Where Lee Failed to Demonstrate the Existence of a Material Question of Fact as to the Essential Elements of Each Claim

In the seven years since entering the Agreement, Lee has not identified a single provision

of the Agreement that Mr. Park allegedly breached. Although the Complaint alleges that Respondents made false representations regarding the value of the assets at the time the Agreement was signed, Lee confirmed in his deposition that no representations regarding the value of the assets were made by either Mr. Park or Ms. Park. (R. pp. 28-29; R. p. 153, line 14 – p. 154, line 2; R. p. 155, lines 13-19 – p. 156, lines 6-10; R. p. 572, lines 7-17.) Despite Lee’s own testimony that Respondents made no representation to him regarding the value of the assets, Lee’s counsel continues to argue on appeal that Lee relied upon such representations by Respondents. (*Appellant’s Br.*, p. 9.)

Lee asks this Court to conclude that Lee did not know what he was signing when he entered the Agreement. (*Appellant Br.*, p. 9-10.) Lee cites no authority and presents no argument as to how the Master’s ruling was an abuse of discretion. What can be gleaned from Lee’s evolving claims and unsupported arguments is that he seeks to contradict the plain language of the Agreement in a manner that is not permitted under South Carolina law. Under the parol evidence rule, extrinsic evidence is inadmissible to vary or contradict the terms of an integrated written agreement. *See Penton v. J.F. Cleckley & Co.*, 326 S.C. 275, 280, 486 S.E.2d 742, 745 (1997). Lee and Mr. Park expressly agreed and acknowledged that the Agreement contained the complete agreement of the parties such that it was integrated as a matter of law. (R. pp. 44-45.) The Agreement identifies the specific set of assets and debts to be divided between the parties based on their negotiations during which each party was represented by counsel.

The cause of action for breach of contract failed because Lee failed to create a material question of fact that a breach of contract occurred or that Lee was damaged as a proximate result of any alleged breach. (R. pp. 11-13.) *See Fuller v. Eastern Fire & Casualty Ins. Co.*, 240 S.C. 75, 124 S.E.2d 602, 610 (1962) (holding that the burden is on the plaintiff to prove the existence of a

binding contract, its breach, and damages suffered by the plaintiff a result of such breach). Lee's alleged lack of understanding does not constitute a breach. It is well-recognized in South Carolina that every contracting party owes a duty to the other party to the contract and to the public to learn the contents of a document before he signs it. *See J.B. Colt Co. v. Britt*, 129 S.C. 226, 123 S.E. 845 (1924). Lee testified that he did not read the Agreement before signing it. (R. p. 155, lines 5 – 23.) Appellant has not presented arguments or authorities to this Court that present a basis for overturning the lower court's ruling on this issue.

Lee's claim for breach of contract accompanied by fraudulent act also fails due to the absence of a question of fact regarding a breach of the underlying Agreement or proof of damages sustained as a result of any breach of contract. (R. pp. 113-114.) Lee failed to present evidence to support the allegation that Respondents acted with fraudulent intent and committed a fraudulent act. (R. pp. 13-14.) *See, e.g., Gauld v. O'Shaughnessy Realty Co.*, 380 S.C. 548, 561, 671 S.E.2d 79, 86 (Ct. App. 2008) (affirming summary judgment in favor of defendant on breach of contract accompanied by fraudulent act claim where plaintiff failed to present evidence of existence or amount of damages).

Lee's claim for unjust enrichment failed due to the existence of an express written contract between Lee and Mr. Park, which has not been abandoned or rescinded. (R. p. 14.) The Master found that it is not unjust for Mr. Park to retain the very benefit that Lee promised and agreed that Mr. Park would retain. (R. p. 14.) *See Swanson v. Stratos*, 350 S.C. 116, 122, 564 S.E.2d 117, 120 (Ct. App. 2002) ("If the tasks the plaintiff is seeking compensation for under a quantum meruit theory are encompassed within the terms of an express contract which has not been abandoned or rescinded, the plaintiff may not recover under quantum meruit"). Appellant has not presented arguments or authorities to this Court that present a basis for overturning the lower court's ruling

on this issue.

Lee also asserted a stand-alone cause of action for breach of the covenant of good faith and fair dealing. Respondents argued that this cause of action cannot be pursued as a stand-alone cause of action independent from a breach of contract claim. (R. p. 114.) *See RoTec Servs., Inc. v. Encompass Servs., Inc.*, 359 S.C. 467, 471, 597 S.E.2d 881, 883 (Ct. App. 2004) (concluding that an implied covenant of good faith and fair dealing is not an independent cause of action separate from the claims for breach of contract). The Master noted that the cause of action for breach of the covenant of good faith and fair dealing is not actually independent from the cause of action for breach of contract. (R. p. 15, at n. 7.) Nevertheless, the Master addressed this cause of action and found that Lee failed to demonstrate any conduct by Respondents that would violate the covenant of good faith and fair dealing. (R. p. 15.) The record demonstrated that the parties were represented by counsel during negotiation of the Agreement and had the services of an interpreter. (R. pp. 15-16.) The Master found that Mr. Park performed his obligations relating to the transaction in a manner that was consistent with the intent of the parties and the terms and conditions of the Agreement. (R. p. 16.) *See Adams v. G.J. Creel & Sons, Inc.*, 320 S.C. 274, 277, 465 S.E.2d 84, 85 (1995) (“[T]here is no breach of an implied covenant of good faith where a party to a contract has done what provisions of the contract expressly gave him the right to do”).

Lee’s claim for negligent misrepresentation failed because Lee admitted in his deposition that Respondents made no representation regarding the value of the assets. (R. p. 15; R. p. 153, line 14 – p. 154, line 2; R. p. 155, lines 13-19 – p. 156, lines 6-10; R. p. 572, lines 7 - 17.) A plaintiff in a negligent misrepresentation action must prove that: (1) the defendant made a false representation to the plaintiff; (2) the defendant had a pecuniary interest in making the statement; (3) the defendant owed a duty of care to see that he communicated truthful information to the

plaintiff; (4) the defendant breached that duty by failing to exercise due care; (5) the plaintiff justifiably relied on the representation; and (6) the plaintiff suffered a pecuniary loss as the proximate result of his reliance on the representation. *See Brown v. Stewart*, 348 S.C. 33, 42, 557 S.E.2d 676, 680–81 (Ct. App. 2001). The Master found that Lee cannot have relied to his detriment on a misrepresentation that he ultimately admitted was never made. (R. p. 15.)

Respondents, as the parties seeking summary judgment, met their initial responsibility of demonstrating the absence of a genuine issue of material fact. *See* Rule 56, SCRCP. Lee cannot “rest upon the mere allegations or denials of his pleading, but his response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial.” Rule 56, SCRCP. Because Lee did not present evidence to prove his claims, the Master properly granted summary judgment in favor of Respondents.

III. The Master Properly Considered the Statute of Limitations Defense as an Additional Sustaining Ground for Summary Judgment in Favor of Respondents

Lee argues, without support, that Respondents failed to raise the statute of limitations defense in a timely manner. What Lee and his counsel fail to acknowledge is the clearly-established interest in dismissing time-barred claims. This Court has recognized that statutes of limitations are fundamental to our judicial system. *See, e.g., Carolina Marina Handling, Inc. v. Lasch*, 363 S.C. 169, 175-76, 609 S.E.2d 548 (Ct. App. 2005). One purpose of a statute of limitations is “to relieve the courts of the burden of trying stale claims when a plaintiff has slept on his rights.” *Moates v. Bobb*, 322 S.C. 172, 176, 470 S.E.2d 402, 404 (Ct. App. 1996).

The Master correctly determined that the statute of limitations applicable to each cause of action is three (3) years. *See* S.C. Code Ann. § 15-3-530(1) (breach of contract, including any claim based on the implied covenant of good faith and fair dealing, and breach of contract accompanied by fraudulent act); S.C. Code Ann. § 15-3-530(5) (negligent misrepresentation and

unjust enrichment). (R. p. 17.) The statute of limitations is triggered not just by knowledge of an injury but by knowledge of facts, diligently acquired, sufficient to put an injured person on notice of the existence of a cause of action against another. *See Moriarty v. Garden Sanctuary Church of God*, 341 S.C. 320, 329, 534 S.E.2d 672, 676 (2000). Lee testified that he considered filing suit prior to signing the Agreement on February 27, 2013. (R. p. 152.) The Master found that there was no basis for tolling the statute of limitations under the circumstances. (R. p. 17.)

Lee argues that the Master erred in granting Respondents' Motion to Amend Answer because the dispositive motions deadline set forth in the Scheduling Order had "expired." (*Appellant's Br.*, pp.10-11.) The Master's Scheduling Order dated February 4, 2019 provides that "[a]ll dispositive motions shall be filed on or before April 12." (R. p. 5.) Lee provides no citation of authority to support this argument. As the Master noted in the Order, "[a]lthough the statute of limitations was not asserted in the original Answer, [Respondents] filed a Motion to Amend Answer, which the Court granted on September 11, 2019." (R. p. 17.) The Master properly concluded that the affirmative defense of the statute of limitations was appropriate for consideration by the court on Respondents' Motion for Summary Judgment. (R. p. 17.) Respondents did file their Motion for Summary Judgment on April 12, 2019, such that there is no basis to argue that any dispositive motion was not filed in accordance with the Scheduling Order.

Amendments are liberally allowed within the sound discretion of the trial judge, and the opposing party must show prejudice to warrant reversal. *Weaver v. Lentz*, 348 S.C. 672, 677, 561 S.E.2d 360, 363 (Ct. App. 2002). The trial judge's finding will not be overturned without an abuse of discretion or unless manifest injustice has occurred. *See Berry v. McLeod*, 328 S.C. 435, 450, 492 S.E.2d 794, 802 (Ct. App. 1997). Rule 15(a), SCRPC, expressly provides that "leave [to amend] shall be freely given when justice so requires and does not prejudice any other party." *See*

Rule 15(a), SCRCP. The prejudice contemplated in Rule 15, SCRCP, is not that the non-moving party is forced to defend the merits of a valid claim; rather, Rule 15 prejudice is some result flowing from the amendment that puts the non-moving party at a disadvantage in defending the merits, which disadvantage the party would not have faced if the amended claim had been included in the original pleading or a timely motion to amend. *See Patton v. Miller*, 420 S.C. 471, 491–92, 804 S.E.2d 252, 262–63 (2017). The Master determined that the statute of limitations has run on each of Lee’s claims based on Lee’s own admissions made in his deposition. (R. p. 17.) The Master concluded that the statute of limitations was a meritorious defense that provided an additional ground for dismissal of Lee’s claims. (R. p. 17.) *See Austin v. Conway Hosp., Inc.*, 292 S.C. 334, 356 S.E.2d 153 (Ct. App. 1987) (allowing answer to be amended to add statute of limitations defense approximately one month before trial). Furthermore, as noted above, the timeliness of the claims was an issue that had been obscured by Lee’s prior allegation that there were representations made to him prior to signing the Agreement that he only later discovered to be untrue. When Lee abandoned this allegation under oath at his deposition on April 10, 2019, Respondents were entitled to present defenses that arise as a result.

Lee cannot demonstrate prejudice where each of his claims failed as a matter of law for reasons other than the statute of limitations. Even if Lee had shown that the Master erred in granting the Motion to Amend Answer, the Court is empowered to affirm the decision based on the additional sustaining grounds in the record. *See* Rule 220(c), SCACR (“The appellate court may affirm any ruling, order, decision or judgment upon any ground(s) appearing in the Record on Appeal”).

Accordingly, the Court should affirm the Master’s decision that the statute of limitations was a meritorious defense that provided an additional sustaining ground for summary judgment in

favor of Respondents.

CONCLUSION

Appellant Ho Dong Lee has abandoned the arguments on appeal and makes no showing to warrant reversal of the Master's Order Granting Summary Judgment in favor of Respondents Yong Wook Park and Sunny Kim Park. As indicated in the record, Lee failed to make a showing sufficient to establish the existence of the elements essential to each cause of action.

For these reasons, Respondents respectfully request that the Court affirm the Master's Order granting summary judgment in favor of Respondents.

Respectfully submitted,

By: *s/Michelle A. Matthews* _____
Ellis R. Lesemann (S.C. Bar No. 15315)
erl@lalawsc.com
Michelle A. Matthews (S.C. Bar No. 100685)
mam@lalawsc.com
LESEMANN & ASSOCIATES LLC
418 King Street, Suite 301
Charleston, SC 29403
(843) 724-5155

Attorneys for Respondents

January 4, 2021
Charleston, South Carolina

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Master-In-Equity

Mikell R. Scarborough, Master-In-Equity for Charleston County

RECEIVED

Jan 05 2021

SC Court of Appeals

Appellate Case No. 2020-000029
Trial Court Case No. 2017-CP-10-3705

Ho Dong Lee,

Appellant,

v.

Yong Wook Park and Sunny Kim Park,

Respondents,

CERTIFICATE OF COUNSEL

The undersigned certifies that this Final Brief of Respondents complies with Rule 211(b),
SCACR.

January 5, 2021

By: *s/Michelle A. Matthews*
Ellis R. Lesemann (S.C. Bar No. 15315)
erl@lalawsc.com
Michelle A. Matthews (S.C. Bar No. 100685)
mam@lalawsc.com
LESEMANN & ASSOCIATES LLC
418 King Street, Suite 301
Charleston, SC 29403
(843) 724-5155

Attorneys for Respondents