

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CIVIL ACTION NO.: 2016-CP-10-01833

ANDREW and KIMBERLY MCINTIRE,)
)
Plaintiffs,)

vs.)

**ORDER DENYING PLAINTIFFS’
AND SEAQUEST DEVELOPMENT
COMPANY, INC.’S JOINT
MOTION FOR CLARIFICATION**

SEAQUEST DEVELOPMENT)
COMPANY, INC.; RED BAY)
CONSTRUCTORS CORP.;)
BENZENBERG CUSTOM CABINETS,)
INC.; JONATHAN MARSHALL)
CONSTRUCTION; COASTAL WINDOW)
& DOOR CENTER OF CHARLESTON,)
LLC; CAROLINA WINDOW &)
MILLWORK, LLC n/k/a CAROLINA)
WINDOW & MILLWORK-OMNI GLASS)
INDUSTRIES, LLC; SOUTHCOAST)
EXTERIORS, INC.; MICHAEL CASTEEN)
d/b/a MICHIGAN PRESTAIN CO.;)
COASTAL PLUMBING & GAS, LLC;)
FOAM INSULATION CO., INC.;)
JERRY COMER d/b/a JERRY’S TILE &)
MARBLE, LLC; LOWCOUNTRY)
FIREPLACES, INC.; CAROLINA PEST)
SOLUTIONS, INC.; and NEW SOUTH)
CONSTRUCTION SUPPLY, LLC,)

Defendants.)

_____)
SEAQUEST DEVELOPMENT)
COMPANY, INC.,)

Third-Party Plaintiff,)

v.)

ARCHITECTURAL PRODUCTS OF)
CHARLESTON, LLC; and SEALTIGHT)
OF SOUTH CAROLINA, LLC,)

Third-Party Defendants.)
_____)

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SC Court of Appeals

This matter came before the Court upon Plaintiffs' and Sequest Development Company, Inc.'s ("Sequest") joint motion for clarification. For the reasons set forth below, the Court DENIES the joint motion for clarification.

Factual Background & Procedural History

Plaintiffs commenced this construction defect action against the general contractor, Sequest, and fourteen other subcontractors (collectively, the "Subcontractor Defendants") on or about April 8, 2016. Plaintiffs' complaint contained causes of action against Sequest and the Subcontractor Defendant for (1) negligence/gross negligence, (2) negligent misrepresentation, (3) constructive fraud, and (4) breach of the implied warranty of workmanship. Sequest answered and asserted cross-claims against the Subcontractor Defendants for (1) equitable indemnity, (2) contribution, (3) breach of contract, (4) negligence, and (5) breach of express and implied warranties. Sequest also asserted a third-party complaint against Architectural Products of Charleston, LLC and Sealtight of Charleston, LLC (also referred to collectively herein as "Subcontractor Defendants").¹ The Subcontractor Defendants who appeared in this action each separately filed an answer denying all liability and raising various affirmative defenses.

In conjunction with Sequest's answer, it also filed a contemporaneous motion to dismiss or, alternatively, to stay proceedings on the basis that Plaintiffs failed to comply with the South Carolina Notice and Opportunity to Cure Construction Dwelling Defects Act, codified at S.C. Code Ann. § 40-59-810, et seq. (the "Right to Cure Act"). Plaintiffs filed a cross-motion to refer the case to arbitration. Importantly, the Right to Cure Act issue is dispositive as to all defendants, whereas the arbitration issue only affects Sequest.

¹ "Subcontractor Defendants" therefore includes all named defendants (other than Sequest) and third-party defendants.

Both motions were heard by Chief Justice Toal on October 13, 2016. Chief Justice Toal ruled in favor of Seaquest on both motions. In her Order January 17, 2017 and filed May 1, 2017 (the “Order”), Chief Justice Toal stated that “this case is DISMISSED in its entirety” and that “this case shall be and hereby is DISMISSED.” See Order Grant. Mot. to Dismiss at 2 & 12. The Order also provides “the remaining motions (Red Bay’s Motion to Dismiss and the McIntires’ Motion for Protective Order) are MOOT as this case is DISMISSED in its entirety.” See id. at 2 . The Form 4 filed with Order also stated that the Order ended the case and was “dismissing this action.” See Form 4 to Order Grant. Mot. to Dismiss at 1. The Plaintiffs and Seaquest concede in the joint motion for clarification that Chief Justice Toal’s Order did dismiss the entire case. See Pls.’ & Seaquest’s Joint Mot. for Clarification at 2.

No party filed a motion to alter or amend or otherwise sought clarification of the Order. Plaintiffs ultimately filed a notice of appeal from the Order naming Seaquest as the only respondent and chose not to join any other party to the appeal. Seaquest did not cross-appeal the Order dismissing its claims against the Subcontractor Defendants. The Subcontractor Defendants did not participate in the appeal in any manner, and no issue framed by Plaintiff or Seaquest addressed the dismissal of the claims against the Subcontractor Defendants. Rather, the only issues framed and argued related to the arbitrability of the issues surrounding the application of the Right to Cure Act and the proper application of those provisions where Plaintiffs had already made repairs prior to bringing suit.² No issues decided by the Court of Appeals addressed dismissal of the claims against the Subcontractor Defendants. The Court did not list the Subcontractor Defendants on the docket,

² It should be noted that the Subcontractor Defendants are not subject to arbitration as the contracts between Seaquest and the respective Subcontractor Defendants do not contain arbitration provisions. As such, arguments related to arbitrability are and were at all times inconsequential to the Subcontractor Defendants.

provide the notices or letters, or in any other way treat the Subcontractor Defendants as Respondents.

On December 31, 2019, the Court of Appeals issued a per curiam opinion reversing the Order and remanding the case back to the trial court to require arbitration between Plaintiffs and Seaquest. The opinion does not reference the Subcontractor Defendants at all. In the opinion, the Court of Appeals held that “a substantial length of time did not occur between the commencement of the action and the commencement of the motion to compel arbitration,” and, therefore, Plaintiffs had not “waived their arbitration right.” See Dec. 31, 2019 Ct. App. Order at 5. With respect to the application of the Right to Cure Act, the Court of Appeals held that “[b]ecause we have already determined the trial court erred in finding [Plaintiffs] waived their arbitration right and remand for arbitration, we need not address these issues.” Id. at 6. The remittitur from the Court of Appeals was filed on December 17, 2020.

On or about February 16, 2021, Plaintiffs and Seaquest filed the instant joint motion for clarification and seeking the Court “to rule whether the Subcontractors remain parties to this action.” See Pls.’ & Seaquest’s Joint Mot. for Clarification at 2. The motion was fully briefed by the parties, the motion is ripe for the Court’s ruling. For the reasons set forth below, this Court finds that the Order dismissing the claims against the Subcontractor Defendants was an unappealed order and, therefore, became the law of the case and foreclosed Plaintiffs’ and Seaquest’s ability to relitigate these claims. Therefore, the joint motion for clarification is denied.

Applicable Law

I. Law of the Case:

“[A]n unappealed ruling, right or wrong, is the law of the case.” Atl. Coast Builders & Contractors, LLC v. Lewis, 730 S.E.2d 282, 285 (S.C. 2012).; see also Rumpf v. Mass. Mut. Life

Ins. Co., 593 S.E.2d 183, 189 (S.C. Ct. App. 2004) (“Any unappealed portion of the trial court’s judgment is the law of the case, and must therefore be affirmed.”); see also Shirley’s Iron Works, Inc. v. City of Union, 743 S.E.2d 778, 785 (S.C. 2013) (“Thus, should the appealing party fail to raise all of the grounds upon which a lower court’s decision was based, those unappealed findings—whether correct or not—become the law of the case.”). “Under the law of the case doctrine, a party is precluded from relitigating, after an appeal, matters that were either not raised on appeal, but should have been, or raised on appeal, but expressly rejected by the appellate court.” Judy v. Martin, 674 S.E.2d 151, 153 (S.C. 2009).

Chief Justice Toal dismissed the case in its entirety. The propriety of her decision is not at issue; our law is clear that an unappealed decision, “right or wrong,” is the law of the case. See Atl. Coast, 730 S.E.2d at 285. Neither Plaintiffs nor Seaquest appealed the dismissal of the claims against the Subcontractor Defendants—none of the Subcontractor Defendants was included as a respondent to the appeal;³ neither Plaintiffs nor Seaquest served a notice of appeal upon the

³ Rule 202(a), SCACR, provides that “[t]he party appealing shall be known as the appellant and the adverse party as the respondent.” See also Rule 203(c), SCACR (“A respondent may institute a cross-appeal by serving a notice of appeal on all adverse parties . . .”). Looking to the Court of Appeals’ order reversing and remanding the Order, the caption speaks for itself:

Andrew and Kimberly McIntire, Appellants,
v.
Seaquest Development Company, Inc.; Red Bay Constructors Corp.; Benzenberg Custom Cabinets, Inc.; Jonathan Marshall Construction; Coastal Window & Door Center of Charleston, LLC; Carolina Window & Millwork, LLC n/k/a Carolina Window & Millwork-Omni Glass Industries, LLC; Southcoast Exteriors, Inc.; Michael Casteen d/b/a Casteen Custom Cabinets; Quality Cedar Products, Inc. of Michigan d/b/a Michigan Prestain Co.; Coastal Plumbing & Gas, LLC; Foam Insulation Co., Inc.; Jerry Comer d/b/a Jerry’s Tile & Marble, LLC; Lowcountry Fireplaces, Inc.; Carolina Pest Solutions, Inc.; New South Custom Supply, LLC,
Defendants,
Of which Seaquest Development Company, Inc. is the Respondent.

See Dec. 31, 2019 Ct. App. Order at 1. (emphasis added).

Subcontractor Defendants;⁴ the Subcontractor Defendants did not participate in the appeal in any manner whatsoever;⁵ and the only issues framed and argued on appeal by Plaintiffs and Sequest related to the claims by and/or between them and not the claims related to the Subcontractor Defendants. No appeal was taken with respect to the dismissal of the Subcontractor Defendants and, accordingly, the Order dismissing such claims became a final order. See C.I.T. Corp. v. Corley, 13 S.E.2d 440, 441–42 (S.C. 1941) (the trial court’s order that a third party should not be made a party to the action became law of the case after no appeal from the order was taken and the trial court was thereafter “wholly without power or jurisdiction to revoke, vacate, overrule or reverse the same.”).

It has been suggested that the reversal of a judgment on appeal has the effect of vacating the judgment and leaving the case standing as if no judgment had ever been rendered. See Brown v. Brown, 331 S.E.2d 793, 793–94 (S.C. Ct. App. 1985) (“Generally, reversal of a judgment on appeal has the effect of vacating the judgment and leaving the case standing as if no such judgment had been rendered.”); see also Moore v. N. Am. Van Lines, 462 S.E.2d 275. However, the Brown and Moore cases involve completely different factual scenarios which make them distinguishable from and irrelevant to this case. The Brown and Moore cases both dealt with monetary judgments

⁴ See Rule 203(a), SCACR (“A party intending to appeal must serve and file a notice of appeal and otherwise comply with these Rules. Service and filing are defined by Rule 262. See Rule 203(b), SCACR (A notice of appeal shall be served on all respondents within (30) days after receipt of written notice of entry of the order or judgment.); see also Rule 262(b), SCACR (“Service upon the attorney or upon a party shall be made by delivering a copy to him or by mailing it to him at his last known address or, if no address is known, by leaving it with the clerk of court.”). The Notice of Appeal states the plaintiffs received the Order on May 2, 2017. The Notice of Appeal had to be served on all Respondents by June 1, 2017. No such service was ever effected by Plaintiffs or Sequest and the deadline can never be extended. See Notice of Appeal and Proof of Service.

⁵ No briefs were ever served or filed by the Subcontractor Defendants. See Rule 208(a), SCACR (“Within thirty (30) days after receiving the transcript or, if no transcript is ordered, within thirty (30) days after serving the notice of appeal, appellant shall serve one copy of his brief on all parties to the appeal”); see also Rule 209(a), SCACR (“At the same time a party serves his initial brief(s) under Rule 208 . . . he shall also serve on all parties to the appeal a Designation of Matter to be Included in the Record on Appeal”); see also Rule 211(a), SCACR (“Within twenty (20) days after the service of the Record on Appeal, each party shall serve a copy of his final brief(s) on every other party to the appeal”)

awarded at the trial court level that were subsequently reversed on appeal. When the remittiturs were issued for those appeals, the trial courts thereafter ruled in each case that the party who received payment under the judgments that were subsequently reversed must restore those payments to the other party. Those trial court rulings were then appealed again for a second time, and the appellate courts on the second appeal each held that reversal of the original monetary judgments on the first appeals had the effect of vacating those monetary judgments and leaving the case standing as if no judgments had been rendered. Id.

The proposition that the reversal of a judgment on appeal has the effect of vacating the judgment and leaving the case standing as if no judgment had ever been rendered is correct as applied to the Brown and Moore cases where there were no unappealed issues in the cases. In Brown and Moore, a single issue was decided by the trial courts, was appealed, and was thereafter reversed. Further, there were no parties to the lawsuit in each case that were not included as parties to the appeal. In other words, there were no “unappealed portions” of the lower court’s rulings. However, to apply this principle to a case where there were unappealed issues, such as the instant case, is directly contrary to well-established law which states that an unappealed portion of a judgment, whether right or wrong, is the law of the case. See Atl. Coast, 730 S.E.2d at 285 (“[A]n unappealed ruling, right or wrong, is the law of the case.”); see also Rumpf, 593 S.E.2d at 189 (“Any unappealed portion of the trial court’s judgment is the law of the case, and must therefore be affirmed.”); see also Shirley’s Iron Works, 743 S.E.2d at 785 (“Thus, should the appealing party fail to raise all of the grounds upon which a lower court’s decision was based, those unappealed findings—whether correct or not—become the law of the case.”). The important distinction in this case is that there were portions of the Order that were never appealed (i.e., the order dismissing the claims against the Subcontractor Defendants).

Finally, the suggestion in the joint motion for clarification that the Subcontractor Defendants are not entitled to dismissal because the Subcontractor Defendants did not seek dismissal does not prevent the application of the law of the case doctrine. The Order, as Plaintiffs and Seaquest recognize, clearly dismissed all Subcontractor Defendants from the case. That the dismissal may not have been requested is of no consequence. “A [Rule 59(e)] motion must be made when the trial court either grants relief not requested or rules on an issue not raised [below].”) Fryer v. South Carolina Law Enforcement Div., 631 S.E.2d 918, 920 (S.C. Ct. App. 2006). No Rule 59(e) motion was filed, and the dismissal of the Subcontractor Defendants became the law of the case regardless of whether such relief was sought or not. See id. (finding that defendant failed to preserve for appellate review argument that the trial court erred in granting mandamus to the plaintiff even though the plaintiff had not requested such relief because the defendant did not file a post-trial motion on the issue).

Plaintiffs and Seaquest failed to appeal the Order dismissing their respective claims against the Subcontractor Defendants. As such, this unappealed ruling has become the law of the case and Plaintiffs and Seaquest are barred from relitigating these extinct claims.

II. Motion for Clarification:

As an additional ground for denial, this Court finds that there is no procedural mechanism which affords Plaintiffs and Seaquest the right to request clarification of an order almost four years after it was issued. Rule 59(e) of the South Carolina Rules of Civil Procedure is the mechanism for a party to ask the court to issue a ruling on issues raised but not ruled upon, state findings of fact or conclusions of law underpinning the order, address possible misapprehension of an earlier argument, or revisit a previously raised argument. See, e.g., Elam v. S.C. Dep’t of Transp., 602 S.E.2d 772, 777 (S.C. 2004). Pursuant to Rule 59(e), SCRCP, “[a] motion to alter or amend a

judgment shall be served not later than 10 days after receipt of written notice of the entry of the order.” Id.

Here, Plaintiffs and Seaquest jointly sought clarification of the Order to determine whether the Subcontractor Defendants remain as parties to this action. The Order dismissed the entire case, including those claims asserted by Plaintiffs and Seaquest against the Subcontractor Defendants. To the extent Plaintiffs or Seaquest believed Chief Justice Toal misapprehended arguments of counsel or mistakenly dismissed certain claims, then the parties were required to file a Rule 59(e) motion within ten days of written notice of entry of the judgment. Plaintiffs and Seaquest did not meet the ten-day deadline provided by Rule 59(e) and, therefore, the joint “motion for clarification” is improper. See Leviner v. Sonoco Prods. Co., 530 S.E.2d 127 (S.C. 2000) (holding where neither party filed a Rule 59(e) motion within the ten day time period asking for clarification of the circuit court’s order, the circuit court lost jurisdiction to enter any further orders on the matter); see also In re Beard, 597 S.E.2d 835, 838 (S.C. Ct. App. 2004) (“The established case law is that a trial judge loses jurisdiction over a case when the time to file [Rule 59(e) motions] has elapsed.”).

Rule 60(a) of the South Carolina Rules of Civil Procedure also does not provide an avenue for the Court to clarify the Order. Rule 60(a) of the South Carolina Rules of Civil Procedure provides, in pertinent part, as follows:

Clerical mistakes in judgments, orders or other parts of the record and errors therein arising from oversight or omission may be corrected by the court at any time of its own initiative or on the motion of any party and after such notice, if any, as the court orders.

Id. “Generally, a clerical error is defined as a mistake in writing or copying.” Dion v. Ravenel, Eiserhardt Assocs., 449 S.E.2d 251, 253 (S.C. Ct. App. 1994) (citing *Black’s Law Dictionary* 252 (6th ed. 1990)). “As applied to judgments and decrees, it is a mistake or omission by a clerk,

counsel, judge or printer which is not the result of exercise of judicial function.” Id. “While a court may correct mistakes or clerical errors in its own process to make it conform to the record, *it cannot change the scope of the judgment.*” Id. at 253–54 (emphasis added); see also Brown v. Brown, 709 S.E.2d 679, 683 (S.C. Ct. App. 2011) (holding that the trial judge’s modification of an award “did not amount to correction of a clerical error such as misspelling, a misplaced decimal, or a miscalculation” but rather recharacterized the award and imposed additional terms upon the parties that did not exist at the time the order was entered). “Except to correct such clerical errors, a trial judge loses jurisdiction to modify an order at the end of the term during which it is issued.” Michel v. Michel, 345 S.E.2d 730, 732 (S.C. Ct. App. 1986). “Therefore, the order is no longer subject to any modification which involves the exercise of judgment or discretion on the merits of the action.” Id.

Here, Chief Justice Toal unambiguously dismissed the entire case, and her intent is clear from the multitude of references to same in the Order and accompanying Form 4. See Order at 2 (“this case is DISMISSED in its entirety”); see also id. at 12 (“this case shall be and hereby is DISMISSED.”); see also Form 4 at 1 (stating that the Order ended the case and was “dismissing this action”). A request for a further order stating that the Subcontractor Defendants remain as defendants in the within action not only purports to seek clarification of an unambiguous directive by Chief Justice Toal, but its very essence asks the court to change the scope of the judgment from a dismissal of all claims to a dismissal of only some claims. Our case law is clear that Rule 60(a), SCRCF, is an improper vehicle for such a modification. Rather, to the extent such a modification was, in fact, warranted, it should have been requested through a Rule 59(e) order within ten days

after written notice of the entry of judgment. Plaintiffs and Seaquest are therefore prohibited from seeking clarification of the Order pursuant to either Rule 59(e) or Rule 60(a)⁶.

Furthermore, this Court lost jurisdiction following the appeal to presently rule that the Subcontractor Defendants remain parties to the suit notwithstanding their prior dismissal. “After the remittitur is sent down from an appellate court, the trial court acquires jurisdiction to enforce the judgment and take any action consistent with the appellate court ruling.” Ackerman v. McMillan, 477 S.E.2d 267, 268 (S.C. Ct. App. 1996). “[A] trial court has no authority to exceed the mandate of the appellate court on remand. . . . The mandate of the appellate court is jurisdictional. . . . The trial court has a duty to follow the appellate court's directions.” Prince v. Beaufort Mem’l Hosp., 709 S.E.2d 122, 125 (S.C. Ct. App. 2011) (internal citations omitted). Therefore, “[w]hen [the appellate court] remand[s] a case, the trial court has only the jurisdiction and authority mandated by th[e] court.” Id. The Court of Appeals only remanded this case to require arbitration between Plaintiffs and Seaquest. It gave no other instructions in its opinion and did not alter any unappealed rulings, specifically the unchallenged dismissal of the Subcontractor Defendants. This Court no longer has any jurisdiction to alter, revisit, or revoke the rulings in Chief Justice Toal’s Order which were unappealed and constitute the law of the case.

Conclusion

NOW, THEREFORE, for the foregoing reasons, it is hereby ORDERED, ADJUDGED AND DECREED that Plaintiffs’ and Seaquest’s joint motion for clarification is DENIED.

⁶ Plaintiffs and Seaquest are also prohibited from seeking any relief under Rule 60(b)(1), SCRCF for “mistake, inadvertence, surprise, or excusable neglect” because a motion under Rule 60(b)(1) must be made “not more than one year after the judgment, order or proceeding was entered or taken.” In addition, a party cannot seek relief under Rule 60(b) where it could have pursued the issue on appeal. Relief from a judgment is not a substitute for an appeal. Tench v. South Carolina Dep’t of Educ., 553 S.E.2d 451, 453 (S.C. 2001). Plaintiffs and/or Seaquest could have filed a Rule 59(e) motion and then subsequently appealed the dismissal of the Subcontractor Defendants but chose not to do so. Rule 60 cannot now be used as a backdoor to challenge the dismissal of these defendants.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Red Bay Constructors Corp.; Defendant Benzenburg Custom Cabinets, Inc.; Defendant Jonathan Marshall Construction; Defendant Southcoast Exteriors, Inc.; Defendant Coastal Plumbing & Gas, LLC; Defendant Foam Insulation Co., Inc.; Defendant Jerry Comer d/b/a Jerry's Tile & Marble, LLC; Defendant Lowcountry Fireplaces, Inc.; Defendant Carolina Pest Solutions, Inc.; Defendant New South Construction Supply, LLC; Third-Party Defendant Architectural Products of Charleston, LLC; and Third-Party Defendant Sealtight of South Carolina, LLC are not parties to the within action and that this case is ended with respect to these Defendants/Third-Party Defendants.

AND IT IS SO ORDERED.



Charleston Common Pleas

Case Caption: Andrew McIntire , plaintiff, et al VS Seaquest Development
Company Inc , defendant, et al
Case Number: 2016CP1001833
Type: Order/Other

So Ordered

s/Jennifer B. McCoy #2764