

SUPREME COURT OF SOUTH CAROLINA

315 Corley CW LLC v. Palmetto Bluff Development, LLC

Opinion No. 28339; Appellate Case No. 2024-002098 · No. Appellate Case No. 2024-002098; Opinion No. 28339 · Decided June 10, 2026

SUMMARY

The South Carolina Supreme Court held that the Federal Arbitration Act applied because the transactions involved interstate commerce. It further held that the parties had not clearly and unmistakably delegated arbitrability questions to an arbitrator, despite incorporating American Arbitration Association rules, because the agreements also invoked South Carolina arbitration law. The court affirmed as modified the determination that the arbitration provision was unconscionable, including because its sixty-day demand period unlawfully shortened the statute of limitations.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | Supreme Court of South Carolina                                                                                                                                                                                                                                                                                                                                                                       |
| WRITING FOR THE COURT | Per Curiam; Chief Justice Kittredge; Justice Few; Justice James; Justice Verdin; Acting Justice Michael Gary Nettles                                                                                                                                                                                                                                                                                  |
| JURISDICTION          | South Carolina Supreme Court                                                                                                                                                                                                                                                                                                                                                                          |
| DECIDED               | June 10, 2026                                                                                                                                                                                                                                                                                                                                                                                         |
| DOCKET                | Appellate Case No. 2024-002098; Opinion No. 28339                                                                                                                                                                                                                                                                                                                                                     |
| DISPOSITION           | affirmed                                                                                                                                                                                                                                                                                                                                                                                              |
| PROCEDURAL POSTURE    | On writ of certiorari to the South Carolina Court of Appeals from an order denying a motion to compel arbitration.                                                                                                                                                                                                                                                                                    |
| STANDARD OF REVIEW    | The opinion does not expressly state a separate standard of review. It reviews the enforceability of the arbitration provision and the delegation of arbitrability issues as legal questions under the Federal Arbitration Act and South Carolina arbitration law.                                                                                                                                    |
| PRECEDENTIAL VALUE    | Published opinion; precedential value under South Carolina law                                                                                                                                                                                                                                                                                                                                        |
| PARTIES               | Palmetto Bluff Development, LLC, Palmetto Bluff Club, LLC, Palmetto Bluff Real Estate Company, LLC, PBLH, LLC, Montage Palmetto Bluff, LLC, Palmetto Bluff Preservation Trust, Inc., Palmetto Bluff Preservation Trust Board of Stewards, Jordan Phillips, Mark Polites, Gray Ferguson, Henry Armistead, South Street Partners, LLC, John Does 1-25 v. 315 Corley CW LLC, 368 Mount Pelia LLC, Bridge |

Charleston Investments B LLC, Bridge Charleston Investments C LLC, Bridge Charleston Investments E LLC, Bridge Charleston Investments H LLC, Anne Bosler and Dylan Hart as Trustees of the Bosler-Hart Trust, Geoffrey J. Block, R. Jeffrey Kimball and Deborah S. Kimball, Sebrina Leigh-Jones and Chris Leigh-Jones, Jennifer Albero, Live Oak Assets LLC, Matthew N. Lynch and Barbara A. Lynch, MKM 22 West LLC, One Rumford Lane LLC, Salt Works LLC, TTJR LLC

## TOPICS

arbitration

unconscionability

contract interpretation

writ of certiorari

appellate procedure

## PRACTICE AREAS

arbitration

contracts

real estate

civil procedure

appellate procedure

## QUESTIONS PRESENTED

1. Whether the transactions between the property owners and Palmetto Bluff involved interstate commerce such that the Federal Arbitration Act applied.
2. Whether the Membership Agreements clearly and unmistakably delegated questions of arbitrability, including unconscionability, to an arbitrator through incorporation of the American Arbitration Association rules.
3. Whether the arbitration provision was unconscionable because it required arbitration demands to be made within sixty days after the conclusion of mediation, thereby impermissibly shortening the statute of limitations.

## HOLDINGS

1. The transactions implicated interstate commerce, so the Federal Arbitration Act applied.
2. The Membership Agreements did not clearly and unmistakably delegate arbitrability issues to an arbitrator; the circuit court therefore had to decide whether the arbitration provision was unconscionable.
3. The arbitration provision was unconscionable because its sixty-day demand requirement was functionally equivalent to an invalid contractual shortening of the statute of limitations.

## KEY QUOTATIONS

*“However, there must be “clear and unmistakable” evidence of delegation of the authority to determine issues of arbitrability.” (III)*

*“Because we find these two statements indicate an intent that the procedural provisions of South Carolina arbitration law apply, and because these procedural provisions require arbitrability to be decided by the court, it necessarily follows that we also find there is not clear and unmistakable intent to delegate the question of arbitrability to the arbitrator.” (III)*

*“We hold, however, that it is not functionally different. Therefore, we find the circuit court was correct in determining this term rendered the arbitration provision unconscionable.” (IV)*

## FACTUAL BACKGROUND

The plaintiffs owned property in the Palmetto Bluff luxury resort community and became Club members by signing Membership Agreements containing arbitration provisions. They marketed their properties for short-term rentals, and beginning in 2019 Palmetto Bluff restricted and eventually prohibited short-term-rental guests from accessing Club amenities. The owners challenged those changes in circuit court, and Palmetto Bluff sought to compel arbitration under the Membership Agreements.

## PROCEDURAL HISTORY

Property owners sued Palmetto Bluff entities in circuit court over restrictions on short-term-rental guests' access to Club amenities. The circuit court denied Palmetto Bluff's motion to compel arbitration after finding the arbitration provision unconscionable. The Court of Appeals affirmed, and the South Carolina Supreme Court granted certiorari and affirmed the Court of Appeals as modified.

## DISPOSITION

affirmed

## CASES CITED

- 315 Corley CW LLC v. Palmetto Bluff Dev., LLC, 444 S.C. 521, 526-27, 537, 908 S.E.2d 892, 894-95, 900 (Ct. App. 2024)
- Landers v. Fed. Deposit Ins. Corp., 402 S.C. 100, 108, 739 S.E.2d 209, 213 (2013)
- Hicks Unlimited, Inc. v. UniFirst Corp., 439 S.C. 623, 632-33, 889 S.E.2d 564, 568-69 (2023)
- Dean v. Heritage Healthcare of Ridgeway, LLC, 408 S.C. 371, 380, 759 S.E.2d 727, 732 (2014)
- Doe v. TCSC, LLC, 430 S.C. 602, 607-08, 846 S.E.2d 874, 876-77 (Ct. App. 2020)
- First Options of Chicago, Inc. v. Kaplan, 514 U.S. 938, 944-45, 115 S. Ct. 1920, 1924, 131 L. Ed. 2d 985, 993-94 (1995)
- Palmetto Constr. Grp., LLC v. Restoration Specialists, LLC, 432 S.C. 633, 639, 856 S.E.2d 150, 153 (2021)
- N. Am. Rescue Prods., Inc. v. Richardson, 411 S.C. 371, 378, 769 S.E.2d 237, 240 (2015)
- McGill v. Moore, 381 S.C. 179, 185, 672 S.E.2d 571, 574 (2009)
- Simpson v. MSA of Myrtle Beach, Inc., 373 S.C. 14, 22-24, 644 S.E.2d 663, 667-68 (2007)
- Koon v. Fares, 379 S.C. 150, 155, 666 S.E.2d 230, 233 (2008)
- Blanton v. Domino's Pizza Franchising LLC, 962 F.3d 842, 843-46 (6th Cir. 2020)
- Terminix Int'l Co. v. Palmer Ranch Ltd. P'ship, 432 F.3d 1327 (11th Cir. 2005)
- Awuah v. Coverall N. Am., Inc., 554 F.3d 7 (1st Cir. 2009)
- Huskins v. Mungo Homes, LLC, 444 S.C. 592, 594-95, 910 S.E.2d 474, 475-76 (2024)

