

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH
CAROLINA, GREENVILLE DIVISION

**Teleco, Inc., William M. Rogers, and William “Billy” Michael Rogers
II v. Brett Mutolo**

C.A. No. 6:23-cv-03563-DCC · No. C.A. No. 6:23-cv-03563-DCC · Decided November 25, 2025

SUMMARY

The United States District Court for the District of South Carolina addresses Brett Mutolo’s motion to amend his answer and motion for reconsideration in litigation involving Teleco, Inc. and related parties. The court grants the motion to amend in part and denies it in part, permitting joinder of certain parties to specified counterclaims under Rules 13(h), 15, and 20, while finding amendment futile as to some claims against WMR and REU; the motion for reconsideration is denied.

CASE DETAILS

COURT	United States District Court for the District of South Carolina, Greenville Division
WRITING FOR THE COURT	Donald C. Coggins, Jr.
JURISDICTION	United States District Court for the District of South Carolina, Greenville Division
DECIDED	November 25, 2025
DOCKET	C.A. No. 6:23-cv-03563-DCC
DISPOSITION	other
PROCEDURAL POSTURE	Defendant and counterclaimant Brett Mutolo moved to amend his answer to join additional parties as counterclaim co-defendants and moved for reconsideration of the court's prior denial of his motion to dismiss for lack of subject matter jurisdiction.
STANDARD OF REVIEW	For amendment, leave is freely given under Rule 15(a) absent undue prejudice, bad faith, or futility. For reconsideration of an interlocutory order under Rule 54(b), relief requires an intervening change in controlling law, newly discovered evidence, or a need to correct clear error or prevent manifest injustice. The court evaluated permissive joinder under Rule 20 for abuse of discretion and applied the Rule 12(b)(6) standard to determine futility.
PRECEDENTIAL VALUE	unpublished district court opinion; precedential status unknown

PARTIES

Teleco, Inc., William M. Rogers, William “Billy” Michael Rogers II v. Brett Mutolo

TOPICS

motion to amend

motion for reconsideration

joinder

subject matter jurisdiction

civil procedure

PRACTICE AREAS

civil procedure

commercial litigation

employment law

QUESTIONS PRESENTED

1. Whether Rule 13(h), together with Rules 19 and 20, permitted Mutolo to join additional persons as co-defendants to his existing counterclaims.
2. Whether Mutolo was entitled to amend his answer under Rule 15(a) to join the proposed counterclaim defendants.
3. Whether amendment to assert claims against WMR and REU was futile because the allegations did not plausibly support a single business enterprise theory or state claims against those entities.
4. Whether reconsideration of the prior interlocutory jurisdictional ruling was warranted based on alleged factual errors or allegedly false testimony concerning William M. Rogers's domicile.

HOLDINGS

1. Rule 13(h) permits joinder of additional persons only when they are joined to a counterclaim or crossclaim that is asserted against at least one existing party; claims directed solely against nonparties are not proper counterclaims under Rule 13(h).
2. The proposed parties could be permissively joined as counterclaim co-defendants on Counts One, Two, Three, Four, Seven, Eight, and Nine because the claims arose from the same transactions or occurrences and involved common questions of law or fact.
3. Mutolo was entitled to amend his answer to join RFI, NEAM, Bob, and, for specified claims, Colin, because the amendment was not unduly prejudicial, delayed, or otherwise improper.
4. Amendment to add WMR and REU was futile because Mutolo's allegations did not plausibly establish that those entities operated as part of a single business enterprise or that any alleged injustice resulted from blurring their corporate identities.
5. Reconsideration was denied because Mutolo merely rehashed arguments concerning Rogers Sr.'s domicile and did not establish an intervening change in law, new evidence, clear error, or manifest injustice.

KEY QUOTATIONS

“This means that a counterclaim or crossclaim may not be directed solely against persons who are not already parties to the original action but must involve at least one existing party.” (Section III.A.1)

“A proposed amendment is also futile if it would add a new claim that fails to state a claim upon which relief could be granted and, thus, would not survive a motion to dismiss under Fed. R. Civ. P. 12(b)(6).” (Section III.A.2)

“Nor should such a motion be used to raise new arguments or evidence that could have been raised previously.” (Section III.B)

FACTUAL BACKGROUND

Mutolo asserted counterclaims concerning alleged unpaid compensation, employment-related conduct, fiduciary duties, conversion, and related matters against the existing plaintiffs. He sought to join several entities and individuals as counterclaim co-defendants, alleging that they operated as a single business enterprise and were jointly responsible for the alleged harms. The proposed claims arose from Mutolo's alleged employment and from alleged efforts by the plaintiffs and proposed defendants to access or control cryptocurrency accounts. Mutolo also challenged the court's prior determination that diversity jurisdiction existed, particularly the domicile of William M. Rogers at the time the action was filed.

PROCEDURAL HISTORY

Teleco and the individual Rogers plaintiffs filed this action against Mutolo, later filing an amended complaint and then a second amended complaint asserting state-law claims under the court's diversity jurisdiction. Mutolo asserted counterclaims and filed a third-party complaint against additional entities and individuals. The court previously dismissed the third-party complaint for improper joinder, granted Mutolo leave to seek amendment, partially dismissed several counterclaims, and denied Mutolo's jurisdictional motion to dismiss. In this order, the court granted amendment in part and denied it in part, permitting specified joinder under Rules 13(h), 20, and 15, and denied reconsideration.

DISPOSITION

other

CASES CITED

- Matrix Capital Management Fund, LP v. BearingPoint, Inc., 576 F.3d 172, 193 (4th Cir. 2009)
- Woods v. Boeing Co., 841 F. Supp. 2d 925, 930 (D.S.C. 2012)
- Wired Fox Technologies, Inc. v. Estep, No. 6:15-cv-331, 2015 WL 13791844, at *7 (D.S.C. Sept. 21, 2015)
- Lanier Business Products v. Graymar Co., 342 F. Supp. 1200, 1202 (D. Md. 1972)
- Bonumose Biochem LLC v. Zhang, No. 3:17-cv-00033, 2018 WL 3733651, at *9 (W.D. Va. Aug. 6, 2018)
- U.S. ex rel. Branch Consultants, LLC v. Allstate Insurance Co., 265 F.R.D. 266, 270 (E.D. La. 2010)
- Teamster Local Union No. 171 v. Keal Driveway Co., 173 F.3d 915, 917–18 (4th Cir. 1999)
- Provident Tradesmens Bank & Trust Co. v. Patterson, 390 U.S. 102, 125 (1968)
- American General Life and Accident Insurance Co. v. Wood, 429 F.3d 83, 92 (4th Cir. 2005)
- Aleman v. Chugach Support Services, Inc., 485 F.3d 206, 218 n.5 (4th Cir. 2007)

- Saval v. BL Ltd., 710 F.2d 1027, 1031 (4th Cir. 1983)
- Am. Canoe Ass'n v. Murphy Farms, Inc., 326 F.3d 505, 514 (4th Cir. 2003)
- Sanders v. Lowe's Home Ctrs., LLC, C.A. No. 0:15-cv-02313-JMC, 2016 WL 5920840, at *2 (D.S.C. Oct. 11, 2016)
- Robinson v. Wix Filtration Corp., 599 F.3d 403, 407 (4th Cir. 2010)
- Collison v. International Chemical Workers Union, 34 F.3d 233, 235 (4th Cir. 1994)
- Loren Data Corp. v. GXS, Inc., 501 F. App'x 275, 285 (4th Cir. 2012)
- South Carolina v. United States, 232 F. Supp. 3d 785, 793 (D.S.C. 2017)
- Hinson v. Norwest Financial S.C., Inc., 239 F.3d 611, 618 (4th Cir. 2001)
- Foman v. Davis, 371 U.S. 178, 182 (1962)
- Davis v. Piper Aircraft Corp., 615 F.2d 606, 613 (4th Cir. 1980)
- Save Our Sound OBX, Inc. v. N.C. Department of Transportation, 914 F.3d 213, 228 (4th Cir. 2019)
- Johnson v. Orowheat Foods, 785 F.2d 502, 510 (4th Cir. 1986)
- U.S. Airline Pilots Ass'n v. Awappa, LLC, 615 F.3d 312, 320 (4th Cir. 2010)
- Pertuis v. Front Roe Restaurants, Inc., 817 S.E.2d 273, 279–81 (S.C. 2018)
- Stoneledge at Lake Keowee Owners' Ass'n, Inc. v. IMK Development Co., LLC, 866 S.E.2d 542, 551 (S.C. 2021)
- Fowler v. SSC Seneca Operating Co., LLC, No. CV 8:21-00430-HMH, 2023 WL 35936, at *5 (D.S.C. Jan. 4, 2023)
- Guldenzoph v. Indigo Road Hospitality Group, No. 2:23-CV-05339-DCN, 2024 WL 2848462, at *7 (D.S.C. June 4, 2024)
- SSP Partners v. Gladstrong Investments (USA) Corp., 275 S.W.3d 444, 455 (Tex. 2008)

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