

**D'AQUISTO v. MISSION ST. JOSEPH'S HEALTH SYS.**

[360 N.C. 567 (2006)]

CAROLINE D'AQUISTO, EMPLOYEE v. MISSION ST. JOSEPH'S HEALTH SYSTEM,  
EMPLOYER, CAMBRIDGE INTEGRATED SERVICES, SERVICING AGENT

No. 415PA05

(Filed 18 August 2006)

**Workers' Compensation—defense of claims—reasonable grounds—  
sanctions improper**

Defendant employer's defense of plaintiff's workers' compensation claims was not without reasonable grounds, and the Industrial Commission erred in imposing sanctions on defendant under N.C.G.S. § 97-88.1.

On discretionary review pursuant to N.C.G.S. § 7A-31 of a unanimous decision of the Court of Appeals, 171 N.C. App. 216, 614 S.E.2d 583 (2005), affirming an opinion and award filed on 20 May 2004 by the North Carolina Industrial Commission. Heard in the Supreme Court 18 April 2006.

*The Sumwalt Law Firm, by Vernon Sumwalt, and Ganly & Ramer, PLLC, by Thomas F. Ramer, for plaintiff-appellee.*

*Van Winkle Buck Wall Starnes & Davis, PA, by Allan R. Tarleton, for defendant-appellant Mission St. Joseph's Health System.*

PER CURIAM.

As to whether the Court of Appeals erred by affirming the imposition of sanctions against defendant under N.C.G.S. § 97-88.1, we hold that based upon the specific facts of this case, defendant's defense of plaintiff's claims was not without reasonable grounds. We further conclude that the petition for discretionary review as to additional issues was improvidently allowed.

Thus we reverse that portion of the Court of Appeals opinion affirming the imposition of sanctions and remand this case to the Court of Appeals for remand to the Industrial Commission for further proceedings not inconsistent with this opinion.

REVERSED IN PART AND REMANDED; DISCRETIONARY  
REVIEW IMPROVIDENTLY ALLOWED IN PART.