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IN THE COURT OF APPEALS OF NORTH CAROLINA

No. COA23-1035

Filed 5 November 2024

Mecklenburg County, No. 21 CVS 10352

CORRISE WILLIAMS, Plaintiff,

v.

SCHAEFER SYSTEMS, LLC, SCHAEFER SYSTEMS INTERNATIONAL, INC., and
ROMEUS PITT, Defendants.

Appeal by defendants from order entered 27 July 2023 by Judge Matthew
Osman in Mecklenburg County Superior Court. Heard in the Court of Appeals 28
August 2024.

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for defendant-appellant Romeus Pitt.*

DILLON, Chief Judge.

This case arises from a workers' compensation action. Defendants Schaefer
Systems International, Inc., ("SSI") and Romeus Pitt ("Pitt") appeal from the trial

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court's order denying their motions for summary judgment. We affirm as to Defendant Pitt and reverse as to Defendant SSI.

I. Background

The evidence presented tends to show as follows: Defendant SSI operates a facility in Charlotte that manufactures plastic containers, including garbage and recycling bins. Staffing agencies supplied SSI with temporary employees. Plaintiff Corrise Williams was hired by People 2.0, a staffing agency, hired Plaintiff Carrise Williams and assigned him to work at SSI, where Pitt was also working.

On 4 March 2019, Williams and Pitt had a confrontation about Pitt leaving the workstation, where they both were working, to use the restroom without giving notice to any of the other workers. The dispute was resolved that night with the help of their supervisor, and the parties shook hands.

However, the next night, on 5 March 2019, there was another altercation. Williams and Pitt were stationed at separate workstations that night. The machine at Williams's workstation stopped working, so Williams searched for a broom to sweep the floor, as required by protocol when a machine stops working. When Williams found a broom near Pitt's workstation, Pitt stabbed him. Among other injuries, Williams's spinal cord was severed, and he was rendered a paraplegic.

Williams filed a claim with the North Carolina Industrial Commission under the North Carolina Workers' Compensation Act (the "Act") against People 2.0 (the staffing agency who hired him and placed him with SSI). Williams and People 2.0

entered a settlement (the “Clincher Agreement”) where Williams received \$1.2 million.

Williams later brought this civil action against SSI and Pitt seeking recovery for the same injuries covered in his Clincher Agreement with People 2.0. Defendants moved for summary judgment on the basis that Williams was precluded from bringing suit due to the Act’s exclusivity provisions. Defendants’ motions were denied. Defendants appeal.

II. Appellate Jurisdiction

“Ordinarily, the denial of a summary judgment motion is not immediately appealable as an interlocutory order.” *Bartley v. City of High Point*, 381 N.C. 287, 293 (2022). However, “the denial of a motion concerning the exclusivity provision of [the Act] affects a substantial right and thus is immediately appealable.” *Fagundes v. Ammons Dev. Grp., Inc.*, 251 N.C. App. 735, 737 (2017). Accordingly, this appeal is timely.

III. Standard of Review

We review an appeal from summary judgment *de novo*. *Forbis v. Neal*, 361 N.C. 519, 524 (2007). “When considering a motion for summary judgment, the trial judge must view the presented evidence in a light most favorable to the nonmoving party. Moreover, the party moving for summary judgment bears the burden of establishing the lack of any triable issue.” *Dalton v. Camp*, 353 N.C. 647, 651 (2001) (citations omitted).

IV. Analysis

The Act, N.C.G.S. § 97-1 *et seq.* (2023), governs workers' compensation claims and creates an exclusive remedy for employees injured in work-related accidents. *See Est. of Belk v. Boise Cascade Wood Prods., L.L.C.*, 263 N.C. App. 597, 600 (2019).

A. Applicability of the Workers' Compensation Act

We first must determine whether Williams's injuries are covered under the Act. Our Supreme Court has stated:

For an injury to be compensable under [the Act], the claimant must prove three elements: (1) that the injury was caused by an accident; (2) that the injury arose out of the employment; and (3) that the injury was sustained in the course of employment.

Gallimore v. Marilyn's Shoes, 292 N.C. 399, 402 (1977).

Here, the first and third elements (injury caused by an accident and injury sustained in the course of employment) are satisfied because there was an intentional assault in the workplace by Pitt.¹ *See Wake Cnty. Hosp. Sys., Inc. v. Safety Nat'l Cas. Corp.*, 127 N.C. App. 33, 39 (1997) (“[A]n intentional assault in the workplace by a fellow employee or third party is an accident that occurs in the course of employment[.]”).

¹ Williams disputes whether Pitt was a co-employee. Regardless, even if Pitt were not a “co-employee,” he would be a “third party,” which satisfies the element.

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Accordingly, the only element in dispute is whether Williams's accident arose out of the employment. Here, Williams stipulated in his Clincher Agreement with People 2.0 that his injuries arose out of his employment with People 2.0:

Whereas on or about March 5, 2019, Plaintiff sustained an injury by accident *arising out of* and in the course and scope of *his employment* with [People 2.0]. Plaintiff's claim was accepted as compensable by Defendants and he has received all of the benefits to which he is entitled pursuant to the North Carolina Workers' Compensation Act[.]

(Emphasis added.) An employee is bound by a settlement statement that his injuries arose out of the employment. *See Caple v. Bullard Rests., Inc.*, 152 N.C. App. 421, 424–25 (2002). Therefore, Williams's stipulation in the Clincher Agreement satisfies the second element and conclusively establishes in this matter that the 5 March 2019 accident falls under the purview of the Act.

B. Special Employer Doctrine

Since Williams's injuries are covered by the Act, he is barred from pursuing a common law negligence action against his employer(s). *See Pleasant v. Johnson*, 312 N.C. 710, 713 (1985). *See also Brown v. Friday Servs., Inc.*, 119 N.C. App. 753, 759 (1995) (“[O]nce recovery is obtained under the statutory mechanism of workers’ compensation, the plaintiff is barred from proceeding against *either* of his employers at common law.”).

“Our Supreme Court has recognized that an employee may be in both the employment of his primary, general employer, and also be ‘lent’ as a special,

temporary employee to a secondary, special employer.” *Est. of Belk*, 263 N.C. App. at 600. Thus, we must determine whether SSI was Williams’s special employer.

Whether a lent worker became a special employee of the entity to whom he was lent is a *question of fact*. And, in a civil action, *where the evidence is sufficient to create a genuine issue of fact on this issue*, our Supreme Court has instructed that the determination is *to be decided by the jury*.

Id. at 601 (emphasis added). The “special employer” test states:

When a general employer lends an employee to a special employer, the special employer becomes liable for workmen’s compensation only if:

- (a) the employee has made a contract of hire, express or implied, with the special employer;
- (b) the work being done is essentially that of the special employer; and
- (c) the special employer has the right to control the details of the work.

When all three of the above conditions are satisfied in relation to both employers, both employers are liable for worker’s compensation.

Anderson v. Demolition Dynamics, Inc., 136 N.C. App. 603, 606 (2000) (citations omitted). We hold that the special employer test is satisfied as a matter of law.

1. Was there a contract between Williams and SSI?

While there was no *express* contract of hire between Williams (employee) and SSI (special employer), there was an implied contract.

An implied contract exists between an employee and special employer where the special employer accepts the employee’s work, the special employer is obligated

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to pay the general employer for the employee's work, and the general employer is obligated in turn to pay the employee. *See Henderson v. Manpower of Guildford Cnty., Inc.*, 70 N.C. App. 408, 414 (1984).

Here, an implied contract exists between Williams and SSI. Williams worked there from 21 May 2018 until 5 March 2019 (the night of the incident). There is nothing in the record to indicate that SSI did not accept Williams's work during that time. Further, the evidence shows that SSI was obligated to pay People 2.0 for Williams's work, and then People 2.0 (d/b/a GoSource) was obligated to pay Williams, as stated by SSI's Human Resources Manager in her affidavit:

Pursuant to its agreement with SSI, GoSource was responsible for paying Williams's wages and all state and federal payroll taxes, and for providing his workers' compensation coverage. In return, SSI assigned and supervised Williams's work and SSI paid GoSource a fee that covered Williams's wages, payroll taxes and workers' compensation insurance.

To rebut SSI's claim of an implied contract, Williams submitted an affidavit from People 2.0's Vice President of Risk Management, who testified there was *not* an implied contract between Williams and SSI. In relevant part, the Vice President of Risk Management's affidavit stated:

4. Corrise Williams was employed by People 2.0 [] on March 5, 2019.
5. People 2.0 had an agreement with GoSource LLC to act as the Employer of Record for workers placed at GoSource LLC's customers' facilities.

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6. There was no contract for employment, whether express or implied, between Corrise Williams and GoSource.
7. To the best of my knowledge, Defendant [SSI] was a customer of GoSource, LLC.
8. People 2.0 did not have a commercial relationship with SSI.
9. People 2.0 did not have any contract of any nature, whether express or implied, oral or written, with SSI.
10. *To the best of my knowledge, there was no contract for employment, whether express or implied, between Corrise Williams and SSI.*
11. To the best of my knowledge, the sole relationship between Corrise Williams and SSI consisted of the fact that he was performing work at the facility of a customer of GoSource, one of People 2.0's customers.
12. To the best of my knowledge, SSI did not hire Corrise Williams.
13. People 2.0 and GoSource were solely responsible for the hiring, firing, and discipline of Corrise Williams on March 5, 2019.
14. Although Corrise Williams was working at the SSI facility on March 5, 2019, People 2.0 was his Employer of Record.

(Emphasis added.)

However, the affidavit contains only conclusory statements that there was no implied contract between Williams and SSI. These conclusory statements—that there was no implied contract and that People 2.0 was Williams's "Employer of

Record” on the date of the incident—are not sufficient to create a genuine issue of material fact and survive summary judgment. *See United Cmty. Bank (Georgia) v. Wolfe*, 369 N.C. 555, 559–60 (2017) (“Defendants’ conclusory statement without any supporting facts is insufficient to create a genuine issue of material fact.”). The affidavit does not address the facts necessary to determine whether there was an implied contract. Specifically, it does not contain supporting facts sufficient to create a genuine issue of material fact about (1) whether SSI accepted Williams’s work and (2) the payment structure between Williams, SSI, and People 2.0/GoSource.

2. Was Williams essentially performing the work of SSI?

It is not contested that Williams was stabbed while obtaining a broom to sweep the SSI facility. Williams’s supervisor at the SSI facility testified that Williams’s machine had stopped working that evening and operators are instructed to clean up their area when that happens. And Williams testified that sweeping up the trash and plastic shavings from the machines was part of his job. Though Williams was not working on a machine at the time of the injury, he was nonetheless performing the work of SSI by cleaning the floors.

3. Did SSI have the right to control the details of Williams’s work?

To support his contention that SSI did not have the right to control Williams’s work, Williams points to (1) the affidavit submitted by People 2.0’s Vice President of Risk Management, which stated that “People 2.0 and GoSource were solely responsible for the hiring, firing, and discipline of Corrise Williams on March 5, 2019”

and (2) Williams’s shift managers’ admissions that they could not terminate or discipline contractors like Williams.

But Williams misunderstands the meaning of “control” under the special employer test. In this context, “control” means control over the employee’s performance; it does not refer to the ability to fire, hire, and discipline the employee. *See Henderson*, 70 N.C. App. at 413 (holding the special employer’s “power to terminate plaintiff’s employment or arrangement” with the staffing agency was “irrelevant” because “[t]he control that is relevant to the case was control over the tree cutting work [the special employer’s business activity] and those that did it”).

The evidence presented establishes that SSI had control over Williams’s performance at SSI: Williams worked on machinery owned by SSI and created SSI products, SSI employees supervised Williams’s work (and there were no People 2.0 supervisors on site at SSI), and SSI employees trained Williams on how to perform his job. Moreover, SSI controlled Williams’s day-to-day operations, as SSI scheduled Williams’s shifts and directed his activities during those shifts (e.g., assigning him to specific workstations).

Viewing the evidence presented in the light most favorable to Williams (the non-movant), there was still not evidence sufficient to create genuine issues of material fact regarding the three elements of the special employer test, and we conclude that SSI was Williams’s special employer because all three elements were satisfied as matters of law.

C. *Woodson* and *Pleasant* Exceptions to the Workers' Compensation Act

We note Williams's contention that the *Woodson* exception bars the exclusivity provisions from applying to Williams's situation, regardless of whether SSI was Williams's special employee. The *Woodson* exception allows a plaintiff to bring a claim outside the Act

when an employer intentionally engages in misconduct knowing it is sustainably certain to cause serious injury or death to employees and an employee is injured or killed by that misconduct[.] . . . [Because] the injury or death caused by such misconduct is nonetheless the result of an accident under the Act, workers' compensation claims may also be pursued. *There may, however, only be one recovery.*

Woodson v. Rowland, 329 N.C. 330, 340–41 (1991) (emphasis added). Here, Williams has already accepted a recovery under the Act (the \$1.2 million settlement with People 2.0), so his recovery against SSI is barred, even though SSI was Williams's special employer and not his general employer.

Finally, we address Williams's claim against Pitt. Akin to how a common law negligence action is barred against an *employer* if an employee's injuries are covered by the Act, the employee is also barred from pursuing a common law negligence action against *co-employees*. See *Pleasant*, 312 N.C. at 713. SSI has admitted that Pitt was its temporary employee at the time of the incident. And since we have concluded that Williams was also a temporary SSI employee at the time of the incident, the two men were co-employees. Thus, Williams's common law claim against Pitt would be barred

under the Act. However, under the *Pleasant* exception, “the [Act] does not shield a co-employee from common law liability for injury caused by willful, wanton and reckless negligence.” *Id.* at 716. “The fact that the plaintiff has received benefits under the [Act] does not foreclose him from bringing an action for the defendant’s willful and wanton negligence.” *Id.* “[T]he burden of proof is heavy on a plaintiff who seeks to recover under *Pleasant*.” *Trivette v. Yount*, 366 N.C. 303, 310 (2012).

Here, Williams alleges in his Complaint that Pitt was “negligent, grossly negligent, reckless, willful, and wanton” because Pitt caused catastrophic injury to Williams by striking his spinal cord, which severed it at the T12 level and resulted in paraplegia. And Williams points to Pitt’s violation of the SSI plant’s no weapons policy, Pitt’s stabbing of Williams with enough force to sever his spinal cord and render him paraplegic, and Pitt’s conviction for assault with a deadly weapon² as evidence that Pitt acted with willful, wanton, and reckless negligence.

Pitt argues that, because Williams admitted in the Clincher Agreement that he “sustained an injury by accident arising out of and in the course and scope of his employment[,]” Williams is now precluded from arguing that his injury arose from an intentional act and falls under the *Pleasant* exception. But our Court has previously noted that “[t]he mere fact, however, that an injury is termed ‘accidental’ from the

² Pitt was tried for both assault with a deadly weapon with intent to kill inflicting serious injury and the lesser-included crime of assault with a deadly weapon inflicting serious injury. He was found guilty of the lesser-included crime. He was also tried for attempted first-degree murder but found not guilty.

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injured employee's viewpoint, requiring the employer to pay compensation under the Act, does not mean that the injury is accidental from the viewpoint of the intentional assailant." *Andrews v. Peters*, 55 N.C. App. 124, 128 (1981). As evidence that he did not cause Williams's injury by willful, wanton and reckless negligence, Pitt also points to his testimony at his criminal trial that he did not intend to hurt Williams.

We cannot say, based on the record before us, whether the *Pleasant* exception applies in this case (i.e., whether Pitt acted with willful, wanton, and reckless negligence). The parties must present evidence at trial to support their claims.

V. Conclusion

In sum, because Williams's injuries are subject to the Workers' Compensation Act and SSI was Williams's special employer, we conclude Williams is barred by the Act from seeking claims against SSI at common law. Accordingly, we reverse the trial court's decision denying summary judgment for Defendant SSI.

We, however, affirm the trial court's decision denying summary judgment as to Defendant Pitt because—even though Defendant Pitt was Williams's co-employee—we cannot conclude on this record as a matter of law whether the *Pleasant* exception applies and, thus, whether Williams's common law claim against Pitt would be barred.

AFFIRMED IN PART, REVERSED IN PART.

Judges FLOOD and THOMPSON concur.

Report per Rule 30(e).