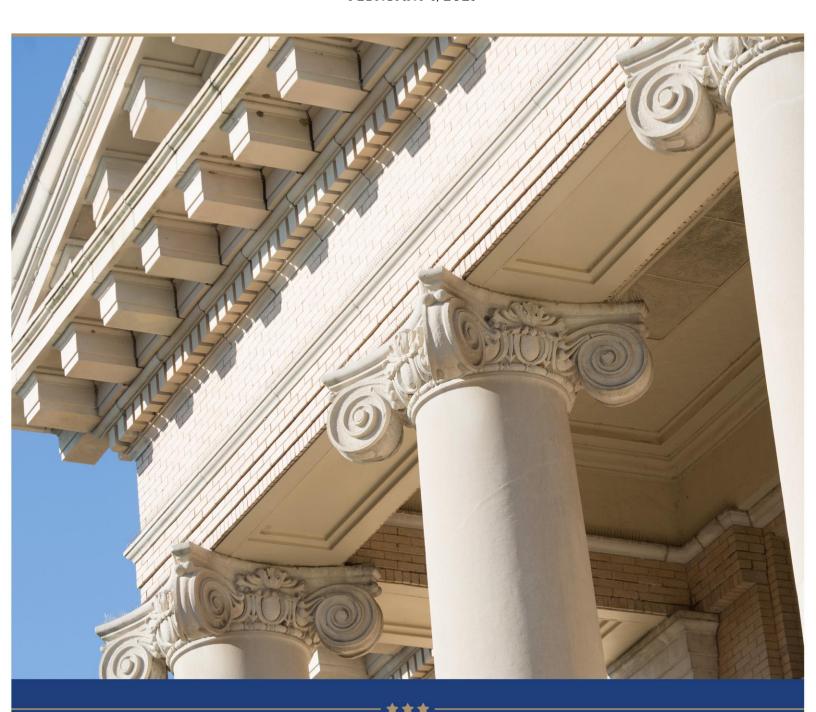


Report on North Carolina Business Court

N.C.G.S. 7A-343(8a)

REPORT PREPARED BY
NORTH CAROLINA ADMINISTRATIVE OFFICE OF THE COURTS
FEBRUARY 1, 2025



About the North Carolina Judicial Branch The mission of the North Carolina Judicial Branch is to protect and preserve the rights and liberties of all the people as guaranteed by the Constitutions and laws of the United States and North Carolina by providing a fair, independent and accessible forum for the just, timely and economical resolution of their legal affairs. **About the North Carolina Administrative Office of the Courts** The mission of the North Carolina Administrative Office of the Courts is to provide services to help North Carolina's unified court system operate more efficiently and effectively, taking into account each courthouse's diverse needs, caseloads, and available resources.

INTRODUCTION

N.C.G.S. 7A-343(8a) requires the Director of the North Carolina Administrative Office of the Courts ("NCAOC") to submit an annual report on the North Carolina Business Court. The statute specifically provides as follows:

(8a) Prepare and submit an annual report on the activities of each North Carolina business court site to the Chief Justice, the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety, the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety, and to all other members of the General Assembly on February 1. The report shall include the following information for each business court site:

- a. The number of new, closed, and pending cases for the previous three years.
- b. The average age of pending cases.
- c. The number of motions pending over six months after being filed.
- d. The number of cases in which bench trials have been concluded for over six months without entry of judgment, including any accompanying explanation provided by the Business Court.

The report shall include an accounting of all business court activities for the previous fiscal year, including the itemized annual expenditures.

NCAOC submits this report in compliance with the legislative mandate for the period from January 1, 2024 through December 31, 2024.

AN OVERVIEW OF THE NORTH CAROLINA BUSINESS COURT

The North Carolina Business Court is an administrative division of the North Carolina General Court of Justice designed to provide a specialized forum for cases involving complex business issues.

G.S. 7A-45.4 governs the designation of Business Court cases. The statute provides that any party may designate as a mandatory complex business case an action that involves a material issue related to the following types of disputes:

- Disputes involving the law governing corporations, except charitable and religious organizations qualified under G.S. 55A-1-40(4) on the grounds of religious purpose, partnerships, and limited liability companies
- Disputes involving securities
- Disputes involving antitrust law
- Disputes involving trademark law
- Disputes involving the ownership, use, licensing, lease, installation, or performance of intellectual property, including computer software, software applications, information



technology and systems, data and data security, pharmaceuticals, biotechnology products, and bioscience technologies

- Disputes involving trade secrets
- Contract disputes in which specified statutory conditions are met

In addition, the statute establishes three types of cases that must be designated as mandatory complex business cases:

- An action involving a material issue related to tax law that has been the subject of a contested tax case for which judicial review is requested under G.S. 105-241.16, or a civil action under G.S. 105-241.17 containing a constitutional challenge to a tax statute
- An action described in subdivision (1), (2), (3), (4), (5), or (8) of subsection (a) of G.S. 7A-45.4 in which the amount in controversy computed in accordance with G.S. 7A-243 is at least five million dollars (\$5,000,000)
- An action in which a general receiver is sought to be appointed pursuant to <u>G.S. 1-507.24</u> for a debtor that is not an individual business debtor as defined in <u>G.S. 1-507.20</u> and has assets having a fair market value of not less than five million dollars (\$5,000,000), if the party making the designation is either (i) the debtor or (ii) one or more creditors or creditors' duly authorized representatives that assert a claim or claims against the debtor exceeding, in the aggregate, twenty-five thousand dollars (\$25,000) that in each case is not contingent as to liability and is not the subject of a bona fide dispute as to liability or amount. Any creditor or creditor's duly authorized representative that is not a party to the action may join in the notice of designation with the same effect as if such joining creditor or creditor's representative were a party.

Most cases referred to the Business Court in calendar year 2024 involved the law governing corporations, partnerships, and limited liability companies. **Table 1** below identifies the statutory basis appearing in the parties' Notices of Designation for cases newly designated to the Business Court in 2024 and the frequency of each type of designated dispute.



Table 1. Dispute Types Pursuant to G.S. 7A-45.4 Appearing in Parties' Notices of Designation for Cases Designated to the Business Court in Calendar Year 2024

Material Issue	Frequency*
(a)(1) Corporations, Partnerships, LLCs	55
(a)(2) Securities	7
(a)(3) Antitrust	2
(a)(4) Trademark	4
(a)(5) Intellectual Property	19
(a)(8) Trade Secrets	32
(a)(9) Contract Dispute over \$1 million	16
(b)(1) Contested Tax Case	2
(b)(1) Constitutional Challenge Tax Case	0
(b)(2) Controversy over \$5 million	8
(b)(4) General Receiver over \$5 million	1

^{*}A party's Notice of Designation may indicate more than one dispute type.

Once a case is designated as a complex business case under G.S. 7A-45.4 after preliminary approval by the Chief Justice, all proceedings in the action are heard before the Business Court judge to whom it has been assigned. The Chief Justice has discretion to assign other exceptional cases to the Business Court under Rule 2.1 of the General Rules of Practice and Procedure for the Superior and District Courts. When necessary, Business Court judges may be called upon in their capacity as judges of the superior court division to handle cases or court sessions in addition to their regular Business Court caseloads.

As of December 31, 2024, there were six active Business Court judges maintaining chambers in Charlotte, Greensboro, Raleigh, and Winston-Salem: Louis A. Bledsoe, III, Chief Business Court Judge (Mecklenburg County Courthouse, retired 1/1/2025), Michael L. Robinson (Wake Forest University School of Law, Chief Business Court Judge effective 1/1/2025), Adam M. Conrad (Mecklenburg County Courthouse), Julianna Theall Earp (Elon University School of Law), Mark A. Davis (Wake County Courthouse), and A. Todd Brown (Mecklenburg County Courthouse). Two judges have continually maintained chambers in Mecklenburg County since January 1, 2017. Chief Judge Bledsoe retired with his final day on the bench on December 31, 2024. A. Todd Brown was sworn-in as a Business Court judge on December 20, 2024.

An early leader in electronic filing since 1996, the North Carolina Business Court launched a web-based filing system in June 2017 that provides improved functionality and features for attorneys, filers, and judicial staff. The interface delivers a modern and user-friendly experience, features new search capabilities, and provides public access to case information online. The new system also provides a browser-based case management system with workflow queues and judicial tools to aid the Business Court judges, their judicial staffs, and the parties in managing cases from filing through resolution. The system streamlines judicial processes and the dissemination of filings, orders, and opinions.



Case Statistics

The Number of New, Closed, and Pending Cases for the Previous Three Years

There were 206 cases pending in the Business Court as of December 31, 2024 (189 when counting a consolidated group of cases as one case). Of those 206 cases, 174 were assigned to the Business Court as mandatory complex business cases designated pursuant to G.S. 7A-45.4. The Chief Justice designated 174 cases as complex business cases and 32 cases as exceptional cases in the Chief Justice's discretion under Rule 2.1 of the General Rules of Practice for the Superior and District Courts.

Table 2 represents the number of new, closed, and pending cases in the Business Court as of December 31 in 2024, 2023, and 2022 in the counties in which the Business Court maintains chambers. For purposes of this report, "Pending Cases" include all cases, without regard to the year in which the case was first designated to the Business Court. "New Cases" include all cases designated to the Business Court in the year reported. "Closed Cases" include all cases closed during each year. The "Mecklenburg A" and "Mecklenburg B" designations reflect that two judges have continually maintained chambers in Mecklenburg County since January 1, 2017. The reassignment of cases to Judge Brown due to the impending retirement of Chief Judge Bledsoe had begun, but was not completed by December 31, so, for the purpose of the statistics maintained in this report, the cases pending before Judge Bledsoe and Judge Brown at the time are combined into the statistics represented in Mecklenburg A.

Table 2. Pending, New, and Closed Cases in Business Court by Court Location (Calendar Years 2022 - 2024)

Calendar	COURT	Pending	New	Closed
Year	COOKI	Cases*	Cases	Cases
2024	Forsyth	50 (47)	30	26
2024	Guilford	38 (36)	29	20
2024	Mecklenburg A	41 (29)	33	23
2024	Mecklenburg B	42	23	30
2024	Wake	35	23	23 (22)
2024	Statewide	206 (189)	138	122 (121)
2023	Forsyth	41 (40)	23	21
2023	Guilford	32	22	24
2023	Mecklenburg A	43 (32)	19	19
2023	Mecklenburg B	38	18	18
2023	Wake	35 (34)	19	21
2023	Statewide	189 (176)	101	103
2022	Forsyth	39 (38)	23	19
2022	Guilford	34	19	18
2022	Mecklenburg A	45 (34)	29	35 (34)



ſ	2022	Statewide	192 (179)	110	112 (111)
	2022	Wake	37 (36)	22	23
	2022	Mecklenburg B	37	17	17

^{*} Parenthetical figures represent when a consolidated group of cases is counted as one case.

<u>Average Age of Pending Cases</u>

As of December 31, 2024, thirty-seven of the Business Court's 206 pending cases were subject to stay, appeal, alternative dispute resolution, or in inactive status. The average age of pending cases not subject to stay, appeal, alternative dispute resolution, or in inactive status ("active cases") was 533 days, with a median age of 292 days. The average age of all pending cases was 785 days, with a median age of 348 days. The duration of a case may be affected by multiple stays or appeals throughout the life of the case.

Table 3 offers additional information for pending and active cases during calendar year 2024 by location.

Table 3. Pending, Active, New, and Closed Cases, and Average Age (Calendar Year 2024)*

LOCATION	Pending Cases	Active Cases	New Cases	Closed Cases	Average Age Pending (days)	Average Age Active (days)
Forsyth	50 (47)	38	30	26	616	427
Guilford	38 (36)	34 (32)	29	20	600	551
Mecklenburg A	41 (29)	27 (25)	33	23	1,456	721
Mecklenburg B	42	37	23	30	636	490
Wake	35	33	23	23 (22)	620	529
Statewide	206 (189)	169 (165)	138	122 (121)	785	533

^{*}Parenthetical figures represent when a consolidated group of cases is counted as one case.

Motions Pending More than Six Months

As of December 31, 2024, a total of 22 motions filed prior to July 1, 2024 remained pending in 10 cases or groups of related cases. **Table 4** below reflects, as of December 31, 2024, the number of motions pending more than six months by location.

Table 4. Motions Pending More than Six Months by Court Location (as of December 31, 2024)

LOCATION	NUMBER OF MOTIONS	MOTIONS IN CASES PREVIOUSLY STAYED	CASES WITH PENDING MOTIONS
Forsyth	8	8	4
Guilford	8	6	3
Mecklenburg A	0	0	0
Mecklenburg B	0	0	0
Wake	6	3	3
Statewide	22	17	10



Seventeen of the motions pending more than six months were in cases that had been formally or informally stayed at some stage because of appeal, bankruptcy, reported settlement, extended or supplemental briefing schedules prior to hearing oral argument, or other reasons associated with case management. Business Court motions are subject to a briefing schedule that must be completed before a motion is ready to be heard, and in many instances, a motion is not ready to be heard and ruled upon with the required written opinion within six months of filing. In several instances, the complexity of the issues and the number of counsel involved make it difficult to schedule a hearing within six months of a motion's filing.

In 2024, the Business Court issued 88 written opinions on motions and other matters, many involving issues of first impression. Consequently, these written opinions regularly represent a significant percentage of the opinions reported in *North Carolina Lawyers' Weekly's* semiannual summary of most significant cases, and several widely read legal blogs often focus on the Business Court's decisions. Business Court judges also regularly prepare written, substantive orders that are not issued as written opinions for publication, some of which appear on the Court's website as Orders of Significance. The Business Court issued 75 Orders of Significance in 2024.

In late December 2021, the Court initiated a free, bimonthly email bulletin containing links to the opinions and Orders of Significance issued in the preceding two weeks. The bulletin currently has over 1,200 subscribers.

Bench Trials with No Entry of Judgment after Six Months

During calendar year 2024, the Business Court judges in Business Court cases conducted three jury trials and presided over no bench trials, 313 motions, and 224 conferences. In General Superior Court, a Business Court judge held one session.

As of December 31, 2024, there were no Business Court cases in which entry of judgment in a bench trial had been pending for more than six months.

EXPENDITURES

Expenditures for the Business Court for FY 2023-2024 were \$3,261,599. The table below sets forth the expenditures.

Table 5. Business Court Expenditures for FY 2023-2024 by County

Court Location	Expenditures
Guilford	608,472
Forsyth	758,720
Mecklenburg	1,217,248
Wake	677,119
Statewide	3,261,559



SUMMARY

The North Carolina Business Court provides a specialized forum for cases involving complex and significant business issues. Because a single Business Court judge typically oversees all aspects of the case from the time of designation through trial or other resolution, the Business Court offers efficiencies and expertise necessary for the timely resolution of complex business disputes in North Carolina.

Appendix

Appendix A

Pending Case Distribution by County (As of December 31, 2024)

Appendix B

New Cases Assigned to Business Court by County (Calendar Year 2024)



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Appendix A – Pending Cases, Distribution by County (As of December 31, 2024)

COUNTY	GUILFORD	MECKLENBURG*	WAKE	FORSYTH	TOTAL
Alamance				1	1
Alexander					
Alleghany					
Anson					
Ashe					
Avery					
Beaufort				1	1
Bertie					
Bladen					
Brunswick					
Buncombe	1	1	2	3	7
Burke					
Cabarrus	1	1		1	3
Caldwell		1		2	3
Camden					
Carteret	1				1
Caswell					
Catawba					
Chatham					
Cherokee					
Chowan					
Clay					
Cleveland		1			1
Columbus		3			3
Craven					
Cumberland				3	3
Currituck					
Dare					
Davidson				1	1
Davie			1		1
Duplin					
Durham	2		2	2	6
Edgecombe					
Forsyth	2	6		2	10
Franklin			1		1
Gaston				3	3
Gates					



COUNTY	GUILFORD	MECKLENBURG*	WAKE	FORSYTH	TOTAL
Graham		1			1
Granville					
Greene					
Guilford	2	7	1	10	20
Halifax					
Harnett					
Haywood		1			1
Henderson		2			2
Hertford					
Hoke					
Hyde					
Iredell	2	1	2	1	6
Jackson					
Johnston				1	1
Jones					
Lee		1			1
Lenoir		1	1		2
Lincoln		1			1
McDowell					
Macon				1	1
Madison					
Martin					
Mecklenburg	11	37	5	6	59
Mitchell					
Montgomery					
Moore		1			1
Nash				1	1
New Hanover	5				5
Northampton					
Onslow					
Orange			2	2	4
Pamlico					
Pasquotank					
Pender	1				1
Perquimans					
Person					
Pitt					
Polk					
Randolph	1	1		1	3



COUNTY	GUILFORD	MECKLENBURG*	WAKE	FORSYTH	TOTAL
Richmond					
Robeson		1			1
Rockingham	1		1		2
Rowan					
Rutherford					
Sampson					
Scotland					
Stanly		1			1
Stokes					
Surry					
Swain					
Transylvania					
Tyrrell					
Union	1	1	1		3
Vance					
Wake	7	8	16	7	38
Warren					
Washington					
Watauga				1	1
Wayne		1			1
Wilkes		3			3
Wilson					
Yadkin		1			1
Yancey					
STATEWIDE	38	83	35	50	206

^{*} Two judges operate in the Mecklenburg chambers.



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Appendix B – New Cases Assigned to Business Court by County (Calendar Year 2024)

COUNTY	CASES ASSIGNED IN 2024
Alamance	1
Beaufort	1
Brunswick	1
Buncombe	3
Cabarrus	4
Caldwell	2
Carteret	2
Columbus	3
Davidson	2
Durham	6
Forsyth	5
Franklin	1
Guilford	16
Harnett	1
Haywood	1
Henderson	2
Iredell	3
Johnston	1
Lee	1
Lenoir	1
Lincoln	1
Macon	1
Mecklenburg	40
Moore	1
New Hanover	4
Onslow	1
Orange	2
Pitt	1
Randolph	1
Robeson	1
Rockingham	1
Union	2
Wake	24
Yadkin	1
TOTAL	138



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