



NORTH CAROLINA
ADMINISTRATIVE OFFICE
of the COURTS

2017 Report on the North Carolina Business Court

[G.S. 7A-45.5]

March 1, 2017



Introduction

N.C.G.S. 7A-45.5 provides as follows:

§ 7A-45.5. Annual report on Business Court activities.

The Administrative Office of the Courts shall report to the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by March 1 of each year on the activities of each North Carolina Business Court site, including the number of new, closed, and pending cases, average age of pending cases, and annual expenditures for the prior fiscal year.

The North Carolina Administrative Office of the Courts (NCAOC) respectfully submits this report pursuant to the legislative mandate.

An Overview of the North Carolina Business Court

The North Carolina Business Court is a specialized forum within the North Carolina General Court of Justice designed to oversee cases involving complex business and technical issues. During 2016, North Carolina had Business Court locations in Charlotte, Greensboro and Raleigh. In December 2016, the Business Court expanded to a fourth location at Wake Forest University School of Law in Winston Salem. Each Business Court has a designated special superior court judge assigned to hear the cases assigned to that court.

N.C.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-45.5 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 involving regulation of pole attachments brought pursuant to G.S. 62-350.

Once a case is designated as a complex business case under G.S. 7A-45.4 after approval by the Chief Justice, all proceedings in the action are heard before the business court judge to whom it has been assigned. The current special superior court judges assigned to the Business Court are the Honorable James L. Gale, Louis A. Bledsoe III, Gregory P. McGuire and Michael L. Robinson. Judge Gale serves as the chief judge of the Business Court, and oversees the Guilford County court located in the Elon University School of Law. Judge Bledsoe oversees the Mecklenburg County court located in the Mecklenburg County Courthouse, while Judge McGuire oversees the Wake County court located in the Wake County Courthouse. Judge Robinson recently moved into the new Forsyth County court located at the Wake Forest University School of Law. Retired Chief Business Court Judge John Jolly maintains an office in the Wake Business Court location.

The Chief Justice has discretion to assign other exceptional cases to the Business Court under Rule 2.1. When necessary, Business Court judges may be called upon in their capacity as special superior court judges to handle cases or court sessions in addition to the regular Business Court caseload.

Case Statistics

As of December 31, 2016, the North Carolina Business Court had 204 pending cases. Of that number, 174 cases were active cases, 23 cases were on appeal and 7 were inactive or stayed. The average age of active cases as of December 31, 2016, was 503 days. The average age of all cases pending was 568 days. The table below shows the number of pending cases, active cases, new cases, closed cases and average age of cases pending as of December 31, 2016. The attached Appendix A shows the originating county for all cases which were pending as of December 31, 2016, while Appendix B shows the originating county for all new cases designated in 2016.



Table 1. Pending Cases, New Cases, Closed Cases and Average Age of Business Court Cases by County (Calendar Year 2016)

	Pending Cases	Active Cases	New Cases	Closed Cases	Average Age	Average Age (Active)
Mecklenburg	53	47	42	55	522 days	435 days
Guilford	57	44	27	39	818 days	842 days
Wake	54	46	53	62	572 days	432 days
Forsyth	40	37	24	14	272 days	276 days
Statewide	204	174	148	172	568 days	503 days

NOTE: Pending Cases include the number of active and inactive cases as of December 31, 2016. New Cases include the number of new cases designated to the Business Court during 2016. Closed Cases include the number of cases closed during 2016. A small number of cases were designated to the Business Court by order of the Chief Justice but closed before assignment to a judge.

Of the 204 pending cases as of 2016, 194 cases were assigned to the court as mandatory complex business cases designated pursuant to G.S. 7A-45.4, seven were other complex business cases assigned to a Business Court Judge by the Chief Justice, and three were exceptional cases assigned to a Business Court Judge by the Chief Justice under Rule 2.1.

Expenditures

Expenditures for the Business Court for FY 2015-2016 were \$1,317,563.27. The table below sets forth the expenditures by county.

Table 2. Business Court Expenditures for FY 2015-16 by County

Court Location	Expenditures for FY 2015-16
Mecklenburg	415,212.10
Guilford	473,387.09
Wake	428,964.08
Forsyth	--
Statewide	\$1,317,563.27

Funds appropriated during the 2015 legislative session for the structural renovations required for the Forsyth business court site were disbursed to an agent during FY 2015-16. Those funds will be disbursed as deliverables are met during identified phases of the renovation, and those disbursements will be detailed in the 2017 report.

Summary

The North Carolina Business Court continues to provide a specialized forum for cases involving complex and significant business issues. Because one judge typically oversees all aspects of the case from the time of designation trial or other resolution, the court offers efficiencies and expertise necessary for resolution of complex issues. The Judicial Branch looks forward to working with the General Assembly and the business community to identify ways to improve efficiencies in the way complex business cases are handled in North Carolina.

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Appendix A – Business Court Case Distribution by County (Calendar Year 2016)

COUNTY	CHARLOTTE	GREENSBORO	RALEIGH	WINSTON SALEM	TOTAL
Alamance	1	1	0	0	2
Beaufort	0	0	1	0	1
Bladen	0	0	1	0	1
Brunswick	0	2	0	0	2
Buncombe	2	0	0	3	5
Cabarrus	0	0	1	0	1
Carteret	0	0	1	0	1
Catawba	3	0	0	5	8
Cleveland	1	1	0	0	2
Columbus	0	0	1	0	1
Craven	0	1	0	0	1
Cumberland	0	1	2	3	6
Dare	0	0	2	0	2
Davidson	0	2	0	0	2
Davie	1	0	0	0	1
Durham	0	2	4	3	9
Forsyth	3	9	0	3	15
Franklin	0	2	0	0	2
Gaston	1	0	1	0	2
Guilford	2	12	2	7	23
Harnett	0	1	0	0	1
Henderson	0	0	0	1	1
Iredell	0	0	1	1	2
Jackson	0	0	1	0	1
Johnston	0	2	1	0	3
Lincoln	0	1	0	0	1
Mecklenburg	26	8	4	10	48
Moore	0	1	0	0	1
Nash	0	0	1	0	1
New Hanover	1	0	2	0	3
Person	0	1	0	0	1
Robeson	0	0	1	0	1
Rutherford	3	0	0	0	3
Sampson	0	1	0	0	1
Stokes	0	1	0	1	2
Surry	0	1	0	1	2
Union	1	0	0	1	2
Vance	0	1	0	0	1
Wake	6	5	24	1	36
Wayne	0	0	3	0	3
Wilkes	2	0	0	0	2
Wilson	0	1	0	0	1
STATEWIDE	53	57	54	40	204

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Appendix B – New Cases Assigned to Business Court during Calendar Year 2016 by County

County	Cases Opened in 2016
Alexander	1
Beaufort	1
Buncombe	4
Cabarrus	2
Carteret	1
Catawba	6
Cleveland	1
Craven	1
Cumberland	4
Davidson	1
Davie	1
Duplin	1
Durham	6
Edgecombe	1
Forsyth	10
Gaston	2
Guilford	17
Halifax	1
Iredell	3
Johnston	3
Lincoln	1
Mecklenburg	39
Moore	2
Nash	1
New Hanover	3
Robeson	1
Rutherford	1
Stokes	1
Surry	1
Union	2
Wake	28
Wilkes	1
STATEWIDE	148

