

STATE OF NORTH CAROLINA  
IREDELL COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
18 CVS 2372

EPIC CHOPHOUSE, LLC;  
RICHARD D. MACK; and LARRY  
SPONAUGLE,

Plaintiffs,

v.

JAMES A. MORASSO; JAM  
RESTAURANT GROUP, INC.;  
CHILLFIRE GRILL, LLC; and  
WEBB CUSTOM KITCHEN, LLC,

Defendants.

**ORDER REGARDING DESIGNATION**

1. **THIS MATTER** is before the Court on Plaintiffs' Opposition to Defendants' Amended Notice to Designate as Complex Business Case ("Opposition").

2. Plaintiffs Epic Chophouse LLC ("Epic"), Richard D. Mack ("Mack"), and Larry Sponaugle ("Sponaugle") initiated this action on September 21, 2018, asserting claims for breach of contract, breach of fiduciary duty, trespass, tortious interference with contract, unfair and deceptive trade practices, and declaratory judgment, as well as a derivative claim for costs and attorneys' fees.

3. On October 15, 2018, Defendants James A. Morasso ("Morasso"), JAM Restaurant Group, Inc. ("JAM"), Chillfire Grill, LLC ("Chillfire"), and Webb Custom Kitchen, LLC ("Webb") timely filed a Notice of Designation of Action as Mandatory Complex Business Case under N.C. Gen. Stat. §7A-45.4, seeking to designate this action as a mandatory complex business case pursuant to sections 7A-45.4(a)(1),

(a)(3), and (a)(9)(c) of the North Carolina General Statutes. (Notice Designate Complex Business Case 3 [hereinafter “Notice of Designation”], ECF No. 5.)

4. Defendants contend that this action is properly designated because it involves a corporate governance dispute (section 7A-45.4(a)(1)), an Unfair and Deceptive Trade Practices Act claim (section 7A-45.4(a)(3)), and a contract dispute involving at least one million dollars (\$1,000,000) (section 7A-45.4(a)(9)). (Notice of Designation 3.) The action was designated as a mandatory complex business case by order of the Chief Justice and assigned to the Honorable Adam M. Conrad by the undersigned on October 16, 2018.

5. Plaintiffs timely filed their Opposition on October 26, 2018, contending that this action is too simple and the amount in controversy is too low to be designated as a mandatory complex business case. (Pl. Opp, Am. Notice Designate Complex Business Case 1 [hereinafter “Opp. Designation”], ECF No. 7.) Defendants did not file a response, and this issue is now ripe for determination.

6. According to Plaintiffs’ Complaint, Mack, Sponaugle, and Morasso are the three Members of Epic. (Compl. 1, ECF 3.) Morasso is the General Manager of Epic, the Manager of Chillfire, and the Managing Member and Registered Agent of Webb. (Compl. ¶¶ 7, 9c, 15a.) The several causes of action in the Complaint arise from Plaintiffs’ assertions that Morasso breached the Epic Operating Agreement (“Operating Agreement”), as well as his fiduciary duty as General Manager of Epic, by changing food vendors and “leveraging up Epic’s volume” to the advantage of Chillfire and Webb. (Compl. 1.) As a result of Morasso’s alleged conflict of interest

transactions, Plaintiffs allege that Epic caused Morasso's involuntary withdrawal as a member of Epic for cause, thus triggering the buyout provisions of the Operating Agreement. (Compl. 1.)

7. Section 7A-45.4(a)(1) provides that any party may designate an action as a mandatory complex business case if "it involves material issues related to . . . [d]isputes involving the law governing corporations . . . partnership, and limited liability companies, including disputes arising under Chapters 55, 55A, 55B, 57D, and 59 of the General Statutes." N.C. Gen. Stat. § 7A-45.4(a)(1) (2017). This case involves claims against Morasso for breach of fiduciary duty in violation of his obligations to Epic and otherwise raises material issues under Chapter 57D of the North Carolina General Statutes. As such, this action falls within section 7A-45.4(a)(1) and is thus properly designated as a mandatory complex business case.

8. Plaintiffs' arguments in opposition to designation are unavailing. *See, e.g., Barclift v. Martin*, 2018 NCBC LEXIS 5, at \*4 (N.C. Super. Ct. Jan. 19, 2018) (holding that section 7A-45.4(a)(1) only requires an action to involve material issues related to the law governing an LLC and "does not further require that the issue involve a claim of any particular complexity, involve any threshold minimum amount in controversy, or extend beyond the regular jurisdiction of any Superior Court Judge."). Because the Court has concluded that this matter is properly designated under section 7A-45.4(a)(1), the Court declines to address the other grounds Defendants assert, and Plaintiffs contest, for complex business case designation.

9. The Opposition is therefore **OVERRULED**. The action shall continue as a mandatory complex business case pursuant to Section 71-45.4(a)(1) before the Honorable Adam M. Conrad.

**IT IS SO ORDERED**, this the 19th day of November, 2018.

/s/ Louis A. Bledsoe, III  
Louis A. Bledsoe, III  
Chief Business Court Judge