

STATE OF NORTH CAROLINA
MECKLENBURG COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
20 CVS 9459

ROBERT MUNROE,
Plaintiff,

v.

INGERSOLL-RAND COMPANY,
Defendant.

ORDER ON DESIGNATION

1. **THIS MATTER** is before the Court pursuant to the Determination Order issued on November 2, 2020 by the Honorable Cheri Beasley, Chief Justice of the Supreme Court of North Carolina, directing the undersigned to determine whether this action is properly designated as a mandatory complex business case in accord with N.C.G.S. § 7A-45.4(a) (the “Determination Order”).

2. Plaintiff Robert Munroe filed the Complaint initiating this action in Mecklenburg County Superior Court on July 21, 2020, asserting claims against Defendant Ingersoll-Rand Company for violations of the N.C. Wage and Hour Act and breach of contract. (See Compl. ¶¶ 22–28.) Defendant was served on October 6, 2020 and timely filed the Notice of Designation (“NOD”) on October 30, 2020.

3. Defendant contends that designation as a mandatory complex business case is proper under N.C.G.S. § 7A-45.4(a)(2). That section permits designation if the action involves a material issue related to “[d]isputes involving securities, including disputes arising under Chapter 78A of the General Statutes.”

4. In support of designation under section 7A-45.4(a)(2), Defendant argues that this action involves “the application of complex securities issues[.]” (Notice

Designation 2 [hereinafter “NOD”].) Defendant specifically relies upon Plaintiff’s allegation that Defendant improperly failed to vest Plaintiff’s interest in “annual equity awards . . . , including performance stock awards, restricted stock awards, and stock purchase options[,]” upon Plaintiff’s employment termination following Defendant’s merger with a third party. (NOD 2; *see* Compl. ¶¶ 1, 12.) Defendant contends that because Plaintiff’s claims involve a material issue relating to a “dispute involving securities,” designation under (a)(2) is proper. (NOD 1.)

5. The Court agrees. Although Plaintiff does not assert a securities claim under section 78A, 7A-45.4(a)(2) does not require that he do so to obtain mandatory complex business case designation. And although the Court has routinely refused mandatory complex business case designation under 7A-45.4(a)(1) where, as here, the dispute involves a straightforward application of contract law principles, *see, e.g., Grindstaff v. Knighton*, 2020 NCBC LEXIS 98, at *2–3 (N.C. Super. Ct. Sept. 1, 2020), subsection (a)(1) designation is for disputes involving “the law governing” certain business entities whereas no such “law governing” requirement appears in subsection (a)(2).

6. While this Court has held that “a tangential relationship between securities and a complaint’s allegations, without more, will not meet the criteria of section 7A-45.4(a)(2)[.]” *Edwards v. Vanguard Fiduciary Trust Co.*, 2018 NCBC LEXIS 251, at *3 (N.C. Super. Ct. July 24, 2018), Plaintiff’s claims here require a determination of whether certain security instruments have vested under Defendant’s equity award plans, placing those securities at the core of this action. (Compl. ¶¶ 22–28.) As such,

the securities are not tangential to Plaintiff's claims and instead carry the required nexus for designation under subsection (a)(2).

7. Based on the foregoing, the Court determines that this action shall proceed as a mandatory complex business case under N.C.G.S. § 7A-45.4(a)(2) and thus shall be assigned to a Special Superior Court Judge for Complex Business Cases.

SO ORDERED, this the 3rd day of November, 2020.

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