

STATE OF NORTH CAROLINA
GASTON COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
21 CVS 1117

ADAM E. QUELER,

Plaintiff,

v.

CHRIS M. PRIDNIA; BLUESTONE
FINANCIAL ADVISORS, INC.; and
RAYMOND JAMES FINANCIAL
SERVICES, INC.,

Defendants.

ORDER ON DESIGNATION

1. **THIS MATTER** is before the Court pursuant to the Determination Order issued on March 22, 2021 by the Honorable Paul Newby, 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 Adam E. Queler (“Queler”) filed the Complaint initiating this action in Gaston County Superior Court on March 19, 2021, asserting claims against Defendant Chris M. Pridnia (“Pridnia”) for defamation and defamation *per se*, unfair and deceptive trade practices under N.C.G.S. § 75-1.1, tortious interference with prospective business advantage, and fraud; against Defendants Bluestone Financial Advisors, Inc. (“Bluestone”) and Raymond James Financial Services, Inc. (“Raymond James”) for negligent supervision and vicarious liability/respondeat superior; and against Pridnia, Bluestone, and Raymond James (collectively, “Defendants”) for breach of contract and conversion. (See Compl. ¶¶ 48–106.) Queler timely filed a

Notice of Designation (“NOD”) on the same day, contending that designation is proper under N.C.G.S. §§ 7A-45.4(a)(1), (2), and (5).

3. This case arises out of a dispute triggered by the termination of Queler’s employment with Bluestone. Queler worked for Bluestone and Raymond James as a financial advisor pursuant to a document dated September 18, 2020 and titled “Independent Contractor Agreement with Independent Sales Associate of Raymond James Financial Services, Inc., Branch 7KQ” (the “Agreement”). (See Compl. ¶¶ 8, 18.) In December 2020, Bluestone’s President and Branch Manager and Queler’s direct supervisor, Pridnia, terminated Queler’s employment. (See Compl. ¶¶ 9, 23.) Queler alleges that Pridnia has wrongly withheld commissions and fees from securities sales that Queler earned prior to his termination in violation of the Agreement. (See Compl. ¶¶ 26–29.) Queler goes on to allege that Pridnia made negative statements about Queler’s performance to Queler’s former clients despite Pridnia’s affirmative representations that Pridnia would not do so. (See Compl. ¶¶ 31–45.) Queler also alleges that Bluestone and Raymond James had actual or constructive knowledge of Pridnia’s actions and engaged in negligent supervision of Pridnia and should be held vicariously liable for Pridnia’s actions. (See Compl. ¶¶ 97–99, 102–05.)

A. Section 7A-45.4(a)(1)

4. Designation under section 7A-45.4(a)(1) is proper if the action involves a material issue related to “[d]isputes 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, including disputes arising under Chapters 55, 55A, 55B, 57D, and 59 of the General Statutes.”

5. In support of designation under this section, Queler argues that the dispute will “involve corporate law related to relationships and liability between corporate entities.” (Notice of Designation 2 [hereinafter “NOD”].)

6. “For a case to be certified as a mandatory complex business case, the pleading upon which designation is based must raise a material issue that falls within one of the categories specified in section 7A-45.4.” *Composite Fabrics of Am., LLC v. Edge Structural Composites, Inc.*, 2016 NCBC LEXIS 11, at *25 (N.C. Super. Ct. Feb. 5, 2016). While Queler has alleged claims of negligent supervision and vicarious liability/respondeat superior against Bluestone and Raymond James, (*see* Compl. ¶¶ 97–99, 102–05), neither of these is a dispute arising under Chapter 55, (*see* N.C.G.S. §§ 55-1-01 to -17-05). The Court further notes that these claims are peripheral to Queler’s central claims for breach of contract and defamation, so that no *material* issue related to a dispute governing the law of corporations is present. Designation under section 7A-45.4(a)(1) is therefore improper.

B. Section 7A-45.4(a)(2)

7. Designation under section 7A-45.4(a)(2) is proper if the action involves a material issue related to “[d]isputes involving securities, including disputes arising under Chapter 78A of the General Statutes.”

8. In support of designation under section 7A-45.4(a)(2), Queler contends that this action involves “a dispute related to securities transactions generating fees and

commissions that a Raymond James/ Bluestone . . . executive, employee, or agent improperly withheld from [Queler].” (NOD 2.) Queler further argues that the “dispute involves the calculation of [Queler’s] fees and commissions based on the sales of securities[.]” (NOD 2.)

9. Section 7A-45.4(a)(2) encompasses all matters that involve “a material issue related to . . . [d]isputes involving securities,” and is not limited to disputes arising under Chapter 78A. However, this Court has also 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).

10. Here, Queler specifically seeks a determination as to whether he is entitled to certain commissions and fees based on the sale of securities as calculated under the terms of the Agreement. Neither the NOD nor the allegations in the Complaint imply that there is a dispute regarding the securities transactions themselves. Queler’s asserted claims require nothing more than a straightforward application of contract law principles for their resolution and do not implicate securities law as broadly contemplated under section 7A-45.4(a)(2). *See FootCareMax, LLC v. Edge Mktg. Corp.*, 2021 NCBC LEXIS 18, at *3 (N.C. Super. Ct. Mar. 4, 2021) (declining to designate under (a)(4) where plaintiff’s claim for breach of contract only required application of contract law principles); *Grindstaff v. Knighton*, 2020 NCBC LEXIS 98, at *3–4 (N.C. Super. Ct. Sept. 1, 2020) (declining to designate under (a)(1) where plaintiff’s claim for breach of a stock purchase agreement entailed application of

contract law principles). Where, as here, the acquisition, disposition, transfer, existence, or characteristics of the securities is not at issue, designation under section 7A-45.4(a)(2) is improper. *But see Edwards*, 2018 NCBC LEXIS 251, at *3 (finding designation under (a)(2) appropriate where plaintiff's claims involved mismanagement of securities); *Deyton v. Waters, Jr.*, No. 10 CVS2582, Notice of Designation of Action as Mandatory Complex Business Case Under N.C. Gen. Stat. § 7A-45.4 at 2 (N.C. Super. Ct. July 10, 2010) (unpublished) (seeking designation under (a)(2) where plaintiffs' claims involved misappropriation of securities).

C. Section 7A-45.4(a)(5)

11. Designation under section 7A-45.4(a)(5) is proper if the action involves a material issue related to “[d]isputes 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.” To qualify for mandatory complex business case designation under this section, the material issue must relate to a dispute that is “closely tied to the underlying intellectual property aspects” of the intellectual property at issue. *Cardioventis AG v. IQVIA Ltd.*, 2018 NCBC LEXIS 64, at *6 (N.C. Super. Ct. June 27, 2018).

12. In support of designation under this section, Queler argues that the dispute involves “defamatory allegations that [he] misused software to model financial performance.” (NOD 2.) However, the NOD does not reference any portion of the Complaint to support this assertion and a thorough review of the Complaint reveals

no such allegations. Therefore, there is no basis for designation under section 7A-45.4(a)(5).

D. Conclusion

13. Based on the foregoing, the Court determines that this action shall not proceed as a mandatory complex business case under N.C.G.S. § 7A-45.4(a) and thus shall not be assigned to a Special Superior Court Judge for Complex Business Cases.

14. Consistent with the Determination Order, the Court hereby advises the Senior Resident Superior Court Judge of Judicial District 27A that this action is not properly designated as a mandatory complex business case so that the action may be treated as any other civil action, wherein the parties may pursue designation as a Rule 2.1 exceptional case with the Senior Resident Judge.

15. The Court's ruling is without prejudice to the right of the parties to seek designation of this matter as a mandatory complex business case as provided under section 7A-45.4.

SO ORDERED, this the 24th day of March, 2021.

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