Clearview Ltd., LLC v. Fife, 2023 NCBC Order 67.

STATE OF NORTH CAROLINA

WAKE COUNTY

IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 23 CVS 34671

CLEARVIEW LIMITED, LLC d/b/a GRANT ENGINE,

Plaintiff,

v.

ORDER ON DESIGNATION

JULIE FIFE; BRYAN DEBUSK; and DBF CONSULTING, LLC,

Defendants.

- 1. **THIS MATTER** is before the Court pursuant to the Determination Order issued on 15 December 2023 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).
- 2. Plaintiff Clearview Limited, LLC d/b/a Grant Engine ("Clearview") filed the Verified Complaint (the "Complaint") initiating this action in Wake County Superior Court on 5 December 2023, asserting a claim for breach of contract against Defendants Julie Fife ("Fife") and Bryan DeBusk ("DeBusk"), as well as claims for unfair and deceptive trade practices, unfair competition in violation of North Carolina common law, civil conspiracy, and tortious interference with contract against Fife, DeBusk, and Defendant DBF Consulting, LLC ("DBF"; together with Fife and DeBusk, "Defendants"). (See Verified Compl. ¶¶ 63–98.) Counsel for Defendants

accepted service of the Complaint on 13 December 2023. (See Notice Designation Action as Mandatory Complex Bus. Case 3<sup>1</sup> [hereinafter "NOD"].)

- 3. On 14 December 2023, Clearview filed a Verified First Amended Complaint (the "Amended Complaint"), asserting the same five claims against Defendants as those asserted in the original Complaint, but modifying certain of its original factual allegations. (See Verified 1st Am. Compl. ¶¶ 63–98 [hereinafter "Am. Compl."].) Defendants timely filed a Notice of Designation of Action as Mandatory Complex Business Case (the "NOD") a few hours later. (NOD 1.)
- 4. Defendants contend that designation as a mandatory complex business case is proper under N.C.G.S. § 7A-45.4(a)(8). Designation under this section is proper if the action involves a material issue related to "[d]isputes involving trade secrets, including disputes arising under Article 24 of Chapter 66 of the General Statutes."
- 5. This case arises out of a dispute between Clearview and two of its former employees. Clearview, a grant writing company, alleges that it engaged DeBusk as an independent contractor until his resignation in April 2023, (see Am. Compl. ¶¶ 22, 27), and employed Fife, most recently as Vice President of Program Management, until her resignation in May 2023, (see Am. Compl. ¶¶ 15, 27). During their employment, Clearview alleges that both Fife and DeBusk "accessed and routinely used [Clearview's] Proprietary Information" and, additionally, that Fife had "material contact with virtually all [Clearview's] existing customers." (Am. Compl. ¶¶ 16, 23.)

<sup>&</sup>lt;sup>1</sup> Citations to the page numbers of this document refer to the electronic PDF page numbers as there are no page numbers on the pages themselves.

- 6. In August 2023, Clearview alleges that DeBusk and Fife formed DBF, a grant writing company, and have been using Clearview's proprietary information and soliciting Clearview's clients to compete with Clearview. (See Am. Compl. ¶¶ 28, 32–48.) Clearview further alleges that these actions violate the terms of the Proprietary Information, Inventions, and Non-Solicitation Agreement (the "Agreements") each signed as part of their employment with Clearview. (See Am. Compl. ¶¶ 18–21, 24–26, 49–52.) Clearview initiated this action to prevent further violations of the Agreements and to recover losses incurred as a result of Defendants luring away an existing client. (See Am. Compl. ¶¶ 64–98.)
- 7. In their NOD, Defendants represent that, shortly after their counsel informed Clearview's counsel of their intent to seek mandatory complex business case designation based on the allegations contained in the original Complaint, Clearview filed the Amended Complaint, "removing all references to [Clearview's] 'trade secrets.'" (NOD 3.) Defendants argue that designation under section 7A-45.4(a)(8) based on the Amended Complaint remains appropriate, however, because Clearview's "selective deletion of its earlier references to 'trade secrets' does not change the nature of this action." (NOD 3.)
- 8. The Court disagrees. This Court recently rejected this argument in *Auto Club Grp. v. Frosch Int'l Travel LLC*, holding that

"[t]he plaintiff is the master of its complaint and free to choose which causes of action it will bring." *UNOX, Inc.* [v. Conway], 2019 NCBC LEXIS 41, at \*6 [(N.C. Super. Ct. June 28, 2019)]. This is true even where, as here, the plaintiff includes allegations similar to those it contended constituted trade secrets in a prior [pleading] but omits that contention in the [amended pleading]. As a result, "this Court will not

designate a case under section 7A-45.4 'merely because the pleadings include factual allegations that arguably might touch upon facts that, when read together with other allegations, might have been a basis for a claim that the plaintiff chose not to allege.' *Id.* at \*6–7 (citation omitted).

2022 NCBC LEXIS 138, at \*6-7 (N.C. Super. Ct. Nov. 11, 2022).

- 9. The allegations of the Amended Complaint here involve only the misuse of generalized proprietary information, and this Court "has never construed section 7A-45.4(a)(8) so broadly as to permit designation of an action as a mandatory complex business case based on claims involving generalized confidential or proprietary information[.]" Sys. Depot, Inc. v. Clement, 2022 NCBC LEXIS 48, at \*3–4 (N.C. Super. Ct. May 25, 2022) (cleaned up).
- 10. Because this matter does not involve a material issue related to disputes involving trade secrets, the Court determines that this action shall not proceed as a mandatory complex business case under N.C.G.S. § 7A-45.4(a)(8) and thus shall not be assigned to a Special Superior Court Judge for Complex Business Cases. *See UNOX, Inc.*, 2019 NCBC LEXIS 41, at \*8; *see also Vertical Crop Consultants, Inc. v. Brick St. Farms LLC*, 2021 NCBC LEXIS 3, at \*5–6 (N.C. Super. Ct. Jan. 12, 2021) (declining to designate under (a)(8) where "the pleading party potentially could have, but chose not to, allege a claim that puts the existence, ownership, or misuse of alleged trade secrets at issue[]" (cleaned up)).
- 11. Consistent with the Determination Order, the Court hereby advises the Senior Resident Superior Court Judge of Judicial District 10 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.

12. The Court's ruling is without prejudice to the right of parties to otherwise

seek designation of this matter as a mandatory complex business case as may be

provided under section 7A-45.4.

**SO ORDERED**, this the 18th day of December, 2023.

/s/ Louis A. Bledsoe, III

Louis A. Bledsoe, III

Chief Business Court Judge