

STATE OF NORTH CAROLINA
ORANGE COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
25CV000757-670

GREGORY SUAZO and REAGAN
MADISON INC.,

Plaintiffs,

v.

CRYSTAL ANN SUAZO; JOSEPH
FIELDS; REAGAN MADISON
SOLUTIONS INC.; and MINDY
TOOLE,

Defendants.

**ORDER ON PLAINTIFFS'
OBJECTION AND OPPOSITION TO
MANDATORY DESIGNATION AS A
COMPLEX BUSINESS CASE**

1. **THIS MATTER** is before the Court following the 19 April 2025 filing by Plaintiffs Gregory Suazo (Mr. Suazo) and Reagan Madison Inc. (Reagan Madison) (together, the Plaintiffs) of *Plaintiffs' Objection and Opposition to Mandatory Designation as Complex Business Case* (the Opposition). (ECF No. 10 [Opp'n].)

2. Plaintiffs initiated this action on 24 March 2025, asserting claims against Defendants Crystal Ann Suazo (Ms. Suazo), Joseph Fields (Mr. Fields), and Reagan Madison Solutions Inc. (RMS) for misappropriation of trade secrets and conversion, breach of fiduciary duty as to Ms. Suazo, civil conspiracy, punitive damages, tortious interference with contractual relations, and for the appointment of a receiver for RMS.¹ (*See* Compl. Seeking Injunctive Relief Money Damages ¶¶ 11–41, ECF No. 3

¹ The Complaint lists the request for injunctive relief and motion for accounting and constructive trust as the “Second Claim for Relief.” However, these are not causes of action, but rather forms of relief.

[Compl.].) On 28 March 2025, Plaintiffs filed an Amendment to Complaint² (i) adding additional facts to the Complaint, (ii) adding Defendant Mindy Toole (Ms. Toole; collectively with Ms. Suazo, Mr. Fields, and RMS, the Defendants), (iii) asserting claims of breach of fiduciary duty, constructive fraud, and professional negligence as to Ms. Toole, and (iv) adding a shareholder derivative claim, asserted in the alternative. (*See* Amend. Compl. ¶¶ 42–66, ECF No. 6.)

3. Defendants Ms. Suazo, Mr. Fields, and RMS (the NOD Defendants) timely filed a Notice of Designation on 28 March 2025, asserting the case meets the criteria for designation under N.C.G.S. § 7A-45.4(a)(1) and (a)(8). (Notice Designation, ECF No. 9 [NOD].)

4. On 31 March 2025, the Honorable Paul Newby, Chief Justice of the Supreme Court of North Carolina, issued an Order designating the case as a mandatory complex business case under N.C.G.S. § 7A-45.4(a) and ordered the undersigned to assign the case to a Business Court Judge. (Designation Order, ECF No. 1.) Thereafter, on 1 April 2025, the case was assigned to the undersigned's docket. (Assignment Order, ECF No. 2.) On 19 April 2025, Plaintiffs filed the Opposition, contending that designation under N.C.G.S. § 7A-45.4(a) is improper. (Opp'n 1.) On 2 May 2025, the NOD Defendants filed their Response to the Opposition (the Response). (Defs.' Resp. Pls.' Opp'n, ECF No. 13 [Resp].)

² A reference to "Amended Complaint" herein will refer collectively to the Complaint, (ECF No. 3), and the Amendment to Complaint, (ECF No. 6).

5. Pursuant to N.C.G.S. § 7A-45.4(e), the undersigned is required to rule by written order on Plaintiffs' Opposition and to determine whether the action should be designated as a mandatory complex business case.

6. Based on the record before the Court, it appears that this action arises out of a dispute between Mr. Suazo and Ms. Suazo with respect to Reagan Madison, a jointly owned, North Carolina corporation that was created by the Suazos in 2012 and operated as a staffing and consulting business. (*See* Compl. ¶¶ 2, 8.) According to Plaintiffs, Ms. Suazo allegedly misappropriated trade secrets in the form of confidential business information and various lists used to operate Reagan Madison when she started operating her own competing company, RMS. (*See* Compl. ¶¶ 8, 11–18.) Plaintiffs contend that Ms. Suazo breached her fiduciary duty as an officer and director of Reagan Madison, both to the company and to Mr. Suazo, as a fellow officer and shareholder, as well as allegedly conspired with Defendants to open a competing business and interfered with existing and potential clients of Reagan Madison. (*See* Compl. ¶¶ 24–31, 35–38; Amend. Compl. ¶ 60.) Plaintiffs further assert a shareholder derivative claim, in the alternative, and allege Ms. Toole breached her fiduciary duty as an accountant of Reagan Madison, and allegedly committed constructive fraud and professional negligence damaging Plaintiffs. (*See* Amend. Compl. ¶¶ 49–54, 61–66.)

7. The NOD Defendants seek mandatory complex business case designation pursuant to N.C.G.S. § 7A-45.4(a)(1) and (a)(8). (*See* NOD 1–2.) In the Opposition, Plaintiffs do not specifically argue that subsections (a)(1) or (a)(8) are inapplicable;

rather, Plaintiffs contend that this case is “a divorce case with a business ‘twist’ ” and that there is a risk of inconsistent results and timing problems if the case stays in the Business Court. (Opp’n ¶ 9.) According to Plaintiffs, this case’s “domestic” implications include the determination of the parties’ ownership interests in both Reagan Madison and RMS as marital assets that are subject to equitable distribution by the Orange County District Court, as well as a jointly owned Home Equity Line of Credit account allegedly used to fund Reagan Madison. (Opp’n ¶ 6.) In addition, Plaintiffs contend that the amount in controversy in this case is “significantly less than \$5,000,000, the nominal threshold for Mandatory Complex Business designation” and “[n]one of the mandatory provisions for Complex Business designation are applicable.” (Opp’n ¶¶ 7–8.)

8. According to the NOD Defendants, Plaintiffs’ claims squarely qualify for designation to the Business Court; specifically, their claims involving the law governing corporations under N.C.G.S. § 7A-45.4(a)(1) and disputes involving trade secrets under N.C.G.S. § 7A-45.4(a)(8). (*See* Resp. 1–5.) The NOD Defendants also assert that “[t]he monetary threshold to bring this action is \$25,000 – not \$5 million.” (Resp. 5–6.) As further explained below, the Court agrees.

9. As a preliminary matter, Plaintiffs’ Opposition is unsigned.³ Plaintiffs’ counsel utilizes the mark “/S/,” with nothing more, which does not satisfy the requirements for an electronic signature under the Business Court Rules (BCR). According to BCR 3.4(a), “[a]n electronic signature consists of a person’s typed name

³ The Court notes that all of Plaintiffs’ filings to date, including the Complaint and Amendment to Complaint, have utilized this form of signature.

preceded by symbol ‘/s/.’” Despite this procedural shortfall, Plaintiffs’ Opposition fails for other reasons.

10. Substantively, Plaintiffs’ Opposition demonstrates a fundamental misunderstanding of the statutory framework for cases entitled to be designated to the Business Court and borders on spurious. Plaintiffs’ contention that this case is a “divorce case with a business ‘twist,’” subject to an equitable distribution of two corporate entities, (Opp’n ¶ 9), lacks merit with respect to whether or not the case may be designated as a mandatory complex business case pursuant to N.C.G.S. § 7A-45.4(a). As the NOD Defendants correctly point out, this Court regularly hears cases that involve divorcing spouses where claims related to the co-owned business have been brought as an action separate from the family court case, as is the case here. (Resp. 4.) While the District Court has the exclusive jurisdiction over all equitable distribution claims, *Guiliano v. Strickland*, 2024 NCBC LEXIS 95, at *6 (N.C. Super. Ct. July 16, 2024) (citing N.C.G.S. § 7A-244), the Business Court has the authority to hear an action involving a material issue set forth in N.C.G.S. § 7A-45.4(a). *See generally* N.C.G.S. § 7A-45.4.

11. “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). Designation under N.C.G.S. § 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.” N.C.G.S. § 7A-45.4(a)(1). The current case involves claims against Ms. Suazo for her alleged breach of fiduciary duty as an officer and director of Reagan Madison owed to both the company and Mr. Suazo, as a fellow officer and shareholder, and raises other material issues under Chapter 55, the North Carolina Business Corporation Act. *See* N.C.G.S. § 55-8-30 (stating general standards for directors); N.C.G.S. § 55-8-42 (stating standards of conduct for officers); N.C.G.S. § 55-7-40 (relating to shareholders’ derivative actions). As such, this action falls within section 7A-45.4(a)(1) and is properly designated as a mandatory complex business case.

12. Designation as a mandatory complex business case under section 7A-45.4(a)(8) 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.” N.C.G.S. § 7A-45.4(a)(8). Plaintiffs’ first claim for relief is expressly for misappropriation of trade secrets. (*See* Compl. ¶¶ 11–18.) “[A] claim for misappropriation of trade secrets frequently serves as the basis for designation under section 7A-45.4(a)(8)[.]” *Sys. Depot v. Clement*, 2022 NCBC LEXIS 48, at *3 (N.C. Super. Ct. May 25, 2022). Accordingly, this action is properly designated as a mandatory complex business case under N.C.G.S. § 7A-45.4(a)(8).

13. A pending equitable distribution claim between some of the parties before the District Court in a separate action does not prevent this case from being designated to Business Court. *See Guiliano*, 2024 NCBC LEXIS 95, at *6–7 (holding the Court’s ruling was without prejudice to seek designation as a mandatory complex business case under N.C.G.S. § 7A-45.4 should the District Court sever the business claims from the equitable distribution claim into a separate action). Mr. Suazo’s Complaint and Motion in the Orange County District Court case, *Suazo v. Suazo* (25CV000964-670; Orange County) (the District Court Case), includes claims that are not included in the Business Court case, and vice versa. While the District Court Case addresses custody, child support, equitable distribution, and a motion for interim distribution, the case before the Business Court contains quite different claims set forth above against some of the same—and some different—parties. A stay of this case may be warranted at some point in the future while the District Court sorts through the equitable distribution issues. *See Roesel v. Roesel*, 2023 NCBC LEXIS 157, at *16–17 (N.C. Super. Ct. Nov. 29, 2023). However, that issue is not presently before this Court and therefore not addressed at this juncture.

14. Additionally, Plaintiffs misinterpret the requirements under N.C.G.S. § 7A-45.4(a) for a case to be designated as a mandatory complex business case. While the \$5,000,000 threshold applies to cases that *must* be designated to the Business Court under N.C.G.S. § 7A-45.4(b)—termed a “mandatory mandatory case,” *see Barclift v. Martin*, 2018 NCBC LEXIS 5, at *5 (N.C. Super. Ct. Jan. 19, 2018)—for a case to be designated under subsection (a)(1) or (a)(8), the amount in controversy need only meet

the requirement for a case to be in Superior Court, which is in excess of \$25,000. N.C.G.S. § 7A-243 (stating “the superior court division is the proper division for the trial of all civil actions in which the amount in controversy exceeds twenty-five thousand dollars (\$25,000).”). As this Court has previously explained, “[w]hile a ‘material issue’ related to the law governing corporations is required to support designation under Section 7A-45.4(a)(1), that section 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.” *Barclift*, 2018 NCBC LEXIS 5, at *4. Under this statutory framework, “so long as the amount in controversy is less than \$5,000,000, either party to the litigation has the right, but not the obligation, to designate the case as a mandatory complex business case.” *Id.* (explaining “[s]uch cases are known as mandatory complex business cases.”) As the Amended Complaint alleges damages in excess of \$25,000, but less than \$5,000,000, this case meets the amount in controversy requirement to be in the Superior Court, as well as designated as a mandatory complex business case under N.C.G.S. § 7A-45.4(a). (See Compl. ¶¶ 18, 27, 38; see also Amend. Compl. ¶¶ 63, 66.)

15. **THEREFORE**, the Court, in the exercise of its discretion, hereby **ORDERS** that the Opposition is **OVERRULED**. This 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[,]” as well as “[d]isputes involving trade secrets, including disputes arising under Article 24 of Chapter 66 of the General Statutes,” as required by N.C.G.S. §§ 7A-45.4(a)(1) and (a)(8), respectively, and shall proceed as a mandatory complex business case before the undersigned.

SO ORDERED, this the 6th day of May, 2025.

/s/ Michael L. Robinson

Michael L. Robinson
Special Superior Court Judge
for Complex Business Cases