

STATE OF NORTH CAROLINA
GASTON COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
25CVS002630-350

KJET VENTURES, LLC,

Plaintiff,

v.

KELVIN L. JAMISON and JUAN
HOUSTON,

Defendants,

v.

KEITH T. FLOYD and ERIC
DOWNING,

Third-Party Defendants

**ORDER AND MEMORANDUM OF
DECISION STRIKING DEFENDANTS'
MOTIONS FOR EXTENSION OF TIME
AND CLERK'S ORDERS**

– AND –

**ORDER FOR ATTORNEY MORRIS F.
MCADOO TO APPEAR AND SHOW
CAUSE**

– AND –

NOTICE OF HEARING

1. **All counsel and the Office of the Gaston County Clerk of Superior Court are directed to review—and comply with—the entirety of this Order.**

2. This matter is before the Court on the Court's own motion.¹

3. This case was designated a mandatory complex business case on 13 June 2025, (ECF No. 1), and assigned to the undersigned Business Court judge on the same day, (ECF No. 2). The Court entered a Case Management Order on 9 September 2025,

¹ Plaintiff has filed a motion to strike Defendants' motions for extension of time and orders extending time. (ECF No. 28). The Court, in its discretion and having only recently discovered Defendants' filings with the Gaston County Clerk of Court, determines in its discretion that it is appropriate to address the filings without awaiting further briefing by Defendants because of the nature of the filings and the timing considerations associated with requested extensions of time.

governing proceedings in this action and providing numerous directives to the parties and counsel. (ECF No. 19).

4. Under Rule 7.1 of the North Carolina Business Court Rules, “[a]fter an action has been designated as a mandatory complex business case or assigned to a Business Court judge under Rule 2.1 of the General Rules of Practice, the Business Court judge to whom the action is assigned will preside over all motions and proceedings in the action.” BCR 7.1.

5. The Assignment Order also provided that, after the assignment, “all proceedings in this action hereafter shall be before” the undersigned. (ECF No. 2). Section 7A-45.4(f) of the North Carolina General Statutes further provides that, “[o]nce a designation is filed” and “after preliminary approval by the Chief Justice,” “[a]ll proceedings in the action shall be before the Business Court Judge to whom it has been assigned unless and until an order has been entered under subsection (e) of this section ordering that the case not be designated a mandatory complex business case or the Chief Justice revokes approval.” N.C. Gen. Stat. § 7A-45.4(f).

6. Further, the Court’s Case Management Order made explicit that “[e]xcept as otherwise provided by Court order, extensions of other deadlines,” including contested discovery extensions, “may be granted *only by order of the Court*.” (ECF No. 19 , ¶ 4(k) (emphasis added)).

7. Moreover, the Court specifically provided in the Case Management Order as follows:

The parties are reminded that *all filings in this case must be made twice: **first**, with the Business Court through its electronic filing*

*system, pursuant to BCR 3.1, and, **second**, with the Clerk of Superior Court of the county in which the case is pending, pursuant to BCR 3.11, which provides that “material listed in Rule 5(d) of the Rules of Civil Procedure must be filed with the Clerk of Superior Court in the county of venue, either before service or within five days after service.”*

(ECF No. 19, ¶ 2(a) (emphasis added); *see also* BCR 3.1 (requiring all filings to be made on the Business Court’s filing system)).

8. Upon designation of this action to the Business Court and assignment of this matter to the undersigned judge, the Gaston County Clerk of Superior Court was no longer empowered to enter orders in this action on motions for extensions of time, and Defendants and their counsel of record, Morris F. McAdoo, who first appeared in this action on 18 July 2025, (*see* ECF No. 13), were expressly instructed to file and submit all documents as provided above.

9. Nonetheless, on 18 July 2025, Defendants moved for an extension of time to respond to the complaint in this action and submitted to the Office of the Gaston County Clerk of Superior Court a proposed Order granting the motion. (ECF No. 13).

10. On 21 July 2025, the Court entered an Order on Motion for Extension of Time after Defendants filed a motion for extension of time that failed to comply with the Business Court Rules. (ECF No. 14). Among other things, as the Court noted, the motion failed to reflect consultation with and the position of opposing counsel and failed to indicate whether any other party intended to file a response. (ECF No. 14, ¶ 3); BCR 7.3. Nonetheless, the Office of the Gaston County Clerk of Superior Court errantly entered an order granting the requested extension. Thus, the Court ultimately struck the Clerk’s Order and noted that “the Office of the Clerk of Gaston

County is directed *not* to enter any further orders in this action unless ordered otherwise by the Court.” (ECF No. 14. ¶ 9(c)) (emphasis added). The Court did, however, grant the requested extension of time for good cause.

11. The Court’s Orders have been electronically filed and served on counsel for the parties, including attorney McAdoo on behalf of Defendants.

12. Notwithstanding the Court’s clear instructions and rules and service of the Order on counsel, on 3 September 2025—a single day after being served with discovery requests and at least twenty-nine (29) days before the discovery would otherwise be due—Defendants’ counsel signed motions seeking extensions of time to respond to those requests. Those motions were (i) not accompanied by certificates of service as required under Rule 5(b1) of the North Carolina Rules of Civil Procedure and (ii) were not filed until 15 September 2025. (ECF Nos. 28.2 and 28.3).

13. Even when they were eventually filed, Defendants’ counsel filed the motions *only* with the Gaston County Clerk of Superior Court and not with the Business Court as required. (ECF Nos. 28.2 and 28.3). Thereafter, contrary to the prior Orders entered in this action, an assistant Clerk of Superior Court for Gaston County also entered purported Orders Extending Time. (ECF Nos. 28.2 and 28.3).

14. Attorney McAdoo failed to file any of the documents with the Business Court at any point, despite applicable rules and the Court’s prior instructions, and the motions and purported orders only came to the Court’s attention after the documents were filed with the Business Court as exhibits to Plaintiff’s motion to strike. (ECF Nos. 28.2 and 28.3).

15. Plaintiffs' counsel represent that they were not consulted about the motions pursuant to BCR 7.3 and the Court's Case Management Order or served with the motions and orders as required by Rule 5 of the North Carolina Rules of Civil Procedure. (ECF Nos. 28 and 28.4).

16. Attorney McAdoo had notice, or should have had notice, of the prior Orders in this action,² the Business Court Rules, and applicable law, including the Court's express instructions with respect to filings before the Office of the Gaston County Clerk of Superior Court.

17. There is no good cause for Defendants' and attorney McAdoo's failure to comply with the prior Orders in this action, applicable Business Court Rules, and applicable law.

18. Attorney McAdoo's conduct demonstrates a blatant disregard and knowing violation of the prior Orders in this action, the Business Court Rules, and applicable law.

19. The Court has now expended substantial time and resources addressing attorney McAdoo's failures to comply with the prior Orders in this action, Business Court Rules, and applicable law.

20. Attorney McAdoo's conduct in this case implicates the provisions of N.C. Gen. Stat. § 5A-11(a) for criminal contempt of court. Specifically, criminal contempt

² Indeed, the email correspondence between counsel suggests that Plaintiffs' counsel repeatedly put attorney McAdoo on notice of his noncompliance, and it appears that, rather than comply with the Court's Orders, attorney McAdoo engaged in an unprofessional email exchange with Plaintiffs' counsel and suggested that there was a potential for differing views of the Orders in this case. (ECF No. 28.4). There is not. The Orders in the case are and were clear, as are the Business Court Rules and other applicable rules and law.

includes, among other things, “[w]illful disobedience of, resistance to, or interference with a court’s lawful process, order, directive, or instruction or its execution,” “[w]illful or grossly negligent failure by an officer of the court to perform his duties in an official transaction,” and “[w]illful or grossly negligent failure to comply with schedules and practices of the court resulting in substantial interference with the business of the court.” N.C. Gen. Stat. § 5A-11(a)(3), (6), and (7); *see State v. Key*, 182 N.C. App. 624, 630 (2007).

21. It appears to the Court that attorney McAdoo had notice (or should have had notice) of prior Orders in this case, the Business Court Rules, and applicable law and that he willfully or in a grossly negligent matter has, on multiple occasions, failed to comply with the prior Orders in this case and otherwise with his obligations under Business Court Rules and applicable law.

22. Attorney McAdoo’s conduct has substantially interfered with the practices of the Court and have caused substantial interference with the Court’s business. Further, attorney McAdoo, in failing to comply with the processes established by the Court, the Business Court Rules, and applicable law, has failed to perform his duties in official transactions before the Court and has delayed the administration of justice.

23. Moreover, attorney McAdoo’s conduct constitutes a failure to comply with the Court’s lawful orders, directives, and instructions, including those set forth in the Court’s Order of 21 July 2025, (ECF No. 14), and the Court’s 9 September 2025 Case Management Order, (ECF No. 19), among others.

24. Therefore, having considered the record proper and the status of the case procedurally, the Court in its discretion determines that probable cause exists to believe that attorney Morris F. McAdoo is in criminal contempt of court, such that attorney McAdoo should be required to appear before the Court **at 10:00 am ET, 27 October 2025**, to show cause why he should not be held in criminal contempt of court.

25. Moreover, considering the prior Orders in this action and attorney McAdoo's conduct, it appears that Defendants and attorney McAdoo filed their motions for extensions of time and submitted them to the Clerk—and that attorney McAdoo signed the motions—without a basis in law, for improper purposes, and to improperly delay or otherwise interfere with proceedings in this action.

26. Accordingly, the Court determines that it is appropriate to require that attorney McAdoo show cause as to why he should not be sanctioned pursuant to Rule 11 of the North Carolina Rules of Civil Procedure for filing the motions in this action without a basis in law, for an improper purpose, or otherwise in violation of Rule 11 of the North Carolina Rules of Civil Procedure.

27. Finally, through its inherent powers, the Court has the “authority to do all things that are reasonably necessary for the proper administration of justice,” including to strike filings made without complying with applicable rules. *Beard v. N.C. State Bar*, 320 N.C. 126, 129 (1987); *Window World of Baton Rouge, LLC v. Window World, Inc.*, 2022 NCBC LEXIS 58, at *4 (N.C. Super. Ct. June 13, 2022) (“This inherent authority includes the broad power to administer cases and manage

discovery.” (citations omitted)). Similarly, under BCR 7.1(c) as recently amended, “[t]he Court has discretion to disregard or strike a filing that does not comply with these rules.” BCR 7.1(c).

28. Thus, as neither Defendants’ motions nor the Clerk’s purported orders comply with the prior Orders in this action, the Business Court Rules, or applicable law, the Court also determines in its discretion that it is appropriate to strike the motions and the purported orders.

29. Having considered all appropriate matters of record, in the exercise of its discretion, the Court therefore **ORDERS** as follows:

- a. Attorney Morris F. McAdoo is hereby **ORDERED** to appear in person before this Court at 10:00 am ET, October 27, 2025, at 316 Fayetteville Street, Raleigh, North Carolina, in Courtroom 10C, or such other place and time as may be directed by the Court, to show cause as to why he should not be held in criminal contempt of court or otherwise sanctioned for his failure to comply with the Court’s Order, the Business Court Rules, and applicable law;
- b. Attorney McAdoo is further **ORDERED** to show cause as to why he should not be sanctioned pursuant to Rule 11 of the North Carolina Rules of Civil Procedure for signing the above-described documents in this action without a basis in law, for improper purposes, and to improperly delay or otherwise interfere with proceedings in this action

and why he should not otherwise be held in contempt of court in the exercise of the Court's inherent authority;

- c. Attorney McAdoo is **ORDERED**, within five (5) days of entry of this Order, to submit a brief and any supporting evidence to the Court in support of any argument by attorney McAdoo as to why he should not be held in contempt of court and why he should not be sanctioned under Rule 11 of the North Carolina Rules of Civil Procedure or otherwise in the Court's inherent authority;
- d. The parties are **NOTIFIED** that this matter will come before the Court for a hearing **at 10:00 am ET, October 27, 2025, at 316 Fayetteville Street, Raleigh, North Carolina, in Courtroom 10C**, or such other place and time as may be directed by the Court, on the Court's Order for attorney McAdoo to show cause as to why he should not be held in contempt of court or otherwise sanctioned under Rule 11, in the Court's inherent authority, or on any other basis for his failure to comply with the Court's Order, the Business Court Rules, and applicable law;
- e. The Court **STRIKES** Defendants' motions for extension of time to respond to discovery filed in this action on 15 September 2025;
- f. The Court also **STRIKES** the Orders Extending Time entered by the Gaston County Clerk of Superior Court in this action on 15 September 2025;

- g. The extensions of time purportedly granted by the Gaston County Clerk of Superior Court are **VOID** and **INEFFECTIVE**, and the prior deadlines for Defendants' discovery responses remain as if no extensions were granted;
- h. Attorney McAdoo is **ORDERED**, within five (5) days of entry of this order, to file on the North Carolina Business Court's filing system a copy of **all** filings, including any motions that attorney McAdoo has submitted to the Office of the Gaston County Clerk of Superior Court and orders purportedly entered by the Clerk's office that are not currently filed on the Business Court's docket in this action;
- i. The Court again **ORDERS** and **REITERATES** that the parties are **PROHIBITED** from submitting any further proposed orders in this action to the Office of the Gaston County Clerk of Superior Court unless expressly ordered otherwise by the Court;
- j. Attorney McAdoo is **ORDERED** not to file any further documents in this action with the Office of the Gaston County Clerk of Superior Court unless the documents are first filed with the Business Court through the Business Court's electronic filing system;
- k. Attorney McAdoo is **ORDERED** to ensure service of all documents filed in this action on counsel for all other parties (and on all pro se parties) in a matter compliant with Rule 5 of the North Carolina Rules of Civil Procedure and with the Business Court Rules, as applicable;

- l. As this is an assigned case, the Office of the Gaston County Clerk of Superior Court is **ORDERED** and **DIRECTED** not to enter any further orders in this action unless authorized by the judge to whom this action is assigned;
- m. Any purported Order entered by the Office of the Gaston County Clerk of Superior Court in this action from and after the date this matter was designated to the Business Court and assigned to the undersigned judge is **INVALID**, and any purported Order entered by the Office of the Gaston County Clerk of Superior Court in this action after entry of this Order is **INVALID** unless signed or otherwise authorized by the judge to whom this action is assigned; and
- n. The Gaston County Clerk of Superior Court is **DIRECTED** to provide a copy of this Order to all deputy and assistant clerks in Gaston County and to ensure their compliance with this Order going forward.

SO ORDERED, this 9th day of October 2025.

/s/ Matthew T. Houston

Matthew T. Houston
Special Superior Court Judge
for Complex Business Cases