

STATE OF NORTH CAROLINA  
SWAIN COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
25CV000014-860

SHIRA HEDGEPEETH,

Plaintiff,

v.

MARSHALL CORNBLUM;  
MICHAEL CORNBLUM; and SMCC  
CLUBHOUSE, LLC,

Defendants.

**ORDER ON DESIGNATION**

1. **THIS MATTER** is before the Court pursuant to the *Determination Order* issued on 30 January 2025 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). (ECF No. 1.)

2. Plaintiff Shira Hedgepeth filed the Complaint initiating this action in Swain County Superior Court on 10 January 2025, asserting claims against Defendants Marshall Cornblum, Michael Cornblum, and SMCC Clubhouse, LLC (collectively, the “Defendants”) for fraudulent misrepresentation, unfair and deceptive business practices, civil racketeering, civil conspiracy, and piercing the corporate veil. (*See* Compl. ¶¶ 69–121, ECF No. 2.) On the same date, Plaintiff filed her Notice of Designation with the Swain County Clerk of Superior Court. (*See* Notice Designation Mandatory Complex Bus., ECF No. 3 [“NOD”].) On 13 January 2025, Plaintiff filed what appears to be an identical Complaint, adding a verification to the last page.

(Compl., ECF No. 4 [“Compl.”].)<sup>1</sup> Sixteen days later (and nineteen days from the filing of the first Complaint), Plaintiff emailed her Notice of Designation—without attaching the Complaint—to several Business Court personnel, opposing counsel, and attempted to transmit the materials to the Chief Justice of the Supreme Court of North Carolina but utilized an incorrect email address.

3. This case arises out of a dispute regarding assessment and collection of clubhouse dues in the Smoky Mountain Country Club community. Plaintiff alleges Defendants took control of a non-profit homeowner’s association for the purpose of billing, assessing, and collecting homeowner’s dues for Defendants’ economic benefit, and asserts the father-son team committed both civil and criminal acts related to such activity. (See NOD 1; Compl. ¶¶ 11–121.)

4. Plaintiff’s contention that this case is properly designated under N.C.G.S. § 7A-45.4(a)(1) is misplaced. Designation under this section 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.” The only basis claimed by Plaintiff to support designation of

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<sup>1</sup> But for the addition of a verification by the Plaintiffs at the end of the document both Complaints filed on the record in this action are identical as to allegations and organization. (Compare Compl., ECF No. 3 with Compl., ECF No. 4.) As a result, when citing to the Complaint, the Court cites to the allegations within the Complaint found at ECF No. 4, as this is the most recent pleading filed.

this action to the Business Court under this section is Plaintiff's "request [of] the Court to pierce the corporate veil." (NOD 1.)

5. However, "this Court has long held that a claim for piercing the corporate veil, standing alone, is insufficient to support mandatory complex business case designation under N.C.G.S. § 7A-45.4(a)(1)." *Ur-Rehman v. KT Fin., LLC*, 2024 NCBC LEXIS 88, at \*3 (N.C. Super. Ct. July 3, 2024) (cleaned up); *see also Consol. Elec. Distributions, Inc. v. Hallmark Lighting, LLC*, 2021 NCBC LEXIS 107, at \*4–5 (N.C. Super. Ct. Dec. 7, 2021) (collecting cases). Because Plaintiff's claims do not otherwise implicate the law governing corporations, partnerships, or limited liability companies, the Court concludes that Plaintiff's reliance on the Complaint's veil-piercing allegations is insufficient to support designation under N.C.G.S. § 7A-45.4(a)(1).

6. Furthermore, even if Plaintiff's claims successfully fell under the purview of N.C.G.S. § 7A-45.4(a)(1), this case has not been properly designated due to procedural shortcomings. Pursuant to N.C.G.S. § 7A-45.4(c),

A party designating an action as a mandatory complex business case shall file a Notice of Designation in the Superior Court in which the action has been filed, *shall contemporaneously serve the notice on each opposing party or counsel and on the Special Superior Court Judge for Complex Business Cases who is then the Chief Business Court Judge, and shall contemporaneously send a copy of the notice by e-mail to the Chief Justice of the Supreme Court* for approval of the designation of the action as a mandatory complex business case.

(Emphasis added).

7. The Business Court provides explicit instructions on its website as to how to properly effectuate service under the statute.<sup>2</sup> The contemporaneous filing and service requirement set forth in N.C.G.S. § 7A-45.4(c) is mandatory, and Plaintiff's failure to comply with that requirement renders the Notice of Designation untimely.

8. Based on the foregoing, the Court concludes 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.

9. Consistent with the Determination Order, the Court hereby advises the Senior Resident Superior Court Judge of Judicial District 43A 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 designation as a Rule 2.1 exceptional case may be pursued with the Senior Resident Superior Court Judge if deemed appropriate.

10. The Court's ruling is without prejudice to the right of the parties to otherwise seek designation of this matter as a mandatory complex business case as may be provided under N.C.G.S. § 7A-45.4.

**SO ORDERED**, this the 31st day of January, 2025.

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

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<sup>2</sup> See *Designation Procedure*, [www.nccourts.gov/courts/business-court/special-information-and-procedures-for-business-court](http://www.nccourts.gov/courts/business-court/special-information-and-procedures-for-business-court) (last visited Jan. 31, 2025).