STATE OF NORTH CAROLINA CATAWBA COUNTY	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 25CVS000955-170
DOVER SUB 1 LLC; RRAIT SUB 1 LLC; MERCHANT'S SUB 1 LLC; and HAWKS LANDING OWNER, LLC, Plaintiffs, v. HAWKS NOTE PURCHASE, LLC, Defendants.	
MAXMEZ NC, LLC, Intervenor-Plaintiff, and MERCHANT'S WALK APARTMENTS, LLC and HAWKS PVO LLC, Intervention-Defendants, and HAWKS PVO HOLDING LLC and MERCHANT'S HOLDING 1 LLC, Nominal Defendants.	**ORDER ON PLAINTIFFS' OBJECTION TO NOTICE OF DESIGNATION AND REQUEST FOR CASE RETENTION IN THE SUPERIOR COURT**

1. **THIS MATTER** is before the Court following the 4 November 2025 filing by Plaintiffs Dover Sub 1 LLC, RRAIT Sub 1 LLC, Merchant's Sub 1 LLC, and Hawks Landing Owner LLC (collectively, Plaintiffs) of *Plaintiffs' Objection to Notice of Designation and Request for Case Retention in the Superior Court* (the Opposition). (ECF No. 12 [Opp'n].)

2. Plaintiffs initiated this action on 24 March 2025, asserting claims against Defendant Hawks Note Purchase, LLC (Defendant) for injunctive relief[1] and declaratory judgment. (Verified Compl. Emergency TRO, Prelim. Permanent Mandatory Inj., Declaratory J. Damages ¶¶ 157–82, ECF No. 17.) Plaintiffs filed a Revised First Amended Complaint[2] (First Amended Complaint) on 10 October 2025, asserting updated claims against Defendant for injunctive relief and declaratory judgment, and new claims for breach of duty of good faith and fair dealing, violations of N.C.G.S.A. § 45-36.7(d) and N.C.G.S.A. § 45-36.7(j), predatory lending, and abuse of process and/or malicious prosecution. (1st Am. Compl. ¶¶ 249–342.)

3. On 27 October 2025, MaxMez NC, LLC (MaxMez) filed an *Emergency Motion to Intervene* (Intervenor Motion) with an attached Proposed Intervenor Complaint (Intervenor Complaint). (ECF No. 6, Ex. A [Intervenor Compl.].) The next day, MaxMez filed a *Notice of Designation* (NOD), asserting the case meets the criteria for designation under N.C.G.S. § 7A-45.4(a)(1) and (b)(2). (Notice Designation 2–5, ECF No. 7 [NOD].)

4. On 29 October 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(b) and ordered the

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[1] While Plaintiffs list their request for injunctive relief as "Count 1," it is not a cause of action, but rather a form of relief.

[2] The full title of the filing is *Plaintiff's Revised First Amended Complaint for Emergency TRO, Preliminary and Permanent Mandatory Injunction, Declaratory Judgment, Breach of Duty of Good Faith and Fair Dealing, Per Se Violations of N.C.G.S.A. § 45-36.7(d) and N.C.G.S.A. § 45-36.7(j), Predatory Lending, Abuse of Process and/or Malicious Prosecution, and Damages*. (ECF No. 3 [1st Am. Compl.].)

undersigned to assign the case to a Business Court Judge. (Designation Order, ECF No. 1.) On the same date, the case was assigned to the undersigned. (Assignment Order, ECF No. 2.) Plaintiffs timely filed the Opposition contending that designation under N.C.G.S. § 7A-45.4 is improper on 4 November 2025. (Opp'n 1.) According to Plaintiffs, "[t]he dispute . . . is not one that either implicates or necessitates the resolution of some aspect of corporate governance law, nor does MaxMez's proposed complaint cite to any." (Opp'n 17.) In addition, Plaintiffs assert that the NOD is untimely, that MaxMez is trying to delay trial in this case through its efforts to intervene, and the "Court should not allow itself to be manipulated and used for this nefarious purpose." (Opp'n 18–19.)

5. On 13 November 2025, MaxMez filed its *Response in Support of Notice of Designation* (MaxMez's Response). (ECF No. 15 [MaxMez Resp.].) Thereafter, on 19 November 2025, Defendant filed its *Response to Plaintiffs' Objection to Notice of Designation*, agreeing with the legal arguments made in MaxMez's Response, and contending "a central threshold question in this litigation is who controls the [Plaintiffs], and what the rights of the parties are under the applicable LLC agreements." (ECF No. 105 at 13.)

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

7. Based on the record before the Court, it appears this action arises out of a dispute between parties to a real estate investment deal in the Hawks Landing

apartment complex (the Hawks Property) in Hickory, North Carolina. (*See generally* Intervenor Compl.) According to MaxMez, prior to April 2025, the Hawks Property was owned by Plaintiffs as tenants in common and their relationship was governed by a Tenancy in Common Agreement (TIC Agreement). (*See* Intervenor Compl. ¶¶ 19, 21.) MaxMez contends that, due to provisions in various agreements in the transaction and events that occurred, including a "Changeover Event," "MaxMez had the right to replace the manager of Merchant's Holding 1 [LLC] and Hawks PVO Holding [LLC][.]" (Intervenor Compl. ¶¶ 2, 3, 47, 54, 66.) Merchant's Holding 1 LLC and Hawks PVO Holding LLC are the sole member-managers of Merchant's Sub 1 LLC and Hawks Landing Owner LLC respectively. (*See* Intervenor Compl. ¶¶ 2, 33–34.) Therefore, MaxMez asserts it is entitled to manage the business and affairs of Merchant's Sub 1 LLC and Hawks Landing Owner LLC, two of the Plaintiffs in this action. (*See* Intervenor Compl. ¶¶ 3, 66.) According to MaxMez, it also has the authority to make certain management decisions for the other Plaintiffs by virtue of authority delegated in the TIC Agreement. (*See* Intervenor Compl. ¶¶ 3, 22–24.)

8. "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 *11 (N.C. Super. Ct. Feb. 5, 2016). "The Court accepts [the] allegations [in the relevant pleading] as true solely for purposes of [determining whether a case qualifies for mandatory complex

business designation]." *Se. Auto., Inc. v. Genuine Parts Co.*, 2016 NCBC LEXIS 63, at *3 (N.C. Super. Ct. Aug. 17, 2016).

9. Section 7A-45.4(d)(2) expressly envisions designation by a party that files a motion to intervene. *See* N.C.G.S. § 7A-45.4(d)(2). In this case, the parties disagree as to whether the NOD was timely filed under N.C.G.S. § 7A-45.4(d)(2). (*See* NOD 5; *see also* Opp'n 18–19.) The Court interprets subsection (d)(2) to provide the same timing requirement as subsections (d)(1) and (d)(4)—"contemporaneously." *See* N.C.G.S. § 7A-45.4(d). To interpret subsection (d)(2) otherwise would give an intervenor an indeterminate amount of time to file its notice of designation. In this case, the NOD was filed one day after the Intervenor Motion and its attached Intervenor Complaint, making it untimely. However, as this Court has previously held, "even if untimely, if a case is properly designated under subsection (a), and properly involves a claim for more than five million dollars, the Court *MUST* designate the action as a mandatory complex business case pursuant to section 7A-45.4(b)(2)." *Hedgepeth v. Cornblum*, 2025 NCBC LEXIS 29, at *5 (N.C. Super. Ct. Mar. 17, 2025) (emphasis added). Here, the Court looks to the Intervenor Motion and the Intervenor Complaint upon which designation is based under subsection (d)(2) and accepts the allegations as true for purposes of determining whether the case should be designated to the Business Court.

10. MaxMez sought mandatory complex business case designation pursuant to N.C.G.S. § 7A-45.4(a)(1) and (b)(2). (*See* NOD 1–2.) The Court will address each subsection below.

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

11. 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).

12. According to MaxMez, designation is proper under section 7A-45.4(a)(1) because the Intervenor Complaint raises issues involving the law governing limited liability companies. (*See* NOD 4.) Specifically, MaxMez brings a declaratory judgment claim regarding its right to control Plaintiffs and their conduct in the underlying litigation. (*See* NOD 4.) MaxMez asserts that the Intervenor Complaint sets forth material issues such as "whether Plaintiffs can act without the consent of their member-manager[s]" and "whether Plaintiffs validly delegated rights to control this litigation to Hawks Landing Owner [LLC][.]" (MaxMez Resp. 6–7.)

13. MaxMez contends "that as manager of the sole member of each of Merchant's Sub 1 [LLC] and Hawks Landing Owner [LLC], MaxMez has the right to manage the business and affairs" of each entity. (Intervenor Compl. Prayer.) According to MaxMez, despite its management rights and its direction to Plaintiffs to (i) remove the manager for each of Hawks PVO Holding LLC and Merchant's Holding 1 LLC, (ii) dismiss the litigation, and (iii) terminate Plaintiffs' counsel, Plaintiffs have

neither dismissed the litigation nor terminated Plaintiffs' counsel. (*See* Intervenor Compl. ¶¶ 67–70.)

14. This case involves a complex corporate structure involving multiple Delaware limited liability companies, two of which have limited liability company agreements governed by North Carolina law—Merchant's Holding 1 LLC and Hawks PVO Holding LLC. At a high level, the dispute raised by MaxMez is who has the corporate authority as manager to speak and act on behalf of Plaintiffs.

15. Section 57D-3-20 of the North Carolina Limited Liability Company Act (NC LLC Act) provides "[t]he management of an LLC and its business is vested in the managers." N.C.G.S. § 57D-3-20(a). Furthermore, while by default all members are managers of a limited liability company in North Carolina, to the extent an operating agreement/limited liability company agreement provides that the members are not the managers, "those persons designated as managers in, or in the manner provided in, the operating agreement will be managers." N.C.G.S. § 57D-3-20(d). In addition, "[t]he managers shall manage the LLC and conduct the LLC's business in accordance with the operating agreement." N.C.G.S. § 57D-3-21.

16. The statutory provisions of the NC LLC Act give a manager the authority to act through a company's operating agreement/limited liability company agreement. In this case, the Court must look to the law governing North Carolina limited liability companies in order to determine (i) who governs a limited liability company and (ii) on what terms. These are fundamental corporate governance issues that certainly implicate the "law governing . . . limited liability companies[.]" N.C.G.S. § 7A-

45.4(a)(1). Therefore, the Court concludes that, putting timeliness of filing the NOD aside, this case is otherwise properly designated under N.C.G.S. § 7A-45.4(a)(1).

17. Plaintiffs oppose designation on multiple grounds, none of which have merit. First, Plaintiffs contend that the dispute does not implicate corporate governance law and MaxMez does not cite to the NC LLC Act. (*See* Opp'n 17.) According to Plaintiffs, this is simply "a dispute over distribution of proceeds from a real estate transaction and the damages suffered by Plaintiffs as a result of [Defendant's] misconduct." (Opp'n 17–18.) The Court disagrees. As set forth above, the Intervenor Complaint implicates a dispute regarding who can manage the limited liability companies and control this litigation. Section 7A-45.4(a)(1) does not require a pleading on which designation is based to include an express citation to the NC LLC Act for a case to be designated but rather requires a "material issue related to . . . [d]isputes involving the law governing . . . limited liability companies[.]" N.C.G.S. § 7A-45.4(a)(1). This argument fails.

18. Plaintiffs also contend that MaxMez is trying to delay trial in this case through its efforts to intervene, and the "Court should not allow itself to be manipulated and used for this nefarious purpose." (Opp'n 19.) The Court will not analyze the motive behind MaxMez's intervention in this case at this juncture. However, the Court reminds all parties that the North Carolina Rules of Civil Procedure provide various avenues to ensure motions and pleadings are not filed for

an improper purpose or to cause undue delay, including Rule 11.[3] N.C.G.S. § 1A-1, Rule 11.

19. Further, the Court notes that an arbitrator involved in the underlying dispute between the parties recently ruled by written order that a "Changeover Event" had occurred, which is relied upon by MaxMez to claim that it is now entitled to manage and control Plaintiffs. (*See* Intervenor Compl. ¶ 54, Ex. 1.) Based on this contention, it does not appear to the Court that MaxMez unreasonably delayed taking action as alleged by Plaintiffs.

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

20. Designation under N.C.G.S. § 7A-45.4(b)(2) is also appropriate. Section 7A-45.4(b)(2) provides that "[a]n action described in subdivision (1), (2), (3), (4), (5), or (8) of subsection (a) of this section in which the amount in controversy computed in accordance with G.S. 7A-243 is at least five million dollars ($5,000,000) shall be designated as a mandatory complex business case by the party whose pleading caused the amount in controversy to equal or exceed five million dollars ($5,000,000)." N.C.G.S. § 7A-45.4(b)(2). Termed a "mandatory mandatory" complex business case, "the action must satisfy the requirements for designation under section 7A-45.4(a) *and* contain an amount in controversy of at least five million dollars." *Meridian Renewable Energy LLC v. Birch Creek Dev., LLC*, 2025 NCBC LEXIS 56, at *5 (N.C. Super. Ct. May 16, 2025); *see also Narsi Dev. I, LLC v. Birkdale Real Estate Invs., LLC*, 2021 NCBC LEXIS 21, at *5 (N.C. Super. Ct. Mar. 16, 2021) (stating designation

[3] Plaintiffs also argue that the NOD is untimely. However, the Court addresses this in paragraph 9 above.

under subsection (b)(2) is predicated on a case satisfying one of the criteria listed in subsection (a)).

21. According to N.C.G.S. § 7A-243, "[w]here no monetary relief is sought, but the relief sought would establish, enforce, or avoid an obligation, right or title, the value of the obligation, right, or title is in controversy." N.C.G.S. § 7A-243(3).

22. Here, MaxMez seeks non-monetary, declaratory relief "(i) that it has the right to control two of the Plaintiffs in this action, (ii) that Hawks Landing Owner [LLC] (controlled by MaxMez) has the right to direct all Plaintiffs' claims in this action, and (iii) that Plaintiffs lacked and continue to lack authority to prosecute this action." (MaxMez Resp. 9.) MaxMez concludes the value of such rights exceeds five million dollars ($5,000,000.00) when looking at the damages alleged in the First Amended Complaint—the action MaxMez asserts it has the right to direct and seeks to intervene in. (*See* MaxMez Resp. 9; *see also* Intervenor Compl. ¶¶ 71–78, Prayer.)

23. The Court agrees. MaxMez seeks to intervene in the underlying action in which Plaintiffs allege damages exceeding twenty-five million dollars ($25,000,000.00). (*See* 1st Am. Compl. ¶ 213, Prayer.) In addition, almost twenty-two million dollars ($22,000,000.00) has been deposited with the Clerk of Court in this action and the outcome of the litigation will likely determine to whom those funds should be distributed. (*See* Intervenor Motion ¶ 64; *see also* 1st Am. Compl. ¶ 217.) Therefore, the Court concludes that, for purposes of determining whether the controversy exceeds five million dollars ($5,000,000.00), "the amount in controversy

computed in accordance with G.S. 7A-243" has been satisfied. N.C.G.S. § 7A-45.4(b)(2).

24. For the reasons discussed above, this case is properly designated under N.C.G.S. § 7A-45.4(a)(1), and because the amount in controversy exceeds five million dollars ($5,000,000.00), the Court concludes that this case qualifies as a "mandatory mandatory" complex business case under N.C.G.S. § 7A-45.4(b)(2).

25. Further, because the case is properly designated under 7A-45.4(b)(2), timeliness of the filing of the NOD (or the lack thereof) is not an impediment to MaxMez bringing this matter to the Business Court. The Court notes that under 7A-45.4(g), if a case is properly classified as a "mandatory mandatory" action, the Superior Court is obligated to stay the action until the party whose pleading mandates designation has filed a NOD seeking designation to this Court. As a result, the Court concludes that a one-day delay by MaxMez is not fatal to its effort to have this matter litigated before a Business Court Judge.

26. **THEREFORE**, for the reasons expressed herein, 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 required by N.C.G.S. § 7A-45.4(a)(1), meets the statutory

threshold to be considered a "mandatory mandatory" action under 7A-45.4(b), and therefore shall proceed as a mandatory complex business case before the undersigned.

SO ORDERED, this the 25th day of November, 2025.

/s/ Michael L. Robinson
Michael L. Robinson
Chief Business Court Judge