



NORTH CAROLINA
ADMINISTRATIVE OFFICE
of the COURTS

2016 Report on the North Carolina Business Court [G.S. 7A-45.5]

March 1, 2016



Introduction

N.C.G.S. 7A-45.5 provides as follows:

§ 7A-45.5. Annual report on Business Court activities.

The Administrative Office of the Courts shall report to the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by March 1 of each year on the activities of each North Carolina Business Court site, including the number of new, closed, and pending cases, average age of pending cases, and annual expenditures for the prior fiscal year.

The North Carolina Administrative Office of the Courts (NCAOC) respectfully submits this report pursuant to the legislative mandate.

An Overview of the North Carolina Business Court

The North Carolina Business Court (“Business Court”) is a specialized forum within the North Carolina General Court of Justice designed to oversee cases involving complex business and technical issues. During 2015, North Carolina had three Business Courts, with locations in Charlotte, Greensboro and Raleigh. Each Business Court has a designated special superior court judge assigned to hear the cases assigned to that court.

N.C.G.S. 7A-45.4 governs the designation of Business Court cases. The statute provides that any party may designate as a mandatory complex business case an action that involves a material issue related to the following types of disputes:

- Disputes 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
- Disputes involving securities
- Disputes involving antitrust law
- Disputes involving trademark law
- Disputes involving the ownership, use, licensing, lease, installation, or performance of intellectual property, including computer software, software applications, information technology and systems, data and data security, pharmaceuticals, biotechnology products, and bioscience technologies
- Disputes involving trade secrets
- Contract disputes in which specified statutory conditions are met

In addition, the statute establishes three types of cases that must be designated as mandatory complex business cases:

- An action involving a material issue related to tax law that has been the subject of a contested tax case for which judicial review is requested under G.S. 105-241.16, or a civil action under G.S. 105-241.17 containing a constitutional challenge to a tax statute
- An action described in subdivision (1), (2), (3), (4), (5), or (8) of subsection (a) of G.S. 7A-45.5 in which the amount in controversy computed in accordance with G.S. 7A-243 is at least five million dollars (\$5,000,000)
- An action involving regulation of pole attachments brought pursuant to G.S. 62-350.

Once a case is designated as a complex business case under G.S. 7A-45.4 after approval by the Chief Justice, all proceedings in the action are heard before the Business Court judge to whom it has been assigned. The current special superior court judges assigned to the Business Court are the Honorable James L. Gale, Louis A. Bledsoe III, and Gregory P. McGuire. Judge Gale serves as the chief judge of the Business Court, and oversees the Guilford County court located in the Elon University School of Law. Judge Bledsoe oversees the Mecklenburg Court located in the Mecklenburg County Courthouse, while Judge McGuire oversees the Wake Court located in the Wake County Courthouse. Retired Chief Business Court Judge John Jolly reached the mandatory retirement age of 72 in 2014, and now serves as an emergency superior court judge. In that capacity, he continues to oversee resolution of certain cases to which he previously was assigned in order to ensure administrative continuity.

The Chief Justice has discretion to assign other exceptional cases to the Business Court under Rule 2.1. However, as a practical matter, the rise in the number of cases designated as mandatory complex business cases has minimized the number of other cases assigned to Business Court judges by the Chief Justice. When necessary, Business Court judges may be called upon in their capacity as special superior court judges to handle cases or court sessions in addition to the regular Business Court caseload.

Case Statistics

As of December 31, 2015, the North Carolina Business Court had 231 pending cases. Of that number, 184 cases were active cases, 25 cases were on appeal and 22 were inactive or stayed. The average age of active cases as of December 31, 2015, was 552 days. The average age of all cases pending was 658 days. Table 1 below shows the number of pending cases, active cases, new cases, closed cases and average age of cases pending as of December 31, 2015. The attached Appendix A shows the originating county for all cases which were pending as of December 31, 2015, while Appendix B shows the originating county for all new cases designated in 2015.

Table 1. Pending Cases, New Cases, Closed Cases and Average Age of Business Court Cases by County (Calendar Year 2015)

	Pending Cases	Active Cases	New Cases	Closed Cases	Average Age (All Cases)	Average Age (Active Cases)
Mecklenburg	80	65	55	46	574 days	475 days
Guilford	82	66	42	44	706 days	596 days
Wake	69	53	44	52	697 days	590 days
Statewide	231	184	141	142	658 days	552 days

NOTE: Pending Cases include the number of active and inactive cases as of December 31, 2015. New Cases include the number of new cases designated to the Business Court during 2015. Closed Cases include the number of cases closed during 2015. The average age is calculated using number of days a case was active in Business Court as of December 31, 2015.

Of the 231 pending cases as of 2015, 220 cases were assigned to the court as mandatory complex business cases designated pursuant to G.S. 7A-45.4, five were other complex business cases assigned to a Business Court Judge by the Chief Justice, and six were exceptional cases assigned to a Business Court Judge by the Chief Justice under Rule 2.1.

Expenditures

Expenditures for the Business Court for FY 2014-2015 were \$1,248,333.31. The table below sets forth the expenditures by court location.

Table 2. Business Court Expenditures by Court Location (FY 2014-15)

Court Location	Expenditures
Mecklenburg	\$393,988.66
Guilford	\$518,877.11
Wake	\$335,467.54
Statewide	\$1,248,333.31

Summary

The North Carolina Business Court continues to provide a specialized forum for cases involving complex and significant business issues. Because one judge typically oversees all aspects of the case from the time of designation trial or other resolution, the court offers efficiencies and expertise necessary for resolution of complex issues. The Judicial Branch looks forward to working with the General Assembly and the business community to identify ways to improve efficiencies in the way complex business cases are handled in North Carolina.

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Appendix A – Business Court Case Distribution by County (Calendar Year 2015)

COUNTY	CHARLOTTE	GREENSBORO	RALEIGH	TOTAL
Alamance	1	1	0	2
Bladen	0	0	1	1
Brunswick	0	2	1	3
Buncombe	3	1	0	4
Catawba	7	1	1	9
Cleveland	1	1	0	2
Columbus	0	0	1	1
Cumberland	0	1	5	6
Currituck	0	0	1	1
Dare	0	0	2	2
Davidson	1	1	1	3
Davie	1	0	0	1
Durham	1	3	6	10
Forsyth	3	6	1	10
Franklin	0	2	0	2
Gaston	1	1	0	2
Graham	1	0	0	1
Guilford	8	17	0	25
Harnett	0	1	0	1
Henderson	1	0	0	1
Iredell	3	1	0	4
Jackson	0	0	1	1
Johnston	0	2	0	2
Lincoln	1	0	0	1
Madison	1	0	0	1
McDowell	0	0	1	1
Mecklenburg	21	13	3	37
Moore	0	1	0	1
New Hanover	0	1	3	4
Onslow	0	0	1	1
Orange	0	4	2	6
Perquimans	0	0	1	1
Person	0	1	0	1
Randolph	1	0	0	1
Robeson	1	1	1	3
Rockingham	1	0	0	1
Rutherford	4	0	0	4
Sampson	0	1	0	1
Surry	0	5	0	5
Union	2	0	0	2
Vance	0	1	1	2
Wake	14	12	30	56
Wayne	0	0	5	5
Wilkes	2	0	0	2
Wilson	0	1	0	1
STATEWIDE	80	82	69	231

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Appendix B – New Cases Assigned to Business Court by County (Calendar Year 2015)

COUNTY	CASES OPENED
Alamance	1
Catawba	4
Chatham	1
Cleveland	2
Columbus	1
Cumberland	3
Dare	1
Durham	4
Forsyth	11
Franklin	2
Guilford	14
Harnett	2
Henderson	1
Iredell	1
Jackson	1
Johnston	2
Lincoln	1
Macon	1
McDowell	1
Mecklenburg	33
Moore	1
New Hanover	3
Northampton	1
Onslow	2
Orange	2
Person	1
Rutherford	4
Surry	2
Stokes	2
Union	1
Vance	1
Wake	29
Wayne	3
Wilkes	2
STATEWIDE	141