

**STATE OF MICHIGAN**  
**IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND**

**HC CRE LENDING LLC,**

**Plaintiff,**

**v**

**Case No. 2015-149053-CB**

**Hon. Wendy Potts**

**HANNA KARCHO,**

**Defendant.**

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**OPINION AND ORDER RE: BUSINESS COURT JURISDICTION**

At a session of Court  
Held in Pontiac, Michigan On

**OCT 01 2015**

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On September 11, 2015, Plaintiff HC CRE Lending LLC filed the present Complaint, alleging that Defendant Hanna Karcho breached her loan guaranty and accompanying forbearance agreement by failing to timely honor her payment obligations. Plaintiff submitted with its Complaint a Notice of Assignment to the Business Court, claiming that this is a business or commercial dispute because “it involves the sale, merger, purchase, combination, dissolution, liquidation, structure, governance, or finances of a business enterprise.” See MCL 600.8031(1)(c)(iv). Specifically, Plaintiff contends that this action stems from a commercial transaction between the parties.

This Court has an obligation to question sua sponte its jurisdiction over the subject matter of an action. *Yee v Shiawassee Co Bd of Comm'rs*, 251 Mich App 379, 399; 651 NW2d 756 (2002). Subject matter jurisdiction is determined by the allegations in the pleadings. *Trost v Buckstop Lure Co, Inc*, 249 Mich App 580, 587-588; 644 NW2d 54 (2002).

Business court jurisdiction is limited to actions involving a “business or commercial dispute.” MCL 600.8035(3). The statute defines a business or commercial dispute as:

- (i) An action in which all of the parties are business enterprises.
- (ii) An action in which 1 or more of the parties is a business enterprise and the other parties are its or their present or former owners, managers, shareholders, members, directors, officers, agents, employees, suppliers, or competitors, and the claims arise out of those relationships.
- (iii) An action in which 1 of the parties is a nonprofit organization, and the claims arise out of that party's organizational structure, governance, or finances.
- (iv) An action involving the sale, merger, purchase, combination, dissolution, liquidation, organizational structure, governance, or finances of a business enterprise. [MCL 600.8031(1)(c)].

In this case, Plaintiff has not provided any factual allegations within the Complaint to support the assertion that Defendant Hanna Karcho is or was involved in the sale, merger, purchase, combination, dissolution, liquidation, structure, governance, or finances of HC CRE Lending LLC or any other business enterprise related to this case. Plaintiff's sole contention here is that Defendant, as an individual, breached her guaranty by failing to timely repay a Note that is owned and held by Plaintiff.

As a result, the Court finds that this action does not qualify as a business or commercial dispute as defined by MCL 600.8035(1) or as claimed by Plaintiff under MCL 600.8031(1)(c)(iv). Moreover, there are no allegations in the Complaint from which the Court could conclude that jurisdiction is proper under § 8031(1)(c)(i), (ii) or (iii).

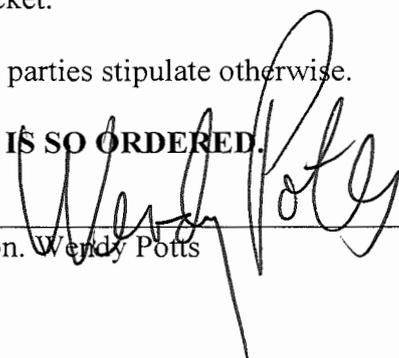
For all of these reasons, this action is excluded from business court jurisdiction and the Court orders the case reassigned to the general civil docket.

The case code will be changed to CK unless the parties stipulate otherwise.

Dated:

**OCT 01 2015**

**IT IS SO ORDERED.**

  
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Hon. Wendy Potts