

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

SHEFA, LLC,

Plaintiff,

v

Case No. 2016-154641-CB

Hon. Wendy Potts

XIAO HUA GONG and
EDWARD HOTEL DETROIT, LLC,

Defendants.

OPINION AND ORDER RE: BUSINESS COURT JURISDICTION

At a session of Court
Held in Pontiac, Michigan On

~~SEP 26 2016~~

On August 19, 2016, Plaintiff filed the present Complaint, alleging that Defendants breached the parties' Purchase Agreement by terminating the Purchase Agreement without justification and by failing to perform their obligations under the Purchase Agreement. On September 13, 2016, Plaintiff submitted a Notice of Assignment to the Business Court, claiming that this is a business or commercial dispute because "one 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." See MCL 600.8031(1)(c)(ii).

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:

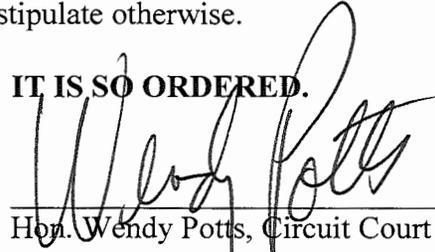
- (i) An action in which all of the parties are business enterprises.
- (ii) An action in which 1 or more of the parties is a business enterprise and the other parties are its or their present or former owners, managers, shareholders, members, directors, officers, agents, employees, suppliers, or competitors, 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)].

On September 22, 2016, the Court dismissed Defendant Edward Hotel Detroit, LLC from the lawsuit upon a Notice of Dismissal by Plaintiff. With respect to the remaining Defendant Xiao Hua Gong, Plaintiff has not provided any factual allegations to support the contention that Defendant Gong is a present or former owner, manager, shareholder, member, director, officer, agent, employee, supplier, or competitor of Shefa, LLC. Rather, Plaintiff's sole contention here is that Defendant Gong personally entered into a Purchase Agreement with Plaintiff and ultimately breached the terms of that Purchase Agreement.

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)(ii). Moreover, there are no allegations in the Complaint from which the Court could conclude that jurisdiction is proper under § 8031(1)(c)(i), (iii) or (iv).

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 of the Honorable Shalina Kumar. The case code will be changed to CK unless the parties stipulate otherwise.

IT IS SO ORDERED.



Hon. Wendy Potts, Circuit Court Judge

Dated:

SEP 26 2016