

NORTH CAROLINA SUPERIOR COURT, BUSINESS COURT

KJET Ventures, LLC v. Jamison

2026 NCBC 32 · No. 25CVS002630-350 · Decided April 14, 2026

SUMMARY

The North Carolina Business Court considers motions for sanctions, to strike pleadings, for entry of default, and to dismiss counterclaims and third-party claims. The court finds that the defendants made misrepresentations in affidavits and repeatedly failed to comply with a discovery order. It grants in part and denies in part the sanctions motion, strikes the defendants’ answer, affirmative defenses, counterclaims, and third-party claims, and enters default against the defendants; the dismissal motions are denied as moot.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | North Carolina Superior Court, Business Court                                                                                                                                                                                                                                                                                                                                 |
| WRITING FOR THE COURT | Matthew T. Houston                                                                                                                                                                                                                                                                                                                                                            |
| JURISDICTION          | North Carolina Superior Court, Business Court                                                                                                                                                                                                                                                                                                                                 |
| DECIDED               | April 14, 2026                                                                                                                                                                                                                                                                                                                                                                |
| DOCKET                | 25CVS002630-350                                                                                                                                                                                                                                                                                                                                                               |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                                                         |
| PROCEDURAL POSTURE    | Plaintiff and third-party defendants moved for sanctions, to strike defendants' pleadings, and for entry of default based on defendants' discovery violations, noncompliance with court orders, and alleged Rule 11 violations. Plaintiff also moved to dismiss defendants' counterclaims, and the third-party defendants moved to dismiss defendants' third-party complaint. |
| STANDARD OF REVIEW    | The court reviewed the sanctions requests under its discretion pursuant to North Carolina Rules of Civil Procedure 11, 37, and 41 and the court's inherent authority. It considered whether defendants' violations were unjustified, improper, unreasonable, and sufficiently serious to warrant sanctions more severe than lesser alternatives.                              |
| PRECEDENTIAL VALUE    | Published North Carolina Business Court order and opinion                                                                                                                                                                                                                                                                                                                     |

TOPICS

- sanctions
- discovery dispute
- default judgment
- pleadings
- commercial litigation

## PRACTICE AREAS

civil procedure

commercial litigation

sanctions

discovery

business court practice

## QUESTIONS PRESENTED

1. Whether defendants should be sanctioned under North Carolina Rules of Civil Procedure 37 and 41 for failing to comply with the court's discovery order.
2. Whether defendants violated Rule 11 by submitting and maintaining affidavits, a preliminary-injunction motion, and supporting memorandum that were not well grounded in fact and were filed or maintained for improper purposes.
3. Whether the court may impose the same sanctions under its inherent authority to manage proceedings and enforce compliance with its orders.
4. Whether striking defendants' answer, affirmative defenses, counterclaims, and third-party claims and entering default on plaintiff's claims were appropriate sanctions.
5. Whether the motions to dismiss defendants' counterclaims and third-party claims should be decided on the merits after those claims had been stricken.

## HOLDINGS

1. Defendants violated the court's discovery order by failing to timely and fully supplement discovery, produce responsive materials, provide written supplemental responses, and file the required verification. Those failures independently supported sanctions under Rules 37(b) and 41(b).
2. Defendants violated Rule 11 by signing and submitting affidavits that falsely represented that no operating agreement had been executed and by filing or maintaining related preliminary-injunction papers that were not well grounded in fact and were maintained for improper purposes.
3. The court had inherent authority to impose the sanctions because that authority includes the power to manage the case, enforce compliance with court orders, and take measures reasonably necessary to administer justice.
4. Striking defendants' answer, affirmative defenses, counterclaims, and third-party claims and entering default against defendants on the claims in plaintiff's complaint were reasonable and appropriate sanctions.
5. The motions to dismiss defendants' counterclaims and third-party complaint were denied as moot because the court had already resolved those claims by striking them as sanctions.

## KEY QUOTATIONS

*“striking out pleadings or parts thereof, or staying further proceedings until the order is obeyed, or dismissing the action or proceeding or any part thereof, or rendering a judgment by default against the disobedient party.” (¶ 64)*

*“The signature of an attorney or party constitutes a certificate by him that he has read the pleading, motion, or other paper; that to the best of his knowledge, information, and belief formed after reasonable inquiry it is well grounded in fact and is warranted by existing law or a good faith argument for the extension,*

*modification, or reversal of existing law, and that it is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation” (§ 71)*

*“authority to do all things that are reasonably necessary for the proper administration of justice.” (§ 88)*

## FACTUAL BACKGROUND

Defendants filed affidavits representing that no operating agreement for KJET Ventures had ever been executed, although the record showed that an operating agreement existed, was signed by defendants and other members, and originated from defendant Jamison's email address. After being alerted to the alleged misrepresentations, defendants and their counsel did not correct or supplement the affidavits or filings relying on them. Defendants also failed to provide complete discovery supplementation, responsive documents, written supplemental responses, and a verification required by the court's BCR 10.9 Order, despite notice, repeated opportunities, and the ability to comply.

## PROCEDURAL HISTORY

The action was designated a mandatory complex business case and assigned to the North Carolina Business Court. After the court ordered defendants to supplement discovery and provide a verification, defendants failed to comply fully or timely. Following briefing and a February 20, 2026 hearing, the court granted in part the sanctions motion, struck defendants' answer, affirmative defenses, counterclaims, and third-party claims, entered default on plaintiff's affirmative claims, and denied the dismissal motions as moot.

## DISPOSITION

other

## CASES CITED

- KURE Corp. v. Peterson, 2017 NCBC LEXIS 1, at \*15 (N.C. Super. Ct. Jan. 5, 2017)
- Ordoñez Cordero v. Ordoñez Cordero, 2026 NCBC LEXIS 49 (N.C. Super. Ct. Mar. 10, 2026)
- Mary Annette, LLC v. Crider, 2026 NCBC LEXIS 33, at \*9-12 (N.C. Super. Ct. Feb. 5, 2026)
- Foster Biodevice, LLC v. Cantrell, 2016 NCBC
- Dunhill Holdings, LLC v. Lindberg, 282 N.C. App. 36, 56 (2022)
- Out of the Box Devs., LLC v. LogicBit Corp., 2014 NCBC LEXIS 7, at \*2 n.1, \*3, \*9 (N.C. Super. Ct. Mar. 20, 2014)
- Davis v. Durham Mental Health/Dev. Disabilities/Substance Abuse Area Auth., 165 N.C. App. 100, 108 (2004)
- Bryson v. Sullivan, 330 N.C. 644, 655 (1992)
- Hill v. Hill, 173 N.C. App. 309, 313-14 (2005)
- McClerin v. R-M Indus., Inc., 118 N.C. App. 640, 644 (1995)
- Pritchett v. Dudek, 299 N.C. App. 821-11 (2025)
- Al-Hassan v. Salloum, 2021 NCBC LEXIS 62, at \*4-5 (N.C. Super. Ct. July 2, 2021)

- Beard v. N.C. State Bar, 320 N.C. 126, 129 (1987)
- Daniels v. Montgomery Mut. Ins. Co., 320 N.C. 669, 674 (1987)
- In re Small, 201 N.C. App. 390, 394 (2009)
- Am. Transp. Grp. Ins. Risk Retention Grp. v. MVT Ins. Servs., 2021 NCBC LEXIS 11, at \*16 (N.C. Super. Ct. Feb. 2, 2021)

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