

NORTH CAROLINA SUPERIOR COURT, NORTH CAROLINA BUSINESS COURT

Moore v. Brooks

Moore, 2026 NCBC 52 (North Carolina Superior Court North Carolina Business Court 2026) · No. 25CV001214-310 · Decided June 9, 2026

SUMMARY

The North Carolina Business Court considers Winthrop Intelligence LLC’s motion to compel arbitration of counterclaims and crossclaims involving alleged breaches of operating agreements and the expulsion of Redwood WI Holdings LLC. The court grants the motion as to Redwood WI Holdings, concluding that the operating agreements facially contain arbitration provisions incorporating the AAA Commercial Rules and clearly delegate substantive arbitrability to the arbitrator. The court declines to compel arbitration as to the Estate of Drue A. Moore and the Redwood Trust because they were not parties to the operating agreements and no applicable exception was established.

CASE DETAILS

COURT	North Carolina Superior Court, North Carolina Business Court
WRITING FOR THE COURT	Matthew T. Houston
JURISDICTION	North Carolina Superior Court, North Carolina Business Court
DECIDED	June 9, 2026
DOCKET	25CV001214-310
DISPOSITION	other
PROCEDURAL POSTURE	Winthrop Intelligence LLC moved under North Carolina arbitration law to compel arbitration of its counterclaims and crossclaims for breach of operating agreement and expulsion against Redwood WI Holdings, the Redwood Trust, and the Estate of Drue Moore.
STANDARD OF REVIEW	On a motion to compel arbitration under N.C. Gen. Stat. § 1-569.7, the court proceeds summarily to determine whether an enforceable agreement to arbitrate exists; where arbitrability has been clearly and unmistakably delegated, substantive arbitrability is for the arbitrator, while the court initially determines whether a nonparty is bound by the arbitration agreement.
PRECEDENTIAL VALUE	Published North Carolina Business Court order and opinion

TOPICS

arbitration

contracts

limited liability companies

commercial litigation

civil procedure

PRACTICE AREAS

arbitration

contracts

commercial litigation

civil procedure

limited liability companies

QUESTIONS PRESENTED

1. Whether the operating agreements contained a valid facial agreement to arbitrate and clearly and unmistakably delegated substantive arbitrability to the arbitrator as between Winthrop and Redwood WI Holdings.
2. Whether the court or the arbitrator had to decide initially whether the Estate and Redwood Trust, as alleged non-signatories, were bound by the operating agreements' arbitration provisions.
3. Whether the Estate and Redwood Trust were bound to arbitrate under delegation, alter-ego or veil-piercing, or acceptance-of-benefits estoppel theories.

HOLDINGS

1. The operating agreements facially established an agreement to arbitrate between Winthrop and Redwood WI Holdings, and incorporation of the AAA Commercial Rules clearly and unmistakably delegated substantive arbitrability issues to the arbitrator. The court therefore compelled arbitration of Winthrop's claims against Redwood WI Holdings for breach of operating agreement and expulsion.
2. A court, not an arbitrator, must initially decide whether a nonparty is bound by or may invoke a purported arbitration agreement, notwithstanding a delegation provision.
3. Winthrop failed to establish an agreement to arbitrate between itself and either the Estate or Redwood Trust. Delegation, alter-ego or veil-piercing, and acceptance-of-benefits estoppel theories did not bind those entities to the operating agreements.

KEY QUOTATIONS

“Unless the parties clearly and unmistakably provide otherwise, the question of whether the parties agreed to arbitrate is to be decided by the court, not the arbitrator.” (§ 42)

“Where the parties expressly incorporate the AAA Commercial Rules, or a similar set of arbitration rules that provide for the arbitrator’s resolution of substantive arbitrability issues, this constitutes a “clear[] and unmistakabl[e]” sign that the parties intended to delegate substantive arbitrability to the arbitrator.” (§ 44)

“a court, not an arbitrator . . . must initially decide whether a nonparty is bound by or has recourse under a putative arbitration agreement, regardless of any delegation provision therein.” (§ 55)

“Generally, a non-party is not bound by a contract to which it is not a party.” (§ 56)

FACTUAL BACKGROUND

Winthrop Intelligence LLC's 2020 and 2024 operating agreements contained arbitration provisions incorporating the American Arbitration Association Commercial Rules. Redwood WI Holdings was identified as a party to the operating agreements, but neither the Redwood Trust nor the Estate of Drue Moore was identified as a party. Winthrop alleged misconduct and sought arbitration of claims for breach of operating agreement and expulsion, but the court found that Winthrop had not shown that the Estate or Redwood Trust was bound by the agreements or that alter-ego, delegation, or estoppel theories applied.

PROCEDURAL HISTORY

Winthrop initially sought arbitration of claims against the plaintiffs, but that earlier motion was denied for lack of supporting evidence. Winthrop later asserted counterclaims and crossclaims, amended them, and moved to compel arbitration of the reasserted breach-of-operating-agreement and expulsion claims. The parties stipulated that the motion would be treated as timely as to the corresponding amended claims. The court granted arbitration as to Redwood WI Holdings, denied it as to the Estate and Redwood Trust, and stayed the referred proceedings.

DISPOSITION

other

CASES CITED

- Hobbs Staffing Servs. v. Lumbermens Mut. Cas. Co., 168 N.C. App. 223, 225 (2005)
- Park v. Merrill Lynch, Pierce, Fenner & Smith, Inc., 159 N.C. App. 120, 122 (2003)
- Perry v. Thomas, 482 U.S. 483 (1987)
- Earnhardt Plumbing, LLC v. Thomas Builders, Inc., 924 S.E.2d 844, 849 (N.C. App. 2025)
- Local Soc., Inc. v. Stallings, 2017 NCBC LEXIS 94, at *9-10 (N.C. Super. Ct. Oct. 9, 2017)
- Carter v. TD Ameritrade Holding Corp., 218 N.C. App. 222, 226 (2012)
- Howell v. Heafner, 2020 NCBC LEXIS 105, at *16-23 (N.C. Super. Ct. Sept. 11, 2020)
- Rickenbaugh v. Power Home Solar, LLC, 2019 NCBC LEXIS 109, at *10 (N.C. Super. Ct. Dec. 20, 2019)
- Terrell v. Kernersville Chrysler Dodge, LLC, 252 N.C. App. 414, 418-19 (2017)
- Slaughter v. Swicegood, 162 N.C. App. 457, 461 (2004)
- BG Grp. PLC v. Republic of Arg., 572 U.S. 25, 34 (2014)
- Howsam v. Dean Witter Reynolds, Inc., 537 U.S. 79, 84 (2002)
- Bailey v. Ford Motor Co., 244 N.C. App. 346, 352-53 (2015)
- AT&T Techs., Inc. v. Commc'ns Workers of Am., 475 U.S. 643, 649 (1986)
- Epic Games, Inc. v. Murphy-Johnson, 247 N.C. App. 54, 63-64 (2016)
- Rent-A-Center, W., Inc. v. Jackson, 561 U.S. 63, 70-71 (2010)
- Buckeye Check Cashing, Inc. v. Cardegna, 546 U.S. 440, 444 n.1 (2006)
- Rogers v. Tug Hill Operating, LLC, 76 F.4th 279, 286 (4th Cir. 2023)
- Arthur Andersen LLP v. Carlisle, Arthur Andersen LLP v. Carlisle, 556 U.S. 624, 630-32 (2009)
- Barrow v. Murphrey, 95 N.C. App. 738, 741 (1989)

- Insurance Co. v. Chantos, 293 N.C. 431, 438 (1977)
- Richardson Assocs. v. Lincoln-Devore, 806 P.2d 790, 806-07 (Wyo. 1991)
- Pennaco Energy, Inc. v. KD Co., 363 P.3d 18, 23 (Wyo. 2015)
- In re Southeastern Eye Ctr., 2019 NCBC LEXIS 29, at *124 (N.C. Super. Ct. May 7, 2019)
- GreenHunter Energy, Inc. v. W. Ecosystem Tech., Inc., 337 P.3d 454, 462-64 (Wyo. 2014)
- Estate of Rivas v. Fred Smith Constr., Inc., 258 N.C. App. 13, 15-17 (2018)
- Carolina Medicorp v. Bd. of Trs. of the Tchrs.' & State Emps.' Comprehensive Major Med. Plan, 118 N.C. App. 485, 492-93 (1995)
- Brooks v. Hackney, 329 N.C. 166, 173 (1991)
- Black v. De Black, 1 P.3d 1244, 1250 (Wyo. 2000)
- Bicycle Transit Auth., Inc. v. Bell, 314 N.C. 219, 228 (1985)
- Woody v. Vickrey, 276 N.C. App. 427, 440 (2021)
- Apollo Computer, Inc. v. Berg, 886 F.2d 469, 473 (1st Cir. 1989)
- Contec Corp. v. Remote Sol. Co., 398 F.3d 205, 211 (2d Cir. 2005)
- Zirpoli v. Midland Funding, LLC, 48 F.4th 136, 144 (3d Cir. 2022)
- Casa Arena Blanca LLC v. Rainwater ex rel. Est. of Green, 2022 U.S. App. LEXIS 7473, 2022 WL 839800, at *4 (10th Cir. Mar. 22, 2022)
- Eckert/Wordell Architects, Inc. v. FJM Props. of Willmar, LLC, 756 F.3d 1098, 1100 (8th Cir. 2014)
- Kramer v. Toyota Motor Corp., 705 F.3d 1122 (9th Cir. 2013)
- Snipes v. Titlemax of Va., 285 N.C. App. 176, 186-87 (2022)
- Hall v. Dancy, 2018 NCBC LEXIS 63, at *6-8 (N.C. Super. Ct. July 27, 2018)
- AP Atl., Inc. v. Crescent Univ. City Venture, LLC, 2016 NCBC LEXIS 60, at *16 (N.C. Super. Ct. July 28, 2016)