

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF
NORTH CAROLINA, ASHEVILLE DIVISION

**G.P. Sullins Land Company, LLC v. GPS QRTZ Corp. a/k/a GPS
Quartz Corp., Frank Salvati, and Blair Krueger; GPS QRTZ Corp.
and Sagegate Corporation v. G.P. Sullins Land Company, LLC, et al.**

Civil Case No. 1:23-cv-00325-MR-WCM (W.D.N.C. June 9, 2026) · No. 1:23-cv-00325-MR-WCM · Decided
June 9, 2026

SUMMARY

This memorandum of decision and order addresses motions to dismiss and motions for partial summary judgment in a business dispute concerning alleged agreements to acquire interests in G.P. Sullins Land Company, LLC, which owns quartz-mining property in Mitchell County, North Carolina. The court declines to treat prior briefing statements as dispositive judicial admissions and holds that the amended counterclaims plausibly allege contractual, agency, ratification, and related claims. The court therefore denies the challenged motions as to the claims discussed in the provided text.

CASE DETAILS

COURT	United States District Court for the Western District of North Carolina, Asheville Division
WRITING FOR THE COURT	Martin Reidinger, Chief United States District Judge
JURISDICTION	United States District Court for the Western District of North Carolina, Asheville Division
DECIDED	June 9, 2026
DOCKET	1:23-cv-00325-MR-WCM
DISPOSITION	other
PROCEDURAL POSTURE	The court ruled on motions to dismiss amended counterclaims and motions for partial summary judgment in a removed diversity action concerning alleged agreements relating to ownership and development of quartz-mining property.
STANDARD OF REVIEW	Under Federal Rule of Civil Procedure 12(b)(6), the court accepted well-pleaded factual allegations as true and determined whether the claims stated plausible grounds for relief, disregarding bare legal conclusions. Under Rule 56, summary judgment was appropriate only if no genuine dispute of material fact existed and the movant was

entitled to judgment as a matter of law; the court viewed the evidence and drew reasonable inferences in favor of the nonmovant and did not weigh evidence or determine credibility.

PRECEDENTIAL VALUE

nonprecedential

TOPICS

motions to dismiss

summary judgment

contracts

commercial litigation

minerals

PRACTICE AREAS

civil procedure

contracts

commercial litigation

corporate law

real estate

minerals

QUESTIONS PRESENTED

1. Whether prior statements in motion-to-dismiss briefing constituted binding judicial admissions that Sullins was not a party to the alleged Acquisition Agreement.
2. Whether the amended counterclaims plausibly alleged that Sullins and its members were bound by, or ratified, the alleged Acquisition Agreement and its implied duty of good faith and fair dealing.
3. Whether the amended counterclaim plausibly alleged breach of the alleged Management Services Agreement.
4. Whether the conversion claim adequately alleged ownership and wrongful possession or denial of access to personal property.
5. Whether the counterclaim for misappropriation of trade secrets adequately identified trade secrets and alleged reasonable efforts to maintain their secrecy.
6. Whether the fraud and negligent-misrepresentation counterclaims plausibly alleged actionable representations concerning agency and authority, reliance, and a duty of care.
7. Whether the unfair-and-deceptive-trade-practices counterclaim had an adequate underlying tort predicate.
8. Whether a preliminary injunction could be asserted as an independent counterclaim.
9. What action was required regarding the served but nonappearing Estate of Garret Randolph Moss.

HOLDINGS

1. Statements in prior motion-to-dismiss briefing were not treated as claim-dispositive judicial admissions establishing that Sullins was not a party to the Acquisition Agreement.
2. The amended counterclaims plausibly alleged claims against Sullins for breach of the Acquisition Agreement and breach of the implied duty of good faith and fair dealing; the claims were not barred at the pleading stage by judicial admission.
3. The amended counterclaims plausibly alleged that the officers and managing members who accepted the Acquisition Agreement had authority to bind the members or that the members ratified the agreement.

4. The amended counterclaim plausibly alleged breach of the Management Services Agreement.
5. The conversion counterclaim was sufficiently pleaded as to the Exploratory Drilling Results because the allegation that Sullins denied GPS access to and wrongfully took possession of the property was enough to raise the claim above the speculative level.
6. The counterclaim for misappropriation of trade secrets failed to state a plausible claim and was dismissed.
7. The fraud and negligent-misrepresentation counterclaims plausibly alleged actionable representations concerning the authority of Sullins members to bind others and could proceed.
8. The unfair-and-deceptive-trade-practices counterclaim plausibly stated a claim because the fraud and negligent-misrepresentation allegations supplied an adequate predicate.
9. A preliminary injunction is not an independent cause of action, so the tenth counterclaim was dismissed as a nullity.

KEY QUOTATIONS

“However, a preliminary injunction is not a cause of action, and the Counterclaim Plaintiffs have never separately moved for a preliminary injunction.” (Section IV.G)

“The Court will dismiss the Counterclaim Plaintiffs’ misappropriation of trade secrets and preliminary injunction claims, but the Counterclaim Defendants’ motions to dismiss and for summary judgment will otherwise be denied.” (Section V)

FACTUAL BACKGROUND

Sullins owns an approximately 225-acre North Carolina property believed to contain highly valuable high-purity quartz, and forty-nine members hold interests in Sullins. GPS and Sagegate alleged that Sullins members and representatives accepted an Acquisition Agreement under which a new corporation would acquire the members’ interests, fund exploration and development, and provide consideration to the members. They further alleged that the parties acted consistently with that arrangement, including by forming GPS, conducting meetings, entering an oral Management Services Agreement, making monthly payments, and conducting exploratory drilling. Sullins later stopped making payments, denied that any ownership agreement existed, and allegedly denied GPS access to drilling results and other information.

PROCEDURAL HISTORY

G.P. Sullins Land Company filed a declaratory-judgment action in North Carolina state court in August 2023 and later amended the complaint to add a North Carolina Securities Act claim. Defendants removed the action to the Western District of North Carolina, asserted counterclaims, and later filed amended counterclaims. Sullins and various counterclaim defendants moved to dismiss; Sullins also moved alternatively for partial summary judgment on several counterclaims and separately moved for partial summary judgment on its declaratory-judgment claim. The court dismissed the trade-secret-misappropriation and preliminary-injunction counterclaims, denied the remaining motions, and directed the counterclaim plaintiffs to take action concerning the nonappearing Estate of Garret Randolph Moss.

DISPOSITION

other

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Aziz v. Alcolac, Inc., 658 F.3d 388, 391 (4th Cir. 2011)
- Walters, 684 F.3d at 439
- Ballengee v. CBS Broadcasting, Inc., 968 F.3d 344, 349 (4th Cir. 2020)
- News & Observer Publishing Co. v. Raleigh-Durham Airport Authority, 597 F.3d 570, 576 (4th Cir. 2010)
- Jacobs v. North Carolina Administrative Office of the Courts, 780 F.3d 562, 568-69 (4th Cir. 2015)
- Adams v. UNC Wilmington, 640 F.3d 550, 556 (4th Cir. 2011)
- Bouchat, 346 F.3d at 522
- Everett v. Pitt County Board of Education, 788 F.3d 132, 141 (4th Cir. 2015)
- Flexi-Van Leasing, Inc. v. Travelers Indemnity Co., 837 F. App'x 141, 145-46 (4th Cir. 2020)
- Meyer v. Berkshire Life Insurance Co., 372 F.3d 261, 264-65 (4th Cir. 2004)
- New Amsterdam Casualty Co. v. Waller, 323 F.2d 20, 24 (4th Cir. 1963)
- Flexible Foam Products, Inc. v. Vitafoam Inc., 980 F. Supp. 2d 690, 700 (W.D.N.C. 2013)
- Norman v. Nash Johnson & Sons' Farms, Inc., 140 N.C. App. 390, 414, 537 S.E.2d 248, 264 (2000)
- Variety Wholesalers, Inc. v. Salem Logistics Traffic Services, LLC, 365 N.C. 520, 523, 723 S.E.2d 744, 747 (2012)
- TSC Research, LLC v. Bayer Chemicals Corp., 552 F. Supp. 2d 534, 542 (M.D.N.C. 2008)
- Hoch v. Young, 63 N.C. App. 480, 483, 305 S.E.2d 201, 203 (1983)
- Krawiec v. Manly, 370 N.C. 602, 608-12, 811 S.E.2d 542, 547-49 (2018)
- Sysco Machinery Corp. v. DCS USA Corp., 143 F.4th 222, 228-29 (4th Cir. 2025)
- Value Health Solutions, Inc. v. Pharmaceutical Research Associates, Inc., 385 N.C. 250, 264, 891 S.E.2d 100, 112 (2023)
- Rountree v. Chowan County, 252 N.C. App. 155, 158, 160-61, 796 S.E.2d 827, 830-32 (2017)
- CPI Security Systems, Inc. v. Vivint Smart Home, Inc., 145 F.4th 390, 401 (4th Cir. 2025)