

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

**CITY OF WALLED LAKE,**

**Plaintiff,**

**v**

**Case No. 2019-173611-CB**  
**Hon. Martha D. Anderson**

**MICHIGAN ASSOCIATION OF PUBLIC EMPLOYEES,**

**Defendant.**

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**OPINION AND ORDER REMOVING CASE FROM BUSINESS COURT**

On April 30, 2019, Plaintiff filed the present Complaint, primarily alleging that Defendant has violated its contractual obligation with respect to the mandatory city manager hearing that is outlined in the parties' collective bargaining agreement.

The matter was initially assigned to the Honorable Rae Lee Chabot, who entered an Order of Assignment to the Business Court – indicating that this is a business or commercial dispute because all of the parties are business enterprises. See MCL 600.8031(1)(c)(i). Consequently, this matter was reassigned to the Business Court.

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 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 of a limited liability company or a similar business organization, directors, officers, agents, employees, suppliers, guarantors of a commercial loan, 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.  
MCL 600.8031(1)(c).

MCL 600.8031(1)(b) defines a business enterprise as “a sole proprietorship, partnership, limited partnership, joint venture, limited liability company, limited liability partnership, for-profit or not-for-profit corporation or professional corporation, business trust, real estate investment trust, or any other entity in which a business may lawfully be conducted in the jurisdiction in which the business is being conducted.”

In the present action, Plaintiff City of Walled Lake characterizes itself as a municipal corporation, which is not identified as a business enterprise in the afore-mentioned statute. The Court observes that the Honorable Shalina D. Kumar, Chief Judge of the Oakland County Circuit Court, recently removed a case, namely Coeus, LLC v City of Walled Lake, et al. Case Number 2018-170030-CB, from Business Court on the grounds that: (1) municipal corporations are not typically contemplated to be a part of the Business Court with some exceptions; and, (2) the case at hand does not involve a true business dispute.<sup>1</sup>

Likewise, this Court finds that the present lawsuit does not involve a true business dispute on account of the fact that the case strictly deals with a collective bargaining agreement between the city and the union. Since this matter involves municipal government labor issues, the Court

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<sup>1</sup> On March 28, 2019, Judge Kumar entered the Order Granting Motion for Determination of Walled Lake Defendants, which granted the motion for the reasons stated by the Court on the record of March 27, 2019.

will not consider the City of Walled Lake as a business enterprise within the language and/or meaning of MCL 600.8031(1)(b).

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

For these reasons, the lawsuit is excluded from business court jurisdiction and the Court respectfully orders the case to be re-coded CL and reassigned back to the general civil docket of the Honorable Rae Lee Chabot.

**IT IS SO ORDERED.**

May 20, 2019  
Date

/s/ Martha D. Anderson  
Hon. Martha D. Anderson  
Chief Circuit Judge Pro Tem