

NEWS

Moore & Van Allen Secures \$2.5 Million Jury Verdict

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Moore & Van Allen PLLC (MVA) is pleased to announce that on December 11, 2019, following a two-week trial, a jury in the North Carolina Business Court awarded its client, W. Avalon Potts, \$2.5 million, including \$500,000 in punitive damages. This win thereby earned Potts ownership and management of Steel Tube, Inc. (STI), one of the largest carbon steel and galvanized steel tubing manufacturers in the southeastern U.S.

The jury found that the defendant, a now-former shareholder of STI, had engaged in a course of self-dealing to the detriment of STI and Potts. The jury also found the defendant directly and through close family members had diverted STI's business opportunities and caused STI to enter into unfair contracts to the detriment of STI and Potts. The jury found the defendant liable on all counts, including breach of his fiduciary duties to STI, constructive fraud, conversion, and fraud. In addition to the damages award, MVA successfully obtained the defendant's shares in STI, securing Potts' role as 100% owner of STI.

MVA also successfully defended Potts and a separate related company against the defendant's counterclaims; all were dismissed on a directed verdict after the defendant's evidence.

Charlotte Litigation members Mark Nebrig and John Floyd led the trial team representing Potts. Other team members included MVA's Ben Shook, Raquel MacGregor, and Matt Hawkins.

"We are grateful to the jury and the court for their careful consideration of the evidence and law. The successful verdict proves our courts and juries will protect a shareholder from misconduct," Nebrig said.