



OKLAHOMA

Task Force for the Study of Business Courts

- **Governor J. Kevin Stitt**
- **State Supreme Court**
- **Pro Tempore**
- **Speaker**



OKLAHOMA

Task Force for the Study of Business Courts

JON ECHOLS, Chair
Governor J. Kevin Stitt

HONORABLE DON ANDREWS
Chief Justice John Kane

HONORABLE TRACY PRIDDY
Chief Justice John Kane

SPENCER PITTMAN
Governor J. Kevin Stitt

ADAM DOVERSPIKE
President Pro Tempore of the Senate,
Greg Treat

TERRY O'DONNELL
Speaker of the House of
Representatives, Charles McCall

GARY DERRICK
Governor J. Kevin Stitt

JEFF STARLING
Speaker of the House of
Representatives, Charles McCall

DENNIS CAMERON
President Pro Tempore of the Senate,
Greg Treat

BRANDON WATSON
President Pro Tempore of the Senate,
Greg Treat

LANE WILSON
Governor J. Kevin Stitt

The Honorable Governor J. Kevin Stitt, President pro Tempore designate Paxton, Speaker designate Hilbert, and members of the Legislature:

We would like to thank each of you for the opportunity to serve as members on the Task Force for the Study of Business Courts (“Task Force”). As a working task force with diverse backgrounds and qualifications, we have accepted our duties and responsibilities loyally and moved quickly to study, evaluate, and make recommendations regarding policies and proposed legislation.

In our brief time together, the Task Force has worked diligently to examine what it would entail to support the creation of business courts in the state of Oklahoma. The initial meeting of the task force was formally called and held on Sept. 17, 2024. At this initial meeting, the Task Force formed three subcommittees. The Task Force additionally met on Nov. 8, 2024, and Dec. 3, 2024. In these meetings, the Task Force took into consideration all private, legislative, and government experience brought to the table. Our work has been precise, collaborative, and expedient.

The Task Force has reviewed the preliminary report before the final vote to approve, disapprove, or modify the preliminary report recommendations on Dec. 3, 2024.

This initial phase of the committee’s work demonstrates a collective commitment to informed, research-based decision-making, and it lays a strong foundation for further development of our proposals. It is the hope that our study, discussion, evaluation, and votes, based on facts, experience and findings, help in assisting each of you and the Legislature in making imperative decisions moving forward.

Enclosed is the Task Force submission of recommendations. Immediately following this letter and recommendations are the Appendix of Reports and research taken into consideration and held for discussion within our team.

Pursuant to the power and authority vested in Task Force by Senate Bill 473, we humbly submit our recommendations.

Respectfully,

<i>Jon Echols</i>	<i>Honorable Don Andrews</i>	<i>Honorable Tracy Priddy</i>
<i>Spencer Pittman</i>	<i>Adam Doverspike</i>	<i>Terry O’Donnell</i>
<i>Gary Derrick</i>	<i>Jeff Starling</i>	<i>Dennis Cameron</i>
<i>Brandon Watson</i>	<i>Lane Wilson</i>	



Purpose of Business Courts

Over twenty-five states have adopted business courts, which provide significant benefits for businesses through efficient dispute resolution. Specialization in complex commercial matters allows judges to develop expertise, resulting in more informed and consistent rulings. Business courts streamline procedures to resolve cases faster, reducing disruptions for businesses and providing a predictable legal environment essential for strategic planning. Flexible procedural rules allow tailored approaches for business litigation, and many courts encourage alternative dispute resolution, leading to quicker outcomes and lower costs. By offering a reliable forum, business courts foster a favorable climate for investment and economic growth. Given these advantages, the Task Force recommends that Oklahoma implement business courts.

Jurisdiction

It is the recommendation of the Task Force to implement a jurisdictional scheme that explicitly outlines the types of cases the business courts can and cannot hear. This approach has been adopted by a majority of states because it provides clarity, uniformity, and efficiency to litigants and the court system. As used herein, the term “business dispute” shall mean where the primary factual basis involves the innerworkings of a business in addition to other disputes specifically listed.

1. Except as provided in subsection (b), the Oklahoma Business Courts shall have authority to:
 - a. Exercise concurrent jurisdiction and the powers of a court of equity, to the extent that such powers are exercised:
 - i. Notwithstanding the amount in controversy, where equitable relief is requested in business dispute:
 1. Arising under the Oklahoma “Uniform Arbitration Act.” 12 O.S. § 1851, et seq.



2. Arising under the Oklahoma “Uniform Trade Secrets Act.”
3. 78 O.S. § 85, et seq.
4. Arising under the “Oklahoma Uniform Securities Act of 2004.” 71 O.S. § 1-101, et seq.
5. Arising under the Oklahoma “Uniform Commercial Code.” 12A § 1-101, et seq.
6. Arising under the “Oklahoma General Corporation Act.” 18 O.S. § 1001, et seq.
7. Arising under the “Oklahoma Revised Uniform Partnership Act.” 54 O.S. § 1-100, et seq.
8. Arising under the Oklahoma “Uniform Limited Partnership Act of 2010.” 54 O.S. § 500-101A, et seq.
9. Arising under the “Oklahoma Limited Liability Company Act.” 18 O.S. § 2000, et seq.
10. Shareholder/unitholder derivative actions;
11. That relate to the internal affairs of businesses, including, but not limited to, rights or obligations between or among business participants regarding the liability or indemnity of business participants, officers, directors, managers, trustees, controlling shareholders or members, or partners;
12. Where the complaint includes a professional malpractice claim arising out of a business dispute;
13. Involving tort claims between or among two or more business entities or individuals as to their business or investment activities relating to contracts, transactions, or relationships between or among such entities or individuals;
14. For breach of contract, fraud, or misrepresentation between businesses arising out of business transactions or relationships;



15. Arising from e-commerce agreements; technology licensing agreements, including, but not limited to, software and biotechnology license agreements; or any other agreement involving the licensing of any intellectual property right, including, but not limited to, an agreement relating to patent rights; and
 16. Involving commercial real property; and
- ii. Where damages are requested, the amount in controversy shall be at least:
1. Two hundred and fifty thousand (250,000) dollars for claims under subparagraph (a); and
 2. Five hundred thousand (500,000) dollars for claims in complex cases.

For the purposes of ensuring there are proper judicial resources to handle the additional case load, it is the Task Force's recommendation that Complex Cases be a later addition to the Business Courts, anywhere from 2-6 years after implementation.

iii. Complex Cases

1. A "complex case" is an action that requires exceptional judicial management to avoid placing unnecessary burdens on the court or the litigants and to expedite the case, keep costs reasonable, and promote effective decision making by the court, the parties, and counsel.
2. In deciding whether an action is a complex case under (1)(a)(ii) (2), the court must consider, among other things, whether the action is likely to involve
 - i. Numerous hearings, pretrial and dispositive motions raising difficult or novel legal issues that will be time-consuming to resolve;
 - ii. Management of a large number of witnesses or a substantial amount of documentary evidence;



- iii. Management of a large number of separately represented parties;
 - iv. Multiple expert witnesses;
 - v. Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court;
 - vi. Substantial post judgment judicial supervision; or
 - vii. Legal or technical issues of complexity.
3. An action is provisionally a complex case if it involves one or more of the following types of claims:
- i. Antitrust or trade regulation claims;
 - ii. Intellectual property matters, such as trade secrets, copyrights, patents, etc.;
 - iii. Construction defect claims involving many parties or structures;
 - iv. Securities claims or investment losses involving many parties;
 - v. Environmental or toxic tort claims involving many parties;
 - vi. Product liability claims;
 - vii. Claims involving mass torts;
 - viii. Claims involving class actions;
 - ix. Ownership or control of business claims; or
 - x. Insurance coverage claims arising out of any of the claims listed in (1)(a)(iii)(3)(i) through (ix).
- b. Have supplemental jurisdiction over all pending claims that are so related to the claims in cases provided for under paragraph (1) of this subsection that such pending claims form part of the same case or controversy.



c. Exercise such other powers, not contrary to the Constitution, as are or may be given to such a court by law.

2. The Oklahoma Business Court shall not have authority to exercise jurisdiction over claims arising under federal or state law, as applicable, involving:

- a. Residential landlord and tenant disputes;
- b. To the extent not a business dispute, cases arising under the Oklahoma Deceptive Trade Practices Act, 78 O.S. § 53;
- c. Cases arising under the Oklahoma Consumer Protection Act, 15 O.S. § 751 et seq.;
- d. Personal injury and wrongful death actions;
- e. Matters involving domestic relations;
- f. Matters arising under Title 58 relating to probate;
- g. Matters by or against any governmental entity, political subdivision, arising under Title 19, or arising under the Oklahoma Governmental Tort Claims Act;
- h. Foreclosures;
- i. Individual consumer claims or transactions involving a retail customer of goods or services who uses or intends to use such goods or services primarily for personal, family, or household purposes; provided, however, that this paragraph shall not be construed to preclude the court from exercising jurisdiction over mass actions or class actions involving such individual consumer claims;
- j. Collection matters; or
- k. Cases that would generally be considered consumer transactions or human relation matters



Procedure

It is the recommendation of the Task Force to implement a procedural process that allows for: (1) direct filing, (2) sua sponte transfer, (3) removal, (4) supplemental jurisdiction, and (5) modern service requirements.

The Task Force recommends that litigants have the ability to directly file in the business court. Direct filing will allow both plaintiffs and defendants to bypass the transfer process from an otherwise proper venue. This procedure will achieve significant efficiency for all parties and the judicial system as it reduces costs and delays, eliminates the administrative burden of transfer on both parties and the court, and provides quicker outcomes for the litigants.

The Task Force recommends that the district judge be empowered to sua sponte transfer cases to the Business Court to the extent the Business Court has subject matter jurisdiction over the controversy. This will allow district judges discretion to transfer complex business cases to the business court when the expertise of the business judge is needed.

The Task Force recommends empowering litigants by allowing them to remove a case to the Business Court if the court has subject matter jurisdiction over the matter. The Task Force recommends adopting the Federal Rules of Civil Procedure for removing cases from the District Court.

The Task Force recommends that the Business Court have supplemental jurisdiction over all pending claims that are so related to the claims that they form part of the same case or controversy. This will promote efficiency for both litigants and the court by minimizing the risk of conflicting opinions and saving judicial resources.

The Task Force recommends that service of all filings should be accomplished electronically rather than by paper service. Electronic service will promote speed in the litigation process as email allows for immediate delivery, ensuring that parties receive notice without unnecessary delays associated with postal service. Further, efficiency is enhanced through electronic service as it eliminates the need for physical delivery and the associated cost of postage and handling. Moreover, electronic service provides a verifiable record of delivery and receipt. Additionally, the convenience of email allows parties to access documents from anywhere at any time, further facilitating communication and responsiveness in legal matters.



Lastly, adopting email for service of process aligns with modern communication practices and reflects the increasing reliance on digital methods in both personal and professional spheres. As more jurisdictions recognize these benefits, transitioning to electronic service can enhance the effectiveness and efficiency of the legal process overall.

Judicial Qualifications

The Task Force recommends setting out the minimum qualifications for a Business Court judge in the enabling statutes. Specifically, the Task Force recommends that a judge meet the following requirements:

- (1) be at least 35 years of age;
- (2) be a United States citizen;
- (3) be a licensed attorney in good standing in this state who has 10 or more years of experience in:
 - a) practicing complex civil business litigation;
 - b) practicing business transaction law;
 - c) serving as a judge of a court in this state with civil jurisdiction; or any combination of experience described by Paragraphs (A)-(C).

The Task Force further recommends establishing an appointment process for qualified business court judicial candidates. Furthermore, the Task Force recommends establishing term lengths and compensation structures that promote judicial stability by ensuring extended tenure but not an indefinite period of time.

Miscellaneous

A Business Court shall be a division of the district court.

Electronic filing

For speed and efficiency, the Judge should e-file orders and court generated documents, followed with a mailed copy. Every represented party in the case shall



maintain at least one attorney as a “service contact” in the case specific service contact list for e-service of documents filed by the Court. Further, parties should file all pleadings, motions, and other papers electronically.

Published Opinions

All opinions should be posted on the website of the Administrative Office of the Courts to assist lawyers and litigants in assessing and predicting outcomes in business issues before the Business Court, ensuring stare decisis.

Rules and Procedures

The Oklahoma Rules of Civil Procedure and the Oklahoma Rules of Evidence shall apply, and the Business Court shall have broad discretion to establish appropriate Rules to develop case management procedures to allow for more efficient handling of cases and produce quicker resolutions with reduced litigation expense. Rules specific to the Business Court shall remain uniform state-wide to avoid inconsistencies in judicial practice, disparities in case outcomes, and confusion among litigants and attorneys.

Staffing and Resources

Judges should have two law clerks each to assist in the drafting of opinions to ensure efficiency in thorough legal research, high-quality and timeliness of decisions, and the management of a more complex docket.

Technology

Technology, particularly electronic filing and video conferencing, will be utilized and encouraged.

Telephone Conferences

By leave of Court, Counsel may arrange for any proceeding or conference to be held via videoconference or telephone conference call by coordinating such hearing with the Business Court Docket Clerk. Counsel and other participants shall be subject to the same rules of procedure and decorum as if all participants were present in the courtroom.

Venue

Venue for the Business Courts shall be statewide.