

SAMPLE PETITION FOR JUDICIAL REMOVAL OF DIRECTORS

North Carolina Superior Court – Template

NOTE: This is a *template*. Your attorney will tailor it to your specific facts, exhibits, and county.

****STATE OF NORTH CAROLINA**

IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION [COUNTY NAME] COUNTY**

[Your POA's Legal Name], A North Carolina Nonprofit Corporation, **Defendant**.

**IN RE: PETITION OF MEMBERS HOLDING MORE THAN 10% OF THE VOTING POWER FOR
REMOVAL OF DIRECTORS UNDER NCGS §55A-8-10**

****PETITION FOR JUDICIAL REMOVAL OF DIRECTORS**

PURSUANT TO NCGS §55A-8-10**

NOW COME the Petitioners, members of **[POA Name]**, holding more than **10% of the votes entitled to be cast**, and hereby petition this Court for the removal of certain directors of the corporation pursuant to **North Carolina General Statute §55A-8-10**, and allege as follows:

I. JURISDICTION AND VENUE

1. **[POA Name]** (“the Corporation”) is a nonprofit corporation organized under the laws of North Carolina and subject to the North Carolina Nonprofit Corporation Act, Chapter 55A.
2. The Corporation’s **principal office is located in [County Name], North Carolina**, making venue proper in this Court pursuant to NCGS §55A-8-10(a).
3. Petitioners are members of the Corporation and collectively hold **more than 10% of the votes entitled to be cast**, satisfying the statutory requirement to commence this proceeding.

II. PARTIES

4. Petitioners are individual members of the Corporation, listed in **Exhibit A**, each of whom is entitled to vote in corporate matters.
5. Respondents are the current directors of the Corporation:
 - **[Director Name 1]**

- **[Director Name 2]**
- **[Director Name 3]**
- **[Director Name 4]** (collectively, “Respondent Directors”).

6. Pursuant to NCGS §55A-8-10(c), the **Corporation is named as a party defendant**.

III. FACTUAL ALLEGATIONS

7. Respondent Directors have engaged in **fraudulent, dishonest, and grossly abusive conduct** with respect to the Corporation, including but not limited to:

a. **Refusal to recognize duly adopted governing documents**, including the 2019 Bylaws approved by the membership. b. **Refusal to call a Special Meeting** demanded by more than 10% of the membership, in violation of NCGS §55A-7-02. c. **Failure to provide corporate records** upon member request, in violation of NCGS §55A-16-02. d. **Gross mismanagement of essential services**, including the water system, resulting in outages, unsafe conditions, and financial harm. e. **Actions taken outside the scope of authority**, including unlawful assessments, improper eligibility determinations, and arbitrary enforcement. f. **Breaches of fiduciary duty** under NCGS §55A-8-30 (duty of care and loyalty). g. **Conduct creating legal exposure** and financial risk to the Corporation.

8. These actions constitute violations of:

- NCGS §55A-8-30 (General Standards for Directors)
- NCGS §55A-8-31 (Conflicts of Interest)
- NCGS §55A-8-32 (Loans/Guaranties)
- NCGS §55A-8-33 (Liability for Unlawful Distributions)
- NCGS §55A-7-02 (Special Meetings)
- NCGS §55A-16-02 (Records Inspection)

9. Respondent Directors’ conduct has caused **substantial harm** to the Corporation, including:

- Loss of member confidence
- Operational instability
- Financial irregularities
- Exposure to litigation

- Breakdown of governance
 - Unsafe or unreliable water service
10. Removal of Respondent Directors is **in the best interest of the Corporation**, as required by NCGS §55A-8-10(a)(2).

IV. CLAIM FOR RELIEF

WHEREFORE, Petitioners respectfully request that this Court:

1. **Remove the Respondent Directors** from office pursuant to NCGS §55A-8-10.
2. **Bar the Respondent Directors** from serving on the Board for a period determined by the Court, pursuant to NCGS §55A-8-10(b).
3. Order the Corporation to conduct a **proper, lawful election** in accordance with its governing documents and North Carolina law.
4. Award Petitioners **costs and fees** as permitted by law.
5. Grant such other and further relief as the Court deems just and proper.

Respectfully submitted,

[Attorney Name] Attorney for Petitioners [Law Firm Name] [Address] [Phone] [Email]

Date: _____