

IN THE SUPERIOR COURT OF THE STATE OF DELAWARE

STEVENS & LEE, P.C.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. N25C-04-266 SPL
	)	
STRATUS VENTURE GROUP,	)	
SMOOTH OPERATIONS, INC.,	)	
SMOOTH OPERATIONS LLC, and	)	
BRIAN STREET,	)	
	)	
Defendants.	)	

Submitted: October 10, 2025

Decided: November 21, 2025

Upon Defendant Brian Street's Motion to Dismiss,

GRANTED.

Upon Defendant Brian Street's Motion for Attorneys' Fees,

DENIED.

ORDER

This 21st day of November 2025, upon consideration of Defendant Brian Street's "Motion to Dismiss the Amended Complaint,"¹ Stevens & Lee, P.C.'s

¹ D.I. 28 ("Def. Mot."), 29 ("Def. Brf.").

(“Stevens & Lee”) response,² Defendant’s reply,³ the parties’ oral arguments,⁴ and the record in the case, it appears to the Court that:

BACKGROUND

1. Stratus Venture Group (“Stratus”) hired Stevens & Lee to represent Smooth Operations, Inc. and Smooth Operations, LLC, (“Smooth Companies”) in Delaware litigation captioned *Sunbeam Products, Inc. v. Smooth Operations, Inc., et al*, Delaware Superior Court, Case No. N21C-08-060 PRW CCLD.⁵

2. On October 18, 2021, Street, as Stratus’s President and on behalf of Stratus, signed an engagement letter with Stevens & Lee.⁶ The engagement letter explained Stevens & Lee’s billing rates and invoicing procedure.⁷ Stevens & Lee reserved the right to “cease performing work for the Companies and to withdraw from representing them if they failed to make timely payments of the invoices sent to them.”⁸

² D.I. 37 (“Pl. Resp.”).

³ D.I. 39 (“Def. Reply”).

⁴ D.I. 41.

⁵ D.I. 22 (“Am. Compl.”) at ¶¶ 10, 11; Am. Compl. Ex. B (“Engagement Letter”).

⁶ See Engagement Letter.

⁷ Am. Compl. at ¶ 12.

⁸ Am. Compl. at ¶ 14; (Stevens & Lee’s use of “Companies” refers to Stratus, Smooth Operations, Inc., and Smooth Operations, LLC. Am. Compl. at 1 (preceding numbered paragraph 1)).

3. From October 18, 2021, through November 7, 2022, Street paid Stevens & Lee for the work the firm provided the Companies.⁹ After November 7, 2022, Stevens & Lee's invoices went unpaid.¹⁰

4. On April 21, 2023, Stevens & Lee contacted Street to address the April 12, 2023, invoice.¹¹ Then, on January 26, 2024, Stevens & Lee sent a Demand of Immediate Payment of Services letter to Street;¹² Street did not respond.¹³

5. Stevens & Lee sued Street, Stratus Venture Group, and Smooth Companies for \$95,056.62 – the outstanding balance for the legal services Stevens & Lee provided Stratus.¹⁴ Stevens & Lee alleges Smooth Companies “breached the Engagement Letter by failing to pay each invoice in full upon receipt,”¹⁵ and asserts quasi-contract and promissory estoppel claims against Street.¹⁶ Street moved to dismiss, arguing Stevens & Lee failed to establish jurisdiction over him in Delaware

⁹ Am. Compl. at ¶¶ 1, 16, 18.

¹⁰ Am. Compl. ¶¶ 18-22.

¹¹ Am. Compl. ¶¶ 24, 25.

¹² Am. Compl. ¶ 26.

¹³ Am. Compl. ¶ 27.

¹⁴ Am. Compl. ¶¶ 1, 2.

¹⁵ Am. Compl. ¶ 32.

¹⁶ Am. Compl. ¶¶ 40-77.

and, in any event, that Stevens & Lee failed to state a claim on which relief can be granted.¹⁷

LEGAL STANDARDS

6. Upon a motion to dismiss for lack of personal jurisdiction under Superior Court Civil Rule 12(b)(2), the plaintiff has the burden of showing a basis for this Court's jurisdiction over a nonresident defendant.¹⁸ If, as here, there has been no evidentiary hearing or meaningful discovery, the Court evaluates whether the plaintiff has made a prima facie showing of personal jurisdiction based on the record as a whole, including the complaint, affidavits, and the parties' briefs.¹⁹ "The Court, accepts all well-pleaded factual allegations in the complaint as true, unless contradicted by affidavit, construes the record in the light most favorable to the nonmoving party, and draws all reasonable inferences in favor of the nonmoving party."²⁰

¹⁷ See Def. Mot.; see Def. Brf.

¹⁸ Super Ct. Civ. R. 12(b)(2); *AeroGlobal Cap. Mgmt., LLC v. Cirrus Indus., Inc.*, 871 A.2d 428, 437 (Del. 2005).

¹⁹ *Green Am. Recycling, LLC v. Clean Earth, Inc.*, 2021 WL 2211696, at *3 (Del. Super. Ct. June 1, 2021).

²⁰ *Degregorio v. Marriott Int'l, Inc.*, 2018 WL 3096627, at *5 (Del. Super. Ct. June 20, 2018).

7. Delaware Superior Court Civil Rule 12(b)(6) governs a motion to dismiss for failure to state a claim upon which relief can be granted.²¹ When assessing a motion to dismiss under this rule, this Court must:

(1) Accept all well pleaded factual allegations as true, (2) accept even vague allegations as “well pleaded” if they give the opposing party notice of the claim, (3) draw all reasonable inferences in favor of the non-moving party, and (4) do not affirm a dismissal unless the plaintiff would not be entitled to recover under any reasonably conceivable set of circumstances.²²

ANALYSIS

A. Stevens & Lee fails to establish jurisdiction over Street.

8. Street asserts that the Court must dismiss Stevens & Lee’s claims against him because the Court lacks personal jurisdiction over him.²³ Stevens & Lee contends that they “made a prima facie showing that Street personally transacted business in Delaware; therefore, he is subject to the Court’s jurisdiction under Section 3104(c)(1) of Delaware’s long-arm statute.”²⁴

9. To determine whether the Court has personal jurisdiction over a party, Delaware Courts apply a two-part test. First, the Court considers “whether

²¹ Super. Ct. Civ. R. 12(b)(6).

²² *Cent. Mortg. Co. v. Morgan Stanley Mortg. Capital Holdings LLC*, 27 A.3d 531, 535 (Del. 2011).

²³ Def. Mot. at 6.

²⁴ Pl. Ans. at 7.

Delaware's Long Arm Statute is applicable.”²⁵ Second, the Court evaluates “whether subjecting the nonresident to jurisdiction in Delaware violates the Due Process Clause of the Fourteenth Amendment (the so-called “minimum contacts” requirement).”²⁶ In construing the Long-Arm statute, the Court must interpret it “broadly to the maximum extent permissible under the Due Process Clause.”²⁷ “In other words, the [Delaware] Supreme Court has instructed that trial courts should permit service under § 3104 if the statutory language plausibly permits service, and rely upon a Due Process analysis to screen out uses of the statute that sweep too broadly.”²⁸

10. Under 10 *Del. C.* § 3104(c)(1), “a court may exercise personal jurisdiction over any nonresident, or a personal representative, who in person or through an agent . . . transacts any business or performs any character of work or service in the State.”²⁹ To establish jurisdiction over Street under 10 *Del. C.* § 3104(c), Stevens & Lee must establish Street engaged in conduct giving rise to a cause of action; they contend that Street contacted Stevens & Lee to represent Stratus

²⁵ *AeroGlobal Cap. Mgmt.*, 871 A.2d at 438.

²⁶ *Id.*

²⁷ *Tell v. Roman Catholic Bishops of Diocese of Allentown*, 2010 WL 1691199, at *8 (Del. Super. Ct. Apr. 26, 2010) (citing *LaNuova D & B, S.p.A. v. Bowe, Inc.*, 513 A.2d 764, 768 (Del. 1986)).

²⁸ *Sample v. Morgan*, 935 A.2d 1046, 1056 (Del. Ch. 2007).

²⁹ 10 *Del. C.* § 3104(c)(1).

and the Smooth Companies in Delaware litigation and subsequently paid fees related to this representation out of a personal account.³⁰

11. Stevens & Lee agreed to represent Stratus and the Smooth Companies in Delaware litigation. Street, in his corporate capacity, arranged for this representation. To the extent Stevens & Lee seeks to “pierce the corporate veil” to assert jurisdiction over Street, this Court, of course, lacks that authority.³¹ Further, Delaware Courts, under the “fiduciary shield doctrine,” decline to allow “acts performed by an individual, in his capacity as a corporate officer or employee, from serving as the basis for personal jurisdiction over that individual.”³² While there is an exception to this doctrine where the corporation serves merely as a shell for the individual,³³ this exception is not invoked here. There is no statutory basis to assert jurisdiction over Street. And, because 10 *Del. C.* § 3104 does not permit the exercise

³⁰ Am. Compl. ¶ 10; Pl. Resp. at 8.

³¹ *Cale Johnson Construction, Inc., v. Bucher*, 2025 WL 635756, at *3 (Del. Super. Ct. Feb. 27, 2025) (citing *Yu v. GSM Nation, LLC*, 2018 WL 2272708 at *6 (Del. Super. Ct. Apr. 24, 2018)). “The Delaware Court of Chancery has sole subject matter jurisdiction over actions to pierce the corporate veil and therefore, the Delaware Superior Court lacks jurisdiction over such claims.” *Id.*

³² *Marketing Products Management, LLC v. HealthandBeautyDirect.com, Inc.*, 2004 WL 249581, at *3 (Del. Super. Ct. Jan. 28, 2004) (citing *Tristrata Technology, Inc. v. Neoteric Cosmetics, Inc.*, 961 F.Supp. 686, 690 (D. Del. 1997)).

³³ *Id.*

of jurisdiction over Street, the Court need not engage in a due process analysis. Stevens & Lee's claims against Street must be dismissed.

B. Stevens & Lee fails to state a claim for relief against Street

12. Alternatively, Street contends that Stevens & Lee failed to state a claim, and the Court should dismiss the case against him under Rule 12(b)(6).³⁴ Stevens & Lee contend they have met “Delaware’s ‘minimal’ pleading standard,” and have provided “the required ‘general notice of the claims asserted.’”³⁵ They assert “Street personally benefited from Stevens & Lee’s legal representation” and therefore, Stevens & Lee has a valid claim against him.³⁶ Street contends Stevens & Lee has no claim because the engagement letter governs the contract between Stevens & Lee and Stratus.³⁷

13. “Courts developed unjust enrichment, or quasi-contract, as a theory of recovery to remedy the absence of a formal contract.”³⁸ A claim is not available “if there is a contract that governs the relationship between parties that gives rise to the

³⁴ Def. Brf. at 9.

³⁵ Pl. Resp. at 10 (internal citations omitted) (cleaned up).

³⁶ Pl. Resp. at 2.

³⁷ Def. Reply at 4.

³⁸ *Alltrista Plastics, LLC v. Rockline Industries, Inc.*, 2013 WL 5210255, at *11 (Del. Super. Ct. Sept. 4, 2013) (quoting *ID Biomedical Corp. v. TM Technologies, Inc.*, 1995 WL 130743, at *15 (Del. Ct. Mar. 16, 1995)).

unjust enrichment claim.”³⁹ For these reasons “when the complaint alleges an express, enforceable contract that controls the parties’ relationship, a claim for unjust enrichment will be dismissed.”⁴⁰

14. Here, the parties do not dispute that a contract governs the relationship between Stratus and Stevens & Lee. The engagement letter dictates Stratus’s payment of fees to Stevens & Lee for legal services performed, and Stratus’s failure to make payment under the engagement letter prompted this litigation. The contract imposes no obligation on Street. Because the contract controls the subject matter of this litigation and defines the relationship between Stratus and Stevens & Lee, Stevens & Lee’s quasi-contract claim against Street must be dismissed.

15. To prove a promissory estoppel claim, Stevens & Lee must show that (1) a promise was made, (2) that promise induced action, (3) they relied on that promise, and (4) such promise is binding.⁴¹ Again, the terms and conditions of the engagement letter between Stevens & Lee and Stratus controls the relationship. Street, acting as an agent of Stratus, paid Stevens & Lee for their work. To the extent Stevens & Lee relied on this payment to induce action, that action favored Stratus (and the Smooth Companies) and not Street. Street made no promise to Stevens &

³⁹ *Id.*

⁴⁰ *Id.* (cleaned up).

⁴¹ *Lord v. Souder*, 748 A.2d 393, 399 (Del. 2000).

Lee in his individual capacity.⁴² Stevens & Lee’s promissory estoppel claim against Street, too, fails.

C. Street is not entitled to attorneys’ fees.

16. Street contends that “[i]f the Court dismisses the claims against Street, which it should, Stevens & Lee should be required to pay the attorneys’ fees that Street incurred in moving to dismiss both the original complaint and the amended complaint.”⁴³ Stevens & Lee counters that, regardless of the outcome, its “claims against Street are not frivolous” and they “have not acted in bad faith.”⁴⁴

17. “Delaware follows the ‘American Rule’ in awarding attorneys’ fees, which provides that a litigant must, himself, defray the cost of being represented by counsel.”⁴⁵ Limited exceptions to the American Rule exist; attorneys’ fees may be shifted where:

(i) recovery of fees is provided by statute or court rule; (ii) there is a contractual provision regarding entitlement to attorneys’ fees; (iii) a party has acted in bad faith in connection with the conduct of the litigation process; (iv) a party fails to abide by a court order or is held

⁴² Complaint ¶ 19 (Stevens & Lee in their complaint state “Street confirmed he would arrange to “resolve the unpaid invoices.” The complaint never stated that Street promised to pay the unpaid invoices.).

⁴³ Def. Op. Brf. at 19.

⁴⁴ Pl. Resp. at 16.

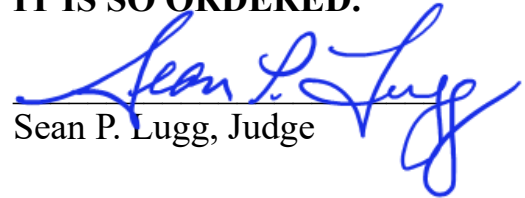
⁴⁵ *In re Delaware Public Schools Litigation*, 312 A.3d 703, 715 (Del. 2024) (citations omitted) (cleaned up).

in contempt; and (v) the action results in the creation, protection or distribution of a common fund or confers a corporate benefit.⁴⁶

None of these exceptions apply here. While the Court concludes that Stevens & Lee fails to establish jurisdiction over Street, it does not find that Stevens & Lee acted in bad faith in connection with this litigation. The Court denies Street's request for attorneys' fees.

For the reasons set forth herein, Street's Motion to Dismiss is **GRANTED**, and his request for attorneys' fees is **DENIED**.

IT IS SO ORDERED.


Sean P. Lugg, Judge

⁴⁶ *Id.* at 716.