

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ANUJ GUPTA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No. 2024-1296-SEM
	)	
STEFAN SAFKO and SCOTT	)	
HARVEY,	)	
	)	
Defendants.	)	

ORDER GRANTING MOTION TO DISMISS

WHEREAS, on December 13, 2024, Anuj Gupta (the “Plaintiff”) filed a complaint (the “Complaint”) against Stefan Safko and Scott Harvey (the “Defendants”) seeking inspection of certain books and records of nonparty Solrice Research, Inc. (DBA Civil Maps) (“Solfice”) under 8 *Del. C.* § 220 (“Section 220”);¹

WHEREAS, with the Complaint, the Plaintiff filed a letter stating he did not seek the expedited process customary to a Section 220 matter; thus, the case was stayed by the Chancellor;² on February 13, 2024, the Plaintiff requested that I lift the stay after a final 90-day negotiation window;³ I did so through minute order on February 14, 2025, which provided: “The request is granted; unless the parties

¹ Docket Item (“D.I.”) 1 (“Compl.”).

² D.I. 10–11.

³ D.I. 12–16.

jointly request otherwise, the stay will be lifted on May 15, 2025. If the stay is lifted, the parties will have one week to file a jointly proposed case scheduling order[;]”

WHEREAS, on May 15, 2025, the Plaintiff moved for expedited proceedings, which I promptly denied explaining: “Per my February 14, 2025 minute order, the stay on this action is lifted and the motion to expedite is denied as moot. The plaintiff must effectuate service on the defendants without delay, and the parties shall file a proposed expedited schedule within one week[;]”⁴ summonses were then issued and counsel entered an appearance for the Defendants on August 21, 2025;⁵

WHEREAS, on that same date, the Defendants filed a motion to dismiss (the “Motion”) under Court of Chancery Rules 12(b)(2), (5), (6) and (7), and, on September 11, 2025, the Defendants submitted their opening brief in support of the Motion arguing, in part, that the Plaintiff has not established stock ownership and that the Defendants, as individuals, are not the proper defendants to name in a complaint to compel inspection;⁶

WHEREAS, on September 12, 2025, the Plaintiff filed a motion purportedly seeking entry of a short-form order denying the Motion and granting tailored relief

⁴ D.I. 18–20.

⁵ D.I. 24.

⁶ D.I. 25; D.I. 30. Before the Defendants filed their brief, the Plaintiff made two arguably responsive filings: an affidavit in support addressing stock ownership, filed on August 29, 2025 and a combined opposition brief to the Motion and request for tailored relief under Section 220 on September 3, 2025. D.I. 27–28.

under Section 220 (the “Answering Brief”);⁷ the Plaintiff attempted to supplement the Answering Brief through an affidavit of support filed on September 20, 2025, and an affidavit of stockholder status on September 22, 2025 (the “Supplemental Submissions”);

WHEREAS, on September 19, 2025, the Defendants filed a reply brief in response to the Plaintiff’s Answer,⁸ in the Defendants’ reply, they request sanctions under Court of Chancery Rule 11, for the Plaintiff’s seeming use of generative artificial intelligence (“GenAI”);

WHEREAS, the following facts are accepted as true solely for purposes of adjudicating the Motion:⁹

A. In a letter dated September 28, 2022, the Plaintiff, as a purported record holder of 1,191,666 shares of Solrice common stock, formally demanded inspection of Solrice’s books and records under Section 220 (the “Demand”).¹⁰ The Demand, which is attached to the Complaint as Exhibit A, was made on the Plaintiff’s behalf (and on behalf of two other individuals), through counsel with the support of a power

⁷ D.I. 32.

⁸ D.I. 34.

⁹ See *Wal-Mart Stores, Inc. v. AIG Life Ins. Co.*, 860 A.2d 312, 318 (Del. 2004) (“Under Rule 12(b)(6), the facts alleged in the complaint are taken as true.”).

¹⁰ D.I. 6.

of attorney.¹¹ The Demand did not reference or include a certificate or documentary evidence of stock ownership.¹²

B. Despite the Plaintiff's follow up, "comprehensive responses [to the Demand] were not provided."¹³

C. On December 13, 2024, the Plaintiff filed this action, seeking a court order compelling the Defendants, personally, to provide the Plaintiff with access to the books and records requested in the Demand.¹⁴

D. The Plaintiff attached to the Complaint, as Exhibit D, a stock certificate that identifies Solrice as a Delaware Corporation and states Anuj Gupta owns 1,191,666 shares of Solrice common stock. The certificate, however, is stamped "CANCELED".¹⁵

¹¹ *Id.*

¹² *Id.*

¹³ Compl. p. 5, ¶6.

¹⁴ D.I. 1. Through the Complaint, the Plaintiff does not provide any factual allegations about the Defendants' relationship to him, Solrice, or the Demand, nor does he provide any insight into what happened between the date of the Demand (September 28, 2022), and the date this action was initiated (December 13, 2024).

¹⁵ D.I. 9. In ending my factual recitation here, I am expressly rejecting any attempt by the parties to inject unpled factual predicate through motion practice and other filings, including the Supplemental Submissions. My ruling here is under Court of Chancery Rule 12(b)(6) for which I must constrain myself to the well-pled allegations in the Complaint. *See Malpiede v. Townson*, 780 A.2d 1075, 1082 (Del. 2001) ("The complaint ordinarily defines the universe of facts from which the trial court may draw in ruling on a motion to dismiss."); *In re Santa Fe Pacific Corp. S'holder Litig.*, 669 A.2d 59, 68 (Del. 1995) ("Generally, matters outside the pleadings should not be considered in ruling on a motion to dismiss.").

WHEREAS, under Court of Chancery Rule 12(b)(6) “the court (i) accepts as true all well-pleaded factual allegations in the complaint, (ii) credits vague allegations if they give the opposing party notice of the claim, and (iii) draws all reasonable inferences in favor of the plaintiff[;] [w]hen applying this standard, dismissal is inappropriate unless the plaintiff would not be entitled to recover under any reasonably conceivable set of circumstances susceptible of proof[;]”¹⁶ the Court “need not accept conclusory allegations as true, nor should inferences be drawn unless they are truly reasonable[;]”¹⁷

WHEREAS, Section 220 affords stockholders of Delaware Corporations the right to inspect a corporation’s books and records for a proper purpose;¹⁸ any demand to inspect books and records made prior to February 17, 2025 is governed by a previous version of Section 220 (“Legacy 220”), without account to amendments made effective March 25, 2025;¹⁹ under Legacy 220, a plaintiff seeking books and records must first provide the corporation the opportunity to avoid litigation by making a written demand, under oath, compliant with the form and manner requirements of Section 220 and a complaint seeking production will be dismissed

¹⁶ *Delawareans for Educ. Opportunity v. Carney*, 2018 WL 4849935, at *9 (Del. Ch. Oct. 5, 2018).

¹⁷ *MaD Invs. GRMD, LLC v. GR Cos.*, 2020 WL 6306028, at *2 (Del. Ch. Oct. 28, 2020).

¹⁸ 8 *Del. C.* § 220(b) (2010).

¹⁹ 85 Del. Laws, c. 6, § 2 (2025).

when a plaintiff fails to plead its compliance with this procedure;²⁰ when a plaintiff demonstrates such compliance and that there is a basis for court-ordered inspection, this Court may “order the *corporation* to permit the stockholder to inspect the corporation’s stock ledger, an existing list of stockholders, and its other books and records[;]”²¹

WHEREAS, Court of Chancery Rule 11(b) provides: “By presenting to the Court a pleading, written motion, or other paper—whether by signing, filing, submitting, or later advocating it—an attorney or unrepresented party certifies that to the best of the person’s knowledge, information, and belief, formed after an inquiry reasonable under the circumstances: the claims, defenses, and other legal contentions are warranted by existing law or by a nonfrivolous argument for extending, modifying, or reversing existing law or for establishing new law;”

WHEREAS, “[t]he [unrepresented party’s] duty is one of reasonableness under the circumstances; a subjective good faith belief in the legitimacy of a claim does not alone satisfy the requirements of Rule 11[;]”²²

²⁰ 8 *Del. C.* § 220(b) (2010); see *Smith v. Horizon Lines, Inc.*, 2009 WL 2913887, at *2–3 (Del. Ch. Aug. 31, 2009) (dismissing a books and records action for failure to comply with the Section 220 form and manner requirements).

²¹ 8 *Del. C.* § 220(c) (emphasis added).

²² *ASX Inv. Corp. v. Newton*, 1994 WL 178147, at *1 (Del. Ch. May 3, 1994).

IT IS HEREBY ORDERED this 21st day of November 2025, as follows:

1. The Motion is **GRANTED**, but the Defendants' request for sanctions under Rule 11 is **DENIED**, without prejudice. The rights under Section 220 may be enforced through a court-ordered production from the corporation, not its officers or former officers. There are no conceivable set of circumstances under which the Plaintiff would be entitled to recover against the Defendants to enforce his alleged inspection rights. Stated another way, the Plaintiff has not pled sufficient factual predicate to state a reasonably conceivable claim for inspection of books and records against the Defendants.²³

2. The Plaintiff's arguments against dismissal are unavailing.²⁴

a. First, the Plaintiff retorts that the Defendants' alleged previous possession of documents while serving as Solrice officers is sufficient to establish a "fiduciary duty" to maintain the records and produce books and records in response to a Section 220 demand.

But the Plaintiff's fiduciary duty argument is unpled and

²³ This Court need not reach the Defendants' other theories for dismissal under Rules 12(b)(2), (5), and (7) because the Plaintiff has not stated a claim for relief under Rule 12(b)(6).

²⁴ The Plaintiff has made a myriad of arguments in response to the Motion, all of which I have reviewed and considered. See D.I. 28 (the Plaintiff's first 58-page opposition with Exhibits A-F), D.I. 32 (the Plaintiff's 67-page opposition brief with Exhibits A-D, L), D.I. 35 (the Plaintiff's 13-page affidavit with Exhibits A-E). I have not, however, endeavored to summarize all such arguments here and decline to address those that are not directly responsive to the Rule 12(b)(6) arguments, which I find dispositive.

unpersuasive. Section 220(c) is clear; a stockholder’s right to inspect may be enforced against “the corporation[.]”²⁵ And, even if I entertained his fiduciary duty argument, the Plaintiff has failed to plead a reasonably conceivable claim that the Defendants owed and breached any duty that may have been owed to the Plaintiff and for which he would have standing to seek relief.

- b. Second, the Plaintiff argues that Court of Chancery Rule 21 “forecloses dismissal for misjoinder or nonjoinder—the remedy is joinder or amendment, and [the] Plaintiff has undertaken that cure.”²⁶ The Plaintiff then attempted, though his filing on September 12, 2025, to amend the caption to add Shanmukha Sravan Puttagunta as an additional plaintiff and Solrice as a nominal defendant. The Plaintiff’s argument misses the mark and his attempt to resolve this issue falls flat. Initially, the Plaintiff’s decision to bring this action against the Defendants was not “misjoinder” under Rule 21. And adding Solrice as a nominal defendant does not fix the issue; the Plaintiff failed to state a claim for relief, even if Solrice is joined as a nominal defendant.

²⁵ 8 *Del. C.* § 220(c).

²⁶ D.I. 28.

c. Third, and finally, the Plaintiff decries the Defendants' decision to file a pleading-stage motion in this summary proceeding, which is typically ill advised. But this general rule gives way when there is an obvious pleading deficiency, like here. The Defendants' pleading-stage motion was not only appropriate but prevails and the Complaint should be dismissed.

3. In sum, the Plaintiff has not alleged facts under which this Court is authorized to provide a remedy to the Plaintiff and against the named Defendants. The Motion should be granted.

4. The Defendants' request for sanctions should, however, be denied, without prejudice. The Plaintiff's filings do appear to have been generated through GenAI, which raises several concerns about the Plaintiff's ability to satisfy Rule 11's dictates. Careless use of GenAI poses substantial risks to the legal system, "including wasting the opposing party's time and money, the Court's time and resources, and reputational harms to the legal system (to name a few)."²⁷ Because of these potential harms, a party may be sanctioned for submitting false or nonexistent legal authority to the court.²⁸ Given the Plaintiff's self-represented capacity, and without any clear

²⁷ *An v. Archblock, Inc.*, 2025 WL 1024661 at *2 (Del. Ch. Apr. 4, 2025) (quoting *Morgan v. Cmty. Against Violence*, 2023 WL 6976510, at *8 (D.N.M. Oct. 23, 2023)).

²⁸ *Id.* (quoting *Anon. v. New York City Dep't of Educ.*, 2024 WL 3460049, at *7 (S.D.N.Y. July 18, 2024)).

showing of hallucinations or glaring legal or factual misrepresentations in his filings, sanctions are not warranted.

5. But I will require the Plaintiff to certify any future use of GenAI and the Plaintiff is hereby warned that this leniency will not continue. The Plaintiff must ensure every future filing satisfies his obligation to this Court, including that the filing is truthful, accurate, and cites to legitimate legal authorities. Any future filings must also include a certification required which addresses the use of GenAI.²⁹

6. The certification shall be a sworn statement by the Plaintiff, that:
- a. Confirms GenAI was used to prepare the court filing;
 - b. Identifies the GenAI tool, model, or platform used;
 - c. Identifies the specific pages, paragraphs, and/or sections of the court filing that were created using GenAI; and
 - d. Confirms that any text in the court filing prepared using GenAI has undergone a human review for accuracy and completeness. This includes confirming that any citation to legal authority is accurate and that the authority stands for the cited provision.

²⁹ This order follows the lead of Judge Brennan and Vice Chancellor Will. *See Lillard v. Offit Kurman, P.A.*, 2025 WL 800833 (Del. Super. Mar. 12, 2025) (ORDER); *An v. Archblock, Inc.*, 2025 WL 1024661 (Del. Ch. Apr. 4, 2025).

7. The Plaintiff's failure to comply with this certification requirement may result in sanctions.

8. This is a final report under Court of Chancery Rule 144.

IT IS SO ORDERED.

/s/ Selena E. Molina
Senior Magistrate in Chancery
Selena E. Molina