IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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<tr><td>CENTENE CORPORATION,

Plaintiff,

v.

CENTURION EQUITY, INC.,

Defendant.</td><td>)
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Submitted: May 12, 2026
Decided: July 16, 2026

MEMORANDUM OPINION

Centene Corporation's Motion for Partial Judgment on the Pleadings –
GRANTED in part, DEFERRED in part.

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Catherine G. Dearlove, Esquire, Kyle H. Lachmund, Esquire, Mari Boyle, Esquire and Daniel M. Boucot, Esquire of RICHARDS, LAYTON & FINGER, P.A., Wilmington, DE, *Attorneys for Centurion Equity, Inc*.

Adams, J.[1]

[1] Sitting as a Vice Chancellor of the Court of Chancery of the State of Delaware by designation of the Chief Justice of the Supreme Court of Delaware pursuant to In re Designation of Actions Filed Pursuant to In re: DESIGNATION OF THE HONORABLE MEGHAN A. ADAMS under Del. Const. art. IV § 13(2) dated May 30, 2025.

Before the Court is a contractual dispute between Centene Corporation ("Centene") and Centurion Equity, Inc. ("Centurion"). In 2023, Centurion acquired Centene's correctional healthcare business pursuant to a stock purchase agreement (the "SPA"). The Parties now disagree on how SPA provisions concerning indemnification, post-closing adjustments to consideration, and forum selection should be interpreted.

These disagreements led to the filing of three separate but related actions. Centurion first filed an action against Centene in the U.S District Court for the District of Delaware ("District Court"). Centene then filed its own action in the Court of Chancery. The District Court later dismissed the Centurion complaint without prejudice. Centurion subsequently filed a nearly identical action in the Court of Chancery, and the Court of Chancery actions are now coordinated.

Centene has filed a Motion for Partial Judgment on the Pleadings (the "Motion"), which addresses the allegations in both complaints. Centene's Motion seeks declaratory judgment and specific performance. Centene argues the Court should declare: (i) Centurion breached the SPA by failing to honor its indemnification obligations; (ii) Centurion breached the SPA by failing to pay Centene an upward adjustment to post-closing consideration; and (iii) Centurion breached the SPA by filing an action in District Court. Centene also argues

Centurion should be ordered to specifically perform the fulfilment of over forty indemnification demands submitted by Centene.

Centene's Motion further seeks complete dismissal of Centurion's complaint and an award of attorneys' fees and costs resulting from Centurion's alleged breach of the SPA's forum selection clause. For the reasons stated below, the Court **GRANTS** in part and **DEFERS** in part Centene's Motion.

I. FACTUAL BACKGROUND[2]

A. The Parties

Centene is a Delaware corporation and managed care company "that operates as an intermediary between government-sponsored and privately insured healthcare programs."[3] Non-party Health Net Life Reinsurance Company ("HealthNet"), a Cayman Islands entity, is a wholly-owned indirect subsidiary of Centene.[4] HealthNet operates as Centene's captive insurer.[5]

Centurion is a Texas corporation that owns all outstanding equity in non-party MHM Services, Inc. ("MHM").[6] MHM, previously owned by Centene, is a Delaware corporation and correctional healthcare business.[7]

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[2] Because Centene has filed this Motion, and for simplicity, the Court cites to the docket for case number 2025-0619 unless necessary to do otherwise.
[3] (2025-0619) D.I. 1 ["Centene Compl."] ¶ 11.
[4] *Id.* ¶ 14.
[5] *Id.*
[6] *Id.* ¶ 12.
[7] *Id.* ¶ 13.

B. Centene acquires MHM and provides insurance through HealthNet—its captive.

In 2018, Centene acquired MHM for an aggregate purchase price of $255 million.[8] The acquisition followed the pair forming a joint venture providing "staffing and healthcare services to correctional systems and other governmental agencies[.]"[9] Once the acquisition was completed, the joint venture was consolidated so MHM would be under Centene's corporate umbrella.[10]

Like other correctional healthcare businesses, MHM was and remains frequently subject to a high volume of medical malpractice suits.[11] This volume makes it difficult, if not impossible, to find commercial insurance companies that insure against similar risk.[12] When Centene owned MHM, its solution to this problem was providing MHM with medical malpractice insurance through HealthNet.[13] This was accomplished "via a fronting arrangement provided by certain commercial insurance companies."[14]

Under the arrangement, HealthNet agreed to indemnify commercial insurers for liabilities assumed under applicable insurance policies covering MHM (the

[8] *Id.* ¶ 18.
[9] *Id.*
[10] *Id.*
[11] *Id.* ¶ 19.
[12] *Id.*
[13] *Id.*
[14] *Id.*

"Reinsurance Policies").[15] HealthNet also agreed to indemnify these insurers for costs related to covered medical malpractice claims exceeding the retention amounts set forth in the Reinsurance Policies.[16] MHM paid premiums to commercial insurers, which then paid premiums to HealthNet.[17] This arrangement lasted four years until Centene decided to divest itself from MHM and the prison healthcare business.[18]

C. Centene sells all MHM's outstanding equity to Centurion through a stock purchase agreement.

In 2022, Centene began shopping MHM for sale.[19] Centene sought to obtain the highest possible price for MHM while eliminating Centene's risk of future liability related to the MHM business.[20] Centene ran a competitive auction process involving multiple potential buyers.[21] Centene ultimately chose Centurion as the winning bidder.[22]

According to Centene, indemnification rights were a significant area of focus during sale negotiations.[23] Centene required a buyer assume all future liabilities regarding the MHM business, and Centurion met this criterion by being willing to offer extremely broad indemnification coverage.[24] Centene, because of Centurion's

[15] *Id.* ¶ 20.
[16] *Id.*
[17] *Id.*
[18] *Id.* ¶ 21; Feb. 12, 2026, Oral Argument Transcript ["Tr."] at 7:10-16.
[19] *Id.* ¶¶ 21-22.
[20] *Id.* ¶ 21. Centene also sought to eliminate all risk for its affiliates, including HealthNet. *Id.*
[21] *Id.* ¶ 22.
[22] *Id.* ¶¶ 22-23.
[23] *Id.* ¶ 23.
[24] *Id.*

willingness to cover future MHM-related expenses, agreed to a much lower upfront purchase price for MHM.[25]

On January 10, 2023, the Parties executed the SPA.[26] Pursuant to the SPA, Centene agreed to sell all outstanding shares of MHM capital stock to Centurion.[27] In exchange, Centene received a cash payment, broad indemnification rights, the right to a contingent payment (the "Contingent Payment"), and a right to an upward adjustment of the Contingent Payment (the "Contingent Adjustment").[28]

D. The SPA provides broad indemnification rights to Centene for MHM-related losses.

Under the SPA, Centene received broad indemnification rights for MHM-related losses.[29] These losses included those arising from pre-closing conduct and operations of MHM.[30] The Parties were careful, however, to ensure that any indemnification payments made to Centene, or any indemnified party, would not constitute double recovery.[31] The SPA therefore provides procedures to reduce the

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[25] *Id.* Centene agreed to an upfront purchase price of $35 million, representing a multiple of about 1.4x annual EBITA. *Id.* The $35 million upfront purchase price was significantly lower than the aggregate purchase price of $255 million Centene had paid about five years earlier. Tr. 7:10-16.
[26] *Id.* ¶¶ 2, 38.
[27] *Id.* ¶ 2.
[28] *Id.* ¶ 4.
[29] *Id.* ¶ 27; Centene Compl. Ex. 1 ["SPA"] § 8.2.
[30] SPA § 8.2(d).
[31] *See* SPA § 8.5 (prohibiting double recovery through an indemnified party receiving both loss-related benefits and indemnification payments or through an indemnified party seeking recovery through multiple provisions of the SPA).

indemnifiable losses an indemnifying party must pay by loss-related benefits an indemnified party has or will receive.[32]

E. The SPA provides Centene with a right to the Contingent Payment.

The Parties agreed upon a post-sale mechanism for increasing consideration due to Centene.[33] The Florida Department of Corrections ("FDC") had issued an invitation to negotiate, which functioned as a request for proposal.[34] The Parties anticipated that, pursuant to this invitation to negotiate, Centurion would enter a contract with the FDC once it acquired MHM (the "New Florida Contract.").[35] If Centurion executed the New Florida Contract post-closing, Centene would receive the Contingent Payment as additional consideration.[36]

F. The SPA provides Centene with a right to the Contingent Adjustment based upon New Florida Contract revenue.

The Parties also agreed that the Contingent Payment would be subject to an upward or downward adjustment based upon revenue generated in the New Florida Contract's first year.[37] An upward adjustment would occur if the New Florida Contract's revenue exceeded $421 million in its first year, and a downward

[32] SPA § 8.5(a).
[33] Centene Compl. ¶ 37; SPA § 1.4(c)(i).
[34] Centene Compl. ¶ 37; SPA § 1.4(c)(i).
[35] Centene Compl. Ex. 2 ["Contingent Adjustment Letter"] at 2.
[36] SPA § 1.4(c)(i) ("In the event . . . Buyer . . . enters into . . . a [c]ontract with the Florida Department of Corrections with respect to FDC ITN-22-042 or . . . a [c]ontract with the Florida Department of Corrections with respect to any substitute or substantially similar invitation to negotiate . . . Buyer shall pay to Seller the Contingent Payment[.]")
[37] Centene Compl. ¶ 37; SPA § 1.4(c)(ii).

adjustment would occur if that same revenue threshold was not met.[38] The procedures for Centurion to determine the Contingent Adjustment, and for Centene to verify and dispute Centurion's calculations, were provided in the SPA.[39]

G. Centurion pays Centene the Contingent Payment but refuses to pay the Contingent Adjustment.

On June 30, 2023, Centurion executed the New Florida Contract and subsequently paid Centene the Contingent Payment.[40] Centurion later calculated that the New Florida Contract generated $503,245,884 in revenue for its first year.[41] Centurion shared the calculations with Centene and acknowledged in a December 2024 letter (the "Contingent Adjustment Letter") that "the revenue numbers under [the New Florida Contract] certainly exceeded the $421mm base level in the SPA."[42]

In the same letter, however, Centurion requested Centene waive the Contingent Adjustment.[43] Centurion explained it had experienced a GAAP net loss of approximately $18.3 million in the New Florida Contract's first year.[44] Centurion reasoned that the combination of Centurion's net losses, Centurion's "clear expectation" that the New Florida Contract would be profitable in its first year, and

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[38] Centene Compl. ¶ 37; SPA § 1.4(c)(ii).
[39] SPA §§ 1.4(c)(ii), 1.5.
[40] Centene Compl. ¶¶ 39-40.
[41] *Id.* ¶¶ 42-43.
[42] *Id.* ¶¶ 42-44; Contingent Adjustment Letter at 1.
[43] Contingent Adjustment Letter at 2.
[44] *Id.* at 1.

Centurion's previous payment of the Contingent Payment justified forgoing the Contingent Adjustment.[45] Centene disagreed and denied Centurion's request.[46]

H. Centurion refuses to indemnify Centene for losses arising from the pre-closing conduct and operations of MHM.

Since Centene and Centurion executed the SPA, Centene—through HealthNet—has continued to incur MHM-related losses.[47] HealthNet continues to pay legal fees and settlement costs in excess of applicable retention amounts under the Reinsurance Policies.[48] These fees and costs originate from post-closing medical malpractice claims—filed against MHM—arising from pre-closing MHM conduct and operations ("Tail Claims").[49]

In March 2023, Centene, pursuant to the process outlined in the SPA, began sending Centurion indemnification demands for these losses.[50] Between March 16, 2023, and May 29, 2025, Centene delivered over forty separate indemnification demands.[51] The losses outlined in these demands amount to $8,543,143.00.[52]

45 *Id.* at 2.
46 Centene Compl. ¶ 45.
47 *Id.* ¶ 46.
48 *Id.*
49 *Id.*
50 *Id.* ¶ 47; *See* D.I. 10 ["Mot. for PJP"] Ex. 1 (presenting forty-three indemnification demands submitted to Centurion by Centene).
51 Centene Compl. ¶ 50.
52 *Id.*

Centurion never responded to these demands other than requesting Centene stop sending demands.[53] HealthNet continues to incur similar losses.[54]

I. Centurion brings an action against Centene in the U.S. District Court for the District of Delaware.

On April 30, 2025, Centurion filed an action against Centene in District Court.[55] Centurion presented four claims: 1) Declaratory Judgment;[56] 2) Request for an Accounting;[57] 3) Specific Performance of Contract;[58] and 4) Other Matters.[59] Underlying these claims was Centurion's position that the SPA required Centene to reduce their indemnifiable losses before Centurion's obligation to indemnify arose.[60]

J. The Parties bring actions against each other in the Delaware Court of Chancery.

On June 3, 2025, Centene filed an action against Centurion in the Court of Chancery.[61] Centene's Complaint contains three counts: 1) Breach of Contract for

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[53] *Id.* ¶ 51.
[54] *Id.* ¶ 53.
[55] Centene Compl. ¶ 56; Mot. for PJP Ex. 3 ["Federal Compl."].
[56] Federal Compl. ¶¶ 14-19. Centurion requested that the Court declare that (i) "the amount of 'Indemnifiable Losses,' if any have been incurred, shall be reduced (retroactively if necessary) by any insurance proceeds …, any Tax benefits actually realized … or other amounts that are received … by or on behalf of Centene or its Affiliates" and (ii) Centene "has no right to recover any Indemnifiable Losses from Centurion because it cannot prove that they have exceeded any insurance proceeds, any tax benefits, and any other amounts." *Id.* ¶¶ 14-19.
[57] *Id.* ¶¶ 20-25. Centurion requested the Court order "an accounting by Centene so that the amount of insurance proceeds, any tax benefits, and any other amounts as set forth in the SPA can be determined in this proceeding." *Id.* ¶ 25.
[58] *Id.* ¶¶ 26-29. Centurion requested the Court "require Centene to specifically perform and cause [HealthNet to] promptly repay, or cause to be repaid, to Centurion a sum equal to the amount of such insurance proceeds or other amounts actually received." *Id.* ¶ 29.
[59] *Id.* ¶¶ 30-31.
[60] Centene Compl. ¶ 57.
[61] *Id.*

failure to indemnify;[62] 2) Breach of Contract for failure to pay the Contingent Amount;[63] and 3) Declaratory Judgment.[64] On July 14, 2025, Centurion filed its Answer.[65]

On June 20, 2025, the District Court dismissed, without prejudice, Centurion's federal case against Centene.[66] Centurion refiled its federal complaint—with minimal changes—in the Court of Chancery on July 10, 2025.[67] On August 4, 2025, Centene filed its Answer.[68] On August 17, 2025, the Court granted a proposed order governing coordination of the two cases.[69]

K. Centene files a Motion for Partial Judgment on the Pleadings.

On August 18, 2025, Centene filed its Motion for Partial Judgment on the Pleadings.[70] On October 16, 2025, Centurion filed its brief in response to Centene's Motion.[71] On November 17, 2025, Centene filed its reply brief in further support of

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[62] *Id.* ¶¶ 63-74.
[63] *Id.* ¶¶ 75-82.
[64] *Id.* ¶¶ 83-90. Centene seeks for the Court to declare that "the SPA does not permit Centurion to refuse to honor its indemnification obligations until (i) Centene proves that its indemnifiable Losses have not exceeded any insurance proceeds, tax benefits, or other amounts that may reduce such indemnifiable Losses under the SPA, or (ii) the parties conduct an accounting." *Id.* ¶ 90.
[65] (*2025-0619*) D.I. 7 ["Centurion Ans."].
[66] The District Court granted the Parties' Stipulation of Dismissal Without Prejudice. Mot. for PJP Ex. 5. *See* Mot. for PJP Ex. 6 (showing that the District Court dismissed Centurion's federal action against Centene on June 20, 2025).
[67] (*2025-0802*) D.I. 1 ["Centurion Compl."]; *See* Federal Compl. (showing that the complaint Centurion filed in District Court is nearly identical to the complaint Centurion filed in this Court).
[68] (*2025-0802*) D.I. 8 ["Centene Ans."].
[69] (*2025-0619*) D.I. 9.
[70] Mot. for PJP.
[71] (*2025-0619*) D.I. 14 ["PJP Ans. Br."].

its Motion.[72] The Court held oral argument on February 12, 2026.[73] This opinion resolves Centene's Motion.

II. STANDARD OF REVIEW

"A motion for judgment on the pleadings may be granted only when no material issue of fact exists and the movant is entitled to judgment as a matter of law."[74] On a motion for judgment on the pleadings, the court's review is "limited to the contents of the pleadings" and "documents incorporated therein."[75] The court "accord[s] parties opposing a . . . motion [for judgment on the pleadings] the same benefits as a party [opposing] a motion [to dismiss for failure to state a claim]."[76]

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[72] (*2025-0619*) D.I. 16 ["PJP Reply Br."].

[73] (*2025-0619*) D.I. 21; (*2025-0802*) D.I. 17. Following oral argument, Centurion obtained new counsel to represent Centurion in these actions. Counsel for Centurion subsequently filed a Motion for Leave to File Supplemental Briefing, which was denied by the Court on May 12, 2026. (2025-0619) D.I. 27, 39.

[74] *Vill. Prac. Mgmt. Co. v. West*, 342 A.3d 295, 319-20 (Del. 2025) (quoting *Desert Equities, Inc. v. Morgan Stanley Leveraged Equity Fund, II, L.P.*, 624 A.2d 1199, 1205 (Del. 1993)).

[75] *Textron, Inc. v. Endurance Am. Ins. Co.*, 346 A.3d 639, 646 (Del. Super. 2025) (quoting *W. Coast Opportunity Fund, LLC v. Credit Suisse Secs. (USA), LLC*, 12 A.3d 1128, 1132 (Del. 2010)); *Jiménez v. Palacios*, 250 A.3d 814, 827 (Del. Ch. 2019) (citations omitted) ("On a Rule 12(c) motion, the Court may consider documents integral to the pleadings, including documents incorporated by reference and exhibits attached to the pleadings, and facts subject to judicial notice")).

[76] *Festival Fun Parks, LLC v. MS Leisure Co.*, 2023 WL 8714994, at *4 (Del. Super. Dec. 18, 2023) (citing *McMillan v. Intercargo Corp.*, 768 A.2d 492, 500 (Del. Ch. 2000)). The benefits a non-moving party receives under Court of Chancery Rule 12(b)(6) are well-settled: "(i) all well-pleaded factual allegations are accepted as true; (ii) even vague allegations are "well-pleaded" if they give the opposing party notice of the claim; [and] (iii) the Court must draw all reasonable inferences in favor of the non-moving party[.]" *Erste Asset Mgmt. GmbH v. Hees*, 341 A.3d 1008, 1025 (Del. 2025) (quoting *Savor, Inc. v. FMR Corp.*, 812 A.2d 894, 896-897 (Del. 2002)).

"[J]udgment on the pleadings is . . . a proper framework for enforcing unambiguous contracts because there is no need to resolve material disputes of fact."[77]

III. ANALYSIS

A. Centurion breached the SPA by failing to indemnify Centene for MHM-related losses.

The Parties present the Court with several disputes concerning indemnification obligations under the SPA.[78] Each dispute centers around a disagreement as to whether Centurion is obligated to indemnify Centene for Tail Claims. The specific Tail Claims at issue arise from HealthNet incurring losses from medical malpractice claims filed against MHM for pre-closing activity.[79]

The Parties first dispute which SPA provisions govern Tail Claims and how these provisions should be interpretated.[80] Centene chiefly relies on SPA § 8.2(d) ("Section 8.2(d)"), which Centene argues unambiguously obligates Centurion to indemnify Centene for Tail Claims.[81] Centurion chiefly relies on SPA § 5.6 ("Section 5.6"), which Centurion advances as proof Centurion only assumed liability for conduct arising after January 10, 2023—the date the SPA was executed.[82]

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[77] *Chicago Bridge & Iron Co. N.V. v. Westinghouse Elec. Co., LLC*, 166 A.3d 912, 925 (Del. 2017) (quoting *NBC Universal v. Paxson Commc'ns Corp.*, 2005 WL 1038997, at *5 (Del. Ch. Apr. 29, 2005)).
[78] Mot. for PJP at 15-29; PJP Ans. Br. at 11-22; PJP Reply Br. at 5-24.
[79] Centene Compl. ¶ 46.
[80] Mot. for PJP at 15-21; PJP Ans. Br. at 11-16; PJP Reply Br. at 5-17.
[81] Mot. for PJP at 15-17; PJP Reply Br. at 6.
[82] PJP Ans. Br. at 11-15.

The Parties next dispute which conditions precedent the SPA requires Centene to satisfy to obtain indemnification for Tail Claims. Centurion contends, prior to Centurion's indemnification obligations arising, SPA § 8.5(a) ("Section 8.5(a)") requires Centene to prove its indemnifiable losses "exceeded any insurance proceeds, any tax benefits, and any other amounts" of related benefits Centene has received.[83] Centurion argues its interpretation of Section 8.5(a) aligns with the prohibition against double recovery in SPA § 8.5(d).[84] Centene counters the language found in Section 8.5(a) clearly reflects such requirements may be satisfied pre- or post-indemnification.[85]

The Parties lastly dispute whether Centurion is entitled to an accounting before indemnifying Centene for Tail Claims.[86] Centurion contends an accounting is necessary.[87] Centurion argues that many of the benefits limiting the indemnifiable losses it allegedly must pay Centene require evidentiary proof and judicial determination.[88] Centene counters that no SPA provision entitles Centurion to an accounting before Centene is indemnified for losses.[89]

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[83] Centurion Compl. ¶ 17; PJP Ans. Br. at 3.
[84] PJP Ans. Br. at 16-18.
[85] Mot. for PJP at 21-26; PJP Reply Br. at 18-21.
[86] Mot. for PJP at 23; Centurion Compl. ¶¶ 18-23.
[87] Centurion Compl. ¶ 21.
[88] *Id.*
[89] Mot. for PJP at 23.

1. Section 8.2(d), which contractually obligates Centurion to indemnify Centene for Tail Claims, is the operative provision governing Tail Claims under the SPA.

The Court first determines which SPA provisions govern Tail Claims, and how those provisions should be interpretated. Delaware courts, when interpreting a contract, "read [the] contract as a whole" and "give each provision and term effect, so as not to render any part of the contract mere surplusage."[90] This practice "assum[es] that parties never include superfluous verbiage in their agreement[.]"[91] Courts must therefore "avoid interpretations that render contractual language superfluous or internally inconsistent."[92]

Pursuant to these well-established principles of contractual interpretation, Centurion's Section 5.6 arguments fail immediately. Centurion contends the plain language used in Section 5.6 clearly shows "Centene is responsible for . . . Tail Claims."[93] In making this argument, however, Centurion fails to address how its interpretation of Section 5.6 does not render Section 8.2(d) superfluous.[94] Section 8.2(d) reads as follows:

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[90] *Kuhn Const., Inc. v. Diamond State Port Corp.*, 990 A.2d 393, 396-97 (Del. 2010) (citing *Energy P'rs, Ltd. v. Stone Energy Corp.*, 2006 WL 2947483, at *13 (Del. Ch. Oct. 11, 2006)).
[91] *NAMA Hldgs., LLC v. World Mkt. Ctr. Venture, LLC*, 948 A.2d 411, 419 (Del. Ch. 2007) (citing *Majkowski v. Am. Imaging Mgmt. Serv.*, 913 A.2d 572, 588 (Del. Ch. 2006)).
[92] *Johnson & Johnson v. Fortis Advisors LLC*, 2026 WL 89452, at *25 (Del. Jan. 12, 2026) (citing *Osborn ex rel. Osborn v. Kemp*, 991 A.2d 1153, 1159 (Del. 2010)).
[93] PJP Ans. Br. at 13.
[94] *See generally Id.* (mentioning Section 8.2 only once and only with respect to Centurion's Section 8.5(d) argument).

> Subject to the other terms and conditions of this Article VIII, from and after Closing, ***Buyer shall indemnify Seller for***, and defend and hold harmless Seller and its Representatives (the "Seller Indemnitees") from and against, ***all Losses incurred by the Seller Indemnitees arising out of the following***:
>
> > (a) any breach by Buyer of any of the representations or warranties in Article IV;
> >
> > (b) any breach by Buyer of any covenant or agreement herein;
> >
> > (c) any Support Obligation; and
> >
> > (d) ***any allegation, arbitration, criminal charge, claim, dispute, lawsuit, notice of violation or legal proceeding by a Third Party against an Acquired Entity or any of its Representatives to the extent related to acts or omissions by the Acquired Entities or any of their Representatives (other than members of the Seller Group) or the operation of the businesses of the Acquired Entities, in each case, prior to the Closing.***[95]

The language of Section 8.2(d) is unambiguous, and there is only one way to reasonably interpret the provision: Centurion has a contractual obligation to indemnify Centene for Tail Claims. If the Court were to accept Centurion's interpretation of Section 5.6, Section 8.2(d) would be devoid of all meaning. The Court therefore rejects Centurion's interpretation of Section 5.6, as it would "twist contract language and leave negotiated provisions as surplusage."[96]

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[95] SPA § 8.2(d) (emphasis added) (cleaned up).

[96] *See*, *e.g.*, *Johnson & Johnson*, 2026 WL 89452, at *33 ("[I]f, as J&J contends, Section 8.05(b) silently eliminated all extra-contractual fraud claims by both sides after closing, Section 4.08 would be largely superfluous. We avoid interpretations that twist contract language and leave negotiated provisions as surplusage, particularly where—as here—the asymmetry of Section 4.08 makes commercial sense.")

In its briefing, Centene argues Section 5.6(a) simply communicates MHM is foreclosed from making claims on Centene-owned insurance policies following execution of the SPA.[97] Section 5.6 provides:

> (a) From and after the Closing, the Acquired Entities shall cease to be insured by, have access or availability to, or be entitled to make claims on, claim benefits from or seek coverage under any insurance policy maintained by Seller or any of its Affiliates (other than the Acquired Entities), including any insurance policy maintained by Seller or any of its Affiliates under which any Acquired Entity is a beneficiary.[98]

Centene then argues the relevant language in Section 5.6(b), provided below, outlines a limited exception where MHM may continue making claims under certain director and officer insurance policies following SPA execution:[99]

> (b) Notwithstanding anything in Section 5.6(a) to the contrary, for any claim asserted against, or loss incurred by, any Acquired Entity after the Closing which arises out of an act, claim, omission, event, circumstance, occurrence or loss occurring prior to the Closing, (i) the applicable Acquired Entities may seek coverage, if available, under any third-party insurance policy (the Seller Group's director and officer insurance policies) that is maintained by any member of the Seller Group . . .[100]

The Court finds Centene's interpretation of Section 5.6 both logical and reasonable based on the provision's plain language. More importantly, the Court finds Centene's interpretations of Section 5.6 and Section 8.2(d) harmonizes both provisions while not rendering either one superfluous. The Court therefore finds

[97] PJP Reply Br. at 6-8.
[98] SPA § 5.6(a).
[99] Mot. for PJP at 18-21; PJP Reply Br. at 8-17.
[100] SPA § 5.6(b) (cleaned up).

that Section 8.2(d) not only governs Tail Claims under the SPA but imposes a contractual obligation on Centurion to indemnify Centene for Tail Claims.

2. Section 8.5 does not create a condition precedent for Centurion's indemnification obligations to arise.

The Court proceeds by examining whether Section 8.5 creates a condition precedent for Centurion's indemnification obligations to arise. It does not. Centurion's argument that Section 8.5(a) imposes a condition precedent is contradicted by the plain language used in the provision.[101] Section 8.5(a) states:

> The amount of indemnifiable Losses that an Indemnifying Party is required to pay to any Indemnified Party . . . shall be reduced (***retroactively, if necessary***) by any insurance proceeds (net of reasonable and documented out of-pocket recovery costs), any Tax benefits actually realized by the Indemnified Party arising from the incurrence or payment of such Losses, or other amounts that are received or recoverable by or on behalf of such Indemnified Party or its Affiliates related to such indemnifiable Losses . . . If an Indemnified Party shall have received the payment required hereby from the Indemnifying Party in respect of indemnifiable Losses and shall subsequently receive (or any of its Affiliates shall subsequently receive) any insurance proceeds or other amounts in respect of such indemnifiable Losses, then such Indemnified Party ***shall promptly repay, or cause to be repaid***, to the Indemnifying Party a sum equal to the amount of such insurance proceeds or other amounts actually received.[102]

Two phrases in Section 8.5(a) emphasize this point. The first phrase—***retroactively, if necessary***—expressly contemplates indemnifiable losses being

[101] Centurion Compl. ¶ 17; PJP Ans. Br. at 3; SPA § 8.5(a).
[102] SPA § 8.5(a) (emphasis added).

reduced after an indemnification payment is made to an indemnified party.[103] The second phrase—***shall promptly repay, or cause to be repaid***—illustrates the same concept.[104] An indemnifying party cannot be "repaid" unless it has made a payment previously. Centurion's argument that its indemnification obligation only arises after indemnifiable losses are reduced is simply incompatible with this language.

The only "condition precedent" that must occur for Centurion's indemnification obligations to arise, assuming Centene has suffered an indemnifiable loss, is Centene making a proper indemnification demand in accordance with SPA § 8.4(a).[105] Centene has provided the Court with over forty examples showing such demands have been made.[106] Centurion has therefore breached Section 8.2(d) by failing to indemnify Centene for Tail Claims.[107]

3. Centurion is not entitled to an accounting before Centurion indemnifies Centene pursuant to Section 8.2(d).

Centurion requests an accounting take place before it indemnifies Centene for Tail Claims.[108] Centurion's Complaint states that Centene "*should be required* to

[103] *Id.*
[104] *Id.*
[105] SPA § 8.4(a).
[106] Mot. for PJP Ex. 1.
[107] While the Court finds Centene is not required to reduce its indemnifiable losses before being indemnified by Centurion for Tail Claims, the Court makes clear that such a reduction must take place at some point. The Court's holding does not change that Centene still maintains an obligation to reduce its indemnifiable losses in accordance with SPA § 8.5, and that such a reduction must be done "promptly." SPA § 8.5(a). The Court finds, however, that ordering specific performance of this reduction is inappropriate when such an obligation has not yet arisen.
[108] Centurion Compl. ¶ 23.

account for the amount of insurance proceeds, any tax benefits, and any other amounts that are received by, or on behalf of, Centene or its Affiliates."[109] Whether Centene "should be required" to account for these benefits is irrelevant. No SPA provision entitles Centurion to an accounting before it fulfills its indemnification obligations under Section 8.2. If Centurion wanted such a right, it should have contracted for it.

4. Conclusion

Because no material issue of fact exists as to (i) what SPA provision governs Tail Claims, (ii) whether Section 8.5 imposes a condition precedent for Centurion's indemnification obligations to arise, and (iii) whether Centurion is entitled to an accounting, and because Centene is entitled to judgment as a matter of law, the Court **GRANTS** Centene's Motion for Partial Judgment on the Pleadings in favor of Centene with respect to Centene's Counts I and III and Centurion's Counts I-III.[110]

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[109] *Id.* ¶ 20.

[110] Centurion raises two additional arguments in briefing and oral argument. Centurion first argues that Centene's interpretation of Section 8.2(d), and reading of the SPA as a whole, ignores that MHM prepaid insurance premiums in anticipation of Tail Claims. PJP Ans. Br. at 11-22. Centurion asserts MHM prepaid $17 million in insurance proceeds, which is evidenced by the "ST Settlement Reserve" displayed in various financial statements. *Id.* at 1-4, 11-22. The ST Settlement Reserve and pre-paid insurance premiums, however, were not pled in Centurion's Complaint. See Centurion Compl. (failing to mention the ST Settlement Reserve or pre-paid premiums made by MHM). Because the Court is not permitted to consider arguments raised for the first time in briefing or oral argument on a motion for judgment on the pleadings, the Court will not consider these arguments. Additionally, because Section 8.5(a) requires Centene to reduce indemnifiable losses by proceeds, any arguments regarding proceeds are more adequately addressed when this process begins.

B. Centurion breached the SPA by failing to pay Centene the Contingent Adjustment.

The Parties present the Court with two disputes concerning the Contingent Adjustment.[111] The Parties first disagree about whether Centurion is contractually obligated to pay Centene the Contingent Adjustment.[112] The Parties then disagree about whether SPA dispute resolution procedures divest the Court of jurisdiction to resolve the Contingent Adjustment dispute at issue.[113]

Centene contends Centurion breached the SPA by failing to pay Centene the Contingent Adjustment.[114] Centene argues that SPA § 1.4 ("Section 1.4") imposes two conditions precedent for Centene to earn the Contingent Adjustment.[115] First, the New Florida Contract needs to be executed.[116] Second, Centene earns more than $421 million in revenue in the New Florida Contract's first year.[117]

Centurion also argues the implied covenant of good faith and fair dealing applies to this dispute because "the SPA lacks specific language that accounts for the pre-paid [p]remiums at issue." PJP Ans. Br. at 17-22. Centurion's Complaint simply states that the implied covenant of good faith and fair dealing is inherent in every contract under Delaware law. Compl. ¶ 15. This pleading fails to identify the gap the implied covenant would fill or provide fair notice to Centene. Because Centurion is again not permitted to amend its pleadings through briefing or oral argument, Centurion cannot sustain an implied covenant claim against Centene in this action. Centurion is therefore ordered to specifically perform fulfilment of the indemnification demands Centene has submitted to Centurion.

[111] Mot. for PJP at 29-31; PJP Ans. Br. at 22-24; PJP Reply Br. at 24-28.

[112] Mot. for PJP at 29-31; PJP Ans. Br. at 22-23.

[113] PJP Ans. Br. at 23-24; PJP Reply. Br. at 25-28.

[114] Mot. for PJP at 29-31.

[115] *Id.* at 29.

[116] *Id.*

[117] *Id.*

Centene argues there can be no reasonable dispute that these conditions precedent were achieved, or that Centene is owed the Contingent Adjustment.[118] Centene contends the Court need look no further than the Contingent Adjustment Letter, in which Centurion expressly admits the revenue threshold for the Contingent Adjustment was exceeded.[119] Centene also argues the Court has jurisdiction to resolve the Contingent Adjustment dispute, as the dispute resolution procedures outlined in SPA § 1.5 ("Section 1.5") only apply if Centene disputed Centurion's Contingent Adjustment calculations.[120]

Centurion contends Centene is not entitled to payment of the Contingent Adjustment until an additional condition precedent is satisfied.[121] According to Centurion, this condition precedent is execution of the dispute resolution procedures outlined in Section 1.5.[122] Centurion argues the Parties contemplated a dispute arising over Contingent Adjustment calculations.[123] Centurion asserts the Parties therefore negotiated the terms of Section 1.5(c), which designates CPA firm Ernst & Young LLP ("Ernst and Young") as the sole expert to resolve such disputes.[124]

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[118] *Id.*
[119] *Id.* at 29-30; Contingent Adjustment Letter at 1.
[120] PJP Reply. Br. at 25-28.
[121] PJP Ans. Br. at 23-24.
[122] *Id.*
[123] *Id.* at 23.
[124] *Id.*

Centurion contends it raised this kind of dispute in the Contingent Adjustment Letter.[125] Centurion argues the Contingent Adjustment Letter presented Centurion's objection that its revenue calculations, done in accordance with SPA requirements, failed to account for Centurion's economic losses under the New Florida Contract.[126]

Centurion reasons that because it raised such an objection, and because the disputes contemplated under Section 1.5 can be raised by either Centene or Centurion,[127] the Contingent Adjustment dispute must be resolved through Ernst & Young before Centene becomes entitled to the Contingent Adjustment.[128] Centurion also reasons that because Section 1.5(c) designates Ernst & Young as the sole expert to resolve such disputes, the Court does not have jurisdiction to hear the Contingent Adjustment dispute.[129]

1. The dispute resolution procedures outlined in Section 1.5 do not divest the Court of jurisdiction and are inapplicable to this dispute.

The Court first addresses whether the dispute resolution procedures in Section 1.5 serve as a condition precedent to Centene receiving the Contingent Adjustment. The Court will also address whether it has jurisdiction to resolve the Contingent Adjustment dispute at issue.

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[125] *Id.*
[126] *Id.* at 24.
[127] Tr. 54:13-15.
[128] PJP Ans. Br. at 24.
[129] *Id.*

Centurion's interpretation of Section 1.5 is both unreasonable and inapposite to the plain language of the provision. Centurion essentially argues Section 1.5 licenses Centurion to dispute its own Contingent Adjustment calculations. In doing so, Centurion completely ignores the defined terms used in Section 1.5 and how they must be read together.[130]

Section 1.5 works as follows. Section 1.5(a) requires "Buyer" to prepare and deliver to "Seller" "a written statement . . . setting forth . . . Buyer's good-faith calculation of the Adjustment Amount."[131] Section 1.5(b) then gives "Seller" "thirty (30) days from the date on which the Adjustment Statement is delivered . . . to review the Adjustment Statement."[132] Section 1.5(c) next provides the following:

> Unless ***Seller*** delivers written notice to Buyer . . . that ***it*** objects to any item or items shown or reflected in the Adjustment Statement (the "Dispute Notice"), the Adjustment Statement shall be deemed accepted by ***Seller*** . . . The ***Dispute Notice*** shall specify in reasonable detail the item or items to which ***Seller*** objects and the reasons therefor (such item or items, the "Disputed Items"). If ***Seller*** delivers a ***Dispute Notice*** . . . Seller and Buyer shall attempt in good faith to resolve each ***Disputed Item*** . . . If, for any reason, Seller and Buyer are unable to resolve in writing each ***Disputed Item*** within forty-five (45) Business Days . . . after the delivery of the ***Dispute Notice***, all unresolved ***Disputed Items*** shall be referred to Ernst & Young LLP for resolution acting as an expert and not an arbitrator.[133]

[130] SPA § 1.5.
[131] SPA § 1.5(a).
[132] SPA § 1.5(b).
[133] SPA § 1.5(c) (emphasis added) (cleaned up).

In accordance with Section 1.5(d)-(f), the applicable party is then paid the Contingent Adjustment amount.[134]

The language in Section 1.5(c) is unambiguous and unmistakable—Centene is the only SPA Party that can raise the disputes contemplated in Section 1.5. This interpretation is clear from the defined terms in Section 1.5(c). Section 1.5(c) provides that *Seller* may deliver a *Dispute Notice* outlining *Disputed Items*.[135] Because the term "Seller" refers exclusively to Centene under the SPA,[136] Centene is the sole party capable of delivering a *Dispute Notice* outlining *Disputed Items* pursuant to Section 1.5.

Section 1.5(c) provides that all unresolved *Disputed Items* shall be referred to Ernst and Young.[137] Because *Disputed Items* are found in *Dispute Notices,* which only Centene can deliver, disputes invoking Ernst and Young's resolution must therefore originate from Centene. It is therefore impossible for Centurion to have presented a Section 1.5 dispute in the Contingent Adjustment Letter, or for Centurion's objection in the letter to invoke resolution through Ernst and Young.

Because Centurion has not and cannot present a Section 1.5 dispute requiring resolution through Ernst and Young, there was no additional condition precedent to

[134] SPA § 1.5(d)-(f).
[135] SPA § 1.5(c).
[136] SPA at 1 ("This STOCK PURCHASE AGREEMENT . . . is by and among Centurion Equity, Inc., a Texas corporation ("Buyer"), and Centene Corporation, a Delaware corporation ("Seller" and, together with Buyer, the "Parties")[.]") (cleaned up).
[137] SPA § 1.5(c).

Centene receiving the Contingent Adjustment. For the same reason, the Court has jurisdiction to resolve the Parties' Contingent Adjustment dispute.

2. Centurion became contractually obligated to pay Centene the Contingent Adjustment once the preconditions in Section 1.4(c) were satisfied.

Having found Section 1.5's dispute resolution procedures inapplicable to this litigation, the Court proceeds by analyzing whether Centurion became contractually obligated to pay Centene the Contingent Adjustment. The Parties negotiated Centene could receive up to two forms of post-closing consideration after the SPA was executed—the Contingent Payment and the Contingent Adjustment.[138] Section 1.4(c) provides the terms and conditions for both contingent payments, including the conditions precedent necessary for Centene to earn the payments post-closing.[139]

Section 1.4(c)(i) provides the terms and conditions for the Contingent Payment.[140] The sole condition precedent for Centene to receive the Contingent Payment is simple: Centurion must enter the New Florida Contract.[141] Both Parties agree this condition precedent was achieved and Centene received the Contingent Payment in accordance with Section 1.4(c).[142]

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[138] SPA § 1.4(c).
[139] *Id.*
[140] SPA § 1.4(c)(i).
[141] *Id*; *See supra* note 34 and accompanying text.
[142] Tr. 25:6-8; PJP Ans. Br. at 22; Contingent Adjustment Letter at 1.

Section 1.4(c)(ii) provides the terms and conditions for the Contingent Adjustment.[143] The Contingent Adjustment differs from the Contingent Payment. While the Contingent Adjustment has a universal condition precedent to being made, whether the Contingent Adjustment benefits Centene or Centurion is based on a calculation provided in the SPA.[144] In other words, the SPA's Contingent Adjustment calculation determines whether an upward or downward adjustment is made to the Contingent Payment. Thus, the second condition precedent to receiving the Contingent Adjustment differs based on the Party seeking payment.

Since Centene seeks payment of the Contingent Adjustment in this case,[145] the Court's analysis will be specifically tailored to address whether Centene earned an upward adjustment to the Contingent Payment. There are two conditions precedent for Centene to receive an upward Contingent Adjustment.[146] First, Centene must earn the Contingent Payment, which again, both Parties agree occurred.[147] This condition precedent is logical, as an adjustment to a payment cannot be made if the payment was never earned. Second, the revenue generated in the New Florida Contract's first year must exceed $421 million.[148]

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[143] SPA § 1.4(c)(ii).
[144] SPA § 1.4(c)(ii)(2).
[145] Centene Compl. ¶¶ 75-82.
[146] SPA § 1.4(c).
[147] SPA § 1.4(c)(i)-(ii); Tr. 25:6-8; PJP Ans. Br. at 22; Contingent Adjustment Letter at 1.
[148] SPA § 1.4(c)(ii)(2).

Section 1.4(c)(ii)(1)-(2) unambiguously provides that revenue in the New Florida Contract's first year is the key metric determining whether an upward or downward adjustment to the Contingent Payment occurs:

> No later than ninety (90) days after the anniversary of the Contract Effective Date, Buyer shall deliver to Seller a written statement (the "Contingent Payment Statement") setting forth, with reasonable supporting information, ***the amount of revenue*** (including reimbursable expenses and administrative fees) recognized by Buyer and its Affiliates (including the Acquired Entities) ***attributable to the New Florida Contract*** with respect to the period ***beginning on the Contract Effective Date and ending on the first anniversary of the Contract Effective Date***, as determined in accordance with GAAP consistently applied in the Financial Statements (the "***Florida Contract Compensation Amount***") . . . An adjustment to the Contingent Payment shall be paid ***based on the Florida Contract Compensation Amount***, as finally determined in accordance with Section 1.4(c)(ii)(1) (the "Final Florida Contract Compensation Amount"), in accordance with Section 1.4(c)(ii)(2)(A) and Section 1.4(c)(ii)(2)(B). The adjustment shall be the difference (such difference, the "Contingent Payment Adjustment Amount") between the Contingent Payment, and the product of (A) the Contingent Payment, multiplied by (B) the quotient of (x) the ***Final Florida Contract Compensation Amount***, divided by (y) $421,000,000 (such quotient, the "Adjustment Multiplier").[149]

Neither Party disputes the Contingent Adjustment calculation, as provided above, is based on revenue,[150] or that the $421 million revenue threshold determines which SPA Party benefits from the Contingent Adjustment.[151]

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[149] SPA § 1.4(c)(ii)(1)-(2) (emphasis added) (cleaned up).
[150] PJP Ans. Br at 22 ("The Contingent Payment was meant to compensate Centene in the event that the New Florida Contract made more revenue than what the parties contemplated when they set the purchase price."); Tr. 28:13-15 ("But the parties contracted for this adjustment amount to be based on revenues, not profits.").
[151] Tr. 28:1-2; Contingent Adjustment Letter at 1.

Because Centurion has conceded that the first condition precedent to Centene receiving an upward Contingent Adjustment was achieved,[152] thus, the only remaining question for the Court is whether the pleadings show that the revenue for the New Florida Contract's first year exceeded $421 million. The Court finds that the pleadings do.

The Court needs to look no further than the Contingent Adjustment Letter and Centurion's own emails to Centene. In the Contingent Adjustment Letter, Centurion expressly admits "the revenue numbers under [the New Florida Contract] certainly exceed the $421mm base level in the SPA."[153] A day later, Centurion's general counsel provided Centene with the Contingent Adjustment calculation, which identified over $500 million in revenue generated from the New Florida Contract's first year.[154] Thus, even Centurion agrees the revenue threshold necessary for Centene to earn the Contingent Adjustment was exceeded.

This makes sense when one reflects on Centurion's arguments. The objection Centurion raises in the Contingent Adjustment Letter is not a dispute of whether the Contingent Adjustment was calculated correctly or if the right inputs were used. Centurion rather objects to the terms it negotiated under Section 1.4(c)(ii), which resulted in an unexpected and unfavorable outcome to Centurion.

[152] PJP Ans. Br at 22; Contingent Adjustment Letter at 1.
[153] Contingent Adjustment Letter at 1.
[154] Mot. for PJP Ex. 2.

The time to make such objections was during negotiations, not in post-closing litigation. Centurion, a sophisticated party represented by counsel, must live with the terms in the SPA. Based on these terms, the two conditions precedent for Centene to receive an upward Contingent Adjustment have been achieved.[155] Centurion has therefore breached Section 1.4 by failing to pay the Contingent Adjustment to Centene.

Because no material issue of fact exists as to whether Centurion breached Section 1.4, and because Centene is entitled to judgment as a matter of law, the Court **GRANTS** Centene's Motion for Partial Judgment on the Pleadings in favor of Centene with respect to Centene's Count II.

C. Centene must amend its Complaint to recover under a breach-of-forum-selection theory.

The Parties present the Court with competing interpretations of the forum selection clause found in SPA § 9.4 ("Section 9.4").[156] Centene contends that the language in Section 9.4 is unambiguous—all SPA-related litigation must occur in the Delaware Court of Chancery unless this Court lacks subject matter jurisdiction.[157] Centurion contends that the language in Section 9.4 authorizes SPA-related litigation to occur in any Delaware court—including District Court.[158]

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[155] SPA § 1.4(c).
[156] Mot. for PJP at 31-33; PJP Ans. Br. at 25-27; PJP Reply Br. at 28-31.
[157] Mot. for PJP at 32.
[158] PJP Ans. Br. at 25-27.

Based on these competing interpretations, the Parties now dispute whether Centurion breached Section 9.4 when it originally filed an SPA-related action in District Court. Centene's position is Centurion did breach Section 9.4.[159] Relying on the precedent set in *Namdar v. Fried* and Section 8.2(b),[160] Centene now seeks declaratory judgment that Centurion breached Section 9.4 and an award of fees and costs resulting from Centurion's alleged breach.[161] For the following reasons, the Court will not rule on the issue at this time.

1. Centene has not given fair notice of Centene's attorneys' fees and costs claim in its Complaint.

Centene offers two separate theories of recovery for its attorneys' fees and costs resulting from Centurion's federal action.[162] Both theories present breach-of-contract claims. Theory one is Centurion's alleged breach of Section 9.4 constitutes an indemnifiable breach pursuant to Section 8.2(b).[163] Theory two is Centene suffered expectation damages when Centurion filed an action in alleged violation of Section 9.4.[164] What Centene fails to address, however, is neither theory is presented or pled in Centene's Complaint.[165]

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[159] Mot. for PJP at 31-33; PJP Reply Br. at 28-31.
[160] 340 A.3d 1184 (Del. Ch. 2025); SPA § 8.2(b).
[161] Mot. for PJP at 33.
[162] Tr. 30:17-31:6.
[163] Tr. 30:17-23; Mot. for PJP at 33; PJP Reply. Br. at 30.
[164] Tr. 30:24-31:6; Mot. for PJP at 33; PJP Reply. Br. at 30-31.
[165] *See* Centene Compl. (providing no mention of attorneys' fees or costs incurred specifically from Centurion's federal action).

A breach-of-contract claim has three elements: "1) a contractual obligation; 2) a breach of that obligation by the defendant; and 3) a resulting damage to the plaintiff."[166] A breach-of-contract claim is sufficient when it contains "a short and plain statement of the claim showing that the pleader is entitled to relief."[167] "Such a statement must only give the defendant fair notice of a claim and is to be liberally construed."[168] Fair notice is achieved when a complaint "shifts to the defendant the burden to determine the details of the cause of action by way of discovery for the purpose of raising legal defenses."[169]

Centene's Complaint does not mention attorneys' fees and costs resulting specifically from Centurion's federal action, much less a specific cause of action to recover them. This deficiency is somewhat unsurprising. When Centene filed its Complaint on June 3, 2025, Centurion's federal action was still ongoing.[170] It is likely, at the time of filing its Complaint, Centene planned to pursue similar breach claims in District Court if the case was not dismissed.

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[166] *Humanigen, Inc. v. Savant Neglected Diseases, LLC*, 238 A.3d 194, 202 (Del. Super. 2020) (quoting *Connelly v. State Farm Mut. Auto. Ins. Co.*, 135 A.3d 1271, 1279 n.28 (Del. 2016)).
[167] *VLIW Tech., LLC v. Hewlett-Packard Co.*, 840 A.2d 606, 611 (Del. 2003) (citations omitted).
[168] *Id.* (citing *Michelson v. Duncan*, 407 A.2d 211, 217 (Del. 1979); *Conley v. Gibson*, 355 U.S. 41, 47 (1957)).
[169] *Id.* (quoting *Klein v. Sunbeam Corp.*, 94 A.2d 385, 391 (Del. 1952).
[170] The Court reminds the Parties that Centurion's federal action was dismissed on June 20, 2025. Mot. for PJP Ex. 6.

The Court, however, cannot award attorneys' fees and costs through a breach-of-contract claim that was never brought in a complaint or counterclaims.[171] To find otherwise would deprive Centurion of the fair notice it requires to raise legal defenses.[172]

The Court therefore **DEFERS** on declaring whether Centurion breached Section 9.4 at this time, as Centene has not properly pled a cause of action to pursue a claim for this alleged breach.

2. Centene is permitted to amend its Complaint to add a cause of action for recovery of attorneys' fees and costs incurred through Centurion's federal action.

While the Court finds that Centene has not properly pled a cause of action to pursue a claim for Centurion's alleged breach of Section 9.4, the Court makes clear such a finding is completely independent from the merits of Centene's theories for recovery of attorneys' fees and costs. The finding also does not foreclose Centene from pursuing these theories moving forward.

In the interest of equity and justice, and because Centene filed its Court of Chancery action during the pendency of the federal action, the Court will permit Centene the opportunity, if it so chooses, to amend its Complaint for the limited

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[171] The Court notes that in *Namdar*, the case Centene relies upon to support one of its theories of recovery, the party awarded attorneys' fees had brought a breach-of-contract counterclaim to recover its losses. *Namdar*, 340 A.3d at 1189.
[172] *VLIW Tech., LLC*, 840 A.2d at 611.

purpose of adding a specific cause of action for its attorney's fees and costs claim.[173] The Court finds affording Centene this opportunity is appropriate for two reasons.

First, the Court recognizes that simultaneous litigation in two separate forums, as well as simultaneous litigation in the same forum, has presented the Parties with the unusual challenge of determining what to plead where and when. Given this challenge, and the dismissal of Centurion's federal action after Centene filed its Compliant, the Court finds it appropriate to allow Centene to amend its Complaint.

Second, Centurion's Answering Brief makes no argument that Centene's attorneys' fees and costs claim was improperly plead.[174] Instead, Centurion made arguments that attacked the substance of the claim.[175] In other words, Centurion acted in manner that represented it treated Centene's claim as part of this litigation. There is no credible reason why Centene should not be permitted to amend its Complaint when Centurion itself has adopted the claim in this litigation.

Should Centene choose to amend its Complaint, such an amendment is limited solely to adding a cause of action for the recovery of attorney's fees and costs resulting from Centurion's federal action. Centene must still file a formal motion to amend its Complaint and is to do so promptly.

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[173] Court of Chancery Rule 15(a)(2) grants the Court with discretion to permit a party to amend their complaint. Ct. Ch. R. 15(a).
[174] PJP Ans. Br. at 25-27.
[175] *Id.*

IV. CONCLUSION

The Court **GRANTS** Centene's Motion for Partial Judgment on the Pleadings in Centene's favor with respect to Centene's Counts I, II, and III and Centurion's Counts I, II, and III. Centurion's Complaint is therefore dismissed in its entirety, with only Centene's damages claims remaining to be litigated. The Court also **DEFERS** on declaring whether Centurion breached Section 9.4, as Centene fails to bring a proper cause of action to recover fees and costs incurred through Centurion's federal action. Centene is permitted to amend its Complaint, as discussed herein.

IT IS SO ORDERED.

/s/ Meghan A. Adams

Meghan A. Adams, Judge