IN THE SUPERIOR COURT OF THE STATE OF DELAWARE

CHATEAUX HOLDING INC., KENNETH R. ZIMMERMAN, AND MARK MONTANARO,	)	
Plaintiffs,	)	
v.	)	C.A. No. N25C-02-481 EMD CCLD
CORETELLIGENT LLC,	)	
Defendant.	)	

Submitted: May 18, 2026
Decided: August 25, 2026

Upon Plaintiffs' Motion for Reargument
DENIED

Chad S.C. Stover, Esquire, Barnes & Thornburg LLP, Wilmington, Delaware. *Attorney for Plaintiffs Chateaux Holding Inc., Kenneth R. Zimmerman, and Mark Montanaro*.

Tyler J. Leavengood, Esquire, Nicole K. Pedi, Esquire, Potter Anderson & Corroon LLP, Wilmington, Delaware; Terrence J. Fleming, Esquire, Sandra Smalley-Fleming, Esquire, Panhia Vang, Esquire, Fredrikson & Byron, P.A., Minneapolis, Minnesota. *Attorneys for Defendant Coretelligent LLC*.

DAVIS, P.J.

I. INTRODUCTION

Before the Court is Plaintiffs' Motion under Rule 59(e) for Reargument of the Court's May 4, 2026 Order (the "Reargument Motion")[1] filed by Plaintiffs Chateaux Holding Inc., Kenneth R. Zimmerman, and Mark Montanaro (collectively, "Plaintiffs"). The Plaintiffs contend that the Court erred in denying summary judgment on their breach of the EPA claim. In the Reargument Motion, Plaintiffs contend that the Court misapplied the anti-surplusage canon

[1] Capitalized terms not otherwise defined here shall have the meaning ascribed to them in *Chateaux Hld'g Inc. v. Coretelligent LLC*, 2026 WL 1819005 (Del. Super. May 4, 2026). The Court will hereafter refer to this decision as the "Opinion."

when ruling that the EPA bifurcates the Revenue Targets into the "First Year" and "Second Year." Plaintiffs request the Court grant the Reargument Motion, grant summary judgment in Plaintiffs' favor and order Coretelligent to make payment.[2]

The Court has reviewed the Reargument Motion, Coretelligent's opposition, the Opinion and the entire record of this civil proceeding. After review, the Court has determined that no hearing is necessary and, for the reasons set forth below, is **DENYING** the Reargument Motion.

II. BACKGROUND

The Court denied the Plaintiffs' summary judgment motion on its breach of the EPA claim.[3] The Court found that the Second Earn-Out Period is twenty-four-months.[4] The Court then interpreted the Section 1.4's use of "Year" to describe the First- and Second-Year Revenue Targets as the parties' intent to bifurcate these targets into separate twelve-month periods.[5] The Court found Plaintiffs' argument seeking to aggregate the revenue generated by the Target Companies over the entire twenty-four months for the Revenue Targets unpersuasive.[6] The Court denied summary judgment as to whether the Plaintiffs met the Second Earn Out Period's revenue goal because the Court found that the Revenue Targets are two twelve-month periods.[7]

III. PLAINTIFFS' CONTENTIONS

Plaintiffs move for reargument on the portion of the Opinion construing the EPA's Section 1.4 to "split the Revenue Targets for Earn-Out Consideration between the First Year and Second Year."[8] According to Plaintiffs, this construction is contrary to the EPA's "plain

---

[2] Plaintiffs' Motion Under Rule 59(e) for Reargument of the Court's May 4, 2026 Order at 2, 9 (hereinafter "Pls.' Mot. Rearg.") (D.I. 69).
[3] D.I. No. 67.
[4] *Chateaux Holding Inc.,* 2026 WL 1819005, at *8-9.
[5] *Id.* at *9.
[6] *See id.* at 17-21 (interpreting First- and Second-Year Revenue Targets to split the revenue requirements for Earn Out Consider into two separate twelve-month periods over the Second Earn Out Period's twenty-four months).
[7] *See id.*
[8] Pls.' Mot. Rearg. at 1 (citing *Chateaux Hld'g Inc.,* 2026 WL 1819005, at *17-18).

language."[9] Plaintiffs argue that the Court "misapprehended the EPA's plain language by applying the anti-surplusage canon to the label of a defined term rather than to an operative contractual provision."[10] Plaintiffs submit:

> The Order's reasoning improperly slides between Second Earn-Out Period and Second Year Revenue Target, treating "Second Year" as implicitly redefining the Measurement Period. But "Second Year Revenue Target" is just the name of a dollar threshold ($5,250,000), not a time period definition.[11]

Plaintiffs contend that the Court's finding was a legal error and affected the outcome of the Opinion.[12]

IV. STANDARD OF REVIEW

Civil Rule 59(e) provides that a party may file a motion for reargument "within 5 days after the filing of the Court's Order or decision."[13] The standard for a Civil Rule 59(e) motion is well defined under Delaware law.[14] A motion for reargument will be denied unless the Court has overlooked precedent or legal principles that would have a controlling effect, or misapprehended the law or the facts such as would affect the outcome of the decision.[15]

Motions for reargument should not be used merely to rehash the arguments already decided by the court,[16] or to present new arguments not previously raised.[17] In other words, a motion for reargument is "not a device for raising new arguments or stringing out the length of time for making an argument."[18] Such tactics frustrate the efficient use of judicial resources,

---

[9] *Id.* at 1 (specifying that the second Measurement Period is the Second Earn-Out Period and encompasses all "Revenue in the aggregate" collected "during the "Second Earn-Out Period").
[10] *Id.* at 3.
[11] *Id.* at 1-2.
[12] *Id.* at 3.
[13] Super. Ct. Civ. R. 59(e).
[14] *Kennedy v. Invacare Corp.*, 2006 WL 488580, at *1 (Del. Super. Jan. 31, 2006).
[15] *Woodward v. Farm Family Cas. Ins. Co.*, 2001 WL 1456865, at *1 (Del. Super. Aug. 24, 2001).
[16] *Id.*
[17] *Plummer v. Sherman*, 2004 WL 63414, at *2 (Del. Super. Jan. 14, 2004); *see also Bd. of Managers of the Del. Crim. Justice Info. Sys. v. Gannett Co.*, 2003 WL 1579170, at *3–4 (Del. Super. Jan. 17, 2003) *rev'd on other grounds*, *Gannett Co. v. Bd. of Managers of the Del. Crim. Justice Info. Sys.*, 840 A.2d 1232 (Del. 2003).
[18] *Gannett*, 2003 WL 1579170, at *1.

place the opposing party in an unfair position, and stymie "the orderly process of reaching closure on the issues."[19]

V. DISCUSSION

A. THE MOTION DOES NOT PROVIDE CAUSE FOR RELIEF.

Plaintiffs fail to establish that the Court overlooked precedent or legal principles that have controlling effect or misapprehended the facts that affected the outcome of its decision.[20]

On summary judgment, Plaintiffs raised the issue of contract interpretation by claiming that Coretelligent breached the EPA by failing to pay the Earn-Out Consideration for the Second Earn-Out Period.[21] At oral arguments, both parties presented their arguments regarding the First- and Second-Year Revenue Targets[22] and the length of the Earn-Out Periods.[23] For matters of contractual interpretation, the Court's construction should be that which would be understood by an objective, reasonable third party.[24] The Court considered the parties' arguments and found a reasonable third party would understand the use of "First" and "Second" Year to create two twelve-month periods.[25] Plaintiffs thus fail to carry the burden of demonstrating that the Court overlooked precedent or legal principles, or otherwise misapprehended the facts.

---

[19] *Plummer*, 2004 WL 63414, at *2.
[20] *See Woodward*, 2001 WL 1456865, at *1.
[21] *See* Opening Brief in Support of Plaintiffs' Motion for Summary Judgment at 22-26 (D.I. 31); *see also* Plaintiffs' Reply Brief in Support of Their Motion for Summary Judgment at 3-6, 23 (D.I. 61).
[22] *See* Transcript at 6:12-7:4, 9:20-10:13, 28:21-30:13 (hereinafter "Tr.") (*The Court*: [] "In your argument, since the first revenue target is, what, 4.5 million, right? That's the first year revenue target?" *Mr. Stover*: "Yes, Your Honor. That's Correct."; *Mr. Stover*: "The terms are consistent with the target concluding at the end of year 1, and concluding at the end of year 2….The word 'year' appears in Section 1.4 only as a component of a defined term. And you can't take a word out of a defined term and use it as part of an unambiguous definition that's already there."; *Mr. Fleming*: "[T]he plain language of the contract supports that there was a 12-month earnout. One 12-month earnout, followed by a second 12-month earnout….If the second period was actually a two-year time period and included the first time period, then you'd have revenues growing from 4.2 to 4.5 and then $750,000.") (D.I. 70).
[23] *See id.* at 8:11-19 (*Mr. Stover*: "The first earnout period was the period of 12 months that commences 30 days from the closing date. And then the period of 24 months that commences 30 days from the closing date was the second earnout period.").
[24] *BitGo Holdings, Inc. v. Galaxy Digital Holdings, Ltd.*, 319 A.3d 310, 322 (Del. 2024).
[25] *Chateaux Hld'g Inc.,* 2026 WL 1819005, at *9.

B. The Court Did Not Misapply the Anti-Surplusage Canon.

Plaintiffs contend that the Court misapprehended the EPA's plain language by misapplying the anti-surplusage canon.[26] "Delaware courts [] prefer to interpret contracts to give effect to each term rather than to construe them in a way that renders some terms [] mere surplusage."[27] "This approach places great weight on the plain terms of a disputed contractual provision, and we interpret clear and unambiguous terms according to their ordinary meaning."[28]

Plaintiffs believe the Court misused the canon, causing it to misconstrue the EPA's language in two regards. First, Plaintiffs note that the Court applied the canon to "Year" which appears in the label of a defined term—Second Earn-Out Period.[29] Second, Plaintiffs claim that the Court misapplied the canon by splitting the Revenue Targets, when the Second Year Revenue Target is the "aggregate" of the twenty-four-month Second Earn-Out Period.[30]

Here, the Court interpreted Section 1.4 with the surrounding text and found the use of "First Year" and "Second Year" to create two separate twelve-month periods.[31] The Court referred to Section 1.4's repeated use of the term.[32] This interpretation negated the Plaintiffs' argument seeking to aggregate the revenue from the twenty-four-month period. The Court understands that Plaintiffs disagree with the Court's ruling; however, disagreement does not meet the legal standard for relief under Civil Rule 59(e). As such, Plaintiffs fail to meet their burden on moving for reargument.

---

[26] *See* Pls.' Mot. Rearg. at 1, 3 (D.I. 69).
[27] *Charney v. Am. Apparel, Inc.,* 2015 WL 5313769, at *14 (Del. Ch. Sept. 11, 2015), *judgment entered*, (Del. Ch. 2015).
[28] *Gunderson v. Trade Desk, Inc*., 326 A.3d 1264, 1273 (Del. Ch. 2024) (citing *Cox Commc'ns, Inc. v. T-Mobile US, Inc.*, 273 A.3d 752, 760 (Del. 2022); *also Osborn ex rel. Osborn v. Kemp*, 991 A.2d 1153, 1159 (Del. 2010) ("Delaware adheres to the objective theory of contracts, *i.e.* a contract's construction should be that which would be understood by an objective, reasonable third party.")).
[29] Pls.' Mot. Rearg. at 3-5 (D.I. 69).
[30] *Id.* at 5-7.
[31] *Chateaux Hld'g Inc.,* 2026 WL 1819005, at *9.
[32] Ex. B §§ 1.4(b)-(c) (D.I. 31).

VI. CONCLUSION

The Court finds and determines that the Motion fails to demonstrate that the Court: (i) overlooked precedent or legal principles that would have a controlling effect, or (ii) misapprehended the law or the facts such as would affect the outcome of the Opinion. Accordingly, the Reargument Motion is **DENIED**.

IT IS SO ORDERED.

August 25, 2026
Wilmington, Delaware

/s/ Eric M. Davis
Eric M. Davis, President Judge

cc: File&ServeXpress