IN THE SUPREME COURT OF THE STATE OF DELAWARE

FAIRSTEAD CAPITAL MANAGEMENT LLC and FCM AFFORDABLE LLC,	§	No. 285, 2026
	§	
Plaintiffs Below, Appellants,	§	Court Below–Court of Chancery of the State of Delaware
	§	
v.	§	C.A. No. 2022-0673
	§	
WILLIAM BLODGETT,	§	
	§	
Defendant Below, Appellee.	§	

Submitted: July 8, 2026
Decided: September 10, 2026

Before **SEITZ**, Chief Justice; **TRAYNOR** and **GRIFFITHS**, Justices.

ORDER

After consideration of the notice of appeal from an interlocutory order and its exhibits, it appears to the Court that:

(1) In October 2013, William Blodgett and others started an affordable housing business. The purpose of the business, "Fairstead,"[1] was to source, develop, own, and manage a portfolio of real estate investments. To that end, Blodgett entered into an employment agreement with Fortitude Realty Management LLC,

[1] The Fairstead fund complex comprised a variety of entities, including Fairstead Capital Management LLC, FSC Realty Management LLC, FCM Affordable LLC, Fortitude Realty Management LLC, FSC EF&F LLC, Fortitude Properties LLC, FSC-JD2 Member LLC, FCM-JD2 LLC, and other special purpose vehicles. For simplicity, we use the term "Fairstead" to refer to the business collectively unless the individual entity name is relevant.

("Fortitude"), a Fairstead entity (the "Employment Agreement"). Under the Employment Agreement, Blodgett would provide investment advisory services to Fortitude and its affiliates. In compensation, Blodgett would receive, among other things, 15% of the carried interest that Fairstead received in each business deal (the "Interests"). To implement Blodgett's right to the Interests, Fairstead gave Blodgett member interests in two other Fairstead entities—Fairstead Capital Management LLC; and FMC Affordable LLC (together, "Plaintiffs").

(2) Fairstead terminated Blodgett's employment in September 2021. Blodgett's official termination letter purported to terminate him for material breaches of the Employment Agreement and also purported to cancel the Interests. The letter did not refer to or allege any breach of the LLC agreements governing the various Fairstead entities.

(3) In May 2022, Blodgett filed an arbitration demand under the Employment Agreement, seeking determinations that he had not breached the agreement and that Fairstead did not have the right to cancel the Interests. In August 2022, Plaintiffs filed suit in the Court of Chancery, alleging that Blodgett had breached their LLC agreements and seeking declarations that they had properly cancelled the Interests. Blodgett counterclaimed, arguing that Plaintiffs had breached the LLC agreements by improperly cancelling the Interests. The Court of Chancery held that disputes arising under the Employment Agreement must be

arbitrated and that any claims arising under Plaintiffs' LLC agreements would proceed in the Court of Chancery. The court stayed the litigation to allow arbitration to proceed first.

(4) On April 2, 2025, the arbitrator issued an award. The arbitrator held, among other things, that (i) Blodgett had breached the Employment Agreement, and (ii) the Employment Agreement did not entitle Fairstead to cancel all the Interests, only those in pending transactions. Thereafter, the parties cross-moved for summary judgment in the Court of Chancery.

(5) On May 13, 2026, the Court of Chancery issued a decision resolving the parties' cross-motions for summary judgment.[2] The court held that (i) Blodgett was entitled to summary judgment on Plaintiffs' claims because he "did not take any action as a member that could support a breach of [the LLC agreements],"[3] and (ii) the LLC agreements did not permit cancellation of the Interests. The court has not yet determined the amount of damages to which Blodgett is entitled. On June 10, Plaintiffs moved for the entry of a partial final judgment under Court of Chancery Rule 54(b) or, in the alternative, asked the court to certify an interlocutory appeal under Supreme Court Rule 42 and issue a stay pending appeal. Blodgett opposed the motion and application.

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[2] *Fairstead Cap. Mgmt. LLC v. Blodgett*, 2026 WL 1327565 (Del. Ch. May 13, 2026).
[3] *Id.* at *19.

(6) On June 29, the Court of Chancery denied the motion and application. The court recommended that this Court decline to accept an interlocutory appeal, explaining, "This case is entering the damages phase and can be wrapped up promptly."

(7) We agree that interlocutory review is not warranted here. Applications for interlocutory review are addressed to the sound discretion of the Court.[4] In the exercise of our discretion, this Court has concluded that the application for interlocutory review does not meet the strict standards for certification under Supreme Court Rule 42(b). As the Court of Chancery noted, there remains little to be resolved before an appeal from a final order may be taken. Exceptional circumstances that would merit interlocutory review of the Court of Chancery's decision do not exist in this case,[5] and the potential benefits of interlocutory review do not outweigh the inefficiency, disruption, and probable costs caused by an interlocutory appeal.[6]

NOW, THEREFORE, IT IS ORDERED that the interlocutory appeal is REFUSED.

BY THE COURT:

/s/ Collins J. Seitz, Jr.
Chief Justice

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[4] Del. Supr. Ct. R. 42(d)(v).
[5] Del. Supr. Ct. R. 42(b)(ii).
[6] Del. Supr. Ct. R. 42(b)(iii).