

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

|                                     |   |                        |
|-------------------------------------|---|------------------------|
| PATRICK FETRAS,                     | ) |                        |
|                                     | ) |                        |
| Plaintiff,                          | ) |                        |
|                                     | ) |                        |
| v.                                  | ) | C.A. No. 2025-1264-LWW |
|                                     | ) |                        |
| JEFFREY RICHARDS, LEVI              | ) |                        |
| MASSEY, JOSEPH GARDNER, and         | ) |                        |
| LASSO INC., a Delaware corporation, | ) |                        |
|                                     | ) |                        |
| Defendants.                         | ) |                        |

**MEMORANDUM OPINION**

Date Submitted: June 9, 2026  
Date Decided: September 30, 2026

Jeffrey S. Cianiulli, WEIR LLP, Wilmington, Delaware; *Counsel for Plaintiff Patrick Fetras*

Kevin S. Mann, CROSS & SIMON, LLC, Wilmington, Delaware; *Counsel for Defendants Jeffrey Richards, Levi Massey, Joseph Gardner, and Lasso Inc.*

**WILL, Vice Chancellor**

Plaintiff Patrick Fetras and Lasso Inc. entered into a restricted stock purchase agreement governing Fetras's unvested shares. The agreement granted Lasso an irrevocable option to repurchase those shares for a nominal price if Fetras's service with the company was terminated for any reason.

After Fetras's employment was terminated, Lasso exercised that option and repurchased his unvested shares for \$150. Fetras then brought this action, alleging that his co-founders sabotaged his ability to perform his job so that they could terminate him and Lasso could repurchase his equity before it vested.

Although Fetras styles these grievances as equitable and tort claims, they arise principally from the terms of the restricted stock purchase agreement. His fiduciary duty, tort, and unjust enrichment claims cannot be used to circumvent that agreement. Nor can the implied covenant of good faith and fair dealing supply contractual protections for which he did not bargain.

Because Fetras's claims fail as a matter of law, the defendants' motion to dismiss is granted.

## I. BACKGROUND

The following facts are drawn from the Verified Amended Complaint (the “Complaint”), documents incorporated by reference, and matters subject to judicial notice.<sup>1</sup>

### A. Lasso and the RSPA

Lasso Pay, LLC was formed in August 2024.<sup>2</sup> In February 2025, it was converted into defendant Lasso Inc., a Delaware corporation founded by plaintiff Patrick Fetras and defendants Jeffrey Richards, Levi Massey, and Joseph Gardner.<sup>3</sup> The four founders served as Lasso’s officers and directors.<sup>4</sup> Fetras held the title of Chief Marketing Officer.<sup>5</sup>

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<sup>1</sup> Verified Am. Compl. (Dkt. 24) (“Am. Compl.”); *see Freedman v. Adams*, 2012 WL 1345638, at \*5 (Del. Ch. Mar. 30, 2012) (“When a plaintiff expressly refers to and heavily relies upon documents in her complaint, these documents are considered to be incorporated by reference into the complaint[.]”); *In re Books-A-Million, Inc. S’holders Litig.*, 2016 WL 5874974, at \*1 (Del. Ch. Oct. 10, 2016) (explaining that the court may take judicial notice of “facts that are not subject to reasonable dispute ”); *Omnicare, Inc. v. NCS Healthcare, Inc.*, 809 A.2d 1163, 1167 n.3 (Del. Ch. 2002) (“The court may take judicial notice of facts publicly available in filings with the SEC.”).

<sup>2</sup> Am. Compl. ¶ 17.

<sup>3</sup> *Id.* ¶¶ 17-18.

<sup>4</sup> *Id.* ¶¶ 6, 8, 9, 10; Am. Compl. Ex. A (“Leadership Expectations” indicating that Richards would serve as the “CEO,” Massey would serve as the “COO,” Gardner would serve as the “CPO,” and Fetras would serve as the “CMO”); Am. Compl. Ex. J (stating that each co-founder was “entitled to one (1) board seat”).

<sup>5</sup> Am. Compl. ¶ 6.

On April 30, 2025, Fetras entered into a Restricted Stock Purchase Agreement (the “RSPA”) with Lasso.<sup>6</sup> Fetras purchased 1.5 million shares of Lasso common stock for \$0.0001 per share (\$150 total).<sup>7</sup> The first tranche of common stock (25% of the 1.5 million shares) would vest 12 months from February 13, 2025, with the remainder vesting monthly in increments of 1/48th of the original grant.<sup>8</sup>

If Fetras’s “relationship with the Company” terminated “for any reason . . . or for no reason, with or without cause,” Section 6 of the RSPA granted Lasso the “irrevocable option” to repurchase Fetras’s unvested shares.<sup>9</sup> Upon Fetras’s termination, Lasso had 120 days to exercise its option to repurchase the unvested shares at the lower of \$0.0001 per share or the fair market value of the shares.<sup>10</sup>

## **B. The Freeze-Out**

Beginning in August 2025, Richards, Massey, and Gardner froze Fetras out of company business.<sup>11</sup> Fetras was denied all access to information about Lasso’s financial conditions and daily operations.<sup>12</sup> He was also locked out of company bank accounts and internal systems, and deprived of any involvement in management

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<sup>6</sup> *Id.* ¶ 22; Am. Compl. Ex. C (“RSPA”).

<sup>7</sup> Am. Compl. ¶ 22.

<sup>8</sup> *Id.*; RSPA at 1 (vesting schedule); *id.* at Ex. A § 6.

<sup>9</sup> RSPA § 6(a).

<sup>10</sup> Am. Compl. ¶ 24.

<sup>11</sup> *Id.* ¶ 28.

<sup>12</sup> *Id.*

decisions.<sup>13</sup> Fetras alleges that no “legitimate business reason” existed for these measures.<sup>14</sup> Instead, he contends, the actions were “designed to isolate [him] and strip him of any meaningful ability to participate in [Lasso’s] operations.”<sup>15</sup>

On September 23, Richards issued a “Cure Notice” on behalf of Lasso’s Board of Directors that accused Fetras of “persistent unsatisfactory performance.”<sup>16</sup> The Cure Notice listed “formulated deliverables” Fetras was required to complete within 30 days to “cure [his] persistent unsatisfactory performance” as Chief Marketing Officer.<sup>17</sup> The “formulated deliverables” list was “vague” and “excessively broad and unrealistic[,]” making “aspirational directives that were difficult, if not impossible, to quantify or evaluate in terms of individual performance.”<sup>18</sup> Several tasks required access to information Fetras’s fellow co-founders had denied him the prior month.<sup>19</sup>

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<sup>13</sup> *Id.* ¶ 29.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* ¶ 34; Am. Compl. Ex. D (Cure Notice).

<sup>17</sup> Am. Compl. Ex. D.

<sup>18</sup> Am. Compl. ¶ 35.

<sup>19</sup> *Id.* ¶ 36 (alleging that the “tasks demanded data from internal systems, client accounts, and company websites to which Fetras had been deliberately restricted, including client contact information necessary to fulfill the marketing and business-development directives set forth in the Cure Notice”).

On October 3, Fetras objected to the Cure Notice and notified his co-founders that their actions constituted a “freeze-out of a minority stockholder.”<sup>20</sup> He demanded access to company information and explained that the “formulated deliverables” list imposed costly and time-consuming responsibilities on him.<sup>21</sup> Richards, Massey, and Gardner ignored Fetras’s correspondence and his substantive requests.<sup>22</sup> Still, Fetras worked to satisfy the “formulated deliverables” listed in the Cure Notice.<sup>23</sup>

On October 23, Lasso’s counsel sent Fetras a “Notice of Unsatisfactory Performance,” which stated that Fetras had not satisfied the requests in the Cure Notice.<sup>24</sup> The next day, Richards delivered a “Notice of Termination for Cause and Exercise of Repurchase Option” on behalf of Lasso.<sup>25</sup> Lasso repurchased all 1.5 million of Fetras’s unvested shares for \$150 under the RSPA.<sup>26</sup> It also terminated Fetras from his Chief Marketing Officer role, effective immediately.<sup>27</sup>

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<sup>20</sup> *Id.* ¶ 38; *see* Am. Compl. Ex. E.

<sup>21</sup> Am. Compl. ¶ 38; *see also id.* ¶ 37 (alleging that the assignments required him to “incur substantial personal expenses”).

<sup>22</sup> *Id.* ¶ 39.

<sup>23</sup> *Id.* ¶¶ 41-43.

<sup>24</sup> *Id.* ¶ 44; Am. Compl. Ex. G.

<sup>25</sup> Am. Compl. ¶ 46; Am. Compl. Ex. I.

<sup>26</sup> Am. Compl. ¶¶ 48-49.

<sup>27</sup> *Id.* ¶ 47.

### **C. This Litigation**

Fetras filed this lawsuit against Richards, Massey, Gardner, and Lasso on October 31, 2025.<sup>28</sup> The Complaint advances claims for breach of fiduciary duty (Count I), breach of the implied covenant of good faith and fair dealing (Count II), tortious interference “with employment relationship” (Count III), conversion (Count IV), unjust enrichment (Count V), and breach of Lasso’s bylaws (Count VI).<sup>29</sup>

The defendants moved to dismiss the Complaint in its entirety.<sup>30</sup> Oral argument on the motion was held on June 9, 2026, and the motion was taken under advisement.<sup>31</sup>

## **II. ANALYSIS**

The defendants seek dismissal under Court of Chancery Rule 12(b)(6) for failure to state a claim upon which relief can be granted.<sup>32</sup> In resolving the motion, the 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

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<sup>28</sup> Dkt. 1.

<sup>29</sup> Am. Compl. ¶¶ 63-118.

<sup>30</sup> *See* Opening Br. in Supp. of Defs.’ Mot. to Dismiss Am. Compl. (Dkt. 29) (“Defs.’ Opening Br.”); *see also* Pl.’s Answering Br. in Opp’n to Defs.’ Mot. to Dismiss (Dkt. 34) (“Pl.’s Answering Br.”); Reply Br. in Supp. of Defs.’ Mot. to Dismiss (Dkt. 37).

<sup>31</sup> *See* Tr. of Oral Argument on Defs.’ Mot. to Dismiss Am. Compl. (Dkt. 46) (“Hr’g Tr.”).

<sup>32</sup> Ct. Ch. R. 12(b)(6).

claim, [and] (3) draw all reasonable inferences in favor of the nonmoving party[.]”<sup>33</sup> But I need not “accept every strained interpretation of the [plaintiff’s] allegations” nor conclusory statements “unsupported by allegations of specific facts.”<sup>34</sup> Dismissal is appropriate where the plaintiff cannot “recover under any reasonably conceivable set of circumstances susceptible of proof.”<sup>35</sup>

Although Fetras calls his breach of fiduciary duty claim the “thrust of this case,”<sup>36</sup> the suit is largely a repackaging of grievances with the RSPA. None of Fetras’s claims are legally viable. The Complaint is dismissed in its entirety.

#### **A. Breach of Fiduciary Duty**

Fetras first claims that Richards, Massey, and Gardner breached their fiduciary duties.<sup>37</sup> This claim has “two elements: (1) that a fiduciary duty existed and (2) that the defendant breached that duty.”<sup>38</sup>

Fetras asserts that the individual defendants owed fiduciary duties to him—a “minority” stockholder—in their capacities as “controlling stockholders and

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<sup>33</sup> *Cent. Mortg. Co. v. Morgan Stanley Mortg. Cap. Hldgs. LLC*, 27 A.3d 531, 535 (Del. 2011) (citing *Savor, Inc. v. FMR Corp.*, 812 A.2d 894, 896-97 (Del. 2002)).

<sup>34</sup> *In re Gen. Motors (Hughes) S’holder Litig.*, 897 A.2d 162, 168 (Del. 2006) (citation omitted).

<sup>35</sup> *Savor*, 812 A.2d at 896-97 (citation omitted).

<sup>36</sup> Hr’g Tr. 32.

<sup>37</sup> Am. Compl. ¶¶ 63-75.

<sup>38</sup> *Beard Rsch., Inc. v. Kates*, 8 A.3d 573, 601 (Del. Ch. 2010), *aff’d sub nom. ASDI, Inc. v. Beard Rsch., Inc.*, 11 A.3d 749 (Del. 2010).

directors of Lasso.”<sup>39</sup> The first theory fails because Fetras has not pleaded facts supporting a reasonable inference that the three individual defendants formed a control group. The second theory fails because the dispute is governed by the RSPA and arises from Fetras’s status as an employee.

### 1. Control Group Liability Theory

At the time of the challenged actions, Lasso had four stockholders: Fetras and the three individual defendants.<sup>40</sup> Each of the four held 25% of the voting power, based on the 6 million shares of Lasso common stock issued and outstanding.<sup>41</sup> After the repurchase, 4.5 million shares remained outstanding, which increased the voting power of the individual defendants to 33.33% each.<sup>42</sup>

Fetras claims that Richards, Massey, and Gardner “acted collectively and combined to form a majority and a control group.”<sup>43</sup> They did so, he posits, “to misuse the power available to the majority to advance their own interest at the expense of the minority”—i.e., himself.<sup>44</sup> Fetras also alleges that the individual

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<sup>39</sup> Am. Compl. ¶ 64.

<sup>40</sup> *Id.* ¶¶ 18, 64; *see* RSPA at 1.

<sup>41</sup> Am. Compl. ¶¶ 18, 48; *see* RSPA at 1; *id.* at Ex. A § 6(f); Am. Compl. Ex. B. Although Lasso’s total authorized equity was 10 million shares, 4 million shares remained unissued and reserved.

<sup>42</sup> Am. Compl. ¶¶ 48, 65, 108; RSPA Ex. A §§ 6(a), 6(b).

<sup>43</sup> Am. Compl. ¶ 65.

<sup>44</sup> *Id.*

defendants “exercised actual control” over Lasso’s “management, finances, and decision-making.”<sup>45</sup>

“[A] stockholder who owns or controls less than 50% of a corporation’s voting power is not presumed to be a controlling stockholder with fiduciary duties.”<sup>46</sup>

“Delaware case law has recognized,” however, that “a number of shareholders, each of whom individually cannot exert control over the corporation . . . can collectively form a control group where those shareholders are connected in some legally significant way.”<sup>47</sup> “If such a control group exists, it is accorded controlling shareholder status, and its members owe fiduciary duties to the minority shareholders of the corporation.”<sup>48</sup>

“To demonstrate that a group of stockholders exercises ‘control’ collectively, the [plaintiff] must establish that they are ‘connected in some legally significant way’—such as ‘by contract, common ownership, agreement, or other arrangement—

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<sup>45</sup> *Id.* ¶ 66.

<sup>46</sup> *In re Oracle Corp. Deriv. Litig.*, 339 A.3d 1, 19 (Del. 2025) (citing *Gilbert v. El Paso Co.*, 490 A.2d 1050, 1055 (Del. Ch. 1984), *aff’d*, 575 A.2d 1131 (Del. 1990)).

<sup>47</sup> *eBay Domestic Hldgs., Inc. v. Newmark*, 16 A.3d 1, 26 n.74 (Del. Ch. 2010) (citing *Dubroff v. Wren Hldgs., LLC*, 2009 WL 1478697, at \*3 (Del. Ch. May 22, 2009)). Recent amendments to 8 *Del. C.* § 144 define a “[c]ontrol group” as “2 or more persons that are not controlling stockholders that, by virtue of an agreement, arrangement, or understanding between or among such persons, constitute a controlling stockholder.” 8 *Del. C.* § 144(e)(1); *see also id.* § 144(e)(2) (defining “[c]ontrolling stockholder”).

<sup>48</sup> *Sheldon v. Pinto Tech. Ventures, L.P.*, 220 A.3d 245, 251 n.22 (Del. 2019) (citing *Frank v. Elgamal*, 2012 WL 1096090, at \*8 (Del. Ch. Mar. 30, 2012)).

to work together toward a shared goal.”<sup>49</sup> “[S]ome indication of an actual agreement” is required.<sup>50</sup> “If all a complaint alleges is that a group of shareholders have ‘parallel interests,’ such allegations are insufficient as a matter of law to support the inference that the shareholders were part of a control group.”<sup>51</sup>

Here, Fetras does not plead facts supporting a reasonable inference that Richards, Massey, and Gardner were “connected in some legally significant way” such that they formed a control group.<sup>52</sup> Fetras alleges only that the three “coordinated” their actions to “exclude[] Fetras from the ordinary affairs of Lasso” and “consolidate control and suppress [Fetras’s] interests.”<sup>53</sup> That is parallel

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<sup>49</sup> *Id.* at 251-52 (citing *In re Crimson Expl. Inc. S’holder Litig.*, 2014 WL 5449419, at \*15 (Del. Ch. Oct. 24, 2014) (citation omitted)).

<sup>50</sup> *Crimson Expl.*, 2014 WL 5449419, at \*15.

<sup>51</sup> *Dubroff*, 2009 WL 1478697, at \*3 (citing *Williamson v. Cox Commc’ns, Inc.*, 2006 WL 1586375, at \*6 (Del. Ch. June 5, 2006)).

<sup>52</sup> *Sheldon*, 220 A.3d at 251-52 (rejecting a control group theory where the complaint lacked allegations of an actual agreement to vote together).

<sup>53</sup> Am. Compl. ¶¶ 28, 30, 31; *see also id.* ¶ 56 (alleging that Gardner, Richards, and Massey engaged in a “coordinated plan to consolidate control of [Lasso] by eliminating a minority founder[,]” and “act[ing] in concert to deprive Fetras of both his employment and his ownership rights”).

conduct.<sup>54</sup> A mere concurrence of self-interest is insufficient as a matter of law to combine the defendants' minority blocks into a single controlling entity.<sup>55</sup>

Thus, it is not reasonably conceivable that Richards, Massey, and Gardner were a "control group" that owed fiduciary duties to Fetras as such.

## 2. Director Liability Theory

Next, Fetras asserts that Richards, Massey, and Gardner breached the fiduciary duties they owed to him in their capacities as Lasso directors. He correctly observes that directors owe duties of care and loyalty to the corporation and its stockholders.<sup>56</sup> Yet his allegations are either fundamentally contractual or concern his employment.

First, Fetras's claim challenges the exercise of a contract right. "It is a well-settled principle that where a dispute arises from obligations that are expressly addressed by contract, that dispute will be treated as a breach of contract claim."<sup>57</sup> In that context, "any fiduciary claims arising out of the same facts that underlie the

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<sup>54</sup> See *Cox Commc'ns*, 2006 WL 1586375, at \*6 (observing that "parallel interests" are insufficient to form a control group).

<sup>55</sup> See *Carr v. New Enter. Assocs.*, 2018 WL 1472336, at \*10 (Del. Ch. Mar. 26, 2018) (explaining that a legally significant connection requires more than a "mere concurrence of self-interest among certain stockholders").

<sup>56</sup> See generally *Polk v. Good*, 507 A.2d 531, 536 (Del. 1986).

<sup>57</sup> *Nemec v. Shrader*, 991 A.2d 1120, 1129 (Del. 2010).

contract obligations would be foreclosed as superfluous.”<sup>58</sup> The overlapping fiduciary duty claim may survive only if it depends on “additional facts,” is “broader in scope,” or involves “different considerations in terms of a potential remedy.”<sup>59</sup>

Fetras argues that I should “reject” the defendants’ “attempts” to reframe his claims as “flow[ing] from the RSPA.”<sup>60</sup> But a fiduciary duty claim cannot displace the RSPA’s express terms. Fetras’s allegations reveal that he is complaining about Lasso’s exercise of its repurchase right under the RSPA. He contends that the individual defendants “misuse[d] the power available to the[m]” to “advance their own interest” by “seiz[ing] his unvested equity at the nominal price of \$0.0001 per share, without any fair market value assessment” and “acquiring Fetras’s ownership interest in Lasso for a nominal price of \$150.”<sup>61</sup>

The repurchase right and repurchase price are set by the RSPA.<sup>62</sup> Under the RSPA, Lasso holds an irrevocable option to repurchase Fetras’s shares for the lower

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<sup>58</sup> *Id.*

<sup>59</sup> *Bäcker v. Palisades Growth Cap. II, L.P.*, 246 A.3d 81, 109 (Del. 2021) (quoting *Schuss v. Penfield P’rs, L.P.*, 2008 WL 2433842, at \*10 (Del. Ch. June 13, 2008)).

<sup>60</sup> Pl.’s Answering Br. 2 (arguing that the court should accept that he sued the individual defendants for “abus[ing] their fiduciary obligations by using the RSPA as an instrument of oppression against him”).

<sup>61</sup> Am. Compl. ¶¶ 65, 69, 73.

<sup>62</sup> See RSPA Ex. A § 6(a).

of \$0.0001 or fair market value.<sup>63</sup> The RSPA did not entitle Fetras to more than \$0.0001 per share, even if the shares' fair market value was higher.

Fetras's allegations concern the enforcement of a contract with a single stockholder-employee. They do not implicate a right that "attached to or devolved upon all the Company's common shares generally, irrespective of a contract."<sup>64</sup> The RSPA grants a defined repurchase right, rather than conditioning a repurchase on board approval.<sup>65</sup> Thus, his fiduciary duty claim concerning the repurchase is foreclosed.<sup>66</sup>

Second, to the extent Fetras's allegations go beyond the RSPA, they concern his role as an employee—not as a stockholder. Fetras asserts that the individual defendants breached their fiduciary duties by issuing the Cure Notice, "which imposed arbitrary conditions that could not be met without the very access they had

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<sup>63</sup> *Id.*

<sup>64</sup> *Nemec*, 991 A.2d at 1129.

<sup>65</sup> See *Blaustein v. Lord Baltimore Cap. Corp.*, 2013 WL 1810956, at \*13 (Del. Ch. Apr. 30, 2013) (holding that a shareholder agreement foreclosed fiduciary duty claims regarding a contractual repurchase procedure, but did not foreclose a claim challenging the board's exercise of discretion where the agreement contemplated board approval rather than "a specifically defined contractual right—such as the right to buy back shares at a specific price") (citation omitted)).

<sup>66</sup> *Nemec*, 991 A.2d at 1129 (holding that a fiduciary duty claim was foreclosed where "the nature and scope of the [d]irectors' duties when causing the Company to exercise its right to redeem shares covered by the Stock Plan were intended to be defined solely by reference to that contract").

denied” him.<sup>67</sup> He further alleges that he was pushed out of Lasso despite the “financial resources, infrastructure, and tools” he contributed to the company.<sup>68</sup> The resulting harms to him include “loss of employment.”<sup>69</sup> Directors do not, however, owe fiduciary duties to employees, and Fetras was owed no duty to remain Chief Marketing Officer.<sup>70</sup>

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Fetras has failed to state a reasonably conceivable claim for breach of fiduciary duty. He has not adequately pleaded that Gardner, Richards, and Massey formed a control group. Nor can he sustain a claim against them as directors. His grievances are either governed expressly by the RSPA or concern his status as a single stockholder-employee. Count I is dismissed.

## **B. Implied Covenant of Good Faith and Fair Dealing**

Fetras next claims that Lasso breached the implied covenant of good faith and fair dealing.<sup>71</sup> “The implied covenant of good faith and fair dealing inheres in every

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<sup>67</sup> Am. Compl. ¶ 68.

<sup>68</sup> *Id.* ¶ 70.

<sup>69</sup> *Id.* ¶ 75.

<sup>70</sup> *See, e.g., N. Am. Cath. Educ. Programming Found., Inc. v. Gheewalla*, 930 A.2d 92, 101 (Del. 2007) (explaining that directors of solvent corporations owe fiduciary duties only to the corporation and its stockholders); *An v. Cosman*, 2025 WL 2180575, at \*12 (Del. Ch. July 31, 2025) (observing that a plaintiff was “not owed fiduciary duties in his capacity as an . . . employee”).

<sup>71</sup> Am. Compl. ¶¶ 76-83.

contract and ensures that neither party acts arbitrarily or unreasonably to frustrate the fruits of their bargain.”<sup>72</sup> It is “used to infer contract terms ‘to handle developments or contractual gaps that the asserting party pleads neither party anticipated.’”<sup>73</sup>

The implied covenant is not a tool “for rebalancing economic interests after events that could have been anticipated, but were not, that later adversely affected one party to a contract.”<sup>74</sup> “[T]he Delaware Supreme Court has consistently held that obligations under the covenant of good faith and fair dealing should be implied only in rare instances.”<sup>75</sup> “Used properly, the implied covenant functions like a scalpel, not a brush.”<sup>76</sup>

Fetras asserts that the RSPA contained an implied term that “Lasso would act in good faith and not deprive Fetras of his right to perform his duties under fair working conditions.”<sup>77</sup> He claims that Lasso breached that term by denying him “access to internal systems and refusing to approve any marketing or operational

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<sup>72</sup> *Johnson & Johnson v. Fortis Advisors LLC*, 352 A.3d 229, 253 (Del. 2026).

<sup>73</sup> *Dieckman v. Regency GP LP*, 155 A.3d 358, 367 (Del. 2017) (quoting *Nemec*, 991 A.2d at 1125).

<sup>74</sup> *Nemec*, 991 A.2d at 1128.

<sup>75</sup> *Homan v. Turoczy*, 2005 WL 2000756, at \*18 (Del. Ch. Aug. 12, 2005) (citation omitted).

<sup>76</sup> *Johnson & Johnson*, 352 A.3d at 253.

<sup>77</sup> Am. Compl. ¶ 77.

budget,” while “evaluating him under the . . . Cure Notice on deliverables that required those very resources.”<sup>78</sup> These actions allegedly “frustrat[ed] the central purpose of the parties’ agreements and undermine[d] Fetras’s ability to realize the benefits contemplated by their relationship.”<sup>79</sup>

Fetras essentially asks that I imply a negative covenant: that Lasso would not sabotage his ability to perform and then cite the resulting deficiencies to terminate him with cause and avoid the partial vesting that would accompany a termination without cause.<sup>80</sup> But the need for resources, access, and fair working conditions to perform a job was foreseeable. If Fetras wanted guaranteed budgets or system access, he could have bargained for them. He did not.

Moreover, the RSPA contemplates that Fetras could be terminated “with or without cause” and establishes the economic consequences of each.<sup>81</sup> Whether Fetras was entitled to partial vesting upon termination is also addressed by the RSPA. Section 6(a) provides for 25% vesting upon a qualifying termination “without Cause” before the first vesting anniversary, and Section 6(l)(i) defines

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<sup>78</sup> *Id.* ¶¶ 77-79.

<sup>79</sup> *Id.* ¶ 82.

<sup>80</sup> *See* RSPA Ex. A § 6(a).

<sup>81</sup> *Id.*

“Cause” to include a notice-and-cure requirement for performance-based termination.<sup>82</sup> Fetras has identified no gap.

Fetras acknowledges that he “has not and cannot allege that Lasso has breached” that agreement.<sup>83</sup> Section 6(j) of the RSPA states that the agreement does not affect “the right or power of the Company . . . to terminate [Fetras’s] employment or other service relationship for any reason at any time, with or without cause and with or without notice.”<sup>84</sup> Fetras cannot use the implied covenant to impose workplace protections he failed to secure at the bargaining table.<sup>85</sup>

Count II is therefore dismissed.

### **C. Tortious Interference**

Fetras also brings a claim for “tortious interference with employment relationship” against Richards, Massey, and Gardner.<sup>86</sup> As the defendants correctly observe, Delaware law does not recognize a cause of action for tortious interference

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<sup>82</sup> RSPA Ex. A §§ 6(a), 6(l)(i).

<sup>83</sup> Pl.’s Answering Br. 2.

<sup>84</sup> RSPA Ex. A § 6(j).

<sup>85</sup> See *Johnson & Johnson*, 352 A.3d at 257 (holding that the implied covenant cannot be invoked to provide protections that “easily could have been drafted” at the bargaining table (citation omitted)); *Winshall v. Viacom Int’l, Inc.*, 76 A.3d 808, 816 (Del. 2013) (“The implied covenant of good faith and fair dealing cannot properly be applied to give the plaintiffs contractual protections ‘they failed to secure at the bargaining table.’”).

<sup>86</sup> Am. Compl. ¶¶ 84-91.

with an at-will employment relationship.<sup>87</sup> Even so, the “substance rather than . . . form” of the claim can arguably be viewed as one for tortious interference with contract.<sup>88</sup>

“The elements of a claim of tortious interference with a contract are well-established.”<sup>89</sup> They are: “(1) a contract, (2) about which defendant knew, and (3) an intentional act that is a significant factor in causing the breach of such contract, (4) without justification, (5) which causes injury.”<sup>90</sup>

Fetras alleges that his employment relationship with Lasso was “fully documented through corporate records and the parties’ written agreements.”<sup>91</sup> He asserts that the individual defendants “were aware” that he needed access to company “systems, accounts, and operational infrastructure” to “carry out his work.”<sup>92</sup> Yet the individual defendants purportedly deprived him of access to those

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<sup>87</sup> See Defs.’ Opening Br. 17; see also *Triton Const. Co. v. E. Shore Elec. Servs., Inc.*, 2009 WL 1387115, at \*17 (Del. Ch. May 18, 2009) (“Delaware does not recognize an action for tortious interference with an at-will employment relationship.”).

<sup>88</sup> *Benihana of Tokyo, Inc. v. Benihana, Inc.*, 2005 WL 583828, at \*7 (Del. Ch. Feb. 4, 2005).

<sup>89</sup> *Morris v. Spectra Energy P’rs (De) GP, LP*, 2017 WL 2774559, at \*17 (Del. Ch. June 27, 2017).

<sup>90</sup> *Bhole, Inc. v. Shore Invs., Inc.*, 67 A.3d 444, 453 (Del. 2013) (emphasis omitted) (quoting *Irwin & Leighton, Inc. v. W.M. Anderson Co.*, 532 A.2d 983, 992 (Del. Ch. 1987)).

<sup>91</sup> Am. Compl. ¶ 86.

<sup>92</sup> *Id.* ¶ 87.

systems, withheld “essential financial and operational information,” and issued the Cure Notice.<sup>93</sup>

These allegations fail to satisfy the elements of a tortious interference with contract claim.

Most fundamentally, Fetras neglects to identify a contract that was breached. At oral argument, his counsel argued that the claim concerns an “employment agreement” created by his officer role and receipt of a salary.<sup>94</sup> The Complaint makes no mention of any such employment agreement. The only agreement addressed—the RSPA—expressly states that it is not an employment or services contract.<sup>95</sup> And Fetras has not alleged that Lasso breached the RSPA.<sup>96</sup>

The tortious interference claim is therefore dismissed.

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<sup>93</sup> *Id.* ¶ 88.

<sup>94</sup> Hr’g Tr. 50-51 (The Court: “So what contract are you saying was breached in Count III?” Counsel: “It’s his employment relationship. As an officer, he was receiving a salary and that was terminated. And we believe that the three individuals caused the company to breach that employee agreement.”). Counsel also confirmed that the RSPA is not “an employment agreement.” *Id.* at 51.

<sup>95</sup> RSPA Ex. A § 6(j).

<sup>96</sup> *See Allied Cap. Corp. v. GC-Sun Hldgs., L.P.*, 910 A.2d 1020, 1036 (Del. Ch. 2006) (“To state a tortious interference claim, a plaintiff must properly allege an underlying breach of contract.”); *see also Goldman v. Pogo.com, Inc.*, 2002 WL 1358760, at \*8 (Del. Ch. June 14, 2002) (“A claim of tortious interference with a contractual right requires . . . a contract, a breach of that contract, and an injury.”).

#### **D. Conversion and Unjust Enrichment**

Fetras brings two other claims against Richards, Massey, and Gardner: conversion and unjust enrichment.<sup>97</sup> He alleges that the individual defendants “wrongfully exerted dominion and control” over his 1.5 million unvested shares of Lasso common stock by “assigning an arbitrary, nominal value” to them.<sup>98</sup> He also alleges that the individual defendants were unjustly enriched from “their wrongful acquisition” of the shares.<sup>99</sup> Both claims fail because the RSPA governs the rights underlying them.

Conversion is the “act of dominion wrongfully exerted over the property of another, in denial of his right, or inconsistent with it.”<sup>100</sup> Unjust enrichment is the “unjust retention of a benefit to the loss of another, or the retention of money or property of another against the fundamental principles of justice or equity or good conscience.”<sup>101</sup> In seeking to “prevent[] gratuitous ‘bootstrapping’ of contract claims into tort claims, courts recognize that a breach of contract will not generally constitute a tort.”<sup>102</sup> Thus, when a claim “arises solely from a breach of contract, the

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<sup>97</sup> Am. Compl. ¶¶ 92-108.

<sup>98</sup> *Id.* ¶¶ 98, 101; *see also id.* ¶¶ 93, 96-97, 99.

<sup>99</sup> *Id.* ¶ 105.

<sup>100</sup> *Arnold v. Soc’y for Sav. Bancorp, Inc.*, 678 A.2d 533, 536 (Del. 1996).

<sup>101</sup> *McPadden v. Sidhu*, 964 A.2d 1262, 1276 (Del. Ch. 2008).

<sup>102</sup> *Kuroda v. SPJS Hldgs., L.L.C.*, 971 A.2d 872, 889 n.50 (Del. Ch. 2009) (citation omitted).

plaintiff ‘generally must sue in contract, and not in tort.’”<sup>103</sup> A claim for unjust enrichment is likewise unavailable “if there is a contract that governs the relationship between parties that gives rise” to the claim.<sup>104</sup>

These claims are, at bottom, governed by contract. Fetras’s grievances—his termination and the repurchase of his unvested equity for \$150—arise entirely from the exercise of the RSPA.<sup>105</sup> Because the RSPA addresses the rights, obligations, and pricing concerning the share repurchase, Fetras cannot bypass the contract by asserting conversion and unjust enrichment claims.<sup>106</sup> Both claims are dismissed.<sup>107</sup>

#### **E. Advancement and Indemnification**

Fetras’s final claim is for breach of Lasso’s bylaws. He asserts that Lasso breached its bylaws by failing to advance his legal fees and indemnify him in connection with this litigation.<sup>108</sup> Neither theory survives.

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<sup>103</sup> *Id.* at 889 (quoting *Data Mgmt. Internationale, Inc. v. Saraga*, 2007 WL 2142848, at \*3 (Del. Super. July 25, 2007)).

<sup>104</sup> *See id.* at 891.

<sup>105</sup> *See* Am. Compl. ¶ 105; *id.* ¶ 101.

<sup>106</sup> *See Cornell Glasgow, LLC v. La Grange Props., LLC*, 2012 WL 2106945, at \*8 (Del. Super. June 6, 2012) (explaining that a plaintiff cannot “‘bootstrap’ a breach of contract claim into a tort claim merely by intoning the prima facie elements of the tort while telling the story of the defendant’s failure to perform under the contract” (emphasis omitted)).

<sup>107</sup> *See Kuroda*, 971 A.2d at 891; *Kim v. Coupang, LLC*, 2021 WL 3671136, at \*7 (Del. Ch. Aug. 19, 2021) (dismissing a conversion claim where it rested on allegations that “sound[ed] in contract”).

<sup>108</sup> Am. Compl. ¶¶ 109-18. His advancement and indemnification claims are purely contractual.

First, Fetras failed to state a viable claim for breach of an advancement right. The elements of a breach of contract claim are the existence of a contract, the breach of an obligation imposed by the contract, and resulting damages to the plaintiff.<sup>109</sup> The allegedly breached obligation is Section 52 of Lasso’s bylaws, which states:

The right to indemnification contained in this Article VIII shall include the right to be paid by the Corporation the expense incurred *in defending any such action*, suit, proceeding or investigation for which such right to indemnification is applicable in advance of its final disposition[.]<sup>110</sup>

Fetras is not defending this lawsuit; he initiated it. He relies on *Mooney v. Echo Therapeutics, Inc.* to argue that “defending” litigation “sometimes involves affirmative maneuvers.”<sup>111</sup> But *Mooney* was discussing whether “affirmative defenses can trigger a corporation’s advancement obligations.”<sup>112</sup> That is not the situation here. Instead, Fetras ignores that the bylaws limit advancement to “defending” an “action, suit, proceeding or investigation.”<sup>113</sup> The word “defending” would be “rendered mere surplusage if it were not interpreted as requiring the action

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<sup>109</sup> See *VLIW Tech., LLC v. Hewlett-Packard Co.*, 840 A.2d 606, 612 (Del. 2003).

<sup>110</sup> Am. Compl. Ex. K § 52 (“Advance of Expenses”) (emphasis added).

<sup>111</sup> Pl.’s Answering Br. 44 (quoting *Mooney v. Echo Therapeutics, Inc.*, 2015 WL 3413272, at \*10 (Del. Ch. May 28, 2015)); see Hr’g Tr. 45-46 (Fetras’s counsel arguing that his position was “aggressive” but “there is a universe in which” he is “defending [his] ownership rights”).

<sup>112</sup> *Mooney*, 2015 WL 3413272, at \*10.

<sup>113</sup> Am. Compl. Ex. K § 52.

to be defensive or responsive.”<sup>114</sup> His breach of contract claim on this basis fails as a matter of law.

Second, Fetras’s indemnification claim is defective and unripe. “Delaware courts decline to exercise jurisdiction over a case unless the underlying controversy is ripe, i.e., has ‘matured to a point where judicial action is appropriate.’”<sup>115</sup> A dispute is unripe where “the claim is based on ‘uncertain and contingent events’ that may not occur, or where ‘future events may obviate the need’ for judicial intervention.”<sup>116</sup>

Section 53 of the bylaws states, in relevant part:

The right to indemnification or advances as granted by this Article VIII shall be enforceable by the Agent in any court of competent jurisdiction, *if the Board of Directors or independent legal counsel denies the claim*, in the whole or in part, or if no disposition of such claim is made within 90 days.<sup>117</sup>

Fetras did not comply with this mandatory procedure.<sup>118</sup> In addition, “[i]ndemnification claims do not accrue until the underlying claim is finally

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<sup>114</sup> *Donohue v. Corning*, 949 A.2d 574, 579 (Del. Ch. 2008).

<sup>115</sup> *XL Specialty Ins. v. WMI Liquidating Tr.*, 93 A.3d 1208, 1217 (Del. 2014) (citation omitted).

<sup>116</sup> *Id.* at 1217-18.

<sup>117</sup> Am. Compl. Ex. K § 53 (emphasis added).

<sup>118</sup> *See LaPoint v. AmerisourceBergen Corp.*, 970 A.2d 185, 198 (Del. 2009).

decided.”<sup>119</sup> This claim is dismissed as unripe and for failure to satisfy the bylaws’ express conditions precedent.<sup>120</sup>

### **III. CONCLUSION**

For these reasons, the defendants’ motion to dismiss is granted. Counts I through V are dismissed with prejudice for failure to state a claim on which relief can be granted. Count VI is dismissed with prejudice as to the advancement claim and without prejudice as to the indemnification claim. The Complaint is dismissed in its entirety.

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<sup>119</sup> *Id.*

<sup>120</sup> To the extent that Fetras’s advancement rights are implicated, the claim would also fail for noncompliance with the bylaws.