

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

TECHNO-X USA INC.,	)	
	)	
Plaintiff/Counterclaim-	)	
Defendant,	)	
	)	
v.	)	C.A. No. 2024-1313-LWW
	)	
SPARTAN FORGE LLC, and WILLIAM	)	
J. THOMPSON,	)	
	)	
Defendants/	)	
Counterclaim-Plaintiffs,	)	
	)	
v.	)	
	)	
VOSKER CORPORATION, and JIMMY	)	
ANGERS,	)	
	)	
Counterclaim-	)	
Defendants.	)	

MEMORANDUM OPINION

Date Submitted: July 8, 2026
Date Decided: October 15, 2026

David E. Wilks, Scott B. Czerwonka & Matthew C. Conover, WILKS LAW, LLC,
Wilmington, Delaware; *Counsel for Techno-X USA Inc., Vosker Corporation, and
Jimmy Angers*

Richard L. Renck & Michael B. Gonen, DUANE MORRIS LLP, Wilmington,
Delaware; Lewis Rhodes, RESTON LAW GROUP, LLP, Reston, Virginia; *Counsel
for Spartan Forge LLC and William J. Thompson*

WILL, Vice Chancellor

Techno-X USA Inc. invested in Spartan Forge LLC as part of a partnership between Spartan Forge and Techno-X's parent, Vosker Corporation. They planned to combine Spartan Forge's predictive hunting software with Vosker's trail camera technology. Their agreements granted Techno-X a minority equity interest, exclusivity and governance protections, and defined paths to acquire Spartan Forge.

While accepting Techno-X's capital, Spartan Forge's managing member secretly negotiated an asset sale to Vosker's main competitor. He pursued that sale without the required approvals while putting off the completion of a services agreement with Vosker. Spartan Forge's cofounders devised a plan to shed Techno-X as an investor. Spartan Forge provoked pretextual contractual defaults to terminate Techno-X's membership and forcibly redeem its units. Techno-X sued.

In the first phase of this bifurcated proceeding, I find that Spartan Forge breached the exclusivity and consent provisions in the parties' agreements and that its managing member breached a budget-reporting obligation. I also conclude that Spartan Forge lacked valid grounds to terminate Techno-X's membership. As relief, I award nominal damages, declare the termination and redemption invalid, and restore Techno-X's membership and governance rights. To ensure this relief is not illusory, I equitably extend certain contractual deadlines. But I decline to grant additional exclusivity, a permanent injunction, or fee shifting. The remaining counterclaims await the second phase of this proceeding.

I. BACKGROUND

The following facts were stipulated to by the parties or proven by a preponderance of the evidence at trial.¹

A. Vosker and its Industry

Vosker Corporation is a Canadian entity headquartered in Quebec that provides surveillance and monitoring solutions in the hunting and wildlife space.² It was founded in 2018 by brothers Jimmy Angers (“Angers”) and Danny Angers, along with industry veteran Yan Gagnon—the founder of trail camera company SpyPoint.³ Angers currently serves as Vosker’s President and Chief Executive Officer.⁴

Vosker operates through several wholly owned subsidiaries, including Techno-X USA Inc.—a Delaware corporation created to facilitate Vosker’s business

¹ See Joint Pre-trial Stipulation and Order (Dkt. 168) (“PTO”). Trial occurred over two days, during which five fact witnesses testified live. Trial testimony is cited as “[Name] Tr.” See Apr. 15-16 Trial Trs. (Dkts. 182-84). The trial record contains 827 joint exhibits, including six deposition transcripts. Exhibits are cited by the numbers provided on the parties’ joint exhibit list as “JX __,” unless otherwise defined. See Ex. A to Joint Pre-trial Stipulation and Order (Dkt. 168) (Joint Ex. List). Pincites are to the joint exhibit pagination. Exhibits lacking internal pagination are cited by the last four digits of their Bates stamps. Deposition transcripts are cited as “[Name] Dep.” See Notice of Lodging of Deps. (Dkt. 177).

² PTO ¶¶ 30, 37; Angers Tr. 14-15 (describing Vosker’s product lines, which are comprised of both “physical cameras” and its “software”).

³ Angers Tr. 8. In 2019, the founders “incorporated [the] SpyPoint brand under Vosker.” *Id.* at 10.

⁴ *Id.* at 10.

in the United States.⁵ Techno-X was used to “make the investment” at issue in this litigation.⁶

Vosker operates within a “very competitive,” “mature” market.⁷ It is one of four principal players in the remote area monitoring and hunting camera industry, alongside Plastic Research and Development Corporation (“PRADCO”)’s Moultrie brand.⁸ To keep pace, Vosker constantly strives to innovate its products.⁹

B. The Early Partnership

Vosker identified Spartan Forge LLC as a potential business partner in late 2021.¹⁰ Spartan Forge is a Delaware limited liability company that develops technology for the “outdoor activities market,” founded by William J. Thompson and Ted Lavon Belser II.¹¹ Vosker hoped to combine Spartan Forge’s predictive software, which forecast “when” animals would move, with field data from Vosker’s SpyPoint cameras showing “where” the animals were located.¹²

⁵ PTO ¶ 29; Angers Tr. 10.

⁶ Angers Tr. 10-11.

⁷ *Id.* at 21-22.

⁸ *Id.* at 22-23; PTO ¶ 35. PRADCO is an Arkansas corporation that operates brands including Pradco Outdoors, Moultrie Mobile, and Moultrie Products. PTO ¶ 35.

⁹ Angers Tr. 22.

¹⁰ *Id.* at 24; PTO ¶¶ 38, 39.

¹¹ PTO ¶¶ 32-34.

¹² Angers Tr. 24-26; Belser Tr. 488-90.

An integrated product promised Vosker a competitive edge in a saturated market and an improved user experience.¹³ Although Vosker contemplated building a similar product internally, it felt that a partnership with Spartan Forge would be a “better and faster” option.¹⁴ Spartan Forge also stood to benefit from the partnership, which would offer it access to Vosker’s “large user base,” “large number of cameras,” and “large amount of data.”¹⁵ The partnership also gave Spartan Forge the potential for a liquidity event.¹⁶

The parties first explored a partnership through a licensing arrangement.¹⁷ Spartan Forge granted Vosker an exclusive, worldwide license to use data extracted from its predictive software in exchange for \$150,000 upfront, plus monthly payments of \$45,000.¹⁸ The agreement barred Spartan Forge from engaging with Vosker competitors.¹⁹

After the license agreement expired in March 2023, Vosker and Spartan Forge began to discuss a larger-scale strategic investment.²⁰ In September 2023, they

¹³ Angers Tr. 24-26.

¹⁴ Rousseau Tr. 472-73.

¹⁵ Belser Tr. 498; *see* Thompson Tr. 594-95, 616-17.

¹⁶ Angers Tr. 295; Laaboudi Tr. 309-10.

¹⁷ Laaboudi Tr. 308-09.

¹⁸ PTO ¶ 39.

¹⁹ JX 12 § 9.3.

²⁰ PTO ¶ 41.

executed a non-binding indication of interest contemplating that Vosker would acquire a significant equity stake in Spartan Forge.²¹ In January 2024, they executed a term sheet that conditioned closing on the negotiation of definitive agreements.²²

Negotiations continued, culminating in an Updated Binding Term Sheet (the “Term Sheet”) signed on March 8, 2024.²³ Among the Term Sheet’s binding provisions was an “Exclusivity; Restriction of Business” clause (the “Exclusivity Provision”).²⁴ This provision required that, for 12 months, Spartan Forge would not, without Techno-X’s prior consent, “solicit, initiate or participate in any discussions or negotiations with,” “encourage or respond to any inquiries or proposals by,” or “enter into any agreement” with a third party concerning the sale or disposition of Spartan Forge’s equity or material assets.²⁵ The Term Sheet separately barred Spartan Forge from providing services or selling products to any Vosker competitor.²⁶ The Term Sheet was structured to protect Vosker’s interests while

²¹ JX 92; PTO ¶¶ 42-43.

²² PTO ¶¶ 44-45.

²³ *Id.* ¶¶ 46-48; JX 252 (“Term Sheet”).

²⁴ Term Sheet 4.

²⁵ *Id.*; PTO ¶ 50.

²⁶ Term Sheet 4.

incentivizing the parties to increase Spartan Forge’s value in anticipation of a future acquisition.²⁷

On May 17, 2024, the parties—both advised by counsel—executed a Second Amended and Restated Operating Agreement for Spartan Forge (the “LLC Agreement”).²⁸ Techno-X agreed to make capital contributions to Spartan Forge in exchange for Series A Preferred Units representing an initial 6% minority equity interest.²⁹ Techno-X was to make an initial capital contribution of \$500,000 at closing, plus 15 monthly payments of \$70,666.66 that would allow Techno-X to increase its stake to 12% over time.³⁰

The LLC Agreement outlined two potential paths for Techno-X to acquire Spartan Forge.³¹ The first was a “Majority Right to Purchase,” under which Techno-X had the right to acquire a total 60% interest in Spartan Forge, inclusive of units previously acquired, at a \$15.6 million valuation “within twelve (12) months from the date” any Spartan Forge equity “w[as] first issued” to Techno-X.³² The

²⁷ Belser Tr. 542-44; Thompson Tr. 612-13; Laaboudi Tr. 407.

²⁸ PTO ¶ 52; JX 330 (“LLC Agreement”); Laaboudi Tr. 333; Angers Tr. 211; Term Sheet 1.

²⁹ PTO ¶ 53; LLC Agreement sched. A. Techno-X was referred to as the “Investor” and Spartan Forge as the “Company” in the LLC Agreement. *See* LLC Agreement, Recitals.

³⁰ LLC Agreement sched. A; PTO ¶ 53; Angers Tr. 77-79; Term Sheet 1; Laaboudi Tr. 331-33.

³¹ LLC Agreement § 9.8.

³² *Id.*; Thompson Tr. 665.

second was a “Global Right to Purchase,” which gave Techno-X “an exclusive right, at its own discretion, to acquire” Spartan Forge at a 15% discount for 120 days after receipt of an external company valuation.³³ Both purchase rights were conditioned on executing a separate services agreement addressing technical integration within 60 days.³⁴

The LLC Agreement gave Techno-X various decisional and information rights, including the right to receive reports and financial statements at regular intervals and consent rights concerning certain “Major Decisions.”³⁵ The authority of Thompson, who served as Spartan Forge’s Managing Member, was circumscribed by these consent rights.³⁶ Techno-X gained the right to designate a member of Spartan Forge’s three-member Board of Directors (the “Board”).³⁷ Angers became the Techno-X-designated member of the Board, joining Thompson and Belser.³⁸

The LLC Agreement further required the parties to hold a quarterly “Alignment Meeting” over the ensuing 24 months.³⁹ The purpose of these meetings

³³ LLC Agreement § 9.8; Angers Tr. 92-93, 211.

³⁴ LLC Agreement § 9.8.

³⁵ *Id.* §§ 7.2, 8.2.

³⁶ *Id.* §§ 8.1(a), 8.2.

³⁷ *Id.* § 8.4.

³⁸ *Id.* § 8.4(a); PTO ¶¶ 33-34.

³⁹ LLC Agreement § 9.9; Angers Tr. 94-95.

was to “verify that [Spartan Forge] and [Techno-X] [we]re in alignment with their business objectives.”⁴⁰ The Alignment Meetings had to “include a review, discussion and approval of the Company’s financial statements, budget, Board meeting agenda, and quarterly strategic vision.”⁴¹

C. The Services Agreement Negotiations

The parties met in Brossard, Quebec, on June 13 and 14, 2024, to discuss integration phases, Spartan Forge’s cash-flow position, the product roadmap, and marketing strategies.⁴² Vosker asked that Spartan Forge provide its financial key performance indicators to facilitate negotiations on the commercial terms of a services agreement.⁴³ Vosker anticipated that, once this information was provided, a services agreement could be finalized in short order.⁴⁴

After the meeting, Spartan Forge delayed.⁴⁵ It took nearly a month for Spartan Forge to give Vosker sufficient information for it to begin drafting a services agreement.⁴⁶ By that point, the LLC Agreement’s 60-day timeline for executing a

⁴⁰ LLC Agreement § 9.9.

⁴¹ *Id.*

⁴² PTO ¶¶ 54, 56; Angers Tr. 95, 108-09.

⁴³ Angers Tr. 96-97.

⁴⁴ *Id.* at 97-98.

⁴⁵ *Id.* at 260-63.

⁴⁶ *Id.* at 97, 226.

services agreement had nearly lapsed.⁴⁷ The parties agreed to extend the deadline to October 31, 2024.⁴⁸

Between July and October, the parties negotiated the services agreement and scheduled the first Alignment and Board meetings.⁴⁹ In the interim, Vosker undertook technical work to prepare for integration.⁵⁰ The parties exchanged various technical materials.⁵¹

On October 29, 2024, Vosker and Spartan Forge representatives met again to discuss the services agreement and integration issues.⁵² During the meeting, they resolved all outstanding issues concerning finalization of the services agreement.⁵³ Still, Thompson refused to move forward with signing.⁵⁴

D. The Undisclosed PRADCO Negotiations

Thompson's refusal to execute the services agreement did not stem from unresolved commercial terms. While Spartan Forge continued the services-

⁴⁷ JX 396; JX 397; JX 459; JX 460.

⁴⁸ PTO ¶ 57. An amendment to the LLC Agreement reflecting the extension was signed on August 27, 2024. *Id.*

⁴⁹ *Id.* ¶ 58.

⁵⁰ Rousseau Tr. 475.

⁵¹ *Id.* at 475, 480-81.

⁵² PTO ¶ 61.

⁵³ Laaboudi Tr. 352-53; Angers Tr. 140-41; PTO ¶ 61.

⁵⁴ Laaboudi Tr. 352-53; Angers Tr. 140-41; PTO ¶ 61.

agreement negotiations and received Techno-X's capital contributions, Thompson was secretly pursuing a potential transaction with Vosker's "number one competitor," Moultrie.⁵⁵

At the June 14 meeting in Quebec, Thompson told Angers that someone from an unrelated company had offered to introduce Thompson to Moultrie.⁵⁶ Angers, understanding that Thompson had already responded to Moultrie's outreach, suggested that Thompson have "one call with them."⁵⁷ On June 17, Daniel Wilson—Moultrie Mobile's General Manager—contacted Thompson through LinkedIn.⁵⁸

Thompson forwarded the message from Wilson to Angers the next day, writing: "I can take this call and record if you want. Your call."⁵⁹ Angers responded: "[N]o need to record. You can take the call, but please don't say to[o] much from your side. Ask questions to understand his needs."⁶⁰ Angers added that if prodded, Thompson should invoke Spartan Forge's non-disclosure agreements with Vosker to avoid providing substantive information.⁶¹ Thompson replied, "[G]ot it."⁶²

⁵⁵ Angers Tr. 8-9, 102-03; PTO ¶ 60.

⁵⁶ Thompson Tr. 593.

⁵⁷ Angers Tr. 101.

⁵⁸ JX 366.

⁵⁹ JX 367; JX 417 at 3; Angers Tr. 103-04.

⁶⁰ JX 367.

⁶¹ *Id.*

⁶² *Id.*

On August 2, Thompson sent Angers a LinkedIn message suggesting that they “meet about [his] Moultrie discussion.”⁶³ Angers referred Thompson to Khalil Laaboudi, Vosker’s point person on the Spartan Forge transaction.⁶⁴ Thompson never gave the requested update.⁶⁵

Instead, Thompson and PRADCO’s negotiations advanced. By August 22, Spartan Forge had received two nonbinding term sheets and a non-disclosure agreement from PRADCO.⁶⁶ PRADCO proposed combining Spartan Forge’s mapping and hunting technologies with Moultrie’s hardware system.⁶⁷ Throughout August, Thompson exchanged multiple communications with Wilson “to get a deal done.”⁶⁸ Thompson did not provide copies of—or disclose—these communications or the draft term sheets to Vosker.⁶⁹

⁶³ JX 427.

⁶⁴ JX 434; Angers Tr. 117-18 (explaining that Angers requested that Thompson share any information he learned with Laaboudi because Thompson “was in constant communication, business communication, with [Laaboudi]” during the transaction); Laaboudi Tr. 305-08 (describing his role in the Spartan Forge transaction).

⁶⁵ Angers Tr. 101, 106, 118; Thompson Tr. 631-32.

⁶⁶ Thompson Tr. 633-37; JX 423; JX 463; JX 467.

⁶⁷ JX 464; JX 465.

⁶⁸ Thompson Tr. 635-37; JX 448.

⁶⁹ Thompson Tr. 631-32, 634-35, 637. On September 4, Laaboudi asked Thompson for “the Moultrie communication / invitation [Thompson] received.” JX 37 at 54. Thompson responded: “He text[ed] me I can send a screen shot. Otherwise it’s been phone calls.” *Id.* The screenshot he shared was a text from “EBSCO,” the parent-affiliate of PRADCO, asking if Thompson “ha[d] a few minutes to connect any time tomorrow morning.” JX 40. No additional context was provided.

By October, the PRADCO transaction was well underway. On October 2, Spartan Forge’s Belser and Thompson met with Moultrie’s Wilson to discuss what PRADCO “would be willing to buy.”⁷⁰ Twelve days later, PRADCO sent a revised term sheet contemplating a \$20 million asset purchase.⁷¹ Wilson wrote that the “ultimate goal of the transaction” was to effectuate a “technical integration [of] Moultrie” and Spartan Forge by summer 2025.⁷²

On October 29—the same day Thompson refused to execute the proposed services agreement with Techno-X—PRADCO sent a letter of intent to purchase Spartan Forge’s assets for \$20 million, with a target closing date of December 13.⁷³ Thompson did not disclose the proposal to Vosker.⁷⁴

In November and December, PRADCO undertook diligence of Spartan Forge while exchanging drafts of an asset purchase agreement and discussing timing and integration.⁷⁵ On December 13, PRADCO circulated a revised letter of intent contemplating an asset purchase agreement to be executed on December 16.⁷⁶

⁷⁰ Belser Tr. 562.

⁷¹ JX 541.

⁷² *Id.*

⁷³ JX 569.

⁷⁴ Thompson Tr. 640-41.

⁷⁵ PTO ¶¶ 64, 66, 69.

⁷⁶ *Id.* ¶ 70; JX 672 (“This letter . . . sets forth the terms and conditions upon which [PRADCO] . . . proposes to acquire 100% of the assets constituting the entire business and

Thompson believed that the PRADCO transaction was “on the doorstep” to closing.⁷⁷

E. The Manufactured Breach

As the PRADCO transaction progressed, Spartan Forge’s relationship with Vosker deteriorated. Belser came to view Vosker as a “le[e]ch” on the business.⁷⁸ He and Thompson took steps to sever the relationship.⁷⁹

On October 16, Belser sent an email to Thompson titled “Declaration of Independence from V[osker],” with the goal to “shed Vosker as an investor and sell the company.”⁸⁰ The email outlined three potential courses of action.⁸¹ The first option was to demand that Techno-X schedule an Alignment Meeting as specified by the LLC Agreement and declare an uncured breach when Techno-X inevitably missed the ten-day deadline.⁸² The second option was to force Techno-X into a sale

enterprise of [Spartan Forge]”). Draft letters of intent and related documents had been exchanged between October and December. *See* JX 569; JXs 620-21; JXs 654-55; JX 710.

⁷⁷ Thompson Tr. 643.

⁷⁸ Belser Tr. 541.

⁷⁹ *Id.* at 566 (explaining that once the PRADCO transaction “took hold,” Spartan Forge decided to sever ties with Vosker).

⁸⁰ JX 555; JX 548; Belser Tr. 566-67.

⁸¹ JX 555.

⁸² *Id.*

by invoking drag-along rights.⁸³ And the third option was to persuade Techno-X to voluntarily divest its Spartan Forge equity.⁸⁴

Spartan Forge pursued the first option. On October 25, it sent a letter claiming that Techno-X had failed to schedule a quarterly Alignment Meeting.⁸⁵ It demanded that a meeting be held within ten days “to avoid breach of contract.”⁸⁶

The parties held an Alignment Meeting on November 7.⁸⁷ The LLC Agreement dictated that Spartan Forge’s financial statements, operating budget, Board meeting agenda, and strategic vision be reviewed, discussed, and approved at these meetings.⁸⁸ But Spartan Forge sent no materials to Vosker ahead of time.⁸⁹ Instead, Belser showed spreadsheets “live on Teams” that were outdated, contained mismatched past entries, and lacked key information.⁹⁰ Angers questioned why projections for the upcoming months excluded Techno-X’s monthly capital

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ JX 567; PTO ¶ 59.

⁸⁶ JX 567.

⁸⁷ PTO ¶ 63.

⁸⁸ LLC Agreement § 9.9.

⁸⁹ Angers Tr. 152-53; Belser Tr. 567-68 (admitting that the documents were not provided in advance of the meeting); *see* JX 830 (recording of the Alignment Meeting on Microsoft Teams).

⁹⁰ Angers Tr. 152-53.

contributions to Spartan Forge.⁹¹ Belser responded that Spartan Forge did “not intend to receive any more money.”⁹²

Because the participants did not cover all required agenda items, Vosker’s representatives attempted to schedule a follow-up discussion.⁹³ Spartan Forge deflected.⁹⁴

On November 14, Thompson emailed Angers to say that the parties’ relationship had run its course.⁹⁵ He proposed that Techno-X sell its membership interest back to Spartan Forge at a \$15.6 million valuation, with payment via a promissory note repayable within six months.⁹⁶ Techno-X declined.

F. The Notice of Termination

On November 20, Spartan Forge delivered a written notice of termination to Techno-X, purporting to initiate the LLC Agreement’s process of terminating its membership.⁹⁷ It asserted that Techno-X breached its obligation to hold a quarterly Alignment Meeting by failing to cover required agenda items, including the budget

⁹¹ *Id.* at 151-52.

⁹² *Id.* at 151.

⁹³ JX 588; JX 593.

⁹⁴ JX 615.

⁹⁵ JX 597; PTO ¶ 67.

⁹⁶ PTO ¶ 67.

⁹⁷ JX 606; JX 607; PTO ¶ 68.

and strategic vision.⁹⁸ It further asserted that Techno-X had “caused material harm to [Spartan Forge’s] financial prospects” through alleged actions and omissions of Vosker and its representatives.⁹⁹

Vosker’s in-house counsel responded on Techno-X’s behalf on November 29.¹⁰⁰ She noted that the parties had reviewed the financial statements and budget at the November 7 Alignment Meeting and attributed their inability to cover remaining topics to Spartan Forge’s failure to provide materials in advance.¹⁰¹ She emphasized that Techno-X’s offer to continue the meeting on another date “remained unanswered.”¹⁰² Finally, she rejected the notion that the alleged conduct supplied contractual grounds to terminate Techno-X’s membership.¹⁰³

G. The December Meetings

On December 12, Thompson and Belser participated in a video meeting with Vosker, which Belser recorded.¹⁰⁴ Reading from a script, Thompson represented that Spartan Forge had done “extremely well in sales” in 2024 and felt confident in

⁹⁸ JX 607.

⁹⁹ *Id.*

¹⁰⁰ JX 614; JX 615; PTO ¶ 68.

¹⁰¹ JX 615.

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ JX 831.

its “ability to sustain [itself].”¹⁰⁵ He suggested that perhaps “in a year,” the parties could discuss a 100% acquisition of Spartan Forge by Vosker.¹⁰⁶

The next day, December 13—when PRADCO circulated its final letter of intent—Spartan Forge noticed a special Board meeting for December 17 to discuss “business matters.”¹⁰⁷ At the December 17 meeting, Thompson presented the proposed PRADCO transaction, describing its structure and the consents required under the LLC Agreement.¹⁰⁸ He proposed a Board vote to approve the transaction in principle.¹⁰⁹

This was the first time Angers—a Board member—had received notice of the PRADCO transaction.¹¹⁰ He objected, expressing “shock[]” that Spartan Forge had “negotiated a deal to sell all of its assets . . . to a [Vosker] competitor.”¹¹¹ Vosker’s in-house counsel asked whether Spartan Forge had considered that the parties’

¹⁰⁵ *Id.*; Thompson Tr. 654-55.

¹⁰⁶ JX 831; Thompson Tr. 657.

¹⁰⁷ JX 677; PTO ¶ 71.

¹⁰⁸ JX 718; PTO ¶ 72; Angers Tr. 166.

¹⁰⁹ PTO ¶ 73.

¹¹⁰ Angers Tr. 174.

¹¹¹ JX 768 (“Despite having the opportunity to bring this transaction to our attention multiple times before the Meeting . . . we were not informed about this transaction until the Meeting. Moreover, the full Board was not consulted before pursuing such a transaction or engaging in any negotiations in respect thereof, nor was the Board’s consent obtained before engaging counsel and incurring other expenses in connection with such negotiations. We are at a loss to understand how this process could unfold without any notice to the Board and without the Board’s participation.”); PTO ¶ 74.

agreements prohibited it from engaging with a Vosker competitor.¹¹² The meeting was adjourned until December 24.¹¹³ Spartan Forge sent the transaction documents to Vosker shortly after the adjournment.¹¹⁴

H. This Litigation and Subsequent Events

Techno-X filed this lawsuit on December 18, 2024, seeking emergency relief to enjoin Spartan Forge from carrying out the PRADCO transaction due to alleged breaches of its rights under the LLC Agreement.¹¹⁵ On December 19, PRADCO notified Spartan Forge that it no longer intended to pursue the transaction, mooting Techno-X's request for an injunction.¹¹⁶

On December 30, Spartan Forge answered and asserted counterclaims against Techno-X, Angers, and Vosker for breach of contract, breach of fiduciary duty, and tortious interference with contract.¹¹⁷ It also sought a declaratory judgment that it had the right to trigger the LLC Agreement's involuntary termination provision.¹¹⁸

¹¹² JX 718.

¹¹³ PTO ¶ 74.

¹¹⁴ JXs 719-22; JX 733; Angers Tr. 174-75.

¹¹⁵ Verified Compl. (Dkt. 1).

¹¹⁶ Letter from Counsel (Dkt. 5); PTO ¶ 6.

¹¹⁷ Answer and Countercl. (Dkt. 21) ¶¶ 71-76, 82-91.

¹¹⁸ *Id.* ¶¶ 77-81.

Techno-X amended its complaint on January 3, 2025.¹¹⁹ The operative pleading advanced claims for breach of contract against Spartan Forge and Thompson, and a tortious interference claim against PRADCO.¹²⁰

While this litigation was pending, Spartan Forge took further steps to consolidate its position. On February 11, it held a member meeting at which the voting members approved resolutions purporting to amend the LLC Agreement to confirm Thompson's authority to negotiate with PRADCO.¹²¹ Techno-X abstained.¹²² The next day, Techno-X moved for a temporary restraining order to prevent the resolutions from being acted upon.¹²³ I denied the motion because PRADCO represented that it would not pursue a transaction before judicial relief issued.¹²⁴

On March 3, the parties cross-moved for partial summary judgment on certain threshold legal issues.¹²⁵

¹¹⁹ Verified Am. Compl. (Dkt. 24).

¹²⁰ *Id.* ¶¶ 35-53.

¹²¹ PTO ¶ 12.

¹²² *Id.*

¹²³ *Id.* ¶ 14; Pl.'s Second Mot. for a Temporary Restraining Order (Dkt. 58).

¹²⁴ Order Denying Temporary Restraining Order (Dkt. 69); PTO ¶ 15.

¹²⁵ *See* Defs.' Opening Br. in Supp. of Mot. for Summ. J. (Dkt. 80); Pl.'s Cross-Mot. Regarding Threshold Issues of Law (Dkt. 81).

Several weeks later, on April 30, Spartan Forge purported to redeem Techno-X's membership interest.¹²⁶

On June 9, I denied the defendants' motion for summary judgment and largely granted Techno-X's cross-motion on threshold issues, holding that the binding provisions (including the Exclusivity Provision) of the Term Sheet survived and were not extinguished by the LLC Agreement's integration clause, and that the February 11 resolutions attempting to amend the LLC Agreement were ineffective.¹²⁷ Techno-X subsequently dismissed its claim against PRADCO.¹²⁸

The parties agreed to bifurcate the remainder of this proceeding. Phase one includes Techno-X's claims for breaches of the Term Sheet and LLC Agreement regarding exclusivity, consent rights, and information and governance rights, alongside Spartan Forge's counterclaim seeking a declaratory judgment validating its involuntary termination of Techno-X's membership.¹²⁹ The phase one trial took

¹²⁶ Pl.'s Mot. for Entry of Proposed Order Implementing June 9 Ruling and Restoring and Preserving Status Quo (Dkt. 131); PTO ¶ 22.

¹²⁷ Letter Op. Resolving Cross-Mots. for Summ. J. (Dkt. 126) ("Summ. J. Letter Op."). During the intervening period, I requested supplemental submissions on a Quebec choice-of-law provision in the Term Sheet and its effect on the cross-motions. *See* PTO ¶ 19. The parties have since agreed that there is no material difference between Quebec and Delaware law "for purposes of this case," and have "stipulate[d] to the application of Delaware law." PTO ¶ 21 (citing Summ. J. Letter Op. 12).

¹²⁸ Notice of Dismissal (Dkt. 156); PTO ¶ 25; JX 827.

¹²⁹ PTO ¶¶ 26-27.

place from April 15 to 16, 2026.¹³⁰ Post-trial briefing concluded on June 24.¹³¹ I heard post-trial oral argument on July 8, and the matter was submitted for decision.¹³²

The defendants' counterclaims for breach of contract, breach of fiduciary duty, and tortious interference will be adjudicated in the second phase.¹³³

II. ANALYSIS

Techno-X claims that Spartan Forge breached the Term Sheet and LLC Agreement.¹³⁴ Spartan Forge, in turn, contends that it validly terminated Techno-X's membership under the LLC Agreement.¹³⁵ The parties have the burden of proving their respective claims by a preponderance of the evidence.¹³⁶

Techno-X proved that Spartan Forge breached the Exclusivity Provision in the Term Sheet and consent provisions in Section 8.2(a) of the LLC Agreement by

¹³⁰ Judicial Action Form (Dkt. 179).

¹³¹ See Pl. and Countercl. Defs.' Opening Post-trial Br. (Dkt. 191) ("Pl.'s Post-trial Opening Br."); Defs. Spartan Forge LLC and Thompson's Opening Post-trial Br. (Dkt. 190) ("Defs.' Post-trial Opening Br."); Pl. and Countercl. Defs.' Answering Post-trial Br. (Dkt. 200) ("Pl.'s Post-trial Answering Br."); Defs. Spartan Forge LLC and Thompson's Answering Post-trial Br. (Dkt. 201) ("Defs.' Post-trial Answering Br.").

¹³² See Tr. of Post-trial Oral Arg. (Dkt. 209).

¹³³ PTO ¶ 27.

¹³⁴ Pl.'s Post-trial Opening Br. 29-56.

¹³⁵ Defs.' Post-trial Opening Br. 26-47.

¹³⁶ See *Revolution Retail Sys., LLC v. Sentinel Techs., Inc.*, 2015 WL 6611601, at *9 (Del. Ch. Oct. 30, 2015) ("Proof by a preponderance of the evidence means proof that something is more likely than not.").

pursuing the undisclosed negotiations with PRADCO. It further proved that Thompson committed a technical breach of Section 7.2(c) of the LLC Agreement by failing to deliver a budget on time. Spartan Forge’s counterclaim for a declaratory judgment validating its involuntary termination of Techno-X, however, is without factual or legal support.

A. Techno-X’s Claims for Breach of Exclusivity and Consent Rights

Techno-X claims that Spartan Forge breached the Exclusivity Provision in the Term Sheet and certain consent provisions in the LLC Agreement.¹³⁷ To prevail on these claims, Techno-X must prove the existence of a contract, a breach of a contractual obligation, and resulting damages.¹³⁸ I previously held that the Term Sheet’s binding provisions remain in effect because the LLC Agreement’s integration clause is limited to the “subject matter of the LLC Agreement,” which governs internal management and member relations.¹³⁹ At present, Spartan Forge does not challenge the validity or enforceability of the Term Sheet or LLC Agreement.¹⁴⁰

¹³⁷ Pl.’s Post-trial Opening Br. 30-33.

¹³⁸ *VLIW Tech., LLC v. Hewlett-Packard Co.*, 840 A.2d 606, 612 (Del. 2003).

¹³⁹ Summ. J. Letter Op. 16-17 (explaining that the LLC Agreement is silent on the exclusivity and business restriction issues in the binding provisions of the Term Sheet); *see* LLC Agreement § 11.10; PTO ¶ 20.

¹⁴⁰ PTO ¶¶ 48, 52.

My analysis of the relevant contractual obligations follows settled principles of contract interpretation.¹⁴¹ “Delaware law adheres to the objective theory of contracts,” which means that “a contract’s construction should be that which would be understood by an objective, reasonable third party.”¹⁴² “When interpreting a contract, [the] Court ‘will give priority to the parties’ intentions as reflected in the four corners of the agreement.’”¹⁴³ Where a contract is unambiguous, the court gives effect to the “plain-meaning of the contract’s terms and provisions.”¹⁴⁴ It must assess the contract “as a whole and . . . give each provision and term effect, so as not to render any part of the contract mere surplusage.”¹⁴⁵

1. The Exclusivity Provision

In the Term Sheet’s Exclusivity Provision, Spartan Forge promised not to solicit, initiate, or participate in discussions or negotiations concerning the sale of its

¹⁴¹ The LLC Agreement is governed by Delaware law. The Term Sheet is governed by Quebec law, but the parties have “stipulate[d] to the application of Delaware law” for purposes of resolving the present claims. PTO ¶ 21 (citing Summ. J. Letter Op. 12).

¹⁴² *Salamone v. Gorman*, 106 A.3d 354, 367-68 (Del. 2014) (quoting *Osborn ex rel. Osborn v. Kemp*, 991 A.2d 1153, 1159 (Del. 2010)).

¹⁴³ *Id.* at 368 (quoting *GMG Cap. Invs., LLC v. Athenian Venture P’rs I, L.P.*, 36 A.3d 776, 779 (Del. 2012)).

¹⁴⁴ *Osborn*, 991 A.2d at 1159-60; see also *Rhone-Poulenc Basic Chems. Co. v. Am. Motorists Ins.*, 616 A.2d 1192, 1195 (Del. 1992) (“Clear and unambiguous language . . . should be given its ordinary and usual meaning.”).

¹⁴⁵ *Osborn*, 991 A.2d at 1159 (quoting *Kuhn Constr., Inc. v. Diamond State Port Corp.*, 990 A.2d 393, 396-97 (Del. 2010)).

securities or material assets without Techno-X’s authorization.¹⁴⁶ It further agreed not to provide services or sell products to any Vosker competitor.¹⁴⁷ The full Exclusivity Provision states that Spartan Forge would not:

[w]ithout the prior consent of [Techno-X], directly or indirectly:
i. solicit, initiate or participate in any discussions or negotiations with, or encourage or respond to any inquiries or proposals by any person or entity or enter into any agreement, other than with [Techno-X], concerning (A) any financing of [Spartan Forge] or (B) the issuance, sale or disposition of any securities of [Spartan Forge] or any similar transaction, or the issuance, sale or disposition of any material assets of [Spartan Forge]; and
ii. provide any services or sell any products to any person or entity that is a competitor of [Techno-X’s] Business.¹⁴⁸

Spartan Forge was bound by this provision for twelve months after the Term Sheet took effect.¹⁴⁹

Techno-X asserts that Spartan Forge breached the Exclusivity Provision by engaging in negotiations with PRADCO that culminated in a proposed asset purchase agreement.¹⁵⁰ The evidence at trial proves it right. From the initial LinkedIn messages to subsequent calls and communications throughout the summer of 2024, Thompson “participate[d] in . . . discussions” with PRADCO—a

¹⁴⁶ Term Sheet 4; *see also id.* at 5 (defining Techno-X’s “Business” as the “business listed in Schedule A of the Exclusive Data License Agreement”).

¹⁴⁷ Term Sheet 4.

¹⁴⁸ *Id.* (emphasis added).

¹⁴⁹ *Id.*

¹⁵⁰ Pl.’s Post-trial Opening Br. 29.

competitor of Vosker—regarding the “sale or disposition of [Spartan Forge] assets.”¹⁵¹ PRADCO’s transmission of term sheets in August, a letter of intent on October 29, and a final draft purchase agreement on December 3 confirms the extent of Spartan Forge’s participation in negotiations regarding a prohibited sale.¹⁵² These actions breached the Exclusivity Provision.

Spartan Forge insists that it did not breach the Term Sheet because Angers “gave consent” after Thompson disclosed his initial outreach from Moultrie.¹⁵³ The record shows otherwise. Angers never consented to Thompson having substantive discussions—much less acquisition negotiations—with a Vosker competitor.¹⁵⁴ He suggested only that Thompson connect with Moultrie’s Wilson to gather information but cautioned Thompson not to “say to[o] much.”¹⁵⁵ Thompson acknowledged those limits.¹⁵⁶ At trial, Thompson conceded that he did not understand Angers to have given Spartan Forge consent to discuss a transaction with PRADCO.¹⁵⁷ Techno-X

¹⁵¹ Term Sheet 4; *see* Thompson Tr. 604-06, 635; *see supra* Section I.D.

¹⁵² *See* Term Sheet 4; JX 423; JX 569; JX 620; JX 621; *see supra* Section I.D.

¹⁵³ Defs.’ Post-trial Answering Br. 16 (citing JX 367; JX 417).

¹⁵⁴ JX 479; Angers Tr. 104-06 (“I said, ‘You can take the call’ Again, talking about this quick call that will last a few minutes.”).

¹⁵⁵ JX 417 at ‘0786.

¹⁵⁶ *Id.*; Angers Tr. 105.

¹⁵⁷ Thompson Tr. 629-31 (Q: “Jimmy Angers never consented to you or anyone else at Spartan Forge for Spartan Forge to have a discussion with PRADCO or Moultrie about a transaction, did he?” A: “No.”).

was left in the dark until December 17, when Spartan Forge first revealed the PRADCO transaction at a Board meeting.¹⁵⁸

2. The Consent Rights

Section 8.2 of the LLC Agreement subjects specified “Major Decisions” to collective approval requirements and, for the decisions enumerated in Section 8.2(b), Techno-X’s individual consent.¹⁵⁹ Relevant here, Section 8.2(a)(v) required approval of the Spartan Forge Board and a “Majority in Interest of the Members” before making “[a]ny decision to enter into or negotiate any strategic partnership with any Person regarding the Company’s software or outdoor hunting application.”¹⁶⁰ Section 8.2(a)(xi) likewise required Board and majority-member approval before “enter[ing] into or negotiat[ing] an agreement with a Person whose business, in whole or in part, relates to designing or distributing cellular remote area monitoring devices and solutions for remote area monitoring.”¹⁶¹

¹⁵⁸ See Belser Tr. 572 (acknowledging that Spartan Forge first alerted Techno-X to the PRADCO transaction on December 17).

¹⁵⁹ LLC Agreement § 8.2.

¹⁶⁰ *Id.* § 8.2(a)(v). There are two Sections 8.2(a)(v). The quoted text is the second such section. “Majority in Interest of the Members” is defined as “Members holding more than fifty percent (50%) of the total number of Units issued by the Company to the Members (on an as-converted basis, assuming that all Series A Preferred Units held by the Members have been converted into Common Units pursuant to Section 4.8 on the date of calculation).” *Id.* § 1.

¹⁶¹ *Id.* § 8.2(a)(xi). “Person” means “any individual, corporation, partnership, joint venture, . . . limited liability company, . . . or any other legal entity.” *Id.* § 1.

The PRADCO transaction fell squarely within these provisions. By proposing to combine Spartan Forge’s mapping technology with PRADCO’s competing Moultrie hardware system, the transaction triggered Section 8.2(a)(v).¹⁶² Section 8.2(a)(xi) was also implicated because Moultrie fell within the provision’s definition of a covered counterparty.¹⁶³ As Thompson conceded at trial, much of the proposed PRADCO transaction overlapped with the integration that Vosker had been pursuing with Spartan Forge.¹⁶⁴ Spartan Forge did not obtain the consent of its Board or Majority in Interest of the Members before “enter[ing] into or negotiat[ing]” the PRADCO transaction.¹⁶⁵

Techno-X also asserts that Spartan Forge breached Section 8.2(b), but it failed to prove this claim. Section 8.2(b)(iv) requires Techno-X’s individual consent for “[a]ny transaction by [Spartan Forge] to merge or consolidate with another person or entity.”¹⁶⁶ The proposed PRADCO transaction was an asset sale, not a merger or consolidation. Where the drafters intended to capture an asset sale, they did so

¹⁶² See JX 423 (PRADCO describing “technical integration” with Moultrie as the “ultimate goal” of the transaction with Spartan Forge and a “critical element of the deal”); JX 464 (describing the goal as “accelerat[ing] the buildout of an app platform with truly unique capabilities for hunt planning,” so as to “combin[e]” Spartan Forge’s “strengths in mapping” with PRADCO’s “hardware ecosystem”); LLC Agreement § 8.2(a)(v); *see also* JX 465; JX 541; JX 569.

¹⁶³ Angers Tr. 100-01; LLC Agreement § 8.2(a)(xi).

¹⁶⁴ Thompson Tr. 659.

¹⁶⁵ LLC Agreement § 8.2(a).

¹⁶⁶ *Id.* § 8.2(b)(iv).

expressly—defining a “Sale of the Company” in Section 1 to include a disposition “of all or substantially all of the assets” and addressing it under the drag-along provisions of Section 9.5(e) rather than Section 8.2.¹⁶⁷ Techno-X’s reliance on Section 8.2(b)(i), which requires its consent for “[a]ny material change in the Company Business,” is similarly unavailing.¹⁶⁸ “Company Business” means “the business of developing and commercializing technology for the outdoor activities market including but not limited to hunting, scouting, mapping, machine learning, predictive analytics, media processing, and weather forecasting.”¹⁶⁹ The record does not establish that the PRADCO transaction would have altered the nature of Spartan Forge’s core business of developing and commercializing outdoor mapping and predictive technology.

Spartan Forge advances several defenses to Techno-X’s claim that it breached the consent provisions in the LLC Agreement. None has merit.

First, Spartan Forge asserts that it did not breach the consent provisions because the PRADCO “transaction was never fully negotiated and was not, and still

¹⁶⁷ *Id.* § 1; *see id.* § 9.5(e); *see also Williams Cos., Inc. v. Energy Transfer LP*, 2020 WL 3581095, at *12 n.123 (Del. Ch. July 2, 2020) (“[T]he use of different language in different sections of a contract suggests the difference is intentional—i.e., the parties intended for the sections to have different meaning.”).

¹⁶⁸ LLC Agreement § 8.2(b)(i).

¹⁶⁹ *Id.* § 1.

has not been, undertaken without Techno-X’s consent.”¹⁷⁰ This argument is divorced from the contractual text. Section 8.2(a) required Board and majority-member consent before making “[a]ny decision to enter into or negotiate” strategic partnerships or other transactions with a competitor.¹⁷¹ This language does not limit Spartan Forge’s obligations to finalized transactions.

Next, Spartan Forge argues that Techno-X ratified, waived, or acquiesced to the transaction.¹⁷² It did not meet its burden of proving these affirmative defenses.¹⁷³

The affirmative defenses of waiver and acquiescence require the plaintiff to have had full knowledge of the material facts.¹⁷⁴ Techno-X did not have full—or any—knowledge of the PRADCO transaction while it was being negotiated.¹⁷⁵ Thompson merely told Angers about the initial LinkedIn outreach and asked to speak

¹⁷⁰ PTO ¶ 93 (discussing breach of the Term Sheet); *id.* ¶ 95 (same but for the LLC Agreement).

¹⁷¹ LLC Agreement § 8.2(a)(v), (xi) (emphasis added).

¹⁷² PTO ¶ 97 (arguing that Angers “never so much as requested that Spartan Forge terminate negotiations with PRADCO,” that “Techno-X through Angers ratified and acquiesced to th[e] negotiations,” and that Techno-X “waived any veto right”).

¹⁷³ *Medek v. Medek*, 2008 WL 4261017, at *10 (Del. Ch. Sept. 10, 2008).

¹⁷⁴ *Klaassen v. Allegro Dev. Corp.*, 106 A.3d 1035, 1047-48 (Del. 2014) (explaining that a “claimant is deemed to have acquiesced” where he “has full knowledge of his rights and the material facts” (citation omitted)); *In re Coinmint, LLC*, 261 A.3d 867, 893 (Del. Ch. 2021) (stating that waiver “implies knowledge of all material facts and an intent to waive, together with a willingness to refrain from enforcing those contractual rights”).

¹⁷⁵ Thompson Tr. 630.

with Angers “about [the PRADCO] discussion.”¹⁷⁶ Angers contemporaneously confirmed that he had not authorized further negotiations, telling Laaboudi, “I didn’t give any green light.”¹⁷⁷

After Angers directed Thompson to connect with Laaboudi, Thompson sent vague screenshots of communications—none of which revealed the substance of his negotiations.¹⁷⁸ Thompson did not disclose that Spartan Forge had received letters of intent, diligence requests, and a draft asset purchase agreement from PRADCO.¹⁷⁹ Techno-X was kept in the dark until the December 17 Board meeting, when Thompson first revealed the PRADCO transaction as an “imminent” deal with completed due diligence.¹⁸⁰ Spartan Forge also concealed the topic of that meeting by omitting an agenda from the Board notice, in stark contrast to the notice it circulated days later for a December 20 meeting.¹⁸¹

¹⁷⁶ See JX 427; JX 434; Thompson Tr. 632.

¹⁷⁷ JX 479 at 10.

¹⁷⁸ See JX 37 at 54 (Laaboudi: “Can u plz send me the Moultrie communication / invitation you received ?” Thompson: “He text me I can send a screen shot. Otherwise it’s been phone calls.”); JX 40 (text from “EBSCO” (the parent-affiliate of PRADCO) saying “Do you have a few minutes to connect any time tomorrow morning?”).

¹⁷⁹ Thompson Tr. 630 (Q: “You never sent Mr. Angers or Mr. Laaboudi[] . . . an email or text that advised them that you and Spartan Forge had received a draft proposal or a draft agreement from PRADCO or Moultrie, did you?” A: “No.”); see *id.* at 630-41.

¹⁸⁰ Angers Tr. 179-80; Belser Tr. 565, 572 (explaining that he never raised the PRADCO transaction with Techno-X before the December 17 board meeting).

¹⁸¹ Compare JX 677 (December 13 notice with no agenda), with JX 738 (December 20 notice enclosing an agenda).

Nor did Techno-X ratify the transaction *ex post*.¹⁸² Like waiver and acquiescence, “to find that a party ratified a prior act, it is first necessary to find that the ratifying party had ‘[k]nowledge, actual or imputed, of all material facts.’”¹⁸³ Techno-X’s conduct after it learned of the PRADCO transaction vitiates Spartan Forge’s argument. One day after the December 17 Board meeting, Techno-X sent a written objection to the proposed transaction.¹⁸⁴ It also filed this lawsuit and sought emergency injunctive relief to enjoin the transaction from closing.¹⁸⁵ Techno-X “acted consistently with [its] position” that the PRADCO transaction violated Spartan Forge’s contractual commitments.¹⁸⁶

Finally, Spartan Forge raises defenses based on its governance structure. It contends that its Managing Member—Thompson—had the unilateral authority to pursue the PRADCO transaction under Section 8.1(a) of the LLC Agreement.¹⁸⁷ This ignores the plain text of Section 8.1(a), which subjects the Managing Member’s

¹⁸² See *TR Invs., LLC v. Genger*, 2010 WL 2901704, at *15 (Del. Ch. July 23, 2010) (“Ratification differs [from acquiescence] primarily in timing: [ac]quiescence properly speaks of assent by words or conduct *during the progress of* a transaction, while ratification suggests an assent *after the fact*.” (citation omitted)).

¹⁸³ *Id.* (citing *Frank v. Wilson & Co.*, 32 A.2d 277, 283 (Del. 1943)).

¹⁸⁴ JX 768.

¹⁸⁵ See *supra* Section I.H.

¹⁸⁶ *Genger v. TR Invs., LLC*, 26 A.3d 180, 196 (Del. 2011).

¹⁸⁷ See Defs.’ Post-trial Opening Br. 31; Defs.’ Post-trial Answering Br. 20-21; see also LLC Agreement § 8.1(a); PTO ¶¶ 98-99, 119.

authority to the “Major Decisions” requirements of Section 8.2.¹⁸⁸ Spartan Forge further contends that its Board was merely “advisory” and lacked the power to conduct the company’s affairs.¹⁸⁹ But Section 8.4 formally establishes the Board, and Section 8.2 grants it affirmative consent rights.¹⁹⁰ Adopting Spartan Forge’s interpretation would render these provisions meaningless.

B. Techno-X’s Claims for Breach of Information and Governance Rights

Techno-X next claims that Spartan Forge breached certain information and governance provisions in the LLC Agreement: Sections 8.4, 7.2, and 9.9.¹⁹¹ In the Pre-trial Order, Spartan Forge maintained that Techno-X lacked standing to pursue claims premised on Angers’s directorial rights.¹⁹² It abandoned that defense in its post-trial briefing.¹⁹³ Instead, it argues that Techno-X’s claims are waived or fail on the merits.¹⁹⁴

¹⁸⁸ LLC Agreement § 8.1(a) (“Subject to Section 8.2, the Managing Member shall have the right, power and authority to manage, operate and control the business and affairs of the Company and to do or cause to be done any and all acts, at the expense of the Company, deemed by the Managing Member to be necessary or appropriate to effectuate the purposes of the Company.”).

¹⁸⁹ See Defs.’ Post-trial Answering Br. 1, 20-21.

¹⁹⁰ See LLC Agreement §§ 8.2, 8.4.

¹⁹¹ See Pl.’s Post-trial Opening Br. 39-41; PTO ¶¶ 82-83.

¹⁹² See PTO ¶ 118.

¹⁹³ See *Emerald P’s v. Berlin*, 726 A.2d 1215, 1224 (Del. 1999) (“Issues not briefed are deemed waived.”).

¹⁹⁴ See Defs.’ Post-trial Answering Br. 13-15.

To start, Techno-X argues that Spartan Forge breached Section 8.4 because it did not hold a noticed Board meeting, Board vote, or obtain a unanimous written consent before negotiating the PRADCO transaction.¹⁹⁵ This theory is redundant of Techno-X’s claim for breach of Section 8.2. As explained above, Spartan Forge substantively breached Section 8.2(a) by failing to obtain the Board’s consent before pursuing the transaction.¹⁹⁶ How the Board should have formally obtained or memorialized that consent under Section 8.4 is superfluous. I therefore decline to find an independent breach of Section 8.4.

Techno-X next argues that Thompson breached Section 7.2(c) of the LLC Agreement.¹⁹⁷ Section 7.2(c) requires the Managing Member to “prepare and submit to the Board for approval” an annual operating budget “not later than 3 months prior to the beginning of each fiscal year beginning January 1, 2025.”¹⁹⁸ Under this provision, the 2025 budget was due to the Board by October 1, 2024. But Thompson

¹⁹⁵ See Pl.’s Post-trial Opening Br. 39; LLC Agreement § 8.4(d) (“The acts of a majority of the Directors present and voting at a meeting of the Board at which a quorum is present shall constitute the acts of the Board.”); *id.* § 8.4(f) (requiring the transmission of a notice to each director “not less than two (2) [b]usiness [d]ays nor more than thirty (30) days before the date of the meeting”); *id.* § 8.4(g) (permitting the Board to act by written consent).

¹⁹⁶ See *supra* Section II.A.2.

¹⁹⁷ Pl.’s Post-trial Opening Br. 39-40; see LLC Agreement § 7.2(c). Earlier in the litigation, Techno-X also claimed that other information rights provisions in addition to Section 7.2(c) had been breached. See, e.g., PTO ¶¶ 82-83. It did not press these claims after trial, thereby waiving them. See *Emerald P’rs*, 726 A.2d at 1224.

¹⁹⁸ LLC Agreement § 7.2(c).

withheld the 2025 budget until April 2025, when he provided the budget just eight minutes before a noticed Board meeting was to begin.¹⁹⁹ Although this delay breached Section 7.2(c), Techno-X has not demonstrated that it suffered cognizable harm as a result.²⁰⁰ In addition to the remedy addressed below, Techno-X is entitled to \$1.00 for Thompson’s breach of Section 7.2(c).²⁰¹

Finally, Techno-X claims that Spartan Forge breached Section 9.9, which required Techno-X and Spartan Forge to hold quarterly Alignment Meetings “[f]or the first twenty-four (24) months” after execution of the LLC Agreement.²⁰² At the Alignment Meeting, attendees were to discuss Spartan Forge’s “financial statements, budget, Board meeting agenda, and quarterly strategic vision.”²⁰³ Techno-X suggests that Spartan Forge breached Section 9.9 by failing to provide materials in advance of the meeting.²⁰⁴ But Section 9.9 lacks language concerning the materials to be provided before or during the meeting. It only requires that the meeting be held and outlines the topics to be discussed. Techno-X therefore did not prove a breach of this provision.

¹⁹⁹ JX 799; JX 801.

²⁰⁰ See, e.g., *Symbiont.io, Inc. v. Ipreo Hldgs., LLC*, 2021 WL 3575709, at *46 (Del. Ch. Aug. 13, 2021) (awarding nominal damages for the technical breach of an operating plan).

²⁰¹ See *infra* Section III.

²⁰² LLC Agreement § 9.9.

²⁰³ *Id.*

²⁰⁴ See Pl.’s Post-trial Opening Br. 39-40; Pl.’s Post-trial Answering Br. 47.

* * *

Techno-X has proven that Spartan Forge breached the Exclusivity Provision in the Term Sheet and the consent rights in Sections 8.2(a)(v) and (xi) of the LLC Agreement. Remedies for these breaches are addressed below.²⁰⁵ Techno-X has also proven that Thompson breached Section 7.2(c) of the LLC Agreement, for which it is awarded nominal damages. It has failed to prove its claims for breach of Sections 8.2(b), 8.4, and 9.9 of the LLC Agreement.

C. Spartan Forge’s Counterclaim for a Declaratory Judgment

Spartan Forge seeks a declaration that it had the right to involuntarily terminate Techno-X’s membership interest under the LLC Agreement.²⁰⁶ The counterclaim concerns Section 9.6, which permits Spartan Forge—“in its sole and absolute discretion”—to repurchase a member’s units upon a “Withdrawal Event.”²⁰⁷ Section 9.6(b) defines “Withdrawal Event” to include an “Involuntary Termination,” which occurs where a member, among other things, “materially breaches” the LLC Agreement and fails to cure within 10 days of written notice or “causes material harm” to Spartan Forge’s reputation or “financial prospects.”²⁰⁸

²⁰⁵ See *infra* Section III.

²⁰⁶ See Defs.’ Post-trial Opening Br. 31-32, 35; 10 *Del. C.* § 6501.

²⁰⁷ LLC Agreement § 9.6(a).

²⁰⁸ *Id.* §§ 9.6(b)(ix)(c), (e).

Spartan Forge’s November 20, 2024 notice of involuntary termination asserted that both Involuntary Termination events occurred.²⁰⁹ It stated that Techno-X materially breached the LLC Agreement in connection with the Alignment Meeting:

After repeated requests for [Techno-X] to schedule an alignment meeting, [Techno-X] finally agreed to hold a meeting on November 7, 2024, but did not allot sufficient time to address all of the required items for a complete meeting (none of the budget, Board meeting agenda or quarterly strategic vision were discussed or approved) and thus did not cure its breach of the [LLC] Agreement.²¹⁰

The notice also stated that Techno-X had “taken numerous actions and omitted to take numerous actions that have caused material harm to [Spartan Forge’s] financial prospects in breach of the [LLC Agreement].”²¹¹ To substantiate these assertions, Spartan Forge relies on internal Vosker communications produced during the litigation.²¹²

Spartan Forge did not prevail on its counterclaim. Its termination of Techno-X was pretextual. Thompson and Belser devised a plan to induce Techno-X to breach the LLC Agreement so that Spartan Forge could terminate its membership

²⁰⁹ JX 606; JX 607.

²¹⁰ JX 607.

²¹¹ *Id.*

²¹² Defs.’ Post-trial Opening Br. 41.

and pursue a transaction with PRADCO.²¹³ Setting aside the inequity of this conduct, it failed to prove that a Withdrawal Event occurred.²¹⁴

1. The Alignment Meeting Obligation

Spartan Forge first claims that Techno-X materially breached the LLC Agreement by failing to complete the agenda at the November 7 Alignment Meeting.²¹⁵ As a threshold matter, the incomplete agenda did not constitute a material breach on this record. The parties held the meeting, addressed financial matters, and had an opportunity to continue their discussion on the additional dates Techno-X proposed. Spartan Forge has not shown that the unfinished agenda deprived it of a benefit fundamental to the parties' agreement.²¹⁶

²¹³ See JX 555; Belser Tr. 566-67.

²¹⁴ Because Spartan Forge's counterclaim fails on the merits, I need not address Techno-X's defenses. See PTO ¶ 131 (asserting that the counterclaim "is barred in whole or in part by, inter alia, their own prior breach of contract and by breaching their duty of good faith and fair dealing").

²¹⁵ Defs.' Post-trial Opening Br. 31-32.

²¹⁶ See generally *2009 Caiola Family Tr. v. PWA, LLC*, 2015 WL 6007596, at *18 (Del. Ch. Oct. 14, 2015) (defining a breach as "material" if it goes "to the root or essence of the agreement between the parties" or "touches the fundamental purpose of the contract"); *BioLife Sol'ns, Inc. v. Endocare, Inc.*, 838 A.2d 268, 278 (Del. Ch. Oct. 1, 2003) (discussing when a party is in material breach of a contract as opposed to "a slight breach" (citation omitted)); see Restatement (Second) of Contracts § 241 (outlining factors to consider when determining whether "a failure to render performance . . . is material," including "the extent to which the injured party will be deprived of the benefit which he reasonably expected").

But even assuming the deficiency were material, the claim fails on the merits. Techno-X cured any purported deficiency by scheduling an Alignment Meeting within the notice period, and Spartan Forge’s own obstruction prevented further compliance. A party may cure a breached obligation to hold a meeting when it “agree[s] to a [meeting] . . . within the cure period.”²¹⁷

On October 28, Techno-X received Spartan Forge’s notice that Techno-X was required to schedule a quarterly Alignment Meeting “to avoid breach of” the LLC Agreement.²¹⁸ Vosker’s legal counsel, acting for Techno-X, promptly responded by proposing meeting dates.²¹⁹ The parties then held the Alignment Meeting on November 7.²²⁰ These actions satisfied Techno-X’s obligation to cure any scheduling deficiency within ten days of receiving notice.²²¹

After the attendees were unable to cover all the topics contemplated by Section 9.9 of the LLC Agreement, Techno-X proposed four additional dates “to

²¹⁷ *Lola Cars Int’l Ltd. v. Krohn Racing, LLC*, 2010 WL 3314484, at *18 n.222 (Del. Ch. Aug. 2, 2010) (holding that the absence of formal board meetings did not establish a material breach where the parties’ communications supplied the expected benefits and the alleged breaching party agreed to hold a formal meeting within the contractual cure period).

²¹⁸ JX 567 at ‘1069, ‘1073; PTO ¶ 59.

²¹⁹ PTO ¶ 59.

²²⁰ *Id.* ¶ 63.

²²¹ LLC Agreement § 9.6(b)(ix)(c).

continue [the] discussion and finalize the last two items o[n] the agenda.”²²² Spartan Forge did not respond. Instead, it sent a notice on November 20 asserting that Techno-X had breached the LLC Agreement by failing to “allot sufficient time to address all of the required items.”²²³

“Delaware courts follow the principle that a party who wrongfully prevents a thing from being done cannot avail itself of the nonperformance it has occasioned.”²²⁴ The record overwhelmingly demonstrates that the defendants’ unresponsiveness was deliberate.²²⁵ In fact, Belser’s “Declaration of Independence” documented the strategy to “delay everything” to fabricate an uncured default.²²⁶ Because Spartan Forge prevented Techno-X from satisfying the parties’ joint

²²² JX 588; *see* JX 593; PTO ¶ 65; *see also* LLC Agreement § 9.9 (requiring the parties to engage in “a review, discussion and approval of [Spartan Forge’s] financial statements, budget, Board meeting agenda, and quarterly strategic vision”).

²²³ JX 607; *see* JX 615.

²²⁴ *W & G Seaford Assocs. v. E. Shore Mkts., Inc.*, 714 F. Supp. 1336, 1341 (D. Del. 1989) (describing the “cardinal principle of contract law regarding conditions” (citing Restatement (Second) of Contracts § 245 (1981))); *see also De Los Santos v. Allstate Prop. & Cas. Ins. Co.*, 2025 WL 2092402, at *5 n.54, 345 A.3d 959 (Del. 2025) (TABLE) (explaining that the prevention doctrine “is based on the long-established principle of law that a party should not be able to take advantage of its own wrongful act”).

²²⁵ On September 3, Laaboudi proposed that an Alignment Meeting be held on October 10. JX 483; JX 492. The defendants ignored his request. JX 493. When Laaboudi asked again on October 3, the defendants deflected. JX 412 at 4. After Laaboudi followed up once more, the defendants responded only that they were “generally available” in October or November. JX 549. On October 16, the defendants demanded that Techno-X schedule an Alignment Meeting “to avoid breaching the contract.” *Id.* Laaboudi proposed two meeting dates the following week. JX 412 at 5-6. The defendants again delayed. JX 412 at 6.

²²⁶ JX 555; Belser Tr. 566-67.

obligation concerning Alignment Meetings under the LLC Agreement, Spartan Forge cannot exploit the resulting non-performance.

2. Alleged Failure to Market and Integrate

Next, Spartan Forge claims that Techno-X caused “material harm” to Spartan Forge’s “reputation or its financial prospects” by failing to implement marketing campaigns and integration of the products.²²⁷ “Material harm” is undefined in the LLC Agreement.²²⁸ Black’s Law Dictionary defines the phrase as “[h]arm in the form of financial loss, reputational damage, significant embarrassment, emotional distress, chilling of a constitutionally protected activity, or unwanted disclosure of personal data.”²²⁹ The defendants put forward insufficient evidence that Techno-X caused any such harm to Spartan Forge.²³⁰

²²⁷ LLC Agreement § 9.6(b)(ix)(e); Defs.’ Post-trial Opening Br. 33-36.

²²⁸ *See generally* LLC Agreement.

²²⁹ *Harm*, Black’s Law Dictionary (12th ed. 2024); *see Material Harm*, Black’s Law Dictionary (12th ed. 2024) (linking to the definition of “material harm” in “harm”); *see also ShiftKey Parent, LLC v. Nelson*, 2025 WL 548420, at *12 (Del. Super. Jan. 31, 2025) (looking to Black’s Law Dictionary’s definition of “material harm” where the relevant contract is silent as to the term’s meaning); *Lorillard Tobacco Co. v. Am. Legacy Found.*, 903 A.2d 728, 738 (Del. 2006) (“Under well-settled case law, Delaware courts look to dictionaries for assistance in determining the plain meaning of terms which are not defined in a contract.”).

²³⁰ The defendants rely solely on Belser’s testimony that Vosker’s actions had a detrimental effect on Spartan Forge’s business. *See* Defs.’ Post-trial Opening Br. 33-36 (citing Belser’s testimony); *see also* Thompson Tr. 597 (claiming that Techno-X’s actions caused Spartan Forge to have a “particularly bad” 2023). But the record shows that Vosker helped keep Spartan Forge afloat by accelerating payments and prepaying for services that were never performed. *See* Angers Tr. 85-87, 157-58; Thompson Tr. 648-49.

Spartan Forge alleges material harm from Vosker’s purported broken promise to provide marketing support and “slow-walking” of technical integration.²³¹ But Vosker only offered to provide marketing support and complete technical integration *after* a services agreement was finalized. Section 9.8 contemplated a services agreement between Techno-X, as Investor, and Spartan Forge, as the Company, addressing integration of their “technology stacks” within 60 days of the LLC Agreement’s execution.²³²

The June 2024 meeting in Quebec, where the parties discussed the broad contours of a marketing plan and integration, was the first step toward that goal.²³³ Vosker then participated in weekly integration meetings while the commercial terms of the services agreement were negotiated.²³⁴ Throughout these discussions, Angers took the reasonable position that a finalized services agreement was a prerequisite to integration and marketing support so that revenue and commission splits, among other commercial terms, were settled.²³⁵ Drafts of the services agreement confirm

²³¹ Defs.’ Post-trial Opening Br. 33-36.

²³² See LLC Agreement § 9.8 (describing the integration through a “to-be-determined business model”).

²³³ See PTO ¶¶ 54, 56; *supra* Section I.C.

²³⁴ Angers Tr. 106-07, 111-12; Rousseau Tr. 473-75.

²³⁵ See Angers Tr. 108-12 (testifying that all discussions about technical integration and marketing were “in the spirit” of having a finalized services agreement); *see also* Laaboudi Tr. 350-51; Belser Tr. 559.

this premise.²³⁶ The services agreement never came to fruition because Spartan Forge delayed, diverting its focus to pursue negotiations with PRADCO.

3. After-Acquired Evidence

Finally, the defendants cite communications produced during discovery to support an Involuntary Termination.²³⁷ “A party who terminates a counterparty on specific grounds can defend the termination decision on alternative grounds if the party can satisfy the after-acquired-evidence doctrine.”²³⁸ “Under that doctrine, the party must have learned about the justification after the termination, and the justification must independently support termination.”²³⁹ Even if the doctrine applies in this context, it does not aid Spartan Forge.

Spartan Forge invokes internal communications to argue that Vosker planned to “kill” the business and acquire it cheaply.²⁴⁰ It claims that, had it known of these goals earlier, it would have “immediately” terminated Techno-X’s membership.²⁴¹

²³⁶ JX 545 § 5.1 (describing a “Revenue Share Structure” following “Advertising Event[s]”); *id.* §§ 5.2.1, 5.2.2 (bifurcating “Vosker’s Responsibilities” and “Spartan’s Responsibilities”); JX 533 §§ 5.1, 5.2.1, 5.2.2 (same). The same is true for the draft “Heads of Services Agreement,” which was intended to “facilitate the negotiation of the Services Agreement.” JX 502; JX 510; JX 512 (proposing “Integration” and “Marketing” plans).

²³⁷ *See* Defs.’ Post-trial Opening Br. 37 & n.13; Defs.’ Post-trial Answering Br. 25, 27-29.

²³⁸ *PJT Hldgs., LLC v. Costanzo*, 339 A.3d 1231, 1260 (Del. Ch. 2025).

²³⁹ *Id.*

²⁴⁰ Defs.’ Post-trial Opening Br. 40-41 (citing JX 348, JX 85, JX 139, and JX 407).

²⁴¹ *Id.* at 37-38.

The cited communications reflect contingency planning for worst-case scenarios; none constitute an actionable breach of contract.²⁴² They do not establish an uncured material breach by Techno-X or material harm caused by Techno-X to Spartan Forge’s reputation or financial prospects.²⁴³

Spartan Forge’s post hoc justification is contrived. In his Declaration of Independence, Belser outlined a plan to “shed Vosker as an investor and sell” Spartan Forge.²⁴⁴ He and Thompson plotted to catch Techno-X in a breach of the LLC Agreement to bring their plan to fruition.²⁴⁵

Having failed in that effort, Spartan Forge now attempts to use the litigation record to rationalize the termination of Techno-X’s membership.²⁴⁶ Although a different contemporaneous reason for termination does not necessarily foreclose reliance on after-acquired evidence, the later-discovered conduct must

²⁴² See JX 85; Angers Tr. 33-36 (credibly testifying that in JX 85, he was referring to “what is the best case and what is the worst case” scenario).

²⁴³ See, e.g., *Tatum v. Fairstead Affordable LLC*, 347 A.3d 1221, 1265-66 (Del. Ch. 2025) (finding that an employee’s plans to start a competing business did not breach his best efforts or no-conflict contractual obligations because he continued to perform); *Energy Transfer, LP v. Williams Cos., Inc.*, 346 A.3d 1089, 1110 (Del. 2023) (rejecting a plaintiff’s sabotage theory premised upon internal communications because the defendant never took actions in accordance with that theory or to otherwise undercut the deal).

²⁴⁴ JX 555; see Belser Tr. 566-67.

²⁴⁵ See JX 555; Belser Tr. 543.

²⁴⁶ *Costanzo*, 339 A.3d at 1261 n.153 (“[When] [a] party . . . hokes up a phony defense to the performance of his contractual duties and then when that defense fails . . . tries on another defense for size[,] [he] can properly be said to be acting in bad faith.” (citing *Harbor Ins. v. Cont’l Bank Corp.*, 922 F.2d 357, 363 (7th Cir. 1990))).

independently satisfy a contractual ground for termination.²⁴⁷ Spartan Forge has not established such conduct here. The doctrine does not license a party “to retroactively invent grounds for termination” to clear the way for an unauthorized transaction.²⁴⁸ Spartan Forge’s counterclaim is unsuccessful.²⁴⁹

III. REMEDY

Having found that Spartan Forge breached the Term Sheet and the LLC Agreement and that Thompson breached Section 7.2(c) of the LLC Agreement, and having rejected Spartan Forge’s counterclaim for declaratory relief, I turn to the appropriate remedy. Techno-X seeks a range of equitable and declaratory relief, including an order setting aside its Involuntary Termination, restoration of its membership and governance rights, an extension of the Term Sheet exclusivity period, a permanent injunction barring future unauthorized Major Decisions, and fee

²⁴⁷ *Id.* at 1260 (requiring that a justification discovered after termination independently support termination); *see also Fortis Advs., LLC v. Krafton*, 354 A.3d 906, 942 (Del. Ch. 2026).

²⁴⁸ *Krafton*, 354 A.3d at 942; *see also A&J Cap., Inc. v. Law Office of Krug*, 2019 WL 367176, at *11 n.128 (Del. Ch. Jan. 29, 2019) (declining to “circumvent the ‘for cause’ contractual predicate for which [the parties] bargained” by justifying termination “for any reason unearthed after the fact”), *aff’d*, 222 A.3d 143 (Del. 2019).

²⁴⁹ Spartan Forge repackages the same “sabotage” narrative into affirmative defenses of prior material breach and unclean hands. *See* Defs.’ Post-trial Opening Br. 47-51. Because Spartan Forge failed to prove a prior material breach that bars the relief sought in this phase, its material breach defense fails. The record also reflects that Techno-X “c[a]me into equity . . . with clean hands.” *Bodley v. Jones*, 59 A.2d 463, 469 (Del. 1947). These determinations do not resolve the counterclaims reserved for phase two.

shifting.²⁵⁰ I conclude that Techno-X is entitled to a declaration that its involuntary termination was invalid, restoration of its membership and governance rights, and equitable extensions of certain contractual deadlines under the LLC Agreement. I decline to extend the Exclusivity Provision or permanently enjoin future unauthorized Major Decisions for the reasons explained below. Finally, I decline to shift fees.

A. Reinstatement

Because Spartan Forge lacked grounds under Section 9.6(b)(ix) of the LLC Agreement, no Withdrawal Event occurred.²⁵¹ The purported termination and redemption therefore lacked the required contractual basis. Techno-X is entitled to a declaration that Spartan Forge's November 20, 2024 notice of Involuntary Termination and its April 30, 2025 equity redemption are invalid and set aside.²⁵² Techno-X remains a member of Spartan Forge, holding Series A Preferred Units representing a 6% equity interest in the company.²⁵³ The LLC Agreement and the surviving binding provisions of the Term Sheet remain enforceable according to

²⁵⁰ See Pl.'s Post-trial Opening Br. 55-64.

²⁵¹ See LLC Agreement § 9.6(b)(ix).

²⁵² See 10 *Del. C.* § 6501.

²⁵³ Cf. *Lynch v. Gonzalez*, 2020 WL 4381604, at *39 (Del. Ch. July 31, 2020) (issuing a declaratory judgment on the ownership of equity interests).

their terms, and Techno-X retains all attendant governance, consent, and information rights under those agreements.²⁵⁴

Spartan Forge tendered a check and promissory note as consideration for the purported redemption, but Techno-X accepted neither.²⁵⁵ As such, no return of redemption consideration is necessary. The implementing order must require Spartan Forge to cancel those instruments, conform its membership records to this declaration, recognize Angers as Techno-X's designated Board member, and provide Techno-X and Angers the information to which each is entitled under the LLC Agreement.

The defendants attempt to reframe Techno-X's request as one for equitable rescission.²⁵⁶ They contend that the April 30, 2025 redemption converted Techno-X's equity interest, making its sole recourse "quasi-appraisal" damages.²⁵⁷ I disagree that such damages are an adequate remedy for the deprivation of a minority investor's bargained-for rights through an invalid forced redemption.²⁵⁸

²⁵⁴ This declaration does not revive the Term Sheet's expired Exclusivity Provision. *See infra* Section III.B.

²⁵⁵ *See* JX 808; JXs 810-11; Thompson Tr. 629; PTO ¶¶ 22, 130, 135.

²⁵⁶ Defs.' Post-trial Opening Br. 28, 44-46; Defs.' Post-trial Answering Br. 29-35.

²⁵⁷ *See* Defs.' Post-trial Opening Br. 28-30, 44-46.

²⁵⁸ *Cf. Krafton*, 354 A.3d at 949-51 (explaining that equity will enforce operational control and governance rights where money damages cannot compensate for the loss of unique contract rights).

Techno-X does not seek to rescind a contract. Rather, it contends that Spartan Forge lacked a contractual prerequisite for an Involuntary Termination.²⁵⁹

To ensure that Techno-X's reinstatement is not illusory given the passage of time during this litigation, the periods governing Techno-X's time-sensitive rights must be adjusted.²⁶⁰ The 24-month period for quarterly Alignment Meetings under Section 9.9 of the LLC Agreement is equitably extended by 694 days—the duration between the invalid November 20, 2024 termination notice and the date of this decision.²⁶¹

To preserve Techno-X's acquisition rights, the services agreement prerequisite in Section 9.8 of the LLC Agreement must also be addressed. The

²⁵⁹ The defendants' related contention that laches bars Techno-X's reinstatement also fails. *See* Defs.' Post-trial Opening Br. 45-46; Defs.' Post-trial Answering Br. 34-35. Laches requires an "unreasonable delay" by the plaintiff in bringing a claim that results in "material prejudice to the defendant." *Reid v. Spazio*, 970 A.2d 176, 182-83 (Del. 2009). Neither element is present here. The validity of the November 20, 2024 notice of Involuntary Termination—the sole predicate for the April 30, 2025 redemption—was already before the court when Spartan Forge purported to redeem Techno-X's units. Techno-X rejected the redemption consideration and promptly moved to preserve the status quo. *See* PTO ¶¶ 22, 130; Pl.'s Mot. for Entry of Order Implementing the Court's June 9 Ruling and Restoring and Preserving Status Quo (Dkt. 131). Spartan Forge cannot claim prejudice from an improper redemption it chose to execute while the validity of the underlying termination was being litigated.

²⁶⁰ *Cf. Krafon*, 354 A.3d at 952-53 (equitably extending an earnout period by the duration of a party's wrongful ouster to ensure relief was not illusory); *Tri State Mall Assocs. v. A.A.R. Realty Corp.*, 298 A.2d 368, 371-72 (Del. Ch. 1972) ("[T]he Court in decreeing specific performance will adjust the equities of the parties in such a manner as to put them as nearly as possible in the same position as if the contract had been performed [a]ccording to its terms.").

²⁶¹ *See* LLC Agreement § 9.9.

purchase rights were predicated on executing a services agreement by a deadline extended to October 31, 2024.²⁶² The parties had resolved all outstanding issues in negotiating a services agreement by October 29, but Thompson withheld his signature to pursue the PRADCO transaction.²⁶³

Spartan Forge’s breaches thus materially contributed to the failure to complete the services agreement within the agreed period.²⁶⁴ The deadline to execute the services agreement is equitably extended to 60 days after entry of the order implementing this decision. The twelve-month period for exercising the “Majority Right to Purchase” and the twenty-four-month period preceding the “External Valuation” process in Section 9.8 are each extended by 694 days.²⁶⁵ Both purchase rights remain conditioned on execution of a services agreement within the extended deadline. All other timing provisions in Section 9.8 are unchanged.

²⁶² *Id.* § 9.8; PTO ¶ 57.

²⁶³ PTO ¶ 61; *see supra* Sections I.C-D.

²⁶⁴ *See WaveDivision Hldgs., LLC v. Millennium Digit. Media Sys., L.L.C.*, 2010 WL 3706624, at *14 (Del. Ch. Sept. 17, 2010) (explaining that a party cannot rely on the failure of a contractual condition where its breach materially contributed to that failure).

²⁶⁵ *See supra* note 261 and accompanying text; LLC Agreement § 9.8.

B. Exclusivity and Injunctive Relief

Techno-X also requests a permanent injunction prohibiting Spartan Forge and Thompson from transacting with competitors, alongside a 24-month extension of the Term Sheet exclusivity period.²⁶⁶

First, I decline to grant a new 24-month exclusivity period. The Term Sheet provided for 12 months of exclusivity, expiring in March 2025.²⁶⁷ Spartan Forge's improper negotiations with PRADCO occurred during that period, and PRADCO withdrew from the proposed transaction when this litigation began.²⁶⁸ Though those negotiations breached the Exclusivity Provision, they do not by themselves entitle Techno-X to restart or enlarge the agreed-upon restriction.

Techno-X has not proven that Spartan Forge engaged in additional prohibited negotiations after PRADCO withdrew. Considering that Techno-X's governance rights and acquisition opportunity are restored, Techno-X has not shown that an additional exclusivity period is necessary to remedy Spartan Forge's breaches. A new two-year restriction would expand, rather than restore, the parties' bargain.²⁶⁹

²⁶⁶ See Pl.'s Post-trial Opening Br. 55-60.

²⁶⁷ Term Sheet 4.

²⁶⁸ See *supra* Sections I.D, I.H.

²⁶⁹ Cf. *Kan-Di-Ki, LLC v. Suer*, 2015 WL 4503210, at *28 (Del. Ch. July 22, 2015) (limiting an injunction to the period reasonably necessary to restore the plaintiff's bargained-for protection, considering the timing and extent of the defendant's breaches).

Second, the requested permanent injunction barring the defendants from soliciting, discussing, negotiating, or agreeing to a transaction with PRADCO is overbroad. Confirmation of Techno-X's rights under the LLC Agreement restores its bargained-for participation in Spartan Forge's governance.²⁷⁰ Sections 8.2(a)(v) and (xi), which Techno-X proved were breached, require advance approval of the Board and a Majority in Interest of the Members before Spartan Forge enters into or negotiates the covered transactions.²⁷¹

Unlike Section 8.2(b), the breached provisions do not require Techno-X's individual consent. Rather, Techno-X holds a 6% equity interest and designates one of three Board members. An injunction categorically prohibiting those transactions, even if the required consents were obtained, would effectively give Techno-X a blocking right that Sections 8.2(a)(v) and (xi) do not provide.

To the extent Techno-X seeks a narrower injunction requiring compliance with Section 8.2's approval procedures, I also decline to grant that relief.²⁷² This decision declares that Techno-X's membership and attendant governance rights remain effective, notwithstanding the purported termination and redemption. It also confirms that Spartan Forge must obtain the consents required by Sections 8.2(a)(v)

²⁷⁰ See LLC Agreement §§ 8.2(a)(v), (xi).

²⁷¹ *Id.*

²⁷² See Pl.'s Post-trial Opening Br. 60; PTO ¶ 134.

and (xi) before entering into or negotiating covered transactions. The declaratory relief resolves the parties' dispute over the continued effectiveness and scope of those requirements.²⁷³ In these circumstances, declaratory relief adequately protects Techno-X's contractual rights and an additional injunction is unnecessary.

C. Fee-Shifting

Finally, Techno-X requests an award of reasonable attorneys' fees and expenses.²⁷⁴ "Under the American Rule, absent express statutory language to the contrary, each party is normally obliged to pay only his or her own attorneys' fees, whatever the outcome of the litigation."²⁷⁵ Delaware courts recognize a narrow exception to this rule where a party has engaged in bad faith litigation conduct.²⁷⁶ The bad faith exception is applied sparingly and not invoked "lightly."²⁷⁷ To shift fees, the moving party must demonstrate "by clear evidence" that the non-moving party acted with subjective bad faith.²⁷⁸ "Although there is no single definition of

²⁷³ See *Athene Life & Annuity Co. v. Am. Gen. Life Ins. Co.*, 2019 WL 3451376, at *8 (Del. Ch. July 31, 2019) (observing that "equity is superfluous" where declaratory relief affords the requested protection, and that "this court does not enjoin hypothetical future breaches of contract").

²⁷⁴ See Pl.'s Post-trial Opening Br. 60-64.

²⁷⁵ *Johnston v. Arbitrium (Cayman Islands) Handels AG*, 720 A.2d 542, 545 (Del. 1998).

²⁷⁶ *Gatz Props., LLC v. Auriga Cap. Corp.*, 59 A.3d 1206, 1222 (Del. 2012).

²⁷⁷ *Auriga Cap. Corp. v. Gatz Props.*, 40 A.3d 839, 880 (Del. Ch. 2012) (citation omitted), *aff'd*, 59 A.3d 1206 (Del. 2012).

²⁷⁸ *Shawe v. Elting*, 157 A.3d 142, 150 (Del. 2017).

bad faith conduct, courts have found bad faith where parties have unnecessarily prolonged or delayed litigation, falsified records, or knowingly asserted frivolous claims.”²⁷⁹

Techno-X contends that fee shifting is warranted because Spartan Forge violated “unambiguous” contractual language, advanced “speculative defenses,” and engaged in dilatory tactics.²⁸⁰ I previously sanctioned Spartan Forge for its pre-trial discovery conduct, which sufficiently remedied that specific prejudice.²⁸¹ Beyond that, the defense of this action—while unsuccessful—was not glaringly egregious or fraudulent. Taking aggressive positions that prove baseless after trial does not, without more, demonstrate bad faith.²⁸²

Accordingly, I decline to depart from the American Rule. Each party will bear its own attorneys’ fees and costs.

IV. CONCLUSION

Judgment is entered in Techno-X’s favor on its claims for breach of the Exclusivity Provision in the Term Sheet and for breach of Sections 8.2(a)(v) and (xi)

²⁷⁹ *Johnston*, 720 A.2d at 546.

²⁸⁰ Pl.’s Post-trial Opening Br. 61-63.

²⁸¹ *See* Order Granting Motion to Compel (Dkt. 54).

²⁸² *See eBay Domestic Hldgs., Inc. v. Newmark*, 16 A.3d 1, 47 (Del. Ch. 2010) (explaining that “vigorously defend[ing]” one’s “legal position without making frivolous arguments” is not “glaring[ly] egregious” conduct supporting fee shifting under the bad faith exception).

of the LLC Agreement against Spartan Forge. Judgment is entered in Techno-X's favor on its claim for breach of Section 7.2(c) of the LLC Agreement against Thompson in his capacity as Managing Member. Judgment is entered in Spartan Forge and Thompson's favor on Techno-X's remaining breach of contract claims under Sections 8.2(b), 8.4, and 9.9 of the LLC Agreement. Judgment is entered in Techno-X's favor on Spartan Forge's counterclaim seeking a declaration that the Involuntary Termination was valid. Techno-X is entitled to \$1 in nominal damages from Thompson and the declaratory and equitable relief described above.

Within 10 business days, the parties must submit a proposed form of order to implement this decision. The parties must also confer on and file a proposed scheduling order governing the resolution of the remaining claims in this action.