COURT OF CHANCERY
OF THE
STATE OF DELAWARE

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Re: *Jones v. SBC Medical Group Hldgs., Inc.*,
C.A. No. 2026-0193-PAF

Dear Counsel:

The court has reviewed the parties' stipulation and proposed order dismissing this putative class action as moot (the "Stipulation"). Dkt. 7. In the action, the plaintiff seeks a judicial declaration that Article SEVENTH, Section 7(f) of the operative certificate of incorporation of SBC Medical Group Holdings Inc. (the "Company") violates 8 *Del. C.* § 141(k) and, therefore, "is voidable and invalid." Dkt. 1 at 8. According to the Stipulation, after the commencement of this action, the Company filed an amended and restated certificate, eliminating the challenged certificate provision, rendering this action moot.

The Stipulation requests entry of an order dismissing this action "with prejudice as to Plaintiff only, and without prejudice as to any actual or potential

claims of any other member(s) of the putative class." In addition, the Stipulation indicates that the Company has agreed to pay plaintiff's counsel $50,000 as a "Mootness Fee," which is to include "a $500 service award to Plaintiff," to resolve any claim for an award of fees and expenses resulting from the benefits conferred on the Company as a result of the action. The Stipulation expressly acknowledges that "the Court has not and will not pass judgment on the payment of the Mootness Fee." The named plaintiff has also submitted an affidavit declaring under penalty of perjury that he "will not accept . . . any form of compensation . . . for serving as a representative party in this action except for . . . any fees . . . or other payments that the Court expressly approves to be paid" to him. Dkt. 7 (Aff. of Keith Jones ¶ 2).

Under Court of Chancery Rule 23, which governs class actions, the court "may authorize *class counsel* to pay a reasonable award to a *representative party* out of any *award* of attorney's fees." Ct. Ch. R. 23(g)(4) (emphasis added). The named plaintiff in this action is not eligible for a service award under Rule 23. This court has not certified this action as a class action under Rule 23. Thus, Plaintiff's counsel has not been certified as "class counsel"; the named plaintiff has not been certified as a "representative party"; and the court is not making any "award of attorneys' fees" from which a service award may be paid to the named plaintiff.

Accordingly, the court will grant the Stipulation with modifications, explaining that the court is not authorizing the payment of any portion of the Company's voluntary Mootness Fee to the named plaintiff.

IT IS SO ORDERED.

Very truly yours,

Vice Chancellor
Paul A. Fioravanti, Jr.