Vermont Superior Court
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Chittenden Unit

VERMONT SUPERIOR COURT
Chittenden Unit
175 Main Street
Burlington VT 05401
802-863-3467
www.vermontjudiciary.org

CIVIL DIVISION
Case No. 26-CV-04856

Stotz Family Trust et al v. David Antonioli et al

ORDER DENYING MOTION FOR PRELIMINARY INJUNCTION

This matter is before the Court on Plaintiff's motion for preliminary injunction. The Court previously granted Plaintiffs' request for a temporary restraining order. The Court held hearing on October 5 and 6, 2026.

For the reasons explained below, the Court denies the motion for preliminary injunction and vacates its previously issued temporary restraining order.

Findings of Fact

This is a shareholder dispute between the four founding shareholders of Plan Integrity Partners, LLC ("PIP"). One plaintiff in this case, Pamela Driver, is a 28.34% owner of PIP and was the CEO, member of the board of managers, and Partnership Representative at the time Defendants David Antonioli and Sarah Pritchard voted to remove her from those positions. The operating agreement names Ms. Driver as both the CEO and Partnership Representative. The other plaintiff, the Stotz Family Trust ("Stotz Trust") is a 15% shareholder and is a passive investor – it has never held a management position. Mr. Antonioli and Ms. Pritchard are 28.33% owners of the company, members of the board of managers and the chief financial officer and chief operating officer, respectively.

The company was started in approximately 2022, when Ms. Driver had the idea to purchase a third-party administration ("TPA") company from an associate, Vicki Reynolds. She first enlisted the Stotz Trust and the Fund at Hula as investors. Once the funding to purchase Ms. Reynolds's prior company was secured, Ms. Driver invited Ms. Pritchard into the company based on her experience in the field, and she suggested Mr. Antonioli.

The original idea behind the investment for the parties to this suit was that TPAs were an area of significant growth potential in the region, and they could leverage their combined expertise and connections to grow the business rapidly. The Stotz Trust anticipated a return on investment of between four and eight times their investment. Ms. Pritchard and Mr. Antonioli were bullish on the company's growth and purchased more equity from the other investors.

The investment was also of interest to Mr. Antonioli and Ms. Pritchard because they had previously enjoyed working with each other and saw it as a long-term employment opportunity for them. Once they jointly reached the 50% ownership threshold, their desire to grow the company and their expressed view of its prospects quickly diminished. For example, they purchased additional shares at a $3 million valuation and now claim the company is worth significantly less for purposes of purchasing either of the Plaintiffs' shares.

The only reason the Stotz Trust invested in PIP was because it saw it as an investment opportunity with a high likelihood of generating value for the Trust. PIP met the investors' growth expectations through its first two years. Company revenue doubled from year one to year two and doubled again in year three. Unfortunately for the passive investor, the Stotz Trust, this did not yield any return on its investment. It did not receive any distributions to members authorized by section 5.1 of the operating agreement.

This growth greatly benefited the three investors working at the company – their regular distributions ballooned from a combined $249,000 in 2023 to $677,000 in 2025, with approval for distributions of $772,000 for 2026. In the meantime, the 15% owner of the company received a single $25,000 tax distribution, presumably under section 5.2 of the operating agreement in 2025. On an accounting basis, because PIP is taxed as a partnership, the Stotz Trust has received phantom income on its K-1 and has been required to pay more than $25,000 in taxes on that income.

At the hearing, there was contradictory testimony about how to characterize the distributions to the members who were managers and officers (the "officer members"). Typically, the Court would expect to see evidence of how PIP's accountants characterized these distributions to the IRS in the form of K-1s or LLC tax returns. That evidence was not presented.

Plaintiffs argued that all of the compensation received by the officer members should be considered distributions under section 5.1 of the operating agreement, and the Stotz Trust should be entitled to its 15% share of those "distributions." There was some evidence to support this argument based on how the company internally accounted for these payments.

There was also evidence that the officer members received regular monthly salary payments and then additional compensation they called quarterly bonuses. These so-called bonuses were not based on any performance metric. Mr. Antonioli testified that prior to 2026 the officer members had set compensation goals and would receive extra based on how much cash the company had at the end of a quarter. These extra cash payments were made to the officer members shortly before quarterly tax deadlines. In May 2026, Mr. Antonioli sent an email stating that this practice was changing and that they would now be taking fixed salaries and no extra money would be distributed beyond these amounts.

In addition to this testimony, Defendants presented other evidence that all of the distributions they have received were entirely salary, provided as compensation for their hard work. Plaintiffs presented evidence that in early discussions with accountants, the officer

members intended to take a salary with a bonus and then receive member/investor distributions on top of that.

While there is no question that the officer members have worked hard to contribute to PIP's impressive growth, the Court finds that the officer members received some regular salary in the form of monthly distributions and tax distributions each quarter. The Court makes this finding based on Ms. Driver's and Mr. Antonioli's testimony, the parties' original intent, and the circumstantial evidence surrounding the timing and amounts of these distributions. Although these distributions were never recorded in any formal vote under section 5.2 of the operating agreement, the evidence supports characterizing them as tax distributions. Ms. Driver participated in this corporate action through 2025.

The Court also finds that to the extent the Defendants insist on calling these distributions salaries, the dramatic increase in those salaries was not supported by any evidence that they were appropriate for this industry. They totaled 49% of total revenue. While Mr. Antonioli testified that his salary was justified because it was similar to his billings to clients, his conclusion was based on only on his own opinion and he had no outside reference point to support it. By contrast, Ms. Driver testified credibly that she had studied the industry and that executive salaries should be closer to 25-30% of total revenue.

However these distributions are characterized, all three officer members approved the distributions to themselves through April 2026. Ms. Driver did not approve of the 2026 distributions. A significant legal issue in the case is whether the officer members needed to have their own salaries approved by two managers other than themselves. This did not happen for 2026. The Court does not make a finding on this issue at this time, but observes that the operating agreement does not require this type of vote and Plaintiffs have not sufficiently cited to case law to support that argument.

It was not clear to the Court whether the Stotz Trust knew the details of the officer member compensation each year and how it changed over time until the end of 2025. At that time, the Stotz Trust was surprised by the officer member compensation. It asked for further disclosure, and while it was provided some disclosure, Ms. Pritchard did not approve complete information. This fact shows a lack of disclosure and probity, but more importantly it is also evidence that Ms. Pritchard understood that further disclosure would not allay the concern of the Stotz Trust – it would have more questions about the dramatic officer member compensation increases at a time when the Stotz Trust only received a single $25,000 distribution. By way of illustration, if the officer members had only received additional distributions beyond their monthly salaries equivalent on a per capita basis to the single Stotz Trust distribution, they would have received a total of approximately $141,000 between the three officer members.

Both Mr. Antonioli and Ms. Pritchard have prevented the Stotz Trust from selling their shares. They did this by making it clear to any minority purchaser that they would not be welcome at the company – they refused to make distributions to the prior passive investors, refused to identify a policy for making future distributions, and either refused to talk to a potential purchaser or communicated to him that they did not support his purchase of shares.

In 2025, the Stotz Trust notified the three officer members that Mr. Simard was interested in buying Stotz Trust shares. Mr. Simard emailed Ms. Pritchard on June 14, 2025 to notify the officer members that he was interested in purchasing some of the Stotz Trust shares and some of Ms. Driver's shares. Ex. 21. Under the Operating Agreement, "any Member may transfer his, her or its Membership Interest . . . to any person with the prior written consent of the Majority Members," Operating Agreement § 7.1(a)(i), or a member may provide a "*bona fide* third party offer to purchase" subject to the company's and other members' right of first refusal. *Id*. § 7.4. As a prospective minority investor, it was critical for Mr. Simard to gain some understanding of and comfort with how the majority investors intended to manage the company and how investors would benefit prior to making a potentially binding offer. Mr. Antonioli – who had previously had a business relationship with Mr. Simard – refused to speak to him. Ms. Pritchard had a brief and unhelpful conversation with him.

Mr. Simard approached the officer members again in 2026 and offered to buy the whole company. Ex. 23. Ms. Pritchard and Mr. Antonioli did not respond to his email. The Stotz Trust made the officer members aware of other interested investors and purchasers, but Ms. Pritchard and Mr. Antonioli refused to engage further.

Defendants have defended themselves by saying they did not receive the offer technically required by the operating agreement that would trigger the requirement for them to formally decide whether to approve a purchase or exercise their rights of first refusal. This is correct, but the reason for this is that no minority shareholder would ever want to purchase shares in a company where the majority members that are also the officers and majority of the board of managers refuse to welcome them or communicate with them, let alone commit to explaining how their shares will be valuable in the future.

Mr. Antonioli testified that the company had established a reserve of $850,000-$950,000. Pursuant to Section 5.1 of the operating agreement, that reserve can only be established at a meeting of the members. Mr. Antonioli stated that the amount was established some time in 2026, but that it was never voted on. He considered it to have been established consistent with section 5.1. This means that no distributions to members would be made under section 5.1 until the company has placed at least $850,000 in the reserve account. He anticipated placing the first $100,000 in the account this year. This action is improper under the operating agreement.

After she was outvoted by Mr. Antonioli and Ms. Pritchard regarding compensation to officer members, Ms. Driver became more concerned about whether the compensation was appropriate from a corporate law perspective. This concern came to a head when she learned that Mr. Antonioli had contacted the bookkeeper directly and without copying her to request distributions to the officer members. The bookkeeper contacted Ms. Driver to check on whether to make the distributions, and she directed the bookkeeper not to. Mr. Antonioli then withdrew all of the funds from a company bank account at EastRise Credit Union and notified the bookkeeper that these funds would be part of his distribution.

Mr. Antonioli testified credibly that the reason he emptied that account was because they had moved their banking to a different bank and the bank would not allow him to close the account remotely. This testimony was supported by Exhibit 20 and the lack of transactions in

that account in 2026. It was also supported by the fact that it was accounted for on the books as a distribution – there was nothing secret about it.

At this point, Ms. Driver sought legal advice. Based on the information she provided to company counsel, he stated that the distributions to officer members that Mr. Antonioli had directed the bookkeeper to make were improper and Ms. Driver was within her authority as CEO to stop them. When Mr. Antonioli and Ms. Pritchard learned of this they did not ask to meet with Ms. Driver. They did not ask to sit down with company counsel and have a group discussion to correct any of the facts they disagreed with.

When Ms. Driver sought this legal advice she had already consulted with her attorneys in this case and was considering filing this derivative lawsuit. She filed suit two days later and included in the lawsuit the advice given by company counsel. She has since filed a motion to amend to remove these allegations from the amended complaint.

Mr. Antonioli and Ms. Pritchard called a member meeting on September 21, 2026, but did not provide notice to Ms. Driver until September 22. The Stotz Trust informed the members that it could not meet on September 23. Neither the Stotz Trust nor Ms. Driver attended the meeting. At the meeting and in a consent signed by them on the same date, Ms. Pritchard and Mr. Antonioli voted to terminate Ms. Driver as CEO, a member of the board of managers, and Partnership Representative. The reason for Ms. Driver's termination was that she shared company legal advice with her attorneys in this lawsuit.

Conclusions of Law

"'A preliminary injunction is an extraordinary remedy never awarded as of right.'" *Taylor v. Town of Cabot*, 2017 VT 92, ¶ 19 (quoting *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 24 (2008)). The standard for granting a preliminary injunction is well known: "(1) the threat of irreparable harm to the movant; (2) the potential harm to the other parties; (3) the likelihood of success on the merits; and (4) the public interest." *Id*. "Although each factor is important, '[t]he showing of irreparable harm is perhaps the single most important prerequisite for the issuance of a preliminary injunction[.]'" *D'Ambrosio v. Scott*, 784 F. Supp. 3d 699, 702 (D. Vt. 2025) (quoting *Kamerling v. Massanari*, 295 F.3d 206, 214 (2d Cir. 2002)).

Likelihood of Success on the Merits

The Court finds that Plaintiffs are likely to succeed on the merits of some of their claims, including their claim for dissolution. Dissolution, or some alternative remedy, is appropriate where a Superior Court finds that the controlling members have acted in an oppressive manner. 11 V.S.A. § 4101(a)(5). Oppression in the corporate shareholder context can be defined by using either the "reasonable expectations" test or the "fair dealings" test. "[T]hese two approaches are not mutually exclusive, and will frequently be found to be equivalent." *Hirchak v. Hirchak*, 2024 VT 81, ¶ 18, *reargument denied* (Jan. 2, 2025) (quotation omitted).

The "reasonable expectations" test "looks to whether the majority conduct substantially defeats expectations that, objectively viewed, were both reasonable under the circumstances and were central to the petitioner's decision to join the venture." *Id.* (quotation omitted). The "fair dealings" test "looks to whether the majority members have engaged in burdensome, harsh and wrongful conduct, a lack of probity and fair dealing in the affairs of a company to the prejudice of some of its members, or a visible departure from the standards of fair dealing and a violation of fair play on which every shareholder who entrusts money to a company is entitled to rely." *Id.* Plaintiffs have proven conduct that satisfies both tests.

The officer members prevented the Stotz Trust from receiving the benefit of owning shares in PIP in four ways that are interconnected: (1) unreasonably large compensation packages; (2) failure to make proper distributions and setting an unapproved and high reserve fund; (3) failure to fully disclose compensation practices; and (4) obstructing the minority shareholders' ability to sell shares. Although many – but not all – of the individual actions they took were permitted by the Operating Agreement, when those actions are taken together, it results in oppression under the reasonable expectations test as it relates to the Stotz Trust.

Plaintiffs have shown that the majority members have given to themselves improperly large compensation packages that come at the expense of the membership as a whole. They have included in this compensation tax distributions, as that term is understood under section 5.2 of the Operating Agreement without ever taking an appropriate vote or making the required per capita contributions to the non-officer member.

As noted above, the Court finds the distributions that Defendants attempted to characterize as salaries to be unreasonable. To be clear, the Court is not stating that the officer manager's total compensation should be stuck at 25-30% of revenue. The practice reasonably expected by the minority investor, and confirmed by Ms. Driver's industry research, would have been to allocate more modest salaries to the officer members and then distribute profit to all of the shareholders on a per capita basis as dictated by the operating agreement. For example, instead of increasing their collective salaries by $100,000 between 2025 and 2026, they could have issued a $100,000 dividend per capita to the members.

To be clear, both methods yield an increase in compensation to the owner/executive shareholders in the company. The latter method recognizes that the increased success of the company should benefit all shareholders. The former method used by Defendants ensures the benefits of the company's increasing profits are enjoyed only by those who work in the company, not by those who helped to create the company in the first place. See *Naito v. Naito*, 35 P.3d 1068, 1079–81 (Or. Ct. App. 2001) (observing that "in closely held corporations, conduct that violates" the fiduciary duties of "loyalty, good faith, fair dealing, and full disclosure to the minority" "is likely to be oppressive . . . , thus authorizing a court to dissolve the corporation or order some lesser remedy" and finding sufficient evidence of oppression where majority shareholders failed to make significant distribution to shareholders despite large cash reserve and repurchase plan contained low purchase price and would dilute minority shareholders' power); *Kiriakides v. Atlas Food Sys. & Servs., Inc.*, 527 S.E.2d 371, 387 (S.C. Ct. App. 2000), *aff'd as modified and remanded,* 343 S.C. 587, 541 S.E.2d 257 (2001) (affirming

finding of oppressive conduct where, "[a]lthough cash-heavy," company under direction of majority shareholders "ha[d] not paid a dividend" in over eight years).

Ms. Pritchard and Mr. Antonioli refused to make consistent and fair distributions to the Stotz Trust or the other prior passive investors. They also refused to respond to requests to identify a policy for making future distributions. Then, unilaterally and without notice, Mr. Antonioli set a reserve number that would make distributions impossible for years. This action was taken in violation of section 5.1 of the operating agreement. However, even if this proposal to create a reserve had been properly noticed and voted on at a meeting, it could still be improper – it allows the officer managers to continue to increase their salaries but prohibits distributions to passive members. There is no evidence that a reserve that is half of the company's annual revenue and more than a full year of non-executive compensation expenses is reasonable or appropriate for this type of company.

Ms. Pritchard then prevented the Stotz Trust from receiving a full disclosure of that compensation and how and when it occurred. The combined taking of unreasonably large compensation packages, secretly setting a high reserve in violation of section 5.1 of the operating agreement and the lack of full disclosure when asked about it violate both the fair dealings and reasonable expectations tests. See, e.g., *Robbins v. Sanders*, 890 So. 2d 998, 1015 (Ala. 2004), as modified on denial of reh'g (Apr. 30, 2004) (affirming trial court's finding of oppression where majority shareholder, among other actions, "secreted and controlled all financial information related to [the company]" and "failed to obtain approval or even advise the minority of monies paid to himself").

Ms. Pritchard and Mr. Antonioli also made it clear to any prospective minority purchaser that they would not be welcome at the company – they either refused to talk to a potential purchaser or communicated to him that they did not support his purchase of shares. In effect, they have prevented the minority shareholders from selling their shares. See, e.g., *Kiriakides*, 527 S.E.2d 371, 387 (noting that company's president was "adamantly opposed to a public offering which would provide a market for [minority shareholders'] shares).

Defendants attempted to deflect these accusations by stating they did not receive the offer technically required by the operating agreement that would trigger their obligation to formally decide whether to exercise their rights or accept the offer. While that is accurate, in refusing to even speak to a prospective purchaser, they acted in bad faith and made the Stotz Trust shares unmarketable. No minority shareholder would ever want to purchase shares in a company where the majority members that are also the officers and majority of the board of managers refuse to welcome them or communicate with them.

Taken together, the reasonable expectation of the shareholders in this company was that it would be a growth company that would provide value to shareholders. Why else would non-related minority shareholders invest money? The Stotz Trust invested money based on a reasonable expectation that PIP would grow and the company would distribute profits to them or the value of their shares would increase and they could sell them. Although the company has tripled in revenue since its inception, neither of these reasonable expectations have been met. See, e.g., *Naito*, 35 P.3d at 1079–81; *Kiriakides*, 527 S.E.2d at 387.

Although Ms. Driver has participated in some of the actions described above, she changed course in 2025 and 2026, as she sought to retire from the company. Ms. Pritchard and Mr. Antonioli have made it so that the passive investor, the Stotz Trust, cannot have any return on its investment. Its shares are in effect unsellable and the majority shareholders refuse to distribute the company's increasing profit over the last two years, instead classifying that profit as salaries and bonuses.

The Stotz Trust has established that it is likely to succeed on its claim for dissolution based on the oppressive conduct of the Defendants. See, e.g., *Baur v. Baur Farms, Inc.*, 832 N.W.2d 663, 674 (Iowa 2013) ("We hold that majority shareholders act oppressively when, having the corporate financial resources to do so, they fail to satisfy the reasonable expectations of a minority shareholder by paying no return on shareholder equity while declining the minority shareholder's repeated offers to sell shares for fair value."). While there may be other areas where the Court finds that Plaintiffs are likely to succeed – as described above, some of the Defendants' actions have violated the Operating Agreement – the Court will not analyze each issue at this phase because the Court finds Plaintiffs did not carry their burden to establish the risk of irreparable harm, as described below.

The Court does note, however, there is one other area where Plaintiffs are likely to succeed: the issue of Ms. Driver's termination. The Court concludes that it was not a breach of the attorney-client privilege for Ms. Driver to share with her private counsel the communications from Attorney Moody.[1] In the context of derivative lawsuits, the law allows this disclosure of attorney-client communications because Ms. Driver is bringing these claims derivatively on behalf of the company. See *Henry v. Champlain Enters., Inc.*, 212 F.R.D. 73, 83 (N.D.N.Y. 2003) ("When there is a derivative action, the courts have permitted the piercing of the corporation's attorney-client privilege at the behest of the corporation's shareholders."). The communications here fall within the "fiduciary exception" to attorney-client privilege first established by the Fifth Circuit in *Garner v. Wolfinbarger*, 430 F.2d 1093, 1103–04 (5th Cir. 1970). There, "the Fifth Circuit held that shareholders could pierce a corporation's attorney-client privilege to discover legal advice given to corporate management in a suit for breach of fiduciary duty upon a showing of good cause." *In re U.S.*, 590 F.3d 1305, 1311–12 (Fed. Cir. 2009), *rev'd and remanded on other grounds by United States v. Jicarilla Apache Nation*, 564 U.S. 162, 178-79, 186-87 (2011) (citing *Garner,* 430 F.2d at 1103–04). The *Garner* court identified nine factors that courts should consider in determining good cause. *Garner,* 430 F.2d at 1104. "The fiduciary exception to the attorney-client privilege is now well established among [the] circuits. At least five circuits recognize some form of the exception, including the Second, Fifth, Sixth, Ninth, and D.C. Circuits." *In re U.S.*, 590 F.3d 1305, 1311–12 (Fed. Cir. 2009),

[1] Defendants moved to strike allegations revealing those communications from the complaint under Rule 12(f). Plaintiffs have since amended their complaint. The amended complaint specifically omits the substance of those communications, potentially mooting the motion to strike. Because those communications were revealed at the preliminary injunction hearing and are relevant to Ms. Driver's termination, however, the Court nevertheless must decide the privilege issue.

rev'd and remanded on other grounds by United States v. Jicarilla Apache Nation, 564 U.S. 162, 178-79, 186-87 (2011).

While *Garner* and its progeny generally involve scenarios where parties seek to discover previously undisclosed attorney-client communications, Defendants have identified no persuasive reason why the same analysis should not apply here, where the party seeking to use the communications already has access to them. In fact, that provides an even stronger basis to pierce the privilege given that the eighth *Garner* factor is "[t]he extent to which the privileged communication is identified versus the extent to which the shareholders are blindly fishing." *Kleeberg v. Eber*, No. 16CV9517LAKKHP, 2019 WL 2085412, at *9–10 (S.D.N.Y. May 13, 2019) (quoting *Garner*, 430 F.2d at 1104). A consideration of the other *Garner* factors confirms that the communications in question fall squarely within the fiduciary exception to attorney-client privilege. Plaintiffs own a significant percentage of the stock in this close corporation, they have colorable claims involving alleged past breaches of fiduciary duty by the majority shareholders, the communications do not involve the conduct of this present litigation, and there is no apparent risk of revealing trade secrets or the like. See, e.g., *Hoopes v. Carota*, 531 N.Y.S.2d 407, 410 (N.Y. App. Div. 1988), *aff'd,* 74 N.Y.2d 716, 543 N.E.2d 73 (1989) (applying *Garner* factors); *RMED Int'l, Inc. v. Sloan's Supermarkets, Inc.*, No. 94 CIV. 5587PKLRLE, 2003 WL 41996, at *5 (S.D.N.Y. Jan. 6, 2003) (applying *Garner* factors to find good cause); *Henry*, 212 F.R.D. at 86-87 (applying *Garner* factors); *In re Bairnco Corp. Sec. Litig.*, 148 F.R.D. 91, 99 (S.D.N.Y. 1993) (same).

Because there was nothing legally improper about sharing the opinion of counsel with her attorneys, Ms. Driver's termination was another act of oppression. *See, e.g., In re Gould Erectors & Rigging, Inc.*, 45 N.Y.S.3d 270, 273 (N.Y. App. Div. 2017) (holding that oppression exists where a minority shareholder is denied a reasonable expectation of continued employment and role in management).

Irreparable Harm

The Court denies the request for a preliminary injunction because the Plaintiffs did not meet their burden to establish irreparable harm.

There are three ways Plaintiffs could have shown irreparable harm. First, they could show harm that is not compensable by money damages. See *Taylor*, 2017 VT 92, ¶ 40 ("A preliminary injunction will usually be denied 'if it appears that the applicant has an adequate alternate remedy in the form of money damages or other relief.'" (quoting C. Wright & A. Miller, Federal Practice & Procedure § 2948.1 (3d ed. 2017)). Plaintiffs originally argued that in connection with Mr. Antonioli's use of the QKA designation in his signature block, but he has removed the designation voluntarily. The remainder of the harm alleged in the motion and supported by the evidence is financial.

Second, Plaintiffs could establish that Defendants lack the financial resources or collectability that would allow Plaintiffs to ultimately collect on what they believe the damages will be. See Wright & Miller, 11A Fed. Prac. & Proc. Civ. § 2948.1 (3d ed.) ("Even if a loss is fully compensable by an award of money damages, however, extraordinary circumstances, such

as a risk that the defendant will become insolvent before a judgment can be collected, may give rise to the irreparable harm necessary for a preliminary injunction.") (footnotes omitted); *Brenntag Int'l Chemicals, Inc. v. Bank of India*, 175 F.3d 245, 249–50 (2d Cir. 1999) (buyer established irreparable harm based on seller's insolvency). The evidence on this front was limited. The harm proven by Plaintiffs was primarily in the form of improper distributions from the company and obstruction of share sales. Given that the company remains an ongoing successful business and Defendants testified credibly to their continued commitment to make it successful for their long-term career interest, it will continue to be a source of cash that can rebalance any distributions, as needed. If Plaintiffs succeed on their claim for dissolution, they can seek out a larger portion of any sale or resolve their claim otherwise through that process.

Furthermore, there was no evidence that the Defendants individually lack the resources from which Plaintiffs could collect the amount of judgment at issue here. The amount sought as a judgment by Plaintiffs was not explicitly established by the evidence.

Third, Plaintiffs cite to Delaware case law that stands for the general proposition that excluding an owner/operator of a small business from participating in the management of the business can constitute irreparable harm on its own. These cases are not controlling on this Court and the Court does not find them persuasive in this context.

Ms. Driver's role is in the background of the company – she does not interface significantly with clients. One source of the dispute between the parties is that Ms. Driver seeks to retire from the company and remove herself from day-to-day participation. While her concerns about the management of the company have some salience, as discussed above, they do not deal with the day-to-day operation of the company, its goals, its outside agreements, or its client relationships. The disagreements focus only on the financial benefit received by members who work in the company versus those that do not. These disagreements are not the same as those found in the cases cited by Plaintiffs. *Wisdom Imp. Sales Co. v. Labatt Brewing Co.*, 339 F.3d 101, 114–15 (2d Cir. 2003) ("We hold only that the denial of bargained-for minority rights, standing alone, may constitute irreparable harm for purposes of obtaining preliminary injunctive relief where such rights are central to preserving an agreed-upon balance of power (*e.g.,* preserving the management role of the minority directors) in corporate management."); *Davis v. Rondina*, 741 F. Supp. 1115, 1125 (S.D.N.Y. 1990) (holding that because shareholders agreement "guarantees [plaintiff] a voice in the management of . . . [the] company which she has devoted almost ten years to building[,] . . . [m]oney damages will not compensate her for loss of the opportunity to continue to manage the company which she has helped to build and for which she has guaranteed substantial loans"); *Gorman v. Salamone*, No. CV 10183-VCN, 2015 WL 4719681, at *8 (Del. Ch. July 31, 2015) ("Uncertainty regarding the identity of the lawful board would impair the corporate administration."); *Cap. Link Fund I, LLC v. Cap. Point Mgmt., LP*, No. CV 11483-VCN, 2015 WL 7731766, at *3 (Del. Ch. Nov. 25, 2015) (granting in part and denying in part a request to make certain payments while a lawsuit was pending under a "status quo" order) .

Here, the Court concludes that the ultimate potential harm to Ms. Driver and the Stotz Trust are financial in nature. There is no evidence that Defendants will not be able to ultimately compensate Plaintiffs for that harm. Nor are there any other legal precedents that support the

issuance of a preliminary injunction here. The tools of discovery will allow Plaintiffs to closely monitor how Defendants are operating the company and seek future redress from the Court, if needed.

Harm to PIP and Public Interest

The Court considered these factors, but neither carried significant weight in the Court's decision. An injunction certainly has the potential to harm PIP, but a narrowly tailored injunction that protected minority rights while this lawsuit was in effect was not likely to affect PIP's day to day operation or profitability. If anything, this factor favored issuing an injunction because the harm to PIP would be limited.

The public interest factor for this matter weighs equally between the parties. There is certainly a public interest in both protecting minority investors from oppression and enforcing operating agreements. As a result, this factor was even as between the parties.

ORDER

The Court denies the motion for a preliminary injunction and vacates the temporary restraining order it previously issued.

The parties will submit a jointly proposed discovery schedule within fourteen days. Alternatively, the parties may seek to conduct an early mediation, and ask for an extension of that deadline.

Electronically signed on October 26, 2026, pursuant to V.R.E.F. 9(d).



Navah C. Spero
Superior Court Judge