

## Delaware Chancery Court extends application of MFW standard to conflicted stock issuances

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*Corporate and Shareholder Litigation Alert*

In a recent decision, the Delaware Court of Chancery granted a motion to dismiss a complaint asserting breach of fiduciary duty claims arising out of a stock issuance proposed by a controlling stockholder. *IRA Trust f/b/o Bobbie Ahmed v. Crane, et al.*, C.A. No. 12742-CB (Del. Ch. Dec. 11, 2017). Addressing an issue of first impression, the Court held that the analytical framework articulated by the Delaware Supreme Court in *Kahn v. M&F Worldwide, Corp.*, 88 A.3d 635 (Del. 2014) (MFW) applied to the conflicted stock issuance, and, in turn, dismissal was appropriate under the business judgment rule.

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