



COURT OF CHANCERY
OF THE
STATE OF DELAWARE

WILLIAM B. CHANDLER III
CHANCELLOR

COURT OF CHANCERY COURTHOUSE
34 THE CIRCLE
GEORGETOWN, DELAWARE 19947

Submitted: February 23, 2009
Decided: February 24, 2009

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Vernon R. Proctor
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1116 West Street
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Re: *Fisk Ventures, LLC v. Segal, et al.*
Civil Action No. 3017-CC

Dear Counsel:

I understand that the parties in this action have failed to agree upon the order pursuant to which Genitrix, LLC should be dissolved. Specifically, the parties are unable to agree upon the form and content of paragraphs 4, 5, 10, and 15 as contained in petitioner's form of order. After reading the parties' respective letters, I have concluded that the Order and Decree of Judicial Dissolution of Genitrix should contain the following:

1. *Paragraph 4:* Because any liquidator will undoubtedly require to be paid in advance for their services to act as a receiver, someone must first pay for those services. It is only fair and reasonable that whoever pays for those services would be entitled to a senior loan to ensure that they are reimbursed. Consequently, I agree with petitioner's language in this paragraph.
2. *Paragraph 5:* A receiver appointed to liquidate a company should be an independent and objective third party. Although the LLC Agreement may have provided for Genitrix's board to choose the receiver, the

board, as I concluded before, is hopelessly deadlocked and incapable of concurring on an appropriate appointment. Thus, the default option is to appoint someone not beholden to either side, i.e. an independent CPA firm. Therefore, I agree with petitioner's language in this paragraph.

3. *Paragraph 10:* The computer and the company records are property of Genitrix, not Dr. Segal, and should be turned over to the receiver within 45 days. If Dr. Segal wishes to assist the receiver in the discharge of its duties, I am sure that the receiver will be happy to seek any assistance when and if it is needed. Consequently, I agree with petitioner's language in this paragraph.
4. *Paragraph 15:* The more specific form of retention of jurisdiction, as suggested by Dr. Segal, is more appropriate in this case. Thus, I agree with respondent's language in this paragraph.

With this guidance, counsel should be able to provide me, by Friday, February 27, 2009, a new final form of order and the name of the CPA firm that will be appointed as the receiver. I will be available should you have any questions.

IT IS SO ORDERED.

Very truly yours,

A handwritten signature in cursive script that reads "William B. Chandler III". The signature is written in black ink and includes a horizontal line under the "III" at the end.

William B. Chandler III

WBCIII:tet