

Business and Chancery Court of Utah



Elon Musk Seems to Answer to No One. Except for a Judge in Delaware.

Kathaleen St. J. McCormick, the chief judge of Delaware's Chancery Court, gave Mr. Musk until Friday to acquire Twitter. She is also judging at least one other case involving the billionaire.

What is a Chancery Court?

So is it a big deal?

Working Group

The Preeminent Court of Equity

The Delaware Court of Chancery is widely recognized as the nation's preeminent forum for the determination of disputes involving the internal affairs of Delaware corporations and other business entities through which a vast amount of the world's commercial affairs is conducted.



Elon Musk Seems to Answer to No One. Except for a Judge in Delaware.

Kathaleen St. J. McCormick, the chief judge of Delaware's Chancery Court, gave Mr. Musk until Friday to acquire Twitter. She is also judging at least one other case involving the billionaire.

What is a Chancery Court?

So is it a big deal?

Working Group

Delaware

Utah Population = 3.3 Million
Utah Incorporations = 300,000
Per capita = .09 per person

Delaware Population = 1 Million
Delaware Incorporations = 1.5 Million
Per capita = 1.5 (15x Utah's per capita)

50% of all publicly traded companies
63% of fortune 500
25% of DE State Budget

Driving Forces

Tax system
Privacy
Simplicity
Chancery Court

**Additional
Benefits**

General Benefits

- Experienced Judges
- Efficient Resolution
- Published Opinions
- Increased Predictability
- Increased Efficiency and Flexibility

States with Chancery Court (or similar):

- Delaware
- Arizona
- South Carolina
- New York

Delaware

Utah Population = 3.3 Million
Utah Incorporations = 300,000
Per capita = .09 per person

Delaware Population = 1 Million
Delaware Incorporations = 1.5 Million
Per capita = 1.5 (15x Utah's per capita)

50% of all publicly traded companies
63% of fortune 500
25% of DE State Budget

Driving Forces

Tax system
Privacy
Simplicity
Chancery Court

**Additional
Benefits**

What is a
Chancery
Court?

Elon Musk Seems to Answer to No One. Except for a Judge in Delaware.

So is it a
big deal?

Kathaleen St. J. McCormick, the chief judge of Delaware's Chancery Court, gave Mr. Musk until Friday to acquire Twitter. She is also judging at least one other case involving the billionaire.

Working
Group

Ken Black - Foley Lardner
Brady Brammer - Brammer Ranck (Utah House)
Wade Budge - Snell Wilmer
Erik Christiansen - Parsons Behle (Utah Bar President-elect)
Kirk Cullimore - Cullimore Law (Utah Senate)
Michael Drechel - UT Courts
Deno Himonas - Wilson Sonsini (Fmr Justice of Utah Supreme Court)
Rick Hoffman - Lone Peak Valuation
Alex Leeman - Parsons Behle
Eric Maxfield - Holland & Hart
Frank Pignanelli - Foxley & Pignanelli
Judge Todd Shaughnessy - UT Courts
Gordon Smith - BYU Law Dean
Steven Styler - Foxley & Pignanelli
Melanie Vartabedian - Ballard Sparr
Gregory Watts - Wilson Sonsini



Working
Group

Elon Musk Seems to Answer to No One. Except for a Judge in Delaware.

Kathaleen St. J. McCormick, the chief judge of Delaware's Chancery Court, gave Mr. Musk until Friday to acquire Twitter. She is also judging at least one other case involving the billionaire.

What is a Chancery Court?

So is it a big deal?

Working Group

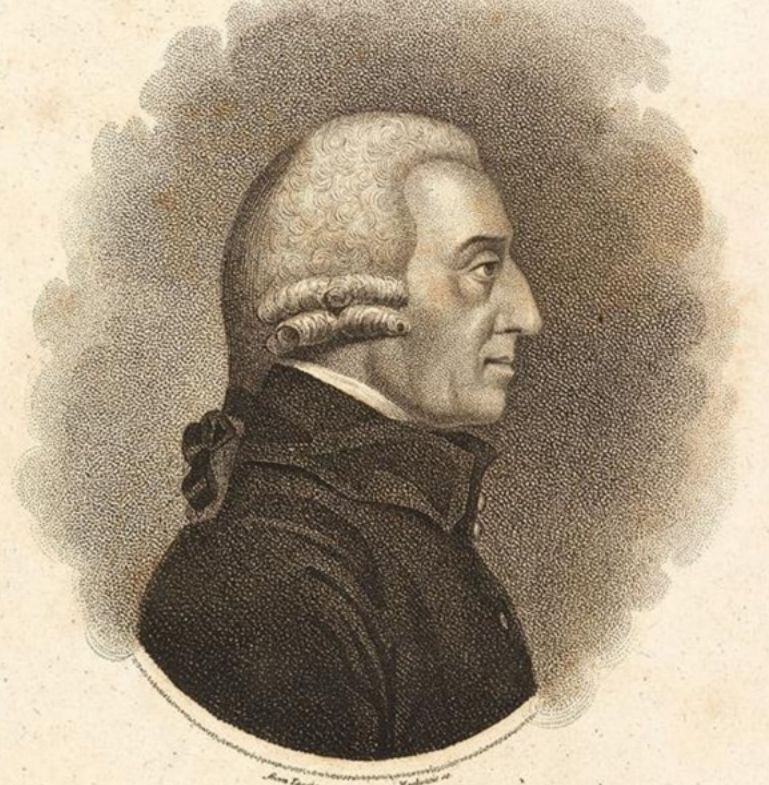
Business and Chancery Court of Utah



Specialization

- Tax Judges
Judicial Council Code of
Judicial Administration 6-103
- Water Judges
Judicial Council Code of
Judicial Administration 6-103
- Justice Courts of Record
- Future Magistrate Courts

THE WEALTH OF NATIONS



ADAM SMITH

Utah Constitution: Article VIII, Section 5.

The district court shall have original jurisdiction in all matters except as limited by this constitution or by statute, and power to issue all extraordinary writs. The district court shall have appellate jurisdiction as provided by statute. **The jurisdiction of all other courts, both original and appellate, shall be provided by statute.**

Business and Chancery Court of Utah



Business & Chancery Court: A New Option

- Generally involving (1) equitable corporate matters or (2) certain civil litigation matters in excess of \$300,000
- No juries
- Limited purview of claims
- Not a division of the district court
- Statewide venue

Key
Features

In & Out

- 1. Published Orders, Rulings, Opinions**
- 2. Tentative Rulings 48 Hours in Advance**
- 3. Additional Clerks**
- 4. Statewide Jurisdiction**
- 5. Standardized Ex Parte/Emergency Procedures**
- 6. Built for Complex Disputes (special masters, receivers, crypto, preliminary injunctions)**

Business & Chancery Court: A New Option

- Generally involving (1) equitable corporate matters or (2) certain civil litigation matters in excess of \$300,000
- No juries
- Limited purview of claims
- Not a division of the district court
- Statewide venue

**Key
Features**

In & Out

Eligible Cases:

- (1) Qualifying cases seeking in excess of \$300,000, or
- (2) seeking only equitable relief, and
- (3) arising from:
 - Governance, dissolution, receivership, liquidation of entity
 - Shareholder duties to one another
 - Derivative actions
 - Commercial Real Estate
 - Franchisor/franchisee
 - Securities/Antitrust
 - Business contracts & UCC
 - Professional Malpractice (not medical)
 - Business torts
 - Trade secrets
 - Commercial insurance coverage disputes
 - Crypto/DAO



**Not
Eeligible**

Not Eligible:

- Seeks monetary relief in an amount less than \$300,000
- Evictions
- Eminent domain
- Civil rights
- Personal injury & motor vehicle torts
- Domestic relations and related protective orders
- Criminal proceedings (other than criminal contempt arising within a case)
- Wrongful termination and statutory employment claims

Eligible Cases:

(1) Qualifying cases seeking in excess of \$300,000, or

(2) seeking only equitable relief, and

(3) arising from:

- Governance, dissolution, receivership, liquidation of entity
- Shareholder duties to one another
- Derivative actions
- Commercial Real Estate
- Franchisor/franchisee
- Securities/Antitrust
- Business contracts & UCC
- Professional Malpractice (not medical)
- Business torts
- Trade secrets
- Commercial insurance coverage disputes
- Crypto/DAO



**Not
Eeligible**

Business & Chancery Court: A New Option

- Generally involving (1) equitable corporate matters or (2) certain civil litigation matters in excess of \$300,000
- No juries
- Limited purview of claims
- Not a division of the district court
- Statewide venue

**Key
Features**

In & Out

Business and Chancery Court of Utah



**Chancery
Court**



**Current
Trend**



**Business &
Chancery
Court**