

Carter Ledyard Achieves Appellate Victory in Delaware Supreme Court in Shareholder Dispute

November 16, 2022

Carter Ledyard's appellate litigation team achieved a significant appellate victory in the Supreme Court of the State of Delaware for client Dengrong Zhou.

The Court's Memorandum Opinion affirms the Court of Chancery's Opinion in April, 2022 ruling in favor of the Plaintiff (details about the original case, *Dengrong Zhou v. Long Deng*, are available [here](#)). In this significant decision, the Court affirmed that Carter Ledyard's client validly removed the Defendants, Long Deng and Mark Fang, from the Board of Directors of iFresh.

The case centers on the appeal by Defendants arguing the lower court's decision involving their contentious fight for corporate board seats in Delaware. The group of shareholders, led by Carter Ledyard client, Mr. Zhou, was entitled to replace board members of iFresh, Inc. (which was listed on NASDAQ at the outset of litigation), including Defendant Long Deng, the Company's CEO. The trial followed more than a year of complex discovery from witnesses in the United States and China with many of the witness proceedings and documents in Chinese. Defendants alleged that the voted shares were obtained through aiding and abetting breaches of fiduciary duty, breach of contract or fraud. The Court's well-reasoned decision rejected all of those theories, and found that Defendants, Deng and Fang, were validly removed as directors of iFresh, with Carter Ledyard's client entitled to recoverable prevailing party costs and expenses under Chancery Rule 54(d).

The 8-member legal team was composed of partner and Chair of the China Practice Group Pang Zhang-Whitaker, the trial team led by partners Alex Malyshev and Matt Dunn, with support from associate Meredith Spelman, partner Steve Plotnick, paralegal Mara Leff, and local counsel partner Peter Ladig and associate Sarah Andrade of Bayard P.A..

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The April 2022 Delaware Chancery Court decision may be found here: <https://courts.delaware.gov/Opinions/Download.aspx?id=331660>, and the appellate decision is here: <https://courts.delaware.gov/Opinions/Download.aspx?id=340090>.

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