

COURT OF CHANCERY



The primary goal of the Court of Chancery has been to continue to deliver timely, cost-effective justice in the face of demanding caseloads, the enormous growth in the evidentiary records of many cases due to technology that generates huge amounts of discoverable evidence, and limited state budget growth.

During the past year, the Court has remained true to that focus. Continuing its commitment to use electronic filing to reduce the cost of storing paper records and allow the court and its litigants to process cases more efficiently, the Court is within sight of achieving its longstanding goal of having all Court of Chancery filings e-filed. The major remaining part of the

Court's caseload that had not been e-filed were cases emanating from estate matters filed with the County Registers of Wills. With leadership from and cooperation by the three County Registers of Wills, estate matters will soon all be filed electronically. New Castle County began electronic filing on December 1, 2012, Kent County will commence e-filing in October 2013, and Sussex County is scheduled to finalize the statewide implementation by March 2014. When that process is completed, virtually all cases in Chancery will be e-filed, providing consistency and efficiency for practitioners, reducing storage costs and pressures to add staff, and limiting the fiscal impact of an aging population and a resulting growth in the number of estate cases on the Court and the Register of Wills offices. To complete the goal of having all cases e-filed, the Court will require all trusts under wills cases to be filed electronically no later than the first quarter of 2015.

Likewise, the Court has continued to take important steps this past year to truly make the Register in Chancery a cohesive statewide unit that helps the court adjudicate cases in a timely way that meets the needs of our diverse

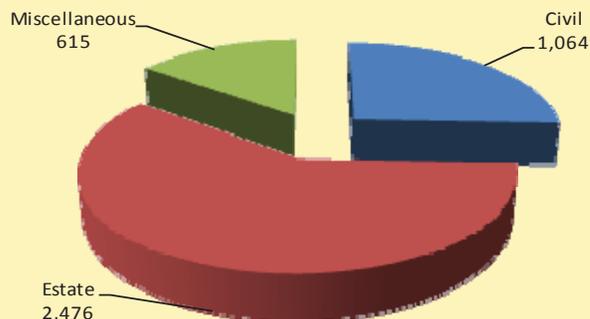


Chancellor Leo E. Strine, Jr.

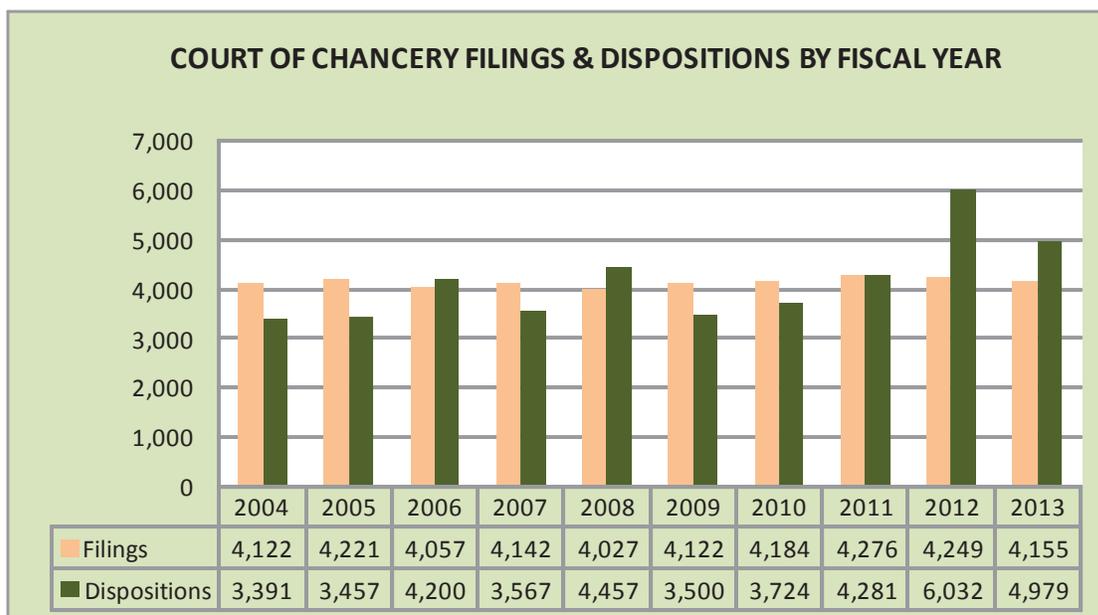
litigants. The statewide standards for case management that were put in place have resulted in more timely processing of cases and a reduction in pending cases, especially older ones. Consistent with the objective of making sure that all cases are diligently processed, a special effort is underway to address a backlog in the Court's guardianship docket that had built up over past decades. This backlog primarily consisted of guardianships of minors' property and involved relatively modest sums where the guardians had not timely filed proof of compliance with their obligation to account for the proper use of the wards' funds. This effort is designed to ensure that these guardians of the property met their obligations to the beneficiary or are held accounta-

ble for failing to do so, and, as important, involves a forward-looking initiative to develop a method to handle smaller guardianships in the future that better balances the need to protect beneficiaries while not running up administrative costs for guardians and wards disproportionate to what is at stake. The guardianship and

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trusts and estates subcommittee of our Rules Committee and our colleagues on Superior Court are providing critical help toward the latter goal. By the end of calendar year 2013, the historical backlog is targeted to be eliminated and all guardianships brought current. By that same time, we hope to have proposals to handle future guardianship cases in a manner that is more beneficial for the families involved and for state taxpayers.

With the same end in mind of ensuring appropriate fiduciary protection at an efficient level of cost, the Court of Chancery is working with the Registers of Wills of the Counties to help them address similar backlog issues involving situations where estates have not been timely administered. By implementing e-filing, the Registers of Wills will have better tools to address their workload and ensure that estates are administered properly.

In concert with our Rules Committee, the Court has also developed useful guidance for litigants practicing in the Court. That guidance is designed to help practitioners litigate cases more cost-effectively and to focus more on the merits, and less on costly, procedural jousting. In 2013, that guidance was supplemented to address the area of practice that most vexes practitioners – discovery. The guidance covers troublesome issues like the obligations of Delaware counsel in the discovery process, the

preparation of privilege logs, and how to better match the scope (and thus cost) of discovery to what is at stake in the litigation is available. The guidance reflects hundreds of hours of thoughtful consideration by experienced Chancery practitioners and we hope, as a result, that it will help our bar address these difficult topics with less stress and contentiousness.

With further help from the Rules Committee, the Court also adopted important revisions to the rule of procedure governing what documents can be filed under seal, a rule that had not been amended since its adoption over a generation ago. These revisions address the problematic increase in filings under seal that has occurred during the lengthy period since the rule was originally adopted by more specifically identifying the types of sensitive information that may be legitimately filed under seal and making clear that redactions of information from the public record must be justified as an exception to the general rule of public access.

The goal of all these efforts is to ensure that the Court of Chancery and its bar continue the tradition of resolving the important cases within the Court's jurisdiction in a timely and effective way.

COURT OF CHANCERY



Court of Chancery :

Front row (sitting left to right)

Vice Chancellor John W. Noble
Chancellor Leo E. Strine, Jr.
Vice Chancellor Donald F. Parsons, Jr.

Back row (standing left to right)

Vice Chancellor J. Travis Laster
Vice Chancellor Sam Glasscock, III