

**COURT OF CHANCERY
OF THE
STATE OF DELAWARE**

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Re: *Wayne Barrow v. Faith Evans, et al.*,
C.A. No. 2025-0760-KSJM

Dear Counsel:

This letter resolves the issues raised in my decision issued on September 11, 2026 (the “September 11 Letter Decision”).¹

To recap, I issued a Memorandum Opinion on August 7, 2026, granting Plaintiff’s motion for summary judgment on Counts I and II of the Verified Complaint and dismissing Defendants’ counterclaim.² The parties submitted competing forms of proposed order implementing that decision.³ The parties’ competing forms of order surfaced several disputes, including whether judgment as to Counts I and II should be final.⁴ In my September 11 Letter Decision, I concluded that there is no just reason

¹ C.A. No. 2025-0760-KSJM, Docket (“Dkt.”) 91 (“Sep. 11 Decision”). Defined terms have the same meaning ascribed to them in the August 7 Memorandum Opinion, *Barrow v. Evans*, 2026 WL 2283593 (Del. Ch. Aug. 7, 2026).

² *Barrow*, 2026 WL 2283593, at *6.

³ Dkts. 89, 90.

⁴ See Dkts. 89 at 2, 90 at 2–4.

for delaying final judgment on Counts I and II, but I identified several open issues relevant to final judgment on those claims.⁵

The remaining issues concern: when the Trust became a member; whether the Trust was entitled to distributions prior to that time; and what distributions have been made since the Trust became entitled to distributions. The parties made supplemental submissions concerning those issues, which I reviewed and found helpful.⁶

The short answers to the remaining questions are that the Trust did not become a member until December 12, 2025, when it executed the instrument required under the LLC Agreement, but the Trust is entitled to distributions made prior to that time in the amount of \$12,518,336.

To explain, Delaware law distinguishes between economic rights associated with a member's interest and membership status in the LLC context. An assignee of a limited liability company interest can become a member "[a]s provided in the limited liability company agreement."⁷ The Trust became a member as required by the LLC Agreement, but not until December 12, 2025, when it executed the instrument required under the LLC Agreement.⁸

⁵ Sep. 11 Decision at 2–4.

⁶ Dkts. 94 ("Pl.'s Opening Submission"), 95 ("Defs.' Answering Submission"), 99 ("Pl.'s Reply Submission").

⁷ 6. *Del. C.* § 18-704(a)(1).

⁸ *See id.*; Defs.' Answering Submission, Ex. A § 8.1; *Barrow*, 2026 WL 2283593, at *5–6 (holding that the Trust's Written Consent satisfied the requirements of Section 8.1

The economic rights associated with Ms. Wallace's units, however, transferred prior to December 12, 2025, first by operation of law and then by assignment. An LLC member interest is personal property that transfers by operation of law to a member's estate upon death.⁹ Thus, all economic rights associated with Ms. Wallace's member interest in the LLC transferred to her estate upon her death on February 21, 2025.¹⁰ In her last will and testament, Ms. Wallace left her estate to the Trust.¹¹ Ms. Wallace's entire estate, including her interest in the LLC, passed to the Trust pursuant to her will.¹² Ms. Wallace died in Pennsylvania, so Pennsylvania law

of the LLC Agreement); Dkt. 71 ("Barrow Decl."), Ex. L at 2 (dated December 12, 2025).

⁹ *Gurney-Goldman v. Goldman*, 321 A.3d 559, 577 (Del. Ch. 2024), *aff'd*, 360 A.3d 270 (Del. 2026) (TABLE); *see also In re Cote d'Azur Est. Corp.*, 2022 WL 4392938, at *16 (Del. Ch. Sep. 19, 2022).

¹⁰ *See Gurney-Goldman*, 321 A.3d at 575 (citing 6 *Del. C.* § 18-702); Barrow Decl., Ex. B ¶ 38 (admitting the date of Ms. Wallace's death).

¹¹ Barrow Decl., Ex. F art. III. Under the Trust Agreement, Ms. Wallace bequeathed her interest in the Company to the Voletta Wallace Foundation. *Id.*, Ex. H art. VI. The Trust Agreement was amended on February 6, 2025. *Id.*, Ex. I at 1. Among other changes, the Trust Amendment removed the provision specifically bequeathing Ms. Wallace's interest in the Company and directed the Trustee to distribute any assets not specifically bequeathed to the Christopher Wallace Memorial Foundation. *Id.* ¶¶ 6, 12.

¹²*Id.*, Ex. F art. III ("I give the rest, residue and remainder of my estate, real and personal (my 'Residuary Estate'), to the then serving Trustee of the Voletta Wallace Revocable Trust . . . , that I have signed before signing this Will, to be disposed of . . . including any amendments to it signed after today."); *id.*, Ex. H art. VI(C) (gifting units of Notorious Big, LLC to the Voletta Wallace Foundation); *id.*, Ex. I ¶ 6 (deleting Article VI of the Trust Agreement).

governs the probate of her estate. Under Pennsylvania law, the Trust, as the ultimate beneficiary, is entitled to distributions accrued as of the date of Ms. Wallace's death.¹³

Defendants state that \$12,518,336 in distributions have been made since Ms. Wallace's death.¹⁴ Defendants argue, however, that the Trust is only entitled to \$48,612 of that amount.¹⁵ They note that Defendant Faith Evans's son, non-party Christopher J. Wallace, has petitioned the Pennsylvania Orphans' Court to challenge Mr. Barrow's appointment as the sole executor of the Estate and sole trustee of the Trust.¹⁶ Because Ms. Evans's son is disputing Mr. Barrow's right to act on behalf of the Estate, Defendants argue that the LLC should not honor the economic rights of the Estate. Defendants offer to deposit the pre-admission amounts owed to the Estate with the Register in Chancery pending resolution of what Defendants describe as the issue of "entitlement."¹⁷

But the economic rights associated with Ms. Wallace's units now belong to the Trust. Plaintiff Wayne Barrow, who appears in this action on behalf of the Trust,

¹³ 20 Pa. Cons. Stat. § 3543(b).

¹⁴ See Defs.' Answering Submission at 12 ("[T]he Company has made distributions totaling \$48,612.00 [since December 11, 2025] that are attributable to the Trust's 25% share."); *id.* at 12 n.9 (stating that the LLC distributed the following amounts attributable to Ms. Wallace's membership interests between Ms. Wallace's death and the date payable after the Trust's admission as a member: (i) \$4 million on March 20, 2025; (ii) \$4 million on June 30, 2025; (iii) \$4 million on September 25, 2025; and (iv) \$469,724 on December 26, 2025).

¹⁵ *Id.* at 11–12.

¹⁶ *Id.* at 10–11.

¹⁷ *Id.* at 11.

also holds Letters Testamentary issued on April 21, 2025, making him the sole executor of the Estate.¹⁸ Pennsylvania law provides that “[n]o act of administration performed by a personal representative in good faith shall be impeached by the subsequent revocation of his letters or by the subsequent probate of a will, of a later will or of a codicil.”¹⁹ The outcome of the Pennsylvania action, therefore, will not affect the actions taken by Mr. Barrow related to the Trust, Ms. Wallace’s estate, and the Trust’s entitlement to distributions as of Ms. Wallace’s date of death. I therefore find no need for the accrued distributions to be deposited with the Register in Chancery. They are due to the Trust.

In sum, the Trust became a member as of December 12, 2025, the date of the Written Consent. The Trust is entitled to distributions made as of the date of Ms. Wallace’s death. The Trust is entitled to prejudgment interest on those distributions, accruing as of the date on which the distribution was made.²⁰ Prejudgment interest will be at the statutory rate, compounded quarterly.²¹

¹⁸ *Id.* at 10; Barrow Decl., Ex. K.

¹⁹ 20 Pa. Cons. Stat. § 3329.

²⁰ *See Brown v. Ct. Square Cap. Mgmt., L.P.*, 2024 WL 1655418, at *2 (Del. Ch. Apr. 17, 2024) (“In Delaware, prejudgment interest is awarded as a matter of right and computed from the day payment is due.” (citing *Moskowitz v. Mayor & Council of Wilm.*, 391 A.2d 209, 210 (Del. 1978))), *aff’d*, 331 A.3d 1270 (Del. 2024) (TABLE).

²¹ 6 *Del. C.* § 2301(a); *Whittington v. Dragon Gp. L.L.C.*, 2011 WL 1457455, at *15 (Del. Ch. Apr. 15, 2011) (“As part of its discretion to fashion an appropriate remedy, [the Court of Chancery] has the discretion to award either compound or simple interest.” (citing *Cede & Co. v. Technicolor, Inc.*, 684 A.2d 289, 301 (Del. 1996))); *Ct. Square Cap. Mgmt. L.P.*, 2024 WL 1655418, at *3–5 (explaining the Court of Chancery’s discretion to award compound interest and “select a compounding

Plaintiff is instructed to submit a final form of order consistent with this decision, my September 11 Letter Decision, and my August 7 Memorandum Opinion, within twenty days.

IT IS SO ORDERED.

Sincerely,

/s/ *Kathaleen St. J. McCormick*

Chancellor

cc: All counsel of record (by *File & ServeXpress*)

interval,” which, in that case, was quarterly); *Murphy Marine Servs. of Del., Inc. v. GT USA Wilm., LLC*, 2022 WL 4296495, at *24 (Del. Ch. Sep. 19, 2022) (“When the court ‘award[s] the legal rate of interest, the appropriate compounding rate is quarterly.’” (alteration in original) (quoting *Doft & Co. v. Travelocity.com Inc.*, 2004 WL 1152338, at *12 (Del. Ch. May 20, 2004))).