

COURT OF CHANCERY  
OF THE  
STATE OF DELAWARE

STEPHEN P. LAMB  
VICE CHANCELLOR

New Castle County Court House  
500 N. King Street, Suite 11400  
Wilmington, Delaware 19801

Submitted: August 13, 2007  
Decided: November 1, 2007

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***RE: Robert P. Reeder and John D. Flaherty  
v. Hon. Nancy Wagner, Dr. Michael Thomas, and  
State of Delaware Auditor of Accounts R. Thomas Wagner  
C.A. No. 2907-VCL***

Dear Mr. Reeder, Mr. Flaherty, and Counsel for the Defendants:

The defendants have moved to dismiss this declaratory judgment action on various grounds, including the lack of subject matter jurisdiction, pursuant to Court of Chancery Rule 12(b)(1). They argue that the action is entirely legal in nature and that there is an adequate remedy at law. In response, the plaintiffs ask that, if

the court concludes that it lacks subject matter jurisdiction, the action be transferred to the appropriate court.

It is well settled that the Declaratory Judgment Act does not independently confer jurisdiction on this court. As Chancellor Quillen said in *Western Airlines, Inc. v. Allegheny Airlines, Inc.*, 313 A.2d 145, 149 (Del. Ch. 1973), this court will not exercise jurisdiction in a declaratory judgment action unless the complaint reflects “some special, traditional basis for equity jurisdiction.” Thus, the court must examine the complaint to determine whether it reflects any basis for the assertion of jurisdiction by this court of equity, *i.e.*, either a claim arising out of an equitable relationship or a well pleaded demand for relief that is exclusively equitable in nature.

Here, a review of the complaint plainly reveals that there is no basis for assertion of jurisdiction by this court. The complaint exclusively involves issues of statutory interpretation that are not, by such statutes, assigned to the exclusive jurisdiction of this court. As Chancellor Chandler recently held, such issues “are, beyond question, legal issues capable of resolution by the Superior Court, and declaratory relief is available there to the same extent as it is [in the Court of Chancery].” *Reed v. Brady*, 2002 WL 1402238 at \*3 n.7 (Del. Ch. June 21, 2002), *aff’d*, 818 A.2d 150 (TABLE) (Del. 2003). Because the complaint does not seek to

*Reeder v. Hon. Nancy Wagner, et al.*

*C.A. No. 2907-VCL*

November 1, 2007

Page 3

vindicate an equitable right and does not demand an exclusively equitable remedy, this court lacks the power to adjudicate the dispute. *See, 10 Del. C. § 342* (“The Court of Chancery shall not have jurisdiction to determine any matter wherein sufficient remedy may be had by common law, or statute, before any other court or jurisdiction of this State.”).

For the foregoing reasons, in accordance with *10 Del. C. § 1902*, this action is transferred to the Superior Court. IT IS SO ORDERED.

/s/ Stephen P. Lamb  
Vice Chancellor