

SAM GLASSCOCK III  
VICE CHANCELLOR

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

COURT OF CHANCERY COURTHOUSE  
34 THE CIRCLE  
GEORGETOWN, DELAWARE 19947

Submitted: March 5, 2012

Decided: March 13, 2012

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Re: *In re Estate of Everett T. Conaway*,  
C.A. No. 6056-VCG

Dear Counsel:

This is my decision on Respondent's Motion for Reargument.

For the reasons stated in my Letter Opinion of February 15, 2012, I found that the ownership interest in EJKC Partnership, L.P. (the "Partnership"), held by the Everett T. Conaway Revocable Trust (the "ETC Trust") passed to Jesse Conaway, or to the Jesse Frederick Conaway Trust, upon the death of Everett Conaway. I found that Everett's attempt to transfer that interest to a non-partner, his widow, Janice Conaway, the Respondent, was invalid under the terms of the Limited Partnership Agreement (the "LPA"). I noted in my Letter Opinion that, pursuant to that LPA, even if Everett had wished, during his lifetime, to withdraw from the Partnership, he could have done so only with Jesse's consent and only

upon the penalty of forfeiting 50% of the ETC Trust's interest (the "Partnership Interest") to the Partnership.

On reargument, Janice notes that it was Everett's intent that she receive his interest, and asks the Court to transfer 50% of Everett's interest to her as a kind of equitable analog to the withdrawal rights Everett could have utilized for the same purpose, had he done so during his lifetime.

Unfortunately for Janice, Everett did not seek to withdraw from the Partnership during his lifetime. Instead, he made an invalid attempt to transfer the Partnership Interest, as I have already found. Even if Everett had wished to withdraw, moreover, he would have needed the agreement of the remaining partners to achieve that result. Everett tried but failed to appoint Janice as the successor to his trust in the Partnership Interest. He failed because that transfer was contrary to the LPA by which he was bound. Janice is not the equitable owner of the Partnership interest, or 50% of the Partnership Interest. Ownership of that interest is determined not by equity, but as a matter of contract law.

The other bases upon which Janice seeks reargument were addressed in my Letter Opinion of February 15, 2012. For the reasons above, Janice's motion for reargument is denied.

To the extent that the foregoing requires an Order to take effect, IT IS SO ORDERED.

Sincerely,

*/s/ Sam Glasscock III*

Sam Glasscock III