

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLANDCHAMBERS OF
J. FREDERICK MOTZ
UNITED STATES DISTRICT JUDGE101 WEST LOMBARD STREET
BALTIMORE, MARYLAND 21201
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June 20, 2014

MEMO TO COUNSEL RE: Direct Benefits, LLC, et al. v. TAC Financial, Inc., et al
Civil No. JFM-13-1185

Dear Counsel:

I have reviewed the memoranda filed in connection with plaintiff's motion for leave to amend the complaint and the motion of the Outside Directors to dismiss the second amended complaint.

Plaintiff's motion to amend is granted. However, the motion to dismiss filed by the Outside Directors claims against them in the second amended complaint is granted. Plaintiff has not alleged facts that would establish that the Outside Directors are liable under a "court control liability" theory. Incidentally, I am not persuaded by plaintiff's argument that Judge Russell did not contemplate that the Outside Directors might file a motion to dismiss. Indeed, the reference in his letter to deadlines under the Federal Rules and Local Rules suggest that he contemplated that a motion to dismiss would be filed.

The effect of my rulings is to reinstate Andrew Gellene's claim for reimbursement of business expenses because he not alleges that the expenses were reasonable.

Despite the informal nature of this letter, it should be flagged as an opinion and docketed as an order.

Very truly yours,

/s/

J. Frederick Motz
United States District Judge