

Darcy Lien v. Eagle Equity Partners II, LLC et al.

COURT: Delaware Court of Chancery
CASE NUMBER: 2022-0972-PAF
CASE LEADERS: Jeroen van Kwawegen, Gregory V. Varallo
CASE TEAM: Andrew Blumberg, Mae Oberste, Daniel Meyer

On October 27, 2022, BLB&G initiated this stockholder class action when it filed a complaint in the Delaware Court of Chancery on behalf of plaintiff Darcy Lien and similarly situated current and former stockholders of Flying Eagle Acquisition Corp. (“Flying Eagle” or the “Company”), alleging breaches of fiduciary duty against the board of directors (the “Board”) and the controllers of Flying Eagle. On April 12, 2023, BLB&G filed an amended stockholder complaint. This class action challenges Flying Eagle’s acquisition of Skillz Inc., a gaming technology company, and alleges that the defendants breached their fiduciary duties owed to Flying Eagle stockholders when they caused Flying Eagle to pursue a merger that benefited themselves but did not similarly benefit other Flying Eagle stockholders. You can find the amended complaint under the **Case Documents** header on this page.

Flying Eagle was a special purpose acquisition company formed for the purpose of effecting a merger. It completed its initial public offering in March 2020 when it sold 69 million units to public investors, with each unit consisting of one share of Flying Eagle Class A common stock and one-fourth of a warrant with an exercise price of \$11.50 per share.

After Flying Eagle had announced its proposed merger with Skillz, it issued a false and misleading proxy statement on November 30, 2020. The amended complaint alleges that the proxy misled Flying Eagle stockholders about (1) the due diligence that Flying Eagle’s directors and officers had conducted into Skillz before the acquisition, (2) the pre-existing relationship between Skillz and certain Flying Eagle directors and controllers, and (3) overstating the value of Flying Eagle stock.

On December 16, 2020, a majority of Flying Eagle stockholders voted to approve the merger, and the merger closed the same day.

On June 2, 2023, Defendants filed their motions to dismiss the amended complaint. On May 28, 2024, the Court delivered a bench ruling denying those motions, and the case moved into the discovery phase.

In March 2025, the parties reached an agreement in principle to settle this action. As part of the settlement, the parties agreed to settle and release all claims against Defendants in the Action in return for a cash payment of \$10,000,000. After additional negotiations regarding the specific terms of their agreement, on May 19, 2025, the parties entered into the Stipulation and Agreement of Settlement, Compromise, and Release (the “Stipulation”). The Stipulation, which reflects the final and binding agreement between the Parties on the terms and conditions of the Settlement, is available under the **Case Documents** header on this page.

If you are a member of the Settlement Class, you are subject to the Settlement. The non-out-out Settlement Class preliminarily certified by the Court solely for purposes of the Settlement consists of:

All holders of Flying Eagle Class A common stock, whether beneficial or of record, as of the closing of the Merger on December 16, 2020, together with the heirs, successors-in-interest, transferees, and assigns of all of such foregoing holders, including any person or entity who subsequently purchased such stock (excluding, for the avoidance of

doubt, shares of Flying Eagle Class B common stock that converted into Flying Eagle Class A common stock solely in connection with the Merger ("Class B Converted Shares") as well as shares of Flying Eagle Class A common stock redeemed before the Merger ("Redeemed Shares")). Excluded from the Settlement Class are (i) Defendants; (ii) members of the immediate families of the Individual Defendants; (iii) any person who is, or was at the time of the closing of the Merger on December 16, 2020, an officer or director of Flying Eagle, Eagle Equity Partners, or Legacy Skillz, and their immediate family members; (iv) any parent, subsidiary, or affiliate of Flying Eagle, Eagle Equity Partners, or Legacy Skillz; (v) any entity in which any Defendant or any other excluded person or entity has, or had at the time of the closing of the Merger on December 16, 2020, a controlling interest; and (vi) the legal representatives, agents, affiliates, heirs, successors, and assigns of any such excluded person or entity (each, an "Excluded Person" and, collectively, the "Excluded Persons").

On June 12, 2025, the Court entered a Scheduling Order directing that notice of the Settlement be provided to potential Class Members, and scheduling a Settlement Hearing for September 2, 2025, at 1:30 p.m., to, among other things, consider whether to grant final approval to the Settlement. A copy of the Notice is available under the **Case Documents** header on this page.

More information about the Settlement is available at www.FlyingEagleStockholdersLitigation.com.

Case Documents

- Notice of Pendency and Proposed Settlement of Stockholder Class Action, Settlement Hearing, and Right to Appear
- June 12, 2025 - Scheduling Order
- May 19, 2025 - Stipulation and Agreement of Settlement, Compromise, and Release
- April 12, 2023 - Amended Class Action Complaint