In re Straight Path Communications Inc. Consol. Stockholder Litigation

COURT: Delaware Court of Chancery
CASE NUMBER: 2017-0486-SG
CASE LEADERS: Jeroen van Kwawegen, Edward G. Timlin
CASE TEAM: David Carlet, Stavros Katsetos

On July 5, 2017, BLB&G filed a verified class action complaint (the "Complaint") in the Delaware Court of Chancery. The Complaint alleged breach of fiduciary duty claims against Straight Path Communications, Inc.'s ("Straight Path" or the "Company") controlling stockholder (Howard Jonas); his son and Straight Path's former CEO (Davidi Jonas); and IDT Corporation ("IDT"), Straight Path's former parent company and anther Jonas-family company, in connection with their scheme to coerce the release an indemnity claim owed by IDT Corporation to Straight Path.

On June 25, 2018 the court denied defendants' motion to dismiss. After an interlocutory appeal, the Delaware Supreme Court affirmed the Chancery Court's decision on February 22, 2019. On February 17, 2022, the Court denied defendants' motion for summary judgement.

Plaintiff on behalf of herself and the class of former Straight Path stockholders reached a $12.5 million settlement with Defendant Davidi Jonas, which was approved by the Court on December 27, 2022.

BLB&G presented the case against Defendants Howard Jonas and IDT during a two-week trial. Following trial, on October 3, 2023, the Court ruled that Mr. Howard Jonas engaged in an unfair process in breach of his fiduciary duties to stockholders to settle the indemnity claim, which the Court found was not actually viable. For Mr. Jonas's breaches of his fiduciary duties, the Court awarded the class nominal damages.

Case Documents

- February 22, 2019 - Order Affirming Judgement of the Court of Chancery
- June 25, 2018 - Memorandum Opinion
- August 29, 2017 - Verified Consolidated Amended Class Action and Derivative Complaint

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