

# Recent Chancery Decision Rejects Appraisal Action Filed to Seek Books and Records

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A recent Chancery decision with a somewhat quirky procedural context is notable for its analysis of a Section 262 appraisal suit as being an inappropriate vehicle to seek books and records discovery. In [\*Barkan v. Exabean, Inc.\*](#), C.A. No. 2024-0855-MTZ (Del. Ch. April 11, 2025), the Court of Chancery was presented with a Section 262 action, which provides for appraisal rights, but the petition did not seek appraisal. Rather, it was offered as a “substitution” for a suit by a stockholder for corporate books and records under Section 220 of the DGCL.

## ***Issue Addressed***

The issue presented was whether a Section 262 appraisal action could be used only to seek books and records post-merger. The answer is no because there was no standing for such a claim.

The decision is blogworthy for its deep-dive into the Section 220 requirements for books and records, and although it was based on the prior version of Section 220 before the recent amendments, [which were highlighted on these pages](#), virtually all of the analysis of the requirements are still applicable and noteworthy, primarily because the new amendments just added new requirements in addition to the “old” provisions. See Slip op. at 13-18.

## ***Highlights of Decision***

The gravamen of the decision was that a Section 262 action is no substitute for a Section 220 action.

The decision is also notable for its historical analysis into the history of the appraisal statute that traces its origin to the 1899 version of the Delaware General Corporation Law. 1899 was also the birth date of the current version of Section 220. See Slip op. at 18-25.

The decision provides extensive reasoning to distinguish the decision in *Wei v. Zoox, Inc.*, and explains why that decision did not provide an exception to the ruling in this case. See Slip op. at 25-34.

Finally, the court explained why a motion to intervene in the plenary action was denied. See Slip op. at 34-36.

National Law Review, Volume XV, Number 121

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