

COURT OF CHANCERY OF THE STATE OF DELAWARE

Michael O'Neill v. Summit Materials, Inc.

C.A. No. 2025-0695-LM (BWD) (Del. Ch. Dec. 19, 2025) · No. C.A. No. 2025-0695-LM (BWD) · Decided December 19, 2025

SUMMARY

The Delaware Court of Chancery denied Michael O’Neill’s exceptions to a Magistrate in Chancery’s final report denying his demand to inspect Summit Materials’ books and records under 8 Del. C. § 220. The court held that O’Neill lacked a proper purpose because he had previously filed a plenary action challenging the same alleged wrongdoing, and his subsequent dismissal of that action did not create a special circumstance warranting inspection. The court adopted the Magistrate’s final report after de novo review.

CASE DETAILS

COURT	Court of Chancery of the State of Delaware
WRITING FOR THE COURT	Bonnie W. David, Vice Chancellor
JURISDICTION	Delaware Court of Chancery
DECIDED	December 19, 2025
DOCKET	C.A. No. 2025-0695-LM (BWD)
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff sought to compel production of corporate books and records under 8 Del. C. § 220. After a Magistrate in Chancery denied inspection in a post-trial final report, plaintiff filed exceptions. The Court of Chancery reviewed the record and the Magistrate's determinations de novo.
STANDARD OF REVIEW	De novo review of the trial record and the Magistrate in Chancery's determinations.
PRECEDENTIAL VALUE	Published Delaware Court of Chancery opinion
PARTIES	Michael O'Neill v. Summit Materials, Inc.

TOPICS

- corporate law
- fiduciary duty
- appellate procedure
- standard of review
- statutory interpretation

PRACTICE AREAS

corporate law

books and records inspection

fiduciary duty

civil procedure

appellate procedure

QUESTIONS PRESENTED

1. Whether a stockholder who has filed a plenary action challenging the same alleged wrongdoing may establish a proper purpose to inspect books and records under 8 Del. C. § 220.
2. Whether *AmerisourceBergen Corp. v. Lebanon County Employees' Retirement Fund* overruled or displaced Delaware precedent concerning the effect of filing a plenary action on a later Section 220 demand.
3. Whether the circumstances surrounding the plaintiff's dismissed plenary action, pending statutory amendments, and the parties' standing agreement justified an exception to the general rule against pursuing parallel plenary and Section 220 actions.

HOLDINGS

1. A stockholder generally lacks a proper purpose to use Section 220 to investigate alleged wrongdoing that the stockholder has already placed at issue in a plenary action, because filing the plenary action demonstrates that the stockholder considered the information already available sufficient to pursue the claims.
2. *AmerisourceBergen* did not overrule the established rule that filing a plenary lawsuit concerning the same alleged misconduct can defeat the stockholder's proper purpose for seeking Section 220 inspection.
3. The facts did not justify an exception to the general rule. A voluntary dismissal undertaken for strategic reasons, without judicial leave to amend or a judicial finding that further factual development was needed, does not create the special circumstances recognized in prior cases.

KEY QUOTATIONS

"To inspect books and records under Section 220, a plaintiff must establish by a preponderance of the evidence that the plaintiff is a stockholder, has complied with the statutory form and manner requirements for making a demand, and has a proper purpose for conducting the inspection." (at 6)

"When a stockholder files a plenary action challenging the same issues he seeks to investigate through his demand, he "effectively concede[s] that the books and records he seeks are not necessary or essential to his stated purpose of investigating mismanagement or wrongdoing."" (at 7)

"By choosing to pursue the Plenary Action, he forwent books and records." (at 13)

FACTUAL BACKGROUND

O'Neill was a Summit stockholder when Summit merged with Argos North America, resulting in Grupo Argos receiving approximately 31% of Summit's voting power and the right to nominate three of eleven directors. Summit later agreed to be acquired by Quikrete, and Grupo Argos supported the merger in exchange for a waiver of a noncompete agreement. O'Neill demanded books and records under Section 220 to investigate possible

wrongdoing concerning the merger, but after filing a plenary fiduciary-duty action concerning the same alleged wrongdoing, he dismissed that action without prejudice and pursued the inspection demand.

PROCEDURAL HISTORY

O'Neill served a Section 220 demand concerning Summit's merger with Quikrete and later filed a plenary fiduciary-duty action concerning the same alleged wrongdoing. He dismissed that plenary action without prejudice and then filed this books-and-records action. Following a paper-record trial, the Magistrate in Chancery denied inspection for lack of a proper purpose; the Court of Chancery denied O'Neill's exceptions and adopted the final report.

DISPOSITION

other

CASES CITED

- DiGiacobbe v. Sestak, 743 A.2d 180, 184 (Del. 1999)
- Pettry v. Gilead Sciences, Inc., 2020 WL 6870461, at *9 (Del. Ch. Nov. 24, 2020)
- Thomas & Betts Corp. v. Leviton Manufacturing Co., 681 A.2d 1026, 1035 (Del. 1996)
- KT4 Partners LLC v. Palantir Technologies Inc., 203 A.3d 738, 751-52 (Del. 2019)
- Schnatter v. Papa John's International, Inc., 2019 WL 194634, at *11 (Del. Ch. Jan. 15, 2019)
- Bizzari v. Suburban Waste Services, Inc., 2016 WL 4540292, at *6 (Del. Ch. Aug. 30, 2016)
- King v. VeriFone Holdings, Inc., 12 A.3d 1140, 1148, 1150 (Del. 2011)
- An v. Archblock, Inc., 2023 WL 7320253, at *3 (Del. Ch. Nov. 7, 2023), R. & R. adopted, 2024 WL 1365983 (Del. Ch. Apr. 1, 2024)
- CHC Investments, LLC v. FirstSun Capital Bancorp, 2019 WL 328414, at *3, *5 (Del. Ch. Jan. 24, 2019)
- Central Laborers Pension Fund v. News Corp., 2011 WL 6224538, at *1-*2 (Del. Ch. Nov. 30, 2011), aff'd, 45 A.3d 139 (Del. 2012)
- Baca v. Insight Enterprises, Inc., 2010 WL 2219715, at *4 (Del. Ch. June 3, 2010)
- Taubenfeld v. Marriott International, Inc., 2003 WL 22682323, at *3 (Del. Ch. Oct. 28, 2003)
- AmerisourceBergen Corp. v. Lebanon County Employees' Retirement Fund, 243 A.3d 417, 429, 431, 437 (Del. 2020)
- Khanna v. Covad Communications Group, Inc., 2004 WL 187274, at *1, *3-*4 (Del. Ch. Jan. 23, 2004)
- Turnbull v. Klein, 2025 WL 353877, at *10 (Del. Ch. Jan. 31, 2025)
- Larkin v. Shah, 2016 WL 4485447, at *13-*15 (Del. Ch. Aug. 25, 2016)
- Flannery v. Genomic Health, Inc., 2021 WL 3615540, at *14 (Del. Ch. Aug. 16, 2021)
- In re Morton's Restaurant Group, Inc. Stockholders Litigation, 74 A.3d 656, 665 (Del. Ch. 2013)
- In re Zendesk, Inc. Section 220 Litigation, 2023 WL 5496485, at *7 n.76 (Del. Ch. Aug. 25, 2023)

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