

Circuit Court for Montgomery County
Case No. 482795V

UNREPORTED
IN THE COURT OF SPECIAL APPEALS
OF MARYLAND

No. 1059

September Term, 2021

PROGRESSIVE TECHNOLOGY FEDERAL
SYSTEMS, *et al.*

v.

TODD GLASS

Shaw,
Ripken,
Harrell, Glenn T., Jr.
(Senior Judge, Specially Assigned),

JJ.

Opinion by Harrell, J.

Filed: August 17, 2022

*This is an unreported opinion, and it may not be cited in any paper, brief, motion, or other document filed in this Court or any other Maryland Court as either precedent within the rule of stare decisis or as persuasive authority. Md. Rule 1-104.

This appeal stems from a corporate governance dispute that led to litigation that was dismissed voluntarily by Appellee (plaintiff below) and the circuit court’s denial of a consent motion to bifurcate the issue of attorneys’ fees, despite a contractual provision between the parties that assertedly “guaranteed” reasonable attorneys’ fees to the prevailing party in such a dispute. Appellants here (defendants below) are Progressive Technology Federal Systems (“PTFS”) and members of its Board of Directors: John Yokley, John Mutarelli, and James Ballard. The present litigation was triggered by PTFS’s removal of Appellee, Todd Glass, from the Board and cancellation of his consulting contract with the company. Glass sued Appellants in the Circuit Court for Montgomery County. Glass’s lawsuit claimed that PTFS and the Board breached a Settlement Agreement that resolved prior litigation. The Settlement Agreement contained a provision that reasonable attorneys’ fees may be awarded to the prevailing party in matters stemming from an alleged breach of the Agreement:

The prevailing party in any action involving an alleged breach of this Agreement shall be entitled to an award of reasonable attorneys’ fees and costs. The tribunal is required to designate whether there is a prevailing party and if so, who such prevailing party is.

Glass’s motion for a preliminary injunction was denied. He moved ultimately to dismiss his complaint with prejudice.

After a hearing, the court granted Glass’s motion for dismissal with prejudice, denied an earlier filed consent motion to bifurcate litigation of Appellants’ request for attorneys’ fees, and refused to determine whether Appellants were the prevailing parties in the litigation. Appellants present one question for our consideration:

Did the Circuit Court err when it held that Maryland Rule 2-705(e) limits the right to receive attorneys' fees mandated by contract to cases resolved after trial and denies fees to parties who prevail as a matter of law or by voluntary dismissal with prejudice?

For reasons we shall explain, we reverse in part the judgment of the circuit court, vacate in part the judgment, and remand the case for further proceedings consistent with this opinion.

BACKGROUND

PTFS provides library automation and content management software solutions to commercial, defense, and other government agencies. Glass founded PTFS in July 1995. Four months later, Yokley joined the company. Glass transferred an equity interest to Yokley in order that he may become a director.

As to the company's structure after its formation, Glass testified as follows:

We, essentially, were set up with myself and Mr. Yokley as really equal business partners, but him as, initially, the title of president and me as vice president; and we had a seven and a half percent shareholder I brought with me, and a 15 percent shareholder that he brought with him.

Donald Nissen was the 15% shareholder that Yokley recruited. Nissen was the final member of the company's initial three-member Board.

After a dispute arose between Nissen and Yokley about leasing commercial real estate, Yokley approached Glass, voiced his concerns, and made a proposal. Glass explained:

Mr. Yokley, essentially, came to me and said that he was not willing to have Mr. Niss[e]n be the swing vote on the Board, and he said he would dissolve the company if I wouldn't agree to expand the Board and change some things.

To resolve that dispute, Glass and Yokley signed a shareholders' buy-sell agreement and executed amended and restated bylaws in 2000.

In the buy-sell agreement, Glass and Yokley gave each other rights of first refusal regarding sales of their respective stock. In addition, they expanded the Board to five members. They agreed also to “at all times and from time to time, if lawfully permitted to do so, vote their shares of Stock in such a manner” that would cause each other to be board members.

The company’s revenue remained stagnant for the next five years. In an effort to improve revenue, Glass approached Yokley and “proposed to have [Yokley] go to a Board service role, so [Glass] could bring in an outside CEO.” Glass and Yokley agreed eventually to the inverse of that proposal – they agreed that Glass would have a reduced role that included an officer position and continued Board service.

Glass recruited Mutarelli to join the Board in 2005. One year later, Mutarelli recommended that the company hire an outside CEO. Nissen had been advocating as well to hire a new CEO. Mutarelli caused the company to buy Nissen’s stock, which resulted in Nissen no longer being the swing vote on the five-person Board. Glass testified how his relationship with Yokley changed then:

Well, [the] company, in 2007, stopped paying me under the agreement we had reached in 2005, and it was my sense that Mr. Mutarelli didn’t like the company, the terms that Mr. Yokley and I had agreed upon in 2005, and he didn’t like Mr. Niss[e]n being the king pin on having control of the three outside Board seats.

Later in 2007, PTFS brought suit in the circuit court seeking a declaratory judgment to remove Glass as an officer of PTFS.

The following year, PTFS, Yokley, and Glass executed a Settlement Agreement to resolve the declaratory judgment action.¹ They agreed to remove permanently Glass as an employee of PTFS and never to rehire him “as an employee under any circumstances.” They agreed also that Glass would consult for PTFS and serve on the Board. Most relevant to the appellate issue raised here, PTFS, Yokley, and Glass agreed that the prevailing party in any action involving an alleged breach of the Settlement Agreement “shall be entitled to an award of reasonable attorneys’ fees and costs” and “[t]he tribunal is required to designate whether there is a prevailing party and if so, who such prevailing party is.”

In February 2019, Yokley emailed the Board, stating that PTFS was negotiating with another company — SirsiDynix — for a potential sale of PTFS’s library division assets. Around that time, Mutarelli suggested to Glass that the library division assets may be sold for \$2,000,000. Glass was concerned that the assets were undervalued, so he contacted a mergers and acquisitions advisor named Jean Stack, who had advised previously PTFS’s Board. Later that month, Mutarelli emailed Glass, asking Glass to stop contacting brokers and disclosing information that is covered in PTFS’s corporate non-disclosure agreement he had signed.

In March 2019, Glass emailed ICV Partners, which owned SirsiDynix. In that email, Glass proposed engaging in discussions to sell his interest in PTFS:

I am contacting you in my role as a principal shareholder of PTFS with an invitation to enter into discreet discussions regarding the potential opportunity to acquire some or all of my ~37% interest in PTFS. Any such discussions would involve me and a personal M&A advisor.

¹ Mutarelli signed the Settlement Agreement on behalf of PTFS.

Upon learning that Glass sent that email to ICV Partners, PTFS cancelled Glass's consulting agreement.

PTFS held a shareholders' meeting in May 2020. The day before the meeting, Glass emailed the PTFS shareholders, detailing his valuation of company assets and expressing concerns that the Board had undervalued those assets. At the shareholders' meeting the next day, Mutarelli did not nominate Glass for the Board. Yokley, Mutarelli, and Ballard voted for the nominated candidates. Accordingly, Glass lost his Board seat.

In July 2020, Glass sued Appellants in the circuit court based on an alleged breach of the 2008 Settlement Agreement. Glass sought an injunction, declaratory relief, damages, attorneys' fees, and an order nullifying the 19 May 2020 Board election. Glass asserted the following counts: Count I - declaratory relief against PTFS and Yokley; Count II - injunctive relief against Yokley and PTFS; Count III - breach of contract by Yokley and PTFS; and Count IV - breach of fiduciary duty by Yokley, Mutarelli, and Ballard.

Concurrent with filing the complaint, Glass moved for a temporary restraining order and a preliminary injunction seeking to have himself reinstated to the Board or to compel a new election. Appellants opposed those motions and filed a motion to dismiss Counts I, II, and IV. Appellants answered Count III and included in their answer a claim for attorneys' fees under Md. Rule 2-705.

In October 2020, the court held a hearing on Glass's motion for a preliminary injunction and Appellants' motion to dismiss.² The court determined that there was

² The court concluded that the motion for a temporary restraining order was moot.

“incredibly strong evidence” that Glass engaged in self-dealing when he sought to negotiate the value of PTFS for a potential sale. Addressing the March 2019 email that Glass sent to ICV Partners, the court noted: “the plain language contained therein in this very lengthy email captured explicitly the self-dealing that was apparent in this transaction that was being proposed.” The court determined that the unclean hands doctrine is “clearly very applicable and damages [Glass’s] ability to prove that he would be likely to succeed on the merits.” Accordingly, the circuit court denied Glass’s request for a preliminary injunction.

The court denied also Appellants’ motion to dismiss Counts I, II, and IV. Appellants filed then an answer to those counts, again asserting their claim for attorneys’ fees under Md. Rule 2-705. Glass agreed to bifurcate litigating the attorneys’ fees claims from the merits.

During ensuing discovery, Glass issued nineteen interrogatories and twenty-seven document requests to each Appellant. Glass gave notice to take six depositions and demanded that PTFS designate a corporate individual or individuals to testify about ten topics of examination. For their part, Appellants sent Glass a total of eighteen interrogatories and twenty-two document requests. Appellants produced timely about 1,500 pages of documents, limiting the production to non-confidential documents because Glass refused to agree to a protective order to safeguard any confidential corporate information. Glass produced no discovery responses. Instead, he moved to dismiss his complaint, without prejudice, in May 2021.

Appellants objected to a dismissal without prejudice. Glass relented and moved to dismiss his complaint with prejudice. Glass’s motion for voluntary dismissal acknowledged that the parties had agreed to litigate attorneys’ fees separately: “Even if the Defendants want to preserve their argument for attorney’s fees, they can do so after the dismissal as the parties agreed to bifurcate the attorney’s fees issue, or, they can bring a separate action.”

Appellants did not oppose a dismissal with prejudice. They argued, however, that they should be deemed prevailing parties, and thus should be awarded reasonable attorneys’ fees and costs under the fee-shifting provision in the Settlement Agreement. After a hearing in August 2021,³ the court granted Glass’s motion to dismiss the complaint with prejudice, denied the consent motion to bifurcate attorneys’ fees, and denied Appellants’ request to declare them as the prevailing parties. In reaching these decisions, the court considered Maryland Rule 2-705(e): “Upon a jury verdict or, in an action tried by the court, a finding by the court in favor of a party entitled to attorneys’ fees as a ‘prevailing party,’ the court shall determine the amount of an award in accordance with section (f) of this Rule.” The court commented:

When I look at [Md.] Rule 705, I’m looking at 2-705, excuse me, 2-705(e). How does 2-705(e) play in because I thought that it might be determinative of the issue because it talks about upon a jury verdict or in an action tried by the Court and it says if the Court finds that someone is prevailing party, the Court shall determine the amount of an award in accordance with (f). And so I’m looking at this and so could you just speak to that and how that plays in and why the Court has the authority to award fees under that given that provision?

³ The judge who presided at this hearing was not the same judge who conducted the hearing on Glass’s motion for a preliminary injunction and Appellants’ motion to dismiss.

After hearing the parties’ arguments, the court ruled as follows:

So I have to agree with [Glass’s counsel] that Hyundai Motor America v. Alley, 183 Md. App. 261 (2008) is not applicable here and I rely on Rule 2-705. [The hearing judge]’s comments and her findings at the preliminary injunction stage I don’t believe confer prevailing party status on the defendant, and I have no Maryland case that anyone has pointed to that allows me to confer prevailing party status on a defendant based on the facts and circumstances here. So I am going to decline to bifurcate and I’m going to grant the motion to voluntarily dismiss.

We shall supply additional facts in our analysis, as may be relevant.

STANDARD OF REVIEW

The parties dispute the standard of review applicable to our consideration of the question before us. Glass argues that we must determine whether the circuit court abused its discretion when it granted his motion for voluntary dismissal. *See Aventis Pasteur, Inc. v. Skevofilax*, 396 Md. 405, 418 (2007) (the abuse of discretion standard of review applies to a trial judge’s decision to grant or deny a motion for voluntary dismissal). Appellants are not challenging, however, the court’s decision to dismiss Glass’s complaint. Rather they challenge the court’s interpretation of Md. Rule 2-705. Appellants attack the court’s refusal to bifurcate attorneys’ fees and its refusal to designate them as the prevailing parties for the purpose of determining an award of attorneys’ fees and costs under a contractual fee-shifting provision. Those are purely legal questions that we review without deference.

A trial court’s interpretation of the Maryland Rules is a question of law that we review *de novo*. *Williams v. State*, 478 Md. 99, 131 (2022); *Won Bok Lee v. Won Sun Lee*, 466 Md. 601, 619 (2020). Similarly, a trial court’s interpretation of a contract is a question of law that we review *de novo*. *Credible Behav. Health, Inc. v. Johnson*, 466 Md. 380, 392

(2019); *Myers v. Kayhoe*, 391 Md. 188, 198 (2006). Lastly, “[a] determination of prevailing party status is a question of law, which we review *de novo*.” *Md. Green Party v. State Bd. of Elections*, 165 Md. App. 113, 128 (2005).

DISCUSSION

Appellants argue that the circuit court misinterpreted Md. Rule 2-705(e) and determined incorrectly that it lacked the authority to confer prevailing party status under these circumstances. According to Appellants, they prevailed “in *every* sense” when Glass dismissed voluntarily his complaint, with prejudice. They assert that the court should have determined that they were the prevailing parties for purposes of awarding attorneys’ fees under the contractual fee-shifting provision. Glass responds by arguing that the court considered and applied properly Md. Rule 2-705 and Appellants cannot be considered, on this record, the prevailing parties.

The American Rule prohibits generally the prevailing party in a lawsuit from recovering his or her attorney’s fees as an element of damages. *Wheeling v. Selene Fin. LP*, 473 Md. 356, 400 (2021). There are exceptions, however, to the American Rule. One such exception allows for the imposition of attorneys’ fees when “parties to a contract have an agreement regarding attorney’s fees[.]” *Id.* When reviewing a court’s decision on whether to award attorneys’ fees under a contractual provision, we apply the following analytical framework:

Contractual fee-shifting provisions providing for awards of reasonable attorneys’ fees and costs to the prevailing party are generally valid and enforceable. *See Myers*, 391 Md. at 207. We interpret contracts under the objective theory of contract interpretation, which provides that “unless a contract’s language is ambiguous, we give effect to that language as written

without concern for the subjective intent of the parties at the time of formation.” *Ocean Petroleum, Co. v. Yanek*, 416 Md. 74, 86 (2010) (citing *Cochran v. Norkunas*, 398 Md. 1, 16 (2007)). “In interpreting a contract provision, we look to the entire language of the agreement, not merely a portion thereof.” *Nova Research, Inc. v. Penske Truck Leasing Co.*, 405 Md. 435, 448 (2008) (citing *Jones v. Hubbard*, 356 Md. 513, 534-35 (1999)). We consider the language of the contract in its “customary, ordinary, and accepted meaning[.]” *Fister v. Allstate Life Ins. Co.*, 366 Md. 201, 210 (2001) (citations omitted); see also *Nova Research*, 405 Md. at 448. The language is ambiguous if, “when viewed from [a] reasonable person perspective, that language is susceptible to more than one meaning.” *Ocean Petroleum*, 416 Md. at 87 (citing *United Servs. Auto. Ass’n v. Riley*, 393 Md. 55, 80 (2006)).

Plank v. Cherneski, 469 Md. 548, 617 (2020).

PTFS, Yokley, and Glass executed the Settlement Agreement, which provided that the prevailing party in any action involving an alleged breach of that Agreement “shall be entitled to an award of reasonable attorneys’ fees and costs” and “[t]he tribunal is required to designate whether there is a prevailing party and if so, who such prevailing party is.” Glass alleged a breach of that Agreement, the parties agreed to bifurcate the question of attorneys’ fees as provided for in the Agreement, and Glass dismissed voluntarily, with prejudice, his complaint. The plain and unambiguous language of the Settlement Agreement required the court to determine whether there is a prevailing party and, if so, award the prevailing party reasonable attorneys’ fees and costs. Instead, the court committed, in our view, two intertwined errors. First, the court misinterpreted Md. Rule 2-705(e) as a limitation on its authority to declare prevailing party status under these circumstances. Second, the court failed to apply the principles recognized in *Hyundai*, 183 Md. App. at 272-73, for determining whether to confer prevailing party status in this context.

In October 2013, the Court of Appeals adopted Chapter 700 of Title 2 of the Maryland Rules, which generally “apply to actions in which, by law or contract, a party is entitled to claim attorneys’ fees from another party.” Md. Rule 2-702(a). *See also* Rules Order of the Court of Appeals, at 3, 22-38 (October 17, 2013) (available at <https://mdcourts.gov/sites/default/files/rules/order/177ro.pdf>); 177th Report of the Standing Committee on Rules of Practice and Procedure, at 2-7 (March 28, 2013) (available at <https://mdcourts.gov/sites/default/files/rules/reports/177threport.pdf>). Md. Rule 2-705 applies to a claim for an award of attorneys’ fees “attributable to litigation in a circuit court pursuant to a contractual provision permitting an award of attorneys’ fees to the prevailing party in litigation arising out of the contract.” Md. Rule 2-705(a).⁴ Md. Rule 2-705(e) requires the court to consider the proper factors for awarding attorneys’ fees under certain circumstances: “Upon a jury verdict or, in an action tried by the court, a finding by the court in favor of a party entitled to attorneys’ fees as a ‘prevailing party,’ the court shall determine the amount of an award in accordance with section (f) of this Rule.”

The court misinterpreted Md. Rule 2-705(e) as a limitation on its authority to declare a prevailing party here. During the hearing on Appellants’ motion for attorneys’ fees, the

⁴ Under Md. Rule 2-705(b), “[a] party who seeks attorneys’ fees from another party pursuant to this Rule shall include a claim for such fees in the party’s initial pleading or, if the grounds for such a claim arise after the initial pleading is filed, in an amended pleading filed promptly after the grounds for the claim arise.” Appellants’ compliance with Md. Rule 2-705(b) is unquestionable. Indeed, they claimed attorneys’ fees in both of their answers, when they designated a fees expert, when they moved by consent to bifurcate attorneys’ fees, and when they responded to Glass’s motion to dismiss his complaint.

court stated as follows: “How does 2-705(e) play in because I thought that it might be determinative of the issue because it talks about upon a jury verdict or in an action tried by the Court and it says if the Court finds that someone is prevailing party, the Court shall determine the amount of an award[.] . . . And so I’m looking at this and so could you just speak to that and how that plays in and why the Court has the authority to award fees under that given that provision?” Then, during the court’s ruling — “rely[ing] on Rule 2-705” — the court stated that it lacked the authority to confer prevailing party status based on unelaborated “facts and circumstances here.” The court implied seemingly that Md. Rule 2-705(e) requires that a prevailing party may only be declared after a trial on the merits. At the very least, the court implied that Md. Rule 2-705(e) limited its authority to declare that Appellants prevailed in this context. The court was incorrect.

The circuit court’s misinterpretation of Md. Rule 2-705(e) was intertwined with its misapplication of Maryland caselaw. The court stated incorrectly that “Hyundai[, 183 Md. App. 261] is not applicable here[.]” *Hyundai* involved a car buyer’s award of attorneys’ fees as the prevailing party under fee-shifting provisions of Maryland’s consumer protection statutes after the parties reached a settlement agreement that was read into the record. 183 Md. App. at 264-66. On appeal, this Court held that circuit court did not err in determining that the car buyer was the prevailing party, even though the settlement agreement lacked express judicial approval. *Id.* at 272. Because the car manufacturer agreed to swap the defective car that it sold to the car buyer with a brand-new car that was worth significantly more money, the circuit court determined correctly that the car buyer was the prevailing party. *Id.* at 272-73. In reaching that conclusion, this Court recognized

three nontechnical and commonsense principles (“the *Hyundai* principles”) in our caselaw to assist courts when deciding whether a party achieved “the requisite degree of success to be deemed a prevailing party[:]”

- (1) A party prevails when its ends are accomplished as a result of the litigation;
- (2) If a party reaches a sought-after destination, then the party prevails regardless of the route taken; and
- (3) The standard is whether the party has prevailed in a practical sense.

Id. (citing *Blaylock v. Johns Hopkins Fed. Credit Union*, 152 Md. App. 338, 354 (2003)).

Glass’s reliance on *Buckhannon Bd. & Care Home, Inc. v. W. Virginia Dep’t of Health & Hum. Res.*, 532 U.S. 598, 608 (2001), is misplaced. In *Buckhannon*, the Court concluded that fee-shifting provisions in two federal statutes — the Fair Housing Amendments Act and the Americans with Disabilities Act — mandated that a party can only achieve prevailing party status through a judgment or a court-approved consent decree. *Id.* at 610. The Court determined that Congress employed the term “prevailing party” as “a legal term of art” within the context of these federal statutes and required a party to obtain judicial relief to prevail. *Id.* at 603-04. Here, Appellants are not requesting attorneys’ fees based on federal statutory fee-shifting provisions. Rather, they claim attorneys’ fees based on a plain and unambiguous settlement agreement that established a basis for an award of attorneys’ fees to the prevailing party in a dispute regarding any alleged breach of the Agreement. *See also Hyundai*, 183 Md. App. at 269 (declining to follow *Buckhannon* on state law grounds).

We are unpersuaded similarly by Glass’s reliance on *Nationwide Mut. Ins. Co. v. Regency Furniture, Inc.*, 183 Md. App. 710 (2009). *Nationwide* involved a lease that “provides for fee shifting to the ‘non-defaulting party’ if that party ‘shall prevail in litigation.’” *Id.* at 736. Regency sued Nationwide and its landlord, DDRM. *Id.* at 717. Ultimately, Regency prevailed on its conversion claim, but settled its accounting/rent dispute. *Id.* at 737. This Court determined that “the conversion of Regency’s personal property stood apart from the Lease, and thus is not covered by the shifting clause[.]” *Id.* The Court concluded also that “the parties’ private resolution of the accounting/rent claim was not a determination of that issue by litigation, and therefore did not trigger the fee-shifting clause.” *Id.*

This case is distinguishable materially from *Nationwide* for at least two key reasons. First, unlike Regency’s conversion claim, Glass’s entire complaint was premised on a breach of the Settlement Agreement that contained the fee-shifting provision. Second, the “private resolution” of a rent dispute in *Nationwide* is different categorically from Glass’s voluntary dismissal of his complaint. In *Nationwide*, the parties reached a mutually agreed upon settlement as to the rent dispute. By contrast, Glass obtained judicially not a whit of the relief that he sought in his complaint. Moreover, Glass dismissed voluntarily his complaint after the court found that the doctrine of unclean hands damaged the likelihood of his potential success on the merits, the court stated, in denying his motion for a preliminary injunction, that there was “incredibly strong evidence” that he had engaged in self-dealing.

The *Hyundai* principles align with other Maryland caselaw on this issue. “In the context of an award of attorney’s fees, a litigant is a ‘prevailing party’ if he succeeds ‘on any significant issue in litigation which achieves some of the benefit the parties sought in bringing suit.’” *Royal Inv. Grp., LLC v. Wang*, 183 Md. App. 406, 457 (2008) (quoting *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983)). See also *Stratakos v. Parcels*, 172 Md. App. 464, 477-78 (2007) (affirming an award of attorney’s fees to the defendants who were granted summary judgment in the circuit court proceedings). In *Royal Inv. Grp.*, this Court held that the appellee was “the ‘prevailing party’ because the trial court ruled in his favor on the core claims that formed the basis of the dispute between the parties[.]” 183 Md. App. at 458. See also *Brown v. Hornbeck*, 54 Md. App. 404, 412 (1983) (providing examples of potential routes to achieve prevailing party status: through compromise, trial, or judgment).

Glass’s counsel argued in the circuit court that the *Hyundai* principles do not apply here because Md. Rule 2-705 “would supersede Hyundai[.]” The court agreed. Md. Rule 2-705, however, does not supersede *Hyundai*. *Hyundai* and Title 2, Chapter 700 of the Maryland Rules are able to be read together with consistency.⁵ Glass’s counsel argued also that the *Hyundai* principles do not apply here because *Hyundai* involved statutory fee-shifting provisions and this case involves a contractual fee-shifting provision. We disagree.

⁵ Md. Rule 2-703 applies to claims for attorneys’ fees allowed by statutes, like the statutes that were at issue in *Hyundai*. 183 Md. App. at 267-68. That Rule does not supersede *Hyundai*.

When the term “prevailing party” is otherwise undefined, a difference in the fee-shifting basis, by itself, does not require us to disregard the principles announced in *Hyundai*.

CONCLUSION

Appellants take aim in this appeal at the following language in this circuit court’s dispositive order:

ORDERED that [Appellants’] Consent Motion to Bifurcate Attorney’s Fees . . . is hereby **DENIED**; and it is further

ORDERED that [Appellants’] request to designate [Appellants] as prevailing party as it relates to their claim for attorney’s fees is hereby **DENIED**.

We determine that the court erred when it interpreted Md. Rule 2-705(e) as a limitation on its authority to declare whether Appellants achieved prevailing party status under these circumstances. As a result, we shall reverse the circuit court’s denial of the motion to bifurcate attorney’s fees. We grant Appellants’ request to remand this case for further proceedings to determine whether they prevailed in the action in the circuit court and, if so, what reasonable attorneys’ fees and costs may be due them. Thus, we shall vacate the court’s denial of Appellants’ request to declare that they achieved prevailing party status. To the extent deemed desirable by the circuit court in the conduct of further proceedings, the parties may supplement the record with additional information, as may be relevant to the questions on remand.

As further guidance on remand, we highlight that the record suggests that: Appellants defeated Glass’s motion for a preliminary injunction (the preliminary injunction hearing judge finding that the unclean hands doctrine damaged Glass’s likelihood of

success on the merits because there was “incredibly strong evidence” that Glass had engaged in self-dealing); by dismissing voluntarily his complaint, with prejudice, Glass obtained from the court none of the relief that he sought in his complaint; and, Appellants did not agree to Glass’s attempted voluntary dismissal, without prejudice, and he agreed to dismiss the case with prejudice. The record suggests that Appellants accomplished their ends, “prevailed ‘in a practical sense[,]’” and “reache[d their] sought-after destination” when Glass dismissed his complaint with prejudice. *Hyundai*, 183 Md. App. at 272-73 (citation omitted).

**JUDGMENT OF THE CIRCUIT COURT
FOR MONTGOMERY COUNTY
REVERSED IN PART AND VACATED IN
PART. JUDGMENT REVERSED AS TO
THE DENIAL OF THE CONSENT
MOTION TO BIFURCATE ATTORNEYS’
FEES. JUDGMENT VACATED AS TO
THE DENIAL OF APPELLANTS’
REQUEST TO BE DECLARED THE
PREVAILING PARTIES. CASE
REMANDED FOR FURTHER
PROCEEDINGS CONSISTENT WITH
THIS OPINION. COSTS TO BE PAID BY
APPELLEE.**