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BUSINESS LAW ATTORNEYS

Shareholder Oppression Claim Settles For $3.1 Million

The plaintiffs in this matter were shareholders in several different family businesses including a real estate holding company and various operating entities. After the plaintiffs learned that the defendants had been using profits from jointly-owned companies to prop up their own separately-owned entity, the plaintiffs retained counsel and prepared to file suit alleging, inter alia, shareholder oppression, breach of fiduciary duties, disgorgement of monies improperly diverted by corporate directors, unjust enrichment, and a request for a detailed accounting at the putative defendants' expense. In an attempt to avoid costly and protracted litigation, the parties spent many months negotiating to try and resolve their dispute, and ultimately agreed to participate in a formal pre-suit mediation under the guidance of a neutral third party. At the close of a protracted and contentious mediation, the parties reached an agreement in principle, but ended up in binding arbitration after the defendants refused to sign settlement agreements. Midway through the arbitration, the defendants relented and signed agreements to redeem all of the plaintiffs' shares in all of the jointly-owned companies in exchange for a significant cash payment, the transfer of various properties to the plaintiffs, and several years of guaranteed lease revenue.

Type of action: Shareholder oppression, breach of fiduciary duties, counting and recoupment of improperly diverted funds
Injuries alleged: Damage to shareholding interests
Name of case: Confidential
Case No. and Court: Confidential
Settlement amount: $3.1 Million.
Attorneys for plaintiff: Ian M. Williamson
Attorney for defendants: Confidential

Mantese Honigman, PC is a law firm handling all issues affecting businesses and their owners, including shareholder and LLC member disputes, oppression issues, compliance with fiduciary duties, contract disputes, real estate matters, white collar criminal defense, protecting trade secrets, drafting employment agreements, buy-sell agreements, and shareholder and operating agreements.

Mantese Honigman, PC has offices in Michigan, Missouri and New York.

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