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Shareholder Extracts \$2 Million for Oppression and Breach of Contract

Gerard Mantese, Kathryn Eisenstein and Jonathan Ajlouny of Mantese Honigman, PC reached a \$2 Million settlement in a case involving oppression and breach of contract. Plaintiff was a shareholder of a manufacturing company that he helped grow over two decades. Plaintiff sued for shareholder oppression, breach of fiduciary duty, and breach of contract. This case had all the classic hallmarks of oppressive conduct:

- Majority shareholder terminated plaintiff's employment;
- Majority shareholder offered plaintiff an abusively low buy-out offer;
- Majority shareholder refused to pay any dividends despite substantial profits;
- Instead Majority shareholder diverted all the profits to Majority shareholder-owned outside entities, increased salary, other excessive personal benefits, and breached the parties' agreements.

Defendant wanted plaintiff's shares at a cut-rate price so he engaged in an oppressive scheme to freeze plaintiff out of the business he helped build. After extensive motion practice and depositions, the case settled for \$2 million in cash, freedom from a non-compete and a dismissal of all counterclaims.



Gerard V. Mantese



Kathryn Eisenstein



Jonathan Ajlouny

Type of action: Shareholder oppression, breach of fiduciary duty and breach of contract

Damages: Damage to ownership interests

Name of case: Confidential

Case No. and Court: Confidential

Settlement amount: \$2 million.

Attorneys for plaintiff: Gerard V. Mantese, Kathryn Regan Eisenstein, Jonathan Ajlouny

Attorney for defendants: Withheld

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