

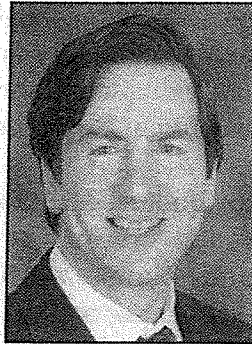
# Settlement follows oppression, breach of contract

## Minority shareholder helped establish company over 30 years

**\$900,000**

Plaintiff was the minority member of a manufacturing company that he helped establish over three decades. He brought suit against the majority control group for corporate oppression, breach of fiduciary duty and breach of contract. This case had all the classic hallmarks of oppressive conduct:

- Majority shareholders terminate plaintiff's role on the board of directors;
- Majority shareholders prohibit employees from contacting plaintiff;
- Majority shareholders lock plaintiff out of the corporate offices;
- Majority shareholders declare a



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paltry dividend, but provide themselves with increased compensation (including bonuses), leaving plaintiff little return on his investment;

- Majority shareholders deny plaintiff access to the books and records;
- Majority shareholders offer plaintiff an abusively low buy-out offer.

Defendants wanted plaintiff's shares at a cut-rate price so they engaged in an oppressive scheme to freeze plaintiff out of the business he helped build. After substantial discovery, plaintiff's counsel was able to establish not only shareholder oppression but also a breach of an agreement. The case settled at mediation.

Kathryn Regan Eisenstein, counsel for plaintiff, provided case information.

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

**Name of case:** Confidential

**Court/Case no./Date:** Confidential

**Name of judge:** Confidential

**Settlement amount:** \$900,000

**Most helpful expert:** Thomas Frazee

**Attorneys for plaintiff:** Gerard V. Mantese,

Kathryn Regan Eisenstein