

# Shareholders assert a squeeze-out attempt

*Breach of fiduciary duty, lifetime employment argued by ex-workers*

**\$4.59 MILLION**

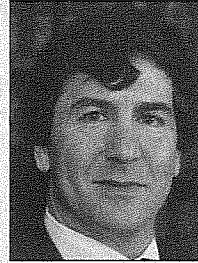
Plaintiffs Kurt Schwannecke (as an individual and also in his capacity as trustee for the Robert Schwannecke Trust), Gayl Winkowski, Todd Schwannecke and Elizabeth Schwannecke sued defendants William Schwannecke, William Schwannecke Trust, Self Serve Lumber Co. and S&S Wholesale LC on claims of shareholder and member oppression, breach of fiduciary duty, breach of contract and wrongful discharge

The plaintiffs had worked for Self Serve Lumber for several decades, and they collectively owned a minority, non-controlling interest in the company. Over the course of several months, William Schwannecke, the controlling shareholder, terminated each of the plaintiffs from their long-held positions of employment, eliminated all of their benefits, removed them from the board of directors, and was attempting to force the sale of the plaintiffs' shares at a subpar price.

Alleging that defendant Schwannecke's course of conduct constituted a shareholder squeeze-out, the plaintiffs filed claims for violations of the shareholder and member oppression statutes, breach of fiduciary duty, and breach of lifetime employment contracts.

The principal remedies sought by plaintiffs were a court-ordered buyout of their shares and damages, or, alternatively, the appointment of a receiver and the dissolution and liquidation of the business.

After early and intense discovery, and forensic investigation and analysis of the businesses' finances, the parties engaged in a two-day facilitation process that culminated in a \$4.59 million settlement in favor of the plaintiffs.



**MANTESE**



**ROSSMAN**

**Types of actions:** Shareholder and member oppression, breach of fiduciary duty, breach of contract, wrongful discharge

**Type of injuries:** Value of shareholding and member interests

**Name of case:** *Schwannecke, et al. v. Schwannecke, et al.*

**Court/Case no./Date:** Saginaw County Circuit Court; 2012-15139-CK-2; July 19, 2012

**Tried before:** Facilitation

**Name of judge:** Robert Kaczmarek

**Settlement amount:** \$4.59 million

**Most helpful expert:** Jesse Ultz, valuation and financial opinions, Southfield

**Insurance carrier(s):** Withheld

**Attorneys for plaintiff:** Gerard Mantese, Mark Rossman

**Attorney(s) for defendant:** Withheld