



## **BUSINESS DIVORCE MATTERS - SHAREHOLDER OPPRESSION CLAIMS, PARTNERSHIP LITIGATION, AND PRIVATE COMPANY TRANSACTIONS**

Diamond McCarthy has extensive experience and a track record of success representing owners, investors and private companies in litigation, arbitration proceedings and transactional matters. The lawyers in this practice area have secured outstanding results pursuing claims on behalf of shareholders and limited partners for minority shareholder oppression, breach of fiduciary duty and fraud. In the past six years, lawyers with the firm have secured more than \$100 million in judgments, verdicts and confidential settlements for minority shareholders, limited partners and private companies. The firm's lawyers also represent and defend shareholders, general partners and the private companies in Business Divorce Litigation matters. The claims in this practice area often include claims by minority shareholders or limited partners who allege that officers, directors or general partners have exploited their positions of trust for their own self-interest.

The firm's clients in this practice area include individual shareholders, private trustees and trust beneficiaries, general and limited partners, and LLC members. We also represent privately held business entities in defending claims by disgruntled minority interest owners. The industries in which these private company claims and business break-up disputes have arisen are diverse and they include restaurant chains, beer distributorships, family limited partnerships, real estate investment partnerships, oil and gas development companies, software companies and private manufacturers.

In Business Divorce matters, we aggressively pursue both business and litigation strategies for our clients to help them achieve their specific business objectives, whether through a buyout of the client's minority ownership interest for fair value, or to facilitate a client's redemption of a minority owner's interest in the business for a reasonable value. In pursuing claims for clients, our well-regarded forensics area oversees the investigation of company officers, directors and general partners who are accused of engaging in improper self-dealing.

Diamond McCarthy trial lawyers are known for successfully handling significant cases that help set important legal precedents. In this practice area, we secured a major jury verdict and record-setting judgment on behalf of our client, the 47% shareholder of a privately held, Texas-based software company, ARGO Data Resource Corp. Our client alleged that his business partner of 29 years, who owned a 53% controlling interest in the company, acted fraudulently, engaged in shareholder oppression and breached his fiduciary duties in a secret scheme to oust our client from the company. A Dallas District jury agreed, and the State Court entered a judgment in 2010 requiring the majority shareholder to direct the company to issue a mandatory dividend of \$85 million in which our client will receive his 47% interest along with other relief (the judgment is now on appeal). The result in the case was widely heralded as a win for the rights of minority shareholders in private Texas companies.

Diamond McCarthy's transactional attorneys also assist private companies and their owners in structuring

their businesses to avoid the need for litigation in the event that disputes arise, which includes drafting documents that establish redemption and buyout rights for both majority and minority owners. More specifically, our lawyers have extensive experience in forming all types of private Texas entities: corporations, partnerships and limited liability companies and we also regularly draft and negotiate company operating agreements and shareholder agreements. In all cases, we focus on protecting our clients' economic interests and ensuring that our clients have the necessary governance rights or voting participation if disagreements arise among the owners. Our transactional attorneys also assist privately held companies in all phases of their growth and development. Our involvement often includes providing advice to private companies in raising equity capital, including private placements, lending financing agreements, and the negotiation of complex transactions across a wide spectrum of industries.