

Obtaining justice for a minority shareholder



The challenge: a good claim but on the back foot financially

We represented a client who held a minority shareholding in a technology company, but had been removed as a director and employee of the company by the majority director. To compound this, the company was placed into solvent liquidation by the majority shareholder and the assets ultimately transferred to a new company under the majority shareholder's control.

As a result, the client held shares in a company, the only asset being the proceeds of sale of the business, which did not reflect the true value of the company prior to the liquidation. They had no money to pursue what was assessed to be a good claim for unfair prejudice under s.994 of the Companies Act 2006 to get a fair amount of money back for their shares.

Our approach: making the claim affordable

We helped our client to identify a litigation funder and we worked with them to find a way to fund a legal action, all the way to trial if necessary.

This enabled us to present a petition to the court and put the client on the front foot in terms of negotiations.

The outcome: negotiating a settlement

The client's aim had been to receive a fair amount for their shares. The majority shareholder finally agreed to mediation of the dispute and a one day mediation was held. After intensive negotiations a satisfactory settlement was reached.



How we made a difference: building a team

We put together a team of solicitors, a barrister, a litigation funder and an After the Event Insurance (ATE) provider to enable our client to bring a claim and to realise a value for their shares which was otherwise denied to them. Drawing on our experience, relationships with other professionals and by looking at the situation creatively, we were able to secure a good outcome for our client.