

## **| Business Divorce**

A dispute among business co-owners can present acute challenges and lead to intense confrontation, particularly when the parties involved are friends or family members. Our Business Divorce team guides clients through the complexities of co-owner dispute resolution and, when necessary, through business separation, all while ensuring the preservation of the business and its assets.

We understand that each case of a business breakup is unique. By taking the time to understand our clients and their businesses, the motivations of opposing parties, and the underlying causes of a dispute, we can provide the effective, objective counsel needed to neutralize an emotionally charged process.

When needed, we help restructure businesses to avert divorce and prevent litigation, often working behind the scenes to devise creative solutions to seemingly intractable differences. When litigation is inevitable, we strive for a rapid and efficient resolution, calling on our substantial experience before the judges who adjudicate these disputes and on the input of skilled third-party experts. As matters are resolved, we draft agreements that memorialize the settlement and help prevent future disputes, including the preparation of appropriate buy/sell agreements.

Lowenstein Sandler is one of the few major law firms with a dedicated Business Divorce group. Our lawyers have in-depth knowledge of the myriad fiduciary duties co-owners owe to one another, and relevant experience in mergers and acquisitions, corporate governance, and shareholder law as well as the statutes pertaining to limited liability companies and partnerships. Clients also benefit from our access to related practice groups at the firm, including Business Tax Counseling and Structuring, Trusts and Estates, and Employment and Labor. We are equipped to serve businesses (and their owners) of every size and structure, and our experience has spanned an extensive range of industries as well as many international interests and substantial offshore assets.

Whether litigating a dispute, assisting in a mutually acceptable separation, or averting a business divorce altogether, we guide our clients through every stage of the process. We provide a comprehensive, personalized service to transform a difficult situation into a successful resolution.

### **INDUSTRY EXPERIENCE**

We have extensive experience handling business divorce matters across a broad range of industries, including:

- Alternative energy
- Automobile (including car dealerships)
- Computer hardware and software
- Construction (including cement and concrete)
- Entertainment (including sports teams)
- Environmental services
- Financial services
- Food services
- Health care
- Hospitality (including hotels and restaurants)
- Import/export
- Insurance
- Marketing
- Pharmaceutical sales
- Professional services
- Real estate
- Recycling
- Retail
- Transportation

## **EXPERIENCE**

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- > Represented Mitchell & Titus, the largest minority-owned accounting firm in the United States, in its departure from the Ernst & Young Global Network.
- > Achieved a pre-litigation settlement on behalf of the majority owner of an employee leasing company amid allegations of tax fraud and other allegedly wrongful conduct.
- > Represented a corporation in the alternative energy business in conjunction with a shareholder dispute.
- > Represented a minority stockholder, who was also the corporate president, in extricating himself from the corporation and in establishing a related business.
- > Represented a retail corporation in a shareholder dispute brought by a minority shareholder that led to the buyout of plaintiff.

- > Represented 50 percent owner of a limited liability company in taking control of the company and buying out co-owner.
- > Represented management in the corporate restructuring of a multinational company wherein the interests of the preferred stockholders were converted to common stock, and additional stock was issued to management to effectuate a change of control and effective management takeover of the corporation.
- > Represented the principal owner of a sports team in buyout of minority owner.
- > Represented a corporation in the alternative energy business in conjunction with a shareholder dispute.
- > Represented a majority owner of an investment company in conjunction with redemption of minority interests.
- > Represented numerous clients in a variety of business divorce matters involving closely held corporations, partnerships, and LLCs, as well as professional firms.
- > Achieving a pre-litigation settlement on behalf of the majority owner of an employee leasing company amid allegations of tax fraud and other allegedly wrongful conduct.
- > Representing a 33 percent member of a woman-owned business enterprise specializing in pharmaceutical promotion in the sale of her membership interest to the other members.
- > Representing a 50 percent owner of a closely held business in the sale of a portion of her equity interest in order to realign ownership interests and control of the client's company.
- > Representing a 50 percent shareholder of a commercial audio/visual company in the dissolution of the business, which resulted in each 50 percent shareholder retaining a portion of the company.
- > Representing a corporation in the service industry in the redemption of the stock held by a departing shareholder, replacing that shareholder with a more junior employee and subsequently reversing the transaction following the default by the junior employee on obligations contained in the transaction documents.
- > Representing a family that held a majority of the equity in a trucking and storage business in the acquisition of the equity held by a non-family member employee/owner.
- > Representing a minority shareholder in conjunction with the efforts of a professional corporation to assert an implied covenant against competition and a duty of loyalty.
- > Representing the oppressed minority shareholder in a real estate development company where the majority was accused of engaging in mismanagement, theft, diversion of corporate opportunities, and purported violations of a non-compete agreement.
- > Representing two 20 percent shareholders of an import/export business in the acquisition of the capital stock held by the 60 percent stockholder.
- > Restructuring competing equity and management interests of a construction mortgage lender.
- > Successfully defending a professional services firm and its majority shareholder against claims asserted by the minority alleging diversion of corporate opportunities and fraud.
- > Successfully defending the majority interest holder and numerous family-owned entities in connection with a corporate divorce that began as a multimillion-dollar oppressed minority shareholder litigation matter.
- > Representing a large paper products manufacturer and distributor in connection with a complex multi-jurisdictional business divorce from its co-members in an LLC.