



Myerson Dispute Resolution

Our guide to
shareholder disputes

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Welcome

We understand the complexities of modern life and the importance of taking care of your business interests. So it's a deep source of satisfaction that so many businesses and business owners choose Myerson as their trusted adviser.

Why Myerson?

At Myerson, we recognise that every shareholder dispute is different. In some cases, litigation through the Courts will inevitably be the only way to resolve matters. However, in other cases, a better outcome can be achieved by agreement between the shareholders and restructuring the ownership of the company.

The firm is proud to be ranked as 'Top Tier' in the prestigious international directory **The Legal 500**, and commended by The Times 'Best Law Firms 2019'. This means you can be certain that you will be receiving the highest quality legal advice and that we can advise you on complex disputes.

We have a team of specialist lawyers from across our litigation, corporate & commercial departments who have an in-depth knowledge of company structures and shareholder rights. Our departments work together to ensure that the approach to the dispute is the best for each client.



How We Work.

Every client and every case is different, and we are here to support you every step of the way.

Personal, Partner-led Service. Our experienced solicitors get to know you and your business inside out, so we can best advise you. We know that dealing with litigation can be stressful, and we aim to take that stress away from you. We strive to become your trusted adviser, providing value and most of all, a genuine, personal service.

The Highest Level of Expertise. Combining commerciality and practicality, our team's breadth of experience means Myerson can provide expert legal advice and assistance on litigation matters. We also have developed excellent links with specialist barristers and forensic accountants so that you are provided with a complete team of experts for your case.

A Team You Can Trust. We help clients nationwide and internationally, with complex matters. You can, therefore, rest assured that our expert team knows its stuff!



Your Solicitors



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The solicitors that will be working with you are specialists.

The Legal 500 highlight the department for its work and recommended Top Tier. The litigation team contains 15 solicitors and is headed by Adam Maher whom The Legal 500 rate as a “Leading individual” and ‘first-class litigator’ with ‘razor-sharp commercial judgement, tenacity and excellent communication skills’; who ‘quickly identifies the core issues’ and is ‘extremely robust under pressure.

You can find out more about our Commercial Litigation Team by clicking [here](#).

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Shareholder Disputes

How do shareholder disputes arise?

Disputes concerning the management and control of companies are very common.

The law has long recognised the need to protect the rights of minority shareholders whose interests are being adversely affected by the acts or omissions of directors or the majority shareholding within the company.

Common reasons for disputes usually derive from differences of opinion over the management and direction of the company, clashes of personalities affecting business relationships, conflicts of interest, issues surrounding dividend distributions, excessive remuneration of directors, or concerns over suspected illicit or fraudulent activities by the board.

As a shareholder, what should I do first?

Check the company's constitutional documents – its Articles of Association and any Shareholders Agreement – which sets out the main rules governing the conduct of the company and its shareholders.

Ordinarily, these documents will include provisions specifically governing the steps to be taken by the company, and its shareholders, in resolving disputes which can save significant costs and resources.

What are my options as a minority shareholder?

The best course of action will ultimately depend on the nature of the dispute and the overall objective.

Such options include:

“Section 994” action

Taking its name from the applicable statutory provision of the Companies Act 2006, this action permits a minority shareholder to present a petition in the High Court if the company’s affairs are being conducted in a manner that is unfairly prejudicial to the interests of all or some of the shareholders of the company.

Derivative action

Where a wrong has been committed against the company, but the directors are unable (or unwilling) to pursue it themselves, the Companies Act 2006 provides shareholders with the power to “stand in the shoes” of the company and seek redress from the acts or omissions of the director(s) or third party where negligence, default, breach of duty or breach of trust is involved.

Winding up of the company

Generally considered as a last resort, the Insolvency Act 1986 provides shareholders with the power to present a petition to the High Court for the winding up of the company on the basis that it is just and equitable to do so provided that the grounds for doing so are properly established and there exists no alternative remedy to the petitioner.

How much does it cost to bring a claim?

Shareholder disputes are notoriously complicated and costly. We will discuss costs with you in detail prior to undertaking any work on your behalf and ensure that you are kept updated as to costs at frequent intervals as the matter progresses.

In the majority of cases, a negotiated settlement is reached between the parties, often via mediation, which saves substantial costs and provides greater flexibility to structure the proposed transaction (i.e. exiting shareholder buyout by continuing shareholders) on favourable terms and in a tax-efficient manner (as opposed to being constrained by a determinative and potentially less favourable court order).

Don't just take our word for it...

“Myerson Solicitors managed the case to my complete satisfaction, and we secured a satisfactory financial settlement from my former principal. The team quickly grasped the salient features of this complex case. I have no hesitation in recommending them to handle such cases”.

“A very big thanks to Myerson. The diligence and perseverance you personally displayed was incredible. Your ability to ‘steady the ship’ when I felt unsure was so reassuring”.

“The team has an excellent way of dealing with clients and managing cases generally, as well as good judgment - they know when to push, and when to take the victory”.

“The firm has a huge range of satisfied clients from all over the country, despite not being the highest profiled of firms, so they must be doing something right”.

“The team is able and confident and well prepared and are notable for their experience in resolving disputes”.

To view more Myerson reviews visit our Review Solicitors page by [clicking here](#).

You're in safe hands!

If you would like further information about how we can help you, or if you have any questions, please don't hesitate to contact a member of our Dispute Resolution Team today.

Call: 0161 941 4000

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Because
life is rarely
black and
white.



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