
Fiduciary Duty/Shareholder & Partnership Disputes

Our attorneys have extensive experience in litigation involving the fiduciary and other duties that partners and shareholders owe one another, that departing officers, directors and employees owe their former employers and that competitors owe one another as they solicit and hire employees. We have represented the interests of law firms, accounting practices, real estate brokers, construction companies, investment firms, banks and software companies, among others, in protecting their proprietary information from departing officers and employees and the competitors who hire them; in resolving disputes among co-owners in privately owned companies, including in connection with dissolutions; and in obtaining damages caused by breach of the duties owed between joint venturers and business partners, or by agents to the parties they represent. We have represented both plaintiffs and defendants in fiduciary duty litigation, which also often involves overlapping intellectual property and contract issues.

Business valuations are often required in partnership and shareholder disputes. The decision to seek such a valuation should not be made lightly, since the timing and scope of the appraisal, how and by whom the valuation is conducted and many other factors can have a significant impact on the result. Through our substantial experience in this area, we are well equipped to advise our clients on the strategic considerations in demanding, resisting and managing the appraisal process. We also have experience with the various forms of judicial intervention in corporate affairs, including the appointment of provisional directors and receivers, the granting of injunctive relief and the statutory buyout of shareholders or partners who seek dissolution. [Arthur Shartsis](#) has authored two of the leading articles in California on disputed dissolutions of privately held corporations.

Litigation among partners, family members, shareholders and others engaged in close business and personal relationships can be particularly hard on the litigants. We are sensitive to these dynamics and offer our clients many litigation options, from the aggressive pursuit of damages, corporate control or injunctive relief, to the development of business solutions that may or may not involve a continued working relationship among the parties.

While lawsuits often are unavoidable, we frequently advise clients on their rights and obligations in advance of, and in an attempt to avoid, litigation. For example, we regularly advise employers on the policies and procedures they should have in place to protect the confidentiality of their trade secrets proprietary information, and to protect themselves from the misappropriation or misuse of that information upon the departure of officers, directors and employees. We also advise new employers on the procedures they should follow to avoid liability to their competitors for hiring their employees or servicing their clients. We and our colleagues in our corporate practice regularly counsel shareholders, partners and members desiring to leave their firms and represent them in negotiations, as well as represent employees who need advice about their obligations to their company as they depart to work for a competitor or establish their own businesses.

Representative Matters

Represented one of two 50% shareholders in what appears to be one of the largest disputed dissolutions of a privately held corporation in the history of California. Resulted in a forced buyout of the other shareholder by our client at a steeply discounted price, saving our client tens of millions of dollars.

Represented one of two co-founders of a private company that later went public. Defeated a claim against our client for \$70 million and obtained a \$3 million attorneys' fees award in his favor.

Represented one of several partners in the dissolution of a general partnership with substantial real estate holdings, obtaining a \$50 million settlement for our client. Defeated claims by the other side that our client dissociated himself from the partnership through his conduct.

Represented a group of investment partnerships and their general partner in a series of disputes with the limited partners and the partnership administrator regarding the management of partnership assets. Defeated all claims against our client and, on appeal, obtained a favorable judgment on our client's cross-claims, as well as a substantial award of attorneys' fees. Ultimately obtained a favorable settlement in which the plaintiff limited partner relinquished all of his interest in the partnership in exchange for no payment.

Obtained an \$18 million settlement (the full amount sought) in an elder abuse case for a client whose funds were misappropriated by family members.

Successfully defended real estate brokers against claims of breach of fiduciary duty in a jury trial and obtained a \$3 million judgment in favor of the brokers.

Obtained a \$1.5 million judgment (the full amount sought) and an award of \$350,000 in attorneys' fees in a dispute between joint venturers in a renewable energy project.

Defended investor and director against breach of fiduciary duty claims in the Delaware Court of Chancery.

Currently represent a minority shareholder and director who was forced out of a corporation by the majority shareholder, who is also a director and officer.

Currently represent the majority shareholder, officer and director of a corporation in an arbitration against the minority shareholder, officer and director for embezzling funds from the company.

News & Insights

12.24.15 / Press Releases

[Shartsis Friese Attorneys Publish California Business Litigation Treatise](#)

Several Shartsis Friese LLP litigators recently published chapters in a new benchbook entitled [California Business...](#)

7.21.15 / Articles

[Breaking Up Is Hard to Do: A Primer on "Business Divorce" Litigation for Transactional Lawyers](#)

[INTRODUCTION Breaking up a business in California can be difficult, in some ways not unlike dissolving...](#)

California Business Law Practitioner

10.5.12 / Media

[Jury finds Hitachi owes \\$3M to brokers](#)

[SAN JOSE - Former CPS brokers Joe Moriarty, Greg Davies and Eric Fox claimed they...](#)

Nathan Donato-Weinstein, San Jose Business Journal

3.1.07 / Articles

[The Revised Uniform Partnership Act: An Introduction](#)

A man named Colin comes into your office and begins telling you his legal problems:...

ABTL Report Northern California

3.1.06 / Articles

Using California Corporations Code Section 2000 to Resolve 50-50 Shareholder Deadlocks in Privately Held Corporations

Introduction All too frequently, in the absence of applicable buy-sell or other shareholder agreements, serious...

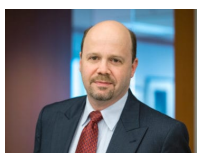
1.1.00 / Articles

Dissolution Actions Yield Less than Fair Market Enterprise Value (Appraising for "Fair Value" Under California Corporations Code Section 2000)

While virtually all states have dissenters' rights appraisal statutes, only a few states have "dissolution...

Business Valuation Update

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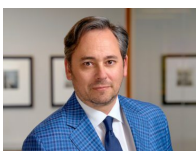
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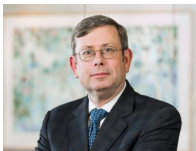
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