



Shareholder disputes brother's mediation case study

Shareholder disputes, a father and his four sons ran a successful chain of five family restaurants. All were shareholders with the father holding the majority share; each of the sons had an unequal share, which was increased by a percentage upon their father's death, according to the amount of work they had contributed to the businesses as a whole over the years, leaving the oldest son with a majority shareholding.

It did not take long for the sons to become embroiled in a lengthy dispute over the running of the businesses, whereby the three younger sons were against the views of their older brother over the managing and financing of the businesses.

The older brother wanted to buy the younger brothers out but could not afford to, equally the younger brothers would have refused as this is all they knew since they had left school, in fact as he was the brains they wanted, needed to still keep him on board, but wanted some input on running the businesses, equally his excessive salary needed to be addressed.

Several family relationship issues were in play which did not help the dispute between them. It was clear that for the sake of all their interests they could not continue to work alongside one another, it was agreed that the older brother would sell his shares in three of the restaurants to his younger brothers, and he would retain two of the restaurants in which the younger brothers would sell their shares to him. Whereby all three of the younger brothers got a restaurant each and the older brother got two restaurants, a position which was slightly better than when they entered into mediation.

Facts & figures

- **The mediation took 1 day compared to the 18 months this shareholder dispute had already gone on.**
- **The mediation cost each party £950.00 each compared to the thousands they had already spent on legal fees and the thousands they would have had to spend had they continued with Court action.**