



Shareholder disputes family business mediation case study

Shareholder disputes, two brothers were minority shareholders in a construction company, due to ongoing difficulties their employment was terminated they petitioned the court for the defendant their uncle to buy their shareholding and repay £220,000 of dividends that they claimed had been due to them and withheld.

The fact that this dispute concerned finances as well as a family element made it very difficult and very emotional, the nephews had taken over their late father who they claimed had built this company up from nothing and when he ran into financial difficulty his brother their uncle came on board to assist, the uncle contended without his money the company would have gone bankrupt years ago and without his financial contribution and reorganisation it would not have still been a viable healthy company.

The mediation was tense and difficult to say the least, the uncle accepted that there was a legitimate claim re the dividends but disputed the amount in question. The parties agreed to settle for £350,000 which comprised of the shares and dividend issues.

Facts & figures

- **The mediation took 1 day compared to the year these shareholder disputes had already gone on.**
- **The mediation cost each party £1400.00 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.**