

A dispute between two or more of the owners of a closely-held business, oftentimes called a “shareholder divorce,” can lead to costly and burdensome litigation. To protect against protracted disputes of that type, our Business & Finance attorneys typically recommend to the owners of a closely-held business that they agree in advance about the manner in which certain governance and other issues will be resolved by the owners if and when those issues arise. For instance, we suggest to closely-held business owners that they agree beforehand as to the method for addressing an owner’s interest in the closely-held business in the event that the owner desires to “withdraw” from the closely-held business or sell his or her ownership interest in the business. By agreeing about the method by which these issues will be resolved (and clearly memorializing such agreements) prior to the occurrence of such events, closely-held business owners can reduce the likelihood that a dispute arises among them about those issues. If you are the owner of a closely-held business or are considering the formation of a closely-held business, please call Paul T. Rushton, the Chair of our Business & Finance Department, to learn more about these issues. Paul can be reached at 570-826-5623 or prushton@rjglaw.com.