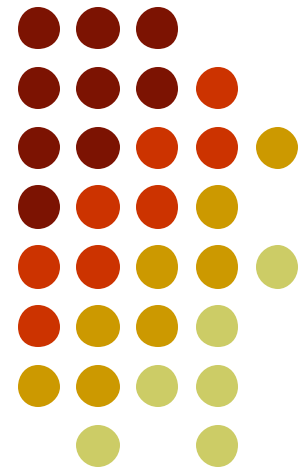


# Corporations

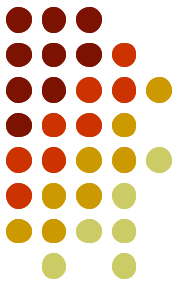
Prof. Michael Abramowicz

Shareholder voting  
and agreements

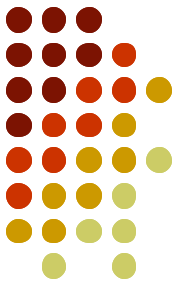


# Closely-Held Corporations

## Overview of Issues



- Characteristics of Closely-Held Corporations
- Shareholder Voting Control
- Shareholder Agreements
  - Enforcing Voting Agreements
  - Enforcing Other Shareholder Agreements
- Freeze Outs
  - Fiduciary Duties of Shareholders in a Close Corporation
  - Statutory Dissolution
  - Transfer of Control

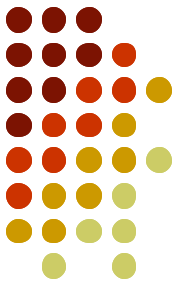


# *Stroh v. Blackhawk Holding*

- Facts
  - Class A
  - Class B
- Analysis
  - Illinois law
  - Plaintiff's argument
- Holding
- Questions
  - Were the plaintiff shareholders injured here?
  - If the court had ruled the other way, what might corporations have done?
- Delaware case. *Providence & Worcester*

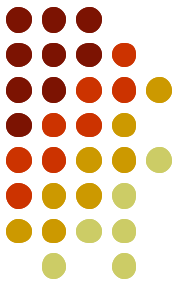
# Closely-Held Corporations

## Overview of Issues



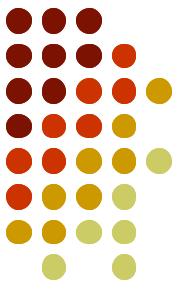
- Characteristics of Closely-Held Corporations
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# State of Wisc. Inv. Bd. v. Peerless Sys. Corp. (Del. 2000)



- Facts
  - Proposal 2
    - Who supports and why?
    - Who opposes and why?
  - Adjournment
- Issues
  - Standing
  - Standards of review: BJR or *Blasius*?
  - Application
    - Primary purpose
    - Compelling justification

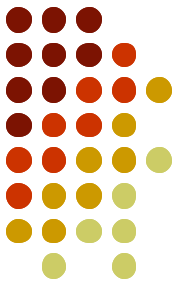
# Enforcement of voting agreements: *Ringling*



- Facts
  - Coalitions
  - Historical background
- The voting math
  - Previous election
  - New election
- Different approaches and effects
  - Agreement void
  - Agreement valid and specifically enforced
  - Agreement valid but no specific performance

# Enforcement of SH Agreements

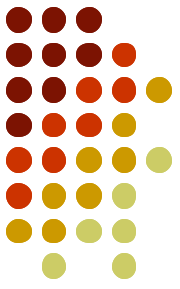
## *McQuade v. Stoneham*



- Facts
  - Shareholder agreement
  - Dismissal
- Issue and resolution

# Enforcement of SH Agreements

## *Clark v. Dodge*



- Facts
  - Clark-Dodge relationship
  - Agreement
    - What Dodge gets
    - What Clark gets
- Analysis
  - Distinguishing *McQuade*
  - Holding
  - How could Dodge avoid the shareholder agreement? (Homemade *McQuade*)