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Yankwitt LLP Settles Long-Standing Business Dispute Among Siblings

Yankwitt LLP resolved a business divorce among siblings who owned a manufacturing company in upstate NY. Yankwitt LLP represented the majority shareholders, a husband and wife, in a suit brought by the wife's sister, a minority shareholder, for alleged violations of fiduciary duty. The company's accountants, who advised the defendants on business decisions that gave rise to the dispute, were co-defendants in the case – the third litigation filed by the plaintiff since 2017.

Leveraging its extensive experience litigating close company and family partnership disputes, Yankwitt LLP determined the best way to resolve the case was to buy out the minority shareholder plaintiff and the optimal way to agree on a buy-out price was through private mediation. To optimize our clients' negotiating position, Yankwitt LLP proposed that the clients go into the mediation with a professional valuation of the company, because effective and thorough preparation for mediation can reap significant rewards at the settlement table. We hired a forensic accountant to both investigate the claims against theaccounting firm and to value the company. Armed with the results of that investigation, we entered into an aggressive negotiation, leveraging the weaknesses in the plaintiff's position and putting pressure on the accountants to own their share of responsibility. The case ultimately settled for less than the client anticipated and with a sizable contribution from the accounting firm, both positive results that made the client happy with the outcome of the mediation.