

Shareholder Oppression and Disputes

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The Supreme Court of Texas in 2014 refused to recognize a common-law cause of action for shareholder oppression and held nonreceiver equitable remedies were not available based on the rehabilitative receiver statute, partially because the court found other direct and derivative statutory and common-law tools and causes of action (generally) sufficient to protect a minority shareholder's interests (and the corporation). *Ritchie* made clear that many claims belong to the corporation and thus stressed derivative proceedings as an available alternative to shareholder oppression claims (and lesser procedural hurdles for shareholders in closely held corporations). The following year the court liberally construed the definition of shareholder and recognized double derivative standing to bring derivative claims. Thus, the court limited oppression claims but potentially broadened derivative claims. This paper outlines claims now used in shareholder disputes after *Ritchie* and *Sneed*.

Topics include:

- Introduction
- Shareholder Direct Suits
- Shareholder Derivative Suits
- "Governing Persons" and Officers
- Close Corporations
- Liquidating Receiver
- Winding Up
- Conclusion

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