

Family Business

Family-owned businesses have been a stabilizing force in the economy for centuries. Schnader takes a holistic approach to understand the nuances of the business, the family and the individuals involved in the family business in order to provide comprehensive and cost-effective representation on a broad array of topics.

Businesses today must operate within a complex and ever-changing labyrinth of laws and regulations. We help guide our clients through this precarious legal landscape proactively to resolve issues before they become problems. We have the breadth and depth of knowledge ranging from helping clients grow their business through licensing, franchising or raising capital, to helping them decide when to sell. We measure our success not only by the complex battles we fight and win but also by the controversies we have helped clients avoid with positive results.

Our clientele consists of small firms intending to remain closely-held, or in the family, to large companies considering public offerings. Regardless of size, we help clients integrate business and personal objectives into a comprehensive and cohesive plan.

Schnader attorneys also handle an array of business disputes. We regularly represent family businesses and owners in mediation, arbitration and litigation. Our attorneys have served as national trial and coordinating counsel in various matters and disputes involving thousands of lawsuits. In this capacity, we provide the likelihood that our clients will obtain not only favorable results but also cost effective settlements.

The Family Business group consists of attorneys that share a passion for helping clients address an array of legal issues facing family-owned businesses. We counsel clients through all stages of development, providing vigorous representation for arising legal issues including:

Organizational and Shareholder Matters - Advising on business formation and structures, control techniques,

distribution or restriction of shares and shareholder agreements

Financing Matters - Identifying company and shareholder cash needs and advising on steps to develop liquidity, including organizational changes, recapitalizations and debt or equity financing

Joint Ventures - Structuring business ventures, including public-private partnerships

Mergers and Acquisitions - Buying, selling, merging and consolidating companies and planning for liquidity events

Employment Matters - Labor unions, employment matters, including employment, non-compete and severance agreements

Tax - Federal and state tax matters, employee benefits, pension plans, 401(k)s, including obtaining private rulings on transactions and assisting in representation in administrative appeals and litigation

Real Estate - Real estate purchase, sale, management and leasing matters

Intellectual Property - Protecting trade secrets, licensing, franchising, copyright, trademark and patent matters

Regulatory - Federal, state and local regulatory compliance and compliance, antitrust counseling and environmental matters

Wealth Management - Estate planning, intergenerational issues and planning for future generations

Representative Matters:

- Represented shareholders of family business in shareholder agreements to prevent stock transfers to third parties, employment agreements for active family members and severance/separation agreements for inactive family members.
- Represented family members in the sale of a majority of the shares in a family business to a French utility and developed wealth transfer plans and management transition plans.
- Represented a family business in their-development of a brownfield site in a blighted area using New Market Tax Credits and other community lenders. Advised on the formation of investment partnerships and tax planning.
- Represented a family business in the renegotiation and documentation of its accounts receivable and inventory lending line with its bank lender.
- Represented the majority owners of a family business in the scrap recycling industry in the arbitration of disputes with the minority shareholders over control and compensation and, ultimately, the buy-out of the minority shareholders' interests with mortgage financing.
- Represented controlling shareholders of a family-owned real estate development business in litigation brought by other family members seeking to dissolve or partition the family business. Obtained summary judgment for controlling shareholders in multiple jurisdictions.

- Represented a shareholder of a family business in litigation on claims of stealing corporate opportunity, breach of fiduciary duty and bad faith claims when a family member started a related business that resulted in a buy out of the shares in the family business and severance arrangements.
- Represented a family-owned investment company and the corporation of which it is the majority shareholder in litigation against minority shareholders alleging breach of a shareholders' agreement. Obtained summary judgment dismissing the minority shareholders' complaint that ultimately led to a stock purchase option agreement with the minority shareholders.
- Representing two second generation employees and 20 percent shareholders of a family business against the corporation for the wrongful taking of shares awarded to them as a bonus and against the corporation and representing 50 percent shareholder for discrimination and retaliation as well as litigation initiated by the 50 percent shareholder for oppression against our clients and their father, also a shareholder.

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