



## **HOW TO BETTER MANAGE CORPORATE DIVORCES:**

### **WV CHECKLIST**

1. ***Start with the End in Mind***
  - encourage consideration of suitable shareholder agreement
  - comprehensive vs. "liquidity" agreement to deal with shot-gun, death, disability, etc.
  - arbitrate, litigate or redraft
2. ***Watch for "Early Warning Signs"***
  - selective communication
  - disagreement over "small stuff"
  - mismatch in expectations/commitment levels
3. ***Battle in the Courtroom vs. Battle in the Marketplace***
  - don't forget the importance of having a legal + marketplace strategy
4. ***Fairly Assess Desired Outcome(s), Available Leverage and Positional Weakness***
  - what's a practical "wish list"?
  - shareholder disputes are really "disguised transactions"
  - what's your client's leverage? How can you create more?
  - small things often work; "nuisance theory"
5. ***Focus on "Getting People to the Table"***
  - this is the most expensive aspect of these disputes
  - understand the "deal curve"
  - understand who you are dealing with and what will it take to start negotiating
  - have existing dispute resolution mechanisms
6. ***Manage Emotions... "it's just another business deal"***
  - emotions (while unavoidable) can be a huge barrier to "getting to the table"
  - the time to deal with emotions is usually post-closing
7. ***Everything is Negotiable***
  - shareholder agreements are not "locked in stone" and can be renegotiated
  - put changes in writing
8. ***Remember How the Other Side Plays***
  - a business partner often understands how the other negotiates/thinks
9. ***Watch "Power over Process" – Maximize Use of Independent Advisors***
  - front-end arbitration/valuation if possible
10. ***Be Mindful of All Communications (especially e-mail)***
  - remain professional, factual and stick to the issues
11. ***Watch the Business ... or there won't be one left!***
  - shareholder disputes are time and resource intensive and can ruin the business