CASE STUDY · CORPORATE & BUSINESS · TWO MINORITY PARTNERS

The Reciprocal Buyout Offer.

Four partners, split two against two, could not agree on a price to separate. We stopped negotiating the price and built a binding mechanism that made a fair one the rational choice.

CLIENT	MATTER	PRACTICE AREA	MECHANISM
Two minority partners	A multi-year partnership dispute	Corporate & business	A binding reciprocal buyout

01 THE SITUATION

Two against two, *and no fair price.*

Our clients, two minority partners, were locked in a multi-year conflict with the other two partners. Both sides wanted to separate, but lopsided, bad-faith price demands made an agreement impossible.

01

Lopsided valuations

The other partners wanted an inflated price to be bought out, and offered a steep discount to buy our clients out.

02

Broken trust

An earlier negotiation failed when the other side walked away from a non-binding memorandum of understanding.

03

A business under strain

The rising conflict threatened the stability of the business itself.

02 OUR APPROACH

Stop negotiating price, *engineer the structure.*

> ***We moved the dispute from an arbitrary price to a contractual mechanism neither side could walk away from.***

1 **Drafted a reciprocity clause**

A binding memorandum of understanding in which our clients set one price and one set of terms for the separation.

2 **Forced an honest choice**

The other side had to buy our clients out or be bought out by them, at that exact price and on those exact terms.

3 **Built in enforcement**

Strict remedies inside the binding memorandum answered the bad faith that had sunk the last attempt.

03 WHAT HAPPENED

Resolved without *a long lawsuit.*

The binding structure kept both sides honest, and the dispute was resolved without protracted litigation.

THE TAKEAWAY

In a deadlocked partnership dispute, stop negotiating price and start engineering structure. A binding, reciprocal mechanism removes the reason to inflate a valuation, so a fair outcome becomes the rational one.

04 WHO HANDLED IT

Talk to the attorneys *who handled it.*



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05 OTHER ENGAGEMENTS

FRACTIONAL GENERAL COUNSEL

Managing the defense

A wrongful-termination claim, outside counsel chosen and managed, and the spend kept in view.

ASSET PROTECTION

Asset protection in action

Informal transfers between related companies, and the paperwork that separated them.

COMMERCIAL REAL ESTATE

Correcting the record

A stalled multi-tenant acquisition, the seller's errors corrected, and the deal closed.

EIGHT LOCATIONS, ONE TEAM

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