

# GETTING TO KNOW YOU

This is a feature where we ask clients of HH a range of obscure questions in order to get a better appreciation of their life and interests.

This edition features Steven Lawrence and you can learn more about Steven if you go to LHM Media's website [www.lhmmedia.com](http://www.lhmmedia.com) as they are a digital marketing business and as such are at the cutting edge of creative media.



Steven Lawrence LHM

**1. Where were you born?**

*Solihull, West Midlands*

**2. What do you enjoy most about being in business?**

*The challenge, variety and achievement.*

**3. What one piece of advice would you give to aspiring entrepreneurs?**

*Be prepared to work hard and make sacrifices.*

**4. What is your favourite book?**

*Skip & Digger (my son loves it).*

**5. What fictional character would you most like to be?**

*Tony Stark (Iron Man).*

**6. If you were a superhero what would your superpower be?**

*Flight... everyone wishes they could fly, don't they?*

**7. If you could be an animal, what would it be and why?**

*Bird (see above).*

**8. If you could travel in time, where would you go first?**

*Saturday night to find out the lottery numbers.*

**9. What is your favourite food?**

*Indian.*

**10. What are you currently listening to?**

*Radio 2 (but not Radio 4 yet, so that is OK).*

**11. What country would you most like to visit?**

*America again, there is a lot of it!*

**12. What is the highlight of your career to date?**

*Leaving my job.*

**13. If you could invite anyone for dinner (living or deceased, real or fictional), who would it be and why?**

*Chris Evans, he seems pretty down to earth and I would like to see his Ferrari collection!*

**14. What did you want to be when you grew up?**

*Photographer or Architect.*

**15. Who would you want to play you in a movie about your life?**

*I am not sure at this stage in life, but I would definitely get Morgan Freeman to narrate it.*

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## UNFAIR PREJUDICE AND SHAREHOLDER PROTECTION

Harminder Sandhu, our managing director and head of Dispute Resolution provides some general guidance on unfair prejudice and shareholder disputes.

Section 994 of the Companies Act ("Act") 2006 provides protection to shareholders by permitting a shareholder to petition to the Court for an Order if a Company is conducting its affairs in a manner that is unfairly prejudicial to the rights of the members. There are two elements required, conduct which is prejudicial (i.e. harmful) and unfair.

In deciding whether conduct is unfair the Court will adopt an objective test. The starting point will be the Articles of Association of the Company and any shareholders agreement, to ascertain if the conduct complained of violates the same. Typically these cases usually involve shareholders (who are also directors) falling out with one another, resulting in the minority shareholders being excluded from the management of the Company by the majority shareholder(s).

What conduct amounts to unfairly prejudicial conduct is not exhaustive, however the following are examples:

- Exclusion from management where there is a reasonable expectation of participation;
- Failure to pay proper dividends;
- Payment of excessive remuneration to majority shareholders in their role as directors;
- Diversion of business or assets to another company in which the majority shareholder has an interest;
- Abuse of power and breaches of the Company's Articles of Association.

If the Court finds unfair prejudice it has wide discretionary powers to make any Order it deems fit. Generally, the most common remedy awarded to a Petitioner is that their shares be purchased for fair value by those who caused the unfair prejudice. However what constitutes a fair value is usually the most contentious issue and expert evidence on valuation would be required. The Court can order that

the valuation should be on the basis that the unfair prejudice did not take place as this may have devalued the Company's shares.

Other remedies at the Court's disposal include:

- Regulation of the conduct of the Company's affairs;
- Requiring the Company to refrain from doing a particular act or to do a particular act which the Petitioner has complained the Company has omitted to do;
- Require that the Company make no alteration or specified alteration to the Articles without leave of the Court.

There are additional remedies available to shareholders which may be better suited to a shareholder's circumstances rather than an unfair prejudice petition including an order for a "just and equitable winding up" under the insolvency provisions or a derivative action under the Act. However these are beyond the scope of this article. It is important to seek a proper appraisal of your circumstances to identify the most suitable remedy and to ensure the most appropriate action is taken. For any further information or advice contact Harminder Sandhu at [hsandhu@hawkinshatton.co.uk](mailto:hsandhu@hawkinshatton.co.uk) or on 01384 216840.



Harminder Sandhu

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# HOW THE CARDS WERE CUT



We were joined by more than 160 accountants, bankers and clients from across the West Midlands at our annual Weston Park dinners this March.

The events were an enormous success with thought provoking discussions around the current economic issues including the General Election.

