

S&K WINS \$22+ MILLION IN MAJOR LLC OPPRESSION DISPUTE.

The Circuit Court of Court of Cook County, Illinois recently entered judgment in an oppression dispute for more than ***\$22 million*** in favor of SCHWARTZ & KANYOCK, LLC's client, the owner of a minority interest in a limited liability company called Bureaus Investment Group, LLC (BIG). The Court held that the defendants breached their fiduciary duties to both minority member and the BIG. The Court awarded over \$13.6 million in direct damages to the individual member, and over \$8.4 million on the BIG's derivative claim.

In Janousek v. Slotky, SCHWARTZ & KANYOCK, LLC represented the plaintiff, who owned a 40% membership interest in BIG, which was a member-managed LLC, both individually and derivatively on behalf of BIG. SCHWARTZ & KANYOCK, LLC's individual client managed BIG from 1999 until 2007, when the defendants, a father and son who held the other 60% interest, installed the son as BIG's sole manager. The following month, the defendants formed Bureaus Investment Group III, LLC (BIG III), which thereafter competed against BIG. After hard fought complex litigation, including a lengthy trial, the Court found that defendants, who now controlled BIG, breached their fiduciary duties by forming a competing LLC, while still maintaining management powers in BIG.

The Court awarded \$13,616,102.40 to SCHWARTZ & KANYOCK, LLC's individual client on his direct claim for the lost value of his interest in BIG. The Court also awarded \$8,455,036.00 to BIG itself on our derivative claim, equaling the lost profits BIG suffered as a result of the defendants' fiduciary disloyalty. The Court later awarded \$2,113,759.00 in expenses – including attorney fees – to SCHWARTZ & KANYOCK, LLC's client from the derivative award for successfully litigating the derivative claim. In reaching that decision, the Court acknowledged the complexity of litigation, and emphasized that SCHWARTZ & KANYOCK, LLC did an "***admirable***" job.

For any questions regarding this case, please call us and ask for Tom Kanyock.