
Commonly Overlooked Areas for Prevention of Conflicts in Closely Held Businesses

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Methods of Managing Conflicts

- Adopt a Written Conflict of Interest Policy
- Appoint Independent Directors
- Impose Voting Percentage Requirements, such as Supermajority Voting Rights
- Require Mandatory Distribution of Information
- Adopt an Alternative Dispute Resolution Mechanism



Methods of Managing Conflicts cont.

- Provide for a Distribution Policy that does not Disadvantage Certain Classes of Equity Participants
- Enable Minority Equity Participants to Sell Interests
- Tag Along in the Event of a Change of Control
- Adopt a Non-Dilution Policy
- Voting Agreement / Voting Trust / Cumulative Voting
- Adopt a Business Code of Conduct and Ethics



*For more information, please contact The Law Offices of Thomas J. Santone, Esq.
