

The protection of minority members in limited liability companies after recodification of private law

ABSTRACT

The purpose of this thesis is to give an enumeration of protective instruments available to a minority shareholder in a limited liability company after the recodification of Czech private law and to engage in further analysis of these instruments.

The thesis is divided into an introduction, four chapters and a conclusion. The first chapter defines basic terminology used in the thesis, such as ‘minority shareholder’ and ‘qualified shareholder’. The second chapter focuses on the position of a minority shareholder in a limited liability company and introduces the reasons to protect such a minority shareholder and the risks connected with an excessive protection of minority shareholders.

Chapters 3 and 4 form the hearth of this thesis. The third chapter offers a detailed analysis of instruments available to every shareholder in a limited liability company, including a minority shareholder. These instruments include separate voting, motion to declare member’s vote or general meeting’s voting null and void, cumulative voting, right to information, derivative action, claim for reflective loss, claim for compensation for damage from influential person, right to suggest an appointment of an expert to examine the relation report, right of a withdrawal from a limited liability company and cancellation of a shareholder’s participation in a company by the court.

The fourth chapter concerns the measures, which can be used by a qualified shareholder or a qualified minority of shareholders. These are composed of the right to call a general meeting and the right to suggest an appointment of an expert to examine the relation report.

The text points out various issues of interpretation and quotes different judgments and works of legal academia. The author takes a stand on the issues of interpretation for each individual case and suggests a revision of wording for some of them. The key issues are eventually summarized in the conclusion of the thesis.