

December 12, 2021

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News

Our firm successfully represented **Osem and a number of members of the Osem Board of Directors** in an appeal filed with the Supreme Court against the ruling of Judge Ruth Ronen of the Economic Department of the Tel Aviv District Court, in which the Judge dismissed a motion to certify a NIS 400 million class action against them due to the approval of a going private transaction in which Nestle acquired the minority's holdings in Osem.

In a precedent-setting ruling, the court dismissed the appeal and ruled, accepting all the claims of our firm, that it was appropriate to apply the Business Judgment Rule (BJR) on the process led by of the special committee appointed by Osem's Board of Directors to negotiate the terms of the merger.

Moreover, the Supreme Court highlighted that the lower court shouldn't have examined the reasonableness of price agreed upon by the parties, as it did. In so doing, the Supreme Court has created a long list of legal precedents in corporate law and corporate governance law, which the court itself characterized as precedent-setting, among other matters, in relation to the appointment of an independent committee in general, and in going-private transactions in particular, to burdens of proof in stakeholders claims, to the applicability of the BJR standard of review on the decisions of an independent committee on stakeholder transactions, and in relation to many other matters.

The clients were represented by **Pinhas Rubin** (the Firm Chairman), and partner **Noam Ronen**, together with Senior Associate **Tom Alkalay** and Associates **Nofar Batsri and Harel Leibovich-Shalev**.

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