

June 8, 2016

Gornitzky successfully represented the directors of Zmicha Investment House Ltd.

News

Gornitzky successfully represented the directors of Zmicha Investment House Ltd., a TASE publicly traded company, in a motion to approve a derivative suit against the directors. The motion addressed allegations that the respondents (the directors) had unlawfully approved Zmicha's investment in Shemen Oil and Gas Resources Inc., in which Zmicha's controlling stockholder allegedly had a significant business interest. The motion also contended that the directors breached their duties of care and loyalty by approving this transaction in a negligent manner.

The Economic Department in the Tel-Aviv District Court (Honorable Judge Ruth Ronen), in a profound and well established decision, rejected the motion, ruling that Zmicha's investment in Shemen was neither an interested transaction nor a negligent one. The court ruling presents a comprehensive (and somewhat pioneering) analysis of the fundamental corporate governance issues that arise from the case, after which the motion was dismissed and the directors were awarded with legal fees and expenses.

The directors of Zmicha Investment House Ltd. were represented by Noam Ronen (Partner) and Noga Haruvi.

Key Contacts



Noam Ronen
Partner



Noga Haruvi
Partner