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Gornitzky represents Zmiha Investment House Ltd. in a motion to approve a derivative lawsuit.

News

Gornitzky represented the public company Zmiha Investment House Ltd. in a motion to approve a derivative lawsuit against the company. The motion was filed with regard to a transaction which took place in 2013, during which Zmiha purchased the rights to a license for oil and gas exploration from Shemen Oil And Gas Resources Ltd. The drilling apparently turned up nothing, with funds seemingly going to waste. The plaintiff, a shareholder of Zmiha's parent company, GreenStone Industries Inc., claimed that the said transaction was in the interest of stakeholders, and was not approved in accordance with section 275 of the Companies Law. The plaintiff also proceeded to claim that the transaction was hasty and negligent, and that the company's board of directors approved it, thereby breaching both duty of care and duty of trust, in an attempt to serve the interest of the controlling company, Ultra Equity Investments Ltd. In light of these allegations, the plaintiff requested that directors compensate the company in the amount of the initial investment made in the Shemen transaction, approximately NIS 20 million.

Following the District Court's dismissal of the claim on all counts, as set forth in a comprehensive, detailed ruling, the plaintiff appealed to the Supreme Court. In its ruling of last week, the Supreme Court rejected the appeal, thereby dismissing the motion to file a derivative lawsuit against the company.

The company was represented by Partner Noam Ronen and Associate Noga Haruvi.

Key Contacts



Noam Ronen
Partner



Noga Haruvi
Partner