

Global Case Law Database:

Landmark NALT Rulings

This database categorizes landmark judicial decisions on Non-Arm's Length Transactions, serving as a comparative resource for litigators and researchers.

Category 1: Tunneling & Asset Stripping

- **Case:** *In re Southern Peru Copper Corp. Shareholder Derivative Litigation* (Delaware, 2011)
 - **Principle:** "Entire Fairness" standard applied to controlling shareholder transactions.
 - **Relevance:** Establishes that market price alone does not prove fairness if the *process* was flawed.
- **Case:** *Hollinger Inc. v. Hollinger International Inc.* (Delaware, 2004)
 - **Principle:** "Strategic Asset" doctrine; preventing controllers from selling crown jewels to themselves.

Category 2: The "Corporate Opportunity" Doctrine

- **Case:** *Bhullar v. Bhullar* (UK, 2003)
 - **Principle:** Strict liability for directors who divert business opportunities to their own private companies.
 - **Relevance:** Directly applicable to the "Shadow Director" scenario in CLICO.
- **Case:** *Regal (Hastings) Ltd v. Gulliver* (UK, 1942)
 - **Principle:** The foundational rule that fiduciaries cannot profit from their position without full disclosure.

Category 3: Shadow Directors & De Facto Control

- **Case:** *Re Hydrodan (Corby) Ltd* (UK, 1994)
 - **Principle:** Defining "Shadow Director" based on a pattern of compliance by the board.
 - **Relevance:** The legal test for proving that a "Consultant" was actually running the company.
- **Case:** *Standard Chartered Bank v. Antah* (Malaysia, 2008)
 - **Principle:** Piercing the corporate veil in cases of fraud and single economic units.

Category 4: Valuation Disputes

- **Case:** *In re Emerging Communications, Inc. Shareholders Litigation* (Delaware, 2004)
 - **Principle:** Directors can be personally liable for approving undervalued privatizations ("Fair Price" vs. "Fair Dealing").