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"Business Divorce In The Time Of COVID-19," Law360 - May 8, 2020

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The coronavirus pandemic is impacting private companies so severely that many of their owners may decide, or feel no choice, but to part ways. In response to the many issues buffeting their businesses, owners may have legitimate, yet intractable disputes about how to proceed forward.

In addition, each may have vastly different personal and financial circumstances that may influence, or even dictate, their business decisions.

This article discusses how the current COVID-19 crisis may cause more disputes among the owners of private companies and how owners may attempt to resolve them. A number will likely be unable to do so. In such cases, some will seek to sell their shares and member interests, others will invoke dispute resolution procedures and still others may pursue relief under a governing state statute.

Sometimes, business "divorce" is the only option.

Current Conditions

Regardless of their organizational form and industry, privately owned companies are nearly all facing the same extreme market conditions, including the following.

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