

NEWS RELEASES

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Husch Blackwell Successfully Defends Hotelier John Q. Hammons in Shareholder Litigation, Defeats \$93 Million Damage Claim

The Delaware Court of Chancery recently ruled in favor of Husch Blackwell client and Springfield-based hotel magnate John Q. Hammons in a challenge to the 2005 sale of John Q. Hammons Hotels, Inc., in a going-private transaction. The transaction valued at \$1.4 billion closed in September 2005 and covered the sale of 44 hotels in 20 states and the management of 22 additional hotels in seven states.

The challenge was based on claims that Hammons breached his fiduciary duty in connection with the merger, and that third-party acquirers aided and abetted this claimed breach of fiduciary duty. The shareholder class sought damages in excess of \$93 million. After a trial, Chancellor William Chandler issued an opinion holding that Hammons had breached no duties and that the price received by the shareholders was fair.

The conclusion of this expansive litigation confirms the process and structure of the unique original transaction, which was handled by Husch Blackwell Partners Gary Gilson and David Agee. Husch Blackwell Partner Michael Thompson and Associate Lyndsey Conrad led the firm's defense of Hammons in the litigation.

The shareholder class action was led by minority shareholders Jolly Roger Fund LP, Jolly Roger Off Shore Fund, Ltd., and Lemon Bay Partners.

To read the full court opinion, [click here](#).