fiduciary duty as the "duty to act fairly toward minority shareholders"); Galbreath v. Scott, 433 So.2d 454, 457 (Ala. 1983) (describing duty in reference only to majority shareholders as "a duty to at least act fairly to the minority interests") (quoting Burt, 360 So. 2d at 331).

9 The Minnesota oppression statute directs courts considering the type of relief to be granted to:

- take into consideration the duty which all shareholders in a closely held corporation owe one another to act in an honest, fair, and reasonable manner in the operation of the corporation and the reasonable expectations of all shareholders as they exist at the inception and develop during the course of the shareholders' relationship with the corporation and with each other.

Minn. Stat. Ann. § 302A.751 (West Supp. 1992). As virtually all shareholder complaints are decided under the statute, the majority/minority debate is irrelevant. Minnesota cases interpreting the statute are nevertheless inconsistent about what majority rule principles they see mandated by the statute. See Advanced Communication Design, Inc. v. Follett, 615 N.W.2d 285, 293-94 (Minn. 2000) (describing precedent as establishing that minority shareholders with management duties may owe fiduciary duties, and finding minority shareholder who was not in position of control can solicit customers for competing business); Wessin v. Archives Corp., 592 N.W. 2d 460 (Minn. 1999) (agreeing with the Seventh Circuit that corporations are not partnerships); Powell v. MVW Holdings, Inc., 626 N.W.2d 451, 463-64 (Minn. Ct. App. 2001) (finding the equal opportunity rule generally available but holding it inapplicable in case at hand where its application was being invoked by a majority shareholder, reasoning that the doctrine is available only when it benefits a minority shareholder).

10 The New Jersey Supreme Court has made clear that any cause of action by minority shareholders must be pursuant to the state's oppression statute, N.J. Stat. Ann. § 14A:12-7 (West Supp. 1992), and explicitly stated it would rule based on the statute rather than on precedent in other states. Muellenberg v. Bikon Corp., 669 A.2d 1382, 1386-87 (N.J. 1996) (describing but not adopting Rodd, noting that the legislature amended the state's business statute "to provide a specific cause of action to protect minority interests," and interpreting "oppression" to include the doctrine of reasonable expectations); Bonavita v. Corbo, 692 A.2d 119, 126 (N.J. Super. Ct. Ch. Div. 1996) (reasoning that when majority denied minority any benefit or compensation after terminating salary payments to minority shareholder, majority "destroyed any reasonable expectations" of the minority shareholder regarding her stock interests).

11 The current dissolution statute, Alaska Stat. § 10.06.628 (1989), repealed the former statute, Alaska Stat. § 10.05.540(2) (1962), that was the basis for the oft-cited decisions supporting the majority rule in Stefano v. Coppock, 705 P.2d 443 (Alaska 1985), and Alaska Plastics, Inc. v. Coppock, 621 P.2d 270, 276 (Alaska 1980). The current dissolution statute no longer includes "oppression" and specifies that the grounds for involuntary dissolution are where those in control of the corporation are persistently unfair toward shareholders or where there are thirty-five or less shareholders, liquidation is necessary to protect the rights or interests of the complaining shareholders. Despite the statutory language limiting objectionable conduct to those in control of the corporation, the only Alaska court ruling under the statute states in dictum that all shareholders owe fiduciary duties, but employs traditional corporate analysis when discussing those duties. See Collins v. Blair, Collins v. Blair, 68 P.3d 1222, 1230 (Ala. 2002) (Alaska 2002) (finding that majority shareholder did not violate fiduciary duties by petitioning federal agency for return of fishing right shares to the corporation, because majority acted in best interests of the corporation). There are no relevant cases outside of the statute.

12 Nebraska's oppression statute, Neb. Rev. Stat. §§ 21-20, 162 (1999), is rarely invoked due to the court's view that the remedy of dissolution is "so drastic that it must be invoked with extreme caution." Woodward v. Andersen, 627 N.W.2d 742, 752 (Neb. 2001) (finding insufficient grounds for ruling under the statute). Outside the statute, Nebraska has imposed partnership fiduciary duties on all shareholders in close corporations, including minority

13With no oppression statute, shareholder complaints in Indiana are decided as fiduciary duty cases. In several cases, Indiana makes strong statements suggesting it applies enhanced fiduciary duties to all shareholders in a close corporation. See, e.g., G & N Aircraft, Inc. v. Boehm, 743 N.E.2d 227, 236 (Ind. 2001) (finding that shareholders in a close corporation "are more realistically viewed as partners"); Hubbard v. Tomlinson, 747 N.E.2d 69, 71 (Ind. Ct. App. 2001) (all shareholders in closely-held corporations owe each other fiduciary duties). Other cases, however, suggest that Indiana does not embrace the majority rule wholeheartedly. See, e.g., Melrose v. Capitol City Motor Lodge, Inc., 705 N.E.2d 985, 991 (Ind. 1998) (stating that shareholders in closely-held corporation owe each other fiduciary duties, but using corporate analysis to analyze transaction); Maul v. Van Keppel, 714 N.E.2d 707, 709-10 (Ind. Ct. App. 1999) (finding that "a departure from general corporate law is warranted only when (1) the shareholders agreed to bind themselves to partner-like conduct or (2) each shareholder intended to treat the others as equal partners. One shareholder's unilateral expectation of equal ownership is insufficient to bind all shareholders to that expectation"); Krukemeier v. Krukemeier Mach. & Tool Co., 551 N.E.2d 885, 887 (Ind. Ct. App. 1990) (holding mere allegation of self dealing insufficient to place burden of proof on majority to show executive compensation was reasonable and fair to minority interests, and finding application of business judgment rule appropriate despite fact that corporation might be an "incorporated partnership"); Cressy v. Shannon Cont1 Corp., 378 N.E.2d 941, 944-45 & n.6 (Ind. Ct. App. 1978) (reasoning that while all corporations having only a few shareholders may not intend to treat each other as partners, court will enforce partnership-like treatment if this is what parties intended).

14The Illinois oppression statute states that courts considering the type of relief to be granted "may take into consideration the reasonable expectations of the corporation's shareholders as they existed at the time the corporation was formed and developed during the course of the shareholders' relationship with the corporation and with each other." Compare 805 Ill. Comp. Stat. 5/12.56 (1995), with MINN. STAT. ANN. § 302A.751 (West Supp. 1992) (stating that courts "shall" consider both fiduciary duties and reasonable expectations). Outside the statute, Illinois courts may impose heightened fiduciary duties on close corporation shareholders, but have made clear that "something more than mere status as a shareholder" is required. Dowell v. Bitner, 652 N.E.2d 1372, 1379 (Ill. App. Ct. 1995) (finding that fiduciary duty did not continue where former officer/director who retained 23% of shares had no further dealings with corporation after resignation); see also Anest v. Audino, 773 N.E.2d 202, 209 (Ill. App. Ct. 2002) ("Minority shareholders may owe a duty of loyalty to a close corporation under certain circumstances," and stating that duty is similar to a partnership duty.) (emphasis added). While the Dowell court explicitly refrained from deciding that the "something" referred to was ability to influence or control, id., a review of opinions by Illinois courts suggests this may be so. See Jaffe Comm. Fin. Co. v. Harris, 456 N.E.2d 224, 230 (Ill. App. Ct. 1983) (finding that control and its concomitant fiduciary duty can adhere to a group of minority shareholders acting in concert); see also Sebastian v. Zuromski, No. 91 C 4529, 1993 U.S. Dist. LEXIS 3343, at *10 (N.D. Ill. Mar. 18, 1993) (noting that thirty-three percent ownership was sufficient control over corporation that minority shareholder would retain fiduciary duties after otherwise abandoning the venture); Graham v. Mimms, 444 N.E.2d 549, 558 (Ill. App. Ct. 1982) (concluding that duties of majority shareholder and dominant figure in control of corporation did "not cease when he resigned as officer and director, installed his sister and brother-in law in those positions," and "clearly retained total control"). Cf. Rexford Rand Corp. v. Ancel, 58 F.3d 1215, 1220 (7th Cir. 1995) (saying in dictum that all shareholders in a close corporation owe partnership fiduciary duties but applying such duty to a 50% owner whom the court found had significant control); Anest v. Audino, 773 N.E.2d 202, 210 (Ill. App. Ct. 2002) (likening minority owner in limited liability company to a minority shareholder and reasoning that minority owner owed duties because limited liability company was
member managed and minority owner had management responsibilities).

13 Kansas is one of thirteen states that does not have an oppression statute. Kansas courts have made clear that it will follow Delaware and require close corporations to incorporate under the appropriate state statute to receive statutory protections. Hunt v. Data Mgmt. Res., Inc., 985 P.2d 731, 732-33 (Kan. Ct. App. 1999) (citing Nixon v. Blackwell, 626 A.2d 1366, 1380 (Del. 1993), for proposition that legislation preempts the field and ruling that minority shareholder may act in own self-interest). In addition, Kansas follows Delaware in not imposing fiduciary duties on all shareholders. Id. at 732 ("The law does not impose a strict fiduciary duty on a shareholder to act in the best interests of the corporation; a shareholder is free to act in his or her own self-interest.").

15 As Maryland courts have narrowly construed the state's oppression statute, Md. Code Ann., CORPS. & ASS'NS § 3-413 (1993), there is little relevant case law under that provision. See Lynch v. Buchanan, 377 A.2d 592, 594 (Md. App. 1977) (interpreting intent of the statute and finding that "it was not intended to extend in any material way the long standing rule of law" which required ultra vires, illegal or fraudulent acts for equitable award of dissolution); see also Birnbaum v. SL & B Optical Centers, Inc., 905 F. Supp. 267, 270 (D. Md. 1995) (citing state precedent holding that to show oppression under the statute, plaintiff must allege that controlling shareholders "acted in a manner that appeared to involved self-dealing"). In cases brought outside Maryland's oppression statute, the state's courts have made clear that they will not follow the majority rule. See Lerner v. Lerner, 511 A.2d 501, 506-07 (Md. 1986) (refusing to adopt per se rule against minority freezout in closely held corporations); Toner v. Baltimore Envelope Co., 498 A.2d 642, 650-54 (Md. 1985) (discussing Rodd and other majority rule precedent, but refusing to adopt a per se equal opportunity rule); Clagett v. Hutchison, 583 F.2d 1259, 1264 (Md. 1978) (holding that equal opportunity rule does not apply in Maryland); Lerner v. Lerner Corp., 750 A.2d 709, 720-22 (Md. Ct. App. 2000) (rejecting both legitimate business purpose test and reasonable expectations test, and finding that entire fairness should be the measure of a reverse stock split which eliminates a minority shareholder in a close corporation); cf. Pittman v. American Metal Forming Corp., 649 A.2d 356, 360 (Md. 1994) (noting the state's recognition of the imposition of fiduciary duties on majority shareholders, but describing them as applicable "in certain matters").

17 While South Dakota has an oppression statute, S.D. CODIFIED LAWS § 47-7-34 (Michie 1983), and the state's supreme court has said it will recognize reasonable expectations, that court was equally clear to put significant constraints on the doctrine, as well as to make it inapplicable to employment due to the employment-at-will doctrine. See Mueller v. Cedar Shore Resort, Inc., 643 N.W.2d 56, 63 (S.D. 2002) ("finding that a minority shareholder's expectations must be balanced against the corporation's need to conduct its business in accordance with the business judgment rule"); id. at 65 n.4 (following Texas precedent and finding that "in light of the broad discretion given under the business judgment rule," an expectation of employment is reasonable only where the shareholder has an employment contract). The court also held that oppression and breach of fiduciary duty were intertwined, but rejected that fair treatment is synonymous with equal treatment. Id. at 65 (finding instead that majority shareholders' conduct must satisfy "the decentness standard of good faith and fair dealing"). Moreover, in the context of standing to bring a derivative suit, the court rejected the idea that corporations can be treated like partnerships. Landstrom v. Shaver, 561 N.W.2d 1, 14 (S.D. 1997) (adding that holding otherwise does not serve the goal of predictability in the law). Outside the statute, courts continue to monitor fiduciary duties through traditional minority rule standards. See Hayes v. Northern Hills Gen. Hosp., 590 N.W.2d 243, 252-53 (S.D. 1999) (finding that directors and officers owe heightened fiduciary duties to the minority shareholders in a close corporation but stating that the fiduciary duties are traditional corporate fiduciary duties).
While the Georgia code includes an oppression statute, Ga. Code Ann. § 14-2-940 (1989), Georgia courts have mentioned the oppression statute only in determining whether claims may be brought directly or derivatively. See, e.g., Carter v. Murphey, 567 S.E.2d 326 (Ga. Ct. App. 2002) (citing applicable code sections, and noting that except in context of statutory close corporation, shareholder claiming breach of fiduciary duty must either allege an injury different that that to other shareholders or the corporation, or bring a derivative claim); Jamal v. Pirani, 490 S.E.2d 140, 141 (Ga. Ct. App. 1997) (holding that plaintiff had no individual cause of action for breach of fiduciary duty because the corporation in question was not a statutory close corporation. "The general rule is that, outside the context of a statutory close corporation, an action for breach of corporate fiduciary duties must be brought in a derivative suit on behalf of the corporation, and no such claim has been made in this action."). Outside the statute, two early Georgia cases followed the majority rule and required equal treatment or a legitimate business purpose for majority shareholder actions. See Corbin v. Corbin, 429 F. Supp. 276, 283 (M.D. Ga. 1977) (issuing temporary restraining order to prohibit termination of dividend payments in Subchapter S corporation, because court found the termination was designed to make minority's shares worthless and force a sale); Comolli v. Comolli, 246 S.E.2d 281 (Ga. 1978) (finding that to avoid corporate participation in freeze-out, good faith requires director to repurchase shares from all shareholders on same terms as to avoid a preferential distribution of assets). Although Corbin and Comolli have not been overruled, in subsequent cases, Georgia courts seem to follow traditional corporate principles. See, e.g., Matthews v. Tele-Systems, Inc., 525 S.E.2d 413, 415-16 (Ga. Ct. App. 1999) (apparently not requiring 'partnership' level of duty of disclosure or honesty in finding that shareholders/directors who lied to other shareholder/director to get him to resign from the board did not breach a duty to him because they could have voted him out); Parks v. Multimedia Technologies, Inc., 520 S.E.2d 517, 525 (Ga. Ct. App. 1999) (stating, with respect to closely-held corporation, that "Georgia law requires that officers and directors discharge their duties with due care in a manner they believe in good faith to be in the best interests of the corporation"); Gardiner v. McDaniel, 415 S.E.2d 303 (Ga. Ct. App. 1992) (stating that in transaction between two shareholders, one had no fiduciary duty to the other despite status as shareholders in a close corporation).

North Dakota's oppression statute, which directs courts to consider both fiduciary duties owed by all shareholders in close corporations and the reasonable expectations of shareholders, has been in place since 1985. See N.D. Cent. Code. § 10-19.1-115 (1985). A recent ruling by its highest court makes clear that no common law action for breach of fiduciary duty remains, given the state's codification of fiduciary duties, and holding that the oppression statute provides the sole source of remedies for vindication of minority shareholder rights. See Lonesome Dove Petroleum, Inc. v. Nelson, 611 N.W.2d 154, 161 n.1 (N.D. 2000) (stating that common law fiduciary duties no longer exist, but because the statute codified many of the common law duties, precedent based on common law fiduciary duty may be used as "guidance in defining the parameters of the fiduciary duties owed by directors, officers, and minority shareholders").

Although the Arizona statute was revised in 1996 to include a cause of action for oppressive conduct, see Ariz. Rev. Stat. § 10-1430 (1996), no Arizona court has considered a case under this provision. Outside the statute, there is little relevant Arizona case law on the issue of close corporations. In a 2001 case, plaintiffs tried to invoke Rodd for the proposition that close corporation shareholders owe each other partnership fiduciary duties, but the court side-stepped the issue, finding that the corporation was not a close corporation. See Albers v. Edelson Tech. Partners L.P., 31 P.3d 821, 824-25 (Ariz. Ct. App. 2001) (finding shareholders' allegation that directors of corporation were "co-venturers" was insufficient to allege that the parties were joint-venturers, such that directors owed fiduciary duty to shareholder to develop patents that shareholder had exclusively licensed to corporation). What can be gleaned from Albers is that, unlike Rodd, Arizona will not equate close corporations with closely held corporations. A much earlier Arizona case did sanction the application of partnership principles for purposes of dissolution, but in that case, the closely-held corporation was formed by joint venturers to effectuate their business plan. Johnson v. Gilbert, 621 P.2d 916 (Ariz. Ct. App. 1980) (upholding
lower court ruling that where a close corporation was formed as part of a joint venture, partnership principles could apply).

21New Mexico's oppression statute, while rarely applied, has been interpreted to define specific conduct which might constitute oppression. N.M. STAT. ANN. § 53-16-16 (Michie 1983). See McCauley v. Tom McCauley & Son, Inc., 724 P.2d 232, 238 (N.M. Ct. App. 1986) (finding that conduct may be oppressive within meaning of statute on showing of mismanagement of corporate affairs amounting to oppressive behavior, misapplication or wasting of corporate assets, denial of access to books and records, inaccurate or inequitable maintenance of corporate books, and unequal use of corporate assets for personal purposes). Outside the statute, New Mexico recently addressed for the first time the fiduciary duties owed in close corporations and adopted reasoning from Rodd, Wilkes, and other precedent in the majority rule. See Walta v. Gallegos Law Firm, P.C., 40 P.3d 449, 458-59 (N.M. Ct. App. 2001) (holding that shareholders in a close corporation owe one another substantially the same fiduciary duty in the operation of the enterprise that partners owe to one another, and in the context of a close corporation, the duty is higher than the duty of good faith and fair dealing imposed on all contractual relationships). The court added, however, that the standard being adopted was a "default standard applicable in the absence of a contrary agreement between shareholders." Id. at 459 (adding that shareholders retained the freedom to agree to different standards "as long as the essence of right conduct is preserved").

22North Carolina has an oppression statute, N.C. GEN. STAT. § 55-14-30 (1990), and the state courts include the reasonable expectations of shareholders in interpreting the statute. See, e.g., Meiselman v. Meiselman, 307 S.E.2d 551, 567 (N.C. 1983) (adding that the statute requires focus on the minority shareholder's "rights and interests"). Outside the statute, North Carolina courts apply a blend of minority and majority rules; they utilize the majority rule in imposing heightened fiduciary duties, but also adhere to the minority rule in imposing such duties only on those in control. See Norman v. Nash Johnson & Sons' Farms, Inc., 537 S.E.2d 248, 258 (N.C. Ct. App. 2000) (finding that "the relationship between the participants [in a close corporation], like that among partners, is one which requires close cooperation and a high degree of good faith and mutual respect"); Freese v. Smith, 428 S.E.2d 841, 847 (N.C. Ct. App. 1993) ("As a general rule, shareholders do not owe a fiduciary duty to each other or to corporation. This rule, however, is not without exception. In North Carolina, it is well established that a controlling shareholder owes a fiduciary duty to minority shareholders.").

23While the language of Louisiana's dissolution statute could be read as providing for dissolution for something similar to oppression, the state's courts have not read it that way. Compare LA. REV. STAT. ANN. § 12:143 (West 1989 & Supp. 1992) (authorizing relief when shareholders and directors face a deadlock, if dissolution would be beneficial to the interests of the shareholders, or if the corporation has been guilty of gross and persistent ultra vires acts), with Gruenberg v. Goldmine Plantation, Inc., 360 So.2d 884, 887 (La. Ct. App. 1978) ("Our substantive law provides for involuntary dissolution but offers no remedy for the minority shareholder with substantial holdings who is out of control and trapped in a closed corporation. We will not arrogate the legislative function to provide relief."). Although the court has not phrased this as a minority/majority rule debate or explicitly picked sides, its caselaw shows an explicit rejection of majority rule principles. See, e.g., Foster v. Blackwell, 747 So.2d 1203, 1216 (La. Ct. App. 1999) ("It is well settled that [a] partnership and a corporation are two different and distinct legal entities; the rights and obligations of a partner are not at all similar to the rights and obligations of a stockholder in a corporation.") (internal citations omitted); Dunbar v. Williams, 554 So.2d 56, 69 (La. Ct. App. 1988) (rejecting Wilkes and noting that under Louisiana law, even minority shareholder/employee may be terminated without cause in absence of employment agreement). Cf. Yuspeh v. Koch, 840 So.2d 41, 47-50 (La. Ct. App. 2003) (indicating that freeze-out merger in close corporation would be acceptable absent fraudulent action or contravention of the articles of incorporation).
Missouri's oppression statute, Mo. Ann. Stat. § 351.850 (West 1991), is applicable only to statutory close corporations, and has been interpreted narrowly. See Struckhoff v. Echo Ridge Farm, Inc., 833 S.W.2d 463, 467 (Mo. Ct. App. 1992) (noting that oppression is related to breach of fiduciary duty and suggesting that "[u]nless extremely serious, no single act would constitute sufficient oppression to allow dissolution"); Fix v. Fix Material Co., Inc., 538 S.W.2d 351, 358 (Mo. Ct. App. 1976) (while not "foreclose[ing] the possibility that the 'cumulative effects . . . of many acts and incidents' of misconduct might constitute sufficient evidence of oppressive conduct to compel liquidation without a showing of inevitable ruin," suggesting that something approaching irreparable injury would have to be shown). Not surprisingly, there are few cases under the oppression statute. Outside of the statute, Missouri case law makes clear that the state does not follow the majority rule. See Kenney v. Emge, 972 S.W.2d 616, 619 (Mo. Ct. App. 1998) (stating that nothing prevented fifty percent shareholder who was president and CEO from firing other fifty percent shareholder, and noting the corporate statutory deadlock provisions); Preferred Physicians Mutual Mgmt. Group v. Preferred Physicians Mutual Risk Retention, 918 S.W.2d 805, 810-11 (Mo. Ct. App. 1996) (discussing fiduciary duty of shareholder in a close corporation under agency principles and without reference to duties particular to close corporations); Delahousseay v. Newhard, 785 S.W.2d 609, 612 (Mo. Ct. App. 1990) (explicitly rejecting Wilkes's rebuttable legitimate business purpose test regarding stock redemption); Jones v. Sherman, 857 S.W.2d 468, 472 (Mo. Ct. App. 1993) (stating that a controlling shareholder's duties "are owed to the corporation, not its individual shareholders, officers or directors"); Peterson v. Continental Boiler Works, Inc., No. 54,065, 1989 Mo. App. LEXIS 195, at *26 (Mo. Ct. App. Feb. 14, 1989).

[The corporation] is under a fiduciary duty to refrain from using its control to obtain a profit for themselves at the injury or expense of the Petkersons, or to produce corporate action of any type that is designed to operate unfairly to the Petkersons. Though Continental is not a fiduciary in the strict sense, the general concepts of fiduciary law are useful in measuring its conduct that entitles Petersons to relief, particularly in the context of a closely-held corporation.

Texas interprets oppression under its statute in a wide variety of ways. See Willis v. Bydalek, 997 S.W.2d 798, 801 (Tex. App. 1999) (looking either to reasonable expectations or good faith and fair dealing); Allchin v. Chemic, Inc., No. 14-01-00433-CV, 2002 Tex. App. LEXIS 5125, at *17-*22 (Tex. App. July 18, 2002) (refusing to find shareholder oppression where the shareholder brings the claim was a 50% shareholder and acknowledging that courts must exercise caution when determining if shareholder oppression exists). Whether ruling under or outside of its statute, however, Texas does not follow the majority rule in that Texas imposes fiduciary obligations on shareholders only in certain circumstances, most commonly, when the shareholder is in control. Id. at *17-*22 n.2 (questioning whether, under statute, breach of fiduciary duty issue should have been presented to jury in absence of showing that defendant was a controlling shareholder); Pabich v. Kellar, 71 S.W.3d 500, 504-05 (Tex. App. 2002) (internal citations omitted) (ruling under the statute, the court reasoned that "[a] co-shareholder in a closely held corporation does not as a matter of law owe a fiduciary duty to his co-shareholder; [i]nstead, whether such a duty exists depends on the circumstances, e.g., [whether] a confidential relationship exists"); Hoggett v. Brown, 971 S.W.2d 472, 488 & n.13 (Tex. App. 1997) (ruling outside the statute and finding no general fiduciary duty among shareholders in closely-held corporations, but controlling shareholders who dominate the corporation may, under limited circumstances, owe fiduciary duties to minority shareholder).

officers. See, e.g., Jelonk v. Emergency Med. Specialists, P.C., Nos. 220,244-220,246, 2001 Mich. App. LEXIS 2653, at *16-*18 (Mich. Ct. App. Aug. 28, 2001) (describing fiduciary duties owed by directors in close corporations in same terms generally used to describe corporate duties and the business judgment rule, and finding that directors' termination of minority shareholders' employment and transfer of all stock to new shareholder was not a breach of duty where it was in best interest of the corporation); Dittrich v. Cabana Mfg. Corp., No. 185,155, 1998 Mich. App. LEXIS 1480, at *5 (Mich. Ct. App. May 12, 1998) (in context of close corporation, defining directors' and officers' duties as "strict ... good faith to the corporation," and describing analysis of self-interested transaction in traditional corporate terms). These rulings may be called into question, however, based on a 2000 panel decision by the state's court of appeals. In Estes v. Idea Engineering & Fabrications, Inc., 649 N.W.2d 84, 89 (Mich. Ct. App. 2002), the panel determined that the oppression statute created an independent, direct cause of action. Id. at 89-92. In the course of reaching its determination, the panel contrasted the statutory duties that should be required of directors and officers of public corporations versus closely-held corporations. Id. at 91 ("In contrast to considerations relevant to public corporations, because the shareholders participate in the management of the corporation, the relationship among those in control of a closely held corporation requires a higher standard of fiduciary responsibility, a standard more akin to partnership law."). Whether or not this distinction reaches decisions outside of the statutory context remains to be seen.

27Almost all of Oregon's case law on this topic arose under the state's oppression statute, which was adopted in 1992 and amended in 2001. See OR. REV. STAT. § 60.952 (2001). The amended statute explicitly provides for remedies other than dissolution, and provides some guidance regarding oppression, as the statute now directs courts to consider the reasonable expectations of shareholders when determining which of the remedies to apply. Id. § 60.952(4). Oregon cases, however, make clear that fiduciary duties apply only to officers, directors and controlling shareholders. See, e.g., Hayes v. Olmsted & Assoc., 21 P.3d 178, 181 (Or. Ct. App. 2001) (noting that breach of fiduciary duty by those who control a closely held corporation normally constitutes oppression); Locati v. Johnson, 980 P.2d 173, 176 (Or. Ct. App. 1999).

[T]o be a controlling shareholder who owes fiduciary duties to the corporation must either be (1) an individual who owns a majority of the shares or who, for other reasons, has domination or control of the corporation or (2) a member of a small group of shareholders who collectively own a majority of shares or otherwise have that domination or control.

See, e.g., Naito v. Naito, 35 P.3d 1068, 1079 n.26 (Or. Ct. App. 2001) ("The distinction between controlling shareholders and directors may not be of great significance in this context. The proper focus is on those who are actually in control of the corporation, whatever their specific roles.").

28Arkansas has an oppression statute, ARK. CODE ANN. §§ 4-27-1430 (Michie Supp. 1989), and the one case decided under it, Smith v. Leonard, 876 S.W.2d 266, 272 (Ark. 1994), interprets the statute to include reasonable expectations (following New York law, the oppression statute includes a shareholder's reasonable expectations). Outside the statute, one Arkansas court has stated that it does not impose fiduciary duties simply based on stockholder status, although that court did not squarely consider the majority rule. See Comm-Link, Inc. v. Joella, No. CA99-980, 2000 Ark. App. LEXIS 341, at *5 (Ark. Ct. App. May 3, 2000) ("[N]o Arkansas case supports a finding of a fiduciary relationship merely because the parties are stockholders and officers of a close corporation."). In fact, the state's courts appear not to have directly considered the majority rule. See Smith v. Eastgate Props., Inc., 849 S.W.2d 504, 508 (Ark. 1993) (upholding equitable ruling of foreclosure despite minority shareholder's objection that fiduciary claims were not heard). In another Arkansas ruling, the parties evidently presented the court with precedent from majority rule states regarding direct versus derivative actions regarding minority shareholders obligation to bring derivative actions, but both the majority and dissent did little more than mention that the debate is centered on whether the corporation is acting more like a partnership than a corporation; Moon v. Moon Enters., Inc., 986 S.W.2d 134 (Ark. Ct. App.1999) (applying standard corporate and statutory principles without considering fiduciary duty issue). See Hames v. Cravens, 966 S.W.2d 244, 248, 250 (Ark. 1998) (Newborn, J., dissenting).
29While Rhode Island has had an oppression statute since at least 1969, R.I. GEN. LAWS § 7-1.1-90 (1985), a court writing in 2000 noted that its interpretation was the first regarding the meaning of oppression in a close corporation. See Hendrick v. Hendrick, 755 A.2d 784, 789-91 (R.I. 2000) (viewing the statutory prohibition against "oppression" as being capable of a stronger standard in closely-held corporation). When ruling outside the oppression statute, unlike other majority rule states, Rhode Island courts create only a presumption that majority rule principles will apply, and will allow shareholders to demonstrate that they intended corporate principles to govern their corporation. See Broccoli v. Broccoli, 710 A.2d 669, 673-74 (R.I. 1998) (finding a presumption that partnership fiduciary duties generally apply to close corporation shareholders but finding no breach of duty for failure to disclose loan made by one close corporation to another close corporation with identical ownership where shareholder was acting to save corporation); Teixeira v. Teixeira, 699 A.2d 1383, 1387 (R.I. 1997) (noting that evidence of intent to operate under corporate principles might include "a stockholders' agreement or other relevant evidence").

30Although Ohio does not have an oppression statute, its courts have accepted most principles of the majority rule, with the exception of imposing duties on all shareholders. For cases supporting majority rule principles, see, e.g., Koos v. Cent. Ohio Cellular, Inc., 641 N.E.2d 265, 271 (Ohio Ct. App. 1994) (duty of majority shareholder in a close corporation is heightened because of potential for abuse); Gigax v. Repka, 615 N.E.2d 644, 648 (Ohio Ct. App. 1992) (referring to shareholders in a close corporation as "partners," and noting that removal of a partner must be for a legitimate business purpose). State court rulings do not, however, apply fiduciary duties to all close corporation shareholders, but only to those that are capable of exercising control. See, e.g., Morrison v. Gugle, 755 N.E.2d 404, 412 (Ohio Ct. App. 2001) (emphasizing that majority or controlling shareholders breach their fiduciary duty to minority shareholders when control of close corporation is used to prevent minority from having an equal opportunity absent a legitimate business purpose); Frank Lerner & Assoc., Inc. v. Vassy, 599 N.E.2d 734, 738 (Ohio Ct. App. 1991) (pointing to control as a characteristic in determining whether or not to impose fiduciary duty on shareholders, and stating that "[w]hen a fiduciary duty is imposed upon shareholders in a close corporation, they owe to their fellow shareholders essentially the duty of partners, to deal in the utmost good faith").

31As Florida does not have an oppression statute, shareholder complaints are all brought as breach of fiduciary duty cases. An early Florida decision involving the repurchase of shares tracked Massachusetts's precedent in Rodd, and imposed the equal opportunity rule. See Tillis v. United Parts, Inc., 395 So. 2d 618, 619 (Fla. Dist. Ct. App. 1981) (controlling shareholder must give an equal opportunity to all shareholders to have their stock repurchased by the corporation). Florida, however, can no longer be counted as a majority rule state, given subsequent decisions that apply strict corporate principles, even when citing Tillis. See, e.g., Hodges v. Buzzeo, 193 F. Supp. 2d 1279, 1288 (M.D. Fla. 2002) (citing Tillis, in context of publicly-traded corporation, for general corporate principle that controlling shareholders owe fiduciary duties to minority shareholders); Cohen v. Hattaway, 595 So.2d 105, 106-07 (Fla. Dist. Ct. App. 1992) (citing Tillis but describing fiduciary obligations of corporate directors and officers as corporate obligations without mention of close corporation context or any enhanced or special duties); Draper v. Hay, 555 So.2d 1306 (Fla. Dist. Ct. App. 1990) (finding that majority shareholders in a close corporation owe no fiduciary duty to the minority with respect to sale of minority's stock, even when sale is to competing business and results in diminished value of minority's stock).

32West Virginia has an oppression statute, W. VA. CODE § 31D-14-1430 (2003), and, in interpreting its oppression statute, a single West Virginia decision made reference to Massachusetts precedent, implying that the state would follow the majority rule and look to a shareholder's reasonable expectations. See Masinter v. WECBO Co., 262 S.E.2d 433, 442 (W. Va. 1980) (finding a freezeout includes the wrongful denial by majority shareholders of the reasonable expectations of minority shareholders). Surprisingly, regardless of whether a case is brought under the oppression statute or under general fiduciary law, subsequent cases do not cite Masinter as support for the majority rule. In fact, cases after Masinter apply traditional corporate standards
and do not single out close corporations for any special treatment. See, e.g., State ex rel. Smith v. Evans, 547 S.E.2d 278, 279 (W. Va. 2001) (ruling in three-shareholder family corporation and without noting the particular close corporation context, court discussed fiduciary duties).

The majority of the stockholders of a solvent going corporation, in the absence of fraud, or conduct amounting to fraud, and so long as they keep within their charter, have the uncontrollable right to manage the corporate affairs, and a court of equity will not interfere at the instance of a minority of the stockholders, by receivers or otherwise, to control corporate acts or management.

Id. See, e.g., Bailey v. Vaughan, 359 S.E.2d 599, 600 (W. Va. 1987) (citing Masinter for proposition that officers, directors, and majority shareholders have a fiduciary relationship toward corporation and its shareholders, but without noting close corporation context).

Virginia has an oppression statute, Va. Code Ann. § 13.1-747 (Michie 1989), and the state's courts interpret oppression to mean conduct that "departs from standards of fair dealing and violates principles of fair play" relied on by stockholders. Giannotti v. Hamway, 387 S.E.2d 725, 730 (Va. 1990). In contexts outside its oppression statute, Virginia has consistently considered and rejected principles applicable under majority rule precedent. See Simmons v. Miller, 544 S.E.2d 666, 673-75 (Va. 2001) (describing the "closely held corporation exception" to the general principles regarding derivative actions as embraced by some states, but declining to adopt it and refusing to allow direct action for breach of fiduciary duties); Willard ex rel. Moneta Bldg. Supply, Inc. v. Moneta Bldg. Supply, Inc., 515 S.E.2d 277, 287 (Va. 1999) (in absence of fraud or other disqualification, majority shareholders in close corporations have the right to vote their shares and control corporation, including voting for sale of all assets); Glass v. Glass, 321 S.E.2d 69, 75 (Va. 1984) (majority shareholders could offer to buy estate stock in arms' length negotiations at any price, "even if motivated by desire to eliminate disdient stockholders and to establish a low valuation of an estate's stock in the closely held corporation"); Sensormatic Sec. Corp. v. Bogansky, No. 119,641, 1992 Va. Cir. LEXIS 249, at *3 (Va. Cir. Ct. Mar. 27, 1992) (declining to find that minority stockholder and former officer of corporation owed continuing fiduciary duty to majority shareholder or corporation, and rejecting the application of Roddy; see also Berman v. Physical Med. Assocs., Ltd., 225 F.3d 429, 434 (4th Cir. 2000) (recognizing that Virginia law does not apply partnership fiduciary duties to shareholders in close corporations).

Nevada does not have an oppression statute. One Nevada case seems to imply that the court will look beyond the form of corporation chosen by the incorporators and apply partnership duties where a joint purpose or the shareholders' intent indicates that partnership treatment would be equitable. See Clark v. Lubritz, 944 P.2d 861, 864-65 ( Nev. 1997) (finding that oral agreement among five doctors to continue to operate in equal status could be enforced, and applying partnership fiduciary duty of full and frank disclosure). Note, however, that the close corporation at issue in Clark was incorporated before the enactment of the portion of the Nevada close corporation statute that provides that any agreement to treat a close corporation like a partnership must be made in writing, and if the agreement eliminates the board of directors, that change must be referenced in the bylaws. See id. at 864 (finding that another provision enacted at the same time, Nev. Rev. Stat. 78A.080 (1989), which required agreements as to salary to be made in writing, did not apply given the incorporation date); Nev. Rev. Stat. 78A.070 (1989) (providing that shareholders of a close corporation entitled to vote may agree in writing, inter alia, to treat the corporation like a partnership). The Fifth Circuit, interpreting Nevada law based solely on Clark, later held that while Nevada law does not provide a statutory dissolution or buyout remedy for oppressive acts, partnership fiduciary duties and equitable remedies could be applied to reach such conduct. See Hollis v. Hill, 232 F.3d 460, 466 ( 5th Cir. 2000) (50-50 shareholders with equal management responsibility created partnership-like fiduciary duty under Nevada law). It is thus unclear whether the Nevada statute, if it had been found applicable, would have resulted in a different outcome in Clark, which in turn would have achieved a different result in Hollis.
The Pennsylvania oppression statute allows relief for violation of shareholders' reasonable expectations. Pa. Stat. Ann. tit. 15, § 1981 (West 1992). See Viener v. Jacobs, 51 Pa. D. & C.4th 260, 284 n.3 (2000) (noting that Pennsylvania has adopted the New York definition that "[o]ppressive actions refer to conduct that substantially defeats the 'reasonable expectations' held by minority shareholders in committing their capital to the particular enterprise"). The Pennsylvania legislature, however, has been quite critical of judicial legislation. Pa. Stat. Ann. tit. 15, § 1767 (Am. Comm. Cmt. 1990) (making clear that it was providing a statutory framework for fashioning relief in the close corporation context, "rather than forcing the courts to distort the general rules of corporate law in order to grant relief in closely held situations"). Outside of the statutory context, Pennsylvania courts do not impose heightened duties on all shareholders, and, in fact, continue to equivocate regarding the level of duty they will apply even with respect to majority shareholders. See, e.g., Baron v. Pritzker, 52 Pa. D. & C.4th 14 (2001) ("A majority shareholder of a Pennsylvania corporation owes a fiduciary or quasi-fiduciary duty to a minority shareholder that prevents the majority shareholder from using his power in such a way as to exclude the minority shareholder from his proper share of the benefits of the corporation."); Viener v. Jacobs, 51 Pa. D. & C.4th 260, 284-87 (Pa. Com. Pl. 2000) (quoting state supreme court precedent calling the duty imposed on majority shareholders as only "quasi-fiduciary," discussing Federal District Court precedent applying heightened duties, and concluding that majority shareholder actions will be judged by a standard of "strict fairness"). The reason that Pennsylvania is often mistakenly counted as a majority rule state is due to misreading statements in Orchard v. Covelli, 590 F. Supp. 1548 (W.D. Pa. 1984), aff'd., 802 F.2d 448 (3d Cir. 1986), which, despite acknowledging problems unique to close corporations, did not adopt the majority rule. Compare id. at 1559 (citing the Rodd rule approvingly), with id. at 1557 (holding that fiduciary duties devolve only on the majority and then only intransacting corporate affairs), and Baron, 2001 WL 1855054, at *6 (suggesting that the duty is potentially "quasi-fiduciary").

Although Hawaii has an oppression statute, there are no reported cases decided under it. See Haw. Rev. Stat. §§ 414-411 (2001). Further, there are no Hawaii cases indicating that the state courts have ever considered the majority or minority rules; indeed, there is little case law relating to close corporations. A single case could be read to indicate that the court would apply traditional corporate principles should it reach the issue, but there is simply not enough information to go beyond speculation. See Lau v. Valu-Bilt Homes, Ltd., 582 P.2d 195, 200-01, 204-05 (Hawaii 1978) (noting similarities and distinctions between joint ventures and partnerships; despite fact that one of the "joint-venturers" was a corporation with only 18 shareholders, the court did not analogize the corporation to a partnership).

Tennessee's oppression statute has scant caselaw. See Hall v. Tenn. Dressed Beef Co., 957 S.W.2d 536, 540 (Tenn. 1997) (holding that the statute regulating derivative actions by shareholders permits action by individual shareholders, reasoning that to hold otherwise would deprive shareholders in closely-held corporations the ability to bring derivative actions and further holding that the majority shareholder breached his fiduciary duty by holding that shareholders in a close corporation owe one another heightened fiduciary duties). Outside of the statute, one Tennessee case considered the majority rule and partially adopted it. See Nelson v. Martin, 958 S.W.2d 643, 648-50 (Tenn. 1997) (discussing Rodd, Wilkes and other majority rule precedent but nevertheless upholding dismissal of suit by a shareholder/officer/director who claimed there was an unwritten agreement that all shareholders would have employment for life and noting that plaintiff had the burden of showing other shareholder/officer/directors were not acting in good faith and in the best interests of the corporation by firing him). While speaking approvingly of Massachusetts precedent, the court concluded that all shareholders owe fiduciary duties, but the duties are corporate, not partnership duties. Id. at 650 ("The shareholders of a close corporation share a fiduciary relationship which imposes upon all shareholders the duty to act in good faith and fairness with regard to their respective interests as shareholders."). Hall confirmed that the duties would not be partnership duties, and required that plaintiff show that a challenged action was not in the best interest of the corporation and was "motivated by malice, avarice or self-interest" in order to sustain a claim for breach of duties. See Hall, 957 S.W.2d at 540-41 (describing the fiduciary duties owed by all shareholders as similar to those owed by officers and
directors). A subsequent decision confirmed that Tennessee courts will impose duties on all shareholders in close corporations, but the description of duties is again similar to those imposed by general corporate principles. See McRedmond v. Estate of Marianelli, 46 S.W.3d 730, 738-39 (Tenn. Ct. App. 2000) (describing general corporate fiduciary duties, and noting that directors of close corporations owe the duty of "utmost" good faith).

While Connecticut has an oppression statute, CONN. GEN. STAT. § 33-896 (1997), a recent opinion seemed to suggest that the term "oppression," which is not defined in the statute, was being defined for the first time to include a reasonable expectations test. See Morrow v. Prestonwold, Inc., No. CV000445844S, 2001 Conn. Super. LEXIS 3616, at *12-*14 (Conn. Super. Ct. Dec. 20, 2001, as amended Mar. 22, 2000) (seemingly to adopt a reasonable expectations approach to defining oppressive conduct). Most cases are, however, not brought under the oppression statute but are instead claims for breach of fiduciary duty. While a 1994 decision cited Rodd and other majority rule cases in reasoning that traditional corporate analysis is often "unsatisfying" in the context of close corporations, that court neither discussed nor adopted any majority rule principles. See Tibball v. Gallo, No. CV94 0311149S, 1994 WL 468251, at *4 (Conn. Super. Ct. Aug. 25, 1994) (citing Rodd for proposition that "the close corporation is often little more than an 'incorporated' or 'chartered' partnership," in context of determining that failure to make requisite demand did not undermine plaintiff's standing to sue or deprive the court of subject-matter jurisdiction). Subsequent Connecticut cases apply traditional corporate principles. See, e.g., Ostrowski v. Avery, 703 A.2d 117, 121-22 (Conn. 1997) (discussing fiduciary duties without mention of close corporation context); Lux v. Environmental Warranty, Inc., 755 A.2d 936, 944 (Conn. App. Ct. 2000) ("We are doubtful that a minority shareholder, even in a closely held corporation, is a fiduciary."); Thames River Recycling, Inc. v. Gallo, 720 A.2d 242, 252-53 (Conn. App. Ct. 1998) (noting that while trial court gave jury instruction that shareholders in close corporations owe substantially the same duties as partners, court declined to resolve the issue as parties, on appeal, were unable to cite a Connecticut appellate case adopting that view); Banks v. Vitto, 562 A.2d 71, 72 & passim (Conn. App. Ct. 1989) (analyzing breach of duty claims in four-shareholder corporation, without mentioning that the corporation was a closely-held corporation); Hart v. Mill Plain Autobody, No. CV 980353463S, 1999 Conn. Super. LEXIS 3261, at *4-*5 (Conn. Super. Ct. Dec. 3, 1999) (in four-shareholder corporation, plaintiff minority shareholder's claims of breach of fiduciary duty were considered without reference to any duties particular to close corporations).

While Vermont's current oppression statute was enacted in 1994, there are no cases to date decided pursuant to this statute. VT. STAT. ANN. tit. 11A, § 14.30 (1994). Vermont's prior oppression statute, VT. STAT. ANN. tit. 11, § 2067 (1997), had only one case under it. See Waller v. American Int'l Distrib. Corp., 706 A.2d 460 (Vt. 1997) (ruling under former §§ 2067). Outside the statute, a single Vermont case discusses fiduciary issues in close corporations and adopts majority-rule principles. See P.F. Jurgs & Co. v. O'Brien, 629 A.2d 325, 331 (Vt. 1993) (citing Solomon v. Atlantis Dev. Inc., 516 A.2d 132, 136 (Vt. 1986), for proposition that shareholders in a closely-held corporation owe one another fiduciary duty of "good faith and loyalty," but finding no breach of duty where termination was consistent with shareholders' agreement). O'Brien's cite to Solomon is significant, because the Vermont court in Solomon was applying Massachusetts law to a Massachusetts corporation. Solomon, 516 A.2d at 136 ("To be sure, according to Massachusetts law, "stockholders in the close corporation owe one another substantially the same fiduciary duty in the operation of the enterprise that partners owe to one another."). Thus, it is unclear whether the court in O'Brien intended to adopt the majority rule in Vermont.

While Kentucky had an oppression statute, the legislature deleted that term effective January 1, 1989. See KY. REV. STAT. ANN. § 271.B 14-300 Ann. (Banks-Baldwin (adding that misapplication or waste of corporate assets had also been deleted as grounds for involuntary dissolution). Later that same year, in Estep v. Werner, 780 S.W.2d 604,606 (Ky. 1989), the Kentucky Supreme Court sidestepped the majority/minority rule debate, despite the fact that the dissent urged the majority to consider it. Id. at 606 (noting moving party's citation to precedent
in other jurisdictions, recognizing "the existence of fiduciary duties of utmost good faith, fair dealing, and full disclosure among shareholders in a closely-held corporation," but declining to decide the issue and stating that "the trial court incorrectly based its wrongful discharge award on breach of fiduciary duty."); id. at 608 (Leibson, J., dissenting) (arguing that the court accepted discretionary review specifically to consider the level of duties owed by close-corporation shareholders). It is unclear, therefore, what position Kentucky courts will take regarding the majority/minority rule debate and whether they will interpret the legislature's deletion of the term "oppression" from the statute as a rejection of the majority rule.

41Although Mississippi has an oppression statute, MISS. CODE ANN. § 79-4-14.30 (Supp. 1992), there is only one relevant case under it, and in that case, the court decided the issue was one of contract, rather than of fiduciary duties. See Hall v. Dillard, 739 So.2d 383, 387 (Miss. Ct. App. 1999). Outside the statute, some commentators count Mississippi among the majority of states that apply enhanced duties because of an early decision using partnership language. See, e.g., Thompson, supra note 17, at 728 (citing Fought v. Morris, 543 So. 2d 167 (Miss. 1989)). A careful reading of cases, however, shows that even Fought is using a corporate analysis. See Fought, 543 So. 2d at 169-71 (Miss. 1989) (although court held shareholders in close corporations have the same relationship that partners have, the court held this required the majority shareholder's action to be intrinsically fair as in a corporate analysis); see also Derouen v. Murray, 604 So.2d 1086, 1090-93 (Miss. 1992) (applying general corporate analysis without any special consideration given to close corporation context, the court remanded the action to the chancery court and ordered the lower court to consider the case in light of the corporate duties the majority shareholder/officer owed to the corporation); Johnston v. Wilbourn, 760 F. Supp. 578, 582-85 (S.D. Miss. 1991) (citing Fought but analyzing disclosure duties through corporate analysis).

42Wisconsin has an oppression statute. WIS. STAT. ANN. § 180-1430 (West 1992). A single Wisconsin case brought pursuant to this statute seems to apply majority rule standards, finding that all shareholders in close corporations have the right to equal treatment. See Jorgenson v. Water Works, Inc., 630 N.W.2d 230, 235 (Wis. Ct. App. 2001) (all shareholders in close corporations, particularly in a Subchapter S corporation, must be treated equally). The court in Jorgenson, however, discussed not only the statute but also common law breach of fiduciary duties, making it unclear whether the right to equal treatment exists solely by virtue of the statute. Cases both before and after Jorgensen cast doubt on whether Wisconsin courts intend to follow the majority rule, either within or outside the statute. See Schaefer v. Ulinski, 644 N.W.2d 293 (Wis. Ct. App. 2002) (describing fiduciary duty as, in context of oppression statute, fair dealing and fair play, without mention of heightened or partnership duties); McVeigh v. Grum, No. 98-2559, 2001 WL 387516, at *4 (Wis. Ct. App. Apr. 18, 2000) ("The holding in Wilkes was not adopted by this court."); see also Frieler v. Rueping Inc., No. 84,602, 1985 Wis. App. LEXIS 3633, at *14 (Wis. Ct. App. Aug. 21, 1985) ("Only when one steps out of the role of stockholder and acts in the corporate management with disregard to the interests and welfare of the corporation and its stockholders does the individual assume the burden of fiduciary responsibility.")

43New Hampshire does not have an oppression statute. The scant case law has declined to either accept or reject the majority rule. See Kennedy v. Titcomb, 553 A.2d 1322, 1323-24 (N.H. 1989) (noting that other jurisdictions follow the equal opportunity rule or allow for a "freeze-out" cause of action, but declining to accept or reject either and distinguishing complaint alleged that majority shareholder refused to purchase minority shareholder for same price paid others in acquiring majority control).

44Prior to July 1, 2003, the Maine corporate code did not have an oppression provision. ME. REV. STAT. ANN. tit. 13-C, § 1430 (West 2001). Maine courts recognized that close corporations may have special needs, but ruled primarily based on their corporate code, which allows for shareholders of close corporations to act as directors, and analyzed conduct under the state's codification of the business judgment rule. See, e.g., Moore v. Maine Indus. Servs., Inc., 645 A.2d 626, 628-30 (Me. 1994) (citing Wilkes for proposition that controlling shareholders owe
duties, and finding that since majority shareholders were acting as directors and minority was acting as officer, then statutory standard of fiduciary duties applied and actions of each could be judged under the business judgment rule; Rosenthal v. Rosenthal, 543 A.2d 348, 352-53 (Me. 1988) (recognizing "special nature" of family-owned close corporation, which operated much like a partnership, but finding that conduct of majority shareholders must be analyzed under statutory business judgment rule standard). Maine enacted a new Business Corporation Act, effective July 1, 2003. See generally ME. REV. STAT. ANN. tit. 13-C, § 101 (West 2001). Unlike the former corporate code, the new version includes an oppression provision, but does not define "oppression." The new statute also includes a provision that allows broad governance by shareholder agreement, ME. REV. STAT. ANN. tit. 13-C, § 743 (West 2001).

45Because the District of Columbia has no oppression statute, close corporate shareholder claims are brought under fiduciary duty principles. A single case by the Circuit Court is often cited for majority rule principles. See Helms v. Duckworth, 249 F.2d 482, 487 (D.C. Cir. 1957) (holders of closely-held stock owe each other a fiduciary duty to deal fairly and make full disclosure when negotiating between each other regarding the price of the company's stock). Notably, however, this case was heard before the landmark majority-rule cases of Rodd and Wilkes, and has never been followed by the District of Columbia. Cf. Egan v. McNamara, 467 A.2d 733, 739 (D.C. 1983) (distinguishing Duckworth and finding attorney shareholder who drafted buyback agreement in a close corporation had neither attorney/client nor corporate fiduciary duty to the other shareholders, focusing instead on the attorney's duty to the corporation as an entity).

46It should be noted that classifying New York cases as either the majority or minority rule is extremely difficult, not only because there appear to be cases that could fairly be categorized in each rule, but also because there is a paucity of discussion in these cases that rationalizes these conflicting holdings. New York courts look to reasonable expectations as the measure for identifying oppression under its dissolution statute. See In re Kemp & Beatley Inc. 473 N.E.2d. 1173, 1175 (N.Y. 1984) (adopting standard in case involving two minority shareholders who sought judicial dissolution on the grounds that the conduct of the majority was fraudulent and oppressive). When not applying the oppression statute, New York courts are unclear about their position, as some adopt and some reject majority rule principles, particularly regarding whether there is any difference between corporate and partnership duties and who owes fiduciary duties. As such, New York cannot be counted as either a majority or a minority-rule state. Compare Ingle v. Glamore Motor Sales, Inc., 535 N.E.2d 1311, 1314 (N.Y. 1989) ("No duty of loyalty and good faith akin to that between partners, precluding termination except for cause, arises among those operating a business in the corporate form who 'have only the rights, duties and obligations of stockholders' and not those of partners.") (internal citation omitted); Levine v. Levine, 590 N.Y.S.2d 439, 443 (App. Div. 1992) ("There is no basis or warrant for distinguishing the fiduciary relationship of corporate director and shareholder from that of general partner and limited partner. The principle is the same—those in control of a business must deal fairly with the interests of the other investors and this is so regardless of whether the business is in corporate or partnership form."); with Rosiny v. Schmidt, 587 N.Y.S.2d 929 (App. Div. 1992) (finding minority shareholders in closely held corporation who were also attorneys did not owe fiduciary duty to fifty percent shareholders when they entered into agreement containing buy-out provision, where fifty percent shareholders had signed previous agreements containing identical buy-out provision) with Gallagher v. Lambert, 549 N.E.2d 136 (N.Y. 1989) (minority shareholders not protected from being fired as an employee simply because the corporation was a close corporation) and In re Validation Review Assocs., Inc., 646 N.Y.S.2d 149, 151 (App. Div. 1996), rev'd on other grounds, 690 N.E.2d 487 (N.Y. 1997) (shareholders in a close corporation have a relationship akin to partners and owe each other a "high degree of fidelity and good faith").

is no indication that the state has considered the majority/minority rule debate, but the legislature's adoption of the Delaware statute might suggest that Oklahoma courts will follow the minority rule. Id. at 1095 (finding further that the Oklahoma statute "should also be interpreted in accordance with Delaware decisions").

There has been an oppression provision in the South Carolina dissolution statute dating prior to 1963. S.C. CODE ANN. § 33-14-300 (Law. Co-op. 1990). The court in Kiriakides v. Atlas Food Systems & Services, Inc., 541 S.E.2d 257 (S.C. 2001), reasoned that the 1963 amendment adding "unfairly prejudicial" language to the statute expanded the scope of the statute. Id. at 263 n.17 (noting that this provided a cause of action for conduct by majority shareholders that might not rise to level of fraud). Nevertheless, the court refused to adopt a rigid definition of "oppression" or "unfairly prejudicial" conduct, and stated clearly that while a showing of violation of a shareholder's reasonable expectations can be a factor, it cannot, by itself, constitute the sole grounds for dissolution. Id. at 265-66 & n.25 (adopting case-by-case approach). Despite how long the statute has been in effect, there are few cases under it. Id. at 264 (noting that the state's courts had "only peripherally addressed the meaning of 'oppressive' or 'unfairly prejudicial' conduct"). Outside of the statute, the South Carolina courts have thus far side-stepped the majority/minority rule debate. Todd v. Zaido, 403 S.E.2d 666, 668-69 (S.C. Ct. App. 1991) (refusing to treat three-shareholder closely held corporation as a partnership for purposes of allowing majority shareholder to maintain personal action against minority shareholder for alleged misconduct that harmed corporation, where evidence showed that company acted as a business and damages were clearly corporate in nature).

While Utah has an oppression statute, UTAH CODE ANN. § 16-10a-1430(2) (Supp. 1992), no cases seem to have been decided under it. See id. Further, there is no indication that the state has given consideration to the majority/minority rule debate outside of the statute. See Aurora Credit Servs., Inc. v. Liberty W. Dev., Inc., 970 P.2d 1273, 1280 (Utah 1998) (noting the growing trend to allow minority shareholders of a closely held corporations to proceed directly against majority shareholders, without discussion of policy or fiduciary duties).

Washington has an oppression statute, WASH. REV. CODE ANN. § 23B.14.300 (West Supp. 1992), and its highest court recently ruled that oppression may be evaluated either under a reasonable expectations or fair dealing approach. Scott v. Trans-System, Inc., 64 P.3d 1, 6 (Wash. 2003). The Scott court, however, added that even a continuing course of oppressive conduct might not be sufficient for a ruling of dissolution in the absence of disproportionate loss to the minority or a showing that those in control "are so incorrigible that they can no longer be trusted to manage [the corporation] fairly in the interests of its stockholders. Id. at 8-9 (quoting Baker v. Commercial Body Builders, 507 P.2d 387 (Ore. 1973), and adopting its reasoning). Outside of the statute, the state courts appear never to have considered the majority/minority rule debate, and continue to apply corporate principles to close corporation disputes. See, e.g., Wagner v. Foote, 908 P.2d 884, 886-88 (Wash. 1996), aff'd, No. 39564-5-I, 1997 Wash. App. LEXIS 177 (Wash. Ct. App. Dec. 1, 1997) (considering whether noncompetition agreement by corporate officer/majority shareholder was a business opportunity using corporate principles and without mentioning close corporation context); Malarkey Asphalt Co. v. Wyborney, 814 P.2d 1219, 1224-25 (Wash. Ct. App. 1991), corrected on other grounds, 821 P.2d 1235 (Wash. Ct. App. 1991) (affirming judgment in favor of close corporation shareholder/employee's wrongful discharge claim based on contract and employment-at-will principles); Gustafson v. Gustafson, 734 P.2d 949 (Wash. Ct. App. 1987) (evaluating shareholder's right to bring derivative claim under general corporate principles and demand rule, without mention that that the corporation in question was closely held); Interlake Forsche & Audi, Inc. v. Bucholz, 728 P.2d 597, 603 (Wash. App. 1986) (describing the business judgment rule as applicable to officers and directors of a three-shareholder corporation).
While Wyoming has an oppression statute, it has rarely been invoked. See Wyo. Stat. Ann. § 17-16-1430 (1989) (general corporate statutes); id. § 17-17-140 (close corporation section). The single case mentioning the oppression statute with respect to closely-held or close corporations did so largely to discuss the trial court's allowance of amended pleadings to invoke the statute. See J Bar H, Inc. v. Johnson, 822 P.2d 849, 855-56, 857-58 (Wyo. 1991) (discussing procedural rules regarding amended pleadings). The court later went on to consider whether oppression in the form of a squeeze out was sufficient to overcome any fiduciary duty owed by the defendant, but did so in the context of analyzing the plaintiffs' breach of fiduciary duty claims and without adopting a definition of squeeze-outs. Id. at 859-60. This same case is also one of only two state cases addressing fiduciary duties in close corporations. See id. at 859-62 (discussing fiduciary duties of officers and directors and squeeze-out concerns in closely-held corporations). In J Bar H, the court held that a director/officer/employee/shareholder who had been frozen out no longer owed fiduciary duties to the corporation. Id. at 861 (finding that "the fiduciary duty not to compete depends on the ability to exercise the status which creates it," and recognizing that a shareholder who had been "prevented from fulfilling her function as a director or officer" no longer has such status). The state has never considered or adopted any majority rule principles. See id.; Lahnston v. Second Chance Ranch Co., 968 P.2d 32, 36-37 (Wyo. 1998) (discussing fiduciary duties under general corporate principles).