

STATEMENT OF THE ISSUES

- I. Whether the term "price", as used within the context of a right of first refusal includes, in addition to "cash", all the other consideration-related terms, forming a third-party's offer to purchase a stockholder's shares in a corporation?

The trial court held that "price", as used within the context of a right of first refusal, means only the "cash" consideration and does not include any of the other consideration-related terms of a third-party's offer.

- II. Whether the termination of the employment of a stockholder in a close corporation, and the corporation's unilateral conversion of his salary, bonuses and perquisites to a "severance package", constitutes the making of a contract, obligating the corporation to continue paying the stockholder the compensation and extending the perquisites included within the "severance package" even after the stockholder's sale of his stock?

The trial court held that the closely held corporation's conversion of a stockholder's salary, bonuses and perquisites to a "severance package" constitutes a contract creating an obligation to the stockholder that continues even after he has sold his stock.