

# Shareholder litigation after *Sons of Gwalia Ltd v Margaretic* [2007] HCA 1

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## **Abstract**

*A number of corporate law developments coincided in the decision of the High Court in Sons of Gwalia Ltd v Margaretic.<sup>1</sup> They include: the imposition of continuous disclosure obligations on listed entities; the availability of statutory remedies for false or misleading conduct in the corporate context; the introduction of class action procedures in the Federal and Victorian Supreme Courts; the emergence of professional litigation funders assisting this type of action; and, of course, the ultimate decision that claims brought by shareholders under the statutory remedies referred to above rank with (rather than behind) the claims of other unsecured creditors. It is the latter issue that has attracted most academic and media commentary because of its implications for the returns to other unsecured creditors and the practical difficulties it potentially poses for administrators. However, this article argues that this issue must be understood within the wider factual matrix that includes all the developments referred to. This approach has implications for future shareholder litigation and for any law reforms that might be proposed in response to the decision.*

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<sup>1</sup> [2007] HCA 1.