



HIGH COURT OF AUSTRALIA

1 May 2013

TAMAR RIVQA BECK v AMIRAM DAVID WEINSTOCK & ORS
[2013] HCA 15

Today the High Court unanimously dismissed an appeal by Mrs Tamar Beck regarding whether shares in LW Furniture Consolidated (Aust) Pty Ltd, described as "C" Redeemable Preference Shares (the "C class shares"), were able to be redeemed under the *Corporations Act 2001* (Cth). The Court rejected Mrs Beck's argument that the C class shares were not preference shares (and could not be redeemable preference shares) because no ordinary shares or other shares with lesser rights were issued.

LW Furniture was incorporated in 1971. Its articles of association provided for several different classes of shares, including C class shares. In 1971, eight C class shares were issued to Mrs Hedy Weinstock. The company issued other preference shares having the same rights as the C class shares, but never issued any ordinary shares. Mrs Weinstock died in 2004 and, after her death, the company sought to redeem the C class shares for one dollar each. As executor of the estate of Mrs Weinstock, Mrs Beck claimed that the C class shares were not redeemable because they were not preference shares.

In the Supreme Court of New South Wales, Hamilton AJ held that the C class shares were not validly issued as preference shares because there were no other shares on issue over which they had preference. On appeal, the Court of Appeal held that the C class shares were preference shares and had been validly redeemed. By special leave, Mrs Beck appealed to the High Court.

The High Court unanimously dismissed the appeal. The High Court held that the C class shares were preference shares and the redemption of shares was valid. The C class shares were preference shares, as they had rights attached that preferred the holder of those shares to the holder of any ordinary shares in the company on issue when the relevant right was to be examined.

- *This statement is not intended to be a substitute for the reasons of the High Court or to be used in any later consideration of the Court's reasons.*