Judgment rendered August 26, 2026.
Application for rehearing may be filed
within the delay allowed by Art. 2166,
La. C.C.P.

No. 57,046-CA

COURT OF APPEAL
SECOND CIRCUIT
STATE OF LOUISIANA

* * * * *

LUV N' CARE, LTD., BY AND THROUGH ABRAHAM JACK HAKIM, EDDIE JACK HAKIM, AND DAVID JACK HAKIM AND ABRAHAM JACK HAKIM, EDDIE JACK HAKIM, AND DAVID JACK HAKIM, INDIVIDUALLY	Plaintiffs-Appellants

versus

NOURI ED HAKIM, JOSEPH H. HAKIM, ABRAHAM NOURI HAKIM, LEAH RAQUEL HAKIM GOLDENBERG, JACK ALLEN HAKIM, JOSEPH DANIEL HAKIM, ABRAHAM JOSEPH HAKIM, LOUISE HAKIM MOORE, KAY HAKIM LAHASKY, AND HANNAH HAKIM JONES; AND OTHER RELATED PARTIES AND COMPANIES TO LUV N' CARE, LTD., NOMINAL DEFENDANT	Defendants-Appellees

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Appealed from the
Fourth Judicial District Court for the
Parish of Ouachita, Louisiana
Trial Court No. 2021-0470

Honorable Jefferson B. Joyce, Judge

* * * * *

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	Manufacturing, LLC; Gain Plus Limited, LLC; Elite Limousine Service of Monroe, LLC; PEJJ, LLC; Rapid Transit, LLC; Rayville Manufacturing, LLC; Sherrouse Plantation, LLC; Stonebridge Estates, LLC; The Brandy House, LLC; Tri-H Partners, LLC; and Zodiac Stone, LLC
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* * * * *

Before STEPHENS, THOMPSON, and MARCOTTE, JJ.

STEPHENS, J.,

This appeal arises out of the Fourth Judicial District Court, Ouachita Parish, State of Louisiana, the Honorable Jefferson B. Joyce, Judge, presiding. The plaintiffs in this case are three shareholders in a closely held family corporation, Luv N' Care, Ltd. ("LNC"), who, individually and on behalf of the corporate entity, filed a petition alleging direct and derivative claims against current or former executive officers of LNC, including their uncles, their fellow shareholders (the plaintiffs' cousins), and other related parties and companies to LNC.

The plaintiffs have appealed from an amended judgment rendered by the trial court which was made to correct the lack of decretal language in a previous judgment that sustained an exception of no right of action filed by the shareholder defendants (seven of the individual shareholders sued by the plaintiffs). For the reasons set forth below, we reverse in part, amend in part, and as amended, affirm.

FACTS/PROCEDURAL BACKGROUND

LNC was incorporated in 1990 by three brothers: Nouri Ed Hakim ("Ed"), Joseph H. Hakim ("Joseph"), and Jack R. Hakim ("Jack"). Since that time, the three brothers have transferred a good portion of their ownership to their children—LNC shares are now held by 12 shareholders, all of whom are children of the original three incorporators, and each of whom are equal shareholders of LNC per the "root percentage ownership" of their respective father.

LNC is a parent company to numerous companies and the owner of several brands which include Nuby and Dr. Talbot's, both of which manufacture very popular baby products such as pacifiers and bottles. The shareholder plaintiffs in this suit believe that the Nuby and Dr. Talbot's brands were, until very recently, the intellectual property of LNC, with each of the 12 shareholders being entitled to income derived from the sale of products sold under those brand names.

The instant suit was filed in February 2021 by David Jack Hakim, Abraham Jack Hakim, and Eddie Jack Hakim, individually and on behalf of LNC, alleging that Ed, Joseph, and the other named shareholder defendants[1] created and executed a scheme to divest LNC of its value and "starve out" the shareholder plaintiffs from the income previously received from the Nuby and Dr. Talbot's brands by approving Ed's motion to transfer the Nuby brand to Admar (a company owned solely by Ed and managed by Joseph) and transfer the Dr. Talbot's brand from Talbot's Pharmaceuticals, LLC ("Talbot's I"-an LNC company) to Talbot's Pharmaceutical Family Products, LLC ("Talbot's II"-a company separate from LNC and owned by the eight individual shareholder defendants) at a shareholder meeting which was arranged and conducted intentionally without including the shareholder plaintiffs.

The plaintiffs further alleged that Admar licensed the Nuby brand to Talbot's II. Thus, Talbot's II has been operating and selling Dr. Talbot's products, with distributions being made only to Ed, Joseph, and their children rather than all 12 of LNC's shareholders. The plaintiffs further alleged that Admar licensed the Nuby brand to Talbot's II, which allowed the

[1] The other shareholder defendants are the children of Eddie and Joseph and include Jack Allen Hakim, Abraham Nouri Hakim, Abraham Joseph Hakim, Hannah Hakim Jones, Leah Raquel Hakim Goldenberg, Kay Hakim Lahasky, and Louise Hakim Moore. The eighth individual shareholder is Joseph Daniel Hakim. Because he was never served, he is not a party to this action or appeal at this point.

eight shareholders in Talbot's II to benefit financially from that intellectual property which had formerly been under the LNC umbrella.

In their petition, the shareholder plaintiffs asserted that they had the right to sue the shareholder defendants individually because the loss sustained by the plaintiffs as minority shareholders was not a loss sustained by all shareholders—the lucrative brands in question had been transferred out of the LNC family of companies and either owned by or licensed to companies owned solely by the eight shareholder defendants. The shareholder plaintiffs also alleged a derivative claim on behalf of LNC, asserting that the entity was harmed by the loss of the lucrative intellectual property; without the Nuby and Dr. Talbot's brands, LNC no longer owned anything of value.

On February 14, 2022, the shareholder defendants filed an exception of no right of action and/or motion for summary judgment seeking to have the shareholder plaintiffs' direct claims against the shareholder defendants in their individual capacities dismissed. According to the shareholder defendants, the claims made by the shareholder plaintiffs against them as individuals were dismissed previously in a records suit by the trial court; the shareholder plaintiffs cannot show that they sustained any personal or direct losses; they have no right of action against the shareholder defendants because shareholders do not owe one another any fiduciary duty; and, absent a showing of fraud, the shareholder defendants cannot be held liable for any debts of LNC. The shareholder defendants also pointed out that the plaintiffs neither claimed nor showed fraud. Furthermore, claim the defendants, their exercise of voting rights as shareholders in opposition to the wishes of the plaintiffs did not constitute fraud.

The plaintiffs opposed the exception and motion for summary judgment, the defendant shareholders filed a reply, and a hearing on the exception was held on October 23, 2023, following which the trial court took the matter under advisement. On November 3, 2023, the trial court issued a judgment granting the exception of no right of action which did not include an opportunity for the shareholder plaintiffs to amend their petition as required by La. C.C.P. art. 934. The trial court noted that its ruling on the right of action pretermitted its need to rule on the motion for summary judgment.[2]

The shareholder plaintiffs filed a writ application with this Court which was denied on the showing made on March 12, 2024. An application for rehearing was likewise denied on April 22, 2024. On August 27, 2025, the shareholder defendants filed a motion to amend judgment in which it asked the trial court to amend its November 3, 2023, judgment to include decretal language dismissing the plaintiffs' claims against the shareholder defendants. The plaintiffs opposed this motion.

A hearing on the motion to amend was held on December 8, 2025, after which the motion was taken under advisement. The trial court granted the motion and issued an amended judgment on January 21, 2026, which ordered that the shareholder defendants "are dismissed with prejudice at plaintiffs' costs." By this judgment, it appears that the trial court has

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[2] The trial court issued Written Reasons for Judgment in which it opined that the only remedy available to the shareholder plaintiffs was a derivative suit on behalf of LNC because the shareholder plaintiffs did not allege a loss as shareholders of LNC that was not sustained by all LNC shareholders. Even if the shareholders did allege a loss that was not felt by all shareholders, the trial court did not believe that the shareholder plaintiffs could prove that loss. Furthermore, according to the trial court, even if the shareholder plaintiffs could prove a disparate loss not felt by the shareholder defendants, there was no duty on the part of an individual shareholder to another shareholder, only a fiduciary duty owed to the corporation by its officers and directors.

dismissed ***all claims*** against the shareholder defendants—direct and derivative—regardless of whether those claims were reliant upon the existence of a fiduciary duty owed.

It is from this judgment that the plaintiffs have appealed.

DISCUSSION

Whether the trial court erred in granting the motion to amend the judgment filed by the shareholder defendants.

The Plaintiffs' Argument

Regardless of whether this Court agrees that the exception should have been denied, according to the plaintiffs, the law is clear that the shareholder defendants' motion to amend judgment should have been denied. The November 3, 2023, judgment granting the exception lacked decretal language and did not dismiss any claims against any parties. The shareholder defendants remained parties to the suit and were named in the plaintiffs' amending petition filed on August 19, 2024.

The plaintiffs argue that what the defendants proposed as amending language in their August 27, 2025, motion to amend was not an innocuous, clerical modification, but instead was a substantive change to the original judgment, which is not procedurally allowed. In fact, point out the plaintiffs, the trial court acknowledged the substantive nature of this amendment during the hearing on the motion to amend. While the trial court did not adopt the proposed language exactly, the amended judgment has the same intended effect—the shareholder defendants were dismissed with prejudice.

The plaintiffs next assert that Louisiana's Code of Civil Procedure does not allow for the modification requested by the shareholder defendants and granted by the trial court in the amended judgment. La. C.C.P. art. 1951 provides that a final judgment can only be amended to alter the phraseology of the judgment, to correct deficiencies in the decretal language, or to correct errors of calculation. A judgment may be amended where the amendment takes nothing from or adds nothing to the original judgment. *Bourgeois v. Kost*, 02-2785 (La. 5/20/03), 846 So. 2d 692. While the November 3, 2023, judgment did not contain decretal language, by granting the defendants' motion to amend, the trial court awarded them relief to which they were not only not entitled, but for which they had not addressed in their exception—dismissal with prejudice.

Next, according to the plaintiffs, even if the trial court could modify the judgment under La. C.C.P. art. 1951, the shareholder defendants' motion to do so was untimely. The original judgment was issued on November 3, 2023. The deadlines for the filing of a motion for new trial and appeal had clearly run. A judgment cannot be changed substantively through a motion to amend under La. C.C.P. art. 1951. Because the deadlines had run, the shareholder defendants had no right to make any changes to the November 3, 2023, judgment.

Finally, almost a year after the judgment on the exception was rendered, the plaintiffs filed an amended petition naming the shareholder defendants, who filed no responsive pleadings thereto. The plaintiffs point out that the exception pertained only to the original petition. However, the trial court dismissed all claims by the plaintiffs against the shareholder defendants ***in both the original and amended petitions***, notwithstanding the fact that the shareholder defendants filed no exceptions in response to the amended petition. In doing so, the trial court basically raised the exception of no right of action for the shareholder defendants and dismissed claims against them which they had never answered or excepted to, which was improper.

The Shareholder Defendants' Argument

According to the shareholder defendants, their motion to amend did not ask for a substantive change, nor was it untimely. The plaintiffs erroneously argue that the amended judgment changes the substance of the prior judgment because, by dismissing the shareholder defendants, "it granted relief which was not addressed in the Exception, and which the court did not award in its Written Reasons or the November 3, 2023, Judgment." The shareholder defendants argue that their exception plainly sought the dismissal of any and all claims against them with prejudice at the plaintiffs' cost.

The plaintiffs' insistence that the judgment did not dismiss the shareholder defendants is contrary to their previous representations to this Court, urge the defendants, who suggest that the plaintiffs' own assertions confirm that the judgment "effectively dismissed" the shareholder defendants from the suit. The shareholder defendants argue that the plaintiffs are the ones seeking to change the substance of the original judgment by claiming that it should now be interpreted to exclude some of their claims. All the amended judgment did, according to the shareholder defendants, was correct the absence of decretal language in the original judgment, which was "entirely proper" under La. C.C.P. art. 1951.

The shareholder defendants ask this Court to affirm the amended judgment in its entirety.

Analysis

La. C.C.P. art. 1951 provides in part that a final judgment may be amended at any time to alter the phraseology of the judgment or to correct deficiencies in the decretal language or errors of calculation, and that a final judgment may not be amended under this Article to change its substance. As stated by the Louisiana Supreme Court, "a judgment may be amended by the court only when the amendment takes nothing from or adds nothing to the original judgment." *Tunstall v. Stierwald*, 01-1765, p. 4 (La. 2/26/02), 809 So. 2d 916, 920 (citations omitted). However, once the trial court is divested of jurisdiction and that of the appellate court attaches, the appellate court is empowered to correct both clerical and substantive errors in judgments under the authority provided by La. C.C.P. art. 2164. *See* La. C.C.P. art. 1951, Official Revision Comments, Comment (d).[3]

This appeal is from an amended judgment signed by the trial court on January 21, 2026. This amended judgment was rendered after the shareholder defendants filed a motion for amendment due to the fact that the November 3, 2023, judgment on the shareholder defendants' exception was not a final judgment as it contained no decretal language.[4]

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[3] Amendment at this level is necessary for several reasons. First, this Court's jurisdiction is only proper because the amended judgment is in fact a final judgment. Second, the amendment was required because the initial judgment itself was interlocutory, not just because there was no decretal language. This is because the trial court did not certify that judgment as immediately appealable as authorized under La. C.C.P. art. 1915 prior to its amendment in 2025.

[4] La. C.C.P. art. 1918(A) provides:

> A final judgment in accordance with Article 1841 shall be identified as such by appropriate language; shall be signed and dated; and shall, in its decree, identify the name of the party in whose favor the relief is awarded, the name of the party against whom the relief is awarded, and the relief that is awarded. If appealed, a final judgment that does not contain the appropriate decretal language shall be remanded to the trial court, which shall amend the judgement in accordance with Article 1951 within the time set by the appellate court.

In their motion to amend the judgment on their exception, the shareholder defendants requested that the trial court amend the previous judgment to "add the appropriate decretal language showing the legal effect of granting of the shareholder defendants' Exception of No Right of Action[.] …" The trial court granted the motion to amend, then added the following language:

> As such, it is ORDERED, ADJUDGED, AND DECREED that the individual Shareholder defendants: Abraham Nouri Hakim, Leah Raquel Hakim Goldenberg, Jack Allen Hakim, Abraham Joseph Hakim, Louisa Hakim Moore, Kay Hakim Lahasky, and Hannah Hakim Jones, are DISMISSED with prejudice at Plaintiffs' costs.

It is no wonder that the plaintiffs are aggrieved by this language. The decretal language for a judgment sustaining an exception of no right of action does ***not*** typically effect a dismissal of the party defendants—instead it has everything to do with the dismissal, in whole or in part, of the ***right or rights*** of the party or parties (in most cases, this will be the plaintiff or plaintiffs) against whom the exception of no right of action has been sustained. We will amend the amended judgment to include the appropriate decretal language after we address the question of whether the trial court erred in granting the shareholder defendants' exception of no right of action as to all of the plaintiffs' claims against the shareholder defendants.

Whether the trial court erred in granting the exception of no right of action filed by the shareholder defendants.

The Plaintiffs' Argument

According to the plaintiffs, because they filed their derivative action against the shareholder defendants derivatively on behalf of LNC per La. R.S. 12:1-742.1, the plaintiffs are within the class of persons to whom the law grants standing to sue derivatively. Additionally, because the breach of fiduciary duty caused a direct loss to the plaintiffs, which is distinct from that incurred by all LNC shareholders, the plaintiffs also have the right to pursue their individual claims in a direct action to recover their personal losses. *See*, *Palowsky v. Premier Bancorp, Inc.*, 597 So. 2d 543, 545 (La. App. 1 Cir. 1992).

The plaintiffs assert that there is a distinction between the derivative and direct claims set forth in their petition, both of which are properly alleged in this action. According to the plaintiffs' petition, the shareholder defendants breached their duties to LNC and other shareholders, including the individual plaintiffs, by, *inter alia*, failing to be informed of critical decisions before them as shareholders, to avoid self-dealing without proper disclosure and approval, and to avoid disloyalty to LNC by allowing outrageous compensation and grant of powers to Ed. There were further allegations that the shareholder defendants' self-dealing led to the intentional harming of LNC, leading to liability to LNC derivatively. Additionally, the plaintiffs alleged that the shareholder defendants, in violation of fiduciary responsibilities to LNC, have allowed: Ed to cause Talbot's II to usurp Talbot's I and convert the plaintiffs' rights and value; each of the related entities to use the Nuby brand to build and market themselves; the Nuby brand, as well as all LNC marks and brands owned as LNC's to be converted by Ed without Board approval, which resulted in the theft of intellectual property; Ed to enjoy "purely personal" self-dealing and distributions; Ed and Joseph to falsely and without right breach their duties of loyalty to declare that Ed (as the only shareholder) "owns" and Joseph manages, through Admar, all intellectual property.

The plaintiffs reiterate that the acts of mismanagement and fraud harmed LNC and were brought on behalf of LNC by them. All of the defendants' actions as alleged in the petition were done "in concert" between Ed, Joseph, and the shareholder defendants, urge the plaintiffs. "The shareholder defendants were knowing and willing participants in causing the harm… as they voted in a concerted block making them controlling and majority shareholders. [They] also collectively own 100% of Talbot's II. Thus, they are the direct beneficiaries of the schemes detailed in the Petition and Amended Petition."

Based on the above, the plaintiffs urge that they have established that they have a right of action in their derivative claim on behalf of LNC. Likewise, they have a direct right of action against the shareholder defendants. Because the alleged breaches of fiduciary duty also caused a direct loss to the plaintiffs, a loss not incurred by all other shareholders, the shareholder plaintiffs have the right to pursue an individual claim in a direct action to recover their losses.

According to the plaintiffs, the shareholder defendants in concert with all defendants have used Talbot's II to specifically harm the plaintiffs and protect the shareholder defendants. Talbot's I was owned by the 12 shareholders who own LNC—now Talbot's II is owned by only the shareholder defendants despite having been built 100% by LNC and Talbot's I. The plaintiffs contend that the shareholder defendants are operating Talbot's II as a direct competitor to LNC by allowing Talbot's II to utilize LNC's intellectual property, including the Nuby and Dr. Talbot's brands and trademarks. "[W]hile the shareholder defendants are protected from harm and participating in the profits generated by Talbot's II, the plaintiffs are not and are suffering a harm unique to them." The plaintiffs also claim that, because their plaintiffs' interests were diluted to further the IP theft by "starving them out" to enforce compliance when the defendants purposefully ended all dividends and sharing in approved rental payments, arbitrarily and without proper notice and approval, they have the right to sue individually.

The plaintiffs also urge that they have rights of action to assert claims of conversion, breach of contract, unjust enrichment, detrimental reliance, fraud and misrepresentation, and unfair and deceptive trade practices against the shareholder defendants who conspired with the other defendants to commit tortious and quasi-tortious acts.

The Shareholder Defendants' Argument

The plaintiffs' first contention is that the trial court erred in finding that they had no right to pursue their derivative claims because, contrary to the trial court's ruling, "shareholders have fiduciary duties to the corporation and must act in good faith, with the best interest of the corporation and its fellow shareholders in mind."

In *Williams v. Fredericks*, 187 La. 987, 175 So. 642, 646 (La. 1937), which was cited by the trial court in its written reasons, the court stated:

> There is no such fiduciary relation on the part of a stockholder of a corporation to the corporation, or to all other stockholders of the corporation, as there is on the part of a director or other officer to the corporation, or between a director or other officer and the stockholders generally.

The plaintiffs, ignoring *Williams*, urge this Court to reverse the trial court's ruling based on out-of-state caselaw and two Louisiana appellate decisions, neither of which held that a shareholder had a fiduciary duty to other shareholders.

In *Hirsch v. Cahn Electric Co., Inc.*, 29,327 (La. App. 2 Cir. 5/9/97), 694 So. 2d 636, 637, *writ denied*, 97-1561 (La. 10/3/97), 701 So. 2d 200, the plaintiffs' derivative action was filed against the corporation and its officer-directors. In *Moulton v. Stewart Enterprises, Inc.*, 20-0090 (La. App. 4 Cir. 5/5/21), 321 So. 3d 1038, 1043, the plaintiff shareholders sought damages from the company and members of the board.

In this case, however, the shareholder defendants are just that—they are not officers or directors of LNC, and the plaintiffs have not alleged them to be. Under Louisiana law, the shareholder defendants do not have fiduciary responsibilities to LNC or to the shareholder plaintiffs. The trial court correctly ruled that the plaintiffs could not pursue claims against the shareholder defendants for breach of fiduciary duties.

The plaintiffs also contend that, separate from their derivative claims, they have a direct right of action against the shareholder defendants "because the alleged breaches of fiduciary duty also caused a direct loss to the plaintiffs." However, note the shareholder defendants, the cases upon which the plaintiffs rely to support their claims involve alleged fiduciary breaches by officers and directors, not shareholders. The trial court's finding that individual shareholders do not owe fiduciary duties to fellow shareholders prohibits both the plaintiffs' derivative ***and*** direct claims against the shareholder defendants.

The defendants also contend that the plaintiffs' direct action claims that do not rely on the shareholder defendants' alleged breach of fiduciary duties were included and addressed in the defendants' exception of no right of action and the judgment granting said exception. The shareholder defendants assert that they did not file a partial exception and did not limit their requested relief—dismissal of the plaintiffs' suit against them—in any way. The trial court considered all of the claims against the shareholder defendants and found that none had merit based upon its conclusion that shareholders have no fiduciary duty to one another. The shareholder defendants urge this Court to affirm the trial court's ruling.[5]

Analysis

Only a person having a real and actual interest to assert may bring an action. La. C.C.P. art. 681; *SRP Environmental, LLC v. Burychka Enterprises, LLC*, 56,354 (La. App. 2 Cir. 7/16/25), 418 So. 3d 471. A peremptory exception of no right of action is used to show that a plaintiff has no legal right or interest in enforcing the matter asserted, based upon the facts and evidence submitted. La. C.C.P. arts. 681, 927; *Campbell v. Nexion Health at Claiborne, Inc.*, 49,150 (La. App. 2 Cir. 10/1/14), 149 So. 3d 436.

A peremptory exception of no right of action determines whether the plaintiff belongs to the class of persons to whom the law grants the cause of action asserted in the suit. *Durel v. Acadian Ear, Nose, Throat & Facial Plastic Surgery, APMC*, 23-0024 (La. 3/7/23), 356 So. 3d 1010; *Miller v. Thibeaux*, 14-1107 (La. 1/28/15), 159 So. 3d 426; *City of Shreveport v. CDM Smith Inc.*, 56,567 (La. App. 2 Cir. 11/19/25), 426 So. 3d 186, *writ denied*, 25-01608 (La. 3/28/26), 427 So. 3d 1247; *Campbell*, *supra*. An objection of no right of action tests whether these particular plaintiffs, as a matter of law, have an interest in the claim or claims sued on. *Id.* The exception does not

[5] Without filing their own appeal or answering the plaintiffs' appeal, the shareholder defendants argued in their brief that the trial court's judgment can, in the alternative, be affirmed based on the shareholder defendants' motion for summary judgment. However, this issue will not be considered or addressed by this Court due to the aforementioned procedural reasons and because the record shows that the trial court did not rule on the motion for summary judgment but pretermitted doing so based upon its disposition of the no right of action issue.

raise the question of the plaintiffs' ability to prevail on the merits or the question of whether the defendants may have a valid defense. *City of Shreveport*, *supra*; *Garrison v. James Construction Group, LLC*, 14-0761 (La. App. 1 Cir. 5/6/15), 174 So. 3d 15, *writ denied*, 15-1112 (La. 9/18/15), 178 So. 3d 146.

The exception of no right of action presents a question of law, and an appellate court reviews a trial court's ruling granting such an exception *de novo*. *Badeaux v. Sw. Computer Bureau Inc.*, 05-0612 (La. 3/17/06), 929 So. 2d 1211; *Succession of Mabray*, 56,102 (La. App. 2 Cir. 2/26/25), 408 So. 3d 1071.

A shareholder of a corporation does not generally have a right to sue personally for alleged losses sustained by the corporation due to mismanagement and/or a breach of fiduciary duties. *Palowsky*, *supra*. Rather, a shareholder may only sue to recover losses to a corporation resulting from mismanagement and breaches of fiduciary duties secondarily through a shareholder's derivative suit. *Id*; *Cook v. Hibernia National Bank*, 03-0330 (La. App. 4 Cir. 2/18/04), 869 So. 2d 176.

In *Palowsky*, *supra*, the First Circuit held that if a shareholder suffers only an indirect loss in the form of a decline in the value of his stock resulting from a loss sustained by the corporation due to mismanagement and/or breaches of fiduciary duty, that shareholder may only bring a derivative action on behalf of the corporation. *Id*. However, if the breach of fiduciary duty causes a direct loss to the shareholder, but not to the corporation, that shareholder may have a right to sue individually. *Id*.

It is not just corporate officers and directors who owe fiduciary duties to a corporation. In *Hirsch*, *supra*, this Court adopted the holding of *Pepper v. Litton*, 308 U.S. 295, 306-07, 60 S. Ct. 238, 245, 84 L. Ed. 281 (1939):

> A dominant or controlling stockholder's power is a power in trust. His dealing with the corporation are subjected to rigorous scrutiny and where any of his engagements with the corporation is challenged, the burden is on the director or stockholder not only to prove the good faith of the transaction but also to show it's inherent affirmance from the viewpoint of the corporation and those interested therein. His fair dealing is increased to the precise decree that his representative character has given him power and control derived from the confidence reposed in him by the stockholders who appointed him their agent. If he should be the sole director, or one of a smaller number vested with certain powers, this obligation would be still stronger and his acts subject to more severe scrutiny and their validity determined by more rigid principles of morality, and freedom from motives of selfishness.

Hirsch, 29,327, p. 11, 694 So. 2d at 642.

In their "Exception of No Right of Action/MSJ Re Individual Shareholders," the shareholder defendants asserted ***only*** that the plaintiffs "have no standing or right of action to sue their fellow shareholders for damages." The exception itself did not include the plaintiffs' derivative claims on behalf of LNC, but these claims, as well as the plaintiffs' additional claims, were addressed in the shareholder defendants' memo in support of the exception/MSJ did.

We find that the trial court erred in sustaining the shareholder defendants' exception of no right of action without considering the plaintiffs' claims against the shareholder defendants on a more specific basis (the claims, not the defendants). The plaintiffs have asserted direct claims and derivative claims ***on behalf of LNC***. The direct claims ***do not all arise out of an alleged breach of fiduciary duty***. Louisiana law is clear that shareholders do not owe each other a fiduciary duty, on this we agree with the shareholder defendants. *See*, *Williams*, *supra*. However, there is nothing precluding a right of action on the part of the plaintiffs as to their other claims, i.e., breach of contract, unjust enrichment, detrimental reliance, fraud and misrepresentation, and unfair and deceptive trade practices against the shareholder defendants whom the plaintiffs have alleged entered into a conspiracy with the other defendants to commit tortious and quasi-tortious acts. The exception of no right of action should not have been sustained as to these claims, none of which contain as an element the existence of a fiduciary duty, or the plaintiffs' derivative claims on behalf of LNC.

We therefore find that the trial court did not err in sustaining the shareholder defendants' exception of no right of action ***as to the plaintiffs' claim against their fellow shareholders for breach of fiduciary duty***. However, the trial court did err in granting the shareholder defendants' exception of no right of action as to all other claims asserted by the plaintiffs.

CONCLUSION

For the reasons set forth above, that part of the trial court's ruling sustaining the exception of no right of action as to all of the plaintiffs' claims except their claim against the shareholder defendants for breach of fiduciary duty is reversed; the trial court's ruling granting the no right of action exception is affirmed as to the plaintiffs' claim against the shareholder defendants for breach of fiduciary duty. We amend the "Amended Judgment" of January 21, 2026, as follows:

We hereby **DELETE** Paragraph Five which provides:

> As such, **it is ORDERED, ADJUDGED, AND DECREED** that the individual Shareholder Defendants: Abraham Nouri Hakim, Leah Raquel Hakim Goldenberg, Jack Allen Hakim,

> Abraham Joeseph (sic) Hakim, Louise Hakim Moore, Kay Hakin Lahasky, and Hannah Hakim Jones, are **DISMISSED** with prejudice at Plaintiffs' cost.

And **<u>REPLACE</u>** Paragraph Five with:

> As such, **it is ORDERED, ADJUDGED, AND DECREED** that the peremptory exception of no right of action filed by the shareholder defendants is granted only as to the plaintiffs' claim for breach of fiduciary duty on the part of the shareholders. The exception is denied as to all other claims asserted by the plaintiffs. The plaintiffs' claim against the shareholder defendants for breach of fiduciary duty is hereby dismissed with prejudice.

Costs are assessed to the parties equally.

REVERSED IN PART; AMENDED IN PART, AND, AS AMENDED,

AFFIRMED.