

Stronachs to meet in court after launch of \$520 million lawsuit

By Brock Weir

A more than half-billion dollar dispute between Frank Stronach and daughter Belinda Stronach will play out in court after the Magna founder launched a lawsuit against the former Newmarket-Aurora MP last week claiming misuse of family assets related to The Stronach Group.

The lawsuit, which names Frank's wife Elfriede as a co-plaintiff, takes aim not only at Ms. Stronach, but her children Frank and Nicole, as well as Alon Ossip, a former Magna employee and former CEO of the Stronach Consulting Group.

At the heart of this proceeding lies a series of unlawful actions undertaken by Belinda, together with Alon and others associated with them, to appropriate Stronach family assets for their own personal benefits, to the detriment of Frank and Elfriede, as well as to the detriment of Andrew and Selena [Frank Stronach's son and granddaughter]. Belinda and Alon appropriated control over the business and assets of The Stronach Group after having concealed their actions and true intentions from Frank, Elfriede, Andrew and Selena during the period from at least 2011 until November 2016 when Belinda and Alon took the position, for the first time, that Frank was no longer in control of, and had no role in running, the family empire.

The statement of claim goes on to say that their actions have been contrary to the best interests of, and to the overwhelming detriment of other members of the Stronach family named above.

Mr. Stronach claims Belinda has taken advantage of her close relationship with her father by misleading him into believing he could trust her to run the family enterprise in a fair, proper, sensible and business-like basis and money, it claims, has been used inappropriately.

As a result of the actions of the defendants described herein, there has been a complete break-down in the relationship between Belinda on the one hand, and her father, mother, brother and niece, on the other, including as a result of repeated breaches by Belinda and Alon (working together with others) of their legal, equitable and fiduciary duties as trustees, officers, directors and other senior members of management of the various trusts, companies and other entities that comprise the Stronach Group.

The claims have not been proven in court, and, according to a statement from Ms. Stronach, will be defended.

Family relationships within a business can be challenging, said Ms. Stronach in the statement. My children and I love my father. However, his allegations are untrue and we will be responding formally to the statement of claim in the normal course of the court process.

The Stronach Group is distinct and separate from Magna International, which continues to be one of Aurora's largest employers.

The Stronach Group comprises a number of family interests, including trusts, corporations and other entities.

The intricate network of trusts, operational companies and holding entities that comprises The Stronach Group was conceived of and implemented by financial accounting, tax and legal advisors to the Stronach family over a period of several decades, and was put in place and operated for legitimate estate and business planning purposes for the ultimate benefit of the Stronach family as a whole, according to the statement of claim.

The Stronach Group has a number of related business divisions, including thoroughbred horse racing and associated wagering, horse breeding, property development and agriculture. Horse racing and wagering form the core of the business of The Stronach Group, generating nearly all of the group's revenues and profits.

The Stronach Group owns and operates a number of prominent racetracks in the United States, including Santa Anita Park, the Pimlico Race Course, home of the Preakness Stakes, and Gulfstream Park.