



Aaron Rossi isn't first between business partners



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Key Points

Multiple business partners claim Aaron Rossi is using Reditus Labs' money to fund a lavish lifestyle

Rossi has sued at least one business partner over alleged failures at work

Lawyers in one case are seeking to unseal financial records of the Pekin-based company

PEKIN — For two years before his indictment on personal income tax fraud charges, the founder of Reditus Laboratories had been battling his business partners in a series of lawsuits.

Multiple suits have claimed Aaron Rossi used the Pekin-based medical-testing laboratory's accounts as his personal piggybank to fund a lavish lifestyle, while Rossi has attacked at least one business partner for what he labeled a failure to get part of the lab up and running in time.

Court documents for the lawsuits — some of which were dropped before being resolved — offer a glimpse into the ongoing legal tussles at the company that has become a local household name for its role in processing coronavirus tests during the COVID-19 pandemic.

“Sunlight is always the best disinfectant. The billionaire and millionaire class don’t get special treatment in court to hide their dirty laundry simply because it is embarrassing,” said Peter Lubin, an attorney who represents Dr. James Davie, who co-owns Reditus with Rossi.

Lubin is seeking to get financial documents unsealed for public viewing in his client's case against Rossi.

Rossi's attorney, William Kelly III of Denver, declined to comment for this story, saying he would rely on the filings in the court case to illustrate why his client denies the allegations. A Reditus spokesman did not respond to phone and email messages seeking comment.



Claims of a 'nouveau riche, over-the-top lifestyle'

The latest salvo came this month when Lubin asked a judge to unseal financial records he claims will show Rossi's bilking the company — and by extension taxpayers, who have provided more than \$200 million in state funds for the COVID tests, according to information from the Illinois Comptroller's Office.

Davie's attorneys claimed in a March 16 motion that Rossi's alleged actions helped place "the company and its 300 plus employees in financial peril."

At issue are allegations first raised in Davie's 2021 lawsuit that claim Rossi isn't being fiscally responsible with the company's assets.

Among other things, he's accused of siphoning off money for his own personal use and for using company funds improperly for an airplane that Davie alleges isn't for company use.

"The truth is Mr. Rossi (who has been indicted for alleged federal tax fraud) cares only about aggrandizing himself and spending all his newfound COVID riches (most of which came from the public coffers to the tune of over \$222 million, according to press reports) on every imaginable luxury item that he or his family desire," the March 16 motion states.

And as such, Davie wants to unseal Reditus' financial records to prove his point. Reditus, through Rossi, has opposed this. But Davie's attorneys allege the documents, if unsealed, would show "loans" to Rossi for company-paid purchases to finance his nouveau riche, over-the-top lifestyle.

In various court records, including an answer to the complaint and a motion to quash a hearing, Rossi has repeatedly denied any wrongdoing.

"Plaintiff has failed to allege facts that Rossi or RH LLC has acted, are acting, or will act in a manner that is illegal or fraudulent," one of the court filings last year states.

More: What we know about Pekin lab founder charged with filing false personal income tax returns



Rossi or former or current investors at Reditus or its previous incarnation, PAL Health Technologies.

In one, Rossi alleged in May 2020 that Davie failed to get the lab up and running by an agreed-upon time, that he took money for his own personal use and that he tried to manage the company despite a lack of standing to do so.

Davie has said in separate court filings that suit was part of an attempt to force him out of the company and to intimidate him.

Gerald Paul likewise alleged last March that Rossi tried to push him out of Reditus and that he took money improperly from PAL Health Technologies, which caused financial issues for that company.

In both cases, the suits were dropped without any explanation.

Another May 2020 suit by another physician, Malcom Herzog, also alleges misconduct and graft by Rossi, claiming that he "committed waste by pillaging Reditus of millions of dollars to enrich himself and his family."

Rossi has denied those allegations in court records.

Federal charges proceed separately

Meanwhile, Rossi also faces criminal charges for allegedly filing false personal income tax returns from 2015-17. That was before Reditus Laboratories was in existence and before he took over PAL Health Technologies in 2019.

The last of those alleged false returns was filed months after the Pekin City Council approved up to \$150,000 in tax increment financing funds for him to locate the business that became Reditus Laboratories.

He is scheduled to appear in federal court on April 7 on those allegations.