



Legal stoushes set to keep courts busy

The Australian

January 2, 2025 Thursday

Australian Edition

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Section: BUSINESS; Pg. 15

Length: 1694 words

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Body

Top lawyers and high-profile identities are set to face off Regulators have come out swinging against alleged corporate wrongdoing this year, launching a range of hard-hitting civil and criminal lawsuits against some of the nation's biggest companies and individuals.

But Australian Securities & Investments Commission's deputy chair Sarah Court and Australian Competition & Consumer Commission chair Gina Cass-Gottlieb aren't the only ones firing off blockbuster court cases.

Andrew Forrest's ***Fortescue*** has accused ex-executives of stealing its green steel intellectual property, and billionaire Heloise Pratt has accused her billionaire former husband Alex Waislitz of "criminality", which he denies.

Here are some of the biggest court cases in business set to play out in 2025. ASIC v Star directors Former Star Entertainment directors are being sued over allegations they failed to stop money-laundering risks and criminal links creeping into its operation will face a trial from February 10.

ASIC first launched the civil case in the Federal Court against former CEO Matthias Bekier and ex-chairman John O'Neill among other board members in December 2022. It is set to run for about six weeks.

Barrister James Arnott, SC, a silk who regularly advises and -appears in relation to regulatory investigations, according to his Sixth Floor Selborne Wentworth Chambers profile, represented ASIC for the past few court dates in the matter.

Chinese high-roller junket operator Suncity allegedly pumped billions of dollars into Star casinos, with Star's turnover from Suncity reportedly worth \$2.1bn, \$4bn and \$5.9bn for the 2017, 2018 and 2019 financial years.

ASIC has alleged the board continued to allow the junket operator to expand its operations instead of scrutinising its potential organised crime links and money laundering risks.

In 2022, a royal commission-style inquiry into Star revealed the casino operator stopped short of issuing Suncity, which was owned by Alvin Chau, a third warning letter after it was busted operating a "pseudo cage" where bundles of cash from black backpacks were exchanged for casino chips, breaching anti-money-laundering rules.

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Instead, Star allegedly renewed its agreement with the junket operator in 2018. It was claimed that senior Star investigator Andrew McGregor wrote to management in May 2018 to alert it that "we have an entity within our four walls, which is totally non compliant to reasonable requests for basic -information. I'm going to call it out early. Suncity is operating a business model under our noses, which is problematic for Star -Entertainment Group with regard to AML CTF (anti-money laundering, counter terrorism financing) laws." Other board members Kathleen Lahey, Richard Sheppard, Gerard Bradley, Sally Pitkin, Benjamin Heap, Zlatko Todorcevski, Paula Martin and Greg Hawkins have been named in the lawsuit, which will be presided over by Federal Court judge Michael Lee.

All 11 former executives have denied the allegations against them in defence papers. Star Entertainment is not named as a party to the proceedings.

Fortescue's Andrew Forrest v Element Zero Mining giant **Fortescue** managed to keep an explosive lawsuit it lodged against some of its ex-senior executives secret for a while.

But in June, a judgment was quietly published that revealed the Andrew Forrest-led company obtained court orders to launch raids on the homes and offices that targeted former **Fortescue** chief scientist Bart Kolodziejczyk, long-term Forrest lieutenant Michael Masterman and former **Fortescue** staff member Bjorn Winther-Jensen.

After the Federal Court initially granted **Fortescue** a suppression order, which kept the proceedings secret from late April to early June, it was revealed that **Fortescue** - a \$57bn listed company - accused Element Zero of "industrial-scale misuse" of confidential information concerning its green (carbon dioxide-free) iron technology.

Element Zero denied the allegations, calling them "spurious". The dispute turned ugly after it was revealed **Fortescue** paid a private investigator, Robert Lancaster, who spied on the wives and children of the former **Fortescue** staff including by following them to Kmart, taking pictures of them leaving school and rummaging through their mail.

It is necessary to ensure the parties are aware if there are "vulnerable" people at the properties to be searched, such as children, but the Element Zero parties argued the level of surveillance they were subjected to was excessive.

The case continues, after -Element Zero failed to appeal against a decision that granted the search orders. It will file another appeal to overturn that decision, while **Fortescue** has applied to change its statement of claim against it.

Element Zero has previously briefed Sydney-based barrister David Studdy, SC, while **Fortescue** has previously briefed Sydney-based Julian Cooke, SC.

Retailers defend 'fake' discount allegations The country's biggest grocery outlets, Coles and Woolworths, are denying claims that they mislead consumers by promoting "illusory discounts" on hundreds of common supermarket products.

The ACCC's separate proceedings in the Federal Court alleged a breach of Australian Consumer Law by "misleading consumers through discount pricing claims" on the products.

ACCC chair Gina Cass-Gottlieb said in late September that -social media sleuths who were tracking prices online tipped off the regulator, which claimed products such as tampons and fly spray were sold at regular long-term prices, before they were subject to an increase of at least 15 per cent for a brief period and then "discounted".

When the products were placed in Woolworths' Prices Dropped promotion and Coles's Down Down promotion, the ACCC alleged the prices were lower than during the price spike but higher than or the same as the regular price that applied before the spike.

Both supermarkets have denied the allegations, and in defence papers said surging supplier commodity prices and other cost increases led them to pump up the value of household goods.

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The filing of defence papers is likely to mean a drawn-out court fight, unless the parties settle, as both supermarkets appear intent on fighting the allegations.

Trial dates have not been set, but Coles, Woolworths and the ACCC could go head to head in the second half of next year.

Pratt family in two fights The billionaire Pratt family is now embroiled in two court fights aimed at protecting its wealth.

The latest legal saga was launched by one of the Pratt siblings, Heloise, after she accused former husband and billionaire investor Alex Waislitz of criminality and acting "dishonestly" by paying himself and his charitable foundation \$1.147m without her knowledge and approval.

Mr Waislitz responded on Christmas Eve, denying the allegations against him and claiming his former wife failed to involve herself in the affairs of their family business.

Ms Pratt and siblings Anthony Pratt and Fiona Geminder are children of the late Richard Pratt and own the Visy cardboard box-making and recycling empire.

The court case appears to centre on control of the \$1.3bn stock investment empire run by Mr Waislitz but also owned by Ms Pratt for more than three decades.

"It appears to be a highly provocative and unbecoming action in response to failed negotiations which had up until now been kept private," Mr Waislitz has previously said in response to news about the court case.

Mr Waislitz has briefed Sydney-based barrister Jeremy Stoljar, KC, and Melbourne-based Kane Loxley.

The latest legal saga to ensnare the family came after the late Pratt's love child, Paula Hitchcock, secured a partial win in her bid to claim an equitable slice of the family trust in October.

The NSW Supreme Court ruled Ms Hitchcock would be -allowed to argue she is legally -entitled to a slice of the family fortune because she is a child not only of the late billionaire but his wife Jeanne.

Sydney-based barrister Christopher Withers, SC, has appeared for Ms Hitchcock in past hearings. Appearing for the Pratt family trustee has been Melbourne-based barrister Allan Myers, KC.

The matter has dragged on since 2022, and could continue in 2025 after Ms Hitchcock asked the court to update her pleadings again.

Both cases are set to play out in the new year.

ASIC v Cbus After ASIC sued \$92bn super fund Cbus over allegations it delayed insurance payments to vulnerable families with a bang in November, the matter could slow down in 2025.

ASIC claimed Cbus took more than a year in some cases for the fund - which is chaired by Labor national president Wayne Swan - to pay out death and disabilities payments. It prompted the regulator to warn that it would crack down on the \$4 trillion sector over failures to track end-to-end death benefit claims handling times and "weak" - practices.

According to the latest court updates, Cbus will not be required to file a defence to the allegations until May 16, after ASIC lodges a full statement of claim.

The case is then listed for -mediation on June 23.

Alleged insider trading ASIC has at least two insider trading criminal court cases on foot, including one it lodged against Melbourne man Duncan Stewart and another against Perth man Vittorio Letizia.

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Mr Stewart is set to face a trial in Melbourne's County Court, after ASIC alleged in a committal hearing at the Magistrate's Court that he passed on inside information about possible takeover bids of Kidman Resources by Chilean major SQM and separately Wesfarmers in 2019.

ASIC alleged Mr Stewart received information from his brother-in-law and Kidman Resources boss Martin Donohue about the possible bids in 2019, which he used to buy shares in the company and urged his brother Ashley to do the same. Mr Stewart has denied the allegations.

Mr Stewart's legal team have briefed Melbourne-based barrister Ruth Shann, SC in the matter.

Separately, the regulator revealed Mr Letizia faced Perth Magistrates Court after he was charged with five counts of insider trading over purchases in mid-tier miner Genesis Minerals dating back to 2021. ASIC lost an insider trading case lodged against ex-Vocus chair Vaughan Bowen in December. Mr Bowen was found not-guilty by a jury.

Load-Date: January 1, 2025

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