

Court filings accuse Reditus CEO Rossi of retaliation threats in his latest court case

WGLT | By [Eric Stock](#)

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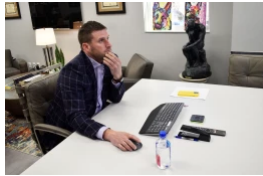
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The Tazewell County Courthouse

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Attorneys for Reditus minority owner James Davie filed the claims in Tazewell County court on Wednesday as part of his lawsuit against Reditus and Rossi. The lawsuit accuses Rossi of “squeezing out” Davie from Reditus operations and lavishly spending on himself and family with Reditus’ funds.

Pekin-based Reditus quickly grew from a small start-up to a more than \$220 million operation through coronavirus testing contracts it secured from the state of Illinois and a host of public and private institutions.



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[Lawsuit alleges Reditus CEO is 'pillaging' the company to fund lavish lifestyle](#)

Attorneys for Davie want a judge to remove Rossi, 39, of Bloomington, from day-to-day operations of Reditus. The court documents, filed by attorney Scott Lucas, said witnesses are “coming out of the woodwork” to disclose “even more outrageous thefts and misconduct by Rossi.”

Lucas claimed Rossi is telling people his recent federal tax indictment is “some sort of badge of honor” and simply means “he has somehow made this big time.”

A federal grand jury [formally charged Rossi last week](#) with tax fraud for allegedly under reporting his income from 2015 to 2017.

Lucas alleged someone on Rossi’s behalf has been threatening witnesses with employee retaliation if they come forward with information in the case. Lucas also claims someone witnessed Rossi’s alleged cocaine use and that he has spent more than \$250,000 to buy two albino turtles and start an albino turtle breeding business.

“You simply cannot make this stuff up,” Lucas said in the court filing.



Courtesy /

Aaron Rossi

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Attorneys for Davie and Malcolm Herzog, a plaintiff in a separate lawsuit, have requested Reditus be placed into a receivership to strip Rossi of any control of the company. Herzog, a Lake County physician, agreed to help another of Rossi's companies, PAL Health Technologies, with the cost of COVID face shield production, according to a lawsuit filed by Rossi.

Rossi alleges Herzog and Physicians Equity Ventures failed to pay about \$400,000 in face shield production costs that they agreed to cover, according to the lawsuit.

Herzog counter sued and claims Rossi diverted "hundreds of millions of dollars to his companies and himself that should have benefited Physicians Equity Ventures."

Attorneys for each of the parties took part in a nearly 90-minute court hearing Wednesday in Pekin.

Tazewell County Judge Chris Doscoth scheduled what he expects will be a week-long hearing on the receivership request starting May 2. Doscoth declined to rule on the request on Wednesday, calling receivership a "drastic measure" and said it seemed premature to rule when Davie's attorneys haven't recommended anyone to take control of the company's finances.

Lucas said he has someone in mind and will file the recommendation with the court, but he didn't believe that was necessary to make the request. "It's a function of the urgency we've filed it," Lucas told the judge.

Doscoth also did not rule on Davie's previous request to unseal some evidence in the case. William Kelly III, an attorney for Rossi, plans to argue the evidence should remain sealed to protect his client, adding there's "a media campaign by Davie to cause injury to the company."

No trial date has been set.

Other legal cases

The lawsuit filed by Davie is the latest in a string of litigation involving Rossi and Reditus involving former or current investors and business partners.

Gerald Paul, of Bloomington, was a manager and currently is part-owner of PAL Health Technologies. In a lawsuit, he accused Rossi of funding Reditus' start-up operations with PAL's resources, even though PAL was "struggling financially."

Paul also accused Rossi of "stonewalling" to provide documentation for the two companies' books, while taking "many millions of dollars" from Reditus in salary, dividends and other ways."

"PAL has lost a substantial amount of money, while Aaron Rossi has reaped the benefit of the very significant profits generated by Reditus," the complaint alleged.

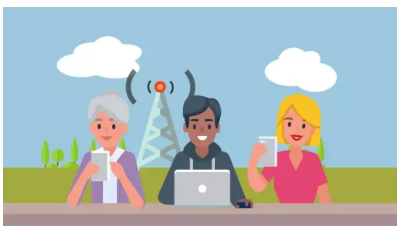
Rossi resigned as CEO of PAL in March 2021 and repaid promissory notes to Morton Community Bank that PAL had defaulted on. The lawsuit claims Rossi became hostile and threatening toward Paul and a minority investor, and followed through on plans to stop funding PAL.

That lawsuit was dismissed in June 2021.

Rossi also sued Davie in 2020 to remove Davie from the business. That case was dismissed in December 2020. Davie claims Rossi was trying to intimidate him into selling his stake in Reditus for less than it was worth. Davie claimed Reditus never gave him the financial documents he requested to assess the company's value.

Rossi also was ordered to pay a \$12,500 judgement against former PAL chief financial officer David Van Allen, who sued Rossi over severance pay. He was fired after two months on the job.

Rossi did not appear in court for two scheduled hearings in that case, leading to the default judgment.



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