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Redstone dispute mental examination denied









By Charles Ticker

Over the last few months, I have written a few posts on the Sumner Redstone dispute. Redstone is an American billionaire and media magnate. Some of the assets controlled by him or his family include the National Amusements theatre chain, CBS corporation, and Viacom. Many publications place his worth at approximately \$6.2

The Redstone dispute initially started when it seemed like a future will challenge was going to take place by the media magnate's ex-girlfriend. Manuela Herzer made allegations that she was appointed by Redstone under a Sept. 3, 2015, health directive to make decisions for him if he lost capacity. Redstone denied these allegations and took the position that Herzer was upset about being kicked out of his home on Oct.12, 2015, and that she was mainly concerned about being removed from his will. Subsequently, a judge dismissed this case in California.

Next, various allegations were made that Redstone was under undue influence from his daughter, Shari Redstone. These allegations were made by Philippe Dauman and George Abrams who initiated a new lawsuit in Massachusetts. Dauman and Abrams were ousted from the board of a holding company, National Amusements Inc. This was done as part of a reorganization under the alleged influence of Redstone's daughter.

Dauman and Abrams took the position that they would have never been ousted if Redstone was in charge of his affairs. Furthermore, allegations were made that he did not have the mental capacity to manage his financial and business affairs. These allegations were denied by Redstone. A key issue moving forward was whether or not a capacity examination of some sort would be ordered by the court.

Mental examination in Redstone dispute has been denied

A recent story found here confirms that a mental capacity examination will not take place. The decision by Justice George Phelan from Massachusetts states that Redstone "need not be subject to any more medical examination, intrusive or brief."

Nonetheless, the decision allows Dauman and Abrams to continue with their lawsuit challenging their removal from National Amusements Inc. Phelan found that any dispute should be heard in California where Redstone currently resides and administers the National Amusements Trust. Phelan also found that the Redstones were unsuccessful in objecting to Dauman's standing to continue with the lawsuit. Furthermore, his decision makes it clear that whether or not Redstone was influenced by his daughter requires an inquiry into whether or not Dauman and Abrams were ousted from National Amusements in good faith.

In disallowing a mental examination of Redstone, Phelan seems to have closed the door to a vast number of possible problems for Redstone and his companies. If Redstone's capacity was to be examined, it is easy to see how various business partners and shareholders may have significant questions about the business dealings of the many companies under his control. The decision of Phelan appears to focus the lawsuit by Dauman and Abrams on whether or not Redstone was under undue influence. Given the complexity of the matter and the vast resources of the parties involved, the Redstone dispute is far from over.









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