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HealthSouth shareholder seeks \$2.6 bln from ex-CEO

Mon May 11, 2009 6:24pm EDT

By [Verna Gates](#)

BIRMINGHAM, Ala., May 11 (Reuters) - Plaintiffs in a \$2.6 billion lawsuit against disgraced former HealthSouth Corp (HLS.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) boss Richard Scrushy said on Monday they would try to recover as much money as possible.

The suit in an Alabama state court by stockholder Wade Tucker seeks to recover money for HealthSouth, the health care provider that last week posted first-quarter revenues of \$475.1 million.

Tucker won \$47 million in 2006 from Scrushy in unjust bonus awards and his lawyers are now pursuing recovery of \$2.6 billion in squandered and fraudulently paid monies by HealthSouth during its \$2.7 billion accounting scandal in 2002.

"We will collect all we can," Stephen Gregory who represents the Cook Family Foundation, which has joined the plaintiffs, said at the start of the case on Monday.

Scrushy, who founded HealthSouth, was the first chief executive to be tried under the Sarbanes-Oxley Act after a massive accounting fraud in which senior executives overstated profits in order to please shareholders.

He was acquitted in 2005 but convicted in 2007 on charges of bribery and mail fraud in connection with then Alabama Governor Don Siegelman and sentenced to 82 months in federal prison.

The suit accuses Scrushy, who retains substantial assets, of unjust enrichment and opening arguments cited excessive personal use of HealthSouth resources including that his wife took the corporate helicopter 175 times for shopping expeditions and family trips.

"Scrushy used the company and proved he did not care about the company," said attorney John Haley in opening arguments.

The lawsuit also seeks money from Source Medical Solutions, Capstone Capital Corporation and Scrushy's brother, Gerald. Several other companies in the original 2002 lawsuit have gone out of business.

Scrushy's lawyers cited a lack of written evidence, a key argument that allowed Scrushy to beat the 85 count indictment at his criminal trial.

"To believe Scrushy knew about this fraud, you have to believe people who told thousands of lies," said defense attorney Jack McNamee in his opening arguments.

Scrushy is expected to testify in the case. (Reporting by Verna Gates; Editing by Matthew Bigg, Richard Chang)

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