

Former Opus West employees allege pension fraud

Minnetonka-based Opus Corp. and its founder, Gerald Rauenhorst, face charges they illegally shifted corporate funds so they wouldn't have to pay a subsidiary's employees and fund their pensions.

A group of 16 former employees of Opus West, a commercial real estate subsidiary, allege that Opus Corp. and Rauenhorst transferred millions of dollars from Opus West to the parent company before filing for bankruptcy protection for Opus West.

According to the employees, including former Opus West President Tom Roberts, the funds eventually were transferred from Opus Corp. to trusts established for Rauenhorst, his son Mark and two other trustees, Keith Bednarowski and Luz Campa.

The suit seeks \$32.4 million in compensation and pension contributions the group claims are owed by Opus Corp. and its owners. Roberts claims Opus Corp. owes him \$17 million.

According to the suit, Opus Corp. directed Opus West to transfer \$146.3 million to the parent company between 2006 and 2008. Opus Corp. then transferred \$193.8 million to the Rauenhorst family trusts.

The lawsuit also claims the money taken from Opus West was used to bankroll Founders Properties, a new real estate investment partnership consisting of Gerald Rauenhorst and Best Buy, Inc., founder and chairman Richard Schulze.

Opus West is now owned by former creditors following Chapter 11 bankruptcy proceedings.

An Opus Corp. representative denied the claims raised in the suit and said Opus Corp. is not responsible for paying Opus West's workers.

Note: These days, corporate entities are facing increased scrutiny when they file for bankruptcy. Bankruptcy courts are particularly interested in transfers of large amounts of money when a corporation is heavily in debt. Always consult with an attorney before transferring large amounts of money to other organizations.