

Cher Sues Billionaire and Health Care Company for Stock Fraud

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Photo

courtesy of Healthcare IT News.[/caption]

Summary: Cher is suing a billionaire and a drug company for stock fraud.

Can you *beeeeliieeeeve* that Cher has filed a lawsuit for health care fraud? The legendary pop star and actress sued surgeon and entrepreneur Patrick Soon-Shiong, alleging that she was duped into unloading shares at a below-market price that the savvy billionaire snatched up.

In 2013, Cher had invested in Florida-based biopharmaceutical company, Altor, according to *The Los Angeles Times*. Last year, she sold her shares back to the company for \$1.50/a piece, a number she claims was below market value.

In the lawsuit she filed on Friday, Cher said that she was asked to sell back her stocks but was not informed that Altor was developing a revolutionary new drug to help HIV/AIDS patients. Since Cher's sale, Altor's value has skyrocketed to one billion dollars.

Cher is suing Soon-Shiong because he had acquired her sold shares. Cher had sold her stock in the company for \$450,000 in 2016 and Soon-Shiong had purchased them later for \$15 million.

Cher is not the only investor to have hit a sour note with Altor. Other investors have also sued the company for fraud, saying that they were not informed of its new drug when asked to sell their stock back to the company.

Defendants in Cher's lawsuit include Altor Acquisition LLC, Altor cofounder Hing C. Wong and vice chairman of Altor's board Fred Middleton, as well as Soon-Shiong. Cher is asking for damages and attorney costs.

Cher is suing for fraudulent concealment and breach of fiduciary duty.

Soon-Shiong told *The Los Angeles Times* that this suit has no merit.

"The lawsuit has no merit," a spokesperson for the billionaire said. "We intend to vigorously defend against it."

A person close to the rich doctor but who is not an authorized spokesperson told *The Los Angeles Times* that Soon-Shiong was not aware that Cher was involved with Altor when he had purchased stock.

Soon-Shiong was born in South Africa, and he is a surgeon and adjunct professor at UCLA Medical School. He reportedly has a fortune worth almost \$9 billion and is a majority stakeholder in *The Los Angeles Times* and *The Los Angeles Lakers*, amongst various other companies.

Cher has had numerous hit songs including "Turn Back Time" and "Believe" and she is often referred to as The Goddess of Pop.

Defendant Middleton said that the 2016 sale came after a small group of investors banded together and said they were unhappy with the direction of the company.

"Cher decided to sell her shares in January 2016 [after] she made a substantial profit in less than three years," Middleton said. "Her decision to sell was completely discretionary as she was under no duress to sell."

Source: *The Los Angeles Times*

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What do you think of Cher's lawsuit? Let us know in the comments below.