

**Business**

## **Marin real estate war: Four lots, a 'straw buyer' and Yoda**



The pension plan of Muppets and "Star Wars" performer Frank Oz was part of contentious lawsuit over a four-lot development in Tiburon. (Martial Trezzini – Keystone)

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A long-running lawsuit involving two estranged business partners, four properties in Tiburon and the pension plan of Frank Oz, the Muppets performer, could be at an end.

Two courts have ruled firmly against Oz's brother, Ron Oznowicz, a real estate investor who is trustee of the actor's pension plan. The courts also ruled against Oznowicz's close friend, Carol Argentos.

The winners in the litigation are Mill Valley-based developer Conrad Carl Weissensee, his company Mariner Homes Inc., and his wife.

Frank Oz, whose full name is Richard Frank Oznowicz, was not a party to the litigation. Oz, 72, is an actor and director known as the voice of "Star Wars" icon Yoda and Muppets such as Miss Piggy.

The litigation began in 2011 after a rift between Ron Oznowicz and Weissensee, longtime collaborators on real estate development ventures.

According to court documents, Oznowicz and the Weissensee family had a cordial and lucrative business relationship dating back to the 1980s. Oznowicz would borrow funds from his brother's pension plan to buy vacant parcels, and the Weissensees would manage the development of those parcels. The parties would divide the profits.

In the early 1980s, they teamed up to develop a piece of land on Round Hill Road in Tiburon. Oznowicz used \$572,000 from his brother's pension plan to buy the tract.

The project got delayed because of building and water moratoriums enacted by Tiburon, and in the interim the pension plan held title to the land. By 2001, however, the moratoriums had been lifted, and development planning resumed.

The plan was to divide the tract into four lots, two for Oznowicz and two for Weissensee. Oznowicz expressed plans to build a custom home for himself on one of the lots, according to court documents.

But after an extended series of complications, the business relationship soured and the parties sued each other in Marin Superior Court.

The Weissensee side claimed various breaches of contract and demanded money owed. The Oznowicz side filed numerous counterclaims, including an allegation that the development company was not licensed and therefore its earnings should be disgorged.

The litigation is complex, but a key aspect was the arrangement Oznowicz created for the ownership transfer of the parcels. As part of the arrangement, Argentos, the close friend of Oznowicz, was positioned as the ostensible buyer of two lots. Oznowicz asserted he was merely her lender, saying he had no intention to profit from the property sales or to live at the site.

#### TRIAL OUTCOME

The trial was conducted by Judge Paul Haakenson, who heard 13 days of testimony and accepted more than 13,000 pages of exhibits.

In a decision in 2014, Haakenson said Oznowicz's explanation of the property deal "defies logic." He ruled that Argentos, whose financial means are relatively modest, was a "straw buyer" fronting for Oznowicz.

Haakenson concluded that Oznowicz crafted the "convoluted" arrangement to shield himself from potential conflict-of-interest jeopardy in his role as fiduciary of his brother's pension plan. "The insertion of Ms. Argentos into the division here was born out of Oznowicz' duties as trustee of the pension plan," Haakenson wrote. "That is, as trustee, Oznowicz was prohibited from transferring the property to himself as contemplated. He engaged Argentos to take title to the property in his stead. The property would remain Oznowicz' in the real or beneficial sense. The court concludes that Argentos was indeed his 'nominee' or 'straw person' in this transaction."

"The court concludes that Oznowicz in fact never abandoned the benefit he sought from the long lasting venture with Weissensee, but rather sought to accrue his benefit while protecting the pension plan and avoiding being seen as running afoul of his duties as pension plan trustee," he wrote.

The judge also said it was clear Oznowicz intended to live at one of the homes himself, with detailed plans such as garden specifications, a television wall and a "personal urinal."

#### APPELLATE DECISION

Haakenson ruled almost entirely in favor of Weissensee against Oznowicz and Argentos. Appeals ensued. In a decision published this month, a three-judge panel of the 1st District Court of Appeal in San Francisco affirmed Haakenson's rulings across the board, commending his "painstakingly thorough analysis."

"Suffice it to say that, with two minor exceptions, (Haakenson's) statement of decision was an overwhelming victory for plaintiffs and an outright defeat for Argentos and Oznowicz," the appeals court said.

Spencer Hosie, an attorney for Weissensee, said the appeals court ruling is “as tart as any I have ever seen in 25 years of practice.”

Oznowicz and Argentos could not be reached for comment, and their attorney declined to comment. Despite the protracted legal conflicts, the Tiburon tract was developed into four lots as the partners had intended all along.

Single-family homes have been built on the lots at 79, 81 and 83 Round Hill Road, said Tiburon Community Development Director Scott Anderson. The lot at 77 Round Hill Road is still vacant, but on Jan. 19 the Tiburon Design Review Board approved a design for 4,000-square-foot home on the parcel.

It was unclear whether Oznowicz or Argentos live at the site.

