

CAUSE NO. **C-1012-20-C** \_\_\_\_\_

|   |   |                        |
|---|---|------------------------|
| JAMES V. BASSETTI, JR.                                  | § | IN THE DISTRICT COURT  |
| <i>Plaintiffs,</i>                                      | § |                        |
|   | § |                        |
| v.  | § | ____ JUDICIAL DISTRICT |
|   | § |                        |
| SPORTS PRO DEVELOPMENT, LLC<br>And JUAN CARLOS PADILLA, | § |                        |
| <i>Defendants</i>                                       | § | HIDALGO COUNTY, TEXAS  |

**PLAINTIFF’S ORIGINAL PETITION**

**TO THE HONORABLE JUDGE OF SAID COURT:**

Now comes **JAMES V. BASSETTI, JR.** Plaintiff in the above-referenced matter and files this, his Original Petition and in support thereof, would show the Court as follows:

**1. PARTIES**

1.0 Plaintiff, James V. Bassetti, Jr. (hereinafter “Bassetti”) is an individual whose place of residence is in Hidalgo County, Texas.

1.1 Defendant, Sports Pro Development, LLC (hereinafter “Sports Pro”) is a Texas limited liability company and can be served with citation through its registered agent for process:

Jambrina, CPA, P.C.  
433 North Loop W  
Houston, Texas 77008

1.2 Defendant Juan Carlos Padilla (hereinafter “Padilla”) is an individual who is a resident of Montgomery County, Texas. He may be served with citation at 6 Desert Rose Pl, The Woodlands, Texas, 77382, or wherever he may be found.

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**2. DISCOVERY LEVEL**

Discovery in this matter should be conducted under Level III pursuant to Rule 190.4 of the Texas Rules of Civil Procedure.

**3. JURISDICTION AND VENUE**

3.0 This Court has jurisdiction because the damages sought by Bassetti are within the jurisdictional limits of this Court.

3.1 Venue is proper pursuant to § 15.002(a)(1) of the Texas Civil Practice and Remedies Code as all or a substantial part of the events or omissions giving rise to the claim occurred in Hidalgo County, Texas.

**4. STATEMENT OF THE RELIEF SOUGHT**

Bassetti seeks monetary relief over \$200,000.00 but not more than \$1,000,000.00, including damages of any kind, penalties, costs, expenses, prejudgment interest, and attorney's fees.

**5. FACTS**

5.0 Sports Pro is in the business of promoting and producing sporting events such as professional soccer exhibition games. Padilla handles all aspects of Sports Pro's event promotion, including marketing, team acquisition, billing, and management.

5.1 Pursuant to a promissory note, Bassetti loaned to Sports Pro \$500,000.00 for the purpose of promoting and staging soccer matches throughout Texas. A true and correct copy of the promissory note (hereinafter the "Note") is attached hereto as Exhibit A and is incorporated herein for all purposes. Padilla personally guaranteed the Note (the "Guaranty"). See Ex. A.

5.2 Sports Pro and Padilla made numerous representations to Bassetti about its business and the money it received pursuant to the Note. Namely, Sports Pro and Padilla

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represented that the soccer matches would generate a profit for its lenders and the proceeds from the soccer matches would be used to pay off the Note. Additionally, Sports Pro and Padilla represented that the business would be operated using the highest professional standards in a fiscally responsible and transparent manner. However, Padilla failed to keep Bassetti and other creditors reasonably informed of the promotion and production of the soccer matches.

5.3 Despite promoting and staging the soccer games, Sports Pro and Padilla did not use the proceeds from said games to satisfy the Note. Although the Defendants made several interest payments to Bassetti, the majority of the Note remains unsatisfied. Having failed to pay the Note and Guaranty as agreed, Defendants have breached their contracts with Bassetti.

5.4 It became evident to Bassetti that Defendants never intended to pay nor did they have the means the Note and Guaranty. Defendants made false representations to Bassetti about the nature and characteristics of its event promotion and production business, including Defendants' ability to pay on the Note, the way in which the business was managed and operated, and the level of transparency to its creditors. Defendants represented to Bassetti that the flight of soccer games would generate profits for its investors and that the proceeds from the soccer games would be used to pay Bassetti in satisfaction of the Note. However, the Note was not satisfied and Bassetti only received several interest payments from Defendants. Instead, upon information and belief, it appears Defendants used the revenue generated from the original soccer matches to pay prior creditors, investors or to promote new soccer matches. Additionally, Defendants pledged all of Sports Pro's assets, including those funds promised to Bassetti, to Corporation Service Company for another subsequent debt. Moreover, Bassetti has

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since been informed and believes that Defendants used the funds to repay other investors or creditors. Bassetti has suffered damages as a result of Defendants' conduct for which he now sues.

**6. CAUSES OF ACTION**

**A. Breach of Contract**

6.0 Bassetti incorporates the foregoing paragraphs as if set forth fully herein.

6.1 On or about January 4, 2018, Sports Pro executed the Note in favor of Bassetti in the principal amount of \$500,000.00. Pursuant to the Note, Sports Pro was obligated to make 11 consecutive payments of accrued interest on the last day of each calendar month beginning January 31, 2018, and one final payment for all unpaid principal and all unpaid accrued interest on December 20, 2018. See Ex. A.

6.2 Padilla personally guaranteed (hereinafter the "Guaranty") the Note. See Ex. A. Pursuant to the Guaranty, Padilla "unconditionally, absolutely, and irrevocably guarantee[d] to [Bassetti] (i) that...[Sports Pro would] repay to [Bassetti] the principal amount and interest of the...Note, and that each installment payment and the total amounts due under the...[N]ote [would] be paid according to the schedule set out in the...Note, and (ii) the full and prompt performance and payment of all of the payment obligations." See Ex. A, Guaranty ¶ 1. Padilla also agreed that should Sports Pro default on its obligations under the Note, Padilla would "immediately pay or perform such obligations without notice or demand" by Bassetti. See Ex. A, Guaranty ¶ 2. Further, if Sports Pro partially paid on the Note, Padilla agreed to "remain liable for any balance of such obligations." See Ex. A, Guaranty ¶ 4.

6.3 Sports Pro only made ten payments of \$9,000.00 toward the Note. Sports Pro breached its obligations under the Note by failing to pay Bassetti for all of the unpaid

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principal and all of the unpaid accrued interest by December 20, 2018. To date, the Note remains unsatisfied. Padilla breached his obligations under the Guaranty by failing to immediately pay the remaining obligations under the Note when Sports Pro defaulted. Padilla and Sports Pro remain liable for the balance due and owing to Bassetti under the Note.

**B. Fraud**

6.4 Bassetti incorporates the foregoing paragraphs as if set forth fully herein.

6.5 Defendants made material representations to Bassetti that Defendants knew were false or, alternatively, that Defendants made recklessly, as a positive assertion without knowledge of their truth. These representations were made to induce Bassetti to enter into the Note and Guaranty. Bassetti reasonably relied upon Defendants' representations and entered into the agreement with Defendants. These false representations caused Bassetti injury for which he now sues.

6.6 Defendants knew that their statements were false at the time they were made, but made them nevertheless with the intent that Bassetti would rely upon, and did rely upon, them in deciding to enter into the agreements with Defendants. Bassetti has suffered and will continue to suffer damages as a result of Defendants' fraudulent representations. Therefore, Bassetti seeks damages against Sports Pro and Padilla based on this fraud claim in an amount within the jurisdictional limits of this Court. In addition, pursuant to Chapter 41 of the Texas Civil Practice & Remedies Code, Bassetti is entitled to exemplary damages in an amount to be determined by the trier of fact.

**C. Fraudulent Transfers Under the Texas Uniform Fraudulent Transfer Act**

6.7 Bassetti hereby incorporates the foregoing paragraphs as if stated fully herein.

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6.8 On information and belief, the Defendants have made transfers that are subject to the Texas Uniform Fraudulent Transfers Act, Chapter 24 of the Texas Business and Commerce Code (“TUFTA”). A transfer is fraudulent if the debtor made the transfer: (1) with actual intent to hinder, delay, or defraud any creditor of the debtor; or (2) without receiving a reasonably equivalent value in exchange for the transfer. Tex. Bus. & Com. Code s. 24.005(a)(1)-(2).

6.9 Defendants Sports Pro and Padilla have made numerous fraudulent transfers as to Bassetti, a present creditor, under Section 24.005 of the Texas Business and Commerce Code. Defendants, acting with knowledge of the continuing liability under the Note, transferred, removed, or stole assets from Sports Pro. For instance, Defendants transferred interest in all of Sports Pro’s assets, including proceeds generated from the original soccer matches, in order to acquire subsequent debt. These transfers are a fraud against Bassetti’s rights because the transfers were made with the intent to hinder, delay, or defraud Bassetti in that the Defendants transferred the property with the intent of preventing Bassetti from receiving payment or satisfying his claim. Further, upon information and belief, Padilla has liquidated and hidden his assets beyond the reach of his creditors.

**7. ATTORNEYS’ FEES**

Due to the Defendants’ actions cited above, Bassetti employed the undersigned attorneys to represent him and agreed to pay reasonable attorneys’ fees for services rendered. Pursuant to the terms of the Note, Guaranty, and applicable state law, Bassetti is entitled to recover reasonable attorneys’ fees incurred in prosecuting these claims against these Defendants. Plaintiff is also entitled to recover interest and costs of suit.

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**8. PRAYER**

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that Defendants be cited to appear and answer, and that upon final trial James V. Bassetti, Jr. has judgment against Defendants for the following:

- (1) Judgment against the Defendants for actual damages and exemplary damages in a sum within the jurisdictional limits of the Court;
- (2) Pre-judgment and post-judgment interest at the highest rate allowed by law;
- (3) All reasonable costs, charges, expenses, and attorneys' fees, including expert witness fees;
- (4) Taxable court costs; and
- (5) Such other and further relief to which Plaintiff is justly entitled.

Respectfully submitted,

ATLAS, HALL & RODRIGUEZ, LLP  
P. O. Drawer 3725 (78502)  
818 West Pecan Boulevard  
McAllen, Texas 78501  
Tel: (956) 682-5501  
Fax: (956) 686-6109

By: /s/ Daniel G. Gurwitz  
Daniel G. Gurwitz  
State Bar No. 00787608  
E-Mail: [dgurwitz@atlashall.com](mailto:dgurwitz@atlashall.com)  
Meredith D. Helle  
State Bar No. 24106188  
Email: [mlarson@atlashall.com](mailto:mlarson@atlashall.com)  
*Attorneys for Plaintiff*