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Plaintiffs intend that discovery be conducted under Discovery Level 3.

2. PARTIES AND SERVICE

Plaintiff, GB SQUARRED, LLC is a limited liability company duly organized and existing under the laws of the State of Texas.

Plaintiff, VATESH, LLC is a limited liability company duly organized and existing under the laws of the State of Texas.

Defendant **JUAN CAROLS PADILLA AZARCOYA** is an individual residing in Montgomery County, Texas. He may be served by delivering citation, along with a certified copy of this petition, to him at **6 Desert Rose Pl, The Woodlands, Texas 77382, or wherever he may be found.**

Defendant **JOAQUIN BELTRA VARGAS**, an Individual residing in Montgomery County, Texas, and may be served by delivering citation, along with a certified copy of this petition, to him at **6700 woodlands Pkwy Ste 230-23, The Woodlands, Tx 77382, or wherever he may be found.**

Defendant **TONATIUH AGUAYO**, an Individual residing in Montgomery County, Texas, and may be served by delivering citation, along with a certified copy of this petition, to him at **6700 woodlands Pkwy Ste 230-23, The Woodlands, Tx 77382, or wherever he may be found.**

Defendant **SPORTS PRO DEVELOPMENT, LLC** is a limited liability company with its principal place of business in The Woodlands, Montgomery County, Texas. It may be served by delivering citation along with a certified copy of this petition, to its registered agent for service as follows:

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**Jambrina CPA, PC, Registered Agent for Service
Sports Pro Development, LLC
433 North Loop W
Houston, Texas 77008**

Defendant **SOCCER SCOUTING INTERNATIONAL, LLC** is a limited liability company with its principal place of business in Austin, Travis County, Texas. It may be served by delivering citation along with a certified copy of this petition, to its registered agent for service as follows:

**Juan Carlos Padilla, Registered Agent for Service
Soccer Scouting International, LLC
4008 Gandara Bend
Austin, Texas 78738**

Defendant **SPD ENTERTAINMENT, LLC** is a limited liability company with its principal place of business in Austin, Travis County, Texas. It may be served by delivering citation along with a certified copy of this petition, to its registered agent for service as follows:

**Jambrina CPA, PC, Registered Agent for Service
SPD Entertainment, LLC
433 North Loop W
Houston, Texas 77008**

Defendant **RYAN SANDERS SPORTS SERVICES, LLC** is a limited liability company with its principal place of business in Austin, Travis County, Texas. It may be served by delivering citation along with a certified copy of this petition, to its registered agent for service as follows:

**Reese Ryan, Registered Agent for Service
Ryan Sanders Sports Services, LLC
3400 East Palm Valley Blvd
Round Rock, Texas 78665**

Defendant **Ticketon Entertainment, L.P.** is a limited partnership with its principal place of business in Los Angeles, California. It may be served by delivering citation along with a certified copy of this petition, to its registered agent for service as follows:

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**Fernando Orvananos, Registered Agent for Service
Tiekcton Entertainment, LP
5757 Wilshire Blvd #473
Los Angeles, California 90036**

3. JURISDICTION AND VENUE

The subject matter in controversy is within the jurisdictional limits of this court.

Plaintiffs seek monetary relief over \$1,000,000.

This court has jurisdiction over the parties because Defendants are Texas residents.

Venue in Hidalgo County is proper in this cause under Section 15.002(a)(1) of the Texas Civil Practice and Remedies Code because all or a substantial part of the events or omissions giving rise to this lawsuit occurred in this county.

4. FACTS

GB Squared, LLC and Vatesh, LLC a (herein after “Plaintiffs”) are limited liability companies operating for lawful purposes in Texas

Defendants, Sports Pro Development, LLC, SPD Entertainment, LLC and Soccer Scouting International, LLC are companies whose principal business is promoting and producing sporting events such as professional soccer exhibition games in Texas. Sports Pro Development, LLC, SPD Entertainment, LLC and Soccer Scouting International, LLC refer to their soccer promotion scheme as SPD Sports (the “SPD”). SPD represents that the soccer promotion scheme is essentially a turnkey, “*promotion*” business in which all aspects of the event promotion, from marketing to team acquisition, to billing to administrative management, are handled by Juan Carlos Padilla and the SPD entities. In exchange for loans for the production of SPD events, Juan Carlos Padilla Azarcoya (“Padilla” or “Juan Carlos”) guaranteed returns, interest and shares of profits.

SPD entities and Juan Carlos further represented that the SPD events will generate a profit for his lenders, and further represent that it will manage and operate its business using the highest

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professional standards in a fiscally responsible and transparent manner and in full compliance with all rules, regulations, laws and standards applicable to such businesses in Texas.

Employees of SPD including Juan Carlos while acting within the course and scope of his employment and as the principal of the entities made specific representations regarding the nature and quality of the services and the expected returns which the Plaintiffs may realize. Upon information and belief, Juan Carlos and the other individual defendants acting in concert with each other and as owners, managers or members of the SPD entities provided written materials and made many oral representations regarding very aspect of their operations, knowing that they were false, but knowing and with the specific intent that Plaintiffs would rely on them and agree to make loans to the SPD entities.

Some of the false representations made include, but are not limited to Defendants ability to generate marketing and sponsorship revenue, how and where tickets to the events would be sold, what the costs of venue preparation would cost among other knowingly false representations all designed to induce Plaintiffs to provide funding to Defendants. In reliance on such false representations Plaintiffs entered into various agreements with Defendants to provide funding for the events.

As described above, on information and belief, Plaintiffs would show that Defendant did indeed produce various soccer events in Edinburg, San Antonio, Austin and Dallas. However, no accounting of the funding expenditures has been provided to Plaintiffs, and no return has been paid to Plaintiffs, despite repeated demand and inquiry.

Even more troublesome is the fact that Plaintiffs now have information to suggest that at least one venue and ticketing agency has participated in Defendants scheme to defraud Plaintiffs. Upon information and belief, Plaintiffs believe that Defendants Ticketon and Ryan

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Sanders Sports & Entertainment and RS3 Sports has colluded with Juan Carlos and the other Defendants to aid them in their scheme to defraud Plaintiffs.

It is not clear what expenses Defendants were actually incurred in the course of their nefarious dealings. However, it is all too clear that Defendants were all too happy to sequester information from Plaintiffs and aid Juan Carlos and SPD in his unlawful use and possession of Plaintiffs money.

Bottom line is that Defendants represented that it was engaged in a business enterprise which would result in a profitable venture for Plaintiffs. However, they now have lost over 1.5 million dollars with virtually no information from which they can evaluate whether the business of Defendants has been operated properly.

As a result of the foregoing, Plaintiffs have been forced to hire the undersigned counsel to prosecute this lawsuit. Plaintiffs have incurred and will continue to incur, reasonable attorney's fees in prosecuting their claims to a final resolution.

5. CAUSES OF ACTION

A. DTPA

Plaintiffs now sue the Defendants for violation of the laundry list of prohibited actions in the Texas Deceptive Trade Practices Act ("Texas DTPA"), TEX. BUS. & COM. CODE §17.46(b). In this connection, Plaintiffs would show that the Defendants represented that the SPD business model had characteristics which it did not have. Defendants represented that the loans and investments would confer certain rights and benefits which were never provided. Defendants made false representations that the "*soccer promotion and production*" business venture would be a profitable venture, but it was not. Defendants represented that the Defendants business model, including the, were of a high quality and accurately accounted for when they

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were not. All of such conduct is a violation of one or more of the §17.46(b) laundry list of the Texas DTPA. Moreover, Plaintiffs and would show that the conduct of the Defendants was committed knowingly and intentionally. Pursuant to §17.50(b)(3) of the Texas DTPA, Physician Plaintiffs seek a judgment and such orders from the court as may be necessary to restore to them “any money or property, real or personal, which may have been acquired in violation of this subchapter” including ordering a refund of all funds paid to Defendants. Additionally, pursuant to Texas DTPA §17.50(d), Plaintiffs and seek a judgment awarding them their reasonable and necessary attorney’s fees incurred in prosecuting this claim.

**B. FRAUD, FRAUD BY NONDISCLOSURE, STATUTORY FRAUD, AND
FRAUDULENT MISREPRESENTATION**

Plaintiffs now sue and seek a judgment of the court based on fraud, fraud by nondisclosure, statutory fraud, fraudulent misrepresentation. Plaintiffs would show that Defendants made material representations to them that they knew were false and intentionally incomplete. The representations were made to induce Plaintiffs to enter into the financial arrangements with Defendants which included loan agreements and direct agreements with venue Defendants. Plaintiffs reasonably relied on the false and incomplete representations and agreed to engage in the financial transactions requested by the Defendants as part of the Defendants soccer promotion scheme. As a result, Plaintiffs have suffered have suffered damages and will continue to suffer damages.

C. NEGLIGENT MISREPRESENTATION

Plaintiffs now sue Defendants for negligent misrepresentation. In this connection, Plaintiffs would show that Defendants supplied them with false information in the course of their business or profession in a transaction in which Defendants had a pecuniary interest. Defendants

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provided such information to Plaintiffs for their guidance in the transaction. Defendants failed to exercise reasonable care or competence in obtaining or communicating such information and Plaintiffs and suffered pecuniary and non-pecuniary loss proximately caused by justifiably relying on such negligent misrepresentations for which they now sue.

D. NEGLIGENCE

Plaintiffs now sue Juan Carlos for negligence. In this connection, Plaintiffs and would show the court that Padilla is the principal of the SPD entities. In that capacity, he owes a duty of ordinary care to operate the business in a reasonably prudent manner. This includes the proper training and supervision of employees of SPD to assure that such employees, while acting within the course and scope of their employment, do not engage in tortious conduct such as fraud or negligent representation. Padilla also owes a duty to exercise ordinary care to properly train and supervise employees so that they do not violate applicable laws such as the Texas DTPA. Plaintiffs would show that Padilla failed to exercise the ordinary care that a reasonably prudent principal would exercise under the same or similar circumstances. As such, he was negligent. His negligence was the proximate cause of what constitutes an “accident or occurrence” in which property damage and/or bodily injury occurred, for which damages Plaintiffs and now sue.

E. CIVIL CONSPIRACY

Plaintiffs now sue Ticketon and Ryan Sanders Sports Services for civil conspiracy. The supreme Court enumerated the essential elements of a civil conspiracy in *Massey v. Armco Steel Co.*, 652 S.W. 2d 932, 934 (Tex. 1983). Those essential elements are:

1. two or more persons;
2. an object to be accomplished;
3. a meeting of minds on the object or course of action;

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4. one or more unlawful, overt acts; and
5. damages as the proximate result.

Plaintiffs would show that Ticketon, Ryan Sanders Sports Services and SPD agreed to engage in conduct for the purposes of generating funds and interest income from Plaintiffs, that Ticketon, Ryan Sanders Sports Services and MHT committed unlawful, overt acts, including violation of the provisions of the Texas DTPA and engaging in conduct which constitution actionable fraud, and that such acts were the proximate cause of actual damages to Plaintiffs, for which damages they now sue.

6. DAMAGES and EXEMPLARY DAMAGES

The damages sought individually by each Plaintiff in this lawsuit are in an amount which exceeds the minimum jurisdictional limits of this Court. Plaintiffs each seek monetary relief only over \$1,000,000. Plaintiffs seek recovery of actual damages, exemplary damages, punitive damages and/or treble damages as allowed by the causes of action plead herein.

7. CONDITIONS PRECEDENT

All conditions precedent to the filing of this suit have occurred.

8. APPLICATION AND AFFIDAVIT FOR TEMPORARY RESTRAINIGN ORDER AND TEMPORARY INJUNCTION

Plaintiffs will suffer immediate and irreparable injury, loss, or damage if Defendants' conduct described above is not enjoined for these reasons: Plaintiffs believe that Defendants assets are being secreted and placed beyond Plaintiffs' reach. This belief is based on the fact that, after Plaintiffs' made demand on Defendant, Defendant stated that if suit was filed he would never pay Plaintiffs and would hide the proceeds and all case now in Defendants' bank accounts. Therefore, Defendant will not be able to satisfy the judgment that will probably be rendered in Plaintiffs'

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favor in this suit; Defendant lacks nonexempt property with which to satisfy the judgment; Defendants have demonstrated unwillingness to pay Plaintiffs claim; and this conduct will result in Defendants having no assets subject to execution.

Plaintiffs do not have an adequate remedy at law because Defendants will not have assets to satisfy an award of damages because proceedings such as sequestration and garnishment will be more costly to Plaintiff than will injunctive relief, and because these proceedings will not be effective until after Defendant has placed most or all of Defendant's assets beyond Plaintiffs' reach. Plaintiffs have exercised due diligence in prosecuting this claim. The injury to Plaintiffs if Defendants continue the conduct described above would outweigh any injury the restraining order and injunction might cause Defendants, and issuance of the restraining order and injunction would not disserve the public interest.

10. *Conditions Precedent.* All conditions precedent have been performed or have occurred.

9. PRAYER

Plaintiffs pray that citation be issued and served on the Defendants compelling them to appear in this lawsuit and answer these allegations. Plaintiffs further pray that this matter be set for trial at the first convenience of the Court and that, upon such trial, a judgment be entered in their favor and against the Defendants for all the relief requested above together with their costs of court and such other relief as the Court may deem appropriate.

Additionally, Plaintiffs pray that without notice to Defendants, the Court issue a temporary restraining order restraining Defendants and their officers agents, servants, and employees from directly or indirectly transferring or removing any of Defendants funds or other property in the possession of any financial institution given notice of this order, that the Court set

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a date and time for a hearing on this application for a temporary injunction, and that the Court issue a Temporary injunction enjoining Defendants and their officers, agents, servants, and employees from Directly or indirectly during the pendency of this action; Plaintiffs be granted reasonable expenses incurred in obtaining he restraining order and injunction; and all further relief which Plaintiffs may be entitled.

DATED: August 9, 2019.

Respectfully submitted,

By: /s/ Isaac J Tawil

Isaac J Tawil
Texas Bar No. 24013605
Email: iketawil@yahoo.com
615 Blaze Blvd
Edinburg, Texas 78539
Tel. 956-457-6261
Fax. 956-787-9804
Attorney for Plaintiffs

PLAINTIFFS HEREBY DEMAND TRIAL BY JURY

