

**IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA
COMPLEX BUSINESS LITIGATION DIVISION**

MOISES COSIO ESPINOSA;
ACCENDO CAPITAL GROUP, INC.; and
ALUMNOS 47 HOLDINGS S.A. DE C.V.,

Plaintiffs,

Case No. _____

v.

IÑIGO DOMENECH; RAMON C. PEREZ;
APTUS RESOURCES, LLC;
ZEREHCEN HOLDINGS S.A. DE C.V.; and
CREDIT SUISSE SECURITIES (USA) LLC,

**COMPLAINT AND
DEMAND FOR JURY TRIAL**

Defendants.

COMPLAINT

1. Plaintiffs Moises Cosio Espinosa (“Mr. Cosio”), Accendo Capital Group, Inc. (“Accendo Capital”) and Alumnos 47 Holdings S.A. de C.V. (“Alumnos 47 Holdings”) (collectively, “Plaintiffs”), by and through their undersigned counsel, bring this action against Iñigo Domenech (“Domenech”), Ramon C. Perez (“Perez”), Aptus Resources, LLC (“Aptus Resources”), Zerehcen Holdings S.A. de C.V. (“Zerehcen Holdings”) and Credit Suisse Securities (USA) LLC (“Credit Suisse” or the “Bank”) (collectively, “Defendants”).

PRELIMINARY STATEMENT

2. This case is about the systematic exploitation of a young man by those who claimed to be his most trusted advisors.

3. After the untimely death of his father and his inheritance of his father’s estate, Moises Cosio—then only a teenager and lacking any financial sophistication—entrusted reputable financial institutions, and their advisors, with his future. One of those advisors, Iñigo Domenech,

immediately began positioning himself as a father-like figure to Mr. Cosio. After gaining Mr. Cosio's complete faith, Domenech, along with the other Defendants—including his old friend and colleague, Ramon Perez, and his then-employer, Credit Suisse—abused their positions to enrich themselves. Reflecting the depths of their duplicity and callousness, they did so without regard for the hundreds of millions of dollars in losses Mr. Cosio would suffer as a result of their fraudulent schemes, much less the despondency Mr. Cosio would endure from having been betrayed by those in whom he had placed his trust from an early age. This lawsuit seeks to hold Defendants to account and prevent them from inflicting the same harm on others.

4. Mr. Cosio's father was a highly successful investor and businessman in Mexico. Upon his death, he left his entire fortune to a then-14-year-old Mr. Cosio, his sole heir. After a three-year legal battle with his uncle over the assets that formed part of his father's estate, Mr. Cosio took control of his inheritance. At only 17 years old, however, he needed help managing it. So Mr. Cosio turned to Citigroup, Inc. ("Citigroup"), among other reputable financial institutions, in the belief that they could be trusted. At Citigroup, Mr. Cosio's relationship was assigned to its Latin American wealth management division—led at the time by Perez, who delegated its management to Domenech, then a young, unestablished banker.

5. Over the years that followed, Domenech positioned himself as far more than Mr. Cosio's financial advisor. He began by appealing to Mr. Cosio's youth, arranging exotic cars for him to drive and exclusive nightclubs for him to visit whenever he was in Miami to meet with Domenech. Eventually, Domenech inserted himself into every facet of Mr. Cosio's life by offering to manage it all for him, convincing Mr. Cosio that he was acting in his young client's best interests.

6. Domenech's seeming devotion to Mr. Cosio was, however, nothing more than a ploy to lull Mr. Cosio into trusting Domenech with control of his wealth, which Domenech sought

in order to pursue the predatory schemes he had hatched together with Perez. Domenech and Perez intended to convince Mr. Cosio to invest in early-stage U.S. and Mexican companies, which Domenech and Perez referred to as the “Direct Investments.”¹ Domenech and Perez would then falsely claim that a portion of the funds Mr. Cosio invested in the Direct Investments originated from their own companies: Defendants Aptus Resources and Zerehcn Holdings. By doing so, Domenech and Perez were able to misappropriate a significant portion of Mr. Cosio’s ownership stakes in the Direct Investments, and the corresponding returns, for themselves.

7. Essential to this scheme was that Mr. Cosio not realize how much of his money Domenech and Perez were investing in the Direct Investments, lest Mr. Cosio question why his ownership stake in the Direct Investments was so small relative to his investment. Domenech and Perez thus needed to control the information Mr. Cosio received regarding the disposition of his assets. To that end, Domenech encouraged Mr. Cosio to open a family office to monitor and report to Mr. Cosio on his finances. Proclaiming himself too young and talented to leave his career in the banking world, Domenech convinced Mr. Cosio that the family office be run by Perez, who became the scheme’s inside man.²

8. In reality, Domenech’s employment by a financial institution that would facilitate his and Perez’s scheme was critical—in this case, that was Credit Suisse, where Domenech moved

¹ In addition to defrauding Mr. Cosio by means of the Direct Investments, Domenech separately implemented a trading strategy at Credit Suisse designed to maximize the fees and commissions Mr. Cosio paid to the Bank and, in turn, Domenech’s compensation. Among other things, Domenech engaged in excessive foreign exchange and securities trading. Mr. Cosio is pursuing claims related to this scheme before the Financial Industry Regulatory Authority (“FINRA”). Notably, this appears not to have been the only time that Domenech engaged in such a scheme. According to a complaint summarized on *Broker Check*, a website maintained by FINRA, on November 12, 2015, Credit Suisse settled a dispute with another of Domenech’s customers for approximately USD 1.4 million. The customer alleged that Domenech engaged in unauthorized trading, among other acts.

² Perez also served as an inside man in Domenech and Credit Suisse’s trading scheme (described *supra* note 1) by approving or turning a blind eye to any trade Domenech and his team devised on behalf of Mr. Cosio.

almost immediately after opening Mr. Cosio's family office. As a Credit Suisse financial advisor, Domenech would be able to exploit that the Bank was holding him out as an honest, fit and competent financial advisor and broker to provide false comfort and trust to Mr. Cosio that Domenech was acting in his best interests. Likewise, Credit Suisse would give Domenech and Perez access to tens of millions of dollars in high-interest loans in Mr. Cosio's name to fund the Direct Investments, and enable them to funnel funds relating to the Direct Investments to or from Perez's personal accounts—all without alerting Mr. Cosio.³

9. Having settled on their scheme, Domenech and Perez launched Accendo Capital, in May 2009, to serve as Mr. Cosio's family office. Now in control of Mr. Cosio's finances and the information he received about them, Domenech and Perez moved to exploit their dominion. Over the decade following Accendo Capital's establishment, Domenech and Perez invested ***more than USD 150 million*** of Mr. Cosio's money in the Direct Investments, even while claiming that tens of millions of those funds originated from their own pockets.⁴

10. To hide their scheme, Domenech and Perez provided fictitious reports to Mr. Cosio. Those reports falsely represented: the amount Mr. Cosio had invested in the Direct Investments, which was much higher than reported; Mr. Cosio's corresponding ownership stakes in the Direct Investments, failing to disclose that Domenech and Perez had misappropriated a portion of Mr. Cosio's stakes for themselves; and the value of those ownership stakes, either downplaying the valuation to be consistent with the lower amount Domenech and Perez claimed Mr. Cosio had

³ As Domenech's employer, Credit Suisse is responsible for the acts of Domenech, which benefitted the Bank, including because Mr. Cosio had to pay the Bank for the loans that Domenech and Perez took out in Mr. Cosio's name to fund the Direct Investments. Credit Suisse also had an obligation to ensure that Domenech was not using his position at the Bank to defraud Mr. Cosio, which the Bank failed to do.

⁴ This Complaint uses the term "USD" to refer to U.S. dollars and the term "MXN" to refer to Mexican pesos.

invested or inflating the valuation to hide that many of the investments were failures. Through such false reports, Domenech and Perez deceived Mr. Cosio into believing that the Direct Investments were in his best interests, not their own.

11. In mid-2018, however, Domenech and Perez's scheme finally began to unravel. After hearing rumors from others involved in the Direct Investments that Domenech and Perez might not be the loyal advisors they purported to be, Mr. Cosio asked his close friend to join Accendo Capital and review his investment portfolio. As Mr. Cosio would later learn, over the months that followed, Domenech and Perez frantically sought to cover up their fraud, including by destroying corporate documents, forging new ones, and deleting emails. Nearly a decade of fraudulent acts causing tens of millions of dollars in losses, however, proved impossible to erase. Hundreds of remaining email communications, doctored contracts and corporate documents, and financial records reflecting dozens of unauthorized payments document Domenech and Perez's fraud. And Domenech and Perez's failed cover-up served only to confirm their illicit intent.

12. Domenech and Perez's fraud caused Mr. Cosio massive damages that far exceeded the millions in Direct Investment returns that they diverted to their own pockets. Because Domenech and Perez chose the Direct Investments based on whether they could persuade the companies to give them ownership stakes and returns, not on what might generate a return for Mr. Cosio, many of the companies turned out to be failures. As a result, Mr. Cosio lost tens of millions of dollars invested in the Direct Investments, as well as the opportunity to invest in ways that would have actually generated a return for him. Domenech and Perez, by contrast, purchased fast cars, luxury yachts, water-front villas in Miami and mountain-side retreats in Colorado. And they celebrated it all at the Mexican cantina next to Accendo Capital's offices in which they had

convinced Mr. Cosio to invest heavily, only to misappropriate a large part of the ownership interest that Mr. Cosio should have received.

13. Domenech and Perez, their investment vehicles, Aptus Resources and Zerehcen Holdings, as well as the Bank that enabled them, must be held to account for the harm they caused Mr. Cosio, including to ensure that they cannot inflict the same harm on other unsuspecting investors.

THE PARTIES

A. Plaintiffs

14. Mr. Cosio is a Mexican national who resides in Miami, Florida with his wife and their soon-to-be-born twins.

15. Accendo Capital is a family office incorporated in Florida with its principal place of business at 200 South Biscayne Blvd., Suite 4440, Miami, Florida 33131. Mr. Cosio is the ultimate beneficial owner of Accendo Capital.

16. Alumnos 47 Holdings is a holding company incorporated in Mexico with its principal place of business at Alumnos 47, San Miguel Chapultepec, Miguel Hidalgo, Ciudad de Mexico, C.P. 11850. Mr. Cosio holds 99.9% of the shares in Alumnos 47 Holdings.

B. Defendants

17. Domenech is a U.S. citizen and resident of Miami, Florida. From in or around 2001 to 2009, he was employed by Citigroup in Mexico and Miami, Florida. From in or around September 2009 to March 2016, he was employed by Credit Suisse in Miami, Florida. Since in or around March 2016 to present, he has been employed by another bank in Miami, Florida. At all times relevant to this Complaint, Domenech was Plaintiffs' financial advisor.

18. Perez is a U.S. citizen and resident of Miami, Florida. Perez was the sole director of Accendo Capital from its incorporation on May 13, 2009 until Mr. Cosio terminated his employment in November 2018.

19. Aptus Resources is a limited liability company organized in Florida, jointly owned and controlled by Domenech and Perez, with its principal place of business at 1435 Mercado Avenue, Coral Gables, Florida 33146.

20. Zerehcen Holdings is a corporation incorporated in Mexico, on information and belief jointly owned and controlled by Domenech and Perez, with its principal place of business at Yucatán 139, Colonia Roma Norte, Cuauhtémoc, Mexico City, Mexico.

21. Credit Suisse is a Delaware limited liability company. At all times relevant to this Complaint, the division of Credit Suisse that managed Plaintiffs' accounts, Private Banking Latin America, was located at 1111 Brickell Avenue, 14th Floor, Miami, Florida 33131.

JURISDICTION

22. This Court has jurisdiction pursuant to Section 26.012, Florida Statutes. Pursuant to Administrative Order No. 17-11, this case is subject to mandatory assignment to the Complex Business Litigation Division because the amount in controversy exceeds seven hundred and fifty thousand and 00/100 dollars (USD 750,000), exclusive of interest, costs and attorneys' fees.

23. The Court has personal jurisdiction over the Defendants, pursuant to Section 48.193(2), Florida Statutes, because each of the Defendants engages in substantial and not isolated activity within this state.

24. The Court also has personal jurisdiction over the Defendants, pursuant to Section 48.193(1)(a), Florida Statutes, because the causes of action in this Complaint arise from the

Defendants' operating, conducting, engaging in, or carrying on a business or business venture in this state or having an office or agency in this state, or committing a tortious act within this state.

VENUE

25. Venue is proper in Miami-Dade County, Florida pursuant to Sections 47.011 and 47.051, Florida Statutes, because each of the Defendants resides or conducts business in Miami-Dade County, the causes of action accrued in Miami-Dade County, and/or a substantial part of the events or omissions giving rise to the claims set forth in this Complaint occurred in Miami-Dade County.

FACTUAL ALLEGATIONS

I. Domenech and Perez Position Themselves as Mr. Cosio's Trusted Advisors

26. In 1998, Mr. Cosio's father, Moises Cosio Ariño ("Mr. Cosio Ariño"), passed away when Mr. Cosio was only 14 years old. Mr. Cosio Ariño had been a wealthy man. In addition to being a prominent and successful investor and businessman in his own right, Mr. Cosio Ariño had inherited half of his own father's estate, which included a majority ownership stake in two Mexican banks, as well as numerous valuable real estate holdings. When Mr. Cosio Ariño passed away, Mr. Cosio inherited all of his assets.

27. There was, however, a highly contentious inheritance dispute between a then-teenage Mr. Cosio and his uncle (his father's brother) relating to the assets in Mr. Cosio Ariño's estate. After a three-year-long, embittered battle in Mexican courts, Mr. Cosio was finally able to claim his inheritance, which included a substantial sum of money, as well as valuable residential and commercial properties in Mexico and the United States. At the age of only 17, Mr. Cosio sought outside advisors across several banks in the United States and elsewhere to help manage his wealth.

A. Perez Grants Domenech Management of Mr. Cosio's Finances

28. Upon receiving his inheritance in or around 2001, Mr. Cosio opened an account at Citigroup to be managed by Citigroup's Private Banking division for Latin American clients. At the time, Perez was the Director of that division, and in that capacity, assigned Mr. Cosio's account to Domenech. Domenech was then a young and unestablished banker, causing his more veteran colleagues to question Perez's decision to propel Domenech, overnight, into the select ranks of bankers managing accounts held by ultra-high-net-worth individuals.

29. Over the following months and years, Domenech positioned himself as Mr. Cosio's intimate confidant, managing every aspect of Mr. Cosio's life. In doing so, Domenech was able to isolate Mr. Cosio from anyone who might question the degree of influence Domenech had over his young client's life, not to mention Domenech's investment strategy. Having secured Mr. Cosio's complete faith, the only remaining impediment to exploiting that trust was the information that Mr. Cosio received regarding Domenech's use of his funds. If Domenech could bring that information under his control, he would leave himself unchecked in pursuing an investment strategy that would make him a wealthy man at Mr. Cosio's extraordinary expense. In or around 2006, Domenech found a means by which he could do just that. He encouraged Mr. Cosio to open a family office that would exclusively manage all aspects of his finances.

B. Domenech Secures Perez's Control Over Mr. Cosio's Family Office

30. Mr. Cosio initially proposed that Domenech run the family office, but Domenech declined, citing his promising career in the banking world. Domenech instead recommended that Mr. Cosio's family office be run by Perez, who had originally assigned Mr. Cosio's accounts to Domenech over more experienced bankers. Domenech assured Mr. Cosio that he would work

closely with Perez to oversee the family office's activities, and that he would continue to directly manage Mr. Cosio's trading strategy at Citigroup.

31. In light of his lack of financial experience and sophistication, Mr. Cosio, then 22 years old, welcomed what he (wrongly) believed would be an effective means of receiving timely and accurate information and advice about his finances. Unlike his father and grandfather, Mr. Cosio did not study or work in finance, but rather planned to pursue a career in the arts.⁵ Given that decision, it seemed reasonable to create a family office to run the day-to-day of his investments, and to have it led by someone Domenech trusted.

32. On April 30, 2009, Mr. Cosio hired Perez to run his family office, and two weeks later, on May 13, 2009, Accendo Capital was formed as a Florida company with offices in Miami, Florida—where Domenech was based—to serve as Mr. Cosio's family office. Domenech and Perez decided to pay Perez an annual salary of USD 500,000, paid from Accendo Capital's accounts, which Domenech and Perez would set up and control, as described below. They also decided to award Perez an annual bonus of USD 1 million, despite never having so much as discussed that with Mr. Cosio, let alone secured his approval.

33. Distilled to its essence, Perez's mandate as head of Accendo Capital was to protect and maximize Mr. Cosio's wealth, including, among other things, by:

- a. Monitoring the performance and services of the various banks at which Mr. Cosio held accounts directly and through his companies;

⁵ Mr. Cosio ultimately chose to dedicate much of his time to philanthropic and social causes. Among other philanthropic endeavors, Mr. Cosio set up a foundation, Fundación Alumnos47, dedicated to supporting artists whose work focuses on social causes and social criticism, and making that work accessible to the greater population, not only to wealthy art collectors. He is also a significant sponsor of Monte Fenix, a clinic dedicated to the treatment of alcoholism and drug addiction, and several public museums in Mexico. In addition to his philanthropic endeavors, Mr. Cosio has also pursued a career in the film industry, establishing a film production company.

- b. Identifying, vetting, executing and monitoring on an ongoing basis the Direct Investments in which Domenech and Perez recommended Mr. Cosio invest;
- c. Accurately reporting to Mr. Cosio on the status of his assets, investments and business ventures; and
- d. Managing other wealth planning and taxation-related matters, including preparing and filing tax returns in relevant jurisdictions.

34. In fact, as detailed below, unbeknownst to Mr. Cosio, Perez's real purpose was to act as an "inside man," serving as a buffer to ensure information that would have exposed his and Domenech's fraudulent scheme never reached Mr. Cosio.⁶ In doing so, Perez enabled his and Domenech's scheme to flourish undetected.

II. Domenech and Perez Exploit Their Control Over Mr. Cosio's Finances

35. Having consolidated their control over Mr. Cosio's finances and the information he received about them, Domenech and Perez began to execute their scheme. On the day Accendo Capital opened, Domenech sent an email—from the Accendo Capital email account he was assigned—to Perez, proclaiming that they were experiencing "[h]istory in the making." The history Domenech and Perez ultimately made together is, as detailed below, a sordid one.

A. The Direct Investment Scheme

36. After launching Accendo Capital, Domenech and Perez persuaded Mr. Cosio that he should invest in early-stage U.S. and Mexican companies, the Direct Investments. Domenech and Perez assured Mr. Cosio that they would carefully vet the Direct Investments to ensure they

⁶ As added insurance that Domenech and Perez would be able to monitor and manipulate Mr. Cosio, around this same time, Domenech recommended that Mr. Cosio hire Sandra Olivia Gonzalez Barroso ("Ms. Gonzalez"), Domenech's assistant at Citigroup, to work as Mr. Cosio's personal assistant. On information and belief, unbeknownst to Mr. Cosio, Ms. Gonzalez would report to Domenech and Perez requests that Mr. Cosio made of her, as well as his movements. As described below, on information and belief, Domenech and Perez secretly compensated Ms. Gonzalez.

were likely to produce a return on Mr. Cosio's investment. Unbeknownst to Mr. Cosio, however, Domenech and Perez's recommendations were actually intended to enable them to siphon funds from Mr. Cosio's pocket into their own.

37. The scheme, which was designed and implemented in Florida, was simple. Domenech and Perez would: surreptitiously gain access to tens of millions of dollars of Mr. Cosio's funds; duplicitously invest those funds in Direct Investments that would be less likely to question or probe the origin of the funds invested, rather than in investments that would benefit Mr. Cosio; falsely represent to the Direct Investments that a portion of Mr. Cosio's funds came from Aptus Resources and Zerehcn Holdings, which Domenech and Perez owned and controlled; illicitly claim a portion of the resulting ownership stakes in the Direct Investments and any corresponding returns for themselves; and then deceptively misreport the details of the investments to Mr. Cosio, including how much Mr. Cosio had invested, to conceal their scheme.⁷ Specifically, the scheme proceeded as detailed below.

38. First, Domenech and Perez created a means to access tens of millions of dollars of Mr. Cosio's money that they could transfer to the Direct Investments without Mr. Cosio's knowledge or authorization. To do so, beginning at Credit Suisse, Domenech and Perez set up accounts in the name of Accendo Capital, Mr. Cosio's family office, for which Perez was the sole signatory. Accordingly, despite that Mr. Cosio was the sole ultimate beneficial owner of Accendo Capital, Perez could order wire transfers without having to seek Mr. Cosio's authorization. To

⁷ Although this conduct was the core of Domenech and Perez's scheme, their scheme also included other illegal acts, as described below (*see infra* Part II.B), including redirecting the few returns that Mr. Cosio actually received on the Direct Investments to themselves, taking opportunities to invest in the Direct Investments at a discount for themselves without disclosing or offering those opportunities to Mr. Cosio, and failing to disclose that they received free stock from certain Direct Investments in exchange for investing Mr. Cosio's funds.

fund those accounts without alerting Mr. Cosio, Domenech and Perez applied for high-interest loans in Accendo Capital's name using securities held in Mr. Cosio's other bank accounts as collateral for the loans. These unnecessary loans required Mr. Cosio to pay substantial interest and fees to Credit Suisse, which in turn inflated Domenech's compensation.⁸

39. Second, Domenech and Perez transferred tens of millions of dollars of Mr. Cosio's funds to the Direct Investments, frequently from the Accendo Capital accounts they had opened, and misrepresented to the Direct Investments that a portion of those funds originated from Aptus Resources or Zerehcn Holdings.⁹ As a result, the Direct Investments assigned a portion of the ownership stakes, and corresponding returns, that rightfully belonged to Mr. Cosio to Aptus Resources or Zerehcn Holdings. As just one example, in one Direct Investment described below, Domenech and Perez invested USD 18 million of Mr. Cosio's funds, misrepresented that two-thirds originated from Aptus Resources and thereby claimed the majority of Mr. Cosio's rightful ownership interest for themselves.

40. Notably, although Domenech and Perez repeatedly claimed to the Direct Investments that Perez was Aptus Resources' and Zerehcn Holdings' sole owner, Aptus Resources' operating agreement indicates that Domenech and Perez are, in fact, 50-50 owners. In addition, despite that Zerehcn Holdings' operating agreement does not list Domenech as an owner

⁸ Domenech and Perez also transferred funds to the Direct Investments from, and applied for loans in the name of, Mr. Cosio's personal accounts and Alumnos 47 Holdings' accounts, which were also managed by Domenech. Because Mr. Cosio was a signatory on those accounts, when Domenech and Perez wanted to use funds from those accounts for the Direct Investments without Mr. Cosio's knowledge or authorization, they concealed the true purpose of their request from Mr. Cosio.

⁹ To obviate any interference in their scheme by the Direct Investments, Domenech and Perez chose Direct Investments primarily based on whether the companies were likely to probe Domenech's and Perez's representations about the origin of the investment funds, rather than those most likely to generate a return for Mr. Cosio.

(instead listing Perez as holding 99% of the shares and Ms. Gonzalez, Domenech's former assistant, as holding 1% of the shares), the company name is a portmanteau of the last four letters of Domenech's and Perez's surnames, leaving no doubt of their co-ownership.¹⁰ Indeed, when Perez proposed the name, Domenech applauded its deceptiveness as "[v]ery creative. It sounds like an ethnic name, but it's very good."

41. Finally, to conceal their scheme, Domenech and Perez falsely reported the details of Mr. Cosio's investments to him, consistently assuring him that the Direct Investments were profitable.¹¹ Domenech and Perez did so, in part, via periodic reports they prepared using false information that they invented (the "Summary Reports"). Those reports purported to provide accurate valuations of Mr. Cosio's investments in the Direct Investments as of the date of the report. In fact, the reports provided fabricated valuations that either (1) downplayed the valuation of Mr. Cosio's investment to be consistent with the lower amount Domenech and Perez misrepresented Mr. Cosio had invested; or (2) inflated the valuation to hide that many of the investments were failures as a result of Domenech and Perez's primary focus on investing in Direct Investments they could manipulate, as opposed to exclusively focusing on what might generate a return for Mr. Cosio. As just one example, a Direct Investment that the Summary Reports consistently valued at USD 24 million was in fact worth zero.

42. Tellingly, whenever Mr. Cosio requested to know the actual amount invested in the Direct Investments, rather than just the valuation shown in the Summary Reports, Domenech and

¹⁰ "Zere" is Perez without the "P" backwards, and "hcen" is Domenech without the "Dome," also backwards.

¹¹ Domenech and Perez also used these reports to dissuade Mr. Cosio from pursuing investment opportunities proposed by other banks at which he held funds by falsely claiming to Mr. Cosio that the Direct Investments offered a better opportunity for Mr. Cosio to generate a return on his investment. Domenech and Perez affirmatively failed to disclose that, in fact, their preference for the Direct Investments was based on their ability to manipulate those investments.

Perez fed him yet more lies. On February 3, 2017, for example, Mr. Cosio wrote to Perez asking to know: (1) the amount invested in each company; (2) his ownership percentage in each company; and (3) the present-day value of his interest. In response, Domenech and Perez prepared a table purporting to summarize the information Mr. Cosio had requested (the “February 2017 Investment Report”). Among other false representations included therein, Domenech and Perez reported that Mr. Cosio had invested a total of USD 38 million in the Direct Investments as of that date. In fact, Mr. Cosio had unwittingly already invested around twice that amount.

43. Domenech’s employment at Credit Suisse was essential to the above-described scheme. Credit Suisse held Domenech out as an honest, reputable, fit and competent financial advisor and broker, who was under the Bank’s supervision—all of which provided a false sense of comfort to Mr. Cosio when following Domenech’s advice to invest in the Direct Investments. Credit Suisse also provided the tens of millions of dollars in high-interest loans that Domenech and Perez applied for in Mr. Cosio’s and his companies’ names, without Mr. Cosio’s knowledge or approval, and without which Domenech and Perez would have been unable to funnel Mr. Cosio’s funds into the Direct Investments. In addition, Credit Suisse enabled Domenech and Perez to funnel funds relating to the Direct Investments to or from Perez’s personal accounts, all without alerting Mr. Cosio.

B. The Direct Investments

44. Ultimately, Domenech and Perez manipulated Mr. Cosio’s trust to invest his funds in more than a dozen Direct Investments. As described below, Domenech, Perez, Aptus Resources and Zerehcn Holdings engaged in the above-described conduct to varying degrees across each of those investments.

i. Investment in Private Equity C.P., S.A.P.I. de C.V.

45. In or around 2012, Domenech and Perez proposed to Mr. Cosio that he invest in Private Equity C.P., S.A.P.I. de C.V., formerly known as Credipresto, S.A. de C.V., S.O.F.O.M., E.N.R. (“Credipresto”), a Mexican company that provided small pay-day loans to payroll employees. The founder of Credipresto is Javier Reyes (“Mr. Reyes”), a close friend of Domenech and Perez. Trusting in his advisors’ recommendation, Mr. Cosio agreed to invest in Credipresto and entrusted Domenech and Perez to make the investment, believing that they would do so in his best interests.

46. Unbeknownst to Mr. Cosio, Domenech and Perez repeatedly lied to him about his investment in Credipresto, including the amount of his investment and the ownership stake he received in return, affirmatively failed to disclose that they had also invested in the company, and took a portion of Mr. Cosio’s ownership interest for themselves. In addition, Domenech and Perez took returns that Mr. Cosio received from Credipresto for themselves.

47. As an initial matter, when Domenech and Perez recommended the investment in Credipresto to Mr. Cosio, they affirmatively failed to disclose that they already owned a stake in Credipresto through Zerehcen Holdings (their Mexican investment vehicle) and that Credipresto was struggling financially such that Mr. Cosio’s investment would help it survive—to Domenech’s and Perez’s benefit as shareholders in the company.

48. Then, after securing his approval to invest in Credipresto, Domenech and Perez invested far more of Mr. Cosio’s money than they disclosed to him. Specifically, beginning at Credit Suisse in May 2012 and continuing through November 2015, Domenech and his banking team at Credit Suisse transferred at least USD 8 million from accounts held by Mr. Cosio and

Alumnos 47 Holdings to Credipresto. As described below, Domenech and Perez falsely reported a much smaller investment to Mr. Cosio.

49. To obtain sufficient liquidity to fund these transfers without alerting Mr. Cosio to the extent of his investment in Credipresto, Domenech and Perez sought, and Credit Suisse facilitated, expensive and unnecessary loans in Mr. Cosio's and Alumnos 47 Holdings' names—without Mr. Cosio's knowledge or approval. Credit Suisse benefitted from these loans through interest payments and fees, as did Domenech because the additional revenues on Mr. Cosio's accounts inflated Domenech's compensation.

50. Domenech and Perez affirmatively failed to disclose to Mr. Cosio the size of his investment in Credipresto, instead reporting that his investment was significantly less. As an example, in the February 2017 Investment Report described above (*see supra* ¶ 42), Domenech and Perez reported to Mr. Cosio that he had invested less than USD 3.4 million in Credipresto. In fact, by that time, Domenech and Perez had already transferred ***more than USD 8 million*** from Mr. Cosio's accounts to Credipresto. Notably, the February 2017 Investment Report valued Mr. Cosio's investment in Credipresto as of the date of the report at approximately USD 6.4 million. This would have been a positive valuation based on the (false) lower investment amount that Domenech and Perez reported—i.e., the reported present-day value of Mr. Cosio's investment (USD 6.4 million) was almost twice the amount Domenech and Perez said Mr. Cosio had invested (USD 3.4 million). In truth, however, Mr. Cosio's investment in Credipresto was at least USD 8 million such that any valuation based on a false investment amount of USD 3.4 million was false.

51. In or around March 2017, Domenech and Perez encouraged Mr. Cosio to make a significant, additional investment in Credipresto in connection with Credipresto's plan to acquire a Mexican bank. Trusting in his advisors, Mr. Cosio agreed to an additional investment in

Credipresto. Over the following year, Domenech and Perez made multiple transfers amounting to more than USD 50 million from Mr. Cosio's accounts to Credipresto to fund the acquisition. As a result of that investment, Domenech and Perez told Mr. Cosio that he had obtained a 37% ownership stake in Credipresto. They affirmatively failed to disclose, however, that his ownership stake was far lower than it should have been. Specifically, Mr. Cosio would later learn that his investment in Credipresto accounted for approximately **92.5% of Credipresto's total equity investments**, but that Domenech and Perez ensured he did not receive the ownership stake to which he was entitled lest it leave a minority stake for them and their friends, including Mr. Reyes.

52. In addition to ensuring that Mr. Cosio did not receive the ownership stake to which he was entitled, Domenech and Perez ensured that Mr. Cosio did not obtain the near-complete control he would have had over the company had he owned a majority of its voting shares—lest Mr. Cosio attempt to wrestle the company away from Domenech, Perez and their friends. Specifically, Domenech and Perez set up Mr. Cosio's investment such that he received (1) only approximately 30 million voting shares, known as "Series A" shares, in Credipresto; but (2) **622 million non-voting shares**, known as "Series P" shares. Notably, the shares held by Domenech and Perez and **every other** investor in Credipresto were Series A shares. No other investor held Series P shares. That share type had been created only to defraud Mr. Cosio out of his control rights.¹²

53. Domenech and Perez also found other ways to misappropriate Mr. Cosio's funds in connection with the Credipresto investment. On information and belief, Domenech and Perez

¹² While Series A shares gave their holders full voting rights in Credipresto, Series P shares had limited voting rights, restricting their holder to vote only regarding (1) a change to the intended duration of the company as established in its by-laws; (2) the early dissolution of the company; (3) a change in the company's purpose as set forth in the by-laws; (4) a change in the company's nationality; (5) a change in the company's form (e.g., from an LLC to an LP); and (6) the merger of Credipresto with another company.

structured a portion of Mr. Cosio's investment in Credipresto as a loan and instructed Mr. Reyes to pay the loan back in cash *to Perez*—not to Mr. Cosio. On information and belief, without informing Mr. Cosio, Perez used that cash for his personal expenses, and also siphoned some of the cash to Ms. Gonzalez, Mr. Cosio's then-assistant. As discussed above (*see supra* ¶ 40), Ms. Gonzalez was listed as the second owner of Zerehcen Holdings, seemingly to hide that Domenech was actually the second owner of the company.

ii. Investment in Kichink Servicios S.A. de C.V.

54. In or around mid-2013, Mr. Cosio learned about a new start-up called Kichink Servicios S.A. de C.V. ("Kichink"), a Mexican company that ran a website analogous to eBay in the United States, through which users could set up online stores to sell products of all types (e.g., clothes, cosmetics and electronics) directly to consumers.

55. Mr. Cosio asked that Kichink's owners send him an investment proposal, which Mr. Cosio then shared with Domenech and Perez. Purportedly based on their financial expertise and experience, Domenech and Perez agreed that Mr. Cosio should invest in Kichink. Seemingly demonstrating their confidence in the investment, Perez even informed Mr. Cosio that he would like to invest his own money in Kichink. Perez did so without disclosing that he had already invested alongside Mr. Cosio in several other Direct Investments, including Credipresto and others discussed below.

56. Trusting in his advisors' recommendation, Mr. Cosio relied on Domenech and Perez to make his investment in Kichink, believing that they would act at all times in his best interests. Instead, Domenech and Perez used the investment in Kichink as a means to enrich themselves to Mr. Cosio's detriment. As described below, unbeknownst to Mr. Cosio, Domenech and Perez took a portion of Mr. Cosio's ownership interest in Kichink for themselves. Domenech

and Perez then repeatedly lied to Mr. Cosio about his investment in Kichink, including the ownership stake he had received in the company and the value of that stake.

57. Specifically, unbeknownst to Mr. Cosio, in early 2017, Perez instructed Kichink's CFO, Paul Marquard ("Mr. Marquard"), that—based on Perez and Mr. Cosio's collective investment in Kichink—Mr. Marquard should split a 35% ownership stake in Kichink's parent company, Grupo Atomico ("Atomico"), by giving a 28% ownership stake to Mr. Cosio (through Alumnos 47 Holdings) and a 7% ownership stake to Domenech and Perez (through Zerehcn Holdings). On January 5, 2017, Mr. Marquard confirmed Perez's instruction, writing "[i]n the last meeting we had, *you mentioned to me that the investment that you and Moises [Cosio] have made in Kichink and the rest of the projects should be divided 20% from you and 80% from Moises [Cosio].*"

58. Perez's representation to Mr. Marquard that 20% of his and Mr. Cosio's collective investment in the company came from Perez's funds was false. In fact, less than 3% of the total amount that Mr. Cosio and Perez invested in Kichink originated from Perez's accounts. The rest originated from Mr. Cosio's accounts. Specifically, beginning at Credit Suisse in August 2013 and continuing through October 2018, Domenech and his banking team executed approximately USD 15 million in wire transfers to Kichink from Mr. Cosio's, Accendo Capital's and Alumnos 47 Holdings' accounts. By contrast, Domenech and Perez, through Zerehcn Holdings, invested only around USD 450,000.

59. Domenech and Perez affirmatively failed to disclose to Mr. Cosio that they had taken a portion of what should have been his ownership interest in Kichink. In the February 2017 Investment Report, for example, Domenech and Perez represented to Mr. Cosio that he owned 28% of Kichink. They affirmatively failed to disclose that Mr. Cosio's ownership stake would

have been much larger had Perez not instructed Mr. Marquard to give Zerehcen Holdings a portion of Kichink's ownership that rightfully belonged to Mr. Cosio.

60. Domenech and Perez also made false representations to Mr. Cosio about the value of his investment in Kichink. In the February 2017 Investment Report, for example, Domenech and Perez represented to Mr. Cosio that the estimated value of his investment was USD 24 million. Domenech and Perez repeated this valuation to Mr. Cosio on multiple occasions, including in numerous Summary Reports such as one prepared in February 2018. In fact, Domenech and Perez's valuation appears to have been pulled out of thin air. Kichink, in fact, was floundering and, at present, Mr. Cosio's investment in the company is worth almost nothing. Mr. Cosio has not received—nor is he likely to ever receive—a return on his investment in Kichink.

iii. Investment in Mexican Gastronomy International, LLC

61. In or around 2013, Alberto Cinta ("Mr. Cinta"), the owner of a Mexican hospitality group, Grupo Cinbersol ("Cinbersol"), approached Mr. Cosio to seek his investment in a new restaurant that Mr. Cinta planned to open in Miami: Cantina La Veinte. Mr. Cosio put Mr. Cinta in touch with Domenech and Perez so that they could assess the opportunity. Domenech and Perez told Mr. Cosio that the investment was a good opportunity and Mr. Cosio entrusted them to make it on his behalf.

62. Instead of protecting Mr. Cosio's interests in the investment, as they were obligated to do, Domenech and Perez secretly colluded to take a portion of Mr. Cosio's ownership interest in the restaurant and the corresponding returns on Mr. Cosio's investment for themselves. To hide their illegal acts, they repeatedly lied to Mr. Cosio about the amount he had invested in Cantina La Veinte, the ownership stake he had received in return, and the value of that ownership stake.

63. To effectuate their scheme, in early 2014, Perez—purportedly acting on behalf of Accendo Capital—retained Neiman & Interian, PLLC (“Neiman”), a local Miami law firm, to set up the company that would own and operate Cantina La Veinte: Mexican Gastronomy International, LLC (“MGI”), a Florida limited liability company. This included preparing the operating agreement that set forth the members of the LLC and their respective ownership interests (the “MGI Operating Agreement”).

64. To take a portion of Mr. Cosio’s ownership stake for Domenech and himself, Perez instructed Neiman that the owners of MGI, as set forth in the MGI Operating Agreement, should be (1) Mr. Cinta with a 50% ownership interest; (2) Accendo Capital (i.e., Mr. Cosio) with a 22% ownership interest; (3) three associates of Mr. Cinta with ownership interests of 7%, 7% and 4%, respectively; and, unbeknownst to Mr. Cosio, (4) ***Aptus Resources—the company that Domenech and Perez jointly owned—with a 10% ownership interest.*** Domenech and Perez affirmatively failed to disclose to Mr. Cosio that they intended to take, or had taken, an ownership interest in MGI that rightfully belonged to Mr. Cosio.

65. The ownership stake that Domenech and Perez took was vastly disproportionate to their investment in MGI. Specifically, although Domenech and Perez secretly took an ownership interest in MGI that was almost half the size of Mr. Cosio’s ownership interest—i.e., 10% for themselves through Aptus Resources versus 22% for Mr. Cosio through Accendo Capital—Domenech and Perez’s actual monetary investment in MGI was no more than 6% of Mr. Cosio’s investment.

66. Specifically, beginning at Credit Suisse in April 2013 and continuing through March 2017, Domenech and his banking team executed more than USD 5 million in wire transfers, primarily from Accendo Capital’s account, to MGI. By contrast, during the same period,

Domenech and Perez invested only around USD 300,000, which Domenech and his banking team transferred from Perez's Credit Suisse account to MGI.

67. To conceal the extent of Mr. Cosio's investment in MGI, Domenech and Perez again used expensive, unnecessary lines of credit in Mr. Cosio's and Accendo Capital's names, such that Credit Suisse benefitted from the loans' interest payments and fees.

68. In addition to secretly taking an ownership interest in MGI to which they were not entitled, Domenech and Perez misappropriated returns intended for Mr. Cosio from MGI for themselves. Specifically, on or before November 9, 2016, MGI paid USD 42,899 to Aptus Resources (i.e., Domenech and Perez), purportedly as a shareholder distribution to Aptus Resources, as well as a USD 674,200 return to Accendo Capital (i.e., Mr. Cosio). Because Domenech and Perez had wrongfully obtained an ownership interest in MGI for Aptus Resources, they were not entitled to the USD 42,899 distribution. Even more egregious, Domenech and Perez instructed MGI to transfer the USD 674,200 return intended for Accendo Capital to Perez's personal account, not to Accendo Capital.

69. To conceal their scheme, Domenech and Perez repeatedly lied to Mr. Cosio about the extent of his investment in MGI, his ownership interest in the company, and the value of his investment, including in the February 2017 Investment Report.

70. First, Domenech and Perez falsely represented that, as of the date of the February 2017 Investment Report, Mr. Cosio had invested only USD 1,633,333 in MGI. In fact, by February 2017, Domenech and Perez had invested close to USD 5 million of Mr. Cosio's funds in MGI.

71. Second, Domenech and Perez represented that Mr. Cosio owned a 22% interest in MGI. Domenech and Perez affirmatively failed to disclose to Mr. Cosio, however, that his investment in MGI entitled him to a much larger ownership stake, but that they had taken a part of

Mr. Cosio's ownership stake in MGI for themselves when they prepared the MGI Operating Agreement.

72. Third, Domenech and Perez estimated the value of Mr. Cosio's purported investment of USD 1,633,333 in MGI to be USD 2,335,666 as of the date of the February 2017 Investment Report. Domenech and Perez fabricated this valuation to make it consistent with the (false) investment amount they had reported to Mr. Cosio. If this purported valuation were accurate, Mr. Cosio's investment would have suffered more than a 50 percent loss based on his actual investment of approximately USD 5 million. Domenech and Perez repeated this or a similarly false valuation, based on a substantially lower investment amount, in numerous Summary Reports.

iv. Investment in Gastronomy Real Estate Holdings, LLC

73. Domenech and Perez also found a second way to secretly steal from Mr. Cosio in connection with his investment in the Cantina La Veinte restaurant.

74. In or around early 2014, Mr. Cinta proposed to Domenech and Perez that, rather than renting space in which to operate Cantina La Veinte, they purchase space that an acquaintance of Mr. Cinta was selling in the Icon Brickell building in Downtown Miami (the "Property"). Perez, in turn, suggested to Mr. Cinta that Mr. Cosio could fund the acquisition of the Property. Domenech and Perez recommended the acquisition to Mr. Cosio who, following his advisors' advice, agreed to provide a loan of USD 6.2 million to fund the entire purchase price for the Property (the "Loan") and entrusted Domenech and Perez to implement the transaction.

75. The Loan transaction was supposed to proceed as follows: (1) Messrs. Cinta and Cosio would create a new company ("NewCo") that would buy the Property using the funds loaned by Mr. Cosio; (2) NewCo would be owned by Mr. Cosio, with at least 60% of the company, and

Mr. Cinta with the remainder; (3) NewCo would rent the Property to MGI (which, as discussed above, owned and operated Cantina La Veinte) in exchange for a monthly rent payment of approximately USD 36,000; and (4) NewCo would pay approximately half of that monthly rental fee to Mr. Cosio as interest on the Loan until Mr. Cosio had received full repayment of the Loan. Importantly, NewCo was not to make any distributions to its members until the Loan was repaid to Mr. Cosio.

76. Instead of executing the Loan transaction as Mr. Cosio had intended, Domenech and Perez used the transaction as yet another opportunity to enrich themselves. As described below, unbeknownst to Mr. Cosio, Domenech and Perez took an ownership interest in NewCo for themselves and paid themselves funds from NewCo's accounts to which they were not entitled.

77. To execute their scheme, in early 2014, Perez retained Neiman to establish the NewCo: Gastronomy Real Estate Holdings, LLC ("GREH"), a Florida limited liability company. Without Mr. Cosio's knowledge or authorization, and contrary to the agreement that Mr. Cosio would receive at least a 60% ownership interest in GREH and Mr. Cinta the remainder, Perez instructed Neiman to divide the ownership interest in GREH between three parties: Mr. Cosio, Mr. Cinta and *Domenech and Perez's company, Aptus Resources*.

78. Following Perez's instruction, Neiman prepared GREH's initial operating agreement, dated March 6, 2014, providing for the following ownership interests: (1) Mr. Cinta with a 40% ownership interest; (2) Accendo Capital (i.e., Mr. Cosio) with a 30% ownership interest—*half the ownership stake* that Mr. Cosio was supposed to obtain; and (3) *Aptus Resources—which was not supposed to have any interest in GREH—with a 30% ownership interest* (the "GREH Operating Agreement").

79. Domenech and Perez affirmatively failed to disclose to Mr. Cosio that they intended to take, or had taken, an ownership interest in GREH, nor did they obtain Mr. Cosio's authorization to do so. Domenech and Perez did not make **any** financial contribution to GREH or the purchase price of the Property that might have justified them receiving an ownership stake in GREH, let alone a stake commensurate with Mr. Cosio's stake.

80. In addition to taking an ownership interest in GREH that rightfully belonged to Mr. Cosio, Domenech and Perez transferred funds from GREH to themselves to which they were not entitled. To do so, upon establishing GREH, Perez ordered Neiman to name him as the company's sole manager. Among other powers, this role enabled Perez to set up a bank account for GREH, including signatory authority over that account. Perez opened GREH's account under Domenech's management so that Domenech could help him manipulate it. Domenech and Perez then transferred around USD 400,000 from GREH's account to accounts held by Perez.

81. First, on or around April 20, 2016, Domenech and his banking team executed a transfer of USD 40,732.56 from GREH's account to a personal bank account held by Perez at Citibank.

82. Second, on January 11, 2018, Domenech and his banking team executed a second transfer of USD 350,000 from GREH's account to another personal account belonging to Perez. In requesting the transfer, Perez falsely stated that the funds were a "distribution to [a GREH] shareholder" (i.e., a distribution to Aptus Resources as a member of GREH).

83. Domenech and Perez affirmatively failed to disclose these transfers to Mr. Cosio and knew that the transfers were not authorized. Setting aside that Domenech and Perez were only "shareholders" in GREH because they had secretly stolen a portion of the ownership interest intended for Mr. Cosio, they knew that GREH was not to make **any** distributions to its members

until after the Loan that Mr. Cosio provided to buy the Property had been repaid in full. Even to this day, the large majority of the Loan remains outstanding.¹³

84. In mid-2018, Domenech and Perez's management of Mr. Cosio's assets came under scrutiny, as described below (*see infra* Part III). Domenech and Perez scrambled to conceal their illegal taking of an ownership interest in GREH.

85. On October 24, 2018, Vivian Gomez ("Ms. Gomez"), Perez's assistant at Accendo Capital, wrote to Neiman, the law firm that had created the GREH Operating Agreement, asking for a copy of the agreement in "[W]ord format." She told Neiman later the same day to disregard her request since she had "found a Word version on her computer."

86. Ms. Gomez's computer files for the same day reflect that she prepared a new version of GREH's operating agreement with only two owners: Accendo Capital with an ownership interest of 70%; and Mr. Cinta with an ownership interest of 30% (the "Revised GREH Operating Agreement"). That is, removing Aptus Resources (which was never supposed to receive an ownership stake in GREH) and increasing Accendo Capital's ownership stake to an amount more consistent with what had been agreed.¹⁴ The Revised GREH Operating Agreement was backdated to March 6, 2014, the date of the original GREH Operating Agreement, thereby falsely representing that it was the operating agreement that had always been in place.

¹³ To enable this payment, Perez falsely represented that the Loan had been repaid. In a September 8, 2018 email from GREH's accountant, Michael Blanco ("Mr. Blanco"), to Perez, Mr. Blanco wrote, "***Per our meeting***, it is my understanding that the partners [of GREH] contributed capital to pay off the \$6.2M loan." Perez's representation to Mr. Blanco that the GREH partners had contributed capital to pay off the Loan was utterly false; the Loan is still outstanding.

¹⁴ Notably, the Word version of the Revised GREH Operating Agreement in Ms. Gomez's files already contained an electronic version of Mr. Cinta's signature pasted into the signature block. Presumably this was so that Perez could finalize and file the new operating agreement without having to seek Mr. Cinta's signature and explain to Mr. Cinta the reason for the change.

87. On November 14, 2018, days after Mr. Cosio instructed Perez not to conduct further business on behalf of Accendo Capital, Perez hand-delivered a copy of the Revised GREH Operating Agreement to Neiman and instructed them to file it in GREH's corporate books.

88. In a further effort to conceal his and Domenech's scheme, Perez ordered Mr. Blanco, GREH's accountant, to amend GREH's prior tax returns in order to conceal Aptus Resources' illegal ownership interest and include only Accendo Capital and Mr. Cinta as owners of GREH.

v. Investment in Taco Chic, LLC

89. In or around mid-2015, Domenech and Perez recommended that Mr. Cosio invest in another restaurant concept proposed by Mr. Cinta: a taco restaurant called Tacology in a new mall located in Miami, Florida. Trusting in his advisors, Mr. Cosio agreed.

90. Yet again, Domenech and Perez betrayed Mr. Cosio's trust by using his investment as an opportunity to enrich themselves. As described below, unbeknownst to Mr. Cosio, Domenech and Perez took a portion of Mr. Cosio's ownership interest in Tacology for themselves. To conceal what they had done, Domenech and Perez repeatedly lied to Mr. Cosio about the amount he had invested in the restaurant, the ownership stake he had received in return, and the value of his ownership stake.

91. Domenech and Perez's scheme began with the establishment of the holding company that would own Tacology. On October 7, 2015, Domenech wrote to Perez asking what he thought about the name "Opuntia" for the new company that would own Tacology. Perez responded that he liked it. Later the same day, Domenech emailed Neiman, the law firm that set up MGI and GREH, requesting that they set up a new Florida limited liability company called

Opuntia Gastronomy LLC (“Opuntia”), which would own and operate Tacology. Mr. Cinta, Perez and Domenech later decided to change the company’s name to Taco Chic LLC (“Taco Chic”).¹⁵

92. Domenech and Perez instructed Neiman that Taco Chic’s operating agreement, dated October 9, 2015, should give: (1) a 55% ownership interest in the company to Mr. Cinta; (2) a 30% ownership interest to Accendo Capital; and (3) ***a 15% ownership interest to Aptus Resources*** (the “Taco Chic Operating Agreement”). Domenech and Perez affirmatively failed to disclose to Mr. Cosio that they intended to take, or had taken, an ownership interest in Taco Chic without his authorization.

93. Despite secretly taking a 15% ownership interest in Taco Chic, Domenech and Perez do not appear to have invested a single dollar of their own money in Taco Chic. By contrast, between October 2016 and July 2017, Domenech and his banking team transferred more than USD 3 million from Accendo Capital’s accounts to an account held by Taco Chic. Again, to fund these transfers without alerting Mr. Cosio to the extent of his investment in Taco Chic, Domenech and Perez used expensive lines of credit that they had obtained in Accendo Capital’s name.

94. In or around March 2017, not satisfied with the size of the ownership stake they had already misappropriated from Mr. Cosio, Domenech and Perez decided to ***increase their own already-unjustified ownership interest in the company and decrease that of Mr. Cosio***. As a facade for doing so, Domenech and Perez misrepresented that the ownership interests set forth in the original Taco Chic Operating Agreement had been an error.

95. Specifically, on March 18, 2017, Mr. Blanco, who was also Taco Chic’s accountant, wrote to Domenech and Perez asking for a copy of the Taco Chic operating agreement for purposes of completing the company’s tax returns. Without mentioning the Taco Chic Operating

¹⁵ For ease of reference, this Complaint refers to the company only as “Taco Chic.”

Agreement then in place, Domenech responded falsely, stating that the ownership interests in Taco Chic were “***Alberto [Cinta] 52% Aptus Resources 32% and Accendo Capital 16%.***” That represented a 17% increase in Aptus Resources’ ownership interest and a 14% decrease in Accendo Capital’s ownership interest. Domenech added, “[t]his has not been memorialized in the operating agreement but it will be soon.” He then quickly wrote to Perez, dropping Mr. Blanco from the email chain, stating, “***We need to fix this immediately. If you agree, let’s talk to [Neiman] tomorrow.***”

96. Further to Domenech’s email, Perez set out to “fix” the Taco Chic Operating Agreement. Specifically, on March 28, 2017, an attorney at Neiman wrote to Mr. Blanco, copying Perez, stating (consistent with Domenech’s earlier email): “***Ramon [Perez] has advised th[at] the original percentages [in the Taco Chic Operating Agreement] should have been Alberto [Cinta]-52%, Accendo Capital-16% and Aptus Resources-32%.*** We can revise the initial documents but not sure if that affects the 2015 tax return”

97. In or around April 2017, Neiman prepared a new operating agreement for Taco Chic, purporting to be effective as of January 1, 2016. The new agreement memorialized the altered ownership interests that Domenech and Perez requested: (1) Mr. Cinta with 52% of the company (a decrease of 3% from the original Taco Chic Operating Agreement); (2) Aptus Resources with 32% of the company (an ***increase of 17%***); and (3) Accendo Capital with only 16% of the company (a ***decrease of 14%***) (the “Revised Taco Chic Operating Agreement”). Again, Domenech and Perez affirmatively failed to disclose to Mr. Cosio that they had taken an ownership interest in Taco Chic that rightfully belonged to Mr. Cosio.

98. To conceal their scheme from Mr. Cosio, Domenech and Perez repeatedly lied to him when he asked about his investment in Taco Chic.

99. On January 30, 2017, for example, Mr. Cosio wrote to Perez asking what percentage he owned in Taco Chic. Perez responded that he had a meeting scheduled for that day to “clarify all that” with Mr. Cinta but that he would ensure Mr. Cosio had “at least 15%.” In fact, at the time—which was before Domenech and Perez revised the Taco Chic Operating Agreement—Mr. Cosio owned 30% of Taco Chic, and even that ownership interest was lower than it would have been had Domenech and Perez not illegally taken a portion of Taco Chic’s ownership for themselves.

100. The next month, Domenech and Perez prepared the February 2017 Investment Report in response to Mr. Cosio’s request for an update on his investments. The report was false and misleading in several respects.

101. First, Domenech and Perez falsely reported that Mr. Cosio had invested only around USD 1 million in Taco Chic. In fact, Domenech and Perez had already transferred more than USD 2 million from Accendo Capital’s account to Taco Chic.

102. Second, Domenech and Perez falsely reported that Mr. Cosio held a 15% ownership interest in Taco Chic. In fact, because the report was prepared before Domenech and Perez ordered the changes to the Taco Chic Operating Agreement, Mr. Cosio owned 30% of Taco Chic. And, in any event, Mr. Cosio would have owned more than 30% had Domenech and Perez not secretly taken a portion of Mr. Cosio’s ownership interest for themselves.

103. Third, Domenech and Perez reported that Mr. Cosio’s purported USD 1 million investment in Taco Chic had a present-day value of approximately USD 1.45 million. This valuation, which appeared positive based on a reported investment of USD 1 million (i.e., that Mr. Cosio’s investment valued more than what he invested), was actually a gross understatement given that Mr. Cosio had invested significantly more than Domenech and Perez reported. Domenech

and Perez repeated this or a similarly false valuation, which they based on a substantially lower investment amount than what Mr. Cosio had actually invested, in numerous Summary Reports that they provided to Mr. Cosio, including in a Summary Report dated February 2018.

104. When their management of Mr. Cosio's assets came under scrutiny in mid-2018 (*see infra* Part III), Domenech and Perez again sought to conceal their wrongdoing, including by destroying the Revised Taco Chic Operating Agreement.

105. Specifically, on October 24, 2018, an employee at Neiman wrote to one of the firm's named partners, stating:

Vivian Gomez [Perez's assistant] ... called to say that the memberships dated 01/01/2016 [i.e., the Revised Taco Chic Operating Agreement] ***can be destroyed as they have the wrong membership percentages***. She has an earlier version dated 10/09/15 [i.e., the original Taco Chic Operating Agreement] which she will keep as these are the ones that reflect the correct percentages.

106. Evidently perturbed by this strange request, the Neiman partner forwarded the email to Perez writing, "Please call me. ***I am not sure what is going on*** and am concerned that the ownership percentages must match the previously filed tax returns."

107. Around the same time, Domenech and Perez appear to have contemplated transferring Taco Chic's ownership entirely to Mr. Cinta, likely in order to conceal their ownership interest through Aptus Resources.

108. Specifically, in late August 2018, Perez instructed Neiman to prepare "a draft of what an Operating Agreement [for Taco Chic] would be if Alberto Cinta was the sole member and manager" (i.e., if they removed Accendo Capital and Aptus Resources as members). On August 28, Neiman delivered the draft to Perez, who forwarded it to Domenech. On October 19, just a few days before Ms. Gomez ordered the destruction of the Revised Taco Chic Operating

Agreement, as described above, Domenech responded to Perez's August 19 email, writing "***You sent me this in August. Did it get signed? I'll call you later.***"

109. Ultimately, on November 14, 2018, days after Mr. Cosio instructed Perez not to conduct further business on behalf of Accendo Capital, Perez delivered a copy of the original Taco Chic Operating Agreement to Neiman and instructed them to file it in the company's books, replacing the Revised Taco Chic Operating Agreement.

vi. Investment in The Cantinas Restaurants

110. On January 8, 2016, Mr. Cinta sent Domenech and Perez another investment proposal, this time relating to a chain of restaurants that Mr. Cinta's hospitality group, Cinbersol, operated in Mexico: Cantina La No. 20 (the "Cantinas Restaurants").

111. Mr. Cinta's proposal sought an investment of MXN 330 million (approximately USD 18 million at the then-prevailing MXN-USD conversion rate) to fund operating costs for the Cantinas Restaurants already operating in Mexico, as well as for purposes of establishing new Cantinas Restaurants in various regions of Mexico. In exchange, the investor would receive a 20% to 40% interest in the existing Cantinas Restaurants and a 40% ownership interest in the subsequently opened Cantinas Restaurants. The Cantinas Restaurants would ultimately return the investor's entire investment based on the earnings from the Cantinas Restaurants.

112. Domenech and Perez proposed to Mr. Cosio that he invest in the Cantinas Restaurants. Understanding that Domenech and Perez were recommending the investment because it was in his best interests, Mr. Cosio agreed to invest and entrusted Domenech and Perez to make the investment. Domenech and Perez quickly began scheming to take a portion—indeed, the vast majority—of the investment for themselves without contributing any of their own money.

113. As described below, unbeknownst to Mr. Cosio, Domenech and Perez falsely told the Cantinas Restaurants that ***two-thirds*** of Mr. Cosio’s multi-million-dollar investment originated from them. By doing so, Domenech and Perez misappropriated a significant portion of Mr. Cosio’s ownership stake in the companies for themselves. In addition, Domenech and Perez took money that the Cantinas Restaurants owed Mr. Cosio in order to line their own pockets. To hide all of this, Domenech and Perez repeatedly lied to Mr. Cosio about the amount he had invested in the Cantinas Restaurants, the ownership stake he had received in return, and the value of that ownership stake.

114. Domenech and Perez began to execute their scheme on or around January 27, 2016. That day, Perez wrote to Mr. Cinta, stating that two-thirds of the investment to be made in the Cantinas Restaurants would originate from Aptus Resources, that is, from Domenech and Perez. Specifically, Perez wrote “for the new investment in the [Cantinas Restaurants] ... ***1/3 will be in the name of Alumnos 47 Holdings SA de CV*** [i.e., Mr. Cosio’s Mexican investment vehicle] ... ***[t]he other 2/3 will be in the name of Aptus Resources LLC*** [i.e., Domenech and Perez’s company].”

115. On February 8, 2016, Mr. Cinta sent Perez an agreement setting forth the terms of the investment in the Cantinas Restaurants (the “Cantinas Agreement”). The Cantinas Agreement had been edited in track changes to implement the directions Perez had given to Mr. Cinta on January 27.

116. Specifically, as reflected in the Cantinas Agreement, the original terms had been as follows: (1) Mr. Cosio would invest MXN 330 million (approximately USD 18 million) in the Cantinas Restaurants; and, in exchange, (2) Mr. Cosio would receive a 20-40% ownership stake

in the existing Cantinas Restaurants and a 40% ownership stake in all subsequently opened Cantinas Restaurants.

117. As revised to implement Perez's January 27 instructions, however, the terms of the Cantinas Agreement were as follows: (1) Mr. Cosio (through Alumnos 47 Holdings) and Domenech and Perez (through Aptus Resources) would make a "**joint**" investment of MXN 330 million in the Cantinas Restaurants; (2) Alumnos 47 Holdings **and Aptus Resources** would split the 20-40% ownership interest in the existing Cantinas Restaurants between them, giving **Aptus Resources the larger stake**; and (3) Alumnos 47 Holdings **and Aptus Resources** would receive an aggregate 40% ownership in subsequently opened Cantinas Restaurants.

118. Domenech and Perez affirmatively failed to disclose to Mr. Cosio that they intended to take, or had taken, an ownership interest in the Cantinas Restaurants, nor did they obtain Mr. Cosio's authorization to do so.

119. Domenech and Perez made no investment in the Cantinas Restaurants that might have justified their ownership stake. Notwithstanding Domenech's and Perez's representation to the Cantinas Restaurants that the MXN 330 million would be a "**joint**" investment by Alumnos 47 Holdings and Aptus Resources, Aptus Resources did not contribute a single peso. Rather, between March 1, 2016 and April 8, 2016, Domenech and his team at Credit Suisse executed 21 wire transfers totaling MXN 330 million (i.e., the full amount of the purportedly "joint" investment) from Accendo Capital's account at Credit Suisse to companies related to the Cantinas Restaurants.¹⁶

¹⁶ The transfers were made to 19 different companies, including several operating companies that own and operate the respective Cantinas Restaurants, as well as other companies that appear to be related to the Cantinas Restaurants (e.g., companies that provide goods and services to the Cantinas Restaurants). This latter category of companies includes, as is relevant to the allegations contained *infra* in paragraphs 120-122 of this Complaint, a company named Splendido Gourmet, S.A. de C.V. ("Splendido Gourmet").

120. After Accendo Capital transferred the full amount of the purportedly “joint” investment to the Cantinas Restaurants, Perez continued to misrepresent the origin of the funds to members of Cinbersol in order to maintain the falsehood that the investment had been a “joint” investment by Accendo Capital *and* Aptus Resources.

121. Specifically, on November 16, 2016, an employee of Cinbersol, Fabian Verastegui (“Mr. Verastegui”), wrote to Perez regarding a forthcoming call he had scheduled with Perez. Mr. Verastegui wrote that, for fiscal reasons, he wanted to issue an invoice to “Aptus Resources” for a MXN 13.5 million payment it had made as part of the MXN 330 million total investment in the Cantinas Restaurants.

122. On December 1, 2016, presumably after his call with Perez, Mr. Verastegui sent him an email attaching “the invoice we discussed recently, which supports the payment made to Splendido Gourmet.” Consistent with Mr. Verastegui’s apparent belief—as reflected in his earlier message to Perez and evidently not corrected by Perez on their phone call—that Aptus Resources, not Accendo Capital, had made the MXN 13.5 million payment to Splendido Gourmet, Mr. Verastegui addressed the invoice to Aptus Resources. In fact, Accendo Capital had made the payment to Splendido Gourmet—just as it had made *all* payments to the Cantinas Restaurants.

123. To hide their misconduct, Domenech and Perez made false representations to Mr. Cosio regarding the amount he had invested in the Cantinas Restaurants, the ownership percentages he had received in return, and the value of his ownership interests, including in the February 2017 Investment Report.

124. First, Domenech and Perez falsely reported to Mr. Cosio that, as of February 2017, he had only invested USD 6.2 million in the Cantinas Restaurants. In fact, Domenech and Perez had already made the full MXN 330 million (i.e., approximately USD 18 million) investment from

Mr. Cosio's accounts at Credit Suisse. Notably, had Aptus Resources *actually* funded two-thirds of the investment in the Cantinas Restaurants, as Domenech and Perez claimed it would do, Mr. Cosio's required investment would have been only USD 6 million, consistent with the USD 6.2 million investment that Domenech and Perez now falsely represented. But, as described above, Aptus Resources invested nothing.

125. Second, Domenech and Perez represented that, in exchange for Mr. Cosio's purported USD 6.2 million investment, he had received an 8.67% ownership stake in three of the Cantinas Restaurants operating at the time of the report and 15.33% in the other six. Domenech and Perez did not, however, disclose that Mr. Cosio was supposed to receive between 20% and 40% of these nine companies, but had only received a small part of the ownership interests he paid for because Domenech and Perez had misappropriated the rest for themselves.

126. Third, Domenech and Perez represented that the value of Mr. Cosio's ownership stake in the Cantinas Restaurants was USD 8.2 million. Domenech and Perez fabricated this valuation to make it consistent with the false amount they reported that they had invested on Mr. Cosio's behalf: USD 6.2 million. In other words, because Domenech and Perez falsely told Mr. Cosio that he had only invested USD 6.2 million, this valuation seemed positive (i.e., the present-day value of Mr. Cosio's investment was higher than the amount invested). In fact, because Mr. Cosio had actually invested USD 18 million, if the value of his investment were only USD 8.2 million, then the investment would have suffered a significant loss.

127. In June 2017, Domenech and Perez found another opportunity to steal from Mr. Cosio in connection with the Cantinas Restaurants. Specifically, on information and belief, around that time, Mr. Cinta asked Domenech and Perez whether they could loan the Cantinas Restaurants an additional MXN 25 million (approximately USD 1.4 million at the then-prevailing MXN-USD

conversion rate). Without seeking or obtaining Mr. Cosio's authorization, Domenech and Perez not only agreed to provide the loan using Mr. Cosio's funds, but they agreed to do so at no cost, i.e., requiring *no* interest payments (the "Cantinas Loan").

128. Between June 7 and June 19, 2017, Domenech and his banking team executed six transfers totaling MXN 25 million from Accendo Capital's account to the Cantinas Restaurants. The payments were funded through loans that Domenech and Perez sought and obtained in Accendo Capital's name. This meant that Mr. Cosio would be paying interest on loans taken out in Accendo Capital's name to fund the Cantinas Loan even while Mr. Cinta would not have to pay interest on the Cantinas Loan to Mr. Cosio.

129. Even more egregious, Domenech and Perez misappropriated returns on the Cantinas Loan. Specifically, Mr. Cinta sought to repay the Cantinas Loan to Mr. Cosio over a series of monthly payments of MXN 1 million to Alumnos 47 Holdings' account. In or around February 2018, however, Perez instructed Mr. Cinta to pay MXN 5 million (approximately USD 280,000 at the then-prevailing MXN-USD conversion rate) of the outstanding loan balance into Perez's personal account, which Mr. Cinta did on February 14, 2018. Domenech and Perez affirmatively failed to disclose their misappropriation of the Cantinas Loan's returns to Mr. Cosio.

vii. Investment in The L1bre Project

130. In or around late 2015, Domenech and Perez recommended that Mr. Cosio invest in a start-up called L1bre,¹⁷ a Mexican cab-hailing service similar to services such as Uber or Cabify (the "L1bre Project"). At the time, L1bre was seeking to win a concession from the Mexican government to install software in Mexican taxis that would allow passengers to order and

¹⁷ The project's name was a play on the word "libre," which is Spanish for "free."

pay for taxis from an application on their mobile devices, and for the taxis to be tracked by a GPS system.

131. Mr. Cosio, who until then had invested in purely private transactions, was hesitant to invest in L1bre given the risk of corruption in government-related transactions in Mexico. Domenech and Perez, however, strongly advocated for the investment. Domenech and Perez led Mr. Cosio to believe that he would be one of many investors in L1bre, and Perez even told Mr. Cosio that he wanted to invest his own funds in the venture regardless of whether Mr. Cosio invested. Mr. Cosio ultimately relented and agreed that Domenech and Perez could make an investment on his behalf, believing that they would do so in his best interests.

132. Unbeknownst to Mr. Cosio, Domenech and Perez invested far more of his money than Mr. Cosio knew or would have authorized and took for themselves a significant ownership interest in L1bre that rightfully belonged to Mr. Cosio based on his investment. To conceal their wrongdoing, Domenech and Perez repeatedly misrepresented to Mr. Cosio the amount he had invested in L1bre, the ownership stake he had received in return, and the value of that ownership stake.

133. To execute their scheme, Domenech and Perez created a new company named Accendo Holdings, LLC (“Accendo Holdings”), a Delaware limited liability company formed on or around June 24, 2016, through which they would acquire an ownership interest in L1bre Holding, LLC (“L1bre Holding”), the company that owned and operated the L1bre Project. As structured by Domenech and Perez, Accendo Holdings comprised three owners: (1) Accendo Capital; (2) *Aptus Resources*; and (3) Composite Capital, LLC (“Composite Capital”), a company owned by Peter Corsell (“Mr. Corsell”), whom Domenech and Perez had befriended in connection with other

Direct Investments.¹⁸ Notwithstanding that, as discussed below, Domenech and Perez made only a negligible contribution towards Accendo Holdings' acquisition of an interest in L1bre Holding, Domenech and Perez assigned themselves a large ownership stake in Accendo Holdings, and through Accendo Holdings, in L1bre Holding.

134. Specifically, through Accendo Holdings, Domenech and Perez agreed to acquire an approximately 40% ownership interest in L1bre Holding. Based on the ownership interests that Domenech and Perez assigned the members of Accendo Holdings, (1) Accendo Capital indirectly owned approximately 14% of L1bre Holding; (2) Composite Capital owned approximately 3% of L1bre Holding; and (3) Aptus Resources owned approximately 23% of L1bre Holding—***almost 10% more than Accendo Capital***. Domenech and Perez affirmatively failed to disclose the establishment of Accendo Holdings to Mr. Cosio, let alone the large interest they had taken in Accendo Holdings and, through Accendo Holdings, in L1bre Holding, nor did they seek his authorization to do so.

135. Domenech and Perez's contribution to the L1bre investment was vastly disproportionate to the ownership stake they took. Specifically, beginning at Credit Suisse in November 2015 and continuing over the following 18 months, Domenech and his banking team transferred approximately ***USD 30 million*** from Accendo Capital's accounts to the L1bre Project. Mr. Cosio would not have approved an investment of that size, let alone for a project in which he had been hesitant to invest. Domenech and Perez knew as much, which is why, as discussed below, they told him they had invested much less. To obtain sufficient liquidity to make these transfers without Mr. Cosio's knowledge or approval, Domenech and Perez again sought high-interest loans

¹⁸ As discussed below (*see infra* ¶¶ 164-181), Domenech and Perez also invested Mr. Cosio's funds in several other companies founded by Mr. Corsell or in which Mr. Corsell was a significant investor. In exchange, Mr. Corsell provided free stock in certain of those investments to Domenech and Perez.

in Accendo Capital's name, beginning at Credit Suisse, which benefitted the Bank through interest payments and fees, and Domenech by inflating his compensation.

136. In contrast to Mr. Cosio's vast investment in L1bre, Domenech and Perez's collective contribution to the acquisition of a stake in L1bre Holding was negligible: **only USD 100,000**. Composite Capital, similarly, made a relatively small investment of only USD 500,000. Further, contrary to Domenech and Perez's representation that Mr. Cosio would be one of many investors in the L1bre Project, the truth was that Mr. Cosio was essentially the **only** investor in the project during the approximately 18-month period that he invested. Other than Mr. Cosio, there were **no** other investors in the L1bre Project during that period except for the relatively small investment of USD 600,000 made by Domenech, Perez and Composite Capital, collectively.

137. Domenech and Perez made repeated misrepresentations to others involved in L1bre regarding the origin of the funds invested by Accendo Holdings, claiming that a majority had originated from them. In January 2016, for example, Domenech and Perez falsely claimed that contributions totaling USD 4.75 million from Accendo Capital and Aptus Resources to the L1bre Project comprised USD 1,583,333.33 from Accendo Capital and USD 3,166,666.67 from Aptus Resources. In fact, that amount included: USD 4.65 million from Accendo Capital—**over USD 3 million more** than Domenech and Perez claimed, and USD 100,000 from Aptus Resources—**over USD 3 million less** than Domenech and Perez claimed.

138. Domenech and Perez also repeatedly lied to Mr. Cosio about his investment such that he had no idea that Domenech and Perez had funneled so much of his money into the L1bre Project. In the February 2017 Investment Report, for example, Domenech and Perez reported that Mr. Cosio had invested USD 7 million in the L1bre Project in exchange for a 10% ownership

interest that Domenech and Perez valued at USD 41.6 million. The report was false and misleading in several respects.

139. First, as of the date of the February 2017 Investment Report, Domenech and Perez had already funneled more than USD 20 million from Accendo Capital's accounts into the L1bre Project, almost *three times more* than they reported to Mr. Cosio.

140. Second, though it was accurate that Mr. Cosio owned approximately 10% of L1bre Holding at the time, his ownership interest would have been much larger had Domenech and Perez not wrongfully taken a portion of Mr. Cosio's ownership interest for themselves, which Domenech and Perez affirmatively failed to disclose.

141. Third, Domenech and Perez valued Mr. Cosio's ownership stake in L1bre based on his purported USD 7 million investment at USD 41.6 million. Because the investment amount on which Domenech and Perez based this valuation was false, as discussed above, the valuation was similarly false.

142. As the L1bre Project struggled to get off the ground and attract additional investors, Domenech and Perez blindly funneled Mr. Cosio's funds into the project to cover its budget shortfalls and debts without Mr. Cosio's knowledge or authorization.

143. Among many other costs, Domenech and Perez would use Mr. Cosio's money to fund (1) the acquisition of a separate company for purposes of hiring that company's management team to lead the L1bre Project—a so-called “acqui-hire”; (2) the development of L1bre's cab-hailing technology, including a settlement paid to the company purporting to develop that technology after L1bre ran out of money to pay its bills; and (3) a host of payments to resolve potential legal disputes when Domenech and Perez decided to withdraw from the L1bre Project following in-fighting with the founders of the project.

a. Acqui-Hire of the L1bre Management Team

144. In November 2015, Mr. Corsell proposed to Domenech and Perez that L1bre purchase Clearpath Inc. (“Clearpath”), a company that provided web-based services to facilitate immigration filings by businesses, schools and immigration attorneys. Mr. Corsell had been an early investor in Clearpath, as described in more detail below (*see infra* ¶ 164). By the time Mr. Corsell proposed acquiring Clearpath, however, the company had been struggling for several years.

145. Mr. Corsell proposed the purchase of Clearpath as an “acqui-hire,” that is, an acquisition that would allow L1bre to hire Clearpath’s management team to act as the management team for L1bre. Among other benefits, Mr. Corsell highlighted that the acquisition would enable Clearpath to use the purchase price to buy out prior investors in Clearpath debt, which included Accendo Capital.¹⁹ Specifically, according to Mr. Corsell, Accendo Capital would have received USD 130,000 from the purchase price in exchange for giving up its debt holdings in Clearpath.

146. Without discussing the proposal with Mr. Cosio, Domenech and Perez agreed with Mr. Corsell and even proposed that Accendo Capital forego the money it would have received from the purchase of Clearpath based on its debt holdings in order to decrease the purchase price. Based in part on the decision to forego Accendo Capital’s return on the Clearpath purchase, Clearpath agreed to sell the company for USD 1.4 million, as opposed to over USD 1.5 million. Again, without disclosing it to Mr. Cosio, Domenech and Perez agreed to use money from Accendo Capital’s accounts (***and Accendo Capital’s accounts only***) to fund the entire purchase price.

147. Domenech and Perez ensured their own benefit, however, including by taking an ownership stake in Clearpath and its assets following the purchase. Specifically, to effectuate the

¹⁹ As described below (*see infra* ¶¶ 164-168), between December 2009 and August 2014, Domenech and Perez had invested at least USD 673,000 of Mr. Cosio’s funds in Clearpath, but the company had failed to take off such that the investment did not yield a return.

Clearpath acquisition, Domenech and Perez created a new subsidiary of Accendo Holdings: Accendo Clearpath LLC (“Accendo Clearpath”). As part owners of Accendo Holdings through Aptus Resources, Domenech and Perez became part indirect owners of Accendo Clearpath and the assets that Accendo Clearpath acquired from Clearpath—even though only Mr. Cosio paid for Clearpath’s acquisition. Domenech and Perez affirmatively failed to disclose the creation of Accendo Clearpath and their interest in the company (and, through it, in the Clearpath assets) to Mr. Cosio.

148. Domenech and Perez obtained an interest in Accendo Clearpath and the assets it acquired despite making no contribution to the approximately USD 1.4 million acquisition price for Clearpath, which, as noted above, was fully funded by Accendo Capital.

b. Development of the L1bre Technology

149. On June 24, 2016, Accendo Holdings entered into an agreement with Hubub, Inc. (“Hubub”), a company founded by Mr. Corsell, to develop the technology L1bre needed to enable users of its services to hail cabs from their mobile devices (the “Services Agreement”).²⁰ While the Services Agreement remained in effect, Hubub was acquired by Stagwell Group, a digital marketing services company, and renamed Stagwell Technologies (“Stagwell”). Mr. Corsell became a Managing Partner in Stagwell.

150. Seemingly in order to curry favor with Mr. Corsell,²¹ Domenech and Perez were insistent that Hubub be responsible for developing the L1bre technology, so much so that they made misrepresentations to both Mr. Cosio and the founders of the L1bre Project to ensure that

²⁰ As described below (*see infra* ¶¶ 175-178), Mr. Cosio had previously invested in Hubub—which operated a social media platform in Canada—at the recommendation of Domenech and Perez.

²¹ As described below (*see infra* ¶ 177), just two months before the Services Agreement was signed, Mr. Corsell promised to gift Domenech and Perez approximately USD 500,000 in cash or free stock in Stagwell following its acquisition of Hubub.

was the case. On the one hand, they told Mr. Cosio that one of the founders of the L1bre Project was insisting that Hubub be responsible for creating the technology. On the other, on information and belief, they told the founders of the L1bre Project that Mr. Cosio would only invest in the L1bre Project if they retained Hubub to develop the technology.

151. Pursuant to the terms of the Services Agreement, Accendo Holdings agreed to pay Hubub approximately USD 10 million for “software development services as requested by the Company in connection with Project L1BRE.” With the exception of one USD 100,000 payment that came out of Composite Capital’s USD 500,000 contribution to the L1bre Project (*see supra* ¶ 136), all of the funds paid to Hubub (and Stagwell after it acquired Hubub) under the Services Agreement originated from Accendo Capital’s accounts.

152. Domenech and Perez affirmatively failed to disclose to Mr. Cosio that he was essentially funding in full the development of the technology for L1bre—*even when the Services Agreement lead to threatened litigation*. Specifically, by in or around May 2017, payments to Hubub/Stagwell under the Services Agreement had stopped due to financing shortfalls at L1bre, which had already spent the majority of Mr. Cosio’s investment as of that date and had failed to secure additional investors. On September 26, 2017, Accendo Holdings received a letter from Stagwell (which by then had acquired Hubub) threatening legal action based on its failure to pay Stagwell’s invoices if Accendo Holdings did not pay the company approximately USD 4 million. According to Stagwell, this amount was to cover outstanding invoices for services provided by Stagwell under the Services Agreement (totaling approximately USD 3 million) and an additional settlement amount of USD 1 million.

153. Even with potential litigation threatened against Accendo Holdings, Domenech and Perez failed to tell Mr. Cosio about the dispute with Stagwell. Instead, on November 1, 2017,

Stagwell, Accendo Holdings *and Accendo Capital* (even though Accendo Capital had not been a party to the original Services Agreement) entered into a Release and Partial Termination Agreement (the “Termination Agreement”) pursuant to which Accendo Holdings *and Accendo Capital* agreed to pay the USD 4 million demanded by Stagwell.

154. Domenech and Perez then used Accendo Capital’s funds to pay the full settlement amount to Stagwell without disclosing it to Mr. Cosio or seeking his authorization. Specifically, between October 2017 and October 2018, Domenech and his banking team executed 12 transfers totaling USD 4 million from Accendo Capital’s account to Stagwell.

c. Accendo Holdings’ Withdrawal from the L1bre Project

155. By late 2017, L1bre’s failure to obtain additional funding or the government concession it needed for the L1bre Project to begin operations had led to infighting between Perez, Domenech and Mr. Corsell, on the one hand, and the L1bre founders on the other. As the two sides hurled accusations, including of self-dealing, at one another, Perez, Domenech and Mr. Corsell decided to withdraw from the project and sell Accendo Holdings’ interest to the L1bre founders.

156. Without disclosing it to Mr. Cosio or seeking his permission, Domenech and Perez agreed to sell Accendo Holdings’ interest in L1bre Holding for only USD 15 million—*less than half the amount invested by Mr. Cosio through Accendo Capital*. After receiving USD 10 million of that amount (the L1bre founders have still not paid the remainder) into Accendo Capital’s account, Domenech and Perez then used those funds to pay a host of costs seemingly related to avoiding litigation with individuals involved in the L1bre Project. Those payments, made without Mr. Cosio’s knowledge or authorization, totaled close to USD 1 million if not more.

viii. Investment in Alt Ventures Fund LP and Alt General Partner GP

157. In or around early 2017, Domenech and Perez recommended that Mr. Cosio participate in setting up a fund aimed at investing in Latin American technology start-ups. The fund, Alt Venture Fund LP (the “Alt Fund”), and its general partner, Alt General Partner GP (“Alt GP”) (together, “Alt”), were Canadian entities. Mr. Marquard, the CFO of Kichink, was also involved with the fund. Mr. Cosio agreed and entrusted Domenech and Perez to make the investment.

158. Domenech and Perez committed to invest a total of USD 4 million of Mr. Cosio’s money in Alt Fund, including a required initial investment of 5%, i.e., USD 200,000. Domenech and Perez also told Alt Fund that they would invest in the fund through Aptus Resources. Specifically, Domenech and Perez agreed to invest USD 1 million, including a required initial investment of 5%, i.e., USD 50,000. Though Perez told Mr. Cosio that he intended to invest in Alt Fund, he affirmatively failed to disclose that he would be investing together with Domenech through their joint company.

159. Ultimately, Domenech and Perez did not invest *any* of their own funds in Alt Fund. Rather, on May 10, 2017, Domenech and his banking team executed a USD 250,000 transfer—i.e., *the full amount owed by both Accendo Capital and Aptus Resources* for their initial 5% investments—from Accendo Capital’s account alone to Alt Fund. Fortunately, Alt Fund, noting that the wire transfer had originated solely from Accendo Capital, attributed the full USD 250,000 investment to Accendo Capital. Mr. Marquard wrote to Perez, stating “the Back Office tells me that *Aptus [Resources] must make its payment from a bank account in its name* in order to be an investor in the fund.”

160. Though Domenech and Perez never invested their own funds, they sought to take a significant ownership stake in Alt GP that rightfully belonged to Mr. Cosio. Specifically, in exchange for their promised investments in Alt Fund, Mr. Marquard committed to give Accendo Capital and Aptus Resources an ownership interest in Alt GP, the entity that supervised Alt Fund. Members of Alt GP were entitled to a portion of Alt Fund's profits as compensation for their role as general partners. Specifically, Mr. Marquard agreed to give Accendo Capital and Aptus Resources an aggregate ownership interest in Alt GP of 42.5%, which would entitle them, collectively, to 8% of Alt Fund's profits as compensation.

161. On or around November 8, 2017, though Perez and Domenech had made no contribution to Alt Fund, Perez instructed Mr. Marquard to split the 42.5% ownership interest in Alt GP between Accendo Capital and Aptus Resources as follows: 32.5% for Accendo Capital, and 10% for Aptus Resources. Accordingly, Domenech and Perez sought to claim almost one-fourth of Accendo Capital's and Aptus Resources' aggregate ownership interest in Alt GP even though only Accendo Capital had actually invested money in Alt Fund.

162. Alt, like many of the Direct Investments, floundered as it failed to attract sufficient investors. In the months leading up to the firm's dissolution, however, Domenech and Perez continued to invest Mr. Cosio's funds in Alt, transferring close to USD 400,000 from Accendo Capital's accounts to Alt between January and May 2018. In August 2018, after Alt admitted defeat and decided to dissolve, Perez agreed that Accendo Capital would pay over USD 100,000 in costs, including legal costs, towards the company's dissolution. Aptus Resources, by contrast, contributed nothing.

ix. Other Investments Using Mr. Cosio's Funds

163. Each of the remaining investments implemented by Domenech and Perez purportedly on Mr. Cosio's behalf were seemingly motivated by a desire to: enrich themselves through self-dealing; curry favor with individuals who might later benefit them; or, at minimum, to benefit their friends or family. None of these Direct Investments generated a meaningful return on Mr. Cosio's investment. Indeed, most, if not all, were complete failures resulting in the total loss of Mr. Cosio's investment. Mr. Cosio, however, was left completely in the dark, as Domenech and Perez repeatedly misrepresented the status and profitability of the investments.

a. *Clearpath*

164. In or around late 2009, Domenech and Perez recommended to Mr. Cosio that he invest in Clearpath, a company associated with a former friend of Perez's from Citigroup, which, as described above (*see supra* ¶ 144), developed a technology to facilitate immigration filings. Through Clearpath, Domenech and Perez met Mr. Corsell and would go on to make investments in various other companies associated with Mr. Corsell, described below. Domenech and Perez encouraged Mr. Cosio to invest in Clearpath by telling him that it was going to be a huge hit ("un putazo," in Spanish). Trusting his advisors, Mr. Cosio agreed to invest and entrusted Domenech and Perez to make his investment.

165. Contrary to Domenech's and Perez's assurances of Clearpath's success, the investment floundered from the beginning. Yet, Domenech and Perez inexplicably continued to funnel Mr. Cosio's money into the company for close to *five years*, transferring approximately USD 673,000 to the company from Mr. Cosio's and Accendo Capital's accounts at Credit Suisse between December 2009 and August 2014. Domenech and Perez finally decided to stop investing Mr. Cosio's funds in Clearpath in 2015, declining a request from the company for a further

investment. Acknowledging the brazen manner in which they had funneled Mr. Cosio's money into Clearpath (and other companies associated with Mr. Corsell to curry favor with him) without regard for Mr. Cosio's interests, Domenech wrote to Perez, "*we can't tell them yes to everything.*"

166. Domenech and Perez were also investors in Clearpath, a fact that they affirmatively failed to disclose to Mr. Cosio, albeit investing a much smaller amount: USD 135,000, at least a portion of which they transferred to Clearpath from Perez's accounts at Credit Suisse. And, though Clearpath failed, it was not long before Domenech and Perez found a way to enrich themselves through the Clearpath investment. Specifically, as discussed above (*see supra* ¶¶ 144-148), in November 2015, Domenech and Perez agreed to acquire Clearpath so that its management team could lead the L1bre Project. Domenech and Perez structured the acquisition such that their company, Aptus Resources, obtained a significant interest in Clearpath's assets following the acquisition, even though they contributed nothing to the purchase price, which was fully funded by Accendo Capital.

167. As with other investments, Domenech and Perez misled Mr. Cosio regarding the extent of his investment in Clearpath, including in the February 2017 Investment Report. Specifically, by February 2017, Domenech and Perez had invested over USD 2 million of Mr. Cosio's money in Clearpath, including Mr. Cosio's initial investment of USD 673,000 (discussed *supra* ¶ 165) and the USD 1.4 million used to fund the Clearpath acqui-hire (discussed *supra* ¶ 146). In the February 2017 Investment Report, however, Domenech and Perez represented that Mr. Cosio had invested only USD 1 million in Clearpath, approximately half the true amount.

168. Mr. Cosio has never received a return on his investment in Clearpath.

b. *Gridpoint Inc.*

169. In or around early 2011, Domenech and Perez proposed that Mr. Cosio invest in Gridpoint Inc. (“Gridpoint”), a Delaware corporation founded by Mr. Corsell that specialized in energy management systems. Believing that Domenech and Perez were recommending the investment because it was in his best interests, Mr. Cosio agreed and entrusted Domenech and Perez to make the investment.

170. Beginning at Credit Suisse in early 2011 and continuing through mid-2016, Domenech and Perez invested approximately USD 4.5 million of Mr. Cosio’s funds in Gridpoint. Domenech and Perez funded the investment, at least in part, by taking out expensive lines of credit in Accendo Capital’s name at Credit Suisse without Mr. Cosio’s knowledge or authorization. Without disclosing it to Mr. Cosio, Domenech and Perez also became investors in Gridpoint, albeit making a much smaller investment of approximately USD 500,000.

171. Domenech and Perez continued investing Mr. Cosio’s funds in Gridpoint over the course of five years even though it did not produce a return. To lull Mr. Cosio into a false sense of security, Domenech and Perez sought to downplay or conceal potential issues with Gridpoint. On March 12, 2015, for example, a friend of Mr. Cosio’s who was considering investing in Gridpoint wrote to Mr. Cosio telling him that he had decided not to invest in the company because it seemed “too cash intensive.” Mr. Cosio forwarded the conversation to Perez, asking: “What do you think about [my friend’s] response? How are we doing with Gridpoint?”

172. Notwithstanding his obligation to protect Mr. Cosio’s interests over the interests of Gridpoint, Perez did not re-evaluate the investment to consider whether Mr. Cosio’s friend might be right, or even give his independent, supposedly informed opinion to Mr. Cosio. Instead, putting the interests of Gridpoint, and his desire to curry favor with Mr. Corsell, ahead of Mr. Cosio’s

interests, Perez forwarded Mr. Cosio's email to Mr. Corsell, writing: "Confidential. For your eyes only. See [Mr. Cosio's friend's email] below. [Mr. Cosio] is asking me how to respond. *What would you like me to say. Please this is for your eyes only. Don't want [Mr. Cosio] or [Mr. Cosio's friend] to know.*"

173. Domenech and Perez also misrepresented Gridpoint's performance in reports to Mr. Cosio. In the February 2017 Investment Report, for example, Domenech and Perez reported to Mr. Cosio that his approximately USD 4.5 million investment in Gridpoint was worth USD 7.2 million. Again, Domenech and Perez appear to have simply invented this valuation. Domenech and Perez repeated this or similarly inflated valuations in multiple Summary Reports to Mr. Cosio, including in a February 2018 Summary Report valuing Mr. Cosio's investment at USD 8 million. As of this date, Mr. Cosio has not received a return on his investment in Gridpoint.

174. In exchange for their loyalty to Gridpoint, Domenech and Perez received free stock in connection with the Gridpoint investment in or around February 2016 and again in June 2016.

c. Hubub/Stagwell

175. On or around September 12, 2013, following Domenech and Perez's recommendation, Mr. Cosio agreed to purchase USD 500,000 worth of shares in Hubub, a Delaware company, also founded by Mr. Corsell, that ran a social media platform purportedly popular in Canada. As described above (*see supra* ¶ 149), Hubub was later acquired by the Stagwell Group and changed its name to Stagwell Technologies.

176. Though Mr. Cosio knew about the initial investment in Hubub's social media platform, he had no idea that, as described above (*see supra* ¶¶ 149-154), Domenech and Perez also funneled over USD 10 million from Accendo Capital's accounts to Hubub/Stagwell, without

Mr. Cosio's knowledge or authorization, in connection with developing the technology for the L1bre Project.

177. Domenech and Perez also affirmatively failed to disclose to Mr. Cosio that they benefitted from his investment in Hubub/Stagwell by receiving free shares in, and potentially cash from, Stagwell after it acquired Hubub. Specifically, on April 23, 2016, Mr. Corsell wrote to Domenech and Perez regarding the forthcoming acquisition of Hubub by Stagwell, stating: “***I expect Aptus [Resources] to receive circa \$500K in deal consideration***, with some optionality for Aptus [Resources] around how much cash and how much stock you would like in the successor company, which would be named Stagwell Technologies.” Notably, Mr. Corsell wrote this email in or around the time that Domenech and Perez were insisting that L1bre retain Hubub/Stagwell to develop the L1bre technology (as described *supra* ¶ 150).

178. Then, on July 16, 2016, Mr. Corsell wrote to Domenech and Perez, stating: “***Aptus [Resources] is about to receive a significant common [stock] award for all the advice and support you have given the company.***” Domenech and Perez both responded to Mr. Corsell's email stating that this was “great news.” Again, tellingly, this promise of free stock in Stagwell came just two weeks after signing the Services Agreement pursuant to which Stagwell would receive over USD 10 million from Accendo Capital for developing the L1bre technology (*see supra* ¶¶ 149-152). Domenech and Perez ultimately received, at a minimum, a gift of 300,000 shares in Stagwell on or before May 24, 2017.

d. *inStream Solutions (Holdings), LLC*

179. In or around November 2013, Domenech and Perez recommended that Mr. Cosio invest in inStream Solutions (Holdings), LLC (“inStream”), a Delaware limited liability company

that owned a financial planning and wealth management software for financial advisors. Mr. Corsell had also been an early investor in the company and encouraged the investment.

180. Following his advisors' recommendation, Mr. Cosio agreed to invest in inStream and entrusted Domenech and Perez to make the investment, believing that they would act in his best interests. Beginning at Credit Suisse in November 2013 and continuing through May 2016, Domenech and his banking team executed five transfers totaling approximately USD 2 million from Accendo Capital's accounts to inStream. To fund the transfers, Domenech and Perez used the lines of credit that they had applied for in Accendo Capital's name, beginning at Credit Suisse, without Mr. Cosio's knowledge or approval. To this date, Mr. Cosio has not received a return on his investment in inStream.

181. During the same period, Domenech and Perez also invested in inStream through Aptus Resources, albeit a smaller amount: USD 700,000, a portion of which Perez transferred from his account at Credit Suisse. Domenech and Perez affirmatively failed to disclose to Mr. Cosio that they also held an interest in inStream through Aptus Resources.

e. Antares Oil and Gas, LP and GP

182. In or around late 2013, Domenech and Perez recommended that Mr. Cosio invest in Antares Oil and Gas, LP ("Antares LP") and Antares Oil and Gas, GP ("Antares GP") (together, "Antares"), Delaware entities engaged in onshore oil and gas exploration and drilling. Mr. Reyes, the founder of Credipresto and Domenech and Perez's close friend, is the founder and a manager of Antares, and Perez's son is one of the company's directors.²²

²² Unbeknownst to Mr. Cosio, Perez's son appears to have used Accendo Capital's office as his own, including maintaining a work station there and seemingly recommending investments in companies in which he played a role, including Antares and Candelaria, discussed below. Perez never informed Mr. Cosio that his son played any role in Accendo or Mr. Cosio's investments.

183. Mr. Cosio agreed to invest in Antares and entrusted Domenech and Perez to make the investment, believing that they would act in his best interests. Beginning at Credit Suisse in December 2013 and continuing through November 2016, Domenech and his banking team executed three transfers totaling around USD 820,000 from Mr. Cosio's and Accendo Capital's accounts to Antares, which they funded, at least in part, by means of expensive loans they applied for in Mr. Cosio's and Accendo Capital's names without Mr. Cosio's knowledge or approval. To date, Mr. Cosio has not received a return on his investment.

184. Unbeknownst to Mr. Cosio, because Domenech and Perez affirmatively failed to disclose it to him, Domenech and Perez were also investors in Antares. Indeed, at the time Domenech and Perez recommended that Mr. Cosio invest in Antares, they had already invested in Antares years earlier. They continued to invest in Antares following Mr. Cosio's investment, transferring at least USD 660,000 to the company between December 2013 and June 2017 from Perez's accounts, primarily his account at Credit Suisse. Domenech and Perez affirmatively did not disclose these investments to Mr. Cosio.

185. On March 18, 2014, for example, Perez emailed Mr. Cosio regarding Mr. Cosio's first investment in Antares (a USD 219,000 investment in December 2013). Perez wrote: "In oil and gas [i.e., Antares], you have 5% [ownership interest], not a lot but we bought it at a good price. The valuation was 10 million, such that 5% cost 500 thousand dollars. I made them a low offer, and they accepted. The cost was around 220 [thousand] dollars. ***It's not a lot, but if someone else wants to exit [the company], we can do the same thing.***" Perez made no mention of the fact that he and Domenech had also acquired 5% of the company at the same price on the same day.

186. Further, contrary to Perez's assurances to Mr. Cosio that, if other investors exited Antares, Mr. Cosio could potentially increase his holdings by buying their shares at a price lower

than their value, Domenech and Perez found out about other investors leaving the company, and willing to sell their shares at a discount, on several occasions. They affirmatively failed to disclose those opportunities to Mr. Cosio, and instead kept them for themselves.

187. On August 23, 2014, for example, an investor in Antares emailed Domenech and Perez offering to sell his 12% interest in Antares LP at 25% less than their actual value. Domenech responded that he and Perez would be interested in buying the investor's share and suggested they meet in Miami to discuss it further.

188. Shortly thereafter, on August 25, 2014, Mr. Reyes informed Perez that an investor was willing to sell his 18.53% interest in Antares GP at a discount. Perez forwarded the email to Domenech who responded that the offer was "fantastic." They affirmatively failed to disclose these opportunities to Mr. Cosio.

189. Later, on October 17, 2015, Domenech emailed Perez suggesting that they speak with Mr. Reyes about buying out the "small" investors in Antares LP. The same day, Perez responded to Domenech, writing: "***Since it seems like you have a ton of money.*** [Buying them out] very cheap makes sense." Domenech, in turn, responded, "***No, but I have friends like you with a lot [of money]...*** We have to talk to Javier [Reyes] about it." On November 7, 2015, Perez followed up, seemingly after having spoken to Mr. Reyes, telling Domenech: "Yes, some of them [i.e., the small investors] are interested. ***It's cheaper than the last ones.***" Again, they affirmatively failed to disclose this opportunity to Mr. Cosio.

f. *Candelaria Mining Corporation*

190. Domenech and Perez invested Mr. Cosio's funds in yet another company associated with Mr. Reyes and Perez's son. Specifically, on June 14, 2016, Domenech and his banking team effectuated a USD 1 million transfer from Accendo Capital's account to buy shares in Candelaria

Mining Corporation (“Candelaria”), a publicly traded company organized in British Columbia, Canada, which engages in the exploration and development of gold deposits in Mexico. Perez’s son is the president of Candelaria and Mr. Reyes is a director.

191. Indeed, Perez invested Mr. Cosio’s funds at his son’s behest in order to provide capital for a planned mine acquisition. Specifically, on June 8, 2016, Perez’s son wrote to him stating: “Hey dad. I need a favor. Can you speak to Iñigo [Domenech] about the transfer of 1.5 million. With ***your money*** we’ll have everything raised. . . . which will give us the full amount to acquire the mine.” Within a week, Perez had sent his son’s company USD 1 million from Mr. Cosio’s account, as described above, as well as USD 500,000 from his own accounts.

III. Domenech’s and Perez’s Efforts to Conceal their Fraudulent Scheme

192. For years, Domenech, Perez, Aptus Resources and Zerehcen Holdings carried out their fraudulent scheme designed to deceive Mr. Cosio about the Direct Investments by misrepresenting or concealing material information about each investment. The scheme went undetected for the following reasons:

- a. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them and Credit Suisse to act in his best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- b. Domenech and Perez made and managed each of Mr. Cosio’s investments in the Direct Investments;
- c. Mr. Cosio believed Credit Suisse would not allow Domenech to use his position at the Bank to defraud him;

- d. Domenech and Perez applied for and received, without Mr. Cosio's knowledge, unnecessary, high-interest loans used to fund the Direct Investments so as to not alert Mr. Cosio to the magnitude of his investments;
- e. Domenech and Perez made, without Mr. Cosio's knowledge, wire transfers through which Mr. Cosio invested in the Direct Investments;
- f. Domenech and Perez ordered, without Mr. Cosio's knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Mr. Cosio in the Direct Investments than that to which he was entitled and, conversely, a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled;
- g. Domenech, Perez, Aptus Resources and Zerehcn Holdings directed, without Mr. Cosio's knowledge, the transfer of Mr. Cosio's returns on the Direct Investments to themselves;
- h. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Mr. Cosio; and
- i. Domenech and Perez manipulated reports or concealed data regarding the Direct Investments, including the investments' ownership structure, returns and profitability, among other facts, to conceal their scheme from Mr. Cosio.

193. As long as they tightly controlled (and falsified) the information that Mr. Cosio received about his investments, Domenech and Perez believed their scheme to be secure. In mid-2018, however, Domenech and Perez's scheme began to unravel. After hearing rumors from others involved in the Direct Investments that Domenech and Perez may not be acting in his best

interests, Mr. Cosio requested that his close friend, Santiago Martinez del Rio (“Mr. Martinez”), join Accendo Capital and review his investment portfolio. Domenech and Perez panicked.

194. Initially, Domenech and Perez simply sought to stonewall Mr. Martinez’s attempts to gather information relating to their management of Mr. Cosio’s funds, including by narrowly interpreting his requests for information or inundating him with misleading information. On the one hand, if Mr. Martinez did not ask about a specific investment by name—which was impossible to do given that he had no information about the investments Domenech and Perez had made—Domenech and Perez would not disclose any information about it. On the other hand, on the few occasions that Domenech and Perez provided information in response to Mr. Martinez’s requests, it was in the form of hundreds of pages of irrelevant and misleading information.

195. When Mr. Martinez discovered a Direct Investment amongst the reams of paper dumped on him and asked how much Domenech and Perez had invested in it, Perez provided vague and misleading responses (e.g., “just a little bit”) while refusing to provide specific figures. When pressed for information, Perez claimed that he had to speak to Domenech about it. Similarly, when Mr. Martinez requested statements for Mr. Cosio’s account—which would have reflected the amount Mr. Cosio had invested in the Direct Investments—Domenech and Perez delayed providing them, or never provided them, to Mr. Martinez.

196. Throughout this period, Domenech and Perez continued to mislead Mr. Cosio, as well as Mr. Martinez, about the state of Mr. Cosio’s finances. In or around June 2018, for example, Mr. Cosio consulted Perez about a potential investment in the new Apple store to be built in Chicago. Perez responded that it was not a wise investment. Perez affirmatively failed to disclose that, in fact, Mr. Cosio lacked liquidity to make the investment due to Domenech and Perez’s use

of his funds to make investments in the Direct Investments far beyond what Mr. Cosio would have approved.

197. As another example, in September 2018, Perez sent Mr. Martinez a presentation purporting to provide an overview of Mr. Cosio's investments. The presentation is misleading in multiple ways. Most notably, it gives the impression that Mr. Cosio's net worth is hundreds of millions of dollars higher than it was, including by failing to account for the huge liabilities that Mr. Cosio owed Credit Suisse and other banks due to the expensive credit lines Domenech and Perez had taken out to fund the Direct Investments. When Mr. Martinez asked for additional information, Perez instructed him to ask Domenech.

198. By October 2018 at latest, Domenech and Perez began attempting to unwind some of their fraudulent transactions, including by destroying and forging corporate documents. As described above (*see supra* ¶¶ 84-87), in October 2018, Domenech and Perez instructed Ms. Gomez, Perez's assistant, to prepare and backdate a revised GREH Operating Agreement. The revised operating agreement removed Aptus Resources as an owner of GREH in an effort to conceal Domenech and Perez's misappropriated ownership interest in the company. Also in October 2018, as further described above (*see supra* ¶¶ 104-109), Domenech and Perez ordered Neiman, the law firm that prepared the operating agreements for Taco Chic, to destroy the Revised Taco Chic Operating Agreement. In doing so, Domenech and Perez sought to conceal that they had improperly decreased Accendo Capital's ownership interest in the company in order to increase their own ownership interest through Aptus Resources.

199. Perhaps recognizing that attempting to cover up their scheme investment-by-investment would take too long, that same month, Domenech and Perez attempted to transfer ownership of Aptus Resources to Accendo Capital. To that end, on October 17, 2018, an employee

of Mr. Blanco wrote to a lawyer-friend whom Perez had relied on in the past in connection with the Direct Investments, asking that the lawyer amend the operating agreement for Aptus Resources because its ownership had been “*incorrectly*” recorded and, in fact, the company’s owner was Accendo Capital. Mr. Blanco’s employee asked for the new agreement to be backdated to January 1, 2014. Domenech and Perez’s newfound claim that Accendo Capital was the real owner of Aptus Resources is belied by the dozens of emails and other documents that indicate that Domenech and Perez were very much the owners of Aptus Resources. That they sought to backdate the operating agreement only further betrays their malintent.

200. Domenech and Perez’s efforts to destroy inculcating evidence accelerated in early November 2018 when Mr. Cosio sent a letter to Perez informing him that he had instructed his counsel to undertake a review of the investments made on Mr. Cosio’s behalf through Accendo Capital. Mr. Cosio made express in that letter that Perez, and all other Accendo Capital employees (i.e., Ms. Gomez and a junior analyst employed by Accendo Capital), should preserve, and not delete, any and all documents relating to Mr. Cosio’s assets or their management thereof. On information and belief, upon receiving that letter, Perez immediately instructed Ms. Gomez and the junior analyst to erase their Accendo Capital computers.

201. Finally, in response to a November 19, 2018 letter from counsel for Mr. Cosio demanding that Perez provide a full accounting of his use of Mr. Cosio’s funds, Perez refused. Counsel for Mr. Cosio repeated the demand for an accounting on December 4, 2018 and January 31, 2019, respectively, to no avail.

202. Notwithstanding their best efforts, given the extensive and long-lasting nature of their fraudulent scheme, Domenech and Perez were unable to destroy all of the evidence of their egregious conduct. Domenech and Perez’s scheme is reflected in a mass of email communications,

doctored contracts and corporate documents, and financial records reflecting their unauthorized use of Mr. Cosio's funds, and their misrepresentations to conceal their scheme from Mr. Cosio.

IV. The Damages Defendants' Fraudulent Scheme Caused Mr. Cosio

203. Domenech and Perez's Direct Investment scheme resulted in tens of millions of dollars in losses to Mr. Cosio, and their attempts to conceal their fraud caused still more harm.

204. As an initial matter, Mr. Cosio lost tens of millions of dollars that Domenech and Perez funneled into the Direct Investments. Because Domenech and Perez were guided only by their desire to enrich themselves, not what may generate a return for Mr. Cosio, many of the Direct Investments failed resulting in the complete loss of Mr. Cosio's investment.²³

205. For those Direct Investments that were not outright failures, Mr. Cosio lost millions of dollars more in being deprived of both the full ownership stakes to which his investment entitled him and the few returns the Direct Investments did generate—all of which Domenech and Perez kept for themselves.

206. In addition, Mr. Cosio lost millions of dollars paying the high fees and other costs that Domenech and Perez obligated him to pay Credit Suisse and other banks as a result of the unnecessary loans that they took out in Mr. Cosio's, Alumnos 47 Holdings' and Accendo Capital's names.

207. Further, Mr. Cosio lost the opportunity to invest in ways that were in his interest and were reasonably likely to generate a return for him, due to his money being tied up in the Direct Investments.

²³ In some cases, Domenech and Perez went so far as to manufacture a lower quality investment for Mr. Cosio to make their own investment more valuable. For example, in Credipresto, Domenech and Perez arranged for the shares that Mr. Cosio received to carry fewer voting rights than shares obtained by Domenech and Perez in the company. This contributed to Mr. Cosio's damages.

208. It has taken months to understand where and how Mr. Cosio's assets were actually distributed, identify all of the relevant documentation and establish an authoritative account of his finances. Even now, due to the duration of Domenech and Perez's fraud, their destruction of evidence and Perez's refusal to provide an accounting of the use of Mr. Cosio's funds, the full extent of Domenech and Perez's wrongdoing and Mr. Cosio's resulting damages is unclear. This has hindered Mr. Cosio's ongoing efforts to remediate the harm and redeploy his wealth in appropriate investments, causing Mr. Cosio to suffer still more damage.

209. But for Domenech's and Perez's misrepresentations, and Credit Suisse's complicity, concerning the Direct Investments, Mr. Cosio would never have invested in any of them. Defendants must be held to account for the consequences of their fraudulent scheme, as well as their efforts to conceal it.

CAUSES OF ACTION

COUNT I

FRAUDULENT INDUCEMENT

(Against Domenech, Perez, Aptus Resources and Zerehcn Holdings)

210. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 as if fully set forth here.

211. Domenech, Perez, Aptus Resources and Zerehcn Holdings carried out a fraudulent campaign designed to induce Plaintiffs to enter into and continue investing in the Direct Investments by misrepresenting material information about each investment.

212. Domenech, Perez, Aptus Resources and Zerehcn Holdings carried out this scheme in the following ways:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;
- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Domenech and Perez applied, without Plaintiffs' knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
- f. Domenech and Perez made, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;
- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled; and
- h. Domenech, Perez, Aptus Resources and Zerehcn Holdings directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves.

213. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, knew that they were misrepresenting material facts, which include, without limitation, the following:

- a. Misrepresenting material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts;
- b. Misrepresenting that Domenech and Perez performed meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;
- c. Misrepresenting that Mr. Cosio should not invest in alternative investments because those investments were unlikely to be profitable, which enabled Domenech and Perez to maintain the use of Plaintiffs' funds for the Direct Investments;
- d. Misrepresenting the amount of Plaintiffs' funds that Domenech and Perez had invested in the Direct Investments;
- e. Misrepresenting the ownership interests in the Direct Investments that Plaintiffs obtained in exchange for their investments;
- f. Misrepresenting the value of the ownership interests in the Direct Investments that Plaintiffs obtained in exchange for their investments;
- g. Misrepresenting their ownership interests in the Direct Investments;
- h. Misrepresenting that Plaintiffs' funds would be used solely to purchase an ownership interest in the Direct Investments for Plaintiffs; and
- i. Misrepresenting the profits, returns or distributions due to Plaintiffs from the Direct Investments.

214. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, knew the foregoing representations were false at the time they made them because, as described above:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs; and
- c. Domenech and Perez executed all aspects of the Direct Investments, including reviewing the investment agreements and negotiating and implementing the investments' terms.

215. Domenech, Perez, Aptus Resources and Zerehcn Holdings purposefully made these misrepresentations in order to induce Plaintiffs to rely upon them, and enter into and continue investing in the Direct Investments.

216. Over the course of almost a decade, Plaintiffs reasonably relied—to their detriment—on Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' misrepresentations. Indeed, Plaintiffs would not have entered into or continued investing in the Direct Investments had they known the truth.

217. Plaintiffs' reasonable reliance on Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' misrepresentations directly and proximately caused Plaintiffs to sustain damages, including:

- a. Losing tens of millions of dollars in Direct Investments that were unlikely to generate returns and in which Domenech, Perez, Aptus Resources and Zerehcn

Holdings invested Plaintiffs' funds solely because they thought they could take ownership stakes and returns to which they were not entitled to enrich themselves;

- b. Incurring interest and other fees in connection with the unnecessary, high-interest loans Domenech and Perez took out in Plaintiffs' names to fund the investments in the Direct Investments;
- c. Receiving a smaller ownership interest in certain Direct Investments than that to which they were entitled due to Domenech, Perez, Aptus Resources and Zerehcn Holdings taking a part of the ownership interest to which Plaintiffs were entitled for themselves;
- d. Losing profits, returns or distributions from the Direct Investments to which they were entitled due to Domenech, Perez, Aptus Resources and Zerehcn Holdings having taken them for themselves;
- e. Foregoing opportunities to invest in the Direct Investments at a discount because Domenech, Perez, Aptus Resources and Zerehcn Holdings took those opportunities for themselves; and
- f. Foregoing profits that Plaintiffs could have obtained through investments likely to produce a return had Domenech and Perez not invested in the Direct Investments with a view to enriching themselves.

218. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT II
FRAUDULENT MISREPRESENTATION
(Against Domenech, Perez, Aptus Resources and Zerehcen Holdings)

219. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 as if fully set forth here.

220. Domenech, Perez, Aptus Resources and Zerehcen Holdings carried out a fraudulent campaign designed to deceive Plaintiffs about the Direct Investments by misrepresenting material information about each investment.

221. Domenech, Perez, Aptus Resources and Zerehcen Holdings carried out this scheme in the following ways:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were appropriate and likely to produce a return on Plaintiffs' investments;
- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs' best interests when recommending and making the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Domenech and Perez applied, without Plaintiffs' knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;

- f. Domenech and Perez made, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;
- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled; and
- h. Domenech, Perez, Aptus Resources and Zerehcn Holdings directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves.

222. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, knew that they were misrepresenting material facts, which include, without limitation, the following:

- a. Misrepresenting material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts;
- b. Misrepresenting that Domenech and Perez performed meaningful analysis into whether the Direct Investments were appropriate and likely to produce a return on Plaintiffs' investments;
- c. Misrepresenting that Mr. Cosio should not invest in alternative investments because those investments were unlikely to be profitable, which enabled Domenech and Perez to maintain the use of Plaintiffs' funds for the Direct Investments;
- d. Misrepresenting the amount of Plaintiffs' funds that Domenech and Perez had invested in the Direct Investments;

- e. Misrepresenting the ownership interests in the Direct Investments that Plaintiffs obtained in exchange for their investments;
- f. Misrepresenting the value of the ownership interests in the Direct Investments that Plaintiffs obtained in exchange for their investments;
- g. Misrepresenting their ownership interests in the Direct Investments;
- h. Misrepresenting that Plaintiffs' funds would be used solely to purchase an ownership interest in the Direct Investments for Plaintiffs; and
- i. Misrepresenting the profits, returns or distributions due to Plaintiffs from the Direct Investments.

223. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, knew the foregoing representations were false at the time they made them because, as described above:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs; and
- c. Domenech and Perez executed all aspects of the Direct Investments, including reviewing the investment agreements and negotiating and implementing the investments' terms.

224. Domenech, Perez, Aptus Resources and Zerehcn Holdings purposefully made these misrepresentations in order to induce Plaintiffs to rely upon them, and make and maintain the Direct Investments.

225. Over the course of almost a decade, Plaintiffs reasonably relied—to their detriment—on Domenech’s, Perez’s, Aptus Resources’ and Zerehcn Holdings’ misrepresentations.

226. Plaintiffs’ reasonable reliance on Domenech’s, Perez’s, Aptus Resources’ and Zerehcn Holdings’ misrepresentations directly and proximately caused Plaintiffs to sustain damages, including:

- a. Losing tens of millions of dollars invested in Direct Investments that were not likely to generate a return for Mr. Cosio and in which Domenech, Perez, Aptus Resources and Zerehcn Holdings invested solely to enrich themselves;
- b. Incurring interest and other fees in connection with the unnecessary, high-interest loans Domenech and Perez took out in Plaintiffs’ names to fund the investments in the Direct Investments;
- c. Receiving a smaller ownership interest in certain Direct Investments than that to which they were entitled due to Domenech, Perez, Aptus Resources and Zerehcn Holdings taking a part of the ownership interest to which Plaintiffs were entitled for themselves;
- d. Losing profits, returns or distributions from the Direct Investments to which they were entitled due to Domenech, Perez, Aptus Resources and Zerehcn Holdings having taken them for themselves;
- e. Foregoing opportunities to invest in the Direct Investments at a discount because Domenech, Perez, Aptus Resources and Zerehcn Holdings took those opportunities for themselves; and

- f. Foregoing profits that Plaintiffs could have obtained through investments likely to produce a return had Domenech, Perez, Aptus Resources and Zerehcn Holdings not invested in the Direct Investments with a view to enriching themselves.

227. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT III
FRAUDULENT CONCEALMENT
(Against Domenech, Perez, Aptus Resources and Zerehcn Holdings)

228. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 as if fully set forth here.

229. Domenech, Perez, Aptus Resources and Zerehcn Holdings carried out a fraudulent campaign designed to deceive Plaintiffs about the Direct Investments by affirmatively failing to disclose or concealing material information about each investment.

230. Domenech, Perez, Aptus Resources and Zerehcn Holdings carried out this scheme in the following ways:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;

- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Domenech and Perez applied, without Plaintiffs' knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
- f. Domenech and Perez made, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;
- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled; and
- h. Domenech, Perez, Aptus Resources and Zerehcn Holdings directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves.

231. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, knew or should have known that they were failing to disclose or concealing material facts that should have been disclosed to or not concealed from Plaintiffs, including, without limitation, the following:

- a. Concealing material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts;
- b. Concealing that Domenech and Perez did not perform any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;
- c. Concealing the amount of Plaintiffs' funds that Domenech and Perez had invested in the Direct Investments;
- d. Concealing that Domenech and Perez had taken out unnecessary, high-interest loans in Plaintiffs' names in order to fund the Direct Investments;
- e. Concealing the ownership interests in the Direct Investments that Plaintiffs should have obtained in exchange for their investments;
- f. Concealing the value of the ownership interests in the Direct Investments that Plaintiffs should have obtained in exchange for their investments;
- g. Concealing that they had taken ownership interests in the Direct Investments;
- h. Concealing that they had taken ownership interests in the Direct Investments by using Plaintiffs' funds; and
- i. Concealing that they had taken for themselves profits, returns or distributions from the Direct Investments that belonged to Plaintiffs.

232. Domenech, Perez, Aptus Resources and Zerehcn Holdings purposefully engaged in the foregoing in bad faith, knowing that concealing the true nature of the Direct Investments from Plaintiffs would induce them to make and maintain the Direct Investments.

233. Domenech and Perez owed Plaintiffs a fiduciary duty in advising them as to their investments, including the Direct Investments. Domenech, Perez, Aptus Resources and Zerehcn

Holdings had superior knowledge over Plaintiffs, and the material facts regarding the Direct Investments were not reasonably within Plaintiffs' attention, observation or judgment because:

- a. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs; and
- b. Domenech and Perez executed all aspects of the Direct Investments, including reviewing the investment agreements and negotiating and implementing the investments' terms.

234. Over the course of almost a decade, Plaintiffs reasonably relied—to their detriment—upon Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' concealment of material facts concerning the Direct Investments.

235. Plaintiffs' reasonable reliance on Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' concealment or failure to disclose directly and proximately caused Plaintiffs to sustain damages, including:

- a. Losing tens of millions of dollars in Direct Investments that were unlikely to generate returns and in which Domenech, Perez, Aptus Resources and Zerehcn Holdings invested Plaintiffs' funds solely because they thought they could take ownership stakes and returns to which they were not entitled to enrich themselves;
- b. Incurring interest and other fees in connection with the unnecessary, high-interest loans Domenech and Perez took out in Plaintiffs' names to fund the investments in the Direct Investments;
- c. Receiving a smaller ownership interest in certain Direct Investments than that to which they were entitled due to Domenech, Perez, Aptus Resources and Zerehcn Holdings taking a part of that ownership interest for themselves;

- d. Losing profits, returns or distributions from the Direct Investments to which they were entitled due to Domenech, Perez, Aptus Resources and Zerehcn Holdings having taken them for themselves;
- e. Foregoing opportunities to invest in the Direct Investments at a discount because Domenech, Perez, Aptus Resources and Zerehcn Holdings took those opportunities for themselves; and
- f. Foregoing profits that Plaintiffs could have obtained through investments likely to produce a return had Domenech and Perez not invested in the Direct Investments with a view to enriching themselves.

236. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT IV
CONSPIRACY TO COMMIT FRAUDULENT INDUCEMENT
(Against Domenech and Perez)

237. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 and 210 through 218 (fraudulent inducement) as if fully set forth here.

238. Domenech and Perez are parties to a conspiracy to commit fraudulent inducement against Plaintiffs.

239. Domenech and Perez formed their combination, agreed and conspired to commit fraudulent inducement concerning the Direct Investments upon Plaintiffs as evidenced by, among other things, the following:

- a. In or around 2006, Domenech encouraged Mr. Cosio to hire Perez to run his family office;
- b. On or around April 30, 2009, Domenech and Perez successfully convinced Mr. Cosio to hire Perez to run his family office;
- c. On May 13, 2009, Domenech and Perez formed Accendo Capital as Mr. Cosio's family office, which they would use as a cover to conduct their fraud upon Plaintiffs;
- d. On the day Accendo Capital opened, Domenech sent an email—from the Accendo Capital email account he was assigned—to Perez, confirming their successful combination, agreement and conspiracy to defraud Plaintiffs with respect to the Direct Investments, proclaiming that they were experiencing “[h]istory in the making”; and
- e. Thereafter, over the course of almost a decade, Domenech and Perez conducted a campaign of fraud designed to induce Plaintiffs into making and continuing to invest in the Direct Investments in order to enrich themselves at the expense of Plaintiffs.

240. Domenech and Perez carried out their fraudulent campaign designed to deceive Plaintiffs about the Direct Investments as follows:

- a. Domenech and Perez made misrepresentations of material facts about each Direct Investment to enrich themselves at the expense of the Plaintiffs;
- b. Domenech and Perez knew that they were misrepresenting material facts at the time they made the misrepresentations;
- c. Domenech and Perez purposefully made these misrepresentations in order to induce Plaintiffs to rely upon them;

- d. Over the course of almost a decade, Plaintiffs relied—to their detriment—on Domenech and Perez’s misrepresentation concerning the Direct Investments; and
- e. Plaintiffs’ reasonable reliance on Domenech and Perez’s misrepresentations concerning the Direct Investments directly and proximately caused Plaintiffs to sustain damages.

241. Specifically, in pursuance of their conspiracy, among other actions, Domenech and Perez took the following overt actions:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs’ investments;
- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs’ best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Domenech and Perez applied, without Plaintiffs’ knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
- f. Domenech and Perez made, without Plaintiffs’ knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;

- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcen Holdings to which they were not entitled;
- h. Domenech and Perez directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves; and
- i. Domenech and Perez misrepresented material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts.

242. Knowing of each other's intentional fraudulent inducement of Plaintiffs and Plaintiffs' reliance on their misrepresentations, and intending to assist in those wrongful acts, Domenech and Perez provided substantial assistance to each other in pursuance of their conspiracy to defraud Plaintiffs and in the commission of their fraud.

243. As a direct and proximate result of Domenech and Perez's conspiracy to commit fraudulent inducement, their overt acts in pursuance of their conspiracy, and their ultimate fraud, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech and Perez, and each of them, as set forth below.

COUNT V
CONSPIRACY TO COMMIT FRAUDULENT MISREPRESENTATION
(Against Domenech and Perez)

244. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 and 219 through 227 (fraudulent misrepresentation) as if fully set forth here.

245. Domenech and Perez are parties to a conspiracy to commit fraudulent misrepresentation against Plaintiffs.

246. Domenech and Perez formed their combination, agreed and conspired to commit fraudulent misrepresentation concerning the Direct Investments upon Plaintiffs as evidenced by, among other things, the following:

- a. In or around 2006, Domenech encouraged Mr. Cosio to hire Perez to run his family office;
- b. On or around April 30, 2009, Domenech and Perez successfully convinced Mr. Cosio to hire Perez to run his family office;
- c. On May 13, 2009, Domenech and Perez formed Accendo Capital as Mr. Cosio's family office, which they would use as a cover to conduct their fraud upon Plaintiffs;
- d. On the day Accendo Capital opened, Domenech sent an email—from the Accendo Capital email account he was assigned—to Perez, confirming their successful combination, agreement and conspiracy to defraud Plaintiffs with respect to the Direct Investments, proclaiming that they were experiencing “[h]istory in the making”; and
- e. Thereafter, over the course of almost a decade, Domenech and Perez conducted a campaign of fraudulent misrepresentations designed to deceive Plaintiffs about the Direct Investments in order to enrich themselves at the expense of Plaintiffs.

247. Domenech and Perez carried out their fraudulent campaign designed to deceive Plaintiffs about the Direct Investments as follows:

- a. Domenech and Perez made misrepresentations of material facts about each Direct Investment to enrich themselves at the expense of the Plaintiffs;
- b. Domenech and Perez knew that they were misrepresenting material facts at the time they made the misrepresentations;

- c. Domenech and Perez purposefully made these misrepresentations in order to induce Plaintiffs to rely upon them;
- d. Over the course of almost a decade, Plaintiffs relied—to their detriment—on Domenech’s and Perez’s misrepresentations; and
- e. Plaintiffs’ reasonable reliance on Domenech’s and Perez’s misrepresentations directly and proximately caused Plaintiffs to sustain damages.

248. Specifically, in pursuance of their conspiracy, among other actions, Domenech and Perez took the following overt actions:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs’ investments;
- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs’ best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Domenech and Perez applied, without Plaintiffs’ knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
- f. Domenech and Perez made, without Plaintiffs’ knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;

- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcen Holdings to which they were not entitled;
- h. Domenech and Perez directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves; and
- i. Domenech and Perez misrepresented material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts.

249. Knowing of each other's intentional misrepresentations to Plaintiffs and Plaintiffs' reliance thereon, and intending to assist in those wrongful acts, Domenech and Perez provided substantial assistance to each other in pursuance of their conspiracy to defraud Plaintiffs and in the commission of their fraud.

250. As a direct and proximate result of Domenech and Perez's conspiracy to commit fraudulent misrepresentation, their overt acts in pursuance of their conspiracy, and their ultimate fraud, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech and Perez, and each of them, as set forth below.

COUNT VI
CONSPIRACY TO COMMIT FRAUDULENT CONCEALMENT
(Against Domenech and Perez)

251. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 and 228 through 236 (fraudulent concealment) as if fully set forth here.

252. Domenech and Perez are parties to a conspiracy to commit fraudulent concealment against Plaintiffs.

253. Domenech and Perez formed their combination, agreed, and conspired to commit fraudulent concealment concerning the Direct Investments upon Plaintiffs as evidenced by, among other things, the following:

- a. In or around 2006, Domenech encouraged Mr. Cosio to open a family office run by Perez;
- b. On or around April 30, 2009, Domenech and Perez successfully convinced Mr. Cosio to hire Perez to run his family office;
- c. On May 13, 2009, Domenech and Perez formed Accendo Capital as Mr. Cosio's family office, which they would use as a cover to conduct their fraud upon Plaintiffs;
- d. On the day Accendo Capital opened, Domenech sent an email—from the Accendo Capital email account he was assigned—to Perez, confirming their successful combination, agreement and conspiracy to defraud Plaintiffs with respect to the Direct Investments, proclaiming that they were experiencing “[h]istory in the making”; and
- e. Thereafter, over the course of almost a decade, Domenech and Perez conducted a campaign of fraudulent concealment designed to deceive Plaintiffs about the Direct Investments and enrich themselves at the expense of Plaintiffs.

254. Domenech and Perez carried out their fraudulent campaign designed to deceive Plaintiffs about the Direct Investments as follows:

- a. Domenech and Perez concealed material facts about each Direct Investment to enrich themselves at the expense of the Plaintiffs;
- b. Domenech and Perez knew that they were concealing material facts at the time they concealed them;

- c. Domenech and Perez purposefully concealed material facts in order to induce Plaintiffs to rely upon those concealments;
- d. Over the course of almost a decade, Plaintiffs relied—to their detriment—on Domenech’s and Perez’s concealment of material facts concerning the Direct Investments; and
- e. Plaintiffs’ reasonable reliance on Domenech’s and Perez’s concealment of material facts concerning the Direct Investments directly and proximately caused Plaintiffs to sustain damages.

255. Specifically, in pursuance of their conspiracy, among other actions, Domenech and Perez took the following overt actions:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs’ investments;
- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs’ best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Domenech and Perez applied, without Plaintiffs’ knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;

- f. Domenech and Perez made, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;
- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled;
- h. Domenech and Perez directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves; and
- i. Domenech and Perez concealed material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts.

256. Knowing of each other's intentional concealment of material facts to Plaintiffs and Plaintiffs' reliance thereon, and intending to assist in those wrongful acts, Domenech and Perez provided substantial assistance to each other in pursuance of their conspiracy to defraud Plaintiffs and in the commission of their fraud.

257. As a direct and proximate result of Domenech and Perez's conspiracy to commit fraudulent concealment, their overt acts in pursuance of their conspiracy, and their ultimate fraud, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech and Perez, and each of them, as set forth below.

COUNT VII
AIDING AND ABETTING FRAUDULENT INDUCEMENT
(Against Aptus Resources and Zerehcn Holdings)

258. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 and 210 through 218 (fraudulent inducement) as if fully set forth here.

259. Domenech, Perez, Aptus Resources and Zerehcn Holdings carried out a fraudulent campaign designed to induce Plaintiffs to enter into and continue investing in the Direct Investments as follows:

- a. Domenech, Perez, Aptus Resources and Zerehcn Holdings made misrepresentations of material facts about each investment to enrich themselves at the expense of the Plaintiffs;
- b. Domenech, Perez, Aptus Resources and Zerehcn Holdings knew that they were misrepresenting material facts at the time they made the misrepresentations;
- c. Domenech, Perez, Aptus Resources and Zerehcn Holdings purposefully made these misrepresentations in order to induce Plaintiffs to rely upon them;
- d. Over the course of almost a decade, Plaintiffs relied—to their detriment—on Domenech’s, Perez’s, Aptus Resources’ and Zerehcn Holdings’ misrepresentations; and
- e. Plaintiffs’ reasonable reliance on Domenech’s, Perez’s, Aptus Resources’ and Zerehcn Holdings’ misrepresentations directly and proximately caused Plaintiffs to sustain damages.

260. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, had knowledge of the fraud because, among other things:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;

- b. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs; and
- c. Domenech and Perez executed all aspects of the Direct Investments, including reviewing the investment agreements and negotiating and implementing the investments' terms.

261. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, provided substantial assistance in the commission of the fraud by, among other ways:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;
- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Domenech and Perez applied, without Plaintiffs' knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
- f. Domenech and Perez made, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;

- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled;
- h. Domenech, Perez, Aptus Resources and Zerehcn Holdings directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves; and
- i. Domenech, Perez, Aptus Resources and Zerehcn Holdings misrepresented material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts.

262. Aptus Resources and Zerehcn Holdings knew about and substantially assisted the commission of the fraud by, among other things, receiving ill-gotten ownership interests in and/or distributions from the Direct Investments to which they were not entitled.

263. Knowing of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' intentional misrepresentations to Plaintiffs and Plaintiffs' reliance thereon, and intending to assist in those wrongful acts, Aptus Resources and Zerehcn Holdings provided substantial assistance in the commission of the fraud.

264. As a direct and proximate result of Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT VIII
AIDING AND ABETTING FRAUDULENT MISREPRESENTATION
(Against Aptus Resources and Zerehcn Holdings)

265. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 and 219 through 227 (fraudulent misrepresentation) as if fully set forth here.

266. Domenech, Perez, Aptus Resources and Zerehcn Holdings carried out a fraudulent campaign designed to deceive Plaintiffs about the Direct Investments as follows:

- a. Domenech, Perez, Aptus Resources and Zerehcn Holdings made misrepresentations of material facts about each investment to enrich themselves at the expense of the Plaintiffs;
- b. Domenech, Perez, Aptus Resources and Zerehcn Holdings knew that they were misrepresenting material facts at the time they made the misrepresentations;
- c. Domenech, Perez, Aptus Resources and Zerehcn Holdings purposefully made these misrepresentations in order to induce Plaintiffs to rely upon them;
- d. Over the course of almost a decade, Plaintiffs relied—to their detriment—on Domenech’s, Perez’s, Aptus Resources’ and Zerehcn Holdings’ misrepresentations; and
- e. Plaintiffs’ reasonable reliance on Domenech’s, Perez’s, Aptus Resources’ and Zerehcn Holdings’ misrepresentations directly and proximately caused Plaintiffs to sustain damages.

267. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, had knowledge of the fraud because, among other things:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs; and
- c. Domenech and Perez executed all aspects of the Direct Investments, including reviewing the investment agreements and negotiating and implementing the investments' terms.

268. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, provided substantial assistance in the commission of the fraud by, among other ways:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;
- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;

- e. Domenech and Perez applied, without Plaintiffs' knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
- f. Domenech and Perez made, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;
- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled;
- h. Domenech, Perez, Aptus Resources and Zerehcn Holdings directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves; and
- i. Domenech, Perez, Aptus Resources and Zerehcn Holdings misrepresented material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts.

269. Aptus Resources and Zerehcn Holdings knew about and substantially assisted the commission of the fraud by, among other things, receiving ill-gotten ownership interests in and/or distributions from the Direct Investments to which they were not entitled.

270. Knowing of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' intentional misrepresentations to Plaintiffs and Plaintiffs' reliance thereon, and intending to assist in those wrongful acts, Aptus Resources and Zerehcn Holdings provided substantial assistance in the commission of the fraud.

271. As a direct and proximate result of Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT IX
AIDING AND ABETTING FRAUDULENT CONCEALMENT
(Against Aptus Resources and Zerehcn Holdings)

272. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 and 228 through 236 (fraudulent concealment) as if fully set forth here.

273. Domenech, Perez, Aptus Resources and Zerehcn Holdings carried out a fraudulent campaign designed to deceive Plaintiffs about the Direct Investments as follows:

- a. Domenech, Perez, Aptus Resources and Zerehcn Holdings concealed or failed to disclose material facts about each investment to enrich themselves at the expense of the Plaintiffs;
- b. Domenech, Perez, Aptus Resources and Zerehcn Holdings knew that they were concealing or failing to disclose material facts at the time they concealed or failed to disclose them;
- c. Domenech, Perez, Aptus Resources and Zerehcn Holdings purposefully concealed or failed to disclose these material facts in order to induce Plaintiffs to rely upon those concealments;
- d. Over the course of almost a decade, Plaintiffs reasonably relied—to their detriment—on Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' concealment or failure to disclose the material facts; and

- e. Plaintiffs' reasonable reliance on Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' concealment or failure to disclose the material facts directly and proximately caused Plaintiffs to sustain damages.

274. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, had knowledge of the fraud because, among other things:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs; and
- c. Domenech and Perez executed all aspects of the Direct Investments, including reviewing the investment agreements and negotiating and implementing the investments' terms.

275. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, provided substantial assistance in the commission of the fraud by, among other ways:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;

- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Domenech and Perez applied, without Plaintiffs' knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
- f. Domenech and Perez made, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;
- g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled;
- h. Domenech, Perez, Aptus Resources and Zerehcn Holdings directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves; and
- i. Domenech, Perez, Aptus Resources and Zerehcn Holdings concealed or failed to disclose material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts.

276. Aptus Resources and Zerehcn Holdings knew about and substantially assisted the commission of the fraud by, among other things, receiving ill-gotten ownership interests in and/or distributions from the Direct Investments to which they were not entitled.

277. Knowing of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' concealment or failure to disclose material facts to Plaintiffs and Plaintiffs' reliance thereon, and intending to assist in those wrongful acts, Aptus Resources and Zerehcn Holdings provided substantial assistance in the commission of the fraud.

278. As a direct and proximate result of Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT X
NEGLIGENT MISREPRESENTATION
(Against Domenech, Perez, Aptus Resources and Zerehcn Holdings)

279. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 as if fully set forth here.

280. Domenech, Perez, Aptus Resources and Zerehcn Holdings negligently misrepresented material facts to Plaintiffs concerning each of the Direct Investments in the following ways:

- a. Misrepresenting material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts;
- b. Misrepresenting that Domenech and Perez performed meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;
- c. Misrepresenting that Mr. Cosio should not invest in alternative investments because those investments were unlikely to be profitable, which enabled Domenech and Perez to maintain the use of Plaintiffs' funds for the Direct Investments;

- d. Misrepresenting the amount of Plaintiffs' funds that Domenech and Perez had invested in the Direct Investments;
- e. Misrepresenting the ownership interests in the Direct Investments that Plaintiffs obtained in exchange for their investments;
- f. Misrepresenting the value of the ownership interests in the Direct Investments that Plaintiffs obtained in exchange for their investments;
- g. Misrepresenting their ownership interests in the Direct Investments;
- h. Misrepresenting that Plaintiffs' funds would be used solely to purchase an ownership interest in the Direct Investments for Plaintiffs; and
- i. Misrepresenting the profits, returns or distributions due to Plaintiffs from the Direct Investments.

281. Domenech, Perez, Aptus Resources and Zerehcn Holdings either knew of their misrepresentations when they made them, made their misrepresentations without knowledge of their truth or falsity, or should have known that their representations were false when made because, as described above:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs; and
- c. Domenech and Perez executed all aspects of the Direct Investments, including reviewing the investment agreements and negotiating and implementing the investments' terms.

282. Domenech, Perez, Aptus Resources and Zerehcn Holdings made these misrepresentations with the intent to induce Plaintiffs to rely or act upon them and in turn enter into and continue investing in the Direct Investments.

283. Over the course of almost a decade, Plaintiffs justifiably relied—to their detriment—on Domenech’s, Perez’s, Aptus Resources’ and Zerehcn Holdings’ misrepresentations.

284. Plaintiffs’ justifiable reliance on Domenech’s, Perez’s, Aptus Resources’ and Zerehcn Holdings’ misrepresentations directly and proximately caused Plaintiffs to sustain damages, including:

- a. Losing tens of millions of dollars in Direct Investments that were unlikely to generate returns and in which Domenech, Perez, Aptus Resources and Zerehcn Holdings invested Plaintiffs’ funds solely because they thought they could take ownership stakes and returns to which they were not entitled to enrich themselves;
- b. Incurring interest and other fees in connection with the unnecessary, high-interest loans Domenech and Perez took out in Plaintiffs’ names to fund the investments in the Direct Investments;
- c. Receiving a smaller ownership interest in certain Direct Investments than that to which they were entitled due to Domenech, Perez, Aptus Resources and Zerehcn Holdings taking a part of the ownership interest to which Plaintiffs were entitled for themselves;
- d. Losing profits, returns or distributions from the Direct Investments to which they were entitled due to Domenech, Perez, Aptus Resources and Zerehcn Holdings having taken them for themselves;

- e. Foregoing opportunities to invest in the Direct Investments at a discount because Domenech, Perez, Aptus Resources and Zerehcn Holdings took those opportunities for themselves; and
- f. Foregoing profits that Plaintiffs could have obtained through appropriate investments likely to produce a return had Domenech and Perez not invested in the Direct Investments with a view to enriching themselves.

285. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT XI
BREACH OF FIDUCIARY DUTY
(Against Domenech and Perez)²⁴

286. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 as if fully set forth here.

287. Plaintiffs and Domenech and Perez shared a relationship whereby Plaintiffs reposed trust and confidence in Domenech and Perez, and Domenech and Perez undertook such trust and assumed a duty to advise, counsel and/or protect Plaintiffs in connection with the Direct Investments.

²⁴ This count, like all others, does not include Domenech's pursuit of a trading strategy designed to maximize his own compensation, as well as the fees and commissions Mr. Cosio paid to Credit Suisse, which, as referenced *supra* note 1, Plaintiffs are pursuing in a separate proceeding before the arbitral body of FINRA.

288. In providing investment advisory services to Plaintiffs related to the Direct Investments, Domenech and Perez owed a fiduciary duty to Plaintiffs, including the duty to refrain from self-dealing, the duty of loyalty, the duty to disclose all material facts, the duty to not take unfair advantage of Plaintiffs and to act in their best interests, and the duty of care.

289. Domenech and Perez knew that Mr. Cosio was not an experienced investor and that he reposed trust and confidence in Domenech and Perez to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments on Plaintiffs' behalf. Domenech and Perez were at all times acting within the scope of their fiduciary relationship with Plaintiffs when they recommended and made investments in the Direct Investments on Plaintiffs' behalf.

290. Domenech and Perez breached their fiduciary duties to Plaintiffs by, without limitation, (1) investing funds in the Direct Investments belonging to Plaintiffs without their knowledge or consent; (2) taking an ownership interest in the Direct Investments to which Plaintiffs were entitled; and (3) taking profits, returns and distributions from the Direct Investments to which Plaintiffs were entitled for their own benefit.

291. Domenech and Perez further breached their fiduciary duties to Plaintiffs by, without limitation, making repeated false representations to Plaintiffs, and omissions of material facts, including regarding the amount of Plaintiffs' funds that had been invested in the Direct Investments, the ownership stake Plaintiffs had obtained in exchange for their investment, and the value of those ownership stakes.

292. Domenech and Perez further breached their fiduciary duties to Plaintiffs by, without limitation, investing in the Direct Investments without disclosing their investment to Plaintiffs and by taking opportunities to invest in the Direct Investments at a discount for themselves without first presenting those opportunities to Plaintiffs.

293. Domenech and Perez further breached their fiduciary duties to Plaintiffs by, without limitation, taking out expensive loans in Plaintiffs' names to fund the investments in the Direct Investments without alerting Plaintiffs to the extent of the investments made in their name.

294. Domenech and Perez further breached their fiduciary duties to Plaintiffs by, without limitation, advising Plaintiffs to invest in the Direct Investments without doing any meaningful analysis of the likelihood that the investments would generate a return for Plaintiffs.

295. Domenech's and Perez's wrongful actions directly and proximately caused Plaintiffs to sustain damages. Specifically, Domenech and Perez's wrongful actions caused Plaintiffs to, without limitation, (1) obtain a smaller ownership interest in certain Direct Investments than that to which they were entitled because Domenech and Perez took a part of their ownership stake for themselves; (2) lose profits, returns or distributions from the Direct Investments to which they were entitled but which Domenech and Perez took for themselves; (3) lose tens of millions of dollars invested, without Mr. Cosio's knowledge, in unsuitable Direct Investments in which Domenech and Perez invested solely with the aim of enriching themselves; (4) incur interest payments and other fees in connection with the loans Domenech and Perez took out in Plaintiffs' names to fund the investments in the Direct Investments; (5) forego opportunities to invest in the Direct Investments at a discount because Domenech and Perez took those opportunities for themselves; and (6) forego profits that Plaintiffs could have obtained through suitable investments had Domenech and Perez not invested in the Direct Investments with a view to enriching themselves.

296. As a direct and proximate result of Domenech's and Perez's conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech and Perez, and each of them, as set forth below.

COUNT XII
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Against Domenech, Perez, Aptus Resources and Zerehcen Holdings)

297. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 and 286 through 296 (breach of fiduciary duty), as if fully set forth here.

298. Plaintiffs and Domenech and Perez shared a relationship whereby Plaintiffs reposed trust and confidence in Domenech and Perez, and Domenech and Perez undertook such trust and assumed a duty to advise, counsel and/or protect Plaintiffs.

299. In providing investment advisory services to Plaintiffs, Domenech and Perez owed a fiduciary duty to Plaintiffs, including the duty to refrain from self-dealing, the duty of loyalty, the duty to disclose all material facts, the duty to not take unfair advantage of Plaintiffs and to act in their best interests, and the duty of care.

300. Domenech and Perez knew that Mr. Cosio was not an experienced investor and that he reposed trust and confidence in Domenech and Perez to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments on Plaintiffs' behalf. Domenech and Perez were at all times acting within the scope of their fiduciary relationship with Plaintiffs when recommending and making investments in the Direct Investments on Plaintiffs' behalf.

301. Domenech and Perez breached their fiduciary duties to Plaintiffs by, without limitation, (1) investing funds in the Direct Investments belonging to Plaintiffs without their knowledge or consent; (2) taking an ownership interest in the Direct Investments to which Plaintiffs were entitled; and (3) taking profits, returns and distributions from the Direct Investments to which Plaintiffs were entitled for their own benefit.

302. Domenech and Perez further breached their fiduciary duties to Plaintiffs by, without limitation, making repeated false representations to Plaintiffs, and omissions of material facts, including regarding the amount of Plaintiffs' funds that had been invested in the Direct Investments, the ownership stake Plaintiffs had obtained in exchange for their investment, and the value of those ownership stakes.

303. Domenech and Perez further breached their fiduciary duties to Plaintiffs by, without limitation, investing in the Direct Investments without disclosing their investment to Plaintiffs and by taking opportunities to invest in the Direct Investments at a discount for themselves without first presenting those opportunities to Plaintiffs.

304. Domenech and Perez further breached their fiduciary duties to Plaintiffs by, without limitation, taking out expensive loans in Plaintiffs' names to fund the investments in the Direct Investments without alerting Plaintiffs to the extent of the investments made in their name.

305. Domenech and Perez further breached their fiduciary duties to Plaintiffs by, without limitation, advising Plaintiffs to invest in the Direct Investments without doing any meaningful analysis of the profitability of the investments.

306. Domenech, Perez, Aptus Resources and Zerehcn Holdings knowingly aided, abetted, counseled, induced and/or procured the breaches of fiduciary duty alleged herein. Domenech, Perez, Aptus Resources and Zerehcn Holdings did so knowing of Domenech's and Perez's breaches of fiduciary duty, and intending to assist in those wrongful acts. Domenech, Perez, Aptus Resources and Zerehcn Holdings provided substantial assistance to Domenech and Perez in breaching their fiduciary duties, including, without limitation, by concealing Domenech's and Perez's misrepresentations and fraudulent omissions from Plaintiffs and their taking of ownership interests in, and profits from, the Direct Investments from Plaintiffs.

307. Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' wrongful actions directly and proximately caused Plaintiffs to sustain damages. Specifically, Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' wrongful actions caused Plaintiffs to, without limitation, (1) obtain a smaller ownership interest in certain Direct Investments than that to which they were entitled because Domenech, Perez, Aptus Resources and Zerehcn Holdings took a part of their ownership stake for themselves; (2) lose profits, returns or distributions from the Direct Investments to which they were entitled but which Domenech, Perez, Aptus Resources and Zerehcn Holdings took for themselves; (3) lose tens of millions of dollars invested, without Mr. Cosio's knowledge, in unsuitable Direct Investments in which Domenech, Perez, Aptus Resources and Zerehcn Holdings invested solely with the aim of enriching themselves; (4) incur interest payments and other fees in connection with the loans Domenech and Perez took out in Plaintiffs' names to fund the investments in the Direct Investments; (5) forego opportunities to invest in the Direct Investments at a discount because Domenech, Perez, Aptus Resources and Zerehcn Holdings took those opportunities for themselves; and (6) forego profits that Plaintiffs could have obtained through suitable investments had Domenech, Perez, Aptus Resources and Zerehcn Holdings not invested in the Direct Investments with a view to enriching themselves.

308. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT XIII
CONVERSION

(Against Domenech, Perez, Aptus Resources and Zerehcn Holdings)

309. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 as if fully set forth here.

310. At all relevant times, Plaintiffs owned the funds held in their respective accounts, as well as the ownership interests in the Direct Investments purchased using those funds, and were entitled to any profits, returns or distributions from the Direct Investments in which they invested.

311. Without Plaintiffs' consent, Domenech, Perez, Aptus Resources and Zerehcn Holdings knowingly converted at least USD 16,387,831.56, other funds belonging to Plaintiffs the value of which is not yet known to Plaintiffs, as well as ownership interests in the Direct Investments, belonging to Plaintiffs to their own use. Specifically, at a minimum, Domenech, Perez, Aptus Resources and Zerehcn Holdings converted to their own use:

- a. An ownership interest in Credipresto, which rightfully belonged to Plaintiffs based on their investment in Credipresto;
- b. Returns on a loan that Plaintiffs provided to Credipresto, which rightfully belonged to Plaintiffs;
- c. An ownership interest in Kichink's parent company, Atomico, which rightfully belonged to Plaintiffs based on their investment in Kichink;
- d. An ownership interest in MGI, which rightfully belonged to Plaintiffs based on their investment in MGI;
- e. A USD 42,899 return from MGI, which rightfully belonged to Plaintiffs based on their investment in MGI;
- f. A USD 674,200 return from MGI, which rightfully belonged to Plaintiffs based on their investment in MGI;

- g. An ownership interest in GREH, which rightfully belonged to Plaintiffs based on their investment in GREH;
- h. A USD 40,732.56 return from GREH, which rightfully belonged to Plaintiffs based on their investment in GREH;
- i. A USD 350,000 return from GREH, which rightfully belonged to Plaintiffs based on their investment in GREH;
- j. An ownership interest in Taco Chic, which rightfully belonged to Plaintiffs based on their investment in Taco Chic;
- k. An ownership interest in the Cantinas Restaurants, which rightfully belonged to Plaintiffs based on their investment in the Cantinas Restaurants;
- l. A MXN 5 million (approximately USD 280,000) return on the Cantinas Loan, which rightfully belonged to Plaintiffs because they funded the loan;
- m. An ownership interest in Accendo Holdings and, through Accendo Holdings, in L1bre Holding, which rightfully belonged to Plaintiffs based on their investment in the L1bre Project;
- n. At least USD 15 million of Plaintiffs' funds that Domenech and Perez invested in the L1bre Project and for which they failed to seek recovery when they negotiated Plaintiffs' exit from L1bre Holding; and
- o. An ownership interest in Accendo Clearpath, and the assets it acquired from Clearpath, which rightfully belonged to Plaintiffs because Plaintiffs funded the full purchase price for Clearpath's acquisition.

312. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be determined at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT XIV
AIDING AND ABETTING CONVERSION
(Against Domenech, Perez, Aptus Resources and Zerehcn Holdings)

313. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 and 309 through 312 (conversion) as if fully set forth here.

314. At all relevant times, Plaintiffs owned the funds held in their respective accounts, as well as the ownership interests in the Direct Investments purchased using those funds, and were entitled to any profits, returns or distributions from the Direct Investments in which they invested.

315. Without Plaintiffs' consent, Domenech, Perez, Aptus Resources and Zerehcn Holdings knowingly converted at least USD 16,387,831.56, other funds belonging to Plaintiffs the value of which is not yet known to Plaintiffs, as well as ownership interests in the Direct Investments, belonging to Plaintiffs to their own use. Specifically, at a minimum, Domenech, Perez, Aptus Resources and Zerehcn Holdings converted to their own use:

- a. An ownership interest in Credipresto, which rightfully belonged to Plaintiffs based on their investment in Credipresto;
- b. Returns on a loan that Plaintiffs provided to Credipresto, which rightfully belonged to Plaintiffs;
- c. An ownership interest in Kichink's parent company, Atomico, which rightfully belonged to Plaintiffs based on their investment in Kichink;

- d. An ownership interest in MGI, which rightfully belonged to Plaintiffs based on their investment in MGI;
- e. A USD 42,899 return from MGI, which rightfully belonged to Plaintiffs based on their investment in MGI;
- f. A USD 674,200 return from MGI, which rightfully belonged to Plaintiffs based on their investment in MGI;
- g. An ownership interest in GREH, which rightfully belonged to Plaintiffs based on their investment in GREH;
- h. A USD 40,732.56 return from GREH, which rightfully belonged to Plaintiffs based on their investment in GREH;
- i. A USD 350,000 return from GREH, which rightfully belonged to Plaintiffs based on their investment in GREH;
- j. An ownership interest in Taco Chic, which rightfully belonged to Plaintiffs based on their investment in Taco Chic;
- k. An ownership interest in the Cantinas Restaurants, which rightfully belonged to Plaintiffs based on their investment in the Cantinas Restaurants;
- l. A MXN 5 million (approximately USD 280,000) return on the Cantinas Loan, which rightfully belonged to Plaintiffs because they funded the loan;
- m. An ownership interest in Accendo Holdings and, through Accendo Holdings, in L1bre Holding, which rightfully belonged to Plaintiffs based on their investment in the L1bre Project;

- n. At least USD 15 million of Plaintiffs' funds that Domenech and Perez invested in the L1bre Project and for which they failed to seek recovery when they negotiated Plaintiffs' exit from L1bre Holding; and
- o. An ownership interest in Accendo Clearpath, and the assets it acquired from Clearpath, which rightfully belonged to Plaintiffs because Plaintiffs funded the full purchase price for Clearpath's acquisition.

316. Domenech, Perez, Aptus Resources and Zerehcn Holdings knowingly aided, abetted, counseled, induced and/or procured the conversion alleged herein. Domenech, Perez, Aptus Resources and Zerehcn Holdings did so knowing of the conversion, and intending to assist in those wrongful acts. Domenech, Perez, Aptus Resources and Zerehcn Holdings provided substantial assistance to each other in committing conversion, including, without limitation, by concealing each other's taking of ownership interests in, and returns from, the Direct Investments, which rightfully belonged to Plaintiffs.

317. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages in an amount to be determined at trial.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT XV
UNJUST ENRICHMENT
(Against Domenech, Perez, Aptus Resources and Zerehcn Holdings)

318. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 as if fully set forth here.

319. Domenech, Perez, Aptus Resources and Zerehcn Holdings, without Plaintiffs' knowledge or consent, misappropriated funds belonging to Plaintiffs that were intended to be used

on Plaintiffs' behalf to invest in the Direct Investments. Instead, Domenech, Perez, Aptus Resources and Zerehcn Holdings knowingly used these misappropriated funds for their own benefit by giving themselves ownership interests in Direct Investments, despite the fact that they had not contributed capital commensurate with the ownership interest they claimed, if any.

320. By virtue of Domenech, Perez, Aptus Resources and Zerehcn Holdings misappropriating Plaintiffs' investment funds and profit distributions for their own benefit, Plaintiffs have conferred a valuable benefit upon Domenech, Perez, Aptus Resources and Zerehcn Holdings.

321. Domenech, Perez, Aptus Resources and Zerehcn Holdings knowingly and voluntarily accepted the benefit conferred upon them by Plaintiffs and retained the benefit conferred upon them by virtue of their scheme to misappropriate Plaintiffs' investment funds and profit distributions.

322. Under these circumstances, it would be inequitable for Domenech, Perez, Aptus Resources and Zerehcn Holdings to retain the benefits of Plaintiffs' misappropriated investment funds and profit distributions conferred upon them, including, but not limited to, at least USD 16,387,831.56 in misappropriated investment funds taken from Plaintiffs, other funds taken from Plaintiffs the value of which is not yet known to Plaintiffs, the value of the ownership interests wrongfully obtained from those funds, the income and profits derived from those interests, and any other benefits Domenech, Perez, Aptus Resources and Zerehcn Holdings received through their use of Plaintiffs' money or their ownership interests, without paying the value thereof to Plaintiffs.

323. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' conduct, Plaintiffs have suffered actual damages and seek recovery of the

value of any and all benefits Domenech, Perez, Aptus Resources and Zerehcn Holdings received from their unjust enrichment.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT XVI
VIOLATION OF THE CIVIL REMEDIES FOR CRIMINAL PRACTICES ACT
(Section 772.104, Florida Statutes)
(Against Domenech, Perez, Aptus Resources and Zerehcn Holdings)

324. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209 as if fully set forth here.

325. Beginning in at least 2006 and continuing through at least 2018, Domenech, Perez, Aptus Resources and Zerehcn Holdings were members of an enterprise, associated in fact, under Section 772.102(3), Florida Statutes.

326. Domenech, Perez, Aptus Resources and Zerehcn Holdings formed their enterprise, associated in fact, to commit their unlawful scheme concerning the Direct Investments upon Plaintiffs as evidenced by, among other things:

- a. In or around 2006, Domenech encouraged Mr. Cosio to hire Perez to run his family office;
- b. On or around April 30, 2009, Domenech and Perez successfully convinced Mr. Cosio to hire Perez to run his family office;
- c. On May 13, 2009, Domenech and Perez formed Accendo Capital as Mr. Cosio's family office, which they would use as a cover to conduct their fraud upon Plaintiffs;
- d. On the day Accendo Capital opened, Domenech sent an email—from the Accendo Capital email account he was assigned—to Perez, confirming their successful

enterprise to defraud Plaintiffs with respect to the Direct Investments, proclaiming that they were experiencing “[h]istory in the making”;

- e. In or around late 2011, Domenech and Perez established Zerehcn Holdings, which they used to cloak their participation in the Direct Investments;
- f. In or around April 2014, Domenech and Perez established Aptus Resources, which they also used to cloak their participation in the Direct Investments; and
- g. Over the course of approximately a decade, Domenech, Perez, Aptus Resources and Zerehcn Holdings conducted a continuous enterprise designed to deceive Plaintiffs about the Direct Investments and enrich themselves at the expense of Plaintiffs.

327. Domenech and Perez in their individual capacity, and in their capacity as principals, owners or members who directed and controlled Aptus Resources and Zerehcn Holdings, devised and engaged in a structured scheme whereby they formed a separate enterprise, associated in fact, by means of a pattern of criminal activity, as defined by Section 772.102(4), Florida Statutes, through which Domenech, Perez, Aptus Resources and Zerehcn Holdings sought to defraud Plaintiffs of substantial sums of money in order to enrich themselves in the following ways:

- a. Domenech and Perez designed the Direct Investments as a means to enrich themselves, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Domenech and Perez recommended, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs’ investments;

- c. Domenech and Perez encouraged Mr. Cosio to repose trust and confidence in them to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
 - d. Domenech and Perez ensured that they were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
 - e. Domenech and Perez applied, without Plaintiffs' knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
 - f. Domenech and Perez made, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;
 - g. Domenech and Perez ordered, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for Domenech, Perez, Aptus Resources and Zerehcn Holdings to which they were not entitled;
 - h. Domenech, Perez, Aptus Resources and Zerehcn Holdings directed, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to themselves;
 - i. Domenech, Perez, Aptus Resources and Zerehcn Holdings misrepresented material facts about the Direct Investments, including their ownership structure, returns and profitability, among other facts;
 - j. Aptus Resources and Zerehcn Holdings participated in the Direct Investments as a means of hiding Domenech and Perez's participation in the Direct Investments;
- and

- k. Aptus Resources and Zerehcn Holdings further knew about and substantially assisted the commission of the fraud by, among other things, receiving ill-gotten ownership interests in and/or distributions from the Direct Investments to which they were not entitled.
328. Domenech, Perez, Aptus Resources and Zerehcn Holdings' enterprise included, without exclusion, the following criminal predicate acts:
- a. In violation of Section 817.034, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings engaged in a coordinated scheme to defraud Plaintiffs, including by falsely representing the amount Plaintiffs had invested in the Direct Investments, the ownership stake in the Direct Investments to which Plaintiffs were entitled, and the valuation of Plaintiffs' ownership stake so that Plaintiffs would continue to trust Domenech and Perez to implement their investments thereby enabling Domenech, Perez, Aptus Resources and Zerehcn Holdings to obtain an ownership interest in the Direct Investments, and the corresponding returns, to which they were not entitled;
 - b. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings took an unlawful ownership interest in Credipresto to which Plaintiffs were entitled with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
 - c. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings took returns on a loan that Plaintiffs provided to

Credipresto and to which Plaintiffs were entitled with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;

- d. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings took an unlawful ownership interest in Kichink's parent company, Atomico, to which Plaintiffs were entitled with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
- e. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings took an unlawful ownership interest in MGI to which Plaintiffs were entitled with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
- f. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings obtained USD 42,899 belonging to Plaintiffs from MGI with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
- g. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings obtained USD 674,200 belonging to Plaintiffs from MGI with the intent to either temporarily or permanently deprive Plaintiffs of

their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;

- h. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings took an ownership interest in GREH to which Plaintiffs were entitled with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
- i. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings obtained USD 40,732.56 belonging to Plaintiffs from GREH with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
- j. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings obtained USD 350,000 belonging to Plaintiffs from GREH with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
- k. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings took an ownership interest in Taco Chic to which Plaintiffs were entitled with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;

- l. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings took an ownership interest in the Cantinas Restaurants to which Plaintiffs were entitled with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
- m. In violation of Section 812.014, Florida Statutes, Perez obtained MXN 5 million (approximately USD 280,000) belonging to Plaintiffs from the Cantinas Restaurants with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property;
- n. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings took an ownership interest in Accendo Holdings, and through Accendo Holdings in L1bre, to which Plaintiffs were entitled with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property; and
- o. In violation of Section 812.014, Florida Statutes, Domenech, Perez, Aptus Resources and Zerehcn Holdings transferred millions of dollars belonging to Plaintiffs to the Direct Investments, without their knowledge or authorization, with the intent to either temporarily or permanently deprive Plaintiffs of their right to the property or to appropriate the property to their own use or to the use of any person not entitled to the use of the property.

329. As a direct and proximate result of Domenech's, Perez's, Aptus Resources' and Zerehcn Holdings' pattern of criminal activity, Plaintiffs have been injured in their business and property and suffered actual damages in an amount to be determined at trial.

330. Pursuant to Section 772.104(1), Florida Statutes, Plaintiffs are entitled to treble damages plus costs and attorneys' fees from Domenech, Perez, Aptus Resources and Zerehcn Holdings.

WHEREFORE, Plaintiffs pray for judgment against Domenech, Perez, Aptus Resources and Zerehcn Holdings, and each of them, as set forth below.

COUNT XVII
VICARIOUS LIABILITY
(Against Credit Suisse)

331. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209, 210 through 257, 279 through 317, and 324 through 330 as if fully set forth here.

332. Throughout the majority of the period material to this Complaint, Credit Suisse employed Domenech, and Domenech was under the Bank's direct supervision, employ, and control when he:

- a. Defrauded Plaintiffs, including by knowingly making fraudulent misrepresentations and/or omissions of material facts to induce Plaintiffs to enter into and continue investing in the Direct Investments, which Plaintiffs did in reasonable reliance on Domenech's misrepresentations and/or omissions to their detriment;
- b. Negligently misrepresented material facts to Plaintiffs concerning the Direct Investments, which he should have known were false when he made the misrepresentations, with the intention to induce Plaintiffs to enter into and continue

investing in the Direct Investments, which Plaintiffs did in reasonable reliance on Domenech's misrepresentations to their detriment; and

- c. Exercised wrongful dominion and control over Plaintiffs' assets to Plaintiffs' detriment by converting Plaintiffs' assets.

333. Credit Suisse, as a principal, by virtue of making Domenech its employee and allowing him to serve as a financial advisor and broker to its customers, granted Domenech authority to act as its agent for the purpose of servicing its customers, including Plaintiffs.

334. Credit Suisse, by virtue of employing Domenech, allowing him to serve as a financial advisor and broker to its customers, and permitting him to trade on the Bank's goodwill when dealing with customers, held Domenech out to its customers as an honest, reputable, fit and competent financial advisor and broker. This was specifically the case concerning Plaintiffs.

335. During the course of his agency, or apparent agency, for Credit Suisse, and at least in part to further the Bank's interests of generating fees and/or commissions from Plaintiffs in connection with loans for the Direct Investments, Domenech defrauded Plaintiffs, made negligent misrepresentations to Plaintiffs and improperly converted their assets by, among other ways:

- a. Designing the Direct Investments as a means to enrich Domenech, Perez, Aptus Resources and Zerehcn Holdings, including by taking ownership stakes in and returns on the investments to which they were not entitled;
- b. Recommending, unbeknownst to Plaintiffs, the Direct Investments without performing any meaningful analysis into whether the Direct Investments were likely to produce a return on Plaintiffs' investments;

- c. Encouraging Mr. Cosio to repose trust and confidence in him and Perez to act in Plaintiffs' best interests when recommending and making investments in the Direct Investments knowing that Mr. Cosio was not an experienced investor;
- d. Ensuring that he and Perez were the exclusive filter through which all material information relating to the Direct Investments reached Plaintiffs;
- e. Applying, without Plaintiffs' knowledge, for the unnecessary, high-interest loans used to fund the Direct Investments;
- f. Executing, without Plaintiffs' knowledge, wire transfers through which Plaintiffs invested in the Direct Investments;
- g. Ordering, without Plaintiffs' knowledge, revisions to operating and investment agreements resulting in a smaller ownership stake for Plaintiffs in the Direct Investments than that to which they were entitled, and a large interest for himself, Perez, Aptus Resources and Zerehchen Holdings to which they were not entitled; and
- h. Directing, without Plaintiffs' knowledge, the transfer of Plaintiffs' returns on the Direct Investments to him, Perez, Aptus Resources and Zerehchen Holdings.

336. Domenech was able to accomplish his scheme to defraud Plaintiffs, make negligent misrepresentations to Plaintiffs and convert their assets by virtue of the apparent authority the Bank bestowed upon him by hiring him to his position at the Bank, allowing him to serve as a financial advisor and broker to its customers, holding him out as an honest, reputable, fit and competent financial advisor and broker, and permitting him to trade on the Bank's goodwill. This was specifically the case concerning Plaintiffs.

337. Plaintiffs' belief that Domenech had the authority to act on behalf of and for the benefit of the Bank, and that he was being supervised by the Bank, was reasonable given the fact that the Bank employed Domenech as a financial advisor and broker to service its customers, held him out as an honest, reputable, fit and competent financial advisor and broker, and allowed him to trade on the Bank's goodwill.

338. To their detriment, Plaintiffs reasonably acted on their belief that Domenech had the authority to act on behalf of and for the benefit of the Bank when Plaintiffs, at Domenech's direction, made the Direct Investments.

339. The Bank ratified Domenech's actions regarding the Direct Investments with full knowledge of all material facts concerning Domenech's scheme, or it was willfully ignorant in that it purposefully refrained from seeking information concerning Domenech's improper conduct, as reflected by the Bank's failure to reject or correct Domenech's scheme, and instead having taken material actions inconsistent with an intent to avoid his scheme, by, among other ways:

- a. Allowing Domenech's scheme to be so pervasive as to include several employees at the Bank;
- b. Approving unnecessary, high interest loans that Domenech obtained in Plaintiffs' names to fund the Direct Investments and further his fraudulent scheme; and
- c. Allowing Domenech's scheme to continue for such a long duration, despite the obvious signs of improper conduct by Domenech.

340. The Bank ratified Domenech's actions by, among other ways, accepting the benefits of Domenech's scheme, and despite having knowledge of his scheme, not rejecting or correcting it, and instead taking material actions inconsistent with an intent to avoid his scheme.

341. The Bank benefitted from Domenech's scheme by virtue of receiving fees and/or commissions for providing the unnecessary, high-interest loans that Domenech obtained in Plaintiffs' names to fund the Direct Investments.

342. As a direct and proximate result of the Bank holding Domenech out to be an honest, reputable, fit and competent financial advisor and broker, and allowing him to trade on the Bank's goodwill when dealing with clients, Plaintiffs reasonably relied on Domenech's apparent authority, given by the Bank, with respect to the Direct Investments, and as a result suffered damages.

WHEREFORE, Plaintiffs pray for judgment against Credit Suisse as set forth below.

COUNT XVIII
NEGLIGENT SUPERVISION
(Against Credit Suisse)

343. Plaintiffs repeat and re-allege the allegations contained in paragraphs 1 through 209, 210 through 257, 279 through 317, and 324 through 330 as if fully set forth here.

344. Throughout the majority of the period material to this Complaint, Credit Suisse employed Domenech, and Domenech was under the Bank's direct supervision, employ, and control when he:

- a. Defrauded Plaintiffs, including by knowingly making fraudulent misrepresentations and/or omissions of material facts to induce Plaintiffs to enter into and continue investing in the Direct Investments, which Plaintiffs did in reasonable reliance on Domenech's misrepresentations and/or omissions to their detriment;
- b. Negligently misrepresented material facts to Plaintiffs concerning the Direct Investments, which he should have known were false when he made the misrepresentations, with the intention to induce Plaintiffs to enter into and continue

investing in the Direct Investments, which Plaintiffs did in reasonable reliance on Domenech's misrepresentations to their detriment; and

- c. Exercised wrongful dominion and control over Plaintiffs' assets to Plaintiffs' detriment by converting Plaintiffs' assets.

345. The Bank owed a duty to Plaintiffs to supervise Domenech with regard to the Direct Investments and ensure that he was not using his position at the Bank to defraud Plaintiffs, negligently make material misrepresentations to Plaintiffs, or improperly convert their assets to his own, Perez's, Aptus Resources' and Zerehcn Holdings'.

346. The Bank breached its duty to Plaintiffs to supervise Domenech with regard to the Direct Investments and ensure that he was not using his position at the Bank to defraud Plaintiffs, negligently make material misrepresentations to Plaintiffs, or improperly convert their assets to his own, Perez's, Aptus Resources' and Zerehcn Holdings' by virtue of, among other things:

- a. Failing to supervise Domenech and in turn allowing him to trade on the Bank's goodwill to convince Plaintiffs to make the Direct Investments;
- b. Failing to properly investigate or conduct the proper due diligence into Domenech's personal holdings in the Direct Investments using Plaintiffs' assets in violation of the Bank's own policies, procedures, and standards;
- c. Failing to discharge or reassign Domenech once it knew or should have known he was engaged in self-dealing and fraud with respect to the Direct Investments;
- d. Failing to supervise Domenech and in turn allowing him to make recommendations concerning the Direct Investments without conducting the proper due diligence into the Direct Investments; and

- e. Failing to supervise Domenech and in turn allowing him to trade on the Bank's goodwill to force Plaintiffs into unnecessary high-interest loans related to the Direct Investments.

347. The Bank knew or should have known of Domenech's unfitness to serve as a financial advisor and of his propensity to commit fraud, conversion and negligently make material misrepresentations because, among other things:

- a. Domenech was participating in the Direct Investments in violation of the Bank's own procedures;
- b. Domenech's fraudulent scheme with respect to the Direct Investments spanned over several years;
- c. Suspicious, unnecessary and excessive high-interest loans were arranged by the Bank to fund the Direct Investments; and
- d. On information and belief, employees at the Bank were aware of Domenech's involvement in the Direct Investments.

348. Domenech's conduct was also reasonably foreseeable to the Bank for the same reasons. The Bank, having the ability to control Domenech as its employee, failed to take adequate action with respect to Domenech's improper conduct and unfitness to serve as Plaintiffs' financial advisor and broker by not investigating, discharging or reassigning Domenech.

349. As a direct and proximate result of the Bank's negligent supervision of Domenech, Plaintiffs have suffered damages which could reasonably have been anticipated by the Bank and which, by the proper due diligence and authority over Domenech, the Bank may have reasonably prevented.

WHEREFORE, Plaintiffs pray for judgment against Credit Suisse as set forth below.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment against the Defendants as follows:

- a. Damages for all injuries suffered as a result of the Defendants' unlawful and improper conduct, including rescission, compensatory, consequential, incidental, and special damages where appropriate in an amount to be determined at trial, and pre-judgment and post-judgment interest;
- b. Treble damages and Plaintiffs' reasonable attorneys' fees and costs according to Section 772.104, Florida Statutes;
- c. Costs of this action, including Plaintiffs' attorneys' fees; and
- d. Such other and further relief as the Court deems just and proper.

JURY TRIAL DEMAND

Plaintiffs demand trial by jury on issues so triable.

Respectfully submitted,



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General Information

Court Florida Miami-Dade County Court

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