

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL  
CIRCUIT, IN AND FOR MIAMI-DADE COUNTY, FLORIDA

OFFICE OF THE ATTORNEY GENERAL,  
DEPARTMENT OF LEGAL AFFAIRS,  
STATE OF FLORIDA,

Plaintiff,

Case No.:

09-77640 CA30

vs.

**XOLUTEX, INC.**, a Florida Corporation; **CEASAR F. TAVARAS**; individually and as owner, officer and/or director of **XOLUTEX, INC.**; **GEORGE IBANEZ**, individually and as owner, officer and/or director of **XOLUTEX, INC.**; **PAOLA PINO**, individually and as owner, officer and/or director of **XOLUTEX, INC.**; **LAURA IBANEZ**, individually and as owner, officer and/or director of **XOLUTEX, INC.**; and **GUILLERMO GOMEZ**, individually.

Defendants.

THE ORIGINAL FILED

ON OCT 21 2009

IN THE OFFICE OF  
CIRCUIT COURT DADE CO F  
CIVIL DIVISION

**COMPLAINT FOR INJUNCTIVE RELIEF, DAMAGES  
AND OTHER STATUTORY RELIEF**

Plaintiff, **OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LEGAL AFFAIRS, STATE OF FLORIDA** (hereinafter referred to as "Plaintiff"), sues Defendants **XOLUTEX, INC.**, a dissolved Florida Corporation; **CEASAR F. TAVARAS**; individually and as owner, officer and/or director of **XOLUTEX, INC.**; **GEORGE IBANEZ**, individually and as owner, officer and/or director of **XOLUTEX, INC.**; **PAOLA PINO**, individually and as owner, officer and/or director of **XOLUTEX, INC.**; **LAURA IBANEZ**, individually and as owner, officer and/or director of **XOLUTEX, INC.**; and **GUILLERMO GOMEZ**, individually; (hereinafter collectively referred to as "Defendants").

## **JURISDICTION AND VENUE**

1. This is an action for damages and injunctive relief, brought pursuant to Florida's Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2008).

2. This Court has jurisdiction pursuant to the provisions of said statute.

3. The statutory violations alleged herein occurred in or affected more than one judicial circuit in the State of Florida.

4. Venue is proper in the Eleventh Judicial Circuit as the principal place of business of the Defendant is Miami-Dade County, Florida.

5. Plaintiff is an enforcing authority of Florida's Deceptive and Unfair Trade Practices Act as defined in Chapter 501, Part II, Florida Statutes, and is authorized to seek damages, injunctive and other statutory relief pursuant to this part.

6. Plaintiff has conducted an investigation and the head of the enforcing authority, Attorney General Bill McCollum, has determined that an enforcement action serves the public interest.

## **DEFENDANTS**

7. Defendants, at all times material hereto, provided goods or services as defined within Section 501.203(8), Florida Statutes (2008).

8. Defendants, at all times material hereto, solicited consumers within the definitions of Section 501.203(7), Florida Statutes (2008).

9. Defendants, at all times material hereto, were engaged in a trade or commerce within the definition of Section 501.203(8), Florida Statutes (2008).

10. Defendant Xolutex, Inc. (formally known as Solutex, Inc.) (hereinafter referred to as Xolutex) at all times material hereto, was an active Florida Corporation with offices located in

Miami-Dade County, Florida. It had its principal place of business located at 9737 NW 41 Street, Suite 483, Miami, Florida 33178.

11. Defendant Ceasar F. Tavaras (hereinafter referred to as Tavaras) is an adult male over the age of twenty one and is sui juris. Upon information and belief, Defendant Tavaras resides in Miami-Dade County, Florida.

12. Defendant Tavaras at all times material hereto, was an owner, officer and/or director of Defendant Xolutex.

13. At all times material hereto, Defendant Tavaras knew of and controlled the activities of Defendant Xolutex. Defendant Tavaras had actual knowledge or knowledge fairly implied on the basis of objective circumstances, that the acts of the employees, agents, and representatives of the corporate Defendant as described below, were unfair or deceptive and/or prohibited by law.

14. Defendant George Ibanez is an adult male over the age of twenty one and is sui juris. Upon information and belief, Defendant George Ibanez resides in Miami-Dade County, Florida.

15. Defendant George Ibanez at all times material hereto, was an owner, officer and/or director of Defendant Xolutex.

16. At all times material hereto, Defendant George Ibanez knew of and controlled the activities of Defendant Xolutex. Defendant George Ibanez had actual knowledge or knowledge fairly implied on the basis of objective circumstances, that the acts of the employees, agents, and representatives of the corporate Defendant as described below, were unfair or deceptive and/or prohibited by law.

17. Defendant Paola Pino (hereinafter referred to as Pino) is an adult female over the age of twenty one and is sui juris. Upon information and belief, Defendant Pino resides in Miami-Dade County, Florida.

18. Defendant Pino at all times material hereto, was an owner, officer and/or director of Defendant Xolutex and acted as a Straw Buyer.

19. At all times material hereto, Defendant Pino knew of and controlled the activities of Defendant Xolutex. Defendant Pino had actual knowledge or knowledge fairly implied on the basis of objective circumstances, that the acts of the employees, agents, and representatives of the corporate Defendant as described below, were unfair or deceptive and/or prohibited by law.

20. Defendant Laura Ibanez is an adult female over the age of twenty one and is sui juris. Upon information and belief, Defendant Ibanez resides in Miami-Dade County, Florida.

21. Defendant Laura Ibanez at all times material hereto, was an owner, officer and/or director of Defendant Xolutex and also acted as a Straw Buyer.

22. At all times material hereto, Defendant Laura Ibanez knew of and controlled the activities of Defendant Xolutex. Defendant Laura Ibanez had actual knowledge or knowledge fairly implied on the basis of objective circumstances, that the acts of the employees, agents, and representatives of the corporate Defendant as described below, were unfair or deceptive and/or prohibited by law.

23. Defendant Guillermo Gomez (hereinafter referred to as Gomez) is an adult male over the age of twenty one and is sui juris. Upon information and belief, Defendant Gomez resides in Miami-Dade County, Florida.

24. At all times material hereto, Defendant Gomez acted as a Straw Buyer.

**DECEPTIVE AND UNFAIR TRADE PRACTICES  
CHAPTER 501, PART II FLORIDA STATUTES**

**COUNT I**

25. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 24 as if fully set forth below.

26. Chapter 501.204(1), Florida Statutes, declares unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

27. Commencing on a date unknown, but at least subsequent to October 1, 2005, the Defendants engaged in various unconscionable acts or practices, and unfair or deceptive trade practices, as set out further herein, in violation of Chapter 501, Part II, Florida Statutes (2008).

28. On a date unknown but subsequent to October 1, 2005, Defendants solicited, advertised or otherwise offered services to Florida homeowners for mortgage foreclosure related rescue services as well as credit restoration and repair services.

29. Defendants preyed on the desperate and unsophisticated homeowners, many of whom were just weeks away from losing their homes.

30. Despite having substantial equity, homeowners were unable to refinance their homes for various reasons. Defendants made contact with homeowners who were in various stages of foreclosure. Defendants met with homeowners under the guise of foreclosure rescue and credit counseling and only "accepted" homeowners in their program who had significant equity, poor credit and limited resources.

31. Defendants convinced the homeowners that they could remain in their homes and repair their credit within a year. The Defendants had Straw Buyers who would purchase the home thereby allowing the consumer to remain in the home. The Defendants promised

consumer education and credit counseling as part of their scheme, and also promised that after paying the Defendants rent to for a year, the homeowner's credit would be clear and the homeowner would be able to "refinance" the home.

32. In truth and fact, the Defendants knew the homeowners never had a chance to repair their credit within a year. The Defendants failed to provide any credit counseling as promised and had no intention of helping the homeowners retain their homes.

33. Despite assurances that the property would remain in the possession of the homeowners, the Defendants conspired with the Straw Buyers to transfer ownership from the homeowners.

34. To entice homeowners to sell their homes, the Defendants, on some occasions, created Trust Agreements with the homeowner as the beneficiary and the Defendant as the Trustee. The Defendants later executed deeds transferring the property to a Straw Buyer without the homeowner's knowledge. On other occasions, the Defendants created Lease Agreements with an Option to Purchase. These devises were used to lure the unsuspecting homeowner into executing a deed that ultimately transferred ownership.

35. In order to maximize the amount of equity the Defendants could squeeze from the properties, the Straw Buyers entered into purchase agreements for inflated home prices. To facilitate the Straw Buyer's ability to qualify for these loans, the Defendants assisted in the falsification of loan applications. Various Straw Buyers listed the corporate Defendant as their employer with significant earnings in order to qualify for the loans.

36. The Defendants created fictitious invoices, payoffs or otherwise convinced the homeowners to sign documents that caused virtually all of the equity in the home to be paid to the Defendants. The average amount of equity stolen from the homeowners was approximately

Ninety Five Thousand (\$95,000.00) dollars. To date, Plaintiff has investigated consumer complaints reflecting total losses exceeding One Million Nine Hundred Thousand (\$1,900,000.00) dollars.

37. Although the Defendants had the homeowners sign a lease with an option to purchase within a year, the Defendants did so knowing the homeowners could never qualify for a new loan. On some occasions, the Defendants charged rent in an amount greater than what the homeowner originally paid to his lender, virtually guaranteeing a breach in the lease agreement. Adding insult to injury, the Defendants brought eviction actions on those who failed to make their rent payments.

38. These acts and practices, as hereinabove alleged, were and are to the injury and prejudice of the public and the Defendants' competitors and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition within the intent and meaning of Section 501, Part II, Florida Statutes (2008). Said practices further constitute unfair and deceptive acts and practices within the intent and meaning of the Federal Trade Commission Act and pursuant to the standards of unfairness and deception set forth and interpreted by the Federal Trade Commission and federal courts.

39. Unless the Defendant is permanently enjoined from engaging further in the acts and practices herein complained, his continued activities will result in irreparable injury to the unwary, consuming public, for which there is no adequate remedy at law.

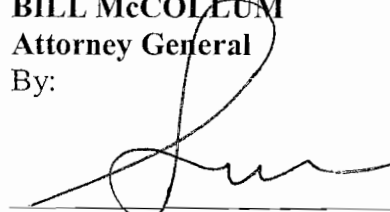
#### **PRAYER FOR RELIEF**

**WHEREFOR**, the Plaintiff, Office of the Attorney General, Department of Legal Affairs, respectfully requests the following relief:

1. Award actual damages to all consumers who are shown to have been injured in this action, pursuant to Section 501.206 (1) (c), Florida Statutes (2008).
2. Assess against Defendants herein civil penalties in the amount of Ten Thousand Dollars (\$10,000.00) for each act or practice found to be in violation of Chapter 501, Part II, Florida Statutes (2008).
3. Award reasonable attorney's fees and costs to Plaintiff herein, pursuant to Florida Statute 501.2105.
4. Enter an Order pursuant to F.S. 501.207 permanently enjoining the Defendants, their agents, employees, or any other persons who act under, by, through, in concert with or on behalf of the Defendants from ever participating in any real estate, mortgage or credit counseling related business for the remainder of their life.
5. Waive the posting of any bond by Plaintiff in this action.
6. Grant such other relief as this Honorable Court deems just and proper.

Respectfully Submitted

**BILL McCOLLUM**  
**Attorney General**  
By:



---

GEORGE E. RUDD  
Assistant Attorney General  
Economic Crimes Division  
Office of the Attorney General  
Department of Legal Affairs  
110 S.E. 6th Street, Tenth Floor  
Ft. Lauderdale, Florida 33301  
(954) 712-4600  
Fla. Bar. No. 0178136