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OF ORIGINAL FILED  
Los Angeles Superior Court

MAY 12 2011

John A. Clarke, Executive Officer/Clerk  
By RUGENA LOPEZ, Deputy

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF LOS ANGELES

10 BC 461442

11 MARJORIE ALEO an individual; ALMA )  
12 ARTHUR an individual; SAL AGUILAR an )  
13 individual; MARTA AGUILAR an individual; )  
14 KATHY AVILLA an individual; RODGER )  
15 BONITE an individual; JEAN BONITE an )  
16 individual; WILLIAM Q. BOYCE, III, an )  
17 individual; SHARON BRAHMS an individual; )  
18 RANDY BRAITHWAITE an individual; )  
19 RONDA BRAITHWAITE an individual; )  
20 FRANCES BROUGHTON an individual; )  
21 ALAN BURICA an individual; STEVEN )  
22 CAGLE an individual; SHARON ROBERTS- )  
23 CAGLE an individual; GLORIA CARSON an )  
24 individual; RODOLFO CASTILLO an )  
25 individual; ERICA CASTILLO an individual; )  
26 PEGGY CHARLES an individual; DAPHNE )  
27 CHASE an individual; AARON CROTTY an )  
28 individual; ELIZABETH CUDMORE an )  
individual; JERRY DECLUE an individual; )  
GABRIEL DIAZ an individual; GEOFFREY )  
DUGMORE an individual; MARIA JUANA )  
ESCOBEDO an individual; OMAR ESPARZA )  
an individual; RITA RAYGOZA an individual; )  
JUDITH FERGUSON-JOHNSON an )  
individual; JUDY FILLMORE an individual; )  
ALICE FITZWATER an individual; RICK )  
FRANCOM an individual; KAREN )  
FRANCOM an individual; ADAN GALVAN )  
an individual; LAMBERTO GARCIA an )  
individual; MALY GARCIA an individual; )  
YVES GERVAIS an individual; JAMIE )  
GERVAIS an individual; ARGELIO GIRON an )  
individual; PEDRO GOMEZ an individual; )  
LUISA GOMEZ an individual; MOISES )  
GONZALEZ an individual; MARIA )

CASE NO.

COMPLAINT FOR:

- (1) FRAUDULENT MISREPRESENTATION
- (2) FRAUDULENT CONCEALMENT
- (3) FALSE PROMISE
- (4) DECEIT (CC §1709-1710)
- (5) ACTUAL FRAUD (CC §1572)
- (6) CONSTRUCTIVE FRAUD (CC §1573)
- (7) CONSPIRACY TO DEFRAUD
- (8) FRAUD IN THE INCEPTION
- (9) RESCISSION
- (10) BUSINESS & PROFESSIONS CODE §17200 et. seq.
- (11) BUSINESS & PROFESSIONS CODE §17500 et. seq.
- (12) CONVERSION
- (13) NEGLIGENCE
- (14) NEGLIGENT MISREPRESENTATION
- (15) INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS
- (16) ACCOUNTING
- (17) ALTER EGO
- (18) CONSTRUCTIVE TRUST
- (19) UNJUST ENRICHMENT
- (20) MONEY HAD AND RECEIVED
- (21) BREACH OF FIDUCIARY DUTY
- (22) PROMISSORY ESTOPPEL
- (23) AIDING AND ABETTING
- (24) ELDER ABUSE - Cal. Welfare & Institutions Code §15657.5

DEMAND FOR JURY TRIAL

1 GONZALEZ an individual; CARLOS )  
GONZALEZ an individual; ESMERELDA )  
2 DIAZ an individual; MILES GRANT an )  
individual; MARY GRIJALVA an individual; )  
3 ADAN GUTIERREZ an individual; )  
MANUELA GUTIERREZ an individual; )  
4 GARY GYURKOVITZ an individual; DIANA )  
GYURKOVITZ an individual; LAWRENCE )  
5 HENRY an individual and on behalf of )  
CYNTHIA HENRY, deceased; GRACIELA )  
6 HERRERA an individual; DAVID HOWARD )  
an individual; ANTONIO IBARRA an )  
7 individual; CAROLINA IBARRA an )  
individual; IGNACIO JACINTO an individual; )  
8 ELIA JACINTO an individual; IN YOUNG )  
JEONG an individual; WON SUN JEONG an )  
9 individual; PETER JEONG an individual; DON )  
JONES an individual; KELLY LAWSON- )  
10 JONES an individual; EVELYN JONES an )  
individual; LINDA KEYES an individual; )  
11 MAY SHIN LAI an individual; BRYAN )  
LAMB an individual; SUSAN LAMB an )  
12 individual; BHL INVESTMENTS, LLC, an )  
Idaho limited liability company; MARK )  
13 LEONARD an individual; DAVID LOPEZ an )  
individual; ANA LOPEZ an individual; )  
14 ELVIRA LOPEZ an individual; FIDEL LUNA )  
an individual; NORA LUNA an individual; )  
15 LELITA MACACHOR, an individual; )  
MAYRA MADRIGAL an individual; OZZIE )  
16 MARTIN an individual; BELINDA MARTIN )  
an individual; RUBEN MEJIA an individual; )  
17 RAMA MEJIA an individual; GLORIA )  
MOORE an individual; DANIEL GARCIA- )  
18 PEREZ an individual; BENJAMIN MUNOZ- )  
PEREZ an individual; GENOVEVA )  
19 CABALLERO LARA an individual; SUSAN )  
MURRAY an individual; ROY GENE )  
20 NELSEN an individual; PAUL NIELSEN an )  
individual; CORY NILSSON an individual; )  
21 KIRSTIN NILSSON an individual; JAMES )  
OSBORN an individual; ALICIA OSBORN an )  
22 individual; KATHY OVA an individual; )  
ANTONIA PALACIO an individual; )  
23 MILDRED PHILLIPS an individual; )  
FRANCISCO REYES an individual; VICENTE )  
24 REYES an individual; DARLENE RIEDE an )  
individual; NORMAN RIEDE an individual; )  
25 DAVID ROCHEFORD an individual and as )  
Trustee of Rocheford Family Trust; )  
26 DANIELLE ROCHEFORD an individual; )  
RICHARD SCHNEIDER an individual; )  
27 JOYCE SHIMETZ an individual; RICHARD )  
SMITH an individual; HEIDI SMITH an )  
28 individual; SHIRLEY SOLA an individual; )

1 NORM SORESENSE an individual and as )  
Trustee of SORESENSE FAMILY TRUST; )  
2 ROBIN K. FRAME SORESENSE (aka) ROBIN )  
K. FRAME, an individual and as Trustee of )  
3 FRAME FAMILY TRUST; SIMPSON & )  
SORESENSE, LLC, a Limited Liability )  
4 Company; CLARK STEWART an individual; )  
MYRA STEWART an individual; CARLY )  
5 STOCKLE an individual; RYAN STOCKLE an )  
individual; RHONDA STOCKTON-HARLIN )  
6 an individual; ROSEMARIE TARANTINO an )  
individual; NANCY TAYLOR an individual; )  
7 LARRY TEVES an individual; RUTH TEVES )  
an individual; MICHAEL TUNICK an )  
8 individual; JOSE LUIS VALENCIA an )  
individual; MARTHA VALENCIA an )  
9 individual; OCTAVIO VALENCIA an )  
individual; ERIK VAN WOERKOM an )  
10 individual; JAMIE VAN WOERKOM an )  
individual; FRANCISCO VARGAS an )  
11 individual; ROSA VARGAS an individual; )  
GEORGE VAUGHN an individual; DAN )  
12 VAZQUEZ an individual; MARTHA )  
VAZQUEZ an individual; OSCAR VAZQUEZ )  
13 an individual; BRUCE VELICK an individual )  
and on behalf of ETHEL HERSHEY, deceased; )  
14 CHRIS VERANO an individual; CYNTHIA )  
VERANO an individual; CHERI VIDAS as an )  
15 individual; VICTOR VIDAS an individual; )  
BOBBIE WANN an individual; RICHARD )  
16 WANN an individual; ELVA WHITE an )  
individual; PAUL YEAGER an individual; )  
17 DEBRA ZOTTI an individual; and ROES 1 )  
through 500 inclusive, )

18  
19 Plaintiffs, )  
20 )

21 vs. )

22 DEREK F.C. ELLIOTT an individual and dba )  
various alter ego entities; FREDERICK )  
23 ELLIOTT an individual and dba various alter )  
ego entities; JAMES CATLEDGE an individual )  
and dba various alter ego entities; SUN )  
VILLAGE JD HOLDINGS, INC., )  
24 a Delaware corporation; SUN VILLAGE CS )  
HOLDINGS, INC., a Delaware corporation; )  
25 SUN VILLAGE JUAN DOLIO, INC., a Turks )  
& Caicos company; PROMOTORA XARA, )  
26 S.A., a Dominican Republic company; OCEAN )  
PALMS REAL ESTATE (SVG), a Saint )  
27 Vincent and Grenadines company; EMI SUN )  
VILLAGE, INC., a Turks & Caicos company; )  
28 SUN VILLAGE JUAN DOLIO ASSOCIATES, )

1 LLC, a Delaware limited liability company; )  
 2 ORANGEVILLE RESERVATION )  
 3 SERVICES, LTD., a California corporation; )  
 4 IMPACT REAL ESTATE, LLC, a Nevada )  
 5 limited liability company dba NET WORTH, )  
 6 LLC dba NET WORTH SOLUTIONS, LLC; )  
 7 IMPACT, INC., a Nevada corporation dba )  
 8 IMPACTNETWORTH.COM dba IMPACT )  
 9 NET WORTH dba IMPACT AMERICA dba )  
 10 IMPACT-AMERICA.COM dba IMPACT )  
 11 LENDING dba IMPACT CORPORATE; )  
 12 IMPACT HOLDINGS, INC. a Nevada )  
 13 corporation; )  
 14 EMISV, LLC, a Nevada limited liability )  
 15 company; SVJD, LLC, a Nevada limited )  
 16 liability company dba CCW, LTD; DENNIS )  
 17 PUBLISHING, INC., a New York corporation; )  
 18 ALPHA MEDIA GROUP, INC., a Delaware )  
 19 corporation; WILLIAM LAMBERT, an )  
 20 individual; GARDINER ROBERTS LLP, a )  
 21 Canadian entity; TRUST COMPANY OF THE )  
 22 PACIFIC, LLC, a Nevada limited liability )  
 23 company; PROVIDENT TRUST GROUP, )  
 24 LLC, a Nevada limited liability company; and )  
 25 DOES 1 through 500 inclusive, )  
 26 )  
 27 )  
 28 )  
 Defendants. )

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Plaintiffs, by and through their attorneys, allege as follows:

**INTRODUCTION**

1. This action arises from a fraudulent and predatory investment scheme involving thousands of victims who were defrauded out of an estimated \$170,000,000 to \$220,000,000, many of whom now face financial ruin and devastation.

2. Plaintiffs, among others, were fraudulently induced to loan, invest and/or purchase interests in the development and operation of two "5 Star Resorts" in the Dominican Republic: The Maxim Bungalows Cofresi Resort ("Maxim Bungalows Cofresi") and The Maxim Juan Dolio Resort ("Maxim Juan Dolio")<sup>1</sup>. As set forth herein, these resorts never became fully operational, and in the case of Maxim Juan Dolio, was never even built.

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<sup>1</sup>The names of the resorts and accompanying product changed numerous times, often in accordance with the new schemes to defraud that were being implemented.

1           3.       The scheme was ruthless, targeting the retirements and life savings of its victims,  
2 as well as convincing others to mortgage their homes to obtain the capital to invest. Single, elderly  
3 plaintiffs have been left with nothing, their homes foreclosed upon and all of their savings/  
4 retirements gone.

5           4.       Where did it go? To fund a lavish lifestyle which included gambling, yachts,  
6 private jets, movie productions, funding of personal projects, paying off of personal debts and  
7 millions of dollars in fees and commissions.

8           5.       The scheme was very complex and involved numerous players in order to  
9 facilitate its success, including but not limited to: (1) the developers, owners and operators of the  
10 subject resorts who were charged with constructing and operating the properties (i.e. Elliott  
11 Defendants); (2) the owner of the exclusive sales force and his numerous companies, who  
12 marketed, promoted and procured the sales (i.e. Catledge Defendants); (3) the attorneys who  
13 knowingly helped create, design, facilitate, and implement the scheme from the very beginning (i.e.  
14 Lambert Defendants); (4) brand-owners who owned well known, recognized and credible brands to  
15 give the apparence of class, success and money (i.e. Maxim); and (5) various other persons/entities  
16 involved in many different levels.

17           6.       The scheme was well conceived and planned out from the beginning. Despite only  
18 having two resorts which were the subject of the investments, Defendants, with the assistance of  
19 their legal counsel, created a complex maze of offshore companies, trusts, corporate entities and  
20 shell companies, each with formal and informal relationships to each other, designed to hide,  
21 shelter, obfuscate, and shield themselves from liability, prevent tracing of funds, allow for the  
22 diversion of monies for non-related uses, etc. In fact, previous court findings have identified  
23 approximately seventy (70) such entities that are owned, controlled and/or directly related to the  
24 Elliott Defendants, alone, all of which have been referred to a number of law enforcement agencies  
25 for criminal prosecution relating to this scheme.

26           7.       In addition, short-form and misleading legal agreements were created to lull  
27 Plaintiffs to put down their money and commit, only to have long form contracts come later with  
28 contradictory and less favorable terms than originally guaranteed. Contract signings were rushed

1 and involved extensive and complicated documents, not giving the Plaintiffs time to review or  
2 understand the terms, forcing them to rely on the oral representations of Defendants.

3 8. Interestingly, Defendants were so bold and blatant about the real purpose behind  
4 their intentions that in one e-mail regarding a request for confirmation of hotel ownership,  
5 Defendant Derek Elliott responded that "[o]f course Elliott entities own and control both  
6 hotels...However on the advice of our legal counsel...we cannot provide you with the detailed  
7 information on our ownership structure. The reason is that *we have a complex structure designed*  
8 *to insulate these properties from claims and lawsuits. These companies are completely judgment*  
9 *proof. We are not able to provide details on the multi-jurisdictional corporate and trust*  
10 *ownership structure without compromising this protection."* E-mail from Derek Elliott to Brent  
11 Goodrich dated August 15, 2008. (Exhibit A).

12 9. Still more blatant, when purchasers/investors started to question Defendants about  
13 the nature and future of their investments, Defendants responded with threats and intimidation.  
14 Defendants threatened that if purchasers/investors, including Plaintiffs, pursued their legal rights,  
15 they would lose everything because they and their companies were judgment proof. Specifically, in  
16 one e-mail Fred Elliott wrote, he stated: "We have received information to the effect that,  
17 unfortunately, some clients are considering lawsuits to enhance their positions... Accordingly, and  
18 on the instructions of legal counsel, *we are taking the position that any clients who initiate*  
19 *lawsuits will not have available to them any of the restructuring options that we have offered or*  
20 *will offer... The result will be that fractional interests attached to such notes not paid in full will*  
21 *likely be forfeited. Since it is very unlikely that such litigious clients will be able to penetrate*  
22 *our judgment proof structure, they will likely lose their entire investments."* E-mail from  
23 Frederick Elliott to NWS agents dated August 21, 2008. (Exhibit B).

24 10. The scheme unfolded in many phases, which involved regurgitating the same  
25 product in numerous transactions which were referred to as "conversions," wherein Plaintiffs who  
26 purchased a specific interest would be offered the option to "convert" that interest into another. In  
27 essence and despite the representations made, these conversions simply eliminated certain payment  
28 obligations of Defendants and gave Plaintiffs even less security and/or return on their investment.

1 In addition, Defendants would charge commissions, surcharges and other fees on each  
2 "conversion," even if no additional monies were involved.

3 11. In addition, many of these transactions involved a "bait and switch" whereby  
4 Plaintiffs were specially advised that they would be "owners" of the resorts and receive fee simple  
5 deeded title for their investments, but in reality, the legal documents they ultimately received from  
6 the Defendants only awarded Plaintiffs worthless vacation time shares, and to date, no investor has  
7 ever received the promised deeded title evidencing fee simple ownership.

8 12. This "bait and switch" scheme was designed to defraud Plaintiffs, while retaining  
9 all ownership rights to the resorts.

10 13. Still furthering the scheme, Defendants sold certain product in such a way that the  
11 Plaintiffs would put 50% down, and then required Plaintiffs to execute promissory notes for the  
12 remaining 50%, represented to be due once the resort opened (i.e. Maxim Juan Dolio). However,  
13 when Defendants needed more money, they created or caused to be created a separate collection  
14 entity ("AVIATI") to commence collection proceedings on the promissory notes, despite the fact  
15 the resort was not yet open. Defendants, in true slimy and deceptive fashion, pretended to help the  
16 Plaintiffs by telling them that they had worked out a deal with AVIATI, and if Plaintiffs paid their  
17 amounts off immediately, they would get discounts and avoid this collection.

18 14. It gets worse. Among other things, the Elliott Defendants used the investment  
19 funds to invest into their own separate, personal and unrelated real estate projects, specifically the  
20 Miches and Treasure Bluff properties<sup>2</sup>, which the purchasers/investors, including Plaintiffs, never  
21 authorized or even knew about. In fact, these acquisitions failed to include purchasers/investors,  
22 grant them any interest, or provide them any benefits, despite the fact their money was being used  
23 to purchase these properties. To add insult to injury, and in the case of the Miches property, the  
24 Lambert Defendants placed unrecorded liens on any sale, further ensuring their interests, while at  
25 the same time, preventing such proceeds from going back to the investors.

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<sup>2</sup>These are the only real estate projects known. Plaintiffs believe there are additional unrelated projects in which the Elliott Defendants used investor funds to acquire interests.

1           15.       The partnership with the owners of the "Maxim" brand (Defendants Dennis  
2 Publishing, Inc., predecessor in interest to Defendant Alpha Media Group, Inc.) and usage of the  
3 credible, well-known and respectable brand name secured Plaintiffs' confidence in the products  
4 being sold to them. An extensive and large marketing campaign lauding this partnership between  
5 Dennis Publishing, Inc. and the other Defendants was undergone to increase and make sales,  
6 investments and purchases into these resorts, re-naming the resorts under the Maxim brand name  
7 (i.e. Maxim Bungalows Cofresi, Maxim Juan Dolio, Maxim Bungalows Juan Dolio, etc.).

8           16.       Make no mistake: this is a confirmed ponzi scheme. This case follows a number  
9 of other litigations involving this fraud. In Hoffman v. EMI Resorts, Inc., et.al., Case No. 09-20526  
10 ASG, filed in the United States District Court in Florida, the court assigned a Special Master to  
11 investigate and provide findings to the court pertaining to the nature and extent of this scheme. Not  
12 only did the Special Master conclude that this was a massive fraud, but recommended that certain  
13 Defendants named herein be referred for criminal investigation and prosecution. Specifically, the  
14 Special Master stated "[t]he investors plight is tragic...[t]he cause of that plight is criminal." Report  
15 and Recommendation Following Preliminary Forensic Analysis, p.3, Docket Entry No.. 832. "There  
16 is enough and sufficient information available which establishes a reasonable and supportable  
17 conclusion that criminal activities have occurred and/or are still ongoing." Id. at p.5.

18           17.       In addition, the State of Idaho obtained judgment against certain of the Elliott  
19 Defendants and Catledge Defendants, permanently enjoined them from ever selling securities in the  
20 state again and, further, required Derek Elliott and certain of his companies to pay restitution in the  
21 amount of \$2,598,880.66, and for Catledge and certain of his companies to pay restitution in the  
22 amount of \$1,982,406.59.

23           18.       Both the Maxim Bungalows Cofresi and Maxim Juan Dolio have been foreclosed  
24 upon as of the Fall of 2009. It is speculated that the purchasers of these resorts from the  
25 foreclosure proceedings have relationships and/or other unidentified ties to certain Defendants, and  
26 that the foreclosures were designed to wipe out the existing purchasers/investors, which include  
27 Plaintiffs.

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**JURISDICTION, VENUE AND PARTIES**

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19. Plaintiffs constitute individuals who have either loaned, invested and/or purchased interests in either or both of the Maxim Bungalows Cofresi or Maxim Juan Dolio Resorts as part of the scheme outlined and detailed herein. Nearly all of the Plaintiffs reside in the State of California, and were approached to invest into this scheme, executed contracts, performed their obligations and/or sustained damages in the State of California.

20. Plaintiffs and their investment interests are discussed later in the complaint.

21. It is believed that there are additional victims of this fraud scheme who are presently unknown and unidentified, that have similar claims, which have been identified as ROES 1-500 herein. As the matter progresses, and once the true names and capacities of these Plaintiffs are ascertained, Plaintiffs will seek leave to amend this Complaint and add these Plaintiffs to this action.

22. Defendants, and each of them, sold and marketed their Maxim Juan Dolio and Maxim Bungalows Cofresi products in the State of California, as well as other states, to Plaintiffs and other California residents through their agents, representatives, partners, affiliate entities, alter egos and subsidiaries. Defendants, and each of them, have purposefully availed themselves of the benefits and advantages of conducting business in the State of California, either directly or through their agents, representatives, partners, affiliated entities, alter egos and subsidiaries, and are subject to the jurisdiction of California by virtue of these pervasive business contacts, transactions and dealings. Moreover, a concerted effort was specifically undergone to market, promote and procure potential purchasers/investors residing in California.

23. Defendant Derek F.C. Elliott (aka Derek Elliott) is an individual believed to be a resident of Canada, who exercises control over a multitude of foreign and domestic corporations and partnerships (the “Elliott Group” formerly known as the EMI Group), that serve as alter egos for him and his father, Defendant Frederick Elliott. The Elliott Group is comprised of a plethora of foreign and domestic alter ego corporations, partnerships, dba's, trusts, shell entities, joint ventures, off-shore trusts and other affiliated business entities deliberately designed to further the fraudulent activities of Derek and Fred Elliott, and to attempt to shield them from civil liability for their fraud

1 schemes. The Elliott Group corporations and partnerships identified below are so intertwined with  
2 Derek Elliott and Fred Elliott that the separate personalities of the corporations and partnerships  
3 listed below and Derek Elliott and Fred Elliott no longer exist. Elliott Group entities and alter egos  
4 of Derek Elliott and Fred Elliott include, but are not limited to: ERS, Inc., Elliott Hospitality and  
5 Real Estate, Elliott Motion Pictures, EMI Sun Village, Inc., Sun Village Juan Dolio, Inc., Sun  
6 Village JD Holding, Inc., Sun Village Resort and Spa, Juan Dolio Trust (“SVRSJD Trust”), Sun  
7 Village Juan Dolio, Inc. (“SVJD”), Promotora Xara, S.A., Berkshire Trust Company, LTD, Sun  
8 Village Juan Dolio Resort, Inc., EMI Resorts, Inc. aka “S.V.G.”, collectively known as EMISVG,  
9 CCW, Ltd., Sun Village Juan Dolio Associates, LLC, Sun Village Maxim Bungalows, Cofresi  
10 Trust, Sun Village Cofresi-Sauco Holdings, Inc. (“SVCS”), Promotora Sauco, S.A. and Passport  
11 Condo Owners’ Association, Cofresi I, Inc., EMI Resorts (T&C) Inc., EMI Resorts Management,  
12 S.A., EMI Resorts (S.V.G.) Inc., HSV Operadora De Hoteles, EMI Cofresi Developments, Inc.,  
13 EMI Management, Inc., Inmobiliaria Lirios Del Tropico, S.A., Inmobiliaria Canadaigua, S.A., HSV  
14 Holdings, S.A., Desarrollos Mirador Cofresi, S.A., Tenedora HSV, S.A., Villa Santa Ponca, S.A.,  
15 Ocean Palm Real Estate (SVG) Inc., Inversiones Yubaso, S.A., Sun Village Juan Dolio  
16 Condominium Association, Passport Condo Owner’s Association, Juan Dolio, Inc., DCS  
17 Dominican Construction Services, S.A., Elliott Regent Holdings, Inc., Elliott Toscana Holdings,  
18 Inc., Landmark Lending Corporation, 408 Cumberland Holdings, Inc., Bertus Management, Inc.,  
19 Cofresco Holdings, Inc., Cofresi Developments, Inc., WWIN International, Ltd., Elliott Miches  
20 Holdings, Inc. and Cellwave Networks Limited (collectively referred to herein as the “Elliott  
21 Group”). Plaintiffs are informed and believe additional Elliott Group-affiliated entities may be  
22 subsidiaries, sister companies and/or parent entities of the Elliott Group, and Plaintiffs reserve the  
23 right to add those additional entities as defendants if/when their identities become known.  
24

25           24. Defendant Frederick (aka Fred) Elliott is an individual believed to be a resident of  
26 Canada, and exercises control over a multitude of foreign and domestic corporations and  
27 partnerships (the “Elliott Group” formerly known as the EMI Group), that serve as alter egos for  
28

1 him and his son, Defendant Derek Elliott. The Elliott Group are comprised of a plethora of foreign  
2 and domestic corporations and partnerships, dba's, alter egos, trusts, shell entities, joint ventures,  
3 off shore trusts and other affiliated business entities deliberately designed to further the fraudulent  
4 activities of Derek and Fred Elliott, and to attempt to shield them from civil liability for their fraud  
5 schemes. The Elliott Group corporations and partnerships identified below are so intertwined with  
6 Derek Elliott and Fred Elliott that the separate personalities of the corporations and partnerships  
7 listed below and Derek Elliott and Fred Elliott no longer exist. Elliott Group entities and alter egos  
8 of Derek Elliott and Fred Elliott include, but are not limited to: ERS, Inc., Elliott Hospitality and  
9 Real Estate, Elliott Motion Pictures, EMI Sun Village, Inc., Sun Village Juan Dolio, Inc., Sun  
10 Village JD Holding, Inc., Sun Village Resort and Spa, Juan Dolio Trust (“SVRSJD trust”), Sun  
11 Village Juan Dolio, Inc. (“SVJD”), Promotora Xara,S.A., Berkshire Trust Company, LTD. Sun  
12 Village Juan Dolio, Resort, Inc., EMI Resorts, Inc. aka “S.V.G.”, collectively known as EMISVG,  
13 CCW, Ltd., Sun Village Juan Dolio Associates, LLC, Sun Village Maxim Bungalows, Cofresi  
14 Trust, Sun Village Cofresi-Sauco Holdings, Inc. (“SVCS”), Promotora Sauco, S.A. and Passport  
15 Condo Owners’ Association, Cofresi I, Inc., EMI Resorts (T&C) Inc., EMI Resorts Management,  
16 S.A., EMI Resorts (S.V.G.) Inc., HSV Operadora De Hoteles, EMI Cofresi Developments, Inc.,  
17 EMI Management, Inc., Inmobiliaria Lirios Del Tropicico, S.A., Inmobiliaria Canadaigua, S.A., HSV  
18 Holdings, S.A., Desarrollos Mirador Cofresi, S.A, Tenedora HSV, S.A., Villa Santa Ponca, S.A.,  
19 Ocean Palm Real Estate (SVG) Inc., Inversiones Yubaso, S.A., Sun Village Juan Dolio  
20 Condominium Association, Passport Condo Owner’s Association, Juan Dolio, Inc., DCS  
21 Dominican Construction Services, S.A., Elliott Regent Holdings, Inc., Elliott Toscana Holdings,  
22 Inc., Landmark Lending Corporation, 408 Cumberland Holdings, Inc., Bertus Management, Inc.,  
23 Orangville Reservations Services, Ltd., Cofresco Holdings, Inc., Cofresi Developments, Inc.,  
24  
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1 WWIN International, Ltd., Elliott Miches Holdings, Inc. and Cellwave Networks Limited  
2 (collectively referred to herein as the "Elliott Group"). Plaintiff is informed and believes additional  
3 Elliott Group-affiliated entities may be subsidiaries, sister companies and/or parent entities of the  
4 Elliott Group, and plaintiff reserves the right to add those additional entities as defendants if/when  
5 their identities become known.  
6

7           25. Elliott Group purports to be a legitimate construction company and property  
8 developer/owner. Elliott Group concentrated its efforts at developing resorts in the Dominican  
9 Republic. Elliott Group and its related and affiliated entities are/were involved in various business  
10 transactions with Alpha Media Group, Inc./Dennis Publishing, Inc., James Catledge and various  
11 "Impact" entities and Catledge dbas, Defendants William Lambert and Gardiner Roberts LLP, as  
12 well as unknown persons/entities, as joint venturers and business partners with respect to the  
13 Maxim Bungalows Cofresi and Maxim Juan Dolio Resorts. Defendant Derek and Fred Elliott have  
14 targeted, marketed and sold ownership interests in the Maxim Bungalows Cofresi and Maxim Juan  
15 Dolio resorts throughout the State of California. Defendants Derek and/or Fred Elliott have also  
16 participated in joint seminars with James Catledge in California that focused on "the real estate  
17 secrets of the wealthy" conducted in California. Defendants Derek Elliott, Fred Elliott and the  
18 Elliott Group and its affiliated dba's and entities ("Elliott Defendants") have purposefully availed  
19 themselves of the benefits of conducting business within the State of California, and is/are subject  
20 to jurisdiction within the State of California by virtue of its/their pervasive business contacts and  
21 transactions within the State of California. Defendant Derek Elliott, Fred Elliott and the Elliott  
22 Group and its affiliated dba's, subsidiaries and affiliates have benefitted, and continue to benefit,  
23 financially from its/their activities within the State of California.  
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1           26.       Defendant Sun Village JD Holding, Inc., (“SVJD”) is a Delaware corporation  
2 controlled by the Elliott Group. Based on information and belief, Defendant SVJD’s President is  
3 Defendant Derek F.C. Elliott. Sun Village JD Holding, Inc. refers to the Sun Village Juan Dolio  
4 resort, the resort's precursor name to Maxim Juan Dolio, and was created and operated for  
5 transactions and operations pertaining to investment into the Maxim Juan Dolio. Defendant SVJD  
6 received a portion of the money from the transactions involving Plaintiffs. SVJD is involved in the  
7 transactions at issue and has conducted business in the State of California, and is subject to  
8 jurisdiction here by virtue of the contracts it entered into with Plaintiffs in this State, and the  
9 payments it procured and induced from the Plaintiffs that came from California.

10           27.       Defendant Sun Village CS Holding, Inc., is a Delaware corporation controlled by  
11 the Elliott Group. This defendant is involved in the transactions at issue and has conducted business  
12 in the State of California, and is subject to jurisdiction here by virtue of the contracts it entered into  
13 with Plaintiffs in this State, and the payments it procured and induced from the Plaintiffs that came  
14 from California.

15           28.       Defendant Sun Village Juan Dolio, Inc., is a Turks & Caicos company controlled  
16 by the Elliott Group. This defendant is involved in the transactions at issue and has conducted  
17 business in the State of California, and is subject to jurisdiction here by virtue of the contracts it  
18 entered into with Plaintiffs in this State, and the payments it procured and induced from the  
19 Plaintiffs that came from California.

20           29.       Defendant Promotora Xara, S.A., is a Dominican Republic company controlled by  
21 the Elliott Group. This defendant is involved in the transactions at issue and has conducted business  
22 in the State of California, and is subject to jurisdiction here by virtue of the contracts it entered into  
23 with Plaintiffs in this State, and the payments it procured and induced from the Plaintiffs that came  
24 from California.

25           30.       Defendant Ocean Palms Real Estate (SVG) is a St. Vincent and Grenadines  
26 company controlled by the Elliott Group. This defendant is involved in the transactions at issue and  
27 has conducted business in the State of California, and is subject to jurisdiction here by virtue of the  
28

1 contracts it entered into with Plaintiffs in this State, and the payments it procured and induced from  
2 the Plaintiffs that came from California.

3 31. Defendant EMI Sun Village, Inc. is a Turks & Caicos company controlled by the  
4 Elliott Group. This defendant is involved in the transactions at issue and has conducted business in  
5 the State of California, and is subject to jurisdiction here by virtue of the contracts it entered into  
6 with Plaintiffs in this State, and the payments it procured and induced from the Plaintiffs that came  
7 from California.

8 32. Defendant Sun Village Juan Dolio Associates, LLC is a Delaware limited liability  
9 company controlled by the Elliott Group. This defendant is involved in the transactions at issue and  
10 has conducted business in the State of California, and is subject to jurisdiction here by virtue of the  
11 contracts it entered into with Plaintiffs in this State, and the payments it procured and induced from  
12 the Plaintiffs that came from California.

13 33. Defendant Orangeville Reservations Services, Ltd. is a California corporation  
14 controlled by the Elliott Group, Frederick Elliott and Derek Elliott. Defendant Orangeville  
15 Reservations Services, Ltd. has its principal place of business in California, engaged in transactions  
16 and commerce in the State of California, and is subject to jurisdiction within the State of California  
17 by virtue of its location, pervasive business contacts and transactions within this State.

18 34. Defendant James Catledge is a resident of California who operates and controls a  
19 variety of businesses which purport to share a mission of increasing the net worth of common  
20 everyday people, and markets/sells a variety of products and pitches designed to get people to  
21 leverage their assets and home equity into luxury resorts. Defendant Derek Elliot maintains that  
22 Defendant James Catledge received upwards of \$42,000,000.00 in sales commissions related to the  
23 scheme detailed in this complaint. Defendant Catledge owns or controls a number of entities tied to  
24 the fraud at issue in this complaint that serve as alter egos for him and his business operations  
25 ("Catledge Defendants"). Domestic alter ego corporations and partnerships owned or controlled by  
26 Defendant Catledge material to the fraud in this litigation include, but are not limited to: Impact,  
27 Inc., Impact America, Net Worth Solutions, LLC., Impact Holdings, Inc., Potenza Holdings, LLC,  
28

1 Potenza Management, LLC., Impact Resort Marketing, LLC., Impact Real Estate, LLC., Impact  
2 Commercial, LLC., Impact Net Worth, LLC., Impact America, Inc., Impact America Mortgage,  
3 Impact Lending, LLC., Impact Technologies, LLC., Impact Foundation, Inc., Executive Retirement  
4 Planning, Inc., Impact Holdings, LLC., Impact Resort Marketing, LLC., Impact Resort  
5 Development, LLC., Impact Residential, LLC., Life Leaders in Financial Education, Inc., Impact  
6 Air, LLC. and Homestead Development, LLC.. Defendant Catledge marketed himself to average  
7 citizens as a financial guru willing to reveal “secrets” of the wealthy to common every day citizens.

8           35.       Defendant Catledge marketed and sold the Maxim Cofresi Beach and Maxim Juan  
9 Dolio resorts in the State of California. Defendant James Catledge has purposefully availed himself  
10 of the benefits of conducting business within the State of California, and is subject to jurisdiction  
11 within the State of California by virtue of his residence, pervasive business contacts and  
12 transactions within the State of California. Defendant James Catledge has benefitted, and continues  
13 to benefit, financially from his activities within the State of California.

14           36.       Defendant Impact Real Estate, LLC is a Nevada limited liability company that is  
15 also believed to do business as Impact Net Worth, LLC and Net Worth Solutions, LLC (“Impact  
16 Real Estate”), all of whom conduct business in the State of California. Defendant Impact Real  
17 Estate and its dbas are purported licensed real estate brokers and dealers that sell and market  
18 investments and real estate ownership interests in the Maxim Cofresi Beach and Maxim Juan Dolio  
19 Resorts. Based on information and belief, Defendant Impact Real Estate is controlled and owned by  
20 Defendant James Catledge.

21           37.       Dennis Publishing, Inc., Elliott Defendants, and Lambert Defendants made  
22 Defendant Catledge and his related companies, dba's and other entities, including Defendant Impact  
23 Real Estate, the “exclusive” real estate broker dealer of investments and ownership interests with  
24 respect to the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts. As such, any potential  
25 purchaser of an ownership interest in either the Maxim Bungalows Cofresi or Maxim Juan Dolio  
26 resorts was forced to go through a "Catledge" or “Impact” entity in order to complete any purchase.  
27 Impact Real Estate has/had offices throughout California in such cities as San Francisco, Fresno,  
28 Los Angeles, San Diego and a number of other California towns and cities.

1           38.       Defendant Impact Real Estate and its affiliates, dbas and agents marketed and sold  
2 ownership interests in the Maxim Cofresi and Maxim Juan Dolio Resorts throughout the State of  
3 California. Defendant Impact Real Estate and its affiliate entities, either directly or through its  
4 agents, have purposefully availed themselves of the benefits of conducting business within the State  
5 of California, and they are subject to jurisdiction within the State of California by virtue of their  
6 pervasive business contacts and transactions within this State. Impact Real Estate and its affiliates,  
7 dbas and agents have benefitted, and continue to benefit, financially from their activities within the  
8 State of California.

9           39.       Defendant Impact, Inc. is a Nevada limited liability company that is also believed  
10 to do business as Impactnetwork.com, Impact Net Worth, Impact America, Impact-America.com,  
11 Impact Lending and Impact Corporate. Plaintiffs are informed based on information and belief that  
12 Impact, Inc. is not qualified to conduct any kind of business in California under any of these names.  
13 Further, it is believed that Impact, Inc. is another James Catledge owned and controlled entity that  
14 was involved in the fraud scheme. Defendant Impact, Inc. engaged in transactions and commerce in  
15 the State of California and purposefully availed itself of the benefits of conducting business in the  
16 State of California and is subject to jurisdiction within the State of California by virtue of their  
17 pervasive business contacts and transactions within this State.

18           40.       Defendant Impact Holdings, Inc. is a Nevada corporation and another James  
19 Catledge owned and controlled entity that was involved in the fraud scheme. Defendant Impact  
20 Holdings, Inc. engaged in transactions and commerce in the State of California and purposefully  
21 availed itself of the benefits of conducting business in the State of California and is subject to  
22 jurisdiction within the State of California by virtue of its pervasive business contacts and  
23 transactions within this State.

24           41.       Defendant EMISV, LLC, is a Nevada limited liability company jointly controlled  
25 by the Elliott Group and Catledge Defendants, and is believed to be an alter ego of either or both  
26 Elliott Group and Catledge. This defendant is involved in the transactions at issue and has  
27 conducted business in the State of California, and is subject to jurisdiction here by virtue of  
28 payments it procured and induced from the Plaintiffs that came from California.



1           42. Defendant SVJD, LLC is a Nevada limited liability company that is also believed  
2 to do business as CCW, LTD. SVJD, LLC is jointly controlled by the Elliott Group and Catledge,  
3 and is believed to be an alter ego of either or both Elliott Group and Catledge. This defendant is  
4 involved in the transactions at issue and has conducted business in the State of California, and is  
5 subject to jurisdiction here by virtue of payments it procured and induced from the Plaintiffs that  
6 came from California.

7           43. Defendant Dennis Publishing, Inc., a New York corporation ("Dennis  
8 Publishing"), is an international publishing conglomerate that operates in major cities and countries  
9 all over the world. At all material times relevant herein, Plaintiffs believes that Dennis Publishing  
10 was the owner of some of the most popular magazines sold and marketed throughout the world  
11 today, specifically including *Maxim*, *Stuff* and *Blender*. Dennis Publishing markets and sells its  
12 magazines in the State of California, and based on information and belief, is and/or was licensed to  
13 conduct business in the State of California as a foreign corporation during all relevant times herein.

14           44. In the year 2007, Defendant Dennis Publishing proudly admitted that it was one of  
15 the owners of the Maxim Bungalows Cofresi and Maxim Juan Dolio Resorts. As part of the press  
16 release issued when Dennis Publishing officially partnered into the Maxim Juan Dolio and Maxim  
17 Cofresi Resorts, Stephen Colvin, the then-President and CEO of Dennis Publishing, Inc. stated:  
18 "We are delighted to be in partnership with Elliott to create these superb 5 star destinations on this  
19 truly wonderful Caribbean island. Life is better when you are having fun..." In the September  
20 2007 edition of *Maxim* magazine, an article/promotional advertisement provided: "DOMINICAN  
21 REPUBLIC Lush forests and balmy beaches are just a pond-hop away. Sleep feel free to crash at  
22 our place, the Maxim Bungalows (maximbungalows.com) at Juan Dolio and Cofresi Beach, which  
23 open in October [2007]. These breathtaking resorts (if we do say so ourselves) feature five-star  
24 amenities like lavish suites, resort Wi-Fi, and a 17,000 square-foot spa. Take a chauffeur driven  
25 SUV to the Caribbean's best golf courses, or charter Maxim's own 54 foot yacht, Independence, for  
26 private open-water parties." Defendant Dennis Publishing also markets these resort in magazines  
27 sold in the State of California and, upon information and belief, through other media outlets and the  
28 internet. Defendant Dennis Publishing, Inc. has purposefully availed itself of the benefits of

1 conducting business in the State of California and is subject to jurisdiction within this state through  
2 its presence as a registered foreign corporation, its pervasive business contacts and transactions  
3 within this state.

4 45. Defendant Alpha Media Group, Inc. is a Delaware corporation ("Alpha Media  
5 Group") licensed to do business in California as a foreign corporation, and is the successor-in-  
6 interest to Dennis Publishing. Defendant Alpha Media Group is believed to have purchased the  
7 assets of Defendant Dennis Publishing, and pursuant to the terms thereof, is believed to have  
8 acquired all assets and liabilities thereof, including those associated with the Maxim brand and the  
9 Maxim Bungalows Cofresi and Maxim Juan Dolio partnerships. Defendant Alpha Media Group  
10 has purposefully availed itself of the benefits of conducting business within the State of California  
11 and is subject to the jurisdiction of this state through its presence as a registered foreign corporation  
12 and its pervasive business contacts and transactions within this state.

13 46. Defendant William Lambert is a resident of Toronto, Ontario, Canada, and a  
14 partner in the law firm of Defendant Gardiner Roberts LLP (collectively referred to herein as  
15 "Lambert Defendants"), who served as corporate counsel to The Elliott Group. Based on  
16 information and belief, Defendant Lambert has been representing Defendants Fred Elliott, Derek  
17 Elliott and the Elliott Group for years, including during the dealings described in this complaint.  
18 However, Defendant Lambert's involvement exceeds that of simply serving as corporate counsel.  
19 Based on information and belief, he helped to create, design, facilitate and operate the scheme  
20 through each phase of its implementation, served in a managerial/supervisory capacity separate and  
21 apart from his legal representation to both the Maxim Bungalows Cofresi and Maxim Juan Dolio,  
22 and personally benefitted from the fraud scheme above and beyond his legal services. Defendant  
23 Lambert knew that his involvement and efforts in this fraud scheme were directed at Plaintiffs and  
24 others in the state of California. Through his partnership, direction, participation and involvement  
25 with the Elliott Defendants, Catledge Defendants, Defendants Dennis Publishing and Alpha Media  
26 Group, including but not limited to the creation, design, facilitation and operation of a scheme that  
27 he knew would be targeting, marketing, promoting and selling interests in these resorts in the State  
28 of California and to California residents, Defendant Lambert has purposefully availed himself of

1 the benefits of conducting business within the State of California, and is subject to jurisdiction  
2 within the State of California by virtue of his pervasive business contacts and transactions within  
3 this state.

4           47. Defendant Gardiner Roberts LLP is a Canadian entity with its principal place of  
5 business in Toronto, Ontario, Canada, and served as corporate counsel to The Elliott Group.  
6 Defendant Gardiner Roberts LLP, directly and/or by and through Defendant Lambert, has been  
7 representing Defendants Fred and Derek Elliott for years, including during the dealings described in  
8 this complaint. However, Defendant Gardiner Roberts LLP's involvement exceeds that of simply  
9 serving as corporate counsel. Based on information and belief, it helped to create, design, facilitate  
10 and operate the scheme through each phase of its implementation, served in a managerial/  
11 supervisory capacity separate and apart from its legal representation to both the Maxim Bungalows  
12 Cofresi and Maxim Juan Dolio, and personally benefitted from the fraud scheme above and beyond  
13 its legal services. Defendant Gardiner Roberts LLP knew that its involvement and efforts in this  
14 fraud scheme were directed at Plaintiffs and others in the state of California. Through its  
15 partnership, direction, participation and involvement with the Elliott Defendants, Catledge  
16 Defendants, Defendants Dennis Publishing and Alpha Media Group, including but not limited to  
17 the creation, design, facilitation and operation of a scheme that it knew would be targeting,  
18 marketing, promoting and selling interests in these resorts in the State of California and to  
19 California residents, Defendant Gardiner Roberts LLP has purposefully availed itself of the benefits  
20 of conducting business within the State of California, and is subject to jurisdiction within the State  
21 of California by virtue of its pervasive business contacts and transactions within the State of  
22 California.

23           48. Plaintiffs are informed and believe and based thereon hereby allege that the Trust  
24 Company of the Pacific ("Trustco") is a financial institution and a Nevada limited liability  
25 company. Monies related to this scheme and derived in whole or in part from Plaintiff's loans,  
26 purchases and/or investments were funneled through and/or retained by Trustco. Trustco  
27 purposefully availed itself of the benefits of conducting business within the state of California by  
28 virtue of its pervasive business contacts and transactions within the state of California. Further, it is

1 believe that Trustco is an agent and alter ego of The Elliott Group and Catledge Defendants, acting  
2 jointly.

3           49.       Plaintiffs are informed and believe and based thereon hereby allege that the  
4 Provident Trust Group ("Provident") is a financial institution and a Nevada limited liability  
5 company. Monies related to this scheme and derived in whole or in part from Plaintiff's loans,  
6 purchases and/or investments were funneled through and/or retained by Provident. Provident  
7 purposefully availed itself of the benefits of conducting business within the state of California by  
8 virtue of its pervasive business contacts and transactions within the state of California. Further, it is  
9 believed that Provident is an agent and alter ego of The Elliott Group and Catledge Group, acting  
10 jointly.

11           50.       Plaintiffs are ignorant of the true names and capacities of defendants sued herein  
12 as Does 1 through 500, inclusive, and therefore sue these defendants by such fictitious names.  
13 Plaintiffs will amend this complaint to allege their true names and capacities when ascertained.  
14 Plaintiffs are informed and believe that each of these fictitious defendants are entities or individuals  
15 who participated, directly or indirectly, in the conduct which proximately caused injury to plaintiffs  
16 as set forth hereinafter, or are otherwise liable or responsible in whole or in part for the damages  
17 plaintiffs have suffered as alleged herein.

18           51.       Plaintiffs are informed and believe and on that basis allege that, at all relevant  
19 times, each defendant, whether named or fictitious, was the agent, partner, joint venture partner,  
20 conspirator or employee of each of the other defendants, and in doing the things alleged to have  
21 been done in the complaint, acted within the scope of such relationship or ratified the acts of the  
22 others, and is jointly and severally liable as such. Plaintiffs further believe and allege that  
23 Defendants, and each of them, are the alter egos of the other, and that there is such a unity of  
24 interest and ownership between and among Defendants, that such interests have become intertwined  
25 and non-separable. Further, each Defendant has separately disregarded corporate and separate  
26 existence formalities and have, jointly and severally, used separate funds of business entities of and  
27 by each of them for their own personal purposes.

28



1                    **Maxim Bungalows Cofresi Beach**

2                    56.        In 2001, the Elliott Defendants acquired rights to build and operate the Maxim  
3 Bungalows Cofresi which, at that time, was referred to as the EMI Sun Village Resort & Spa  
4 located at Cofresi Beach in Puerta Plata. Initially, the Elliott Defendants raised funds to build the  
5 resort by selling shares in an entity referred to as EMISVI, which is estimated to have raised  
6 approximately \$32 Million.

7                    57.        Notwithstanding the amount raised, which by all estimations should have been  
8 enough to complete the hotel and make it operational, and nearly three years after the launch date of  
9 the resort, The EMI Sun Village was still only approximately 75% complete.

10                  58.        Around 2004, The Elliott Defendants partnered with Defendant James Catledge  
11 for purposes of leading the exclusive sales effort to raise money via loans, purchases and/or  
12 investments into this resort, and commenced doing so from 2004-2008. The first phase of sales for  
13 the resorts constituted the selling of timeshare interests commonly referred to as "Residence  
14 Product," wherein Defendants agreed to pay quarterly interest payments, or non-use fees, for five  
15 years in the event purchasers/investors, including Plaintiffs, chose not to utilize their units for their  
16 allotted time period (hence "non-use" fees).<sup>3</sup> These fees were to come from rental income  
17 generated by rentals of the resort. After five years, purchasers/investors were to be given the option  
18 to either receive the investment back or re-invest.

19                  59.        It is estimated that approximately \$64 Million worth of residence product was sold  
20 at the Maxim Bungalows Cofresi, known at the time as EMI Sun Village Resort.

21                  60.        As part of the sales efforts, Defendants represented to purchasers, including  
22 Plaintiffs, that the monies being raised were being used for the new construction and improvements  
23 to the existing resort.

24                  61.        Despite the fact \$96 Million was raised for this resort (\$32 Million in initial equity  
25 and \$64 Million in sales of the residence product), the resort was never completed. Although  
26

27 \_\_\_\_\_  
28                    <sup>3</sup>These resembled loans as the terms included interest payments to be paid quarterly and recoupment of  
principal after five years.

1 portions of the hotel were in operation, the entirety of the resort was never finished or utilized, and  
2 the resort generated between \$1-2 Million in losses every year.

3           62.       Moreover, the Defendants paid the interest payments and/or non-use fees through  
4 new investor monies, and not based on rental income as previously represented and warranted. In  
5 addition, despite the fact the resort was losing money (using new investor monies to support the  
6 losses), prospective purchasers/investors, including Plaintiffs, were never advised of its true status,  
7 yet were always told there was significant cash flow, the investments were backed by collateral, and  
8 these investments were very safe, etc. In essence, the revenue earned from selling timeshare  
9 interests was not going to new construction and improvements as promised, but to fund interest  
10 payments and cover the operating losses.

11           63.       Over time, the Defendants were becoming burdened by the payment of interest  
12 payments or non-use fees, and created another scheme to alleviate these obligations. Defendants  
13 offered to convert these timeshare or residential interests into ownership or fractional interests. In  
14 essence, timeshare interest owners were told that they could greater secure their investment by  
15 "converting" their timeshare interest to actual ownership interest and receive fee simple or deeded  
16 title, obtaining the benefits of a real property owner. In addition, purchasers, including Plaintiffs,  
17 were promised that they could allow the units to be rented, share in rent and sell the units anytime.  
18 However, this was simply a lure by Defendants to get out of having to pay the interest or non-use  
19 payments, as well as promising a "rental income" that wasn't guaranteed. In addition, fee simple or  
20 deeded title was never granted, and all ownership remained with the Elliott Defendants. Moreover,  
21 purchasers were unable to sell their units freely and as promised.

22           **Maxim Juan Dolio.**

23           64.       In late 2004, the Elliott Defendants purchased an abandoned Sheraton Hotel on the  
24 waterfront near the town of Juan Dolio, Municipality of Los Llanos, Province of San Pedro de  
25 Macoris in the Dominican Republic. This resort was not operational but constituted a shell which  
26 was to be refurbished. This came to be referred to as the Maxim Juan Dolio property.

27           65.       The Elliott Defendants acquired this property through both cash and debt, and  
28 never held full title and ownership to the property, despite representing otherwise to Plaintiffs and

1 other prospective purchasers. Based on information and belief, the purchase price was \$12.5  
2 Million, with the Elliott Defendants paying \$5.5 Million in cash and assuming the remainder in  
3 debt with the banks, who had acquired the property through a previous foreclosure.

4 66. From 2004 through 2008, through Catledge and his Impact companies, Defendants  
5 commenced selling timeshare interests (as in the Cofresi Beach resort), referring to the product as  
6 Juan Dolio Residence. Supposedly, this revenue was to be used towards the construction,  
7 renovation and remodeling of the hotel. Based upon information and belief, as much as \$50  
8 Million worth of residence/timeshare product was sold.

9 67. Soon thereafter, Defendants created a new product referred to as Passport  
10 Residence, which also commenced as a timeshare interest, and then changed to fractional or  
11 ownership interests, also under the Passport name, which offered Plaintiffs and other purchasers fee  
12 simple title and a revenue sharing component once the resort opened. Based on information and  
13 belief, sales of the Passport began in October, 2005.

14 68. With respect to the fractional interests, the sales promotions, marketing,  
15 advertising and solicitation by Defendants always keyed on the fact that Plaintiffs: (1) would be  
16 "owners" of the resorts; (2) would receive fee simple ownership with deeds and titles; (3) would  
17 have priority over the developers in reselling their units; (4) would receive profits from renting the  
18 units they "owned;" and (5) could "flip" any of their investments and sell them with substantial  
19 equity appreciation within months. With respect to Maxim's involvement, the value of their  
20 investments would be enhanced because of the partnership with the Maxim brand.

21 69. The Defendants repeatedly represented to investors that the Maxim Juan Dolio  
22 resort would be open in the years 2005, 2006, 2007 and 2008. All through the years, however,  
23 Defendants knew nothing was being done to construct the resort.

24 70. It is estimated that Defendants took in approximately \$90,000,000 from sales on  
25 the Maxim Juan Dolio alone. Despite this, the resort never opened and went into foreclosure in the  
26 Fall of 2009.

27 **"Bait and Switch" Scam Pertaining To The Maxim Juan Dolio Deposit Agreements.**  
28



1           71.       Under the Passport fractional ownership product offered in connection with the  
2 Maxim Juan Dolio interests, Plaintiffs were told that the purchase agreements were still being  
3 prepared, and in the interim, they were required to fill out a "Deposit Agreement" and tender 50%  
4 of the purchase price upon its execution. Similarly, the remaining 50% balance would not be due  
5 until the resort opened. In addition, they were promised that they would receive fee simple deeded  
6 title, rental income, 5% interest on their deposits until the hotel opened and could freely sell their  
7 interests at any time. Inventory under the Passport label was sold in phases, starting with a  
8 Founder's Phase, Phase 1, Phase 2 and then a Grand Opening Phase.

9           72.       However, when Plaintiffs receive the purchase agreements, often months or years  
10 later, the terms materially contradicted those set forth in the Deposit Agreements. They were not  
11 given fee simple deeded title; rather, they were simply given "beneficial interests" that were  
12 apparently part of some trust, which equated to nothing more than timeshare interests. In addition,  
13 and contrary to the written representations in the Deposit Agreements, they were neither provided  
14 rental income nor interest on their deposits, and were required to pay the balance before the resort  
15 opened.

16           73.       In a further effort to close on these deals, Defendants offered to reimburse airfare  
17 and provide hotel accommodations to come out to the Dominican Republic, where Plaintiffs were  
18 provided closing packages with statements, agreements and promissory notes obligating themselves  
19 to pay the remaining 50% of the purchase price for the fractional shares. To further convince  
20 Plaintiffs to invest, Defendants represented that no payments on the promissory notes would be due  
21 until the resort opens and was operational, which was confirmed in writing on the front page of the  
22 "closing documents" containing a summary for Plaintiffs.

23           74.       Ultimately these promissory notes which were guaranteed and represented to not  
24 be due until after the resort opened became the focal part of a further scheme to get money from  
25 purchasers/investors, including Plaintiffs. Specifically, Defendants created a collection company  
26 ("AVIATI") and allegedly sold the notes to this company. Defendants then advised  
27 purchasers/investors that AVIATI was going to commence collection proceedings on the  
28 promissory notes. Defendants pretended to help the purchasers/investors, including Plaintiffs, by

1 telling them that they had worked out a deal with the AVIATI (eventhough they had created it and  
2 for all intents and purposes controlled it), and if purchasers/investors paid their amounts off  
3 immediately, they would get discounts and avoid this collection. For those who didn't pay, their  
4 interests would be foreclosed upon, causing Plaintiffs and other purchasers to lose their deposits.  
5 Upon forfeiture, Defendants were in a position to re-sell the units, once again regurgitating and  
6 rolling over the same product and obtaining additional investment monies from more innocent  
7 victims.

8           75.       Eventually, Defendants started employing scare tactics in trying to get Plaintiffs to  
9 convert to fractional ownership by telling them that if they didn't, they would forfeit their interests  
10 and lose their investment. If they sought legal action, they would never be able to collect due to the  
11 judgement proof maze of companies the Defendants had in place. Either play ball and convert  
12 (despite the terms and conditions of the timeshare agreement), or lose everything.

13           76.       Based upon information and belief, Defendants sold approximately \$72 Million of  
14 fractional Passport product for the Juan Dolio project, and based upon requiring 50% down,  
15 received \$36 Million in cash. Quite simply, the Maxim Juan Dolio resort was never even  
16 renovated or developed despite the fact that the defendants' received \$90,000,000.00 in investor  
17 funds tied to this resort alone.

18           77.       A basic example of the extreme greed associated with this scheme is that the  
19 Elliott Defendants were believed to have represented to various investors that only \$9 Million was  
20 required to complete the Maxim Juan Dolio. Having brought in approximately 10 times this  
21 amount in revenue, the Defendants never completed the resort. In addition, the revenue generated  
22 was in excess of 12 times the amount owed on the mortgage, yet Defendants never paid it off. The  
23 reason for this became readily apparent: initially, use the funds for their own private purposes to  
24 maintain their lavish lifestye, and then later, to allow the banks to foreclose, wiping out the  
25 investors (and hence their obligations), and then start anew.

26           78.       To date, both resort properties have been foreclosed upon, and it appears that the  
27 new owners have a relationship with the Defendants. The foreclosures were designed to wipe out  
28

1 existing investors, and based on information and belief, Defendants continue to maintain a direct or  
2 indirect ownership interests in the two resorts even after the "foreclosures."

3 **Diversion/Usage Of Funds By Defendants.**

4 79. Despite having obligations to shareholders, purchasers, investors and beneficiaries  
5 of a trust, including Plaintiffs, Defendants utilized the maze of companies as their very own "piggy  
6 bank," extracting large sums of monies from these companies and diverting the funds for their own  
7 personal use.

8 80. Every time cash flow would slow down or sales would ease, Defendants would  
9 invent a new phase or scheme within this universal fraud to raise money and continue with their  
10 lifestyle. The scheme started out with selling shares in a company, to selling residential/timeshare  
11 interests, to "converting" these shares to fractional ownership, to forcing early closings and  
12 threatening to collect on promissory notes prematurely in order to obtain more monies before they  
13 were due. All of these phases involved regurgitation and "re-packaging" of the same product: unit  
14 interests in a resort.

15 81. Despite raising, upon information and belief, from between \$170,000,000 to  
16 \$220,000,000, Defendants have yet to complete any of these projects, and have even allowed the  
17 subject resorts to go into foreclosure. Rather than utilizing these monies as they represented and in  
18 such a way as to go towards the development and operations of the resorts, they paid themselves  
19 massive fees and commissions, and diverted funds for personal use, under the guise and protection  
20 of a complex maze of extensive entities and corporate shields of trusts, companies, shells, dbas and  
21 other entities that supported and enabled the commingling of funds, made it difficult to trace  
22 monies, and intended to make their conduct legally impenetrable.

23 82. Further, the Elliott Defendants used the investment funds to invest into their own  
24 personal, separate and unrelated resorts/real estate properties. For example, the Elliott Defendants  
25 improperly converted at least \$15 Million of the Plaintiffs' and other investor monies to purchase  
26 the "Miches" property in the Dominican Republic, which the Plaintiffs never authorized or even  
27 knew about. In fact, this purchase did not include any interests to Plaintiffs, nor benefits, despite it  
28 was their money being used to purchase this property.

1           83.       Similarly, the Elliott Defendants diverted an estimated \$7.5 Million of the  
2 Plaintiffs and other investor monies to purchase real property in the Dominican Republic called  
3 “Treasure Bluff,” also which was never authorized nor known by the Plaintiffs, nor benefitted them  
4 in any way.

5           84.       With respect to the fees and commissions received on the Elliott Defendants's side,  
6 these included a 5% management fee on the gross income of the Sun Village Resort, despite the  
7 fact the resort never operated profitably and was losing between \$1-2 Million a year. Also, despite  
8 having retained an outside sales force, the Elliott Defendants paid themselves commissions or  
9 "overrides" from each sale, often in an amount equal to the sales commission earned and paid to the  
10 actual sales force, but broken down so as to avoid red flags. For example:

11                   (a) 5% to their management company, EMIRI;

12                   (b) 5-20% of the purchase price to their alter ego company EMISVG;

13                   (c) .50% of the purchase price of sales at Sun Village Cofresi and .25% of the  
14 value of Maxim Bungalows converted to fractional interests to Michael Fitzpatrick:

15                   (d) An override from between 1.5% to 3.5% of the purchase price paid to the  
16 VP of Hospitality to pay for marketing materials and accounting services;

17           85.       Defendant Catledge and his companies were receiving commissions of 20% of the  
18 sales of interests in both resorts, and continued to market and sell these interests year after year,  
19 despite the fact the Maxim Juan Dolio failed to open for business and the Maxim Bungalows  
20 Cofresi Resort failed to complete its renovations and become profitable.

21           86.       The Lambert Defendants are believed to have received up to 5% on sales  
22 pertaining to the Maxim Bungalows at Cofresi and Maxim Bungalows at Juan Dolio, in addition to  
23 the millions in attorneys' fees made through this scheme.

24           87.       Defendant Dennis Publishing, Inc. received percentages of revenue received from  
25 the sales of the units as well as rental income.

26                   **DENNIS PUBLISHING/ALPHA MEDIA GROUP (MAXIM)'S INVOLVEMENT**

27  
28

1           88.       In May of 2007, the Elliott Group and Dennis Publishing, Inc. formally  
2 announced their partnership with respect to the Maxim Bungalows Cofresi and Maxim Juan Dolio  
3 Resorts<sup>4</sup>. A month later, they issued a press release which provided in relevant part:

4           DOMINICAN REPUBLIC - June 2007 - Elliott<sup>TM</sup>, a leader in resort hospitality and real  
5 estate in the Dominican Republic, announced today an exclusive partnership with Dennis  
6 Publishing, the parent company of the world renowned Maxim Lifestyle brand, to launch 'Maxim  
7 Bungalows' in two locations in the Dominican Republic. The two locations are Cofresi Beach on  
8 the country's north coast in the Puerto Plata region and Juan Dolio on the south coast, close to the  
9 capital city Santo Domingo.

10           "With the Dominican Republic becoming the newest hot spot in the Caribbean, it was  
11 finally time to build an ultra luxury resort for the new generation of traveler. Our partnership with  
12 Maxim caters to travelers with disposable income who are looking for the next adventure," said  
13 Derek Elliott, President and Chief Executive Officer of Elliott<sup>TM</sup>.

14           Stephen Colvin, President and Chief Executive Officer of Dennis Publishing, Inc. said,  
15 "We are delighted to be in partnership with Elliott to create these superb 5 star destinations on this  
16 truly wonderful Caribbean island. Life is better when you are having fun and a vacation at the



17 bungalows will turn grown adults into gushing  
18 children as they escape the stresses and strains of  
19 their daily lives and indulge in the number of  
20 amenities available, such as a trip on the yacht to  
21 the private 'Castaway Beach' for their own private  
22 BBQ and snorkeling."

23           Opening in October 2007, **Maxim**  
24 **Bungalows at Cofresi Beach** will feature 108  
25 studio, one and two bedroom luxury bungalow  
26 accommodations for those looking for an escape  
27 from the city hustle and bustle. The resort is  
28 located only 30 minutes from the Puerto Plata  
Gregorio Luperon Airport and 60 minutes from  
the Cibao International Airport in Santiago.  
Guests staying at Maxim Bungalows will enjoy  
unparalleled luxury service. Each guest will be  
greeted at the airport and driven to the resort by a  
luxury SUV and given VIP access on and off property at all the top restaurants, bars and golf  
courses.

Each bungalow will be appointed with 5 star amenities geared to sophisticated travelers  
including resort-wide WI-FI, I-Home audio capabilities, plasma screen TVs, and superior personal  
care products. Maxim guests will unwind and enjoy cocktails under the Caribbean sun whether it is  
by the pools, cabanas, lounge or beach reserved exclusively for the guests of the Maxim  
Bungalows. Maxim Bungalow guests will also be able to enjoy preferential access to The Spa, a  
new state of the art 17,000 square-foot spa and fitness center that offers a range of premier quality  
products and services for mind, body and soul.

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It is believed this partnership was forged back in November, 2006, but was not  
formally announced until May, 2007.

1 The 54 foot Maxim yacht, 'Independence,' will be available exclusively for Maxim guests  
2 to charter for day trips and evening soirees. For surfing and kite boarding enthusiasts, Maxim  
3 Bungalows at Cofresi Beach are a short distance from the nearby village of Cabarete. Guests will  
also enjoy active vacation adventures in the Puerto Plata region with scuba diving, sailing, white  
water rafting, hiking, golf and other local excursions.

4 **Maxim Bungalows at Juan Dolio**, the second location selected for the Maxim Bungalows  
5 experience is scheduled to open in early 2008. Located on the south coast of the Dominican  
6 Republic overlooking the Caribbean Sea, the new beach resort is only 25 minutes east of the Santo  
7 Domingo Las Americas International Airport. Situated between the booming city of Santo  
8 Domingo and the resort town of La Romana, Maxim Bungalows will cater to people looking for a  
9 more urban experience found in places such as South Beach, Florida.

10 The 240 rooms will range from studio bungalows to Grand Presidential suites. Like the  
11 Maxim Bungalows at Cofresi Beach, each bungalow will be appointed with luxury amenities. The  
12 resort features world class dining at three restaurants, a spectacular beachfront and an extensive  
13 pool surrounded by cabanas and a lounge.

14 Situated in Juan Dolio, Maxim Bungalows are minutes away from some of the greatest golf  
15 courses in the Caribbean. The Gary Player signature Guavaberry Golf Course is within 10 minutes  
16 of the property, and La Romana is just one hour away, where guests can enjoy the famous Teeth of  
17 the Dog and Dye Fore in the exclusive community of Casa de Campo.

18 89. In June of 2007, Stephen Colvin, the then-President and CEO of Dennis  
19 Publishing, Inc. was present at the Maxim Cofresi resort to formally announce the partnership that  
20 Dennis Publishing, Inc. had entered into with Elliott Group concerning both the Maxim Bungalow  
21 Cofresi and Maxim Juan Dolio resorts.

22 90. Various investors attended the sales pitch/marketing speeches of Mr. Colvin,  
23 Defendant Frederick C. Elliott, Defendant Derek F.C. Elliott and others concerning the "profits" to  
24 be gained by becoming an "owner" of Maxim Cofresi and Maxim Juan Dolio units.

25 91. Within his speech, one captured on video, Mr. Colvin stated that Maxim was in  
26 "partnership" with the Elliott Defendants and Catledge Defedants. Stephen Colvin has also  
27 remarked in the past on video/television that Dennis Publishing, Inc. and "Maxim" are "excited to  
28 be in partnership with Elliott Group."

92. Specifically, Stephen Colvin remarked with respect to the Maxim Bungalows  
Cofresi and Maxim Juan Dolio resorts, that he is like a "kid in a candy store."

93. A website [www.maximbungalows.com](http://www.maximbungalows.com) was set up as part of the partnership  
agreement, and it demonstrated the unity of interest by and between the Defendants. The website,  
previously located at [www.maxirnbungalows.com](http://www.maxirnbungalows.com), prominently listed the corporate logos of Dennis

1 Publishing, Inc. (*Maxim*), Elliot Group, and referred potential purchasers of Maxim Bungalows  
2 Cofresi and Maxim Juan Dolio resort condominium units/interests to Net Worth Real Estate. The  
3 link to “Networth Real Estate;” in turn, directed people to the website  
4 <http://www.networthsolutions.info/>, which provided that Net Worth Real Estate was the exclusive  
5 real estate agent/broker for purchasing interests in either the Maxim Bungalows Cofresi or Maxim  
6 Juan Dolio resorts.

7 94. The website for [www.maximbungalows.com](http://www.maximbungalows.com) prominently provided the slogan of  
8 “YOUR LIFE MADE BETTER,” which is *Maxim*’s corporate slogan. The  
9 [www.rnaximbungalows.com](http://www.rnaximbungalows.com) website also advised individuals about how to purchase a Maxim  
10 Bungalows Cofresi or Maxim Juan Dolio resort unit. If one clicked on the “ownership” link on the  
11 website, the following information emerged on the webpage:

12 Ownership: While visiting the Maxim Bungalows you will discover that these spectacular  
13 properties are owned by individuals just like you. Take the time one evening to educate  
14 yourself at one of our real estate venues. Re-sales are available from time to time and  
15 there may be a Bungalow available for you to add to your growing real estate portfolio.  
16 For further information, ask your concierge or visit the Net Worth Real Estate office.

17 95. Defendant Dennis Publishing, Inc. promoted sales of “ownership” interests in both  
18 the Maxim Juan Dolio and Maxim Bungalows Cofresi resorts through the website.

19 96. The Maxim website for the resorts also discussed the “lifestyle” commingling  
20 between the Maxim resorts and “Hollywood.” This was done for marketing purposes and with the  
21 designed effect to sell Maxim resort units to the public. For example, the website provided:  
22 “Maxim Bungalows hit the 2007 Primetime Emmy Awards at Kari Feinstein’s Style Lounge in the  
23 Hollywood Hills in Los Angeles on September 14 and 15. The private event was swamped by  
24 television fan favorites including Emmy-winner Jeremy Piven (*Entourage*) and supermodel Molly  
25 Sims, who picked up a seven-night stay to the soon-to-be opened Maxim Bungalows, Cofresi  
26 Beach. Other celebrities who stopped by the lounge to get their chance to experience the one-of-a-  
27 kind Maxim Bungalows included Paula Abdul (*American Idol*), Kathy Griffin (*My Life on The D-*  
28 *List*), James Marsden (*Superman, The Notebook*), Jack Osbourne (*The Osbournes*) and Stacy  
Keibler (*What About Brian?*).”

1           97.       The joint marketing efforts of Dennis Publishing, Inc. with the other Defendants  
2 also focused on linking celebrities to the Maxim resorts. The greater the “star” power, the easier it  
3 was to sell the Maxim resort units to people like Plaintiffs. As an example, the website for the  
4 Maxim Bungalows provided a section for “celebrity sightings” and identified the following as  
5 celebrities who have stayed at the resort: Kim Kardashian and Reggie Bush, Nina Dobrev and Rob  
6 Mayes, Dylan McDermott, Tony Hernandez and Paula Garces, Susie Castillo, Natasha Bedingfield,  
7 Charley and Rob Villanueva, Chris Evans and Sarah Shahi, Laura Prepon, Carlos Fuente...more.”

8           98.       The website [www.rnaximbungalows.com](http://www.rnaximbungalows.com) also provided access to an interview of  
9 Derek F.C. Elliott on Maxim’s Sirius Radio channel wherein he marketed and pitched potential  
10 investors to purchase interests in the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts on  
11 behalf of all Defendants.

12           99.       Dennis Publishing, Inc. was actively involved in issuing press releases for various  
13 events involving Maxim Bungalows and participated in awards gatherings for sales of the Maxim  
14 resort interests.

15           100.       Dennis Publishing, Inc.’s former President and CEO, Mr. Stephen Colvin, also  
16 participated with Derek F.C. Elliott and James Catledge in marketing pitches made to potential  
17 investors to sell ownership interests in the Maxim Juan Dolio and Maxim Bungalows Cofresi  
18 resorts.  
19  
20

21           101.       In the year 2007, it was announced that the top 10 “Maxim Bungalows producers  
22 will be invited to the ultra-exclusive Maxim Bungalow private grand opening. Join James  
23 Catledge, Derek Elliott and Stephen Colvin (President & CEO of Dennis Publishing) along with an  
24 endless list of international celebrities at the private grand opening of the Maxim Bungalows  
25 Cofresi.”  
26  
27  
28



1           102.       Plaintiffs relied upon the various information disseminated in the media and  
2 internet by Defendants in deciding to invest substantial money into the Maxim Juan Dolio and  
3 Maxim Bungalows Cofresi resorts. The marketing information made the Plaintiffs feel that their  
4 investments were safe, secure and legitimate, and that the “Maxim” brand name and Dennis  
5 Publishing, Inc. were squarely behind and in support of the resorts and the ultimate return on  
6 investment. The joint marketing efforts of the Defendants focused on the substantial investment  
7 returns Plaintiffs stood to achieve by investing in, and becoming an “owner” of, the “Maxim  
8 Resorts.”  
9

10  
11           103.       Plaintiffs materially relied upon the information disseminated by Defendants at  
12 all times in making the investments and purchases at issue in this complaint.

13           104.       In substance, those pitches emphasized, but were not limited to: (1) fee simple  
14 ownership; (2) receipt of deeded title to the fractional resort units purchased; (3) substantial equity  
15 appreciation tied to the investor units and linkage to the *Maxim* trademark; (4) fast ability to “flip”  
16 and sell the units purchased; (5) shared room rental proceeds from the units purchased; (6) the  
17 power associated with the “partnership” with Maxim.  
18

19           105.       Prior to purchasing fractional ownership interests, many plaintiffs were provided  
20 with a DVD of the Maxim Juan Dolio and Maxim Bungalows Cofresi resorts. Based on  
21 information and belief, it showed highlights back from the year 2006 when Maxim held its “Miss  
22 Maxim World” competition at the Maxim Bungalows Cofresi resort. Stephen Colvin, as CEO of  
23 Dennis Publishing, Inc. was present for the competition and is seen within the video footage.  
24

25           106.       Based on information and belief, the DVD also contained various interviews of  
26 Derek Elliott on syndicated business television shows. In one interview, Derek Elliott was asked:  
27 “What is fractional ownership?” Derek Elliott responded: “One of the hottest things in the industry  
28

1 today. We have a product called ‘condo-hotel.’ You may have seen Donald Trump’s products  
2 where you can actually go in and own a piece of the hotel.” Derek Elliott continues on to say that  
3 investors in the Maxim resorts are “owners” of the hotels.  
4

5 107. It is believed the DVD further lauds that the “condo-hotel” product involving  
6 equity ownership is “ground breaking” and will be available for the “next wave of development --  
7 Maxim Juan Dolio,”and that the Maxim Juan Dolio and Maxim Cofresi Resorts will pave the way  
8 for a “new 5 star lifestyle.”  
9

10 108. The DVD states that the “Maxim Bungalows are a culmination of the  
11 groundbreaking vision of one of the world’s largest media companies, Dennis Publishing, and the  
12 principles of savvy real estate development mastered by Elliott founding Chairman Fred Elliott and  
13 his son and company President and CEO Derek Elliott.”  
14

15 109. Based on information and belief, the DVD provides that “this fall [2007] the  
16 brand new Maxim Bungalows” will open and offer fractional ownership opportunities, and Derek  
17 Elliott provides in the DVD that the investment is made for a person who wants to become “an  
18 owner of hotel suites.” Later the DVD emphasizes that “hotel equity ownership” is at issue. Derek  
19 Elliott further emphasizes the safety and protection afforded to investors of the fractional interests  
20 given that they will stand first in line to resell units: “If you want to sell a unit after your phase is  
21 sold out, we have to hold our units back and sell your unit before we move any developer  
22 inventory. So we are protecting all of the purchasers and clients with liquidity.”  
23

24 110. In further efforts to connect the power of the Maxim brand, the DVD emphasizes  
25 the power of the Maxim -- 2.5 million paid circulation; 13.5 million audience and a magazine with  
26 32 editions in 44 countries.  
27  
28

1           111.       Defendants, and each of them, stood to gain financially, and did profit, from the  
2 partnership in the resorts: (1) Dennis Publishing wanted access to resorts to further enhance its  
3 branding (i.e. “your life made better”) and to profit; (2) the Elliott Defendants and Catledge  
4 Defendants saw benefits in increased sales of its resort products by partnering with Maxim; (3)  
5 Defendant Lambert received commissions from sales of the resorts as well as other compensation in  
6 the form of fees and/or overrides.  
7

8           112.       Consistent with this, all parties (except Lambert who worked behind the scenes)  
9 were prominently discussed and identified on the [www.maximbungalows.com](http://www.maximbungalows.com) website, and all  
10 represented to Plaintiffs and other consumers that the Maxim Juan Dolio and Maxim Bungalows  
11 Cofresi resorts were a partnership by and between Elliott Group, Dennis Publishing, Inc. [Maxim]  
12 and James Catledge”Impact” entities.  
13

14           113.       James Catledge represented to Plaintiffs that Dennis Publishing, Inc. and Elliott  
15 Group were its “real estate partners,” and that its agents and salespeople were authorized by the  
16 Elliott Group and its dbas and Dennis Publishing, Inc. to market and sell interests in the Maxim  
17 Cofresi and Maxim Juan Dolio resorts.  
18

19           114.       James Catledge stated with respect to the Maxim partnership that: “Maxim is  
20 your management partner. They fill the rooms for you. Rooms by contract go for \$400 per night  
21 minimum...I want you to think like a hotel owner. *Timeshares don't work. ...We are talking about*  
22 *real estate ownership with a deed and a title which guarantees you income and appreciation.*” In  
23 addition, the “resale market [for the Maxim resorts] will be amazing.”  
24

25           115.       To further induce Plaintiffs’ investments, they were provided with glossy binders  
26 and a hard-bound book proudly titled “MAXIM BUNGALOWS DOMINICAN REPUBLIC.”  
27  
28

1           116.       Plaintiffs were advised that the fractional interests they were purchasing were  
2 more expensive than other similar investments because of the Maxim partnership, but were  
3 similarly told that the heightened sales price for fractional interests was worth it, because they  
4 would ultimately own real estate that would be more valuable and gain greater equity appreciation  
5 by virtue of the *Maxim* name and the fact that Dennis Publishing, Inc. was a partner with respect to  
6 the Maxim resorts. In addition, Plaintiffs were advised that these were short-term “flip”  
7 investments of a duration of four to six weeks that would immediately payoff.  
8

9           117.       James Catledge promoted sales of the Maxim Juan Dolio and Maxim Cofresi  
10 resorts via his websites and in live sales pitches at hotel conference centers. For example, on one  
11 website, Defendant Catledge provided a video section for “Who’s talking - MAXIM  
12 BUNGALOWS.” Underneath, a number of video testimonials were offered by a variety of people,  
13 including “Who’s talking .Derek Elliott President & CEO Elliott.” Other video  
14 testimonials/promotions and advertisements were titled “Who’s talking –The Right Place At The  
15 Right Time” and “Who’s Talking –MAXIM BUNGALOWS.”  
16  
17

18           118.       Defendants Dennis Publishing, Inc., Lambert Defendants and Elliott Defendants  
19 were aware of the marketing efforts of James Catledge and the “Impact” entities in selling Maxim  
20 resort condominium units, and profited from them.  
21

22           119.       In April of 2008, letters were sent to “Maxim Bungalows Juan Dolio Owners”  
23 advising them that they were invited to grand opening parties tied to the resorts. The invitation was  
24 on “Maxim Bungalows Dominican Republic” stationary and provided: “We are also pleased to  
25 announce the Grand Opening of our sister property, Maxim Bungalows Cofresi, which was  
26 celebrated by two magnum events, one in New York City, and the second one on site in Cofresi.  
27 Both events offered an excellent opportunity to the press and celebrities to enjoy this great property.  
28

1 Please do not hesitate to contact us should you require any further information at  
2 ownerservices@maximbungalows.com."

3 120. Moreover, although certain purchases were made before Maxim's partnership and  
4 involvement arose, and based upon information and belief, Maxim ratified and/or adopted those  
5 prior purchases/investments. By example, Plaintiff purchasers would receive summaries of their  
6 previous investments which referenced those previous purchases as Maxim product, which was also  
7 provided under the Maxim Logo and letterhead.  
8

9  
10  
11 **DEFENDANTS WILLIAM LAMBERT/GARDINER ROBERTS LLP'S**

12 **INVOLVEMENT**

13 121. Defendant William Lambert is a partner in the law firm of Defendant Gardiner  
14 Roberts, LLP. Throughout the subject course of dealings, Defendant Lambert acted directly and on  
15 behalf of Defendant Gardiner Roberts, LLP, and all of his conduct was either authorized, ratified  
16 and/or at the direction of Defendant Gardiner Roberts, LLP.  
17

18 122. Defendant Lambert served as the Elliott Defendants corporate counsel for many  
19 years, and served as corporate counsel with respect to the fundraising, development and operations  
20 of the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts.  
21

22 123. However, the Defendant Lambert's involvement went much farther than legal  
23 representation. He was a partner and intricately involved in the structure and organization of the  
24 fraud scheme, as well as in the operations and management of the resorts.

25 124. Plaintiff's believe that Defendant Lambert knowingly created, assisted, furthered,  
26 and/or designed the fraudulent scheme from its initial structuring to the implementation of the  
27 deception. Plaintiffs believe that Lambert either structured or oversaw the structuring of an  
28

1 extensive, complex maze of offshore companies, trusts, corporate entities and shell companies, each  
2 with formal and informal relationships to each other, designed to hide, shelter, obfuscate, and shield  
3 Defendants from liability, as well as to make it extremely difficult to accurately trace funds and/or  
4 account for money transfers, inter-company loans, intra-company loans, and commingling, all for  
5 the purpose of diverting funds. To date, previous court findings have identified approximately  
6 seventy (70) such companies to be either owned, controlled and/or directly related to the Elliott  
7 Defendants, alone, with respect to this scheme. On its very face, the creation of a maze of such  
8 complexity for the operations of just two hotels is suspect. However, when combined with the  
9 other facts set forth herein pertaining the massive fraud, its purpose and creation has become clear:  
10 to intentionally and purposefully protect the parties from liabilities and hide the diversion of funds.  
11

12  
13 125. Moreover, Defendant Lambert either prepared and/or oversaw the preparation of  
14 documentation used with respect to the investments. Many of these documents were inherently and  
15 expressly contradictory that evidenced clear and ambiguous motives to misrepresent facts and terms  
16 to Plaintiffs. Certain of these documents had the clear purpose of lulling purchasers into "quick  
17 signings" and putting down of immediate deposit monies, but would then be followed by the long  
18 form purchase agreements which contained contradictory terms to the Plaintiffs' detriment.  
19

20 126. For example, Defendant Lambert is believed to have prepared and/or oversaw the  
21 preparation of the Deposit Agreements with respect to the fractional interests being sold at Maxim  
22 Juan Dolio. These short-form, understandable agreements were brief in length and included terms  
23 that guaranteed Plaintiffs would receive fee simple deeded title, 5% interest on their deposit, and  
24 the right to sell their interests at any time. In addition, as these agreements required a deposit of  
25 50% of the purchase price due at signing, they further stated that the remainder of principal and  
26 interest payments would not be due until the hotel opened.  
27  
28

1           127.       However, Defendant Lambert also prepared and/or oversaw preparation of the  
2 long-form purchase agreements and/or the closing documents, which specifically contradicted these  
3 earlier terms, and did not grant fee simple deeded title (only a residential beneficial interest in a  
4 trust far removed from direct ownership), did not provide for 5% interest and required premature  
5 payment of the remaining 50% (as opposed to when the hotel opened). The Deposit Agreements  
6 were a device to lure Plaintiffs and other investors to put down their 50% under the guise of  
7 favorable, understandable terms, and then when the actual agreements were provided with the  
8 contradictory terms, if Plaintiffs protested, they were threatened to lose their deposits. In addition,  
9 the language in the purchase agreements was very difficult to understand and lengthy. Lambert was  
10 fully aware of what both agreements provided, and that Plaintiffs were being induced to sign up  
11 immediately and put down money via the promise of fee simple ownership, interest and the  
12 forebearance of payments until the resort opened when, in reality, this was not the case.  
13

14  
15           128.       Moreover, it is believed that Lambert received a commission of an estimated 5%  
16 on all Maxim Bungalow sales, thus resulting in personal, pecuniary gain above and beyond his  
17 legal fees.  
18

19           129.       In addition, Plaintiff's believe and hereby allege that Lambert knew and/or was  
20 involved in the idea and/or implementation of setting up the third party collection entity (AVIATI)  
21 and the strategy to coerce Plaintiffs to convert and/or pay the remaining funds or face foreclosure  
22 and collection. By doing such, he was fully aware that the collection entity and efforts to collect  
23 contradicted the previous terms for which the Plaintiffs relied and were induced to put down their  
24 money; namely, that the remaining monies were not going to be due until the hotel opened.  
25

26           130.       Still further, at some point the Elliott Defendants had sought to purchase a third  
27 resort property referred to as Miches with the funds received from Plaintiffs and other investors of  
28

1 the Maxim Bungalows Cofresi and Maxim Juan Dolio, without apprising, informing or even  
2 including any benefit to Plaintiffs or other investors. Defendant Lambert was fully aware that the  
3 purchase of the unrelated Miches property was being used by investor funds, and is believed to  
4 have either created or oversaw the documentation pertaining to this transaction. In fact, the  
5 Lambert Defendants put a personal lien on the Miches proceeds in the event the property was sold  
6 and/or foreclosed upon, despite the fact that the money to purchase the property came from  
7 Plaintiffs and other investors and, accordingly, such investment funds should have come first with  
8 respect to any proceeds. In other words, there was no lien on proceeds placed for the benefit of  
9 Plaintiffs and other investors whose money purchased the property; rather, the lien was in favor of  
10 Lambert.  
11  
12

13 131. Further, based on information and belief, Defendant Lambert was involved in the  
14 management and operations of the resorts, insisting on approving decisions affecting the resorts,  
15 and as mentioned above, received commissions of 5% from the sales of the interests at Maxim  
16 Bungalows Cofresi and Maxim Juan Dolio, above and beyond his services as an attorney.  
17

18 132. Not only did Defendant Lambert's role in this scheme include his being a partner  
19 with the other Defendants in creating and furthering the fraud, but he breached fiduciary duties  
20 owed to Plaintiffs. Pursuant to certain of Defendants' contracts, Plaintiffs were deemed  
21 beneficiaries of a trust. As it is believed that Lambert served as counsel to the trust in general, his  
22 legal duties of loyalty and as a fiduciary extended to the beneficiaries of these trusts (i.e. Plaintiffs).  
23 In addition, Plaintiffs had placed their trust and confidence when investing into the resorts, creating  
24 obligations on behalf of Defendant Lambert, both as counsel and as a partner, to protect, secure and  
25 preserve the funds on behalf of investors, as well as act in their best interests.  
26  
27  
28





1 accounts, etc. In addition, and based on information and belief, it is believed that these Defendants  
2 are either agents and/or alter egos of the Elliott Defendants and Catledge Defendants.

3 **PREVIOUS LEGAL FINDINGS PERTAINING TO DEFENDANTS AND THIS**  
4 **FRAUD SCHEME**

5  
6 136. This lawsuit is not novel. It follows a number of other actions filed throughout  
7 the country pertaining to this fraud scheme and the thousands of victims it devastated. Although  
8 many of these actions are currently progressing, certain have already resulted in various findings,  
9 from both a factual and a legal perspective, that truly confirm this was a scheme designed to  
10 defraud.

11  
12 137. As mentioned previously, the federal court in Hoffman v. EMI Resorts, Inc.,  
13 et.al., Case No. 09-20526 ASG, filed in the United States District Court for the Southern District of  
14 Florida, assigned a Special Master to render findings pertaining to the specifics of the scheme, the  
15 participants, the monies lost and other material aspects for the court. In response, the Special  
16 Master issued a scathing 50 page report and recommendations confirming the fraudulent ponzi  
17 scheme, and further recommended that Defendants Frederick Elliott, Derek Elliott, William  
18 Lambert, Gardiner Roberts LLP, James Catledge and various of the entities they own and control be  
19 referred out to top law enforcement agencies for criminal investigation; including, but not limited  
20 to, the Department of Justice, Federal Bureau of Investigation, Internal Revenue Service, United  
21 States Attorney and State Attorney Generals. See Report and Recommendation Following  
22 Preliminary Forensic Analysis, supra, Docket Entry No. 832.

23  
24  
25 138. On July 26, 2010, the State of Idaho obtained judgment against Defendant Derek  
26 Elliott and Defendant Sun Village Juan Dolio Associates, LLC, for fraud and securities violations  
27 related to this scheme. As part of this judgment, these Defendants were permanently enjoined from  
28

1 ever selling securities in the state again and required to pay restitution in the amount of  
2 \$2,598,880.66. (See internet website <http://finance.idaho.gov>).

3 139. On November 12, 2010, the State of Idaho obtained judgment against Defendant  
4 James Catledge, Defendant Impact, Inc. and Defendant Impact Network LLC, for fraud and  
5 securities violations related to this scheme. As part of this judgment, these Defendants were  
6 permanently enjoined from ever selling securities in the state again and required to pay restitution  
7 in the amount of \$1,982,406.59. (See internet website <http://finance.idaho.gov>).

9 **SPECIFIC FACTS UNDERLYING EACH PLAINTIFF'S TRANSACTION AND**  
10 **INVESTMENT**

11 140. There was a commonality of universal misrepresentations made to Plaintiffs, as  
12 well as other purchasers/investors, by Defendants. These included, but were not limited to: (1)  
13 these were guaranteed or low risk products for purchase; (2) the investment money would be used  
14 to construct and/or operate the hotels; (3) the purchases were guaranteed to be recouped from  
15 rentals of the individual units; (4) no fees or maintenance expenses were required; (5) non-use fees  
16 or interest payments would be made; (6) ownership interests and/or fee simple title were being  
17 acquired; (7) rental income would be split with each Plaintiff for his/her/their particular unit(s); (8)  
18 Plaintiffs could cash out after 5 years with guarantee of the investment back; (9) Plaintiffs could  
19 "flip" their investments within months and make a profit; (10) the properties being invested were  
20 liquid and could be re-sold on the open market; (11) the resorts were owned free and clear; (12)  
21 there was significant collateral backing the investments; (13) the promissory notes issued would not  
22 be due until the resort opened (Juan Dolio); (14) there was a secure revenue stream to support all  
23 costs; (15) Defendants would pay the difference in value upon converting from residence to  
24 fractional interests; and (16) the Maxim brand secured the investments and guaranteed appreciation  
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28

1 of the interests. In reality, these representations were false and constituted false promises used to  
2 lure investors to put up their money.

3           141.       All of the Plaintiffs herein are victims of this ponzi scheme and invested/  
4 purchased interests in either or both of the subject resorts, and each has lost his/her investment.  
5 Many have sustained financial ruin, with their homes foreclosed and savings wiped out. Following  
6 sets forth the individual Plaintiffs and specifics pertaining to their transactions/dealings.

7  
8           142.       At all relevant times herein, Plaintiff Marjorie Aleo was and is a resident of  
9 Massachusetts. She was approached in December of 2007 to purchase both fractional/ownership  
10 interests in the Maxim Bungalows Cofresi, as well as residential interests into the Passport  
11 Residence Product at Maxim Juan Dolio at a guaranteed interest rate.

12  
13           143.       Plaintiff Aleo was approached and induced to invest by agents/representatives of  
14 Defendants who were marketing, promoting and selling the very same product in the State of  
15 California, as well as inducing California residents to purchase/invest.

16  
17           144.       Among other misrepresentations, Plaintiff Aleo was promised deeded fractional  
18 interests and payment of non-use fees/interest. In addition, Plaintiff Aleo was promised that she  
19 would receive high returns (greater than 20%) due to the appreciation and income of the interests.  
20 Further, Plaintiff Aleo was advised that the investment into Maxim's properties were secure because  
21 of Maxim's involvement and, similarly, substantially relied upon Maxim's involvement in her  
22 decision to invest into the Maxim properties.

23  
24           145.       Consequently, Plaintiff Aleo purchased fractional interests in Maxim Bungalows  
25 Cofresi for \$43,990 on or about January 21, 2008, and residential interests in Passport Residence at  
26 Maxim Juan Dolio for \$12,500 on or about April 18, 2008.

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28

1           146.       These representations turned out to be false. Plaintiff Aleo did not receive  
2       deeded fractional interests, non-use fees or any rental income or added value because the resort  
3       never opened. Also, had Plaintiff Aleo known that Maxim (i.e. Dennis Publishing) would back  
4       out of its partnership arrangements with Defendants, she would not have invested.

5  
6           147.       At all relevant times herein, Plaintiffs Sal and Martha Aguilar were and are  
7       residents of the State of California. They were approached on numerous occasions from the Winter  
8       of 2006 to February of 2008 to invest into both Maxim Bungalows and Maxim Juan Dolio.

9  
10          148.       Plaintiffs Aguilar were approached with this business opportunity while in the  
11       State of California, and executed all agreements, performed their obligations and sustained damages  
12       in the State of California.

13          149.       Among other misrepresentations, Plaintiffs Aguilar were promised that these  
14       were guaranteed and low risk investments, they would receive income from the rentals, the  
15       properties would appreciate, they would receive between 10-12% interest on the residential  
16       purchases quarterly for five years, and they would receive fee simple title for the fractional  
17       investments. In addition, Plaintiffs Aguilar were advised that the investment into Maxim's  
18       properties were secure because of Maxim's involvement and, similarly, substantially relied upon  
19       Maxim's involvement in their decision to invest into the Maxim Bungalows properties.  
20

21          150.       Consequently, Plaintiffs Aguilar jointly purchased the following products for the  
22       following amounts on the following dates: (1) Passport Condo Juan Dolio for the amount of  
23       \$14,062.50 on or about April 21, 2006; (2) residential interests in Juan Dolio for the amount of  
24       \$61,171.88 on or about August 18, 2006; (3) Preferred Passport Juan Dolio for the amount of  
25       \$140,625 on or about August 19, 2006; (4) residential interests in Juan Dolio for the amount of  
26  
27  
28

1 \$12,626.25 on or about December 7, 2006; and (5) Maxim Bungalows Cofresi for \$30,690 on or  
2 about June 28, 2007.

3 151. These representations turned out to be false, and Plaintiffs Aguilar failed to  
4 receive rental income or appreciation in their properties, failed to receive all of their quarterly  
5 interest payments or fee simple title.  
6

7 152. At all relevant times herein, Plaintiff Alma Arthur was and is a resident of  
8 California, and is 65 years of age or older. She was approached in the summer of 2007 to purchase  
9 a fractional interest in Maxim Bungalows at Cofresi Beach, and to enter into an assumption  
10 agreement in which she was to receive 12% interest from loaning via assignment from an  
11 agreement originally entered into by Craig Curit.  
12

13 153. Plaintiff Alma Arthur was approached with this business opportunity while in  
14 the State of California, and entered into all agreements, performed her obligations and sustained  
15 damages in the State of California.  
16

17 154. Among other misrepresentations, Plaintiff Alma Arthur was told that these were  
18 low risk, high yielding investments, and were far superior to her other investments held in Schwab  
19 and Wachovia at the time. She was promised 12% interest payments to be paid quarterly from the  
20 assumption agreement. She was similarly advised that the investment into Maxim's properties were  
21 secure because of Maxim's involvement and, similarly, substantially relied upon Maxim's  
22 involvement in their decision to invest into the Maxim Bungalows properties.  
23

24 155. Consequently, Plaintiff Alma Arthur purchased a fractional interest in Maxim  
25 Bungalows at Cofresi Beach for \$46,780 on or about September 26, 2007. In addition, Plaintiff  
26 Arthur entered into the assumption agreement and paid \$16,875 for the rights under this  
27 assignment.  
28

1           156.       These representations turned out to be false. Plaintiff Alma Arthur failed to  
2 receive all of the promised quarterly payments 12%, nor did she ever receive a deed of title as  
3 promised for her fractional interest. In addition, these purchases failed to have the requisite  
4 security as promised. Also, had Plaintiff Arthur known that Maxim (i.e. Dennis Publishing) would  
5 back out of its partnership arrangements with Defendants, she would not have invested.  
6

7           157.       At all relevant times herein, Plaintiff Kathy Avilla was and is a resident of the  
8 State of California. She was approached in December of 2007 to purchase fractional interests at  
9 Maxim Bungalow Cofresi and timeshare interests at Maxim Juan Dolio.  
10

11           158.       Plaintiff Kathy Avilla was approached with the business opportunity while in the  
12 State of California, and entered into certain agreements, performed her obligations and sustained  
13 damages in the State of California.  
14

15           159.       Among other misrepresentations, She was promised between 7-10% interest  
16 payments in the form of non-use fees on her Passport product, and deeded title ownership for her  
17 fractional interests. In addition, she was guaranteed that the investments were safe, liquid and she  
18 would make money. She was also assured that the investment into Maxim's properties were secure  
19 because of Maxim's involvement and, similarly, substantially relied upon Maxim's involvement in  
20 her decision to invest.  
21

22           160.       Consequently, Plaintiff Kathy Avilla purchased 5 fractional units at Maxim  
23 Bungalow Cofresi for \$224,595.00 on February 23, 2008, and 38 Vacation Interval Products Juan  
24 Dolio for \$403,350.00, broken down into two payments on March 31, 2008 and June 16, 2008,  
25 respectively. Plaintiff Kathy Avilla combined total investment was \$627,945.00.  
26

27           161.       These representations turned out to be false. Plaintiff Kathy Avilla was never  
28 provided deed title or fee ownership interests, and did not receive her guaranteed non-use fee or

1 interest payments from the timeshare purchase. Also, had Plaintiff Avilla known that Maxim (i.e.  
2 Dennis Publishing) would back out of its partnership arrangements with Defendants, she would not  
3 have invested.

4           162.       At all relevant times herein, Plaintiffs Rodger and Jean Bonite were and are  
5 residents of the State of California. They were approached on numerous occasions from the Spring  
6 of 2005 to the Fall of 2005 to invest into both the Maxim Bungalows Cofresi Beach and Maxim  
7 Juan Dolio resorts.

8           163.       Plaintiffs Bonite were approached with this business opportunity while in the  
9 State of California, and executed all agreements, performed their obligations and sustained damages  
10 in the State of California.

11           164.       Among other misrepresentations, Plaintiffs Bonite were promised that these were  
12 guaranteed and low risk investments, they would receive quarterly interest payments for the  
13 residential interests, and that their investments would appreciate in value. Also, after five years  
14 they could recoup their principal or reinvest.

15           165.       Consequently, Plaintiffs Bonite jointly purchased (1) residential interests in  
16 Maxim Bungalows Cofresi for \$80,000 on or about March 29, 2005; (2) residential interests in  
17 Maxim Bungalows Cofresi for \$45,000 on or about August 24, 2005; and (3) residential interests in  
18 Maxim Juan Dolio for \$45,000 on or about.

19           166.       These representations turned out to be false, and Plaintiffs Bonite failed to  
20 receive all of the quarterly interest payments or the ability to recoup their principal after 5 years. In  
21 addition, Plaintiffs believe that Defendants converted their product to fractional ownership without  
22 their permission.



1           167.       At all relevant times herein, Plaintiff William Q. Boyce, III was and is a resident  
2 of Utah. He was approached in the Fall of 2006 to both purchase fractional/ownership interests in  
3 the Maxim Juan Dolio, as well as acquire residential/timeshare interests into the Passport Residence  
4 Product at Maxim Juan Dolio at a guaranteed interest rate.

5  
6           168.       Plaintiff Boyce was approached and induced to invest by agents/representatives  
7 of Defendants who were marketing, promoting and selling the very same product in the State of  
8 California, as well as inducing California residents to purchase/invest.

9  
10           169.       Among other misrepresentations, Plaintiff Boyce was promised deeded fractional  
11 interests and payment of non-use fees/interest on his purchases. In addition, Plaintiff Boyce was  
12 promised that he would not have to make any payments once the hotel opened for business and  
13 payments would then be paid from renters of the units. Moreover, Plaintiff William Boyce was told  
14 that rolling out of fractional ownership in "phases" would increase the value.

15           170.       Consequently, Plaintiff William Boyce purchased the following product for the  
16 following amounts on the following dates: (1) Passport Residence Condo King for \$13,218.75 on  
17 or about November 22, 2006; (2) Passport Residence Condo for \$10,546.88 on or about November  
18 22, 2006; and (3) Passport Superior Condo for \$10,546.88 on or about January 17, 2007. In  
19 addition, Plaintiff William Boyce and his wife jointly purchased Passport Condo Hotel Juan Dolio  
20 for \$21,094 on or about November 21, 2006.

21  
22           171.       These representations turned out to be false. Plaintiffs William Boyce and his  
23 wife never received deeded fractional interests, did not receive all payments for non-use, nor did  
24 they receive any rental income or added value because the resort never opened.  
25  
26  
27  
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1           172.       At all relevant times herein, Plaintiff Sharon Brahms was and is a resident of the  
2 State of California. She was approached in the Spring of 2007 to purchase residential interests in  
3 the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts.

4           173.       Plaintiff Brahms was approached with this business opportunity while in the  
5 State of California, and executed certain agreements, performed her obligations and sustained  
6 damages in the State of California.

7           174.       Among other misrepresentations, Plaintiff Brahms was guaranteed to receive  
8 non-use fees/interest payments in the amount of 10% of her investment on a quarterly basis for five  
9 years, and after such time, she could get her entire investment back or choose to reinvest. In  
10 addition, she was promised the money would be used to construct the resort and that these were  
11 safe, low risk investments. Moreover, she was promised fee simple title on her fractional interests  
12 upon conversion, and that all rental income would be split 50/50. She was also told the Maxim's  
13 partnership involvement would secure her investment, enhance rental occupancy and ensure  
14 appreciation of the products, and substantially relied upon these representations in choosing to  
15 invest into the Maxim product.

16           175.       Consequently, Plaintiff Brahms purchased residential interests in Juan Dolio for  
17 \$200,390.72 on or about March 27, 2007, and residential interests in Maxim Bungalows Cofresi for  
18 \$122,575 on or about June 15, 2007. In addition, she converted her Juan Dolio product to  
19 fractional interests around July 2008.

20           176.       These representations turned out to be false, and Plaintiff Brahms did not receive  
21 all of her non-use fees/interest payments, fee simple title, the security and benefits promised to back  
22 her investment, nor was she offered the opportunity to get her money back.

1           177.       At all relevant times herein, Plaintiffs Randy and Ronda Braithwaite were and  
2 are residents of the State of California. They were approached in the Spring of 2006 to invest into  
3 the Maxim Juan Dolio.

4           178.       Plaintiffs Braithwaite were approached with this business opportunity while in  
5 the State of California, and executed all contracts, performed their obligations and sustained  
6 damages in the State of California.

7           179.       Among other misrepresentations, Plaintiffs Braithwaite were promised that these  
8 were safe and secure investments, they had the option to get their investment back or re-invest, that  
9 they could sell their interest in the units anytime, the resorts were owned free and clear and they  
10 would receive fee simple title.

11           180.       Consequently, Plaintiffs Braithwaite purchased fractional interests in Maxim  
12 Juan Dolio for \$56,250 on or about April 22, 2006.

13           181.       These representations turned out to be false, and Plaintiffs Braithwaite failed to  
14 receive recoupment of her principal after five years, the guarantees promised of a safe investment  
15 or fee simple title.

16           182.       At all relevant times herein, Plaintiff Frances Broughton was and is a resident of  
17 the State of California. She was approached on or about May of 2007 by Defendant Derek Elliott  
18 for purchases of residential product at Maxim Juan Dolio and Maxim Bungalows, Cofresi.

19           183.       Plaintiff Frances Broughton was approached with this business opportunity  
20 while in the State of California, and entered into all agreements, performed her obligations and  
21 sustained damages in the State of California.

22           184.       Among other misrepresentations, Plaintiff Frances Broughton was promised  
23 12% interest on all of her residential product purchases, the Elliotts had a secure revenue stream  
24  
25  
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1 supporting all costs, that she could "flip" her investments within months and profit and that the  
2 money would be used to construct the hotels. She was similarly advised that the investment into  
3 Maxim's properties were secure because of Maxim's involvement and, similarly, substantially relied  
4 upon Maxim's involvement in her decision to invest.  
5

6 185. Consequently, Plaintiff Frances Broughton purchased the following product in  
7 the following amounts on the following days: (1) interests in Maxim Juan Dolio for \$67,500.00 on  
8 or about May, 2007; (2) interests in Maxim Bungalows Cofresi for \$65,100 on or about June, 2007;  
9 and (3) interests in Maxim Juan Dolio for \$16,000 on or about June, 2008.  
10

11 186. These representations turned out to be false. Plaintiff Frances Broughton did  
12 not receive all of the interest payments promised her, the funds were not used to construct the  
13 resort, she was not granted the option to "flip" the investment, nor did the investment have the  
14 security promised. Also, had Plaintiff Broughton known that Maxim (i.e. Dennis Publishing)  
15 would back out of its partnership arrangements with Defendants, she would not have invested.  
16

17 187. At all relevant times herein Plaintiff Alan Burica was and is a resident of the  
18 State of California. He was approached in the Summer of 2004 to purchase residential product at  
19 Maxim Bungalows Cofresi.  
20

21 188. Plaintiff Alan Burica was approached with this business opportunity while in the  
22 State of California, and executed all documents, performance his obligations and sustained damages  
23 in the State of California.  
24

25 189. Among other misrepresentations, Plaintiff Alan Burica was promised to receive  
26 9% interest on his investment with quarterly payments. In addition, he was promised that this  
27 purchase was guaranteed/low risk, his money would be recouped from rentals of the units, that  
28

1 there was significant collateral backing the investments and he could cash out after 5 years with  
2 guarantee of his investment back.

3           190.       Consequently, Plaintiff Alan Burica purchased residential product at Cofresi Sun  
4 Village at \$20,000 on or about July 30, 2004.

5           191.       Despite these representations, Plaintiff Alan Burica did not receive all of his  
6 interest payments, did not recoup his investment from rentals of the units nor was able to realize the  
7 opportunity to get his investment back after 5 years.

8           192.       At all relevant times herein, Plaintiffs Steven Cagle and his wife Sharon Roberts-  
9 Cagle were and are residents of the State of California. They were approached on numerous  
10 occasions from 2005 through 2008 to invest into the Maxim Juan Dolio and Maxim Bungalows  
11 Cofresi resorts.

12           193.       Plaintiffs Cagle were approached with this business opportunity while in the  
13 State of California, and executed all agreements, performed their obligations and sustained damages  
14 in the State of California.

15           194.       Among other misrepresentations, Plaintiffs Cagle were promised double returns  
16 on their investment, fee simple ownership interest, that the resorts were owned free and clear, they  
17 would receive between 8-12% on their investments in the residential interests. They were similarly  
18 advised that the investment into Maxim's properties were secure because of Maxim's involvement  
19 and, similarly, substantially relied upon Maxim's involvement in their decision to invest into the  
20 Maxim product.

21           195.       Consequently, Plaintiffs Cagle purchased the following interests for the  
22 following amounts on the following dates: (1) residential interests in EMI Sun Village Cofresi for  
23 \$150,000 in 2005; (2) fractional interests at Juan Dolio in the amount of \$23,500 in 2006; (3)  
24

1 fractional interests in Maxim Bungalows Cofresi for \$130,480 in 2008; and (4) residential interests  
2 in Maxim Juan Dolio for total of \$20,000 in 2008.

3 196. These representations turned out to be false, and Plaintiffs Cagle never received  
4 fee simple ownership interests, any rental income, all of their due and owing interest payments, or  
5 "double" return on their investments. Also, had Plaintiffs Cagle known that Maxim (i.e. Dennis  
6 Publishing) would back out of its partnership arrangements with Defendants, they would not have  
7 invested into the Maxim properties.  
8

9 197. At all relevant times herein, Plaintiff Gloria Carson was and is a resident of the  
10 State of California, and is 65 years of age or older. She was approached in the Fall of 2005 to  
11 invest into both the Maxim Juan Dolio and Maxim Bungalows Cofresi.  
12

13 198. Plaintiff Carson was approached with this business opportunity while in the  
14 State of California, and executed all contracts, performed her obligations and sustained damages in  
15 the State of California.  
16

17 199. Among other misrepresentations, Plaintiff Carson was promised that these were  
18 safe and secure investments, she would see a return of at least 150% over 2-3 years, she would  
19 receive 11% annual interest payments to be paid quarterly every year, she could sell her interest in  
20 the units anytime, the resorts were owned free and clear and she would receive fee simple title upon  
21 her conversion to fractional interests. She was similarly advised that the investment into Maxim's  
22 properties were secure because of Maxim's involvement and, substantially relied upon Maxim's  
23 involvement in her decision to convert to fractional interests.  
24

25 200. Consequently, Plaintiff Carson purchased interests in Juan Dolio for \$34,687.50  
26 on or about December 2005, and in Maxim Bungalows Cofresi for \$324,990 on or about December  
27 of 2006. Similarly, she converted her interest to fractional interest on or about October 20, 2008.  
28

1           201.       These representations turned out to be false, and Plaintiff Carson failed to receive  
2 appreciation, all of her quarterly interest payments, the safe and secure investment she was  
3 promised, or fee simple title. Also, had Plaintiff Carson known that Maxim (i.e. Dennis Publishing)  
4 would back out of its partnership arrangements with Defendants, she would not have converted.  
5

6           202.       At all relevant times herein, Plaintiffs Rodolfo and Erica Castillo were and are  
7 residents of the State of California. They were approached in the Spring of 2006 to invest into the  
8 Maxim Juan Dolio.

9           203.       Plaintiffs Castillo were approached with this business opportunity while in the  
10 State of California, and executed all contracts, performed their obligations and sustained damages  
11 in the State of California.  
12

13           204.       Among other misrepresentations, Plaintiffs Castillo were promised that these  
14 were safe and secure investments, they had the option to get their investment back or re-invest, that  
15 they could sell her interest in the units anytime, they would receive rental income, the resorts were  
16 owned free and clear and they would receive fee simple title.  
17

18           205.       Consequently, Plaintiffs Castillo purchased interests in the Maxim Juan Dolio for  
19 \$56,250 on or about September of 2006.

20           206.       These representations turned out to be false, and Plaintiffs Castillo failed to  
21 receive recoupment of her principal after five years, the guaranteed safe investment, rental income  
22 or fee simple title.  
23

24           207.       At all relevant times herein, Plaintiff Peggy Charles was and is a resident of the  
25 State of Nevada. She was approached in the Fall of 2006 to purchase residence product at Maxim  
26 Bungalows Cofresi Beach, and then later to convert said product to fractional ownership to interests  
27 at Maxim Bungalows Juan Dolio.  
28

1           208.       Plaintiff Charles was approached and induced to invest by agents/representatives  
2 of Defendants who were marketing, promoting and selling the very same product in the State of  
3 California, as well as inducing California residents to purchase/invest.

4           209.       Among other misrepresentations, Plaintiff Peggy Charles was promised that she  
5 would receive quarterly interest payments from her purchase at Cofresi Beach, and that when she  
6 converted to fractional ownership interests at Maxim Bungalows Juan Dolio, she would get better  
7 appreciation for her product and could resell the shares for a lot higher amount than what she was  
8 paid. In addition, she was promised deeded title ownership to her Juan Dolio purchase, and was  
9 told that these investments were low risk, could be "flipped" within a few months, the resorts were  
10 owned free and clear and that the money from the conversion would be used to pay for construction  
11 at the Maxim Juan Dolio. She was similarly advised that the investment into Maxim's properties  
12 were secure because of Maxim's involvement and, similarly, substantially relied upon Maxim's  
13 involvement in their decision to convert her interests into the Maxim Bungalows Juan Dolio.  
14

15           210.       Consequently, Plaintiff Peggy Charles purchased the residence product at Maxim  
16 Bungalows Cofresi Beach on or about October, 2006 for \$300,745.00, and then later converted it to  
17 fractional ownership for Maxim Bungalows Juan Dolio product on or about January, 2008.  
18

19           211.       These representations turned out to be false. Plaintiff Peggy Charles failed to  
20 receive all of her quarterly interest payments and failed to receive deeded title ownership to the  
21 Maxim Bungalows Juan Dolio product. Despite the fact she was guaranteed she could flip her  
22 investment, when she tried to do so and/or get her money back, she was told that it would cost her  
23 \$30,000 and would take a while to do so. Also, had she known that Maxim (i.e. Dennis Publishing,  
24 Inc.) would back out of the partnership, she would not have converted her interests.  
25  
26  
27  
28



1           212.       At all relevant times herein, Plaintiff Daphne Chase was and is a resident of the  
2 State of California. She was approached in the Spring of 2006 to invest into the Maxim Juan Dolio.

3           213.       Plaintiff Chase was approached with this business opportunity while in the State  
4 of California, and executed all contracts, performed her obligations and sustained damages in the  
5 State of California.  
6

7           214.       Among other misrepresentations, Plaintiff Chase was promised that these were  
8 safe and secure investments, there would be cash flow every month from rentals that she would  
9 share equally, that she could sell her interest in the units anytime, the resorts were owned free and  
10 clear and she would receive fee simple title.  
11

12           215.       Consequently, Plaintiff Chase purchased interests in Juan Dolio for \$168,750 on  
13 or about March of 2006.

14           216.       These representations turned out to be false, and Plaintiff Chase failed to receive  
15 recoupment of her principal after five years, rental income or fee simple title.  
16

17           217.       At all relevant times herein, Plaintiff Aaron Crotty was and is a resident of the  
18 State of California. He was approached in the summer of 2007 to purchase timeshare interests of  
19 the studio product at Maxim Juan Dolio.

20           218.       Plaintiff Aaron Crotty was approached with this business opportunity while in  
21 the State of California, and performed his obligations and sustained damages in the State of  
22 California.  
23

24           219.       Among other misrepresentations, Plaintiff Aaron Crotty was promised that he  
25 could sell his interest back, split any revenue generated from rentals with the Elliotts, his purchase  
26 would gain in value, he could use the resort free of charge and would be paid non-use fees/interest  
27 payments on a quarterly basis. In addition, he was guaranteed his investment was low risk because  
28

1 the resort was booked for 80% for the next several years by travel agencies. He was similarly  
2 advised that the investment into Maxim's properties were secure because of Maxim's involvement  
3 and, similarly, substantially relied upon Maxim's involvement in his decision to invest.

4           220.       Consequently, Plaintiff Aaron Crotty purchased this interest on or about July 31,  
5 2007 for the amount of \$36,618.75.

6           221.       These representations turned out to be false, and Plaintiff Aaron Crotty did not  
7 receive all of his quarterly interest payments, never saw any earnings from rentals, failed to see his  
8 purchase appreciate in value, and the resort never even opened (thus didn't realize 80% occupancy  
9 as promised). Also, had he known that Maxim (i.e. Dennis Publishing, Inc.) would back out of the  
10 partnership, he would not have invested.

11           222.       At all relevant times herein, Plaintiff Elizabeth Cudmore was and is a resident of  
12 the State of California. She was approached in the Spring of 2006 to purchase Passport Residence  
13 and Grand Suite interests at Maxim Juan Dolio.

14           223.       Plaintiff was approached with this business opportunity while in the State of  
15 California, and executed all agreements, performed her obligations and sustained damages in the  
16 State of California.

17           224.       Among other misrepresentations, Plaintiff Elizabeth Cudmore was promised that  
18 she would receive fee simple deeded title, that the investment was low risk and guaranteed, that the  
19 resort was owned free and clear, and that she would receive 5% interest from the date of her  
20 purchase.

21           225.       Consequently, Plaintiff Elizabeth Cudmore purchased Passport Residence Juan  
22 Dolio (Condo King) for \$32,250.00 and Two Bedroom Grand Suite at Juan Dolio for \$45,000, both  
23 on March 3, 2006.

1           226.       These representations turned out to be false, and Plaintiff never received deeded  
2 title, the resort was not owned free and clear and never opened, nor did she receive any interest  
3 from her purchase.

4           227.       At all relevant times herein, Plaintiff Jerry DeClue was and is a resident of the  
5 State of California, and is 65 years of age or older. He was approached in the Spring of 2006 to  
6 invest into the Juan Dolio resort.

7           228.       Plaintiff was approached with this business opportunity while in the State of  
8 California, and executed all agreements, performed his obligations and sustained damages in the  
9 State of California.

10          229.       Among other misrepresentations, Plaintiff Jerry DeClue was promised  
11 guaranteed interest payments at 10%, to be paid quarterly for five years. After five years, he was  
12 promised the opportunity to renegotiate with new terms or his money back. In addition, Plaintiff  
13 Jerry DeClue was promised that this investment was low risk, the money would be used to  
14 construct the resort, that he could "flip" his investment within months for profit, and the resort was  
15 owned free and clear.

16          230.       Consequently, Plaintiff Jerry DeClue purchased a penthouse unit on or about  
17 March 3, 2006 for \$30,000.00 and two other units for a total of \$202,500.00 on or about October  
18 19, 2006. Later, in January of 2008, Plaintiff Jerry DeClue was convinced to convert his interests  
19 to fractional shares of the Maxim Bungalows Juan Dolio because of Maxim's involvement and,  
20 similarly, substantially relied upon Maxim's involvement in his decision to convert said interests.

21          231.       Despite these representations, Plaintiff Jerry DeClue did not receive all of his  
22 quarterly interest payments, was not provided the opportunity to flip his investment and the money  
23 was not used for construction of the resort. In addition, he never received fee simple interest upon  
24

1 his conversion, nor was he provided a refund. Also, had he known that Maxim (i.e. Dennis  
2 Publishing, Inc.) would back out of the partnership, he would not have converted his interests.

3           232.       At all relevant times herein, Plaintiff Gabriel Diaz was and is a resident of the  
4 State of California. He was approached on numerous occasions stemming from January 2005 to  
5 April 2007 to purchase Residence timeshare at Sun Village Cofresi Beach and Passport Superior  
6 fractional shares at MaximJuan Dolio.

7  
8           233.       Plaintiff Gabriel Diaz was approached with this business opportunity while in the  
9 State of California, and executed the agreements, performed his obligations and sustained damages  
10 in the State of California.

11  
12           234.       Among other misrepresentations, Plaintiff Gabriel Diaz was promised a non-use  
13 fee to be paid quarterly for his timeshare investment, and was promised fee simple deeded title for  
14 the purchase of the fractional shares. In addition, he was guaranteed that the investments were low  
15 risk, safe and he would receive a very high return on the investments. He was similarly advised  
16 that the investment into Maxim's properties were secure because of Maxim's involvement and,  
17 similarly, substantially relied upon Maxim's involvement in his decision to invest into the Maxim  
18 product.

19  
20           235.       Consequently, Plaintiff Gabriel Diaz purchased the following product for the  
21 following amounts on the following dates: (1) The Residence at Maxim Bungalows Cofresi for  
22 \$20,000 on or about April, 2005; (2) Passport Superior Condo at Maxim Juan Dolio for \$75,500 on  
23 or about November, 2006; (3) Passport Superior Condo at Maxim Juan Dolio for \$126,564 on or  
24 about June, 2007.

25  
26           236.       These representations turned out to be false, and Plaintiff Diaz never received  
27 deeded title, all of his quarterly interest payments, and the investments proved not to be safe or  
28

1 secure. Also, had he known that Maxim (i.e. Dennis Publishing, Inc.) would back out of the  
2 partnership, he would not have invested.

3           237.       At all relevant times herein, Plaintiff Geoffrey Dugmore was and is a resident of  
4 the State of California. He was approached in the Fall of 2006 to purchase interests at the Maxim  
5 Juan Dolio, and later in June 2007 to purchase interests at Maxim Bungalows Cofresi.

6  
7           238.       Plaintiff was approached with this business opportunity while in the State of  
8 California, and executed all agreements, performed his obligations and sustained damages in the  
9 State of California.

10           239.       Among other misrepresentations, Plaintiff Dugmore was promised that he would  
11 receive fee simple deeded title, that the investment was low risk and guaranteed, and that the resorts  
12 were owned free and clear so that there was no risk of default to third parties. He was similarly  
13 advised that the investment into Maxim's properties were secure because of Maxim's involvement  
14 and, similarly, substantially relied upon Maxim's involvement in his decision to invest into the  
15 Maxim Bungalows Cofresi.

16  
17           240.       Consequently, Plaintiff Dugmore purchased fractional ownership interests at  
18 Maxim Juan Dolio for \$21,094 on or about December 29, 2006, and Founders Phase at the Maxim  
19 Bungalows Cofresi for \$28,880 on or about June 8, 2007.

20  
21           241.       These representations turned out to be false, and Plaintiff Dugmore never  
22 received deeded title, the resorts were not owned free and clear and in the case of Maxim Juan  
23 Dolio, never opened. Also, had he known that Maxim (i.e. Dennis Publishing, Inc.) would back out  
24 of the partnership, he would not have invested into the Maxim Bungalows Cofresi.  
25  
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1           242.       At all relevant times herein, Plaintiff Maria Juana Escobedo was and is a resident  
2 of the State of California. She was approached in the Winter of 2008 to purchase units at the  
3 Maxim Bungalows Cofresi.

4           243.       Plaintiff Escobedo was approached with this business opportunity while in the  
5 State of California, and executed certain agreements, performed her obligations and sustained  
6 damages in the State of California.

7           244.       Among other representations, Plaintiff Escobedo was promised high return on  
8 her investment, significant income from rentals, that it was a great investment for her retirement  
9 and fee simple ownership interests. In addition, she was advised that the investment was secure  
10 because of Maxim's involvement and, as a result, substantially relied upon Maxim's involvement in  
11 her decision to invest.

12           245.       Consequently, Plaintiff Escobedo purchased an interest at the Maxim Bungalow  
13 King unit at the Maxim Bungalows Cofresi resort in the amount of \$43,245.00 on or about  
14 February 29, 2008.

15           246.       These representations turned out to be false, and Plaintiff Escobedo never  
16 received fee simple ownership interests, any rental income or any return on her investment. In  
17 addition, had Plaintiff Escobedo known that Maxim (i.e. Dennis Publishing) would back out of the  
18 partnership arrangement with the Defendants, she would have never made the investment.

19           247.       At all relevant times herein, Plaintiffs Omar Esparza and his wife Rita Raygoza  
20 were and are residents of the State of California. Plaintiff Omar was approached in the Fall of 2005  
21 and both of them were approached later in the Summer of 2007 to invest into the Maxim Juan Dolio  
22 resort.

1           248.       Plaintiffs Esparza were approached with this business opportunity while in the  
2 State of California, and executed all agreements, performed their obligations and sustained damages  
3 in the State of California.

4           249.       Among other misrepresentations, Plaintiffs Esparza were promised high returns  
5 on their investment, fee simple ownership interest, that the resort was owned free and clear, there  
6 was a secure revenue stream supporting the hotel and that they would receive rental income. They  
7 were similarly advised that the investment into Maxim's properties were secure because of Maxim's  
8 involvement and, similarly, substantially relied upon Maxim's involvement in their decision to  
9 invest.  
10

11           250.       Consequently, Plaintiff Omar Esparza purchased fractional interests at Juan  
12 Dolio in the amount of \$75,000 on or about October 31, 2005, and then both Plaintiffs Omar  
13 Esparza and Rita Raygoza purchased fractional interests at the Maxim Bungalows Juan Dolio in the  
14 amount of \$62,870 on or about June 14, 2007.  
15

16           251.       These representations turned out to be false, and Plaintiffs Esparza never  
17 received fee simple ownership interests, any rental income or any return on her investment. In  
18 addition, had Plaintiffs Esparza known that Maxim (i.e. Dennis Publishing) would back out of the  
19 partnership arrangement with the other Defendants, they would have never made the latter  
20 investment.  
21

22           252.       At all relevant times herein, Plaintiff Judith Ferguson-Johnson was and is a  
23 resident of the State of California. She was approached in the Spring of 2008 to purchase  
24 residential interests at Maxim Bungalows Cofresi.  
25  
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1           253.       Plaintiff Johnson was approached with this business opportunity while in the  
2 State of California, and executed all agreements, performed her obligations and sustained damages  
3 in the State of California.

4           254.       Among other misrepresentations, Plaintiff Johnson was guaranteed to receive  
5 non-use fees/interest payments of \$4,500 quarterly for five years, and after such time, she could get  
6 her entire investment back or choose to reinvest. In addition, she was promised the money would  
7 be used to construct the resort and that these were safe, low risk investments. She was assured that  
8 Maxim's involvement secured her investment and guaranteed appreciation of the resort units and, as  
9 a result, substantially relied thereon in deciding to invest.  
10

11           255.       Consequently, Plaintiff Johnson purchased an interest at the Sun Village Resort,  
12 Cofresi Beach in the amount of \$200,000 on or about March 28, 2005.  
13

14           256.       These representations turned out to be false, and Plaintiff Johnson did not receive  
15 all of her non-use fees/interest payments, nor was she offered the opportunity to get her money  
16 back. In addition, she never received fee simple interest in the fractional interests. Also, had  
17 Plaintiff Johnson known that Maxim (i.e. Dennis Publishing) would back out of its partnership  
18 arrangements with Defendants, she would have never have purchased her interests.  
19

20           257.       At all relevant times herein, Plaintiff Judy Fillmore was and is a resident of Utah.  
21 She was approached and convinced to invest into the Juan Dolio resort in the Fall of 2007.  
22

23           258.       She was approached and induced to invest by agents/representatives of  
24 Defendants who were marketing, promoting and selling the very same product in the State of  
25 California, as well as inducing California residents to purchase/invest.

26           259.       Among other misrepresentations, Plaintiff Fillmore was told that the investment  
27 would be a good source of retirement, were safe and secure, and that she would receive 10%  
28



1 interests on her investment to be paid quarterly, which would eventually go up to 12-14%. She  
2 was similarly advised that the investment into Maxim's properties were secure because of Maxim's  
3 involvement and, similarly, substantially relied upon Maxim's involvement in their decision to  
4 invest.

5  
6 260. Consequently, Plaintiff Fillmore invested the amount of \$63,281.28 for  
7 residential interests in the Maxim Juan Dolio resort in the Fall of 2007.

8 261. These representations turned out to be false, and Plaintiff Fillmore did not  
9 receive all of her due and owing quarterly interest payments, nor did her interest rate ever increase  
10 as promised, and in fact lost this investment entirely. Also, had Plaintiff Fillmore known that  
11 Maxim (i.e. Dennis Publishing) would back out of its partnership arrangements with Defendants,  
12 she would have never converted her initial interests.  
13

14 262. At all relevant times herein, Plaintiff Alice Fitzwater was and is a resident of the  
15 State of California. She was approached in the Spring of 2004 to purchase interests at both the  
16 Maxim Bungalow Cofresi and Maxim Juan Dolio.  
17

18 263. Plaintiff Fitzwater was approached with the business opportunity while in the  
19 State of California, and entered into all agreements, performed her obligations and sustained  
20 damages in the State of California.  
21

22 264. Among other misrepresentations, Plaintiff Fitzwater was promised quarterly  
23 interest payments in the form of non-use fees on her residential product, and deeded title ownership  
24 for her fractional interests. In addition, she was guaranteed that the investments were safe, liquid  
25 and she would make money. She was also assured that the money would be used to construct the  
26 resorts and that there was significant collateral backing up the investments/purchases.  
27  
28

1           265.       Consequently, Plaintiff Fitzwater purchased residential interests in Cofresi for  
2 \$15,000 on or about March 12, 2004, additional interests in Cofresi for \$10,000 on or about March  
3 12, 2004, and then fractional interests in Juan Dolio for \$11,750 on or about October 20, 2005.

4           266.       These representations turned out to be false as Plaintiff Fitzwater was never  
5 provided deed title or fee ownership interests, did not receive all of her guaranteed non-use fee or  
6 interest payments from the timeshare purchase and the investment monies were neither used to  
7 construct the hotels or were backed by significant collateral.

8           267.       At all relevant times herein, Plaintiffs Rick Francom and Karen Francom were  
9 and are residents of the State of Utah. They were approached in the Summer of 2007 to purchase  
10 both fractional and residential timeshare interests in the Maxim Juan Dolio.

11           268.       They were approached and induced to invest by agents/representatives of  
12 Defendants who were marketing, promoting and selling the very same product in the State of  
13 California, as well as inducing California residents to purchase/invest.

14           269.       Among other misrepresentations, Plaintiffs Francom were promised to receive  
15 10% annual interest for five years, to be paid quarterly, and that they could sell the property after  
16 five years for the full purchase amount. Moreover, they were promised the money would be used to  
17 construct the hotel and that they would receive ownership interests on the fractional shares. They  
18 were similarly advised that the investment into Maxim's properties were secure because of Maxim's  
19 involvement and, similarly, substantially relied upon Maxim's involvement in their decision to  
20 invest.

21           270.       Consequently, Plaintiffs Francom jointly purchased 4 Passport Residence House  
22 units for \$50, 625 on or about May 25, 2007, and Plaintiff Rick Francom purchased 1 Maxim  
23 Bungalow King for \$28,831 on or about June of 2007.

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1           271.       These representations turned out to be false, and Plaintiffs Francom failed to  
2 receive all of their guaranteed quarterly payments, nor did they receive fee simple deeded title as  
3 promised. In addition, had they known that Maxim would back out of their partnership  
4 arrangement with Defendants, they would not have purchased the Bungalow shares.  
5

6           272.       At all relevant times herein, Plaintiff Adan Galvan was and is a resident of the  
7 State of California. He was approached on numerous occasions from Spring of 2005 to Spring of  
8 2007 to invest into both the Maxim Juan Dolio and Maxim Bungalows Cofresi Beach resorts.  
9

10          273.       Plaintiff Galvan was approached with this business opportunity while in the  
11 State of California, and entered into all agreements, performed his obligations and sustained  
12 damages in the State of California.

13          274.       Among other misrepresentations, Plaintiff Galvan was promised quarterly  
14 interest payments on all of his residential product purchases, that the Elliotts had a secure revenue  
15 stream supporting all costs, that he would receive rental income, the money would be used to  
16 construct the hotels and he would receive fee simple title on the fractional shares.  
17

18          275.       Consequently, Plaintiff Galvan purchased the following product in the following  
19 amounts on the following days: (1) Maxim Bungalows Cofresi for \$50,000 on or about April 27,  
20 2005; (2) Maxim Bungalows Cofresi for \$50,000 on or about July 28, 2005; (3) Maxim Bungalows  
21 Cofresi for \$35,000 on or about October 6, 2005; (4) Maxim Juan Dolio fractional interests for  
22 \$162,500 on or about September 22, 2005; and (5) Maxim Juan Dolio residence for \$33,750 on or  
23 about May 21, 2007.  
24

25          276.       These representations proved to be false, and Plaintiff Galvan failed to receive  
26 rental income, all of his quarterly interests payments, fee simple title or any of the other promises  
27 made.  
28

1           277.       At all relevant times herein, Plaintiffs Lamberto Garcia and his wife Maly Garcia  
2 were and are residents of the State of California. They were approached on numerous occasions  
3 from the Spring of 2005 to the Winter of 2008 to purchase interests in both the Maxim Juan Dolio  
4 and Maxim Bungalows Cofresi Beach resorts.

5  
6           278.       Plaintiffs Garcia were approached with this business opportunity while in the  
7 State of California, and executed many of the agreements, performed their obligations and sustained  
8 damages in the State of California.

9           279.       Among other misrepresentations, Plaintiffs Garcia were promised to receive non-  
10 use fees on a quarterly basis for five years with respect to the residential interests, fee simple title to  
11 the fractional interests, that their investments would double by purchasing these property interests  
12 and reselling them at higher amounts, and that these units were liquid and could be resold on the  
13 open market. In addition, they were advised that the investment was secure because of Maxim's  
14 involvement and substantially relied upon Maxim's involvement in their decision to invest into the  
15 Maxim Bungalows units.  
16

17  
18           280.       Consequently, Plaintiff Lamberto Garcia purchased interests in Maxim  
19 Bungalows King/Cofresi for \$57,660 on or about June 9, 2007, and Passport Superior Condo/Juan  
20 Dolio in the amount of \$28,125 on or about February 28, 2008. Plaintiff Maly Garcia purchased  
21 the Maxim Bungalows Residence product at Juan Dolio for \$10,000 on or about February 28, 2008  
22 and interests at Sun Village Residence at Cofresi Beach for \$15,000 on or about May 19, 2005.  
23 Finally, both Plaintiffs Garcia purchased interests of the Sun Village Residence product for \$10,000  
24 on or about July 29, 2005.  
25

26           281.       These representations turned out to be false. Plaintiffs Garcia never received fee  
27 simple ownership interests, failed to receive all of their guaranteed quarterly non-use payments, did  
28

1 not "double" their investments or offered the opportunity to re-sell their investments. In addition,  
2 had Plaintiffs Garcia known that Maxim (i.e. Dennis Publishing, Inc.) would back out of the  
3 partnership arrangement with the other Defendants, they would have never made the investment  
4 with respect to the Maxim Bungalows interests.  
5

6 282. At all relevant times herein, Plaintiffs Jamie Gervais and his wife Yves Gervais  
7 were and are residents of the State of California. Plaintiff Yves Gervais is 65 years of age or older.  
8 They were approached in the Summer of 2006 to invest into the Maxim Juan Dolio resort.

9 283. Plaintiffs Gervais were approached with this business opportunity while in the  
10 State of California, and executed all agreements, performed their obligations and sustained damages  
11 in the State of California.  
12

13 284. Among other misrepresentations, Plaintiffs Gervais were guaranteed that these  
14 were safe, low risk investments, the money would be used to construct the resorts, they would  
15 receive fee simple ownership interest on the fractional shares, the resorts were 100% booked and  
16 would open in 2007, and there was a guaranteed dividend that was paid quarterly.  
17

18 285. Consequently, Plaintiffs Gervais jointly purchased 8 fractions of Juan Dolio  
19 Passport Residence for \$211,500 and 9 fractions in the Sun Village Juan Dolio for \$118,968 on or  
20 about September 2, 2006.  
21

22 286. These representations turned out to be false, and Plaintiffs Gervais never  
23 received fee simple ownership interests, failed to receive all of their dividend payments. In  
24 addition, not only was the Juan Dolio resort not booked 100%, but it failed to ever open as  
25 promised.  
26  
27  
28

1           287.       At all relevant times herein, Plaintiff Argelio Giron was and is a resident of the  
2 State of California. He was approached in the Fall of 2006 to purchase interests in the Maxim Juan  
3 Dolio resort.

4           288.       Plaintiff Giron was approached with this business opportunity while in the State  
5 of California, and executed all agreements, performed his obligations and sustained damages in the  
6 State of California.

7           289.       Among other misrepresentations, Plaintiff Giron was promised that his  
8 investments would be safe, was going to earn cash flow from the rentals on the units and that the  
9 interests were going to appreciate. In addition, Plaintiff Giron was promised that fee simple deeded  
10 title to the fractional interests.

11           290.       Consequently, Plaintiff Giron purchased fractional interests at Maxim Juan Dolio  
12 in the amount of \$69,609.49 on or about November 28, 2006.

13           291.       Plaintiffs Giron never received fee simple ownership interests, any rental income  
14 or any appreciation on his investment.

15           292.       At all relevant times herein, Plaintiffs Pedro and Luisa Gomez were and are  
16 residents of the State of California. They were approached on numerous occasions from the Fall of  
17 2005 to the Summer of 2007 to invest into both the Maxim Bungalows at Cofresi Beach and Maxim  
18 Juan Dolio.

19           293.       Plaintiffs Gomez were approached with this business opportunity while in the  
20 State of California, and executed certain agreements, performed their obligations and sustained  
21 damages in the State of California.

22           294.       Among other misrepresentations, Plaintiffs Gomez were promised that these  
23 were guaranteed and low risk investments, they would receive fee simple title for the fractional  
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1 investments, they would receive quarterly interest payments for the residential interests, after five  
2 years they could sell back their interests for profit, and that their investments would appreciate in  
3 value. In addition, Plaintiffs Gomez were advised that the investment was secure because of  
4 Maxim's involvement and, as a result, substantially relied upon Maxim's involvement in their  
5 decision to purchase the Maxim product.  
6

7           295.       Consequently, Plaintiff Pedro Gomez purchased interests in the Maxim  
8 Bungalows Cofresi Beach for \$144,150 and in Maxim Juan Dolio for \$13,350, while both Plaintiffs  
9 Gomez jointly purchased interests in Maxim Bungalows Cofresi Beach and Maxim Juan Dolio for a  
10 total of \$212,625, all such purchases made during various dated from November 6, 2005 to June 15,  
11 2007.  
12

13           296.       These representations turned out to be false, and Plaintiffs Gomez failed to  
14 receive all of the quarterly interest payments, fee simple title, the ability to re-sell interests at a  
15 profit, or that promised security with these investments. In addition, had Plaintiffs Gomez known  
16 that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement with the other  
17 Defendants, they would have not have purchased the Maxim product.  
18

19           297.       At all relevant times herein, Plaintiffs Moises Gonzalez and his wife Maria  
20 Gonzalez were and are residents of the State of California. They were approached in May of 2007  
21 to purchase residential interests in the Maxim Juan Dolio.  
22

23           298.       Plaintiffs Gonzalez were approached with this business opportunity while in the  
24 State of California, and executed all agreements, performed their obligations and sustained damages  
25 in the State of California.  
26  
27  
28

1           299.       Among other misrepresentations, Plaintiffs Gonzalez were promised that these  
2 were guaranteed or low risk investments, that they would receive quarterly non-use fees, and that  
3 the Elliott Defendants had a secure revenue stream to support all costs.

4           300.       Consequently, Plaintiffs Gonzalez purchased residential interests at Juan Dolio in  
5 the amount of \$10,587.88 on or about May 10, 2007.

6           301.       These representations turned out to be false, and Plaintiffs Gonzalez failed to  
7 receive all of their due and owing quarterly non-use fees, lost their investment and realized the  
8 Elliotts did not have a secure revenue stream supporting the costs.

9           302.       At all relevant times herein, Plaintiffs Carlos Gonzalez and Esmerelda Diaz were  
10 and are residents of the State of California. They were approached in the Fall of 2006 to invest into  
11 the Maxim Juan Dolio.

12           303.       Plaintiffs Gonzalez-Diaz were approached with this business opportunity while  
13 in the State of California, and executed all agreements, performed their obligations and sustained  
14 damages in the State of California.

15           304.       Among other misrepresentations, Plaintiffs Gonzalez-Diaz were promised that  
16 these were guaranteed and low risk investments, they would receive income from the rentals, the  
17 properties would appreciate, they would receive quarterly non-use payments and they would  
18 receive fee simple title for the fractional investments.

19           305.       Consequently, Plaintiffs Gonzalez-Diaz jointly purchased fractional interests in  
20 Juan Dolio for \$81,000 on or about February 2, 2007 and residential interests in Juan Dolio for  
21 \$28,125 on or about October 27, 2006.



1           306.       These representations turned out to be false, and Plaintiffs Gonzalez-Diaz failed  
2 to receive rental income or appreciation in their properties, all of their non-use payments or fee  
3 simple title.

4           307.       At all relevant times herein, Plaintiff Miles Grant was and is a resident of the  
5 State of California. He was approached in the Spring of 2007 to purchase interests in Juan Dolio.  
6

7           308.       Plaintiff Grant was approached with this business opportunity while in the State  
8 of California, and executed all agreements, performed his obligations and sustained damages in the  
9 State of California.

10           309.       Among other misrepresentations, Plaintiff Grant was guaranteed to receive non-  
11 use fees/interest payments in the amount of 10% of his investment, to be paid quarterly for five  
12 years, and after such time, he could get his entire investment back or choose to reinvest. In  
13 addition, he was promised the money would be used to construct the resort and that these were safe,  
14 low risk investments.  
15

16           310.       Consequently, Plaintiff Grant purchased interests in Passport Residence at  
17 Maxim Juan Dolio for the amount of \$21,093.76 on or about March 21, 2007.  
18

19           311.       These representations turned out to be false, and Plaintiff Grant did not receive  
20 all of his non-use fees/interest payments, nor was he offered the opportunity to get her money back.  
21 In addition, none of the other representations made to him proved truthful.  
22

23           312.       At all relevant times herein, Plaintiff Mary Grijalva was and is a resident of the  
24 State of California. She was approached in the January of 2008 to invest into the Maxim Juan  
25 Dolio resort.

26           313.       Plaintiff Grijalva was approached with this business opportunity while in the  
27 State of California, and performed her obligations and sustained damages in the State of California.  
28

1           314.       Among other misrepresentations, Plaintiff Grijalva was promised 12% per annum  
2 return on her investment to be paid quarterly, that these were guaranteed and low risk investments  
3 and that she could cash out after 5 years with guarantee return of her money. In addition, she was  
4 advised that the investment was secure because of Maxim's involvement and, consequently,  
5 substantially relied upon Maxim's involvement in making her decision to invest.  
6

7           315.       Consequently, Plaintiff Grijalva purchased a residential interest at Juan Dolio in  
8 the amount of \$22,000 on or about March 27, 2008.

9           316.       These representations turned out to be false, and Plaintiffs Grijalva failed to  
10 receive quarterly payments nor the opportunity to cash out after 5 years. In addition, had Plaintiff  
11 Grijalva known that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement  
12 with the other Defendants, she would have never made the investment.  
13

14           317.       At all relevant times herein, Plaintiff Manuela Gutierrez and her husband Adan  
15 Gutierrez were and are residents of the State of California. They were approached in the Spring  
16 and Summer of 2007 to invest into both the Maxim Bungalows Cofresi and Maxim Juan Dolio  
17 resorts.  
18

19           318.       Plaintiffs Gutierrez were approached with this business opportunity while in the  
20 State of California, and executed all contracts, performed their obligations and sustained damages  
21 in the State of California.  
22

23           319.       Among other misrepresentations, Plaintiffs Gutierrez were guaranteed that these  
24 investments were safe and low risk, that they would "duplicate," the resorts were owned free and  
25 clear and their investment amounts would be recouped through rental income. In addition,  
26 Plaintiffs Gutierrez were told that Maxim's involvement would secure their investment and ensure  
27 appreciation of the properties and, as a result, substantially relied upon such in choosing to invest.  
28

1           320.       Consequently, Plaintiff Manuela Gutierrez purchased interests in Maxim  
2 Bungalows Cofresi in the amount of \$97,650 on or about March 9, 2007, and both Plaintiffs  
3 Gutierrez jointly purchased the following: (1) interests in the Maxim Juan Dolio in the amount of  
4 \$70,312.50 and interests in Maxim Bungalows Cofresi in the amount of \$48,825, both on June 16,  
5 2007.  
6

7           321.       These representations turned out to be false. In addition, had Plaintiffs Gutierrez  
8 known that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement with the  
9 other Defendants, they would have never made the investments into the Maxim product.  
10

11           322.       At all relevant times herein, Plaintiffs Gary and Diana Gyurkovitz were and are  
12 residents of the State of Kentucky. They were approached in the Spring of 2005 to purchase  
13 interests in the Maxim Bungalows Cofresi Beach resort.

14           323.       Plaintiffs Gyurkovitz were approached and induced to invest by agents/  
15 representatives of Defendants who were marketing, promoting and selling the very same product in  
16 the State of California, as well as inducing California residents to purchase/invest.  
17

18           324.       Among other misrepresentations, they were both promised to receive 8% interest  
19 on their investments, to be paid quarterly, for five years, and then such rate would increase. They  
20 were promised that they would get their money back in five years, that the investments were totally  
21 safe and were backed by \$40 million in collateral/assets/cash.  
22

23           325.       Consequently, Plaintiffs Gyurkovitz jointly purchased interests in the Cofresi  
24 resort in the total amount of \$105,250.60, broken down into payments made on April 29, 2005 and  
25 March 22, 2005.  
26  
27  
28

1           326.       These representations turned out to be false. Plaintiffs Gyurkovitz failed to  
2 receive all of their quarterly interest payments, did not get their investment back after five years and  
3 the resorts were not secured by \$40 million.

4           327.       At all relevant times herein, Plaintiff Lawrence Henry was and is a resident of the  
5 State of New Hampshire. He was approached in January of 2008 to invest into both the Maxim  
6 Bungalows Juan Dolio and Maxim Bungalows Cofresi resorts.

7           328.       Plaintiff Henry was approached and induced to invest by agents/representatives  
8 of Defendants who were marketing, promoting and selling the very same product in the State of  
9 California, as well as inducing California residents to purchase/invest.

10           329.       Among other misrepresentations, Plaintiff Henry was promised that these were  
11 safe and secure investments, that he would receive 10% interest on his investment to be paid  
12 quarterly for 5 years with the option to re-sell and recoup his principal, and he would receive fee  
13 simple title. In addition, he was promised that Maxim's partnership with Defendants would secure  
14 his investment and guarantee appreciation, and hence, he substantially relied upon this in choosing  
15 to invest.

16           330.       Consequently, Plaintiff Henry purchased fractional interests in Maxim Juan  
17 Dolio for \$50,626 on or about January 26, 2008, and is the beneficiary of his deceased sister's  
18 purchase, Cynthia Henry, in Maxim Bungalows Cofresi for \$12,500 on or about January 26, 2008.

19           331.       These representations proved to be false and he never received quarterly interest  
20 payments, fee simple title or recoupment of his principal. Moreover, had Plaintiff Henry been  
21 aware that Maxim (i.e. Dennis Publishing, Inc.) would have backed out of the partnership  
22 arrangement with Defendants, he would not have invested.

1           332.       At all relevant times herein, Plaintiff Graciela Herrera was and is a resident of the  
2 State of California, and is 65 years of age or older. She was approached in the Spring of 2005,  
3 Winter of 2007 and again in the Fall of 2007 to invest into both the Maxim Bungalows Cofresi  
4 Beach and Maxim Juan Dolio resort.

5  
6           333.       Plaintiff Herrera was approached with this business opportunity while in the  
7 State of California, and executed all contracts, performed her obligations and sustained damages in  
8 the State of California.

9           334.       Among other misrepresentations, Plaintiff Herrera was promised non-use fee  
10 payments on her investment to be paid quarterly, that these were guaranteed and low risk  
11 investments, that she could cash out after 5 years with guarantee return of her money and would  
12 receive rental income. In addition, she was advised that the investment was secure because of  
13 Maxim's involvement and, as a result, substantially relied upon Maxim's involvement in her  
14 decision to invest into the Maxim Bungalows Juan Dolio.  
15

16           335.       Consequently, Plaintiff Herrera purchased the following product for the  
17 following amounts on the following dates: (1) Maxim Juan Dolio timeshare interest for \$30,000 on  
18 or about April 28, 2005; (2) Maxim Juan Dolio residential interest for \$146,250 on or about  
19 February 26, 2007; and (3) Maxim Juan Dolio for \$240,000 on or about October 16, 2007.  
20

21           336.       These representations turned out to be false, and Plaintiff Herrera failed to  
22 receive all her quarterly payments or the opportunity to cash out after 5 years. In addition, had  
23 Plaintiff Herrera known that Maxim (i.e. Dennis Publishing) would back out of the partnership  
24 arrangement with the other Defendants, she would have never have invested into the Maxim  
25 products.  
26  
27  
28

1           337.       At all relevant times herein, Plaintiff David Howard is and was a resident of  
2 Ontario, Canada. He was approached in July 2008 to invest into the Maxim Bungalows Cofresi.

3           338.       He was approached and induced to invest by agents/representatives of  
4 Defendants who were marketing, promoting and selling the very same product in the State of  
5 California, as well as inducing California residents to purchase/invest.  
6

7           339.       Among other representations, he was guaranteed interest payments for 10% per  
8 annum, to be paid quarterly, and at the end of the five year term he would have the option to recoup  
9 his full investment or reinvest. In addition, he was advised that the investment was secure because  
10 of Maxim's involvement and, as a result, substantially relied upon Maxim's involvement in his  
11 decision to invest into the Maxim Bungalows Juan Dolio.  
12

13           340.       Consequently, Plaintiff Howard purchased an interest in Maxim Bungalows  
14 Cofresi in the amount of \$50,400 on or about July, 2008.

15           341.       These representations proved to be false, Plaintiff Howard did not receive all due  
16 and owing quarterly payments nor the opportunity to reinvest or recoup his investment. In addition,  
17 had Plaintiff Howard known that Maxim (i.e. Dennis Publishing, Inc.) would have backed out of its  
18 partnership arrangement with Defendants, he would not have so invested.  
19

20           342.       At all relevant times herein, Plaintiffs Antonio and Carolina Ibarra were and are  
21 residents of the State of California, and Plaintiff Carolina Ibarra is 65 years of age or older. They  
22 were approached in the Spring of 2008 to invest into the Maxim Bungalows Cofresi.  
23

24           343.       Plaintiffs Ibarra were approached with this business opportunity while in the  
25 State of California, and performed their obligations and sustained damages in the State of  
26 California.  
27  
28

1           344.       Among other misrepresentations, Plaintiffs Ibarra were promised non-use fee  
2 payments in the amount of 10% per annum to be paid quarterly, that these were guaranteed and low  
3 risk investments, that she could cash out after 5 years with guarantee return of her money and  
4 would receive rental income. In addition, Plaintiffs Ibarra were advised that the investment was  
5 secure because of Maxim's involvement and substantially relied upon Maxim's involvement in her  
6 decision to invest into the Maxim Bungalows Juan Dolio..  
7

8           345.       Consequently, Plaintiffs Ibarra jointly purchased residential interest in the  
9 Maxim Bungalows Cofresi for \$50,400 on or about May 24, 2008.  
10

11           346.       These representations turned out to be false, and Plaintiffs Ibarra failed to receive  
12 all their quarterly payments nor the opportunity to cash out after 5 years. In addition, had Plaintiffs  
13 Ibarra known that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement  
14 with the other Defendants, they would have never made the investment.  
15

16           347.       At all relevant times herein, Plaintiffs Ignacio and Elia Jacinto were and are  
17 residents of the State of California. They were approached in the Fall of 2007 to invest into both  
18 Maxim Bungalows at Cofresi Beach and Juan Dolio.  
19

20           348.       Plaintiffs Jacinto were approached with this business opportunity while in the  
21 State of California, and executed certain agreements, performed their obligations and sustained  
22 damages in the State of California.  
23

24           349.       Among other misrepresentations, Plaintiffs Jacinto were promised that these were  
25 guaranteed and low risk investments, they would receive cash flow income from the rentals and that  
26 their investments would appreciate in value. In addition, Plaintiffs Jacinto were advised that the  
27 investment was secure because of Maxim's involvement and substantially relied upon Maxim's  
28 involvement in their decision to invest.

1           350.       Consequently, Plaintiff Ignacio Jacinto purchased a Passport product at Maxim  
2 Juan Dolio for \$28,125 on or about September 29, 2007, and both Plaintiffs Jacinto jointly  
3 purchased interests in the Maxim Bungalows Cofresi for \$140,895 on or about February 28, 2008.

4           351.       These representations turned out to be false, and Plaintiffs Jacinto failed to  
5 receive rental income or appreciation on their investment. In addition, had Plaintiffs Jacinto known  
6 that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement with the other  
7 Defendants, they would have never chosen to invest.

8           352.       At all relevant times herein, Plaintiffs In Young Jeong and his wife Won Sun  
9 Jeong were and are residents of the State of Illinois. Plaintiff In Young Jeong is 65 years of age or  
10 older. They were approached on numerous occasions from the Spring of 2005 to the Summer of  
11 2008 to invest into both the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts.

12           353.       Plaintiffs Jeong were approached and induced to invest by agents/representatives  
13 of Defendants who were marketing, promoting and selling the very same product in the State of  
14 California, as well as inducing California residents to purchase/invest.

15           354.       Among other misrepresentations, Plaintiffs Jeong were promised that these  
16 investments were safe, they would receive rental income and non-use fee payments, and the  
17 investments would appreciate. In addition, Plaintiffs Jeong were advised that the investment was  
18 secure because of Maxim's involvement and, as a result, substantially relied upon Maxim's  
19 involvement in their decision to convert to Maxim product.

20           355.       Consequently, Plaintiff In Young Jeong purchased interests in Residence Juan  
21 Dolio for \$15,600 in 2007, and interests in Residence Cofresi for \$240,000 in 2006. Later, in 2008,  
22 Plaintiff In Young Jeong converted \$153,450 of the Maxim Bungalows Cofresi investment into  
23

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28



1 fractional Passport product. Finally, Plaintiff Won Sun Jeong purchased interests in Residence  
2 Cofresi for \$100,000 in 2006.

3           356.       These representations turned out to be false, and Plaintiffs Jeong failed to receive  
4 all rental income, security for their investments or appreciated assets. In addition, had Plaintiffs  
5 Jeong known that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement  
6 with the other Defendants, they would have never chosen to make the latter investments and/or  
7 convert the product to fractional ownership.  
8

9           357.       At all relevant times herein, Plaintiff Peter Jeong was and is a resident of the  
10 State of California. He was approached continuously from October 2004 to the Summer of 2008 to  
11 invest into both the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts.  
12

13           358.       Plaintiff Peter Jeong was approached with this business opportunity while in the  
14 State of California, and executed all contracts, performed his obligations and sustained damages in  
15 the State of California.  
16

17           359.       Among other misrepresentations, Plaintiff Peter Jeong was promised these  
18 products were safe, were a guaranteed source of income and asset appreciation, and were backed  
19 not only by the real estate but also protected by insurance in the event of any contingency. In  
20 addition, Plaintiff Peter Jeong was promised fee simple title to those fractional interests purchased,  
21 and similarly advised that the investment was secure because of Maxim's involvement and, thus  
22 substantially relied upon Maxim's involvement in his decision to make the investments into the  
23 Maxim products.  
24

25           360.       Consequently, Plaintiff Peter Jeong purchased the following product for the  
26 following amounts on the following dates: (1) interests in Maxim Bungalows King Cofresi for  
27 \$28,380 & Double for \$30,690 in 2007; (2) Maxim Bungalows Cofresi Studio Bungalow for  
28

1 \$32,550 and Grand King for \$61,380 in 2007; (3) 2 interests in Maxim Juan Dolio Superior Condo  
2 for \$30,469 each in 2007; and (4) Maxim Bungalows Cofresi Residence for \$26,550 in 2005.

3 361. These representations turned out to be false, and Plaintiff Peter Jeong failed to  
4 receive all income owed to him or appreciation of the assets. In addition, had Plaintiff Jeong  
5 known that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement with the  
6 other Defendants, he would have never made the investments into the Maxim products.  
7

8 362. At all relevant times herein, Plaintiffs Don Jones and his wife Kelly Lawson-  
9 Jones were and are residents of California. They were approached on numerous occasions to  
10 purchase interests at Maxim Juan Dolio, commencing in the Spring of 2006 and the second in  
11 February of 2008.  
12

13 363. They were approached with this business opportunity while in the State of  
14 California, and entered into certain agreements, performed their obligations and sustained damages  
15 in the State of California.  
16

17 364. Among other misrepresentations, they were each told that the investments were  
18 safe/low risk, they would receive a steady income stream that they could rely upon, they would  
19 receive fee simple title and the resort was owned free and clear. In addition, they were advised that  
20 the investment was secure because of Maxim's involvement, thus substantially relied upon Maxim's  
21 involvement in their decision to make the investments into the Maxim products.  
22

23 365. Consequently, Plaintiffs Jones jointly purchased residential interests in Maxim  
24 Juan Dolio for \$42,187.50 on or about May 12, 2006, and Don Jones, individually, purchased  
25 interests in Maxim Juan Dolio product for \$28,125 on or about February 2, 2008. Subsequently,  
26 Plaintiff Don Jones converted the Passport Superior product to fractional interests.  
27  
28

1           366.       These representations turned out to be false. Plaintiffs did not receive fee simple  
2 title, a steady income stream nor the security that the resort was owned free and clear (thus negating  
3 the potential for foreclosure, which occurred). In addition, had Plaintiffs Jones known that Maxim  
4 (i.e. Dennis Publishing) would back out of the partnership arrangement with the other Defendants,  
5 they would have never made the investments into the Maxim products.  
6

7           367.       At all relevant times herein, Plaintiff Evelyn Jones was and is a resident of the  
8 State of California. She was approached in the Fall of 2006 to invest into the Maxim Juan Dolio.

9           368.       Plaintiff Jones was approached with this business opportunity while in the State  
10 of California, and executed all contracts, performed her obligations and sustained damages in the  
11 State of California.  
12

13           369.       Among other misrepresentations, Plaintiff Jones was promised non-use fee  
14 payments in the amount of 12% interest per annum to be paid every quarter, and that these were  
15 guaranteed and low risk investments.  
16

17           370.       Consequently, Plaintiff Jones purchased a residential interest in the Maxim Juan  
18 Dolio for \$12,656.25 on or about November 11, 2006.

19           371.       These representations turned out to be false, and Plaintiff Jones failed to receive  
20 all her quarterly payments and lost her investment, despite the guaranteed low risk.  
21

22           372.       At all relevant times herein, Plaintiff Linda Keyes was and is a resident of the  
23 State of Utah. She was approached in the January of 2008 to invest into the Maxim Juan Dolio.

24           373.       Plaintiffs Keyes was approached and induced to invest by agents/representatives  
25 of Defendants who were marketing, promoting and selling the very same product in the State of  
26 California, as well as inducing California residents to purchase/invest.  
27  
28

1           374.       Among other misrepresentations, Plaintiff Keyes was guaranteed non-use fees in  
2 the amount of 12% to be paid quarterly, and at the end of five years, she would have the option of  
3 recouping her investment or re-investing. In addition, she was also assured that Maxim's  
4 involvement would secure her investment and, as a result, substantially relied upon Maxim's  
5 involvement in choosing to invest.  
6

7           375.       Consequently, Plaintiff Keyes purchased residential interests at Maxim Juan  
8 Dolio for the amount of \$10,000 on or about March 30th, 2008.

9           376.       These representations proved to be false, resulting in Plaintiff Keyes losing her  
10 investment and not receiving her guaranteed non-use fees. In addition, had she known that Maxim  
11 (i.e. Dennis Publishing, Inc.) would back out of its partnership arrangement with Defendants, she  
12 would not have so invested.  
13

14           377.       At all relevant times herein, Plaintiff May Shin Lai was and is a resident of the  
15 State of California. She was approached on numerous occasions from November of 2006 to  
16 January 2008 to invest to invest into both the Maxim Bungalows Cofresi and Maxim Juan Dolio  
17 resorts.  
18

19           378.       Plaintiff Shin Lai was approached with this business opportunity while in the  
20 State of California, and executed all contracts, performed her obligations and sustained damages in  
21 the State of California.  
22

23           379.       Among other misrepresentations, Plaintiff Shin Lai was told these were safe and  
24 secure investments, the properties were owned free and clear, she would receive non-use fee  
25 payments/interest in the amount of 12% on her investment to be paid quarterly, she would receive  
26 fee simple deeded title on the fractional ownership products and conversions, she could re-sell all  
27 investments back after five years and recoup her entire investment, and would receive rental  
28

1 income. In addition, she was advised that the investment was secure because of Maxim's  
2 involvement and substantially relied upon Maxim's involvement in her decision to invest into the  
3 Maxim products.

4           380.       Consequently, Plaintiff Shin Lai purchased the following product for the  
5 following amounts on the following dates: (1) Maxim Juan Dolio Residence for \$250,593.75 on or  
6 about December 12, 2006; (2) Maxim Juan Dolio fractional ownership interests for \$52,875 on or  
7 about December 27, 2006; (3) Maxim Juan Dolio fractional ownership interests for \$10,546 on or  
8 about May 9, 2007; (4) Maxim Bungalows Cofresi fractional ownership interests for \$59,520 on or  
9 about June 8, 2007; and (5) converted her Maxim Juan Dolio Residence to fractional ownership  
10 interests for \$28,125 on or about January 12, 2008.

11           381.       These representations turned out to be false, and Plaintiff Shin Lai failed to  
12 receive all her quarterly payments, fee simple title, rental income, recoupment of her investment or  
13 any of the other promises. In addition, had she known that Maxim (i.e. Dennis Publishing, Inc.)  
14 would back out of its partnership arrangement with Defendants, she would not have so invested into  
15 the Maxim properties.

16           382.       At all relevant times herein, Plaintiffs Bryan Lamb and his wife Susan Lamb were  
17 and are residents of the State of Idaho. In addition, BHL Investments, LLC, is an Idaho limited  
18 liability company, that is controlled by Plaintiff Bryan and/or Susan Lamb (collectively "Plaintiffs  
19 Lamb").

20           383.       Plaintiffs Lamb were approached in the Fall of 2007 to invest into both Maxim  
21 Juan Dolio and Maxim Bungalows Cofresi resorts.  
22  
23  
24  
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1           384.     Plaintiffs Lamb were approached and induced to invest by agents/representatives  
2 of Defendants who were marketing, promoting and selling the very same product in the State of  
3 California, as well as inducing California residents to purchase/invest.

4           385.     Among other misrepresentations, they were told that they would receive 12%  
5 return on certain investments and 10% return on others, to be made quarterly, that they would have  
6 the option of recouping 100% of their investments after five years, the hotels were owned free and  
7 clear and that they were purchasing fee simple ownership. In addition, they were advised that the  
8 investments were secure because of Maxim's involvement and, as a result, substantially relied upon  
9 Maxim's involvement in their decision to invest.  
10

11           386.     Consequently, Plaintiffs Lamb purchased the following products for the  
12 following amounts on the following dates: (1) interests in Maximum Bungalows Cofresi for  
13 \$31,000 on or about July, 2007; (2) interest in Maxim Bungalows Cofresi for \$142,000 on or about  
14 October 20, 2007; (3) interests in Maxim Juan Dolio for \$62,000 on or about October 20, 2007; (4)  
15 interests in Maxim Juan Dolio residence for \$200,000 on or about May 10, 2008; and (4) interests  
16 in Maxim Juan Dolio Residence for \$500,000 on or about February 23, 2008.  
17

18           387.     These representations turned out to be false. Plaintiffs Lamb failed to receive all  
19 of their quarterly interest payments, fee simple title, recoupment of their investment or the other  
20 securities promised with their investment. In addition, had they known that Maxim (i.e. Dennis  
21 Publishing, Inc.) would back out of its partnership arrangement with Defendants, they would not  
22 have so invested.  
23

24           388.     At all relevant times herein, Plaintiff Mark Leonard was and is a resident of the  
25 State of Utah. He was approached in the Spring of 2008 to purchase interests in Maxim Juan Dolio.  
26  
27  
28

1           389.       Plaintiff Leonard was approached and induced to invest by agents/representatives  
2 of Defendants who were marketing, promoting and selling the very same product in the State of  
3 California, as well as inducing California residents to purchase/invest.

4           390.       Among other misrepresentations, he was promised these were guaranteed safe  
5 and secure investments, he would be paid interest payments on a quarterly basis for five years, and  
6 then he would receive the entire principal back. In addition, he was advised that the investments  
7 were secure because of Maxim's involvement and, as a result, substantially relied upon Maxim's  
8 involvement in his decision to invest.

9  
10           391.       Consequently, Plaintiff Leonard purchased residential interests in Maxim Juan  
11 Dolio for \$10,000 on or about March 28, 2008.

12  
13           392.       These representations proved false, and Plaintiff Leonard did not receive interest  
14 payments, recoupment of his investment or the security promised. In addition, had he known that  
15 Maxim (i.e. Dennis Publishing) would back out of the partnership arrangements with Defendants,  
16 he would not have invested.

17  
18           393.       At all relevant times herein, Plaintiffs David and Ana Lopez were and are  
19 residents of the State of California. They were approached in the Spring of 2007 to invest into both  
20 Maxim Bungalows Cofresi and Maxim Juan Dolio.

21           394.       Plaintiffs Lopez were approached with this business opportunity while in the  
22 State of California, and executed all agreements, performed their obligations and sustained damages  
23 in the State of California.

24  
25           395.       Among other misrepresentations, Plaintiffs Lopez were promised that these were  
26 guaranteed and low risk investments, they would receive quarterly payments, their investments  
27 would appreciate in value and this was a good investment for retirement. In addition, Plaintiffs  
28

1 Lopez were advised that the investment was secure because of Maxim's involvement and, as a  
2 result, substantially relied upon Maxim's involvement in their decision to invest.

3           396.       Consequently, Plaintiffs Lopez jointly purchased the following: (1) interests in  
4 Maxim Bungalows Cofresi for \$285,510 on or about October 20, 2008; (2) interests in Maxim Juan  
5 Dolio for \$200,250 on or about May 29, 2007; and (3) interests in Maxim Juan Dolio for  
6 \$10,546.88 on or about June 28, 2007.

7  
8           397.       These representations turned out to be false, and Plaintiffs Lopez failed to receive  
9 all of their quarterly payments, appreciation on their investment or the guaranteed security of a  
10 retirement investment. In addition, had Plaintiffs Lopez known that Maxim (i.e. Dennis Publishing)  
11 would back out of the partnership arrangement with the other Defendants, they would have never  
12 invested.

13  
14           398.       At all relevant times herein, Plaintiff Elvira Lopez was and is a resident of the  
15 State of California. She was approached in the Fall of 2006 to invest into the Sun Village Juan  
16 Dolio project, and then later in the Summer of 2007 to invest into the Maxim Bungalows Cofresi  
17 hotel. .

18  
19           399.       Plaintiff Lopez was approached with this business opportunity while in the State  
20 of California, and executed certain contracts, performed her obligations and sustained damages in  
21 the State of California.

22  
23           400.       Among other misrepresentations, Plaintiff Lopez was guaranteed that these were  
24 safe and low risk investments, that she would receive rental income and would receive fee simple  
25 ownership. In addition, she was advised that the investment was secure because of Maxim's  
26 involvement and, as a result, substantially relied upon Maxim's involvement in her decision to  
27 purchase/invest into the Maxim product.  
28



1           401.       Consequently, Plaintiff Lopez purchased the following product for the following  
2 amounts on the following dates: (1) Maxim Juan Dolio for \$56,250 on or about November 10,  
3 2006; and (2) Maxim Bungalows Cofresi for \$34,526.25 on or about July 28, 2007.

4           402.       These representations turned out to be false, and Plaintiff Lopez failed to receive  
5 fee simple title, rental income or any of the other security promised. In addition, had Plaintiff  
6 Lopez known that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement  
7 with the other Defendants, she would have never purchased/invested into the Maxim product.  
8

9           403.       At all relevant times herein, Plaintiffs Fidel and Nora Luna were and are  
10 residents of the State of California. They were approached in the Summer of 2007 to invest into  
11 both Maxim Bungalows Cofresi and Maxim Juan Dolio.  
12

13           404.       Plaintiffs Luna were approached with this business opportunity while in the State  
14 of California, and executed certain agreements, performed their obligations and sustained damages  
15 in the State of California.  
16

17           405.       Among other misrepresentations, Plaintiffs Luna were promised that these were  
18 guaranteed and low risk investments, they would receive cash flow income from the rentals and that  
19 their investments would appreciate in value. In addition, Plaintiffs Luna were advised that the  
20 investment was secure because of Maxim's involvement and, as a result, substantially relied upon  
21 Maxim's involvement in their decision to invest.  
22

23           406.       Consequently, Plaintiff Fidel Luna purchased an interest in Maxim Bungalows  
24 Cofresi for \$156,055 on or about June 15, 2007, and Plaintiff Nora Luna purchased in interest in  
25 Juan Dolio for \$25,312 on or about May 22, 2007.

26           407.       These representations turned out to be false, and Plaintiffs Luna failed to receive  
27 rental income or appreciation on their investment. In addition, had Plaintiffs Luna known that  
28

1 Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement with the other  
2 Defendants, they would have never invested into the Maxim product.

3 408. At all relevant times herein, Plaintiff Lelita R. Macachor was and is a resident of  
4 the State of California, and is 65 years of age or older. She was approached in the Fall of 2006 to  
5 purchase residential interests in the Maxim Bungalows Cofresi.  
6

7 409. Plaintiff Macachor was approached with this business opportunity while in the  
8 State of California, and executed all agreements, performed her obligations and sustained damages  
9 in the State of California.  
10

11 410. Among other misrepresentations, Plaintiff Macachor was guaranteed to receive  
12 non-use fees/interest payments in the amount of 7% of her investment on a quarterly basis for five  
13 years, and after such time, she could get her entire investment back or choose to reinvest. In  
14 addition, she was guaranteed her purchase was safe and secure as it was to go to her retirement.  
15

16 411. Consequently, Plaintiff Macachor purchased residential interests in Maxim  
17 Bungalows Cofresi for \$10,000 on or about January 17, 2006.

18 412. These representations turned out to be false, and Plaintiff Macachor did not  
19 receive all of her non-use fees/interest payments, the ability to recoup her principal in five years, or  
20 the security and low risk promised to back her money.  
21

22 413. At all relevant times herein, Plaintiff Mayra Madrigal was and is a resident of the  
23 State of California. She was approached in the Fall of 2005 to invest into Maxim Bungalows  
24 Cofresi.

25 414. Plaintiff Madrigal was approached with this business opportunity while in the  
26 State of California, and executed all contracts, performed her obligations and sustained damages in  
27 the State of California.  
28

1           415.       Among other misrepresentations, Plaintiff Madrigal was promised payment of  
2 non-use fees/interest payments quarterly, fee simple title upon her conversion to fractional interest,  
3 that these were guaranteed and low risk investments, and that she was "buying a little piece of a  
4 motel...for my retirement." In addition, she was promised that Maxim's involvement would secure  
5 her investment and guarantee appreciation of the property and, as a result, substantially relied upon  
6 Maxim's involvement in choosing to convert her interests.  
7

8           416.       Consequently, Plaintiff Madrigal purchased a residential interest in the Maxim  
9 Bungalows Cofresi for \$20,000 on or about September 30, 2005, and then later converted it to an  
10 ownership/fractional interests at Maxim Bungalows Cofresi for a total of \$28,830 on or about June  
11 16, 2007.  
12

13           417.       These representations turned out to be false, and Plaintiff Madrigal failed to  
14 receive fee simple title ownership, appreciation or the security that went into investing into her  
15 "retirement." In addition, had Plaintiff know that Maxim would back out of its partnership  
16 agreement with Defendants, she would not have agreed to convert to fractional interests.  
17

18           418.       At all relevant times herein, Plaintiffs Ozzie and Belinda Martin were and are  
19 residents of the State of California. They were approached on numerous occasions from the Fall of  
20 2006 to the Spring of 2007 to invest into the Passport Residence product at the Maxim Juan Dolio  
21 resort.  
22

23           419.       Plaintiffs Martin were approached with this business opportunity while in the  
24 State of California, and executed all agreements, performed their obligations and sustained damages  
25 in the State of California.  
26  
27  
28

1           420.       Among other misrepresentations, Plaintiffs Martin were promised that these were  
2 guaranteed low risk and safe investments, they would receive 12% on their investment to be paid  
3 quarterly for five years, and then a complete return of their investment after five years.

4           421.       Consequently, Plaintiffs Martin purchased approximately 16 units of Passport  
5 Residence product at the Maxim Juan Dolio for \$180,984.43 during the period from November  
6 2006 through May 2007.

7           422.       These representations turned out to be false, and Plaintiffs Martin failed to  
8 receive all of their quarterly payments or return of their investment as promised.

9           423.       At all relevant times herein, Plaintiffs Ruben and Rama Mejia were and are  
10 residents of the State of California. They were approached on numerous occasions from the  
11 Summer of 2005 to the Summer of 2007 to invest into both Maxim Bungalows Cofresi and Maxim  
12 Juan Dolio.

13           424.       Plaintiffs Mejia were approached with this business opportunity while in the  
14 State of California, and executed certain agreements, performed their obligations and sustained  
15 damages in the State of California.

16           425.       Among other misrepresentations, Plaintiffs Mejia were promised that these were  
17 guaranteed and low risk investments, they would receive fee simple title for the fractional  
18 investments, they would receive quarterly interest payments for the residential interests, they would  
19 receive a 5% developer discount until the Maxim Juan Dolio opened, that they could re-sell their  
20 interests at any time, and that their investments would appreciate in value. In addition, Plaintiffs  
21 Mejia were advised that the investment was secure because of Maxim's involvement and, as a  
22 result, substantially relied upon Maxim's involvement in her decision to invest into the Maxim  
23 product.

1           426.       Consequently, Plaintiffs Mejia jointly purchased a fractional ownership interest  
2 in the Maxim Juan Dolio for \$162,500 down payment on or about September 28, 2005, and then  
3 Plaintiff Ruben Mejia purchased an interest in Maxim Bungalows Cofresi for \$128,320, which was  
4 later converted to fractional ownership at Maxim Bungalows Cofresi on or about June 15, 2007.  
5

6           427.       These representations turned out to be false, and Plaintiffs Mejia failed to receive  
7 all of the quarterly interest payments, the 5% developer discount, fee simple title, successful re-sale  
8 of their interests as they had sought and were promised, or that promised security with these  
9 investments. In addition, had Plaintiffs Mejia known that Maxim (i.e. Dennis Publishing) would  
10 back out of the partnership arrangement with the other Defendants, they would have not have  
11 converted their interests into Maxim Bungalows at Cofresi or maintained the interests in the other  
12 product.  
13

14           428.       At all relevant times herein, Plaintiff Gloria Moore was and is a resident of the  
15 State of California, and is 65 years of age or older. She was approached in January of 2008 to  
16 invest into both Maxim Bungalows Cofresi and Maxim Juan Dolio.  
17

18           429.       Plaintiff Moore was approached with this business opportunity while in the State  
19 of California, and executed certain contracts, performed her obligations and sustained damages in  
20 the State of California.  
21

22           430.       Among other misrepresentations, Plaintiff Moore was promised fee simple title,  
23 interest payments to be paid quarterly, that these were safe investments, the monies would be used  
24 to construct the hotels, and the resorts were owned free and clear. In addition, Plaintiff Moore was  
25 advised that the investment was secure because of Maxim's involvement and relied upon Maxim's  
26 involvement in her decision to invest.  
27  
28

1           431.       Consequently, Plaintiff Moore purchased the following products at the following  
2 amounts on the following dates: (1) residential interest in Maxim Juan Dolio for \$200,000 on or  
3 about January 20, 2008; (2) residential interest in Maxim Bungalows Cofresi for \$10,000 on or  
4 about March 22, 2008; (3) residential interest in Maxim Bungalows Cofresi for \$15,600 on or  
5 about May 29, 2008; (4) fractional interest in Maxim Juan Dolio for \$55,689 on or about June 1,  
6 2008.  
7

8           432.       These representations turned out to be false, and Plaintiff Moore failed to receive  
9 fee simple title ownership, payment of her quarterly interest payments, performance in usage of  
10 these monies to construct the hotels or security that these hotels were owned free and clear. In  
11 addition, had Plaintiff Moore known that Maxim (i.e. Dennis Publishing) would back out of the  
12 partnership arrangement with the other Defendants, she would not have invested.  
13

14           433.       At all relevant times herein, Plaintiff Susan Murray was and is a resident of the  
15 State of Massachusetts. She was approached in September of 2007 to invest into both the Maxim  
16 Bungalows Cofresi Beach and the Maxim Juan Dolio.  
17

18           434.       Plaintiff Murray was approached and induced to invest by agents/representatives  
19 of Defendants who were marketing, promoting and selling the very same product in the State of  
20 California, as well as inducing California residents to purchase/invest.  
21

22           435.       Among other misrepresentations, Plaintiff Murray was promised that these were  
23 guaranteed and low risk investments, the money would be used to construct the hotels, she would  
24 receive interest payments for the residential interests purchased, and she would receive fee simple  
25 title on the fractional interests. In addition, Plaintiff Murray was assured that Maxim's involvement  
26 guaranteed appreciation of her interests and secured her investments and, as a result, substantially  
27 relied upon Maxim's involvement in deciding to invest.  
28

1           436.       Consequently, Plaintiff Murray purchased interests in the Maxim Bungalows  
2 Cofresi in the amount of \$43,990 and in the Maxim Juan Dolio in the amount of \$29,200, both  
3 purchases being made on or about September 2, 2007.

4           437.       These representations turned out false as Plaintiff Murray did not receive fee  
5 simple title, all of her interest payments or the security that the money would be used to construct  
6 the hotels. In addition, had Plaintiff Murray known that Maxim would back out of its partnership  
7 arrangement with Defendants, she would not have made the investments.

8           438.       At all relevant times herein, Roy Gene Nelsen, was a resident of Arizona. He  
9 was approached in 2005 to purchase interests in both the Maxim Bungalows Cofresi and Maxim  
10 Juan Dolio.

11           439.       Plaintiff Nelsen was approached and induced to invest by agents/representatives  
12 of Defendants who were marketing, promoting and selling the very same product in the State of  
13 California, as well as inducing California residents to purchase/invest.

14           440.       Among other misrepresentations, Plaintiff Nelsen was guaranteed that these were  
15 safe and low risk investments, he could share in the rental income, the assets would appreciate, he  
16 would receive deeded title, the interests could be easily liquidated or resold, and this was the  
17 method that Hilton finances its deals. Moreover, Plaintiff Nelsen was advised that the investment  
18 into Maxim's properties were secure because of Maxim's involvement and, similarly, substantially  
19 relied upon Maxim's involvement in her decision to convert his interests in the Maxim product.

20           441.       Consequently, Plaintiff Nelsen purchased interests in Maxim Juan Dolio for  
21 \$42,000 in 2005, and then later converted these to fractional interests in Maxim Bungalows Cofresi  
22 for \$105,000 in 2007.

1           442.       These representations turned out to be false. Plaintiff Nelsen did not receive  
2 deeded fractional interests, a share of rental income, added value or the option to re-sell. Also, had  
3 Plaintiff Nelsen known that Maxim (i.e. Dennis Publishing) would back out of its partnership  
4 arrangements with Defendants, he would not have invested.

5  
6           443.       At all relevant times herein, Plaintiff Paul Nielsen was and is a resident of the  
7 State of Utah. He was approached in the Fall of 2006 to invest into both the Maxim Juan Dolio and  
8 Maxim Bungalows Cofresi resorts.

9           444.       Plaintiff Nielsen was approached and induced to invest by agents/representatives  
10 of Defendants who were marketing, promoting and selling the very same product in the State of  
11 California, as well as inducing California residents to purchase/invest.

12  
13           445.       Among other representations, Plaintiff Nielsen was promised that these  
14 investments were guaranteed to be safe and secure, they were owned free and clear by Defendants,  
15 that he would be a resort owner and would receive rental income. In addition, Plaintiff Nielsen was  
16 assured that Maxim's involvement guaranteed appreciation of his interests and secured his  
17 investments and, as a result, substantially relied upon Maxim's involvement in choosing to invest  
18 into the Maxim product.

19  
20           446.       Consequently, Plaintiff Nielsen purchased interests in the Maxim Juan Dolio in  
21 the amount of \$28,620 on or about November 29, 2006, and then fractional interests in Maxim  
22 Bungalows Cofresi in the amount of \$58,405 on or about June 9, 2007.

23  
24           447.       These representations proved to be false as Plaintiff Nielsen failed to receive  
25 rental income, fee simple title or the promised "safe and secure" real estate he signed up for. In  
26 addition, had Plaintiff Nielsen known that Maxim would back out of its partnership arrangements  
27 with the Defendants, he would not have purchased the Maxim product.

28



1           448.       Plaintiffs Cory and Kristin Nilsson were and are at all relevant times herein  
2 residents of the State of Utah. They were approached in the Winter of 2006 to invest into the  
3 Maxim Juan Dolio resort.

4           449.       Plaintiffs Nilsson were approached and induced to invest by agents/  
5 representatives of Defendants who were marketing, promoting and selling the very same product in  
6 the State of California, as well as inducing California residents to purchase/invest.

7           450.       Among other representations, Plaintiffs Nilsson were promised that these  
8 investments were guaranteed to be safe and secure, they were owned free and clear by Defendants,  
9 that they would gain fee simple title, interest payments would be paid quarterly and they would  
10 receive rental income.

11           451.       Consequently, Plaintiffs Nilsson purchased two interests in the Maxim Juan  
12 Dolio, the first in the amount of \$57,515.64 and the second in the amount of \$42,683, both on or  
13 about December 21, 2006, and then fractional interests in Maxim Juan Dolio in the amount of  
14 \$115,000 on or about March 2, 2006.

15           452.       These representations proved to be false as Plaintiff Nilsson failed to receive  
16 rental income, fee simple title or the promised "safe and secure" real estate he signed up for.

17           453.       At all relevant times herein, Plaintiffs James and Alicia Osborn were and are  
18 residents of the State of California. They were approached in the Spring of 2007 to invest into  
19 Maxim Juan Dolio.

20           454.       Plaintiffs Osborn were approached with this business opportunity while in the  
21 State of California, and executed all agreements, performed their obligations and sustained damages  
22 in the State of California.

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1           455.       Among other misrepresentations, Plaintiffs Osborn were promised that these  
2 were guaranteed and low risk investments, they would receive non-use fee quarterly interest  
3 payments equal to 10% of the investment for five years, and then have the option to either get their  
4 original investment back or roll it into another product.  
5

6           456.       Consequently, Plaintiffs Osborn jointly purchased interest in the Passport  
7 Residence Juan Dolio for \$84,375.04 on or about April 25, 2007.

8           457.       These representations turned out to be false, and Plaintiffs Osborn failed to  
9 receive all of the quarterly interest payments, return of their investment or other promised security  
10 that came with these investments.  
11

12           458.       At all relevant times herein, Plaintiff Kathy Ova was and is a resident of Utah.  
13 She was approached to invest into the Juan Dolio resort in the Fall of 2007.

14           459.       Plaintiff Ova was approached and induced to invest by agents/representatives of  
15 Defendants who were marketing, promoting and selling the very same product in the State of  
16 California, as well as inducing California residents to purchase/invest.  
17

18           460.       Plaintiff Ova was told that the investment would be a good source of retirement,  
19 were safe and secure, and that she would receive 10% interests on her investment to be paid  
20 quarterly for five years She was also told that Maxim's partnership would secure her investment  
21 and guarantee rental income and appreciation of the assets and, as a result, substantially relied upon  
22 Maxim's involvement when choosing to invest.  
23

24           461.       Consequently, Plaintiff Ova purchased interests in Maxim Bungalows Cofresi on  
25 or about May 31, 2007 and in Maxim Juan Dolio on or about March 22, 2008, for a combined total  
26 of \$335,037.46.  
27  
28

1           462.       Plaintiff Ova did not receive all of her due and owing quarterly interest  
2 payments, nor did any of the other representations prove to be true; rather, she lost this investment  
3 entirely. In addition, had Plaintiff Ova known that Maxim would back out of its partnership  
4 arrangements with the Defendants, she would not have purchased the Maxim product.  
5

6           463.       At all relevant times herein, Plaintiff Antonia Palacio was and is a resident of the  
7 State of California. She was approached in Spring of 2008 to invest into the Maxim Bungalows  
8 Cofresi resort.

9           464.       Plaintiff Palacio was approached with this business opportunity while in the State  
10 of California, and executed certain contracts, performed her obligations and sustained damages in  
11 the State of California.  
12

13           465.       Among other misrepresentations, Plaintiff Palacio was promised that these were  
14 safe and secure investments, she would receive non-use fees on a quarterly basis for five years with  
15 the option to get her investment back or re-invest, the resorts were owned free and clear, and there  
16 was collateral backing the resorts. In addition, she was told that Maxim's partnership with  
17 Defendants secured her investment and would guarantee appreciation of the units, and she  
18 substantially relied upon these representation in choosing to invest.  
19

20           466.       Consequently, Plaintiff Palacio purchased interests in Maxim Bungalows Cofresi  
21 for \$31,200 on or about May 10, 2008.  
22

23           467.       These representations turned out to be false, and Plaintiff Palacio failed to  
24 receive her quarterly non-use fees, recoupment of her principal after five years, or the security that  
25 there was collateral behind the resort and that such was owned free and clear. In addition, had she  
26 known that Maxim would have backed out on its partnership arrangement with Defendants, she  
27 would not have invested.  
28

1           468.       At all relevant times herein, Plaintiff Daniel Garcia Perez was and is a resident of  
2 the State of California. He was approached in the Summer of 2006 to invest into the Maxim Juan  
3 Dolio.

4           469.       Plaintiff Perez was approached with this business opportunity while in the State  
5 of California, and executed all contracts, performed his obligations and sustained damages in the  
6 State of California.

7           470.       Among other misrepresentations, Plaintiff Perez was promised that these were  
8 safe and secure investments, that he could sell his interest in the units anytime, the resorts were  
9 owned free and clear and he would receive fee simple title.

10           471.       Consequently, Plaintiff Perez purchased interests in the Maxim Juan Dolio for  
11 \$77,344 on or about August 25, 2006.

12           472.       These representations turned out to be false, and Plaintiff Perez failed to receive  
13 fee simple title or the ability to sell his interests. In addition, he was led to believe the resorts  
14 would or could not be foreclosed upon.

15           473.       At all relevant times herein, Plaintiffs Benjamin Munoz Perez and his wife  
16 Genoveva Caballero Lara were and are residents of the State of California. They were approached  
17 in the Summer of 2006 to invest into the Maxim Juan Dolio.

18           474.       Plaintiffs Munoz Perez were approached with this business opportunity while in  
19 the State of California, and executed all agreements, performed their obligations and sustained  
20 damages in the State of California.

21           475.       Among other misrepresentations, Plaintiffs Munoz Perez were promised that  
22 these were guaranteed and low risk investments, they would receive fee simple title for the  
23

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1 fractional investments, they would receive quarterly interest payments for the residential interests,  
2 and that their investments would appreciate in value.

3 476. Consequently, Plaintiffs Munoz Perez jointly purchased interests in Maxim Juan  
4 Dolio for the amount of \$101,250 on or about June 28, 2006, and then Plaintiff Benjamin Munoz  
5 Perez individually purchased interests in Maxim Juan Dolio for \$16,875 on or about August 2,  
6 2006.

7  
8 477. These representations turned out to be false, and Plaintiffs Munoz Perez failed to  
9 receive all of the quarterly interest payments, fee simple title, or that promised security with these  
10 investments.

11  
12 478. At all relevant times herein, Plaintiff Mildred Phillips was and is a resident of the  
13 State of California. She was approached in Spring of 2004 to invest into Maxim Bungalows  
14 Cofresi.

15  
16 479. Plaintiff Phillips was approached with this business opportunity while in the  
17 State of California, and executed all contracts, performed her obligations and sustained damages in  
18 the State of California.

19  
20 480. Among other misrepresentations, Plaintiff Phillips was promised that these were  
21 safe and secure investments, she would receive interest payments of 8% and 10% , respectively, to  
22 be paid quarterly for five years, and then had the option to get her investment back or re-invest, she  
23 could sell her interest in the units anytime, and the resorts were owned free and clear.

24  
25 481. Consequently, Plaintiff Phillips purchased residential interests at the Maxim  
26 Bungalows Cofresi for \$150,000 on or about May 6, 2004, and additional interests for \$250,000 on  
27 or about March 16, 2005.  
28

1           482.       These representations turned out to be false, and Plaintiff Phillips failed to  
2 receive payment of all her quarterly interest payments, recoupment of her principal after five years,  
3 or security of investing into properties owned free and clear.

4           483.       At all relevant times herein, Plaintiff Francisco Reyes was and is a resident of the  
5 State of California. He was approached on numerous occasions between the Summer of 2004  
6 through June of 2007 to invest into both the Maxim Bungalows Cofresi and Maxim Juan Dolio  
7 resorts.

8           484.       Plaintiff Reyes was approached with this business opportunity while in the State  
9 of California, and executed certain contracts, performed his obligations and sustained damages in  
10 the State of California.

11           485.       Among other misrepresentations, Plaintiff Reyes was promised fee simple title,  
12 interest payments to be paid quarterly, that these were safe investments, the monies would be used  
13 to construct the hotels, and the resorts were owned free and clear. In addition, Plaintiff Reyes was  
14 advised that the investment was secure because of Maxim's involvement and, as a result,  
15 substantially relied upon Maxim's involvement in choosing to invest/purchase the Maxim product.

16           486.       Consequently, Plaintiff Reyes purchased the following products at the following  
17 amounts on the following dates: (1) residential interest in Maxim Bungalows Cofresi for \$100,000  
18 on or about August 4, 2004; (2) Maxim Juan Dolio for \$227,500 on or about September 1, 2005;  
19 (3) Maxim Juan Dolio for \$32,500 on or about September 21, 2005; (4) Maxim Juan Dolio for  
20 \$67,500 on or about May 23, 2007; (5) Maxim Bungalows Cofresi for \$89,720 on or about June  
21 12, 2007; and (6) Maxim Bungalows Cofresi for \$32,550 on or about June 12, 2007.

22           487.       These representations turned out to be false, and Plaintiff Reyes failed to receive  
23 fee simple title ownership, payment of all of his quarterly interest payments, performance in usage  
24  
25  
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28

1 of these monies to construct the hotels or security that these hotels were owned free and clear. In  
2 addition, had Plaintiff Reyes known that Maxim would back out of its partnership arrangement with  
3 Defendants, he would not have invested into the Maxim product.

4 488. At all relevant times herein, Plaintiff Vicente Reyes was and is a resident of the  
5 State of California. He was approached on numerous occasions between December, 2004 and  
6 February, 2008 to invest into both the Maxim Bungalows Cofresi and Maxim Juan Dolio.  
7

8 489. Plaintiff Reyes was approached with this business opportunity while in the State  
9 of California, and executed all contracts, performed his obligations and sustained damages in the  
10 State of California.  
11

12 490. Among other misrepresentations, Plaintiff Reyes was promised fee simple title,  
13 interest payments to be paid quarterly, that these were safe investments, the monies would be used  
14 to construct the hotels, and the resorts were owned free and clear. In addition, Plaintiff Reyes was  
15 advised that the investment was secure because of Maxim's involvement and, as a result,  
16 substantially relied upon Maxim's involvement in choosing to invest/purchase the Maxim product.  
17

18 491. Consequently, Plaintiff Reyes purchased the following products at the following  
19 amounts on the following dates: (1) residential interest in Maxim Bungalows Cofresi for \$100,000  
20 on or about December 27, 2004; (2) Maxim Juan Dolio for \$14,062.50 on or about April 3, 2006;  
21 (3) Maxim Juan Dolio for \$101,250 on or about June 27, 2006; (4) Maxim Juan Dolio for  
22 \$46,405.76 on or about January 17, 2007; (5) Maxim Bungalows Cofresi for \$89,720 on or about  
23 June 21, 2007; (6) Maxim Bungalows Cofresi for \$30,000 on or about January 2, 2008; and (7)  
24 Maxim Juan Dolio for \$100,000 on or about December 10, 2007.  
25

26 492. These representations turned out to be false, and Plaintiff Reyes failed to receive  
27 fee simple title ownership, payment of all of his quarterly interest payments, performance in usage  
28

1 of these monies to construct the hotels or security that these hotels were owned free and clear. In  
2 addition, had Plaintiff Reyes known that Maxim would back out of its partnership arrangement with  
3 Defendants, he would not have invested into the Maxim product.

4 493. At all relevant times herein, Plaintiffs Darlene and Norman Riede were and are  
5 residents of the State of California. They were approached on numerous occasions from the Fall of  
6 2005 to the Summer of 2007 to invest into the Maxim Bungalows at Cofresi Beach.

7 494. Plaintiffs Riede were approached with this business opportunity while in the  
8 State of California, and executed all agreements, performed their obligations and sustained damages  
9 in the State of California.

10 495. Among other misrepresentations, Plaintiffs Riede were promised that these were  
11 guaranteed and low risk investments, they would receive fee simple title for the fractional  
12 investments, they would receive quarterly interest payments for the residential interests, after five  
13 years they could sell back their interests for profit, and that their investments would appreciate in  
14 value. In addition, Plaintiffs Riede were advised that the investment was secure because of  
15 Maxim's involvement and, as a result, substantially relied upon Maxim's involvement in her  
16 decision to convert to the Maxim product.

17 496. Consequently, Plaintiffs Riede jointly purchased residential interests in the  
18 Maxim Bungalows Cofresi for \$115,000 on or about December 5, 2005, and then converted these  
19 interests to fractional ownership at Maxim Bungalows Cofresi on or about July 19, 2007.

20 497. These representations turned out to be false, and Plaintiffs Riede failed to receive  
21 all of the quarterly interest payments, fee simple title, the ability to re-sell interests at a profit, or  
22 that promised security with these investments. In addition, had Plaintiffs Mejia known that Maxim  
23



1 (i.e. Dennis Publishing) would back out of the partnership arrangement with the other Defendants,  
2 they would have not have converted their interests into Maxim Bungalows Cofresi.

3 498. At all relevant times herein, Plaintiffs Danielle and David Rocheford were and  
4 are residents of the State of Massachusetts. They were approached in the Spring of 2006 to invest  
5 into both the Maxim Bungalows Cofresi and Maxim Juan Dolio properties.  
6

7 499. Plaintiffs Rocheford were approached and induced to invest by agents/  
8 representatives of Defendants who were marketing, promoting and selling the very same product in  
9 the State of California, as well as inducing California residents to purchase/invest.  
10

11 500. Among other representations, they were guaranteed that these investments were  
12 low risk and were safe, monies would be used to construct the hotels, they would receive interest  
13 payments on a quarterly basis, they would receive fee simple title and would get their principal  
14 back.

15 501. Consequently, Plaintiffs Rocheford jointly purchased the following products for  
16 the following amounts on the following dates: (1) Maxim Juan Dolio for the amount of \$30,000 on  
17 or about March 9, 2006; (2) Maxim Juan Dolio for the amount of \$10,546.88 on or about October  
18 18, 2006; (3) Maxim Juan Dolio for the amount of \$10,546.88 on or about March 13, 2007; (4)  
19 Maxim Juan Dolio for \$56,250 in early 2007; (5) Maxim Bungalows Cofresi for \$32,433.75 in  
20 early 2007; and (6) Maxim Bungalow Cofresi for \$32,433.75 in early 2007. In addition, Plaintiffs  
21 Rocheford purchased Maxim Juan Dolio for the amount of \$30,000 on or about March 9, 2006.  
22

23 502. These representations proved to be false, and Plaintiffs Rocheford failed to  
24 receive fee simple title, all of their quarterly interest payments, their principal returned or any of the  
25 other assurances guaranteed with the investment.  
26  
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28

1           503.       At all relevant times herein, Plaintiff Richard Schneider was and is a resident of  
2 the State of California. He was approached on numerous occasions from December 2006 through  
3 February of 2008 to invest into both the Maxim Bungalows Cofresi and Maxim Juan Dolio.

4           504.       Plaintiff Schneider was approached with this business opportunity while in the  
5 State of California, and executed certain contracts, performed his obligations and sustained  
6 damages in the State of California.

7           505.       Among other misrepresentations, Plaintiff Schneider was promised that these  
8 were safe and secure investments, he would receive interest payments of between 10% and 12%, to  
9 be paid quarterly for five years, and then had the option to get his investment back or re-invest, he  
10 could sell his interest in the units anytime, and the resorts were owned free and clear. In addition,  
11 Plaintiff Schneider was advised that the investment was secure because of Maxim's involvement  
12 and, as a result, substantially relied upon Maxim's involvement in choosing to invest/purchase  
13 and/or convert to the Maxim product.

14           506.       Consequently, Plaintiff Schneider purchased the following: (1) Maxim  
15 Bungalows Cofresi for \$48,825 in July of 2007; (2) Maxim Juan Dolio for \$28,125 in December of  
16 2006, then converted it into a fractional interest for Maxim Juan Dolio product in February of 2008;  
17 (3) Maxim Bungalows Juan Dolio for \$10,000 in February of 2008;

18           507.       These representations turned out to be false, and Plaintiff Schneider failed to  
19 receive payment of all his quarterly interest payments, recoupment of his principal after five years,  
20 or security of investing into properties owned free and clear. In addition, had Plaintiff Schneider  
21 known that Maxim would back out of its partnership arrangement with Defendants, he would not  
22 have invested and/or converted it into the Maxim product.

1           508.       At all relevant times herein, Plaintiff Joyce M. Shimetz was and is a resident of  
2 the State of California. She was approached on numerous occasions from December of 2006 to the  
3 Spring of 2008 to invest into the Maxim Juan Dolio resort.

4           509.       Plaintiff Shimetz was approached with this business opportunity while in the  
5 State of California, and executed all agreements, performed her obligations and sustained damages  
6 in the State of California.

7           510.       Among other misrepresentations, Plaintiff Shimetz was promised that these were  
8 guaranteed and low risk investments, she would receive quarterly interest payments, that she could  
9 recoup her principal in five years, and that there was collateral backing the investment. In addition,  
10 Plaintiff Shimetz was advised that the investment was secure because of Maxim's involvement and,  
11 as a result, substantially relied upon Maxim's involvement in her decision to invest into the Maxim  
12 product.

13           511.       Consequently, Plaintiff Shimetz purchased interests in Passport Condo at Maxim  
14 Juan Dolio for \$73,828.16 on or about February 12, 2007, and in Passport Condo at Maxim Juan  
15 Dolio for \$10,546.88 on or about April 14, 2008.

16           512.       These representations turned out to be false, and Plaintiff Shimetz failed to  
17 receive any quarterly interest payments, the ability to recoup her principal after five years or the  
18 security promised to come with these investments. In addition, had she known that Maxim would  
19 have backed out on its partnership arrangement with Defendants, she would not have invested into  
20 the second Maxim product.

21           513.       At all relevant times herein, Plaintiffs Richard Smith and his wife Heidi Smith  
22 were and are residents of the State of Utah. They were approached on numerous occasions from  
23 June 2007 to April 2008 to invest into both Maxim Juan Dolio and Maxim Cofresi Beach resorts.  
24

1           514.       Plaintiffs Smith were approached and engaged with this opportunity by agents/  
2 representatives of Defendants who were located and operating in the State of California, as well as  
3 marketing, promoting and selling the very same product to California residents in the State of  
4 California.

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6           515.       Among other misrepresentations, Plaintiffs Smith were told that these  
7 investments were safe and secure, that they would have the option of recouping 100% of their  
8 investments, the hotels were owned free and clear, that they were purchasing fee simple ownership  
9 and would receive 50% of the rental income. In addition, they were promised that Maxim's  
10 partnership with Defendants would secure their investment and guarantee appreciation of the  
11 interests, and substantially relied upon this partnership and Maxim's involvement when deciding to  
12 invest.

13  
14           516.       Consequently, Plaintiffs Smith individually and/or jointly purchased interests in  
15 Maxim Bungalows Cofresi for \$84,490 on or about July of 2007; and interests in Maxim  
16 Bungalows Juan Dolio for \$23,200 on or about April of 2008.

17  
18           517.       Despite these representations, Plaintiffs Smith failed to receive fee simple title,  
19 recoupment of their investment, rental income or the other securities promised with their  
20 investment. In addition, had they known that Maxim would back out of its partnership arrangement  
21 with Defendants, they would not have invested.

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23           518.       At all relevant times herein, Plaintiff Shirley Sola was and is a resident of the  
24 State of California. She was approached on numerous occasions from late 2005 through early 2007  
25 to invest into both the Maxim Juan Dolio and Maxim Bungalows Cofresi resorts.

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1           519.       Plaintiff Sola was approached with this business opportunity while in the State of  
2 California, and executed all contracts, performed her obligations and sustained damages in the State  
3 of California.

4           520.       Among other misrepresentations, Plaintiff Sola was promised that these were  
5 safe and secure investments, she had the option to get her investment back or re-invest, that she  
6 could sell her interest in the units anytime, the resorts were owned free and clear and she would  
7 receive fee simple title.

8           521.       Consequently, Plaintiff Sola purchased fractional interests at Maxim Bungalows  
9 Cofresi for \$100,000, broken down in two purchases during 2006-2007, and fractional interests in  
10 Maxim Juan Dolio for \$98,750 in early 2007.

11           522.       These representations turned out to be false, and Plaintiff Sola failed to receive  
12 recoupment of her principal after five years or fee simple title.

13           523.       At all relevant times herein, Plaintiffs Norman and Robin Sorensen were and are  
14 residents of Utah, and both are 65 years of age or older. Simpson and Sorenson, LLC, is a Utah  
15 limited liability company controlled by Norman and/or Robin Sorenson (collectively "Plaintiffs  
16 Sorenson"). They were approached to invest into the Maxim Juan Dolio resort in the Fall of 2006.

17           524.       Plaintiffs Sorensen were approached and induced to invest by the Elliott  
18 Defendants and James Catledge, personally, as well as agents/representatives of Defendants, each  
19 of whom were marketing, promoting and selling the very same product in the State of California, as  
20 well as inducing California residents to purchase/invest.

21           525.       Among other misrepresentations, Plaintiffs Sorensen were told that the  
22 investments were safe and secure, they would receive quarterly interest payments for five years  
23 with the option to either recoup the principal or re-invest, the money would be used to construct the  
24

1 resort, and the resort was owned free and clear. In addition, Plaintiffs Sorenson were advised that  
2 the investment was secure because of Maxim's involvement and, as a result, substantially relied  
3 upon Maxim's involvement in choosing to invest/purchase the Maxim product.

4           526.       Consequently, Plaintiffs made the following purchases for the following amounts  
5 on the following dates: (1) Plaintiff Robin Sorensen invested the amount of \$350,156.25 for  
6 residential interests in Maxim Juan Dolio on or about October 6, 2006 and the amount of \$25,  
7 312.50 for residential interests in Maxim Juan Dolio on or about May 2, 2006; (2) Plaintiff Norman  
8 Sorensen invested the amount of \$350,156.25 in residential interests in Maxim Juan Dolio on or  
9 about October 6, 2006, and the amount of \$299,531.25 in residential interests in Maxim Juan Dolio  
10 on or about November 2, 2006; (3) Plaintiffs jointly purchased the amount of \$97,650 in Maxim  
11 Bungalows Cofresi on or about June 18, 2007; and (4) through Simpson & Sorensen, LLC,  
12 Plaintiffs purchased interests in Maxim Juan Dolio passport product for \$135,000 (along with a  
13 separate \$54,000 sales commission amount) on or about April 4, 2007.

14           527.       These representations turned out to be false, and Plaintiffs Sorensen did not  
15 receive all of their due and owing quarterly interest payments, recoupment of their investments or  
16 the option to re-invest. In addition, the money was not used for the construction of the resort or did  
17 Defendants own the resort free and clear. Further, had they known that Maxim would back out of  
18 its partnership arrangement with Defendants, they would not have invested/purchased the Maxim  
19 product. Plaintiffs Sorensen lost \$1,311,806.25.

20           528.       At all relevant times herein, Plaintiffs Clark and Myra Stewart were and are  
21 residents of the State of California. Plaintiff Clark Stewart is 65 years of age or older. They were  
22 approached on numerous occasions from the Winter of 2005 to the Spring of 2006 to invest into  
23 both Maxim Bungalows Cofresi and Maxim Juan Dolio.

1           529.       Plaintiffs Stewart were approached with this business opportunity while in the  
2 State of California, and executed all agreements, performed their obligations and sustained damages  
3 in the State of California.

4           530.       Among other misrepresentations, Plaintiffs Stewart were promised that these  
5 were guaranteed and low risk investments, they would receive fee simple title for the fractional  
6 investments, they would receive quarterly interest payments for the residential interests, and that  
7 their investments would appreciate in value.

8           531.       Consequently, Plaintiffs Stewart jointly purchased the following products for the  
9 following amounts on the following dates: (1) residential interest in Maxim Juan Dolio for the  
10 amount of \$21,093.76 on or about December 18, 2006; (2) Passport Residence interests in Maxim  
11 Juan Dolio for the amount of \$75,379.50 on or about February 24, 2005; (3) Passport Residence  
12 interests in Maxim Juan Dolio for the amount of \$250,000 on or about February 14, 2005; Passport  
13 Residence interests in Maxim Juan Dolio for the amount of \$44,947 on or about February 14, 2005;  
14 and (5) fractional interests in Maxim Juan Dolio for \$70,312.50 on or about April 4, 2006.

15           532.       These representations turned out to be false, and Plaintiffs Stewart failed to  
16 receive all of the quarterly interest payments, fee simple title, or that promised security with these  
17 investments.

18           533.       At all relevant times herein, Plaintiffs Ryan and Carly Stockle were and are  
19 residents of the State of Utah. They were approached in the Summer of 2006 to invest into both the  
20 Maxim Bungalows Cofresi and Maxim Juan Dolio properties.

21           534.       Plaintiffs Stockle were approached and engaged with this opportunity by agents/  
22 representatives of Defendants who were located and operating in the State of California, as well as  
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1 marketing, promoting and selling the very same product to California residents in the State of  
2 California.

3           535.       Among other misrepresentations, they were guaranteed that these investments  
4 were low risk and were safe, monies would be used to construct the hotels, they would receive  
5 interest payments on a quarterly basis, they would receive fee simple title and could get their  
6 principal back and out of the investment at any time. In addition, they were promised that Maxim's  
7 partnership with Defendants would secure their investment and guarantee appreciation of the  
8 interests and, as a result, substantially relied upon Maxim's involvement when deciding to invest.  
9

10           536.       Consequently, Plaintiffs Stockle jointly purchased interests in Maxim Juan Dolio  
11 for the amount of \$56,250 on or about June 19, 2006, and Maxim Bungalows Cofresi for the  
12 amount of \$28,830 on or about October June 11, 2007.

13           537.       These representations proved to be false, and Plaintiffs Stockle failed to receive  
14 fee simple title, all of their quarterly interest payments, their principal returned or any of the other  
15 assurances guaranteed with the investment. In addition, had they known that Maxim would back  
16 out of its partnership arrangement with Defendants, they would not have invested into the Maxim  
17 product.  
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19           538.       At all relevant times herein, Plaintiff Rhonda Stockton-Harlin was and is a  
20 resident of the State of California. She was approached in Fall of 2007 to invest into the Maxim  
21 Bungalows Cofresi resort.  
22

23           539.       Plaintiff Stockton-Harlin was approached with this business opportunity while in  
24 the State of California, and executed certain contracts, performed her obligations and sustained  
25 damages in the State of California.  
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1           540.       Among other misrepresentations, Plaintiff Stockton-Harlin was promised that  
2 these were safe and secure investments, she had the option to get her investment back or re-invest,  
3 that she could sell her interest in the units anytime, the resorts were owned free and clear, and she  
4 would receive rental income. In addition, she was told that Maxim's partnership with Defendants  
5 secured her investment and would guarantee appreciation of the units and, as a result, substantially  
6 relied upon these representation in choosing to invest.  
7

8           541.       Consequently, Plaintiff Stockton-Harlin purchased interests in Maxim  
9 Bungalows Cofresi for \$86,400 on or about January of 2008.  
10

11           542.       These representations turned out to be false, and Plaintiff Stockton-Harlin failed  
12 to receive recoupment of her principal after five years or fee simple title. In addition, had she  
13 known that Maxim would have backed out on its partnership arrangement with Defendants, she  
14 would not have invested.  
15

16           543.       At all relevant times herein, Plaintiff Rosemarie Tarantino was and is a resident  
17 of the State of California. She was approached in the Spring of 2007 to invest into the Maxim Juan  
18 Dolio resort.

19           544.       Plaintiff Tarantino was approached with this business opportunity while in the  
20 State of California, and executed all contracts, performed her obligations and sustained damages in  
21 the State of California.  
22

23           545.       Among other misrepresentations, Plaintiff Tarantino was promised that these  
24 were safe and secure investments, she had the option to get her investment back or re-invest, that  
25 these investment were backed by Lloyds Bank of London, the resorts were owned free and clear  
26 and she would receive quarterly interest payments. In addition, she was assured that Maxim's  
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1 partnership would secure her investment and guarantee appreciation of the products and, as a result,  
2 substantially relied upon Maxim's involvement in choosing to invest..

3 546. Consequently, Plaintiff Tarantino purchased residential interests in Maxim Juan  
4 Dolio for \$12,656.25 on or about May 28, 2007.

5  
6 547. These representations turned out to be false, and Plaintiff Tarantino failed to  
7 receive all of her quarterly interest payments, recoupment of her principal after five years or any of  
8 the other guarantees promised. In addition, had she known that Maxim would have backed out on  
9 its partnership arrangement with Defendants, she would not have invested.

10  
11 548. At all relevant times herein, Plaintiff Nancy Taylor was and is a resident of the  
12 State of California. She was approached in October of 2006 to invest into the Maxim Juan Dolio.

13 549. Plaintiff Taylor was approached with this business opportunity while in the State  
14 of California, and executed all contracts, performed her obligations and sustained damages in the  
15 State of California.

16  
17 550. Among other misrepresentations, Plaintiff Taylor was promised that these were  
18 safe and secure investments, she had the option to get her investment back or re-invest, she would  
19 receive between 10-12% interest on her investment to be paid quarterly, the monies would be used  
20 to construct the hotel and this would help secure her financial future.

21 551. Consequently, Plaintiff Taylor purchased residential interests in Maxim Juan  
22 Dolio for \$63,281.28 on or about October 14, 2006

23  
24 552. These representations turned out to be false, and Plaintiff Taylor failed to receive  
25 all of her interest payments, the money was not used to construct the hotel and the investment did  
26 not secure her financial future.

1           553.       At all relevant times herein, Plaintiffs Ruth and Larry Teves were and are  
2 residents of the State of California. They were approached in the Spring of 2006 to invest into the  
3 Maxim Juan Dolio.

4           554.       Plaintiffs Teves were approached with this business opportunity while in the  
5 State of California, and executed the agreements, performed their obligations and sustained  
6 damages in the State of California.

7           555.       Among other misrepresentations, Plaintiffs Teves were promised that these were  
8 guaranteed and low risk investments, they could sell anytime and recoup their principal, the hotels  
9 were financially sound, and the units would greatly appreciate in value.

10          556.       Consequently, Plaintiffs Teves jointly purchased residential interest in the  
11 Passport product at Maxim Juan Dolio for \$28,125 on or about April 18, 2006.

12          557.       These representations turned out to be false, and Plaintiffs Teves failed to receive  
13 any appreciation, recoupment of their principal, or the ability to re-sell their units.

14          558.       At all relevant times herein, Plaintiff Michael Tunick was and is a resident of the  
15 State of California. He was approached in December of 2006 to invest into the Maxim Juan Dolio  
16 resort.

17          559.       Plaintiff Tunick was approached with this business opportunity while in the State  
18 of California, and executed all contracts, performed his obligations and sustained damages in the  
19 State of California.

20          560.       Among other misrepresentations, Plaintiff Tunick was promised that these were  
21 safe and secure investments, he could get out at anytime by selling to a number of investors waiting  
22 to purchase, he would receive fee simple title on the fractional purchases and would receive  
23 quarterly interest payments on the residential interests.

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561. Consequently, Plaintiff Tunick purchased fractional interests in Maxim Juan Dolio for \$21,094 and residential interests in Maxim Juan Dolio for 12,000 in December 2006.

562. These representations turned out to be false, and Plaintiff Tunick failed to receive all of his quarterly payments, fee simple title or the ability to sell his investment back at any time.

563. At all relevant times herein, Plaintiffs Martha and Jose Luis Valencia were and are residents of the State of California. They were approached on numerous occasions from the Fall of 2005 to the Summer of 2008 to invest into both the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts.

564. Plaintiffs Valencia were approached with this business opportunity while in the State of California, and executed certain agreements, performed their obligations and sustained damages in the State of California.

565. Among other misrepresentations, Plaintiffs Valencia were promised that these were guaranteed and low risk investments, they would receive fee simple title for the fractional investments, they would receive quarterly interest payments for the residential interests, and that their investments would appreciate in value. In addition, Plaintiffs Valencia were advised that the investment was secure because of Maxim's involvement and, as a result, substantially relied upon Maxim's involvement in their decision to invest into the Maxim product.

566. Consequently, Plaintiffs Valencia jointly purchased interests in Maxim Juan Dolio for \$120,000 on or about 2005. Plaintiff Martha Valencia purchased interests in Maxim Bungalows Juan Dolio for a total of \$72,000 from between 2006 to on or about July 1, 2008.

567. These representations turned out to be false, and Plaintiffs Valencia failed to receive all of the quarterly interest payments, fee simple title, or that promised security with these

1 investments. In addition, had they known that Maxim would have backed out on its partnership  
2 arrangement with Defendants, they would not have invested into the Maxim product.

3 568. At all relevant times herein, Plaintiff Octavio Valencia was and is a resident of  
4 the State of California. He was approached on numerous occasions from the Winter of 2005 to the  
5 Winter of 2007 to invest into the Maxim Juan Dolio.  
6

7 569. Plaintiff Valencia was approached with this business opportunity while in the  
8 State of California, and executed all agreements, performed his obligations and sustained damages  
9 in the State of California.  
10

11 570. Among other misrepresentations, Plaintiff Valencia was promised that these were  
12 guaranteed and low risk investments, they would receive fee simple title for the fractional  
13 investments, they would receive quarterly interest payments for the residential interests, and that his  
14 money was secure. In addition, Plaintiff Valencia was advised that the investment was secure  
15 because of Maxim's involvement and substantially relied upon Maxim's involvement in their  
16 decision to invest into the Maxim product.  
17

18 571. Consequently, Plaintiff Valencia purchased the following products at the  
19 following amounts on the following dates: (1) Maxim Juan Dolio Passport Founders Phase for  
20 \$42,250 on or about November 28, 2005; (2) Maxim Juan Dolio residence for \$38,671 on or about  
21 September 20, 2006; and (3) Maxim Bungalows Juan Dolio for \$5,000 on or about December of  
22 2007.  
23

24 572. These representations turned out to be false, and Plaintiff Valencia failed to  
25 receive all of the quarterly interest payments, fee simple title, or that promised security with these  
26 investments. In addition, had he known that Maxim would have backed out on its partnership  
27 arrangement with Defendants, he would not have invested into the Maxim product.  
28

1           573.       At all relevant times herein, Plaintiffs Erik and Jamie Van Woerkom were and  
2 are residents of the State of Utah. They were approached in February of 2008 to invest into Maxim  
3 Juan Dolio.

4           574.       Plaintiffs Van Woerkom were approached and engaged with this opportunity by  
5 agents/ representatives of Defendants who were located and operating in the State of California, as  
6 well as marketing, promoting and selling the very same product to California residents in the State  
7 of California.

8           575.       Among other misrepresentations, they were guaranteed that these investments  
9 were low risk and were safe, they would receive interest payments on a quarterly basis, they could  
10 withdraw their money at any time for a 5% penalty and that the resort was owned free and clear. In  
11 addition, they were promised that Maxim's partnership with Defendants would secure their  
12 investment and guarantee appreciation of the interests, and substantially relied upon this partnership  
13 and Maxim's involvement when deciding to invest.

14           576.       Consequently, Plaintiff Erik Van Woerkom purchased Maxim Juan Dolio  
15 interests for the amount of \$30,000 on or about February 24, 2008, and Plaintiff Jamie Van  
16 Woerkom purchased Maxim Juan Dolio interests for \$10,000 on or about February 24, 2008.

17           577.       These representations proved to be false, and Plaintiffs Stockle failed to receive  
18 all of their quarterly interest payments, the return of their principal, or any of the other assurances  
19 guaranteed with the investment. In addition, had they known that Maxim would back out of its  
20 partnership arrangement with Defendants, they would not have invested.

21           578.       At all relevant times herein, Plaintiffs Francisco and Rosa Vargas were and are  
22 residents of the State of California. They were approached on numerous occasions from December  
23 of 2006 to February of 2008 to invest into both Maxim Bungalows Cofresi and Maxim Juan Dolio.  
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1           579.       Plaintiffs Vargas were approached with this business opportunity while in the  
2 State of California, and executed certain agreements, performed their obligations and sustained  
3 damages in the State of California.

4           580.       Among other misrepresentations, Plaintiffs Vargas were promised that these were  
5 guaranteed and low risk investments, they would receive income from the rentals, the properties  
6 would appreciate and they would receive fee simple title for the fractional investments. In addition,  
7 Plaintiffs Vargas were advised that the investment was secure because of Maxim's involvement  
8 and, as a result, substantially relied upon Maxim's involvement in their decision to invest into the  
9 Maxim Bungalows properties.  
10

11           581.       Consequently, Plaintiffs Vargas jointly purchased the following products for the  
12 following amounts on the following dates: (1) Maxim Juan Dolio Passport for the amount of  
13 \$90,000 on or about February 28, 2008; (2) Maxim Juan Dolio Passport for the amount of \$28,125  
14 on or about February 28, 2008; (3) Maxim Bungalows Cofresi for the amount of \$28,830 on or  
15 about June 9, 2007; (4) Maxim Juan Dolio Passport for the amount of \$86,062.51 on or about  
16 February 14, 2005; (5) Maxim Juan Dolio Passport for \$218,250 on or about December 21, 2006.  
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19           582.       These representations turned out to be false, and Plaintiffs Vargas failed to  
20 receive rental income or appreciation in their properties, or any of the other warranties and security  
21 they were promised for these investments. Moreover, had they known that Maxim would have  
22 backed out on its partnership arrangement with Defendants, they would not have invested into the  
23 Maxim product.  
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1           583.       At all relevant times herein, Plaintiff Dan Vazquez was and is a resident of the  
2 State of California. He was approached in October of 2005 to invest into the Maxim Juan Dolio  
3 resort.

4           584.       Plaintiff Vazquez was approached with this business opportunity while in the  
5 State of California, and executed all contracts, performed his obligations and sustained damages in  
6 the State of California.

7           585.       Among other misrepresentations, Plaintiff Vazquez was promised that these were  
8 safe and secure investments, he could get out at anytime by selling his units on the open market, he  
9 would receive fee simple title on the fractional purchases and the Defendants would match his  
10 investment 100% to leverage and double his purchase.

11           586.       Consequently, Plaintiff Vazquez purchased six fractional interests in Maxim Juan  
12 Dolio for \$82,500 on or about October 17, 2005.

13           587.       These representations turned out to be false, and Plaintiff Vazquez failed to  
14 receive fee simple title, double his investment or the ability to sell his investment back at any time.  
15 In fact, he tried to sell his interests back in 2007 but despite representations to the contrary,  
16 Defendants refused to do so.

17           588.       At all relevant times herein, Plaintiff Oscar Vazquez was and is a resident of the  
18 State of California. He was approached in October of 2007 to invest into the Maxim Bungalows  
19 Cofresi resort.

20           589.       Plaintiff Vazquez was approached with this business opportunity while in the  
21 State of California, and executed all contracts, performed his obligations and sustained damages in  
22 the State of California.



1           590.       Among other misrepresentations, Plaintiff Vazquez was promised that these were  
2 safe and secure investments, he could get out at anytime by selling his units on the open market, he  
3 would receive fee simple title on the fractional purchases, the resorts were owned free and clear and  
4 his investment would be recouped from rentals. In addition, Plaintiff Vaughn was guaranteed that  
5 Maxim's partnership would secure his investment and result in appreciation and, as a result,  
6 substantially relied on these representations when he invested.  
7

8           591.       Consequently, Plaintiff Vazquez purchased interests in Maxim Bungalows  
9 Cofresi for \$46,035 on or about November 26, 2007.  
10

11           592.       These representations turned out to be false, and Plaintiff Vazquez failed to  
12 receive fee simple title, the ability to sell his investment back at any time, or recoup his investment  
13 as promised. Moreover, had he known that Maxim would have backed out on its partnership  
14 arrangement with Defendants, he would not have invested into the Maxim product.  
15

16           593.       At all relevant times herein, Plaintiff George Robert Vaughn was and is a  
17 resident of the State of California. He was approached in May and June of 2007 to invest into both  
18 the Maxim Juan Dolio and Maxim Bungalows Cofresi resorts.  
19

20           594.       Plaintiff Vaughn was approached with this business opportunity while in the  
21 State of California, and executed all contracts, performed his obligations and sustained damages in  
22 the State of California.  
23

24           595.       Among other misrepresentations, Plaintiff Vaughn was promised that these were  
25 safe and secure investments, he would receive guaranteed 12% interest to be paid quarterly for five  
26 years, fee simple title on the fractional interests, that he could sell anytime without penalty, and  
27 after five years he could get his full investment back or reinvest with and get 14% interest on his  
28 investment. In addition, Plaintiff Vaughn was guaranteed that Maxim's partnership would secure

1 his investment and result in appreciation and, as a result, substantially relied on Maxim's  
2 involvement when he invested.

3           596.       Consequently, Plaintiff Vaughn purchased (1) fractional interests in Maxim Juan  
4 Dolio for \$126,562.50 on or about June 18, 2007; (2) fractional interests in Maxim Bungalows  
5 Cofresi for \$48,825 on or about July 1, 2007, and then residential interests in Maxim Juan Dolio for  
6 \$31,640 on or about May 10, 2007.

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8           597.       These representations turned out to be false, and Plaintiff Vaughn failed to  
9 receive all of his quarterly payments, fee simple title or the ability to sell his investment back at any  
10 time. Moreover, had he known that Maxim would have backed out on its partnership arrangement  
11 with Defendants, he would not have invested into the Maxim product.

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13           598.       At all relevant times herein, Plaintiff Bruce Velick was and is a resident of the  
14 State of California. His mother, Ethel Hershey, was a resident of the State of California at all  
15 relevant times herein, but has since deceased. She was approached in the Summer of 2006 to invest  
16 into the Maxim Juan Dolio resort. Plaintiff Velick brings this action as beneficiary of the Ethel  
17 Hershey Trust and current owner of these interests.

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19           599.       Plaintiff's mother, Ethel Hershey, was approached with this business opportunity  
20 while in the State of California, and executed all contracts, performed her obligations and sustained  
21 damages in the State of California.

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23           600.       Among other misrepresentations, Ms. Hershey was promised that these were safe  
24 and secure investments, she would receive quarterly interest payments in the amount of 10% of her  
25 investment for five years, at which such time her investment would be returned..

26           601.       Consequently, Ms. Hershey purchased residential interests in Maxim Juan Dolio  
27 for \$107,578.17 on or about September 5, 2006, under the name of the Ethel Hershey Trust.  
28

1           602.       These representations turned out to be false, and Plaintiff Velick failed to receive  
2 all of the quarterly payments due, or return of the principal of the investment.

3           603.       At all relevant times herein, Plaintiffs Chris and Cynthia Verano were and are  
4 residents of the State of California. They were approached in August of 2007 to invest into the  
5 Maxim Bungalows Cofresi.  
6

7           604.       Plaintiffs Verano were approached with this business opportunity while in the  
8 State of California, and performed their obligations and sustained damages in the State of  
9 California.

10           605.       Among other misrepresentations, Plaintiffs Verano were promised that these  
11 were guaranteed and low risk investments, they would receive fee simple title for the fractional  
12 investments, they would receive quarterly interest payments for the residential interests, and that  
13 their investments would appreciate in value. In addition, Plaintiffs Verano were advised that the  
14 investment was secure because of Maxim's involvement and, consequently, substantially relied  
15 upon Maxim's involvement in their decision to invest.  
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18           606.       Consequently, Plaintiffs Verano jointly purchased interests in the Maxim  
19 Bungalows Cofresi for \$92,815 on or about October 20, 2007.

20           607.       These representations turned out to be false, and Plaintiffs Verano failed to  
21 receive all of the quarterly interest payments, fee simple title, or that promised security with these  
22 investments. In addition, had Plaintiffs Verano known that Maxim (i.e. Dennis Publishing) would  
23 back out of the partnership arrangement with the other Defendants, they would have not have  
24 invested.  
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1           608.       At all relevant times herein, Plaintiffs Cheri and Victor Vidas were and are  
2 residents of the State of California. They were approached in the Winter of 2007 to invest into the  
3 Maxim Juan Dolio.

4           609.       Plaintiffs Vidas were approached with this business opportunity while in the  
5 State of California, and executed all agreements, performed their obligations and sustained damages  
6 in the State of California.

7           610.       Among other misrepresentations, Plaintiffs Vidas were promised that these were  
8 guaranteed and low risk investments, they would receive quarterly interest payments of 12% for  
9 five years, and then have the option to get their investment back or re-invest and increase their  
10 interest rate to 14%, and could re-sell their interests at any time. They were advised to mortgage  
11 their home and use those proceeds to invest, for after five years they would get the money back and  
12 pay off the mortgage.

13           611.       Consequently, Plaintiffs Vidas jointly purchased residential interests in Maxim  
14 Juan Dolio Passport product on or about February 14, 2007, and then Plaintiff Cheri Vidas  
15 purchased additional Juan Maxim Juan Dolio Passport product on or about March 19, 2007, for a  
16 combined investment of \$221,484.48.

17           612.       These representations turned out to be false, and Plaintiffs Vidas failed to receive  
18 all of the quarterly interest payments, return of their principal or that promised security with these  
19 investments, as well as the ability to re-sell their interests as they desired and attempted to do. In  
20 addition, Plaintiffs Vidas continue to pay the mortgage payments on their previously paid off home  
21 that they mortgaged in order to invest, with the value of their mortgage exceeding the value of their  
22 home.

1           613.       At all relevant times herein, Plaintiffs Richard and Bobbie Wann were and are  
2 residents of the State of California, and both are 65 years of age or older. They were approached on  
3 numerous occasions from the Summer of 2007 to the Fall of 2008 invest into both Maxim  
4 Bungalows Cofresi and Maxim Juan Dolio.  
5

6           614.       Plaintiffs Wann were approached with this business opportunity while in the  
7 State of California, and executed certain agreements, performed their obligations and sustained  
8 damages in the State of California.  
9

10           615.       Among other misrepresentations, Plaintiffs Wann were promised that these were  
11 guaranteed and low risk investments, they would receive fee simple title for the fractional  
12 investments, they would receive quarterly interest payments for the residential interests, and that  
13 their investments would appreciate in value. In addition, Plaintiffs Wann were advised that the  
14 investment was secure because of Maxim's involvement and, as a result, substantially relied upon  
15 Maxim's involvement in their decision to invest.  
16

17           616.       Consequently, Plaintiffs purchased the following product for the following  
18 amount on the following dates: (1) Plaintiffs Wann jointly purchased residential interests in  
19 Maxim Juan Dolio for \$50,000 on or about October 4, 2008; (2) Plaintiff Bobbie Wann purchased  
20 residential interests in Maxim Juan Dolio for \$28,000 on or about November 4, 2007; (3) Plaintiff  
21 Richard Wann purchased residential interests in Maxim Juan Dolio for \$26,700 on or about  
22 November 29, 2007; (4) Plaintiff Richard Wann purchased fractional interests in Maxim  
23 Bungalows Juan Dolio for \$372,000 on or about June 18, 2007, and (5) Plaintiffs Wann were  
24 jointly assigned the interests in Maxim Juan Dolio originally purchased by their daughter, Tonya  
25 Casarez, for \$10,000 purchased on or about October 20, 2008.  
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1           617.       These representations turned out to be false, and Plaintiffs Wann failed to receive  
2 all of their quarterly interest payments, fee simple title, or other promised security with these  
3 investments. In addition, had Plaintiffs Wann known that Maxim (i.e. Dennis Publishing) would  
4 back out of the partnership arrangement with the other Defendants, they would have not have  
5 purchased interests in the Maxim product.  
6

7           618.       At all relevant times herein, Plaintiff Elva White was and is a resident of the  
8 State of California. She was approached on numerous occasions from February of 2005 to June of  
9 2007 to invest into both the Maxim Juan Dolio and Maxim Bungalows Cofresi resorts.  
10

11           619.       Plaintiff White was approached with this business opportunity while in the State  
12 of California, and executed certain contracts, performed her obligations and sustained damages in  
13 the State of California.

14           620.       Among other misrepresentations, Plaintiff White was promised that these were  
15 safe and secure investments, she had the option to get her investment back or re-invest, that she  
16 would receive quarterly interest payments on her investment, and that she would receive fee simple  
17 title. In addition, she was guaranteed that Maxim's partnership would secure her investment and  
18 result in the products appreciating and, as a result, she substantially relied upon Maxim's  
19 involvement when choosing to invest into the Maxim products.  
20

21           621.       Consequently, Plaintiff White purchased the following product for the following  
22 amounts on the following dates: (1) residential interests in Maxim Bungalows Cofresi for \$10,000  
23 on or about April of 2005; (2) residential interests in Maxim Bungalows Cofresi for \$15,000 on or  
24 about September of 2005; (3) residential interests in Maxim Bungalows Cofresi for \$10,000 on or  
25 about September 2005; (4) residential interests in Maxim Juan Dolio for \$12,656.25 on or about  
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1 November of 2006; and (4) fractional interests in Maxim Juan Dolio for \$23,500 on or about June  
2 of 2007.

3           622.       These representations turned out to be false, and Plaintiff White failed to receive  
4 all of their quarterly interest payments, fee simple title, or other promised security with these  
5 investments. In addition, had Plaintiff White known that Maxim (i.e. Dennis Publishing) would  
6 back out of the partnership arrangement with the other Defendants, she would have not have  
7 purchased interests into Maxim product.  
8

9           623.       At all relevant times herein, Plaintiff Paul Yeager was and is a resident of the  
10 State of California. He was approached in Spring of 2006 and Summer of 2007 to invest into both  
11 the Maxim Juan Dolio and Maxim Bungalows Cofresi resorts.  
12

13           624.       Plaintiff Yeager was approached with this business opportunity while in the State  
14 of California, and executed all contracts, performed his obligations and sustained damages in the  
15 State of California.  
16

17           625.       Among other misrepresentations, Plaintiff Yeager was promised that these were  
18 safe and secure investments, he could sell his units on the open market anytime with at least a 20%  
19 increase in value, these investments were a "sure bet" since the Elliotts were so financially involved  
20 personally. In addition, he was guaranteed that Maxim's partnership would secure his investment  
21 and result in the products appreciating, and substantially relied upon Maxim's involvement when  
22 choosing to invest into the Maxim products.  
23

24           626.       Consequently, Plaintiff Yeager purchased interests in Maxim Juan Dolio for  
25 \$14,062.50 on or about May of 2006, and then interests in Maxim Bungalows Cofresi for \$60,265  
26 on or about June 9, 2007.  
27  
28

1           627.       These representations turned out to be false, and Plaintiff Yeager failed to have  
2 the opportunity to sell his interests or make 20% profit on them. In addition, had Plaintiff Yeager  
3 known that Maxim (i.e. Dennis Publishing) would back out of the partnership arrangement with the  
4 other Defendants, he would have not have purchased interests into the Maxim product.  
5

6           628.       At all relevant times herein, Plaintiff Debra Zotti was and is a resident of the  
7 State of California. She was approached in February of 2008 to invest into the Maxim Juan Dolio  
8 resort.  
9

10          629.       Plaintiff Zotti was approached with this business opportunity while in the State  
11 of California, and executed all contracts, performed her obligations and sustained damages in the  
12 State of California.

13          630.       Among other misrepresentations, Plaintiff Zotti was promised that these were  
14 safe and secure investments, she would receive 12% on her money to be paid quarterly for five  
15 years, and then had the option to get her investment back or re-invest. In addition, she was  
16 guaranteed that Maxim's partnership would secure her investment and result in the products  
17 appreciating, and she substantially relied upon Maxim's involvement when choosing to invest.  
18

19          631.       Consequently, Plaintiff Zotti purchased residential interests in Maxim Juan Dolio  
20 for the amount of \$20,000 on or about February 2008.  
21

22          632.       These representations turned out to be false, and Plaintiff Zotti failed to receive  
23 all of her quarterly interest payments or the option to recoup her principal or re-invest. In addition,  
24 had she known that Maxim (i.e. Dennis Publishing, Inc.) was going to back out of its partnership  
25 arrangement with Defendants, she would not have invested.

26          633.       As set forth, the above representations only reflect examples of the plethora of  
27 promises that Defendants made to Plaintiffs to lure them into purchasing/investing, which proved  
28



1 out to be false, and to which each Plaintiff materially and justifiably relied to their extreme  
2 detriment.

3 FIRST CAUSE OF ACTION

4 (Fraudulent Misrepresentation)

5 (As Against All Defendants And Does 1-500)

6  
7 634. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 633 as though  
8 fully set forth herein.

9 635. As set forth herein, Defendants made those misrepresentations of material facts  
10 described previously in this complaint, which turned out to be false.

11 636. Further, Defendants made those misrepresentations either knowingly or in  
12 reckless disregard of their falsity, and with the intent to induce Plaintiffs to invest, purchase and/or  
13 loan funds.

14 637. At the time the misrepresentations were made, Plaintiffs had no knowledge  
15 regarding the falsity of the representations, and justifiably relied upon said representations.

16 638. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered  
17 and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be  
18 determined in accordance with proof at the time of trial.

19 639. Moreover, Defendants' conduct was willful, malicious, oppressive and/or  
20 fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against  
21 Defendants, and each of them.

22 SECOND CAUSE OF ACTION

23 (Fraudulent Concealment)

24 (As Against All Defendants and Does 1-500)

1           640.       Plaintiffs hereby incorporate and re-allege paragraphs 1 through 639 as though  
2 fully set forth herein.

3           641.       Defendants concealed or suppressed material facts about the nature of the  
4 transactions at issue.

5           642.       Defendants were under a duty to disclose the true facts set forth herein since they  
6 had knowledge of their existence and knew that plaintiffs were unaware and did not have access to  
7 the true facts.

8           643.       Defendants intentionally concealed and/or suppressed these true facts with the  
9 intent to defraud Plaintiffs.  
10

11           644.       Plaintiffs, and each of them, were not aware of these acts and, moreover, would  
12 not have invested or tendered any monies to Defendants had a full and honest disclosure of the true  
13 nature of the investments been made to them.  
14

15           645.       As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered  
16 and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be  
17 determined in accordance with proof at the time of trial.  
18

19           646.       Moreover, Defendants' conduct was willful, malicious, oppressive and/or  
20 fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against  
21 Defendants, and each of them.  
22

### 23                                   THIRD CAUSE OF ACTION

24   (False Promise)

25   (As Against All Defendants and Does 1-500)

26           647.       Plaintiffs hereby incorporate and re-allege paragraphs 1 through 646 as though  
27 fully set forth herein.  
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648. At all times material to this complaint, Defendants made material promises to Plaintiffs pertaining to the investment scheme as set forth and outlined herein and, at the time Defendants did so, they did not intend to perform said promises.

649. Defendants made these promises with the intent to induce Plaintiffs, and each of them, to invest, loan and/or purchase interests in the subject resorts. Plaintiffs, and each of them, were unaware of Defendants' intentions not to perform these promises and justifiably relied thereon.

650. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be determined in accordance with proof at the time of trial.

651. Moreover, Defendants' conduct was willful, malicious, oppressive and/or fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against Defendants, and each of them.

FOURTH CAUSE OF ACTION

(Deceit -- California Civil Code Sections 1709-1710)

(As Against All Defendants and Does 1-500)

652. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 651 as though fully set forth herein.

653. At all times material to this complaint, Defendants engaged in the acts set forth herein in an effort to willfully deceive Plaintiffs for the purposes of inducing Plaintiffs to alter their respective positions to each of their detriment. Specifically, Defendants misrepresented and

1 concealed facts, made promises without intending to perform them and/or misrepresented facts  
2 without reasonable grounds for believing same to be true.

3 654. In so doing, Defendants intended to induce reliance by Plaintiffs on the  
4 misrepresentations, acts and omissions. Plaintiffs were unaware of the falsity and justifiably relied  
5 upon said misrepresentations, acts and omissions.  
6

7 655. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered  
8 and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be  
9 determined in accordance with proof at the time of trial.

10 656. Moreover, Defendants' conduct was willful, malicious, oppressive and/or  
11 fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against  
12 Defendants, and each of them.  
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19 FIFTH CAUSE OF ACTION

20 (Actual Fraud -- California Civil Code Section 1572))

21 (As Against All Defendants and Does 1-500)

22 657. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 656 as though  
23 fully set forth herein.  
24

25 658. At all times material to this complaint, Defendants misrepresented and concealed  
26 facts, engaged in deceit and made promises without intending to perform, all in an effort to deceive  
27 Plaintiffs and/or otherwise induce Plaintiffs to enter into contracts pertaining to the investment,  
28

1 loans or purchases of interests in the subject resorts. Each of the Defendants, independently and in  
2 concert with each other, did so for the sole purpose of getting Plaintiffs to execute the agreements  
3 and tender monies based on these misrepresentations, omissions, false promises and deceit.

4 659. Defendants intentionally induced reliance by Plaintiffs through their  
5 representations, acts, omissions, promises and deceit, and Plaintiffs justifiably relied upon same in  
6 executing said agreements and tendered monies pursuant to thereto.

7 660. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered  
8 and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be  
9 determined in accordance with proof at the time of trial.

10 661. Moreover, Defendants' conduct was willful, malicious, oppressive and/or  
11 fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against  
12 Defendants, and each of them.

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19 SIXTH CAUSE OF ACTION

20 (Constructive Fraud -- California Civil Code 1573)

21 (As Against All Defendants and Does 1-500)

22 662. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 661 as though  
23 fully set forth herein

24 663. At all times material to this complaint, Defendants misrepresented and concealed  
25 facts, engaged in deceit, made promises without intending to perform and further breached trust and  
26 confidence placed in them by Plaintiffs as investors and/or purchasers into the subject resorts.  
27  
28

1 Through their specific representations and actions, Defendants convinced Plaintiffs to place trust  
2 and confidence in them with respect to the handling of their investment monies and performance of  
3 their promises in returning said funds, paying non-use fees, using funds to construct the resorts, and  
4 the ultimate security of their investments and promised returns, etc. Defendants convinced  
5 Plaintiffs that through their superior positions of experience and knowledge, to the absence of said  
6 experience and knowledge on behalf of Plaintiffs, that Plaintiffs could "trust" Defendants.  
7

8 664. Plaintiffs relied on Defendants to make truthful statements, to disclose all material  
9 facts surrounding the investments, to perform as they promised, to utilize their monies for the very  
10 purposes they represented and to have said monies returned as warranted and promised.  
11

12 665. Defendants intentionally induced reliance by Plaintiffs through their  
13 representations, acts, omissions and promises.

14 666. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered  
15 and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be  
16 determined in accordance with proof at the time of trial.  
17

18 667. Moreover, Defendants' conduct was willful, malicious, oppressive and/or  
19 fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against  
20 Defendants, and each of them.  
21

## 22 SEVENTH CAUSE OF ACTION

23 (Conspiracy to Defraud)

24 (As Against All Defendants and Does 1-500)

25 668. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 667 as though  
26 fully set forth herein.  
27  
28

1           669.       At all times material to this complaint, Defendants and each of them knew of,  
2 participated in, facilitated and acted in furtherance of the fraud scheme at issue.

3           670.       Each of these Defendants fraudulently concealed from Plaintiffs their respective  
4 role in carrying out the scheme and misrepresented the true nature and risk of the fraudulent resort  
5 purchasing program. Each acted as an extension or agent of one another to form a joint conspiracy  
6 to affect the lucrative scheme at issue, and each profited substantially from the proceeds of the  
7 scheme.  
8

9           671.       Defendants, and each of them, knew and understood that Plaintiffs stood to be  
10 defrauded, and were in fact defrauded, when Plaintiffs purchased the “products” detailed in this  
11 complaint. Nevertheless, at all times material to this complaint, Defendants, and each of them,  
12 deliberately provided Plaintiffs with material information that they knew was false, and each  
13 deliberately concealed material information from Plaintiffs concerning the scheme in order to  
14 fraudulently induce plaintiffs to invest in the resorts.  
15

16           672.       Rather than honestly disclosing the truth behind the scheme or the information in  
17 Defendants’ possession concerning the fraudulent nature of the scheme at issue herein, Defendants,  
18 and each of them, concealed this information from Plaintiffs in order to defraud them and further  
19 advance and profit from the scheme.  
20

21           673.       Defendants, and each of them, acted jointly and in concert with each of the other  
22 to carry out the fraudulent scheme detailed herein. Each is jointly and severally liable for the acts of  
23 their fellow co-conspirators.  
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25           674.       But for the acts of fraudulent misrepresentation, concealment and deceit alleged  
26 herein, Plaintiffs would have never invested into the scheme.  
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675. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be determined in accordance with proof at the time of trial.

676. Moreover, Defendants' conduct was willful, malicious, oppressive and/or fraudulent. As a result of such conduct, Plaintiff seeks punitive and/or exemplary damages against Defendants, and each of them.

EIGHTH CAUSE OF ACTION

(Fraud In The Inception)

(As Against All Defendants and Does 1-500)

677. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 676 as though fully set forth herein.

678. As detailed in this Complaint, the actual "purchase documents" that Plaintiffs received did not contain the terms that Plaintiffs had agreed to, nor the specifics of the deal that they had intended to enter into (i.e. fee simple title, right to recoup investment, rental income, etc.). Plaintiffs were deceived as to the exact nature of the agreement and were unaware of what they were agreeing to.

679. As a result, all purported purchase and related agreements are void ab initio, and Plaintiffs are entitled to the return all amounts that were invested, deposited or otherwise tendered to Defendants based on these agreements, as well as all other damages to which they are entitled.

NINTH CAUSE OF ACTION

(Rescission)

(As Against All Applicable Defendants and Does 1-500)



1 680. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 679 as though  
2 fully set forth herein.

3 681. As detailed in this Complaint, all of the purported agreements and related  
4 documentation which purport to represent Plaintiffs' investments in either the Maxim Bungalows  
5 Cofresi or Maxim Juan Dolio resorts were procured through false pretenses, intentional or negligent  
6 misrepresentations, concealment and/or mistake. Plaintiffs were induced to enter into these  
7 agreements due to fraud and/or mistake, and the ultimate terms in the agreements were directly at  
8 odds with the representations made by all Defendants concerning all aspects of the investments that  
9 Plaintiffs were led to believe they were making and agreeing to.  
10

11 682. Additionally, all of these agreements fail for lack of consideration and other  
12 contractual deficiencies, which include the fact that many of the contracts are not properly executed  
13 by Defendants; Defendants failed to deliver what was promised (fee simple ownership, right of  
14 resale, splitting of rental profits etc.), and so on.  
15

16 683. All purported agreements are hereby rescinded by Plaintiffs due to fraud,  
17 mistake, lack of consideration and/or other contractual deficiencies which support rescission and, as  
18 a result and to the extent applicable, Plaintiffs seek restitution of all amounts they invested,  
19 deposited or otherwise provided to Defendants with respect to these agreements.  
20

21 TENTH CAUSE OF ACTION

22 (Violations of Business and Professions Code Section 17200)

23 (As Against All Defendants and Does 1-500)

24 684. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 683 as though  
25 fully set forth herein.  
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1           690.       The representations made orally and in such widely published promotional  
 2 materials, and disseminated through the varying types of media (internet, radio, in person, etc.) with  
 3 respect to all aspects of resort ownership, secure investments, guarantees of profit and other details  
 4 set forth herein pertaining to the resorts, were false. Defendants knew or should have known in the  
 5 exercise of reasonable care that the promotional materials and representations they were making  
 6 were false or misleading at the time they were issued to Plaintiffs and the public at large.

7  
 8           691.       Pursuant to California Business & Professions Code §17500 et seq., Plaintiffs  
 9 seek from each Defendant restitution and the disgorgement of all earnings, profits, compensation,  
 10 benefits obtained by Defendants and any other remedies and/or damages available to Plaintiffs as a  
 11 result of Defendants’ violations of California Business & Professions Code § 17500 et seq.  
 12

13   TWELFTH CAUSE OF ACTION

14   (Conversion)

15   (As Against All Defendants and Does 1-500)

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 17           692.       Plaintiffs hereby incorporate and re-allege paragraphs 1 through 691 as though  
 18 fully set forth herein.

19           693.       Defendants are wrongfully in the possession of money belonging to Plaintiffs.  
 20

21           694.       Defendants intentionally took possession of money belonging to Plaintiffs  
 22 through various acts detailed in this complaint.

23           695.       Defendants have denied plaintiffs from having access to any of the money they  
 24 invested into the subject resorts at issue.

25           696.       Plaintiffs would never have consented to investing any money into the subject  
 26 resorts had Defendants advised Plaintiffs of the true nature of the investments at hand.  
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697. Plaintiffs do not consent to the continuing loss of use of their property and money by Defendants.

698. Plaintiffs have been harmed by Defendants' improper conversion of money and property belonging to them.

699. Each Defendant's conduct was a substantial factor in causing Plaintiffs' harm.

700. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be determined in accordance with proof at the time of trial.

701. Moreover, Defendants' conduct was willful, malicious, oppressive and/or fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against Defendants, and each of them.

THIRTEENTH CAUSE OF ACTION

(Negligence)

(As Against All Defendants and Does 1-500)

702. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 700 as though fully set forth herein.

703. Each Defendant's conduct as alleged herein was negligent.

704. Each Defendant sued herein breached a duty of care owed to Plaintiffs to not cause harm to them.

705. By virtue of each Defendant's acts and omissions alleged herein, Plaintiffs were harmed.

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706. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be determined in accordance with proof at the time of trial.

FOURTEENTH CAUSE OF ACTION

(Negligent Misrepresentation)

(As Against All Defendants and Does 1-500)

707. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 706 as though fully set forth herein.

708. As set forth herein, Defendants made numerous representations to Plaintiffs that were false.

709. At the time Defendants made these representations to Plaintiffs, Defendants had no reasonable basis for making the representations, and either knew or should have known their representations were false.

710. At the time the misrepresentations were made, Plaintiffs had no knowledge regarding the falsity of the representations, and detrimentally relied upon said representations when deciding to invest, purchase and/or otherwise tender funds to Defendants.

711. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be determined in accordance with proof at the time of trial.

FIFTEENTH CAUSE OF ACTION

(Intentional Infliction of Emotional Distress)

(As Against All Defendants and Does 1-500)

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712. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 711 as though fully set forth herein.

713. Each Defendant's conduct has been intentional and outrageous.

714. Defendants have acted with reckless disregard of the probability that Plaintiffs would suffer emotional distress.

715. Plaintiffs have suffered severe emotional distress as a result of Defendants' acts and conduct as detailed in this Complaint.

716. Defendants' conduct was a substantial factor in causing Plaintiffs' severe emotional distress.

717. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be determined in accordance with proof at the time of trial.

718. Moreover, Defendants' conduct was willful, malicious, oppressive and/or fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against Defendants, and each of them.

SIXTEENTH CAUSE OF ACTION

(Accounting)

(As Against All Defendants and Does 1-500)

719. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 718 as though fully set forth herein.

720. Plaintiffs are entitled to an accounting into each Defendant's business dealings, business transactions, books of operations and business operations in order to trace and recover the money that Defendants have improperly taken from Plaintiffs.

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721. Plaintiffs are entitled to an accounting of these Defendants to determine the receipt, disbursement and accounting of all business dealings as they pertain to the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts, projects and operations to adequately understand the scope of the harm perpetrated by all Defendants against Plaintiffs.

722. Plaintiffs are further entitled to an accounting in regards to the business dealings and transactions of the principals, owners, agents and representatives of each of the entity Defendants in order to trace and recover the amounts improperly taken from Plaintiffs.

SEVENTEENTH CAUSE OF ACTION

(Alter Ego)

(As Against All Defendants and Does 1-500)

723. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 722 as though fully set forth herein.

724. There exists a sufficient unity of interest and commingling of business operations, revenue, expenses and profits to render each Defendant the alter ego of every other defendant as respects the Maxim Bungalows Cofresi and Maxim Juan Dolio resorts. Not only was each defendant the agent, partner, joint venture partner, conspirator or employee of each of the other defendants, and in doing the things alleged to have been done in the complaint, acted within the scope of such relationship or ratified the acts of the others, but similarly were the alter egos of the other, as there is such a unity of interest and ownership between and among Defendants, that such interests have become intertwined and non-separable. Further, each Defendant has separately disregarded corporate and separate existence formalities and have, jointly and severally, used separate funds of business entities of and by each of them for their own personal purposes.

1 725. It would be inequitable to not hold each Defendant and their agents, affiliates,  
2 and partners jointly and severally liable for the obligations of the other with respect to the making  
3 of false representations and misappropriation of Plaintiffs funds as alleged herein. By interacting  
4 with Plaintiffs on behalf of each other with such a commonality of purpose and interest, Defendants  
5 and their agents, partners and affiliates have destroyed separation of their own entities with respect  
6 to all aspects of this fraud scheme.  
7

8 EIGHTEENTH CAUSE OF ACTION

9 (Constructive Trust)

10 (As Against All Defendants and Does 1-500)

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12 726. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 725 as though  
13 fully set forth herein.

14 727. Plaintiffs requests that this Court impose a constructive trust upon each  
15 Defendant and its/their assets, property and money to ensure that Plaintiffs receive back their  
16 invested income and investment return with respect to the subject resorts.  
17

18 NINETEENTH CAUSE OF ACTION

19 (Unjust Enrichment)

20 (As Against All Defendants and Does 1-500)

21 728. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 727 as though  
22 fully set forth herein.

23  
24 729. Defendants have been unjustly enriched at the expense of Plaintiffs. Defendants,  
25 and each of them, have solicited, engaged, accepted and benefitted from Plaintiffs' money to the  
26 detriment of Plaintiffs. As such, Defendants, and each of them, have and currently enjoy the  
27 economic benefit of Plaintiff's money.  
28



1 730. In an effort to avoid unjust enrichment to Defendants at the expense of Plaintiffs,  
2 Defendants, and each of them, should be required to compensate Plaintiff and/or disgorge all  
3 profits, benefits and other compensation received by Defendants incident to the transactions at issue  
4 in this lawsuit, in an amount in excess of the jurisdictional limit to be determined in accordance  
5 with proof at the time of trial.  
6

7 TWENTIETH CAUSE OF ACTION

8 (Money Had and Received)

9 (As Against All Defendants and Does 1-500)

10 731. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 730 as though  
11 fully set forth herein.  
12

13 732. As set forth herein, Defendants are indebted to Plaintiffs for money had and  
14 received by Defendants for the use of Plaintiffs.  
15

16 733. Despite that Plaintiffs have made numerous demands for payment and return of  
17 funds, Defendants have failed to return said funds to Plaintiffs.  
18

19 734. As a result, Plaintiffs have been damaged in the amount equivalent to the totality  
20 of these funds held by Defendants, in an amount in excess of the jurisdictional limit to be  
21 determined in accordance with proof at the time of trial.  
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26 TWENTY-FIRST CAUSE OF ACTION

27 (Breach of Fiduciary Duty)

1 (As Against All Defendants and Does 1-500, except Dennis Publishing, Inc. and Alpha  
2 Media Group, Inc.)

3 735. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 734 as though  
4 fully set forth herein.

5  
6 736. As set forth herein, Defendants were fiduciaries of Plaintiffs in that Defendants  
7 placed themselves in a position of trust and confidence with Plaintiffs for the preservation,  
8 management and security of their investments with Defendants. Among other representations,  
9 Plaintiffs were always told that they could recoup their money either at any time or within a definite  
10 period, they should trust Defendants as experts in the field to utilize their funds in accordance with  
11 constructing, managing and operating hotels of which they would be owners and had invested, and  
12 that their money was safe with Defendants as these were guaranteed investments.  
13

14 737. In addition, certain agreements reflect that Plaintiffs were beneficiaries of a trust  
15 with respect to their rights in the subject hotels, and as trustees, managers and/or legal counsel to  
16 the trust entities, Defendants created fiduciary obligations and owed fiduciary duties to Plaintiffs.  
17

18 738. Each Defendant sued and named as part of this cause of action breached said  
19 fiduciary duties of care owed to Plaintiffs.

20 739. By virtue of Defendant's actions alleged herein, Plaintiffs have been harmed.

21 740. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered  
22 and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be  
23 determined in accordance with proof at the time of trial.  
24

25 741. In addition, Defendants' conduct was willful, malicious, oppressive and/or  
26 fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against  
27 Defendants, and each of them.  
28

1 TWENTY-SECOND CAUSE OF ACTION

2 (Promissory Estoppel)

3 (As Against All Defendants and Does 1-500)

4 742. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 741 as though  
5 fully set forth herein.

6 743. As set forth herein, Defendants made clear and unambiguous promises to  
7 Plaintiffs which they failed to honor.

8 744. Defendants knew or reasonably should have known that said promises would  
9 induce reliance thereon by Plaintiffs.  
10

11 745. Plaintiffs relied upon said promises to their detriment.

12 746. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered  
13 and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be  
14 determined in accordance with proof at the time of trial.  
15

16 TWENTY-THIRD CAUSE OF ACTION

17 (Aiding and Abetting)

18 (As Against All Defendants and Does 1-500)

19 747. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 746 as though  
20 fully set forth herein.  
21

22 748. Defendants, and each of them, knowingly provided substantial assistance and  
23 encouragement with respect to the commission of the tortious and wrongful acts set forth herein.  
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25 749. By virtue of Defendant's substantial assistance and encouragement, the wrongful  
26 acts and tortious activities described herein were enabled, supported and successful.  
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750. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be determined in accordance with proof at the time of trial.

751. In addition, Defendants' conduct was willful, malicious, oppressive and/or fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against Defendants, and each of them.

TWENTY-FOURTH CAUSE OF ACTION

(Elder Abuse)

(As Against All Defendants and Does 1-500)

752. Plaintiffs hereby incorporate and re-allege paragraphs 1 through 751 as though fully set forth herein.

753. Certain Plaintiffs as designated herein are 65 years of age or older.

754. Defendants, and each of them, took, appropriated, obtained and/or retained Plaintiffs money, or otherwise assisted in the taking, appropriated, obtaining and/or retaining of said money, for a wrongful use and/or with the intent to defraud.

755. By virtue of each Defendant's actions and conduct alleged herein, Plaintiffs were harmed.

756. As a direct and proximate cause of Defendants' actions, Plaintiffs have suffered and continue to suffer actual damages in an amount in excess of the jurisdictional limit to be determined in accordance with proof at the time of trial.

757. Moreover, Defendants' conduct was willful, malicious, oppressive and/or fraudulent. As a result of such conduct, Plaintiffs seeks punitive and/or exemplary damages against Defendants, and each of them.

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PRAYER FOR DAMAGES

WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as

follows:

1. Compensatory and general damages according to proof;
2. Special damages according to proof;
3. Punitive and exemplary damages in an amount found appropriate by the trier of fact and according to proof;
4. Rescission of all purchase and related agreements;
5. Constructive trust over each Defendants' assets, property and money;
6. An accounting with respect to the assets, property, money and business transactions at issue with respect to each Defendant;
7. For restitution of all amounts invested, and disgorgement of all profits;
8. An injunction enjoining Defendants' from further violations of Business and Professions Code §17200 et seq.
9. An injunction enjoining Defendants' from further violations of Business and Professions Code §17500 et seq.
10. Prejudgment interest at the legal rate of interest;
11. Costs of suit;
12. Costs of the proceedings herein;
13. Reasonable attorneys' fees pursuant to statute and/or otherwise permitted by law;
14. All other further relief as the Court may deem appropriate in the interests of justice.

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DATED:

THE LOVELL FIRM, P.C.

BY: Tre Lovell  
TRE LOVELL  
Attorneys for Plaintiffs

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a jury trial for all matters so triable.

DATED:

THE LOVELL FIRM, P.C.

BY: Tre Lovell  
TRE LOVELL  
Attorneys for Plaintiffs