

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
www.flsb.uscourts.gov

In re:

PUIG, INC., et al.,

Case No. 07-14026-BKC-RAM
Chapter 11
Substantively Consolidated

Debtors.

THE OFFICIAL JOINT COMMITTEE OF
UNSECURED CREDITORS ON BEHALF OF
THE SUBSTANTIVELY CONSOLIDATED
ESTATES OF PUIG, INC.;

Adv. Case No.

Plaintiff,

v.

JIREHOUSE CAPITAL and STEPHEN JONES;

Defendants.

COMPLAINT

The Official Joint Committee of Unsecured Creditors, pursuant to this Court’s Order Granting Committee’s Motion to Prosecute All Litigation Claims on Behalf of the Estates [D.E. 490 in Case No. 07-14026-BKC-RAM], on behalf of the substantively consolidated estates of Puig, Inc. (“*Plaintiff*”), and by and through undersigned counsel, sues Jirehouse Capital and Stephen Jones (“*Defendants*”) and alleges as follows:

Parties

1. The Debtors are Florida based entities organized under the laws of the State of Florida. Pre-petition, the Debtors were involved in the acquisition and conversion of rental properties into condominium form of ownership.

2. Mr. Jones is an individual residing in the United Kingdom.

3. JC is an unlimited company formed under the laws of the United Kingdom. Upon information and belief, Mr. Jones is the sole shareholder of JC.

Jurisdiction and venue

4. This Court has subject matter jurisdiction over this Complaint pursuant to 28 U.S.C. § 1334(b).

5. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (H) and (O).

6. Venue is proper in this Court pursuant to 28 U.S.C. § 1409.

The Sale of 85 Arvida Parkway

7. In April 2005, Juan E. Puig, Jr. and Diana Puig (collectively, the “**Puigs**”) sought to acquire a residence and utilized the services of a licensed realtor, Ms. Ross, to assist them.

8. Audrey Ross identified the property located at 85 Arvida Parkway, Miami, Florida (“**Arvida Property**”).

9. Ms. Ross advised the Puigs that although the Property was not listed on the MLS, that she was familiar with the Property and understood that Jonathan and Nicola Brown (“**Browns**”) would be willing to sell it for \$14 million.

10. On April 13, 2005, the Puigs entered into a purchase sale contract (“**Sale Contract**”) with the Browns to purchase the Property.

11. Ms. Ross was entitled to a sales commission in connection with the sale of the Property.

12. The Sale Contract stated that the price of the Property was \$7,360,000. This price was false. Instead, the true sales price of the Property was in excess of \$12,000,000.

13. The Defendants allegedly provided legal counsel to the Browns and entities affiliated with them in connection with the sale of the Arvida Property.

14. At no point did the Defendants represent the Plaintiff.

15. On August 10, 2005, Aran, Correa, Guarch & Shapiro, P.A., from funds it received into its trust account from Plaintiff, issued the following payments:

- a. \$417,467.46 to JC; and
- b. \$32,500 to JC.

Items “a” and “b” are collectively referred to as the “*Transfers*.”

16. The Defendants were the initial transferees of the Transfers from the Plaintiff or they were made for their benefit.

17. Plaintiff did not receive any services or value from the Defendants in exchange for these Transfers.

COUNT 1 - Fraudulent transfer pursuant to 11 U.S.C. §§ 548(a)(1)(B), 550

18. The Plaintiff reasserts the allegations set forth in paragraphs 1 through 17 as if fully set forth herein.

19. The Plaintiff made the Transfers to or for the benefit of the Defendant within two years prior to the petition date.

20. Plaintiff made the Transfers to or for the benefit of the Defendants without receiving reasonably equivalent value in exchange for such Transfers.

21. At the time Plaintiff made the Transfers, Plaintiff was insolvent.

22. At the time Plaintiff made the Transfers, the Plaintiff was engaged in business or a transaction, or was about to engage in business or transaction, for which any property remaining with Plaintiff was an unreasonably small capital.

23. At the time Plaintiff made the Transfers, Plaintiff intended to incur or believed that it would incur, debts that were beyond its ability to pay as such debts matured.

24. The Defendants were the direct recipients and/or the individuals for whose benefit the Transfers were made.

WHEREFORE, Plaintiff demands judgment against the Defendants in the total amount of the Transfers received by the Defendants and/or for its benefit together with prejudgment interest from the date of such transfer, costs, all other relief set forth 11 U.S.C. § 550 and any further relief that this Court deems just, fair and equitable.

**COUNT 2 - Fraudulent transfer pursuant
to 11 U.S.C. § 544(b), Fla. Stat. §§ 726.105(1)(b) and 726.108**

25. Plaintiff reassert the allegations set forth in paragraphs 1 through 17 as if fully set forth herein.

26. Plaintiff made the Transfers to or for the benefit of the Defendants.

27. Plaintiff did not receive reasonably equivalent value in exchange for the Transfers made to and/or for the benefit of the Defendants.

28. Plaintiff was insolvent at the time of the Transfers.

29. The net assets of the Plaintiff was unreasonably small in relation to the Transfers..

30. At the time of the Transfers to for the benefit of the Defendants, Plaintiff was insolvent and would not be able to satisfy its liabilities as they came due.

31. A the time of the Transfers to or for the benefit of the Defendants, Plaintiff was engaged in, or was about to engage in, a business or a transaction for which the remaining assets were unreasonably small in relation to the business or transaction.

32. At the time of the Transfers, Plaintiff intended to incur or believed that it would incur, debts that were beyond its ability to pay as such debts matured.

WHEREFORE, Plaintiff demands judgment against the Defendants in the total amount of the Transfers to the Defendants together with prejudgment interest from the date of such transfers,

costs, all other relief set forth in § 726.108 and any further relief that this Court deems just, fair and equitable.

**COUNT 3 - Fraudulent transfer pursuant
to 11 U.S.C. § 544(b), Fla. Stat. §§ 726.106(1) and 726.108**

33. Plaintiff reasserts the allegations set forth in paragraphs 1 through 17 as if fully set forth herein.

34. Plaintiff made the Transfers to or for the benefit of the Defendants.

35. Plaintiff did not receive reasonably equivalent value in exchange for the Transfers to or for the benefit of the Defendants.

36. The Plaintiff was insolvent at the time of the Transfers.

WHEREFORE, Plaintiff demands judgment against the Defendants in the total amount of the Transfers made to the Defendants together with prejudgment interest from the date of such transfers, costs, all other relief set forth in § 726.108 and any further relief that this Court deems just, fair and equitable.

Dated: March 5, 2009.

s/ Jonathan S. Feldman
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