2015 WL 5968264 (Or.Cir.) (Trial Pleading)
Circuit Court of Oregon.
Multnomah County

Abdel H. CHEHADE, Plaintiff,
v.
Martin L. HUDLER, an individual; Centurion Equities, LLC, a Nevada limited liability company; and Does 1 to 100, inclusive, Defendants.

No. 15CV27749.
October 13, 2015.

**Complaint for Damages:**

1) **Elder** Financial **Abuse**;

2) Fraud; and

3) Money Had and Received

Steven L. Naito, OSB No. 803215, Tarlow Naito & Summers, LLP, steve.naito @tnslaw.net, for plaintiff.

Amount of Prayer: Exceeds $50,000, but is less than $1,000,000

Fee Authority: ORS 21.160(1)(c) - $531

NOT SUBJECT TO MANDATORY ARBITRATION

COMES NOW Plaintiff for causes of action against all Defendants and DOES 1 through 100, inclusive, to complain and allege as follows:

**PRELIMINARY ALLEGATIONS**

**COMMON TO ALL CAUSES OF ACTION**

**1.**

Plaintiffs ABDEL H. CHEHADE, an individual, is a “vulnerable person” within the meaning of ORS 124.100 (hereinafter referred to as “Plaintiff”).

**2.**

Plaintiff is informed and believes, and based thereon alleges, that Defendant MARTIN L. HUDLER, an individual, resides in the State of Oregon (hereinafter referred to as “Martin Hudler”).

**3.**

Plaintiff is informed and believes, and based thereon alleges, that Defendant CENTURION EQUITIES, LLC, is a Nevada limited liability company (hereinafter referred to as "Centurion Equities") and is under the control of Defendant Martin Hudler.

**4.**

Plaintiff is informed and believes, and based thereon alleges, that at all times mentioned herein, Defendants, and each of them, were the alter ego, supervisor, agent, servant, employee, employer and/or representative of each of the other Defendants. In doing the things hereinafter alleged, each of the Defendants were acting within the scope and course of their authority, agency, employment and/or other arrangement and with the permission and consent of each of the other Defendants.

**5.**

Plaintiff is informed and believes, and based thereon alleges, that Defendants, including DOES, and each of them, were corporations, business entities, associations, partnerships, joint ventures, individuals, and/or successor-in-interest, who conducted business in the State of Oregon.

**6.**

In or about January 2013, Defendants Martin Hudler and Centurion Equities approached Plaintiff with what Defendants referred to as "a very simple note acquisition."

**7.**

Defendants described this "simple note acquisition" as follows:

"Ryland T. Holmes is a close friend of Robert Owens and I know him through my business association with Robert Owens. Robert borrowed $110,000.00 from Ryland in 2011. Since then he has repaid all but $71,858.29. Ryland is now needing money to settle up with his ex-wife. Ryland, very discreetly, contacted Robert to inquire if Robert could retire the balance early. Robert said he couldn't, but would be able to retire it when he received his next distribution from the Owens Family Trust in July of this year. That didn't help Ryland at all, so Ryland was referred to me by Robert. [¶] After numerous conversations with Ryland, I agreed to pay him $63,715.00, which is a discount of $8,143.29. This amount of $8,143.29 coupled with the next 7 payments of $718.58, which totals $5,030.06 equates to a total yield over seven moths [sic] of $13,173.35. This amount equates to a monthly yield of $1,881.90 or $22,582.88 per year. [¶] In summation, our return on investment is 35.44% per annum. The trust owns about $13M in cash and real property. However, none of that is owned by Robert Owens yet. He is merely a beneficiary until his father passes. As you can see, his mother died a few years back. [¶] In closing, Abdel I've already sent Ryland a $5,000.00 good faith deposit towards the purchase. I did so with my own money in anticipation of having you as a partner. Inasmuch as I am close to each of these gentlemen, I want a partner to somewhat insulate me. If I told them it was entirely my money, they might feel slighted by the return because they're both business associates. Our purchase price is $63,715.00. I'd like you to take 51% of the position and me the balance. That way I can always say I'm taking direction from the lead investor, which will be you. Your purchase price for 51% of the note is $32,494.50. Mine is $31,225.50 and I've already paid $5,000.00 to Ryland telling him we're in the deal."

**8.**

Defendants reassured Plaintiff by stating that "It's a great little private deal, that is well secured and I'm joining you in the acquisition." Defendants further reassured Plaintiff by presenting documents related to the note, including the note purportedly

signed by Robert Owens, a personal guarantee of the note purportedly signed by Claude Owens, as trustee of the Owens Family Trust, as well as other documentation.

**9.**

Based upon Defendants' representations Plaintiff agreed to partner with Defendants to acquire the note from Ryland T. Holmes. On or about February 7, 2013, in order to secure his 51% share of the acquisition, Plaintiff wire transferred $32,494.50 to Defendants.

**10.**

Defendants made a few small monthly interest payments in 2013 to Plaintiff and then all payment stopped.

**11.**

Plaintiff attempted to contact Ryland T. Holmes, but has been unable to locate this individual. Moreover, based upon the circumstances in this matter, Plaintiff has reason to believe that Ryland T. Holmes does not exist.

**12.**

Plaintiff's attorney contacted Robert Owens and he stated, and later declared under penalty of perjury, that he had no knowledge of the note and the signature on the note purporting to be his signature was a forgery and added without his knowledge or consent.

**13.**

Plaintiff also contacted Claude Owens and he stated, and later declared under penalty of perjury, that he had no knowledge of the note and the signature on the note purporting to be his signature was a forgery and added without his knowledge or consent.

**14.**

Robert Owens and Claude Owens also stated, and later declared under penalty of perjury, that they had never met Ryland T. Holmes.

**15.**

Also in 2013, Defendant Martin Hudler approached Plaintiff with an second investment opportunity, this time involving in a casino and resort in Turks & Caicos. Defendant's stated reason for inviting Plaintiffs to invest in this opportunity was to “keep you alive, traveling, happy and making a great deal of money.”

**16.**

In order to participate in this opportunity, Plaintiff was to invest $150,000, with payments made into an escrow account. Defendant promised Plaintiff that the money would be “a FULLY refundable deposit,” and that “YOU ALONE will be in charge of your funds…”

**17.**

An escrow was created to receive Plaintiffs' investment. Accordingly, an escrow agreement was prepared and executed between Plaintiff Abdel Chehade, Defendant Martin Hudler, and Garland & Co. (the escrow agent). To insure that Plaintiff's funds were fully refundable and that Abdel Chehade would be in charge of the funds, it was agreed and the escrow agreement expressly provides that "The disbursement and transfer of funds will at all times require the written approval of BOTH the Company Representatives [Abdel Chehade and Martin Hudler], except for in the case whereby Abdel H. Chehade shall have at all times, the sole, absolute and unfettered right to demand the return of the Escrow Funds, for any reason or for no reason, to be returned to the account from which it was originally received, or any other account provided to the Escrow Agent by Abdel H. Chehade, without delay, without offset, and without the written approval of Martin L. Hudler."

**18.**

In furtherance of the investment Plaintiff deposited $100,000 into the escrow account and sent an additional $16,985 directly to Defendant Centurion Equities.

**19.**

Notwithstanding the express language of the escrow agreement and without Plaintiffs knowledge Defendant Martin Hudler took the Plaintiff's $100,000 from the escrow account and took Plaintiff's $16,985 sent to Defendant Centurion Equities. At no time has Defendant Martin Hudler returned the investment funds to Plaintiffs.

**20. Defendant Martin Hudler created these schemes to defraud Plaintiffs.**

***FIRST CAUSE OF ACTION***

**(Elder Financial Abuse against Defendants MARTIN L. HUDLER, CENTURION EQUITIES, LLC and DOES 1 through 100, Inclusive)**

**21.**

Plaintiff realleges and incorporate herein by reference each and every allegation in paragraphs 1 through 20, inclusive, as though fully set forth herein.

**22.**

Defendants "simple note acquisition" and the alleged investment in a casino and resort in Turks & Caicos were schemes to wrongfully take money from Plaintiff, a "vulnerable person" within the meaning of ORS 124.100.

**23.**

Plaintiff has demanded the return of his money from Defendants. Defendants refused to return the money, with the exception of the few initial small interest payments to Plaintiffs in 2013. Defendants wrongfully took and retained money from Plaintiff, an **elderly** and vulnerable person, within the meaning of ORS 124.110. Defendants engaged in such conduct either directly, or assisted others in such conduct.

**24.**

In engaging in such conduct, Defendants intended to defraud Plaintiff.

**25.**

As a direct and proximate cause of Defendants' wrongful conduct, Plaintiff has been deprived of his property, namely his money in the amount of $149,389.50, and has sustained related damages of loss of income on that money, has incurred attorney fees and costs, and will incur additional expenses in prosecuting this action.

**26.**

Plaintiff is entitled to recover an amount equal to three times all economic damages resulting from the financial **abuse** pursuant to ORS 124.100.

**27.**

In addition to all other remedies provided by law, Plaintiff is entitled to recover reasonable attorney fees and costs for financial **abuse** pursuant to ORS 124.100.

***SECOND CAUSE OF ACTION***

**(Fraud against Defendants MARTIN L. HUDLER, CENTURION EQUITIES, LLC and DOES 1 through 100, Inclusive)**

**28.**

Plaintiff realleges and incorporate herein by reference each and every allegation in paragraphs 1 through 27, inclusive, as though fully set forth herein.

**29.**

The representations which Defendants made to Plaintiff regarding the acquisition of the note, and the underlying note and personal guarantee and the investment in the casino and resort in Turks & Caicos were false and misleading.

**30.**

The false and misleading statements of Defendants were material to Plaintiff's decision to partner with Defendants to acquire the note from Ryland T. Holmes and to make his investment in the casino and resort in Turks & Caicos and Plaintiff relied to his detriment on them by paying Defendants a total of $149,389.50.

**31.**

Defendants knew that these statements were false and misleading and intended that Plaintiff would rely upon them to partner with Defendants to acquire the note from Ryland T. Holmes and to make the investment in the casino and resort in Turks & Caicos.

**32.**

Plaintiff did not know that the representations set forth above were false and relied upon the truth of such representations in making his decision to make the investments described above.

**33.**

As a direct and proximate result of Defendants' wrongful conduct, Plaintiff suffered damages as alleged herein.

**34.**

Plaintiff reserves the right to seek punitive damages as provided for by ORS 31.725.

***THIRD CAUSE OF ACTION***

**(Money Had and Received against Defendants MARTIN L. HUDLER, CENTURION EQUITIES, LLC and DOES 1 through 100, Inclusive)**

**35.**

Plaintiff realleges and incorporate herein by reference each and every allegation in paragraphs 1 through 34, inclusive, as though fully set forth herein.

**36.**

On or about February 7, 2013, Defendants became indebted to Plaintiff in the sum of $32,494.50 for money had and received by Defendants for the use and benefit of Plaintiff. On or about June 13, 2013, Defendants became indebted to Plaintiff in the sum of $100,000 for money had and received by Defendants for the use and benefit of Plaintiff. On or about August 20, 2013, Defendants became indebted to Plaintiff in the sum of $12,895.00 for money had and received by Defendants for the use and benefit of Plaintiff. On or about August 29, 2013, Defendants became indebted to Plaintiff in the sum of $4,000.00 for money had and received by Defendants for the use and benefit of Plaintiff.

**37.**

Plaintiff has demanded payment from Defendants. No payment has been made by Defendants to Plaintiff, with the exception of a few small monthly interest payments in 2013, and there is now owing the sum of $149,389.50, with interest on that amount at the rate of nine percent (9%) per year from the date received until paid.

WHEREFORE, Plaintiff prays as follows:

1. On his first claim for relief: For damages in the amount of: three times $149,389.50 plus interest thereon at the rate of 9% per annum from the dates the monies were paid by Plaintiff to Defendants until date of judgment;

2. On his second and third claims for relief: For damages in the amount of: $149,389.50 plus interest thereon at the rate of 9% per annum from the dates the monies were paid by Plaintiff to Defendants until date of judgment;

3. For reasonable attorney fees according to proof;

4. For interest at 9% per post-judgment, on all sums awarded Plaintiff, as allowed by law;

5. For costs of suit; and

6. For such other relief as the Court deems just and proper. Dated this 13th day of October, 2015.

TARLOW NAITO & SUMMERS, LLP

*s/Steven L. Naito*

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*steve.naito@tnslaw.net*

Of Attorneys for Plaintiff

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