

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Madasi Oil Corp.

(b) County of Residence of First Listed Plaintiff

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Pagan, Ortega & Defendini Law Offices, PSC / Carlo & Prats, PSC American Airlines Bldg., 1509, Lopez Landron st, Suites 1200 and PH San Juan, PR 00911-1959

DEFENDANTS

Arevenca Refinery Complex; Francisco Javier Gonzalez-Álvarez and the conjugal partnership between him and his spouse

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with 5 columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Insurance, Personal Injury, Real Property, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from another district (specify), 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1331

Brief description of cause: Breach of contract, tort claim

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: X Yes [ ] No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 10/11/2012 SIGNATURE OF ATTORNEY OF RECORD s/Carlo Defendini-Diaz

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

MADASI OIL CORP.

Plaintiff,

v.

AREVENCA REFINERY COMPLEX;  
FRANCISO JAVIER GONZÁLEZ-  
ÁLVAREZ; THE CONJUGAL  
PARTNERSHIP BETWEEN HIM AND HIS  
SPOUSE; INSURANCE COMPANY A; and  
INSURANCE COMPANY B.

Defendant.

CIVIL NO.:

RE: BREACH OF CONTRACT;  
TORT

PLAINTIFF DEMANDS JURY TRIAL

**COMPLAINT**

**TO THE HONORABLE DISTRICT COURT:**

**COMES NOW**, plaintiff Madasi Oil Corp., through its undersigned counsel, and very respectfully states, alleges and prays:

**I. THE PARTIES**

1. Plaintiff Madasi Oil Corp., (hereinafter “Madasi”), is a foreign corporation organized under the laws of the Virgin Islands. Madasi is registered at and authorized by the Department of State of Puerto Rico to do business in Puerto Rico as a foreign corporation, where it was assigned number 306631. Its headquarters are located at Taft st. #1, Cond. Playa Grande 17-F, San Juan Puerto Rico 00911. At all times relevant to the facts in this Complaint, Madasi acted as an authorized agent, a mediator, a commission agent and/or a business broker of the products offered by Arevenca Refinery Complex.

2. Defendant Arevenca Refinery Complex, (hereinafter “ARC”), is an entity that has done a multimillion business transaction with two corporations that are located in Puerto Rico, one of them being Madasi. ARC is a resident of Aruba. Its offices are located at: Arevenca Building, Suite 200, LB Smith Boulevard #60, Oranjestad Aruba. ARC is dedicated, *inter alia*, to the exportation of petroleum related products.

3. Francisco Javier González-Álvarez is a party allegedly domiciled in Spain. At all times relevant to the facts in this Complaint, he acted and represented himself as ARC’s President. He and the conjugal partnership formed between him and his spouse, (hereinafter collectively “González”), whose name is currently unknown, are included in this Complaint inasmuch as González, by information and belief, is using ARC’s as a screen for apparent fraudulent transactions as the one stated below.

4. Insurance Company A is an insurance company whose exact identity is unknown as of the time of the filing of this complaint, but that have issued an insurance policy that covers the damages claimed in this Complaint and which were caused by ARC.

5. Insurance Company B is another insurance company whose exact identity is unknown as of the time of the filing of this complaint, but that have issued an insurance policy that covers the damages claimed in this Complaint and which were caused by ARC.

## **II. JURISDICTION AND VENUE**

6. This Court is vested with original jurisdiction to consider this case as it is an action arising between a citizen of Puerto Rico, that is Madasi, and a citizen of Aruba, that is ARC, in which the amount claimed exceeds \$75,000.00. 28 U.S.C. § 1331.

7. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(1).

### III. RELEVANT FACTS

8. Madasi is a corporation dedicated to selling and distributing products derived from petroleum. Madasi serves as a link between the potential buyer of petroleum and of products derived from it.

9. ARC is the owner of several refineries in Aruba. Later it was found that it was not. It is part of a group denominated "Arevenca Group."

10. Mr. Francisco Javier González-Álvarez affirmed to Madasi that he currently is ARC's President.

11. On or around the year 2011, Madasi engaged in conversations with ARC to explore the possibility of obtaining delivery to Puerto Rico of ARC's products. All events hereinafter referred to occurred in the year 2011, except otherwise stated.

12. Madasi was at all times relevant represented by its President, Mr. Marcos Da Silva and/or its Vice-President, Mr. Miguel Lausell, Esq. (hereinafter collectively and interchangeably "Madasi's executives").

13. Prior to agreeing to act as mediator and business broker of ARC, Madasi obtained and reviewed references of ARC. All references pointed in the direction that ARC was a well-known international institution with a legit, seasoned structure capable of processing, selling and distributing petroleum products and its derivates.

14. ARC, through González, told Madasi that it was interested in marketing its products in the United States and in Puerto Rico. ARC told Madasi's executives that it was interested in authorizing Madasi as ARC's mediator and/or business broker in Puerto Rico and the United States.

15. ARC knew that Madasi's headquarters were and still are located in Puerto Rico.

16. ARC authorized Madasi to sell ARC's products to buyers in Puerto Rico. On or around April 26, 2011, ARC sent Madasi a letter in which ARC states, in relevant part, "that Madasi Oil, represented by [its President] Marcos Da Silva, is a trader of our company and is authorized to marketing our products globally." **Exhibit 1.** The letter was signed by Mr. Francisco Javier González-Álvarez as ARC's President.

17. Madasi began to promote and offer to its clients in Puerto Rico the products offered by ARC.

18. On or around June 2011, Madasi began communicating with executives of Betterroads Asphalt Corp. (hereinafter "Betterroads") as the mediator, commission agent and/or business broker of ARC, with the intention of marketing ARC's asphalt at a lower price than the price Betterroads was currently buying it for.

19. Betterroads became interested in obtaining 100,000 barrels of the type of asphalt known as pg64-22 (hereinafter the "asphalt").

20. If Betterroads executed the purchase, ARC agreed to pay Madasi twenty-five percent (25%) of the payment as commission.

21. Soon after, beginning on 2011, Madasi negotiated with ARC the price that Betterroads will be charged for each barrel of asphalt. Madasi indicated at this juncture to ARC that the asphalt should potentially be delivered to a port in Guayanilla, Puerto Rico.

22. ARC agreed to use one of its vessels to deliver the asphalt to Betterroads if it finally decides to buy it. ARC would deliver the asphalt to the port in Guayanilla.

23. During the month of July 2011, Madasi continued negotiating with Betterroads the terms of the possible acquisition of the asphalt.

24. On July 11, 2011, Madasi sent an email to Betterroads attaching to it: (i) copy of the invoice for the 100,000 barrels of the asphalt; (ii) selling contract; (iii) specifications of the

vessel that will potentially deliver the asphalt to Guayanilla; and (iv) ARC's company profile.

**Exhibit 2.**

25. At that point in time, Madasi had obtained for Betterroads a price of \$88.00 per each gallon of asphalt. The total amount of the invoice then, was \$8.8 million. **Exhibit 2** at pp.3-4.

26. On or around July 14, 2011, a new invoice was sent to Betterroads for the amount of \$8 million in light of a discount of \$8.00 per gallon, that is, each gallon was going to be obtained for \$80.00. **Exhibit 3.** Finally, Madasi obtained for Betterroads a price of \$78.00 per gallon, and a final invoice of \$7.8 million was sent to Betterroads. **Exhibit 4.**

27. In order for ARC to accept the \$78.00 price per gallon, ARC and Madasi had to modify Madasi's commission as follows. Madasi was going to receive initially 25% of the amount of Betterroads' payment, that is, of the \$7.8 million it should have received \$1.95 million, but in order for ARC to accept the price of \$78.00 per gallon, Madasi had to reduce \$200,000 from its commission. Hence, Madasi was going to be paid a commission of \$1.75 million.

28. Madasi during the aforementioned negotiations with Betterroads, was in constant communication with ARC.

29. Betterroads finally informed his intention to buy the 100,000 barrels of asphalt for the total price of \$7.8 million.

30. Madasi notified ARC that Betterroads was going to buy the asphalt. ARC then told Madasi that the payment was to be done through wire transfers to ARC's accounts in Switzerland. Madasi so informed Betterroads.

31. ARC agreed to deliver the asphalt to Guayanilla following fifteen (15) to twenty-five (25) days after receiving the payment for the asphalt.

32. In order for Betterroads to have the information of ARC's bank account, the information was supplied by ARC directly to Madasi. Madasi told ARC that the payment would come from the bank account of Betterroads, a corporation registered in Puerto Rico, through Banco Popular, that is, from a bank in Puerto Rico.

33. On July 15, 2011, Betterroads transferred to ARC's account in Switzerland \$2 million. **Exhibit 5.** ARC confirmed to Madasi that it had received the money.

34. On August 19, 2011, Betterroads transferred to ARC's account in Switzerland \$5.8 million. **Exhibit 6.** ARC confirmed to Madasi that it had received the money.

35. ARC indicated to Madasi that it would deliver the asphalt in the 15 to 25 day time frame it promised.

36. Madasi repeatedly requested ARC for confirmation that the asphalt had been shipped to Puerto Rico, as ARC had agreed to do, and for which Betterroads paid ARC for.

37. Beginning on the first days of September of 2012, ARC repeatedly told Madasi that it would ship the asphalt in a matter of days, and that ARC was going to soon inform the shipping date and the information of the vessel that was carrying the asphalt.

38. Relying on said statements, Madasi began to inform Betterroads that ARC would, in a matter of days, inform the shipping date and the vessel's information.

39. Betterroads sent Madasi repetitive emails requesting the status of the shipment. Madasi always responded to those emails affirming that ARC, as ARC has agreed to and promised Madasi that it will do, was going to send the vessel any moment.

40. The emails as to the above situation went back and forth between Betterroads and Madasi, and in one or two occasions even ARC's President also participated in the communications.

41. Madasi constantly communicated with ARC and requested the delivery of the asphalt on September, October and November 2012, to no avail. ARC never sent the asphalt to Guayanilla, Puerto Rico.

42. Betterroads has not received the asphalt for which it paid ARC \$7.8 million.

43. ARC has not to date returned the \$7.8 million that Betterroads paid for the undelivered asphalt.

44. ARC simply did not deliver the asphalt to Guayanilla, neither in 15 to 25 days after receiving the \$7.8 million, nor in the months after the contracted time frame.

45. At all times Madasi trusted ARC and its assessments to the effect that ARC would deliver the asphalt. Madasi put its name on the line, trusting at all times ARC's promises and their compliance with both its agreements, with Madasi as well as with Betterroads.

46. Several persons and entities in the oil industry became aware that ARC did not comply with its contract, even after being paid \$7.8 million by Betterroads, and as a result, have decided to refrain from doing business with Madasi, which was the agent that connected Betterroads to ARC.

47. ARC and González told Madasi and Betterroads, on multiple occasions, that if the asphalt was ultimately unwanted – in light of the delay – that ARC would return the \$7.8 million that Betterroads paid.

48. Madasi's contact with ARC was perfected in agreement with González.

49. At all relevant times, it was González the person that sent emails to Madasi's executives luring them into thinking that ARC was going to deliver the asphalt.

50. González promised Madasi that there was not going to be any problem with the delivery of the asphalt to Betterroads, and never informed Madasi of any potential setbacks until after ARC and/or him had already received the \$7.8 million from Betterroads.



51. González is apparently using ARC as a screen to perform fraudulent transactions in other states, under the guise of a legit entity.

52. González promised on repetitive occasions to Madasi, specifically to Mr. Da Silva and Mr. Lausell, that the barrels of asphalt were going to be delivered to Guayanilla, Puerto Rico. He said so himself via email and via phone calls made to Madasi's executives.

53. Madasi is not and has never been, in possession of the asphalt. Betterroads was aware that it was ARC and González's obligation to deliver the asphalt to Guayanilla. It was not Madasi's obligation as mediator, commissioner agent and/or business broker to perform said delivery.

54. Madasi maintained continuous communication with Betterroads, informing it of Madasi's uninterrupted efforts to move ARC and González to deliver the asphalt as promised.

#### **IV. FIRST CAUSE OF ACTION – BREACH OF CONTRACT**

55. Madasi and ARC had a contract. Through it, Madasi was an authorized agent, a mediator, a business broker of ARC's products. Madasi would obtain a commission for the business Madasi obtained for ARC; ARC agreed to pay Madasi's commission.

56. ARC had a contractual obligation with Madasi to deliver the asphalt paid by Betterroads in the allotted time of 15 to 25 days after receiving payment of the \$7.8 million.

57. ARC received by August 29, 2011, notification that the full \$7.8 million had been transferred to ARC's accounts in Switzerland. Still, ARC did not deliver the asphalt.

58. ARC breached its obligation of shipping the asphalt to Guayanilla, Puerto Rico. Thus, ARC also breached the contract it had with Madasi by which ARC had obligated to deliver the product to Madasi's clients, in this case, to Betterroads.

59. ARC was obliged to pay Madasi a commission of \$1.75 million for the Betterroads' transaction.

60. Notwithstanding the fact that ARC did not deliver the barrels of asphalt, and that ARC did not refunded the money paid to Betterroads, ARC did not pay Madasi the commission they agreed upon.

61. Additionally, as a result of ARC's breach of its contract, Madasi have been frivolously sued by Betterroads in state court.

62. Madasi had no control of the delivery of the asphalt. Since day one it was ARC and González the only persons in control of the asphalt.

**V. SECOND CAUSE OF ACTION – TORT CLAIM**

63. Intertwined with the previous cause of action is the damages caused by ARC's breach of its contracts with Madasi and Betterroads.

64. As a direct result of ARC not delivering the asphalt to Betterroads, Madasi's name in the market has been brutally affected.

65. Madasi has had potential clients that have refused to do business with Madasi as a direct result of ARC's fiasco with Betterroads.

66. As a direct result of ARC's breach of its contracts with Madasi and Betterroads, Madasi has lost business opportunities for which it could have earned over \$800 million in revenues.

67. Madasi's name in the market has been crushed as a result of ARC's breach of its contracts with Madasi and with Betterroads.

68. Well-reputed corporations in the oil and energy field have declined to do business with Madasi as a result of the fact that ARC did not deliver the asphalt to Betterroads.

69. Some of these entities have vocalized that the reason for refusing to engage in business with Madasi is, specifically, ARC's failure to deliver the asphalt to Betterroads.

70. Furthermore, Madasi has been told that several entities' refusal to do business with it, have been, among others: (i) because Madasi's name is involved with ARC's publicly-known failure to deliver the asphalt to Betterroads; and (ii) because ARC's noncompliance with delivering the asphalt to Betterroads is being attributed to Madasi.

71. Among the businesses Madasi lost, was a multimillion one with Global Energy Corporation.

**WHEREFORE**, for the above given reasons, Madasi very respectfully requests from this Court to:

- (i) to order ARC and González to pay Madasi the \$1.75 million owed for the Betterroads transaction;
- (ii) to order ARC and González to pay Madasi an amount of no less than \$800 million for the damages caused by ARC's breach of contract and the damages caused as a result of same; and
- (ii) to order ARC and González to pay Madasi the costs, expenses and legal fees incurred in this case.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 11<sup>th</sup> day of October, 2012.

Counsel for *Madasi Oil Corp.*

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