

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT DEPT.
CIVIL ACTION NO. _____

PAISAS RESTAURANT GROUP, LLC,

Plaintiff,

v.

154 MAVERICK, LLC,

Defendant.

COMPLAINT AND JURY DEMAND

INTRODUCTION

This case arises out of a business deal gone horribly wrong. The Plaintiff, Paisas Restaurant Group, LLC, was induced to sign a “Letter of Intent” with the Defendant, 154 Maverick, LLC, for what Plaintiff believed would lead to the lease of a commercial restaurant space based on an advertisement placed by Defendant. After putting their life savings and hundreds of hours of time into renovating the space advertised by Defendant, the members of Plaintiff later found out that Defendant did not intend to enter into a lease for the space, but rather that it in fact intended to enter into a deal that was entirely different than the one advertised, and which Plaintiff was not made aware of until several months after the Letter of Intent was signed and renovations had commenced. To make matters worse, this was not the first time Defendant had attempted to induce a business into the commercial space. As a result of the Defendant’s actions and the money and work put forth by the Plaintiff, Defendant is the only one who has received any benefit of the dealings between them, including cash received for the security deposit of six (6) months’ rent, monthly rent, and a significant improvement to the space. By way of this action,

Plaintiff seeks redress for the deplorable actions and misrepresentations of Defendant that have caused Plaintiff significant damages.

PARTIES

1. Plaintiff, Paisas Restaurant Group, LLC (“Paisas”) is a domestic limited liability company with a principal place of business at 5 Condor Street, Unit 2, East Boston, MA.
2. Defendant, 154 Maverick, LLC (“Maverick”) is a domestic limited liability company with a principal place of business at 154 Maverick Street, Boston, MA.

FACTS

3. The relationship between Paisas and Maverick began in late September 2022.
4. Claudia Sierra (“Sierra”), a Manager of Paisas, reached out to John Tyler (“Tyler”), a Manager of Maverick, with regard to an advertisement he had placed to rent the commercial restaurant space at 154 Maverick Street, Boston, MA (the “Premises”).
5. The advertisement indicated that “the landlord will negotiate a long-term lease for a qualified tenant,” that the Premises had “a full liquor license” and was in “turnkey condition.”
6. When Sierra first discussed the possibility of leasing the Premises with Tyler, he informed her that his ideal candidate for the Premises would sign a five-year lease with an option to extend for another five years.
7. Tyler also indicated that he was only looking to collect rent on the Premises and did not want to be involved in the business aspects of any restaurant running out of the Premises.
8. At the outset, there were three individuals involved with Paisas – Sierra, John Ortiz (“Ortiz”) and Andres Jaramillo (“Jaramillo”).

9. In October 2022, Tyler informed Sierra that he had chosen her and her partners to lease the Premises.
10. On November 7, 2022, Tyler, Sierra, Ortiz, and Jaramillo signed a “Proposed LOI” (the “LOI”).
11. The LOI required a security deposit from Paisas equal to “6 months’ rent,” or \$48,600.00 (the “Security Deposit”), of which \$28,600.00 would be refundable to the extent the “licensing process [was] not satisfactory to the City of Boston or the ABCC” or if the parties were unable to come to a final agreement.
12. Additionally, the LOI required Paisas to pay to the landlord, Maverick, \$8,100.00 per month in “base rent” in *addition* to the Security Deposit.
13. Upon information and belief, \$20,000.00 of the Security Deposit was paid by Jaramillo.
14. On November 10, 2022, the remaining balance of the Security Deposit (\$28,000.00) was paid by Sierra and Ortiz.
15. Tyler requested that Sierra and Ortiz not make any public notifications regarding their business endeavor.
16. Shortly after signing the LOI, and without a finalized lease agreement, Tyler (on behalf of Maverick) requested that Paisas reimburse him for the cost of the liquor and entertainment licenses at the Premises.
17. Tyler had full knowledge that the liquor license could not be transferred to Paisas.
18. Paisas promptly made payment to Tyler for the licenses as requested.
19. Within days of executing the LOI, Paisas (specifically, Sierra and Ortiz) commenced work necessary to completely renovate the Premises.

20. Despite Maverick's advertisement of the Premises as being in "turnkey condition," it required significant cleaning and renovation before it would be appropriate to open to the public as it was full of grease, junk, and trash.
21. At Maverick's request, despite it not being necessary for the initial work being completed, Paisas applied for a building permit with regard to the renovations.
22. The permitting process was complicated by the fact that Tyler would not disclose the full ownership situation that existed for the Premises.
23. Unbeknown to Paisas, Tyler was in the midst of litigation with his now-ex-wife over ownership of the Premises.
24. While waiting for the building permit to be issued, Paisas continued to clean the Premises as it had been vacant for several months.
25. In an effort to continue working towards a functioning restaurant, Paisas signed up for a point-of-sale ("POS") system membership.
26. During the month of November 2022, the building permit was issued.
27. Paisas hired a carpenter to construct a wall.
28. Paisas also obtained an individual phone number for the Premises.
29. Despite the Premises not being fit for operations, Paisas paid rent for December 2022 in the amount of \$8,100.00 as required.
30. Paisas also reimbursed Maverick for a health permit.
31. Paisas also gave Maverick money towards an insurance policy.
32. During the month of December 2022, Paisas continued cleaning, renovating, and otherwise preparing the Premises for operations, including:
 - a. Obtaining a merchant provider;
 - b. Purchasing appliances;
 - c. Prospecting potential employees;

- d. Hiring a bartending consultant to assist with the creation of a drink menu;
 - e. Designing a logo;
 - f. Creating a food menu;
 - g. Repairing plaster;
 - h. Painting walls and ceilings;
 - i. Installing tile; and
 - j. Generally cleaning and organizing the Premises.
33. In early December 2022, while in the midst of the massive renovation project necessary to make the Premises operational, Paisas had a plumber come in to see what was needed to make the bar functional. Despite having operated a bar out of the Premises previously, there was no sink, no dishwasher, no ice sink, and no soda gun.
34. During the month of December 2022, Paisas and Maverick entered negotiations to finalize a lease agreement for the Premises.
35. Despite the fact that the advertisement indicated that Maverick was looking for someone to sign a “long-term lease,” Paisas was presented with a “Management Contract” and a “Consulting Agreement.”
36. Sierra and Ortiz personally put in over 900 hours each worth of work on the Premises.
37. Despite the Premises not being fit for operations, Paisas paid rent for January 2023 in the amount of \$8,100.00 as required.
38. During the month of January 2023, Sierra and Ortiz continued renovations and other administrative tasks necessary to get the Premises ready for a functioning restaurant, including:
- a. Obtaining a payroll provider;

- b. Procuring worker's compensation insurance; and
- c. Continuing setup of the POS system.

39. During the month of January 2023, the Parties continued negotiations for a final lease agreement for the Premises.
40. Unfortunately, also during the month of January 2023, the relationship between Jaramillo and Sierra/Ortiz deteriorated.
41. On February 1, 2023, Jaramillo was officially removed as a member of Paisas.
42. By February 2023, the Premises was still not fit for operation, and the Parties had still not come to a final agreement with regard to Paisas's lease of the Premises.
43. Despite the Premises not being fit for operations, Paisas paid rent for February 2023 in the amount of \$8,100.00 as required.
44. Despite Maverick's advertisement that it was looking for an entity to sign a long-term lease on the Premises, all of a sudden Maverick was now asking for payments in addition to regular rent (categorized as "bonuses"), opening an additional bank account for Paisas under Maverick as the primary operating account for the restaurant, and providing Tyler with personal information for all employees.
45. Maverick also made representations that Paisas would get paid a "management fee" through its payroll.
46. In essence, the agreement Maverick was now seeking to enter into with Paisas was that Paisas would be an employee of Maverick, but would also pay rent to Maverick.
47. It was also around this time that Paisas was informed by others at the Premises that the building was potentially going to be sold.

48. On or about February 8, 2023, the Parties and their respective attorneys met to discuss the issues between them regarding the lease.
49. During that meeting, Tyler represented that the litigation between he and his ex-wife over the Premises had concluded, and that he was the primary owner.
50. During that meeting, it was discussed that Sierra should be indicated as a manager on the liquor license for the Premises.
51. However, and for the first time, it was disclosed to Paisas that the liquor license was restricted, and that no entity other than Maverick was permitted to operate it.
52. Maverick's attorney indicated that Sierra/Paisas could be added to the license if a significant investment in the amount of \$400,000.00 was made to Maverick.
53. Despite the Premises not being fit for operations, Paisas paid rent for March 2023 in the amount of \$8,100.00 as required.
54. By the end of March, Sierra had notified Tyler that they had passed one level of inspections but that there were some things with the building inspection that had failed and needed to be addressed.
55. Tyler did not respond.
56. Due to ongoing issues with Jaramillo and now with Tyler, particularly his lack of responsiveness, Paisas initially withheld rent for the month of April 2023.
57. Given the length of time that had passed since Sierra, Ortiz, and Jaramillo had executed the LOI, the amount of money and work put into the Premises by Sierra and Ortiz, and Maverick's continued amendments to the conditions necessary for Paisas to operate a restaurant at the Premises, Sierra and Ortiz were becoming extremely concerned.
58. Tyler finally contacted Sierra, who discussed with him additional items that needed to be addressed at the Premises in order to pass the building inspection.

59. During the first two weeks of April 2023, now five (5) months after signing the LOI, Sierra and Ortiz continued working at the Premises to ensure that all items identified by the building inspector had been remedied.
60. At no time did Maverick give any notice of its intent to lock Paisas out of the Premises.
61. On April 10, 2023, when Sierra when to the Premises to continue work, she found that she was not able to enter.
62. She contacted Tyler about the issue. He did not respond.
63. In light of Tyler's lack of response, Sierra went home and continued working on items needed for the health permit.
64. Later that day, Sierra contacted Tyler to inform him that the building inspector had accepted the updates.
65. It was not until five (5) days later that Paisas was contacted by the attorney for Maverick and were informed that, allegedly, due to the discontent between Sierra, Ortiz, and Jaramillo, and due to accusations made about Sierra and Ortiz by Jaramillo, Paisas had been locked out of the Premises "in an effort to prevent any further accumulation of claims and damages, and to mitigate potential losses and claims. . ."
66. Given that Maverick had locked Paisas out of the Premises, it was clear that a final agreement was not going to be reached.
67. Neither Tyler nor any other representative of Maverick made any effort to contact Paisas regarding the return of the \$28,600.00 deposit pursuant to the terms of the LOI, or regarding the members of Paisas being able to return to the Premises to collect their personal belongings.
68. It was not until late May 2023, after Paisas filed a police report that a response from Maverick was received.

69. Upon information and belief, Tyler incorrectly informed the police that he had locked Paisas out of the Premises for failing to pay rent and for conducting renovations at the Premises without authorization.
70. Thereafter, the Parties coordinated for Paisas to collect its personal belongings from the Premises.
71. On June 9, 2023, Sierra arrived at the Premises to find that all of the personal property of Paisas had been thrown outside of the restaurant blocking the entrance to the building as well as the entrance to the two (2) other stores located in the building.
72. Everything except two (2) televisions and some tools was otherwise destroyed.
73. Not long after, and much to their surprise, Sierra and Ortiz discovered that their former partner, Jaramillo, had entered into an agreement with Maverick to open a restaurant at the Premises.
74. On August 17, 2023, the licensing board in Boston held a meeting of the board members where the issues and testimony from an August 15, 2023 hearing were discussed, which included the issues Paisas had with Maverick and what it understood to be a lease of the Premises that fell apart when Maverick continually changed the conditions upon which Paisas would be permitted to operate at the Premises.
75. During that meeting, two of the members raised concern about, what they referred to as, the “pattern of behavior” demonstrated by Tyler; specifically, that he appeared to be (a) “shopping” the license, (b) continually bringing on partners that did not fully understand the nature of the relationship between them all, and (c) the significant miscommunications that seemed to ensue and cause the end of the business relationship.

76. One member even stated that this pattern of behavior gave her cause for concern over Tyler's "character and fitness" as a licensee.
77. Jaramillo and Maverick were able to open in September 2023. However, they were able to do so in no short part due to the extensive renovations completed by Sierra and Ortiz, the deposit provided by Sierra and Ortiz, the rent monies paid by Sierra and Ortiz, the license reimbursements paid for by Sierra and Ortiz, and the passing inspections by the building and health departments that were the result of work completed by Sierra and Ortiz.
78. Sierra and Ortiz have been communicating with Maverick and its representatives for months with regard to reimbursement of the security deposit pursuant to the LOI as well as reimbursement for the personal property destroyed by Maverick, and reimbursement for the man hours put into the renovations of the Premises.
79. Maverick has denied any liability to Paisas and has refused to return its security deposit pursuant to the terms of the LOI.

COUNT I
Breach of Contract

80. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-79 of this Complaint as if fully set forth herein.
81. A contract existed between Plaintiff and Defendant, the LOI.
82. Plaintiff performed its obligations pursuant to the LOI by timely paying the deposit required and by paying monthly rent as required.
83. Defendant breached the terms of the LOI by failing to return funds to the Plaintiff.
84. As a result of the Defendant's breach, Plaintiff has suffered damages.

COUNT II

Breach of the Covenant of Good Faith and Fair Dealing

85. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-84 of this Complaint as if fully set forth herein.
86. The covenant of good faith and fair dealing is implied in every contract.
87. Throughout the course of the dealings between Plaintiff and Defendant, Defendant has acted in bad faith.
88. Defendant's actions have destroyed the rights of Plaintiff to receive the fruits of the contract between them.
89. Plaintiff has been damaged as a result of Defendant's actions.

COUNT III

Conversion - Money

90. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-89 of this Complaint as if fully set forth herein.
91. As part of the LOI, Paisas was entitled to return of monies paid to Defendant under certain circumstances.
92. The circumstances under which return of said funds was required have materialized.
93. Defendant has failed to return said funds to Paisas, and instead has retained said funds for use in its business dealings with Jaramillo.
94. Defendant's failure to return the funds as required has caused Plaintiff damage.

COUNT IV

Conversion - Personal Property

95. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-94 of this Complaint as if fully set forth herein.
96. As part of the renovations and preparations for Paisas to open, Paisas purchased items that were placed at the Premises.

97. Upon locking Paisas out of the Premises, Defendant threw personal property belonging to Paisas outside of the restaurant space, destroying the majority of it.
98. As a result of Defendant's destruction of property belonging to Paisas, Paisas has been damaged.

COUNT V
Unjust Enrichment

99. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-98 of this Complaint as if fully set forth herein.
100. Upon execution of the LOI, Paisas commenced extensive renovations to the Premises.
101. At all relevant times, Defendant was aware of the renovations being performed, and was aware that said renovations added value to the Premises.
102. Without prior notice to Plaintiff, Defendant locked Plaintiff out of the Premises, and subsequently went into business with Jaramillo.
103. In doing so, Defendant retained the benefit of Plaintiff's investment into the Premises to the detriment of Plaintiff.
104. As a result of Defendant's actions, Plaintiff has been damaged. However, since much of the work was completed by members of Plaintiff, damages likely cannot be determined with complete specificity, and an equitable remedy is instead necessary.

COUNT VI
Negligent Misrepresentation

105. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-104 of this Complaint as if fully set forth herein.
106. Defendant is the owner of the Premises.

107. Prior to engaging with Plaintiff, Defendant had engaged other tenants at the Premises to operate restaurants.
108. Defendant purported to lease the Premises to Plaintiff under the guise that said lease would involve the use of a “full liquor license.”
109. It was not until long after Plaintiff had put significant work into the renovation of the Premises that Plaintiff discovered that it in fact could not enter into a lease for use of the Premises.
110. Rather, it was communicated to the Plaintiff that they would need to enter into a “management agreement” whereby Plaintiff would be paid a “management fee” by Defendant, Plaintiff would also be obligated to pay rent to the Defendant for use of the Premises, and that Plaintiff would need to have all dealings (including its own bank account) be operating under the purview of the Defendant.

COUNT VII
Fraudulent Misrepresentation

111. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-110 of this Complaint as if fully set forth herein.
112. Defendant is the owner of the Premises.
113. Defendant represented that the Premises had a full liquor license with full knowledge that said license was restricted.
114. Defendant represented to Plaintiff that its intent was to enter into a long-term lease for the Premises and the liquor license with full knowledge that was not possible given the nature of the license.
115. Defendant induced Plaintiff to enter into the LOI with it by virtue of the false claims that Plaintiff would be able to have independent use of the liquor license.
116. Based on the false information given to Plaintiff by Defendant, Plaintiff invested money and time into renovation of the Premises either have not or cannot be recuperated, and as such, have caused Plaintiff damage.

COUNT VIII
Fraudulent Inducement

117. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-116 of this Complaint as if fully set forth herein.
118. Defendant is the owner of the Premises.
119. Defendant is the owner of the liquor license, which is limited and cannot be transferred.
120. Defendant advertised the Premises for lease and indicated that it had a full liquor license.
121. Defendant advertised the Premises in this manner in order to induce a prospective business, in this case the Plaintiff, to enter into an agreement that would require the upfront payment of tens of thousands of dollars in a security deposit, monthly rent payments, and renovations to the Premises.
122. Defendant never intended to enter into a lease with a prospective business for the Premises, but rather, it intended to enter into a “management agreement.”
123. The intent to enter into a management agreement was not disclosed to Plaintiff until well after the LOI had been executed, and Plaintiff had spent tens of thousands of dollars between the security deposit, monthly rent, and renovations to the Premises.
124. In reasonable reliance on the representations of the Defendant, Plaintiff entered into the LOI, which required a substantial security deposit as well as the payment of monthly rent.
125. Had Plaintiff known the true nature of the business relationship Defendant intended to enter into, Plaintiff would not have entered into the LOI.
126. As a result of the misrepresentations of Defendant, and Plaintiff’s reliance thereon, Plaintiff has been damaged.

COUNT IX
Violation of M.G.L. c. 93A, §11

127. Plaintiff restates, reasserts, and incorporates by reference the allegations contained in Paragraphs 1-126 of this Complaint as if fully set forth herein.
128. Defendant's conduct in the inducement of Plaintiff to enter into the LOI amounts to commercial extortion, where Defendant misrepresented the nature of the relationship it was desirous to enter into with Plaintiff. It was only after Plaintiff had signed the LOI, and spent a significant amount of time and money that Defendant revealed the true nature of its intent.
129. The tactics utilized by Defendant to induce the Plaintiff into the LOI were unfair and deceptive in nature.
130. As a result of the Defendant's conduct, Plaintiff has been damaged.
131. On August 25, 2023, Plaintiff (through counsel) sent correspondence to Defendant outlining the nature of the dispute between the Parties and the damages suffered by the Plaintiff as a result of Defendant's unfair and deceptive conduct, despite a lack of requirement to do so pursuant to M.G.L. c. 93A, §11.
132. On September 11, 2023, Defendant (through counsel) responded indicating that Plaintiff's correspondence was "too extensive and too far off the true path for [him] to expend much time and effort correcting the record and your assertions. . ."
133. Defendant's responsive correspondence did not include any reasonable offer of settlement.

WHEREFORE, Plaintiff prays as follows:

1. That this Honorable Court enter judgment for the Plaintiff on all counts against the Defendant;
2. That his Honorable Court award interest to the Plaintiff;

3. That this Honorable Court order punitive damages, attorney's fees and costs against the Defendant for fraud and misrepresentation;
4. That this Honorable Court award treble damages, attorney's fees and costs to the Plaintiff pursuant to M.G.L. c. 93A;
5. That this Honorable Court award any other relief it deems necessary and just.

JURY DEMAND

Plaintiff hereby requests a trial by jury on all matters so triable.

Respectfully submitted,
Plaintiff,
PAISAS RESTAURANT GROUP, LLC,
By its attorney:

/s/ 

Jacquelyn Bumbaca (697813)
Gregg, Hunt, Ahern & Embry
One Cranberry Hill, Suite 304
Lexington, MA 02421
617-494-1920
Jbumbaca@ghaelaw.com

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