



Miami Lawyer Wins \$22M Judgment for Venezuelan Company Over Civil Theft

Edward H. Davis Jr. of Sequor Law argued that Miami businessman Luis Wolkowicz stole \$8.6 million from Venezuelan finance company All Factoring, and the court agreed.

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By Raychel Lean



Edward H. Davis of Sequor Law, Miami.

[Edward H. Davis Jr.](#) of Sequor Law in Miami landed a \$22 million judgment for a South American finance company after the court found that Venezuelan businessman Luis Wolkowicz had wrongly taken money from it — allegedly to settle a debt a Miami resident owed him.

But Miami-Dade Circuit Judge Pedro P. Echarte didn't buy that explanation, branding Wolkowicz's actions civil theft.

The international fraud case arrived in Miami-Dade Circuit Court in April 2013, with All Factoring de Venezuela, a finance company that helps businesses with cash flow problems, reporting a monetary predicament of its own.

The company lawyered up after losing 130 million Venezuelan bolivars to Wolkowicz and his company, Inversiones 01590 C.A. in December 2012. According to Davis, that loss equaled about \$8.6 million at the time, but as of Jan. 7, it was worth only \$2.30 because of skyrocketing inflation in Venezuela.

The case involved a short-term loan agreement between All Factoring and Miami resident Jorge Reyes, a broker for Atmosphere Fund.

All Factoring sells invoices from manufacturing companies and other businesses to outside parties, helping clients get quick cash to pay bills and profiting from the difference. Under its deal with Reyes, All Factoring sent more than 234 million bolivars to a bank account for which Wolkowicz was custodian. The money was supposed to have remained in that account for less than 30 days, before it was returned in the currency of All Factoring's choosing — dollars — to the tune of \$15.5 million.

Both parties canceled the contract, realizing that it would take longer than 30 days to repay, and agreed to a refund.

'That's Insane'

Wolkowicz, as custodian, gave back about \$6.9 million but kept the remaining \$8.6 million because Reyes, a broker, allegedly owed him money from another deal.

It was an argument that Davis found hard to grasp.

"Just because some other guy owes you money, you can't take some total stranger's money and pay yourself back," Davis said. "That's insane."

Davis wasn't alone in his confusion, as the court found that Wolkowicz's testimony was "not at all credible," meaning Reyes may never have even owed him any money. Reyes was not to blame, according to the judgment,

having only repeated what Wolkowicz had told him — not knowing it was a false promise.

Reyes, who appeared pro se, and Wolkowicz's lawyer, Coral Gables attorney [Robert M. Miller](#), did not respond to requests for comment before deadline.

The loss hit All Factoring hard, according to the judgment — causing it to lose credibility, lay off employees and fail to pay certain clients, one of whom committed suicide after losing money.

The original complaint alleged unjust enrichment, conversion, civil theft and fraudulent misrepresentation, and made claims against several more defendants that were eventually dismissed or sent into bankruptcy court.

The case landed in Miami because it involved several Miami residents, including Reyes and Wolkowicz, who handled all the negotiations from Miami.

There was one defendant who got away, according to Davis — Colombian broker Ricardo Ripepi.

“We sued him but we couldn't find him,” Davis said.

Tracking down defendants was the toughest part of the litigation for Davis, who said it took two years of trying before serving one defendant at an airport in Spain. Gathering evidence from Latin American countries also meant extra time and money spent translating videos, phone calls and documents.

Davis has asked for more than \$1.4 million in attorney fees and costs, and the defense has until Friday to oppose before the court will rule.