

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

**STERLING RESOURCES
CORPORATION and ARTHUR C.
LEBLANC, JR.**

V.

**THE WELFONT GROUP, LLC; TAX
APPRAISAL GROUP, LLC; BRYANT
ASSET ADVISORS, LLC; SHAWN
MARCELL; ANDREW BRYANT;
CHRISTOPHER BRYANT; AND LYND
SCULL**

CIVIL ACTION

NO.:

JUDGE:

MAGISTRATE JUDGE:

COMPLAINT FOR DAMAGES

Sterling Resources Corporation (“Sterling”) and Arthur C. LeBlanc, Jr. (“Leblanc”) for its complaint against The Welfont Group, LLC, Tax Appraisal Group, LLC, Bryant Asset Advisors, LLC, Shawn Marcell, Andrew Bryant, Christopher Bryant, and Lynda Scull hereby respectfully aver as follows:

1.

Plaintiff, Sterling Resources Corporation, is a Louisiana corporation with a principal place of business in Lafayette Parish, Louisiana. Plaintiff, Arthur C. LeBlanc, Jr., an individual of the full age and majority and a resident of Lafayette, Louisiana is a shareholder and director of Sterling. (Sterling and LeBlanc hereinafter sometimes collectively also referred to as “Plaintiffs”).

2.

Defendants herein are:

a.

The Welfont Group, LLC (“Welfont”) is upon information and belief, a limited liability company organized under the laws of the state of Delaware with a principal place of business in Florida. Upon information and belief, no member of Welfont is a citizen of Louisiana.

b.

Tax Appraisal Group, LLC (“TAG”) is, upon information and belief, a limited liability company organized under the laws of and with a principal place of business in Florida. Upon information and belief, no member of TAG is a citizen of Louisiana.

c.

Bryant Asset Advisors, LLC (“BAA”) is, upon information and belief, a limited liability company organized under the laws of the State of Indiana and with a principal place of business in Indiana. Upon information and belief, no member of BAA is a citizen of Louisiana.

d.

Shawn Marcell is a natural person of the full age of majority and, upon information and belief, a resident and domiciliary of Florida.

e.

Andrew Bryant is a natural person of the full age of majority and, upon information and belief, a resident and domiciliary of Indiana.

f.

Christopher Bryant is a natural person of the full age of majority and, upon information and belief, a resident and domiciliary of California.

g.

Lynda Scull is a natural person of the full age of majority and, upon information and belief, a resident and domiciliary of Florida.

3.

Venue is proper in this Court because a substantial part of the events giving rise to the litigation occurred in this judicial district, the matter involved immovable property located within this judicial district, the contracts at issue were formed in this judicial district, and Plaintiff suffered harm caused by Defendants in this judicial district.

4.

a. Personal Jurisdiction

This Court has jurisdiction over each Defendant named herein because each Defendant either on their own or through their agents, at the time of the commission of the acts alleged hereunder, transacted business in the State of Louisiana, and the cause of action that is the object of this Complaint arises out of business transactions in the State of Louisiana, including specific acts within this district, including but not limited to a transaction involving the sale of immovable property within this district so as to render the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

b. Subject Matter Jurisdiction

There is complete diversity among the parties the amount in controversy exceeds \$75,000 and, therefore, this Court has subject matter jurisdiction under 28 U.S.C. Section 1332.

GENERAL ALLEGATIONS

5.

In 2007, Sterling had recently acquired immovable property located at 4750 Johnston Street in Lafayette, Louisiana for \$4,300,000. Subsequently in 2007, Sterling entered into an Act of Exchange with Courtesy Acquisitions Group, Inc. to exchange the immovable property located at

4750 Johnston Street for the immovable property and any improvements thereon located at 1111 N. University Avenue (the “Property”).

6.

The Property was a former KIA automobile dealership which covered 4.9 acres of land and consisted of a showroom, service center, detail shop and wash building.

7.

Sterling conducted periodic appraisals of the Property and it appraised at a current market value of \$2,840,000 in 2011 and then appraised at \$3,420,000 in 2016.

8.

On or about March 17, 2016 Sterling listed the Property for sale with an asking price of \$3,000,000.

BACKGROUND AS TO THE WELFONT GROUP, LLC

9.

Welfont markets itself as a national commercial real estate company specializing in providing the nonprofit sector with a wide range of services, including brokerage representation, advisory, underwriting, due diligence, financial services, asset management and dispositions. Welfont manages each investment from deal sourcing to underwriting, to acquisition and disposition.

10.

More specifically as to the transaction outlined below which the subject of this litigation, Welfont is a real estate brokerage organization that holds itself out by solicitation, advertisement, or otherwise in Louisiana and elsewhere as facilitating, providing, or arranging for “bargain sales” of immovable property to charitable organizations for less than fair market value in exchange for

the seller receiving a tax deduction for the difference between the fair market value of the property and the cash received from the charitable organization.

11.

In order to meet the expectations of both the buyer and the seller in a bargain sale, there must be an appraisal of the subject property that is credible to the Internal Revenue Service (“IRS”) and that meets all U.S. Treasury regulations (a “Qualified Appraisal”).

12.

Welfont utilizes a select network of appraisers to provide the Qualified Appraisal for these transactions, including but may not be limited to TAG and/or BAA.

13.

Welfont, and/or certain high-level agents and/or employees of Welfont, manage or direct TAG in securing and selecting the appraisers to provide the Qualified Appraisal.

14.

The last registered Manager of TAG is Lynda Scull.

15.

TAG and Lynda Scull were domiciled in Florida at all pertinent times herein.

16.

Upon information and belief, all injurious conduct of TAG and Lynda Scull occurred in Florida and the resulting injury occurred in Louisiana to Sterling.

17.

BAA is a real estate appraisal organization that holds itself out by solicitation, advertisement, or otherwise in Louisiana and elsewhere as providing Qualified Appraisals for

“bargain sales” of immovable property to charitable organizations. Upon information and belief and based upon the BAA and TAG appraisal engagement letter, TAG arranged for and/or selected BAA to perform the Qualified Appraisal at issue.

PRELUDE TO THE DEAL

18.

After the property was listed for sale on or about March 17, 2016, Sterling’s listing agent, Dewitt David (“David”) of Van Eaton & Romero (“Van Eaton”), informed Sterling that he had a potential buyer for the property who David identified as Jean Guidry (“Guidry”) of JP Property Management LLC (“JP”). David was also the broker for Guidry and met with Guidry but sales terms could not be agreed upon as Guidry was unable to secure financing for the deal.

19.

At some point thereafter, David attended a conference and/or seminar at which Welfont made a sales presentation regarding “bargain sale” transactions.

20.

Upon information and belief, David thereafter contacted Welfont to put together the basic framework of the deal which is the subject of this litigation and thereafter David brought this proposal to Sterling as conceived by Welfont.

21.

The structure of the proposal as conceived by Welfont and presented to Sterling was a legal transaction by which the shareholder of Sterling, LeBlanc, would receive a tax deduction based upon the difference between the Qualified Appraisal amount and the sales price. This transaction appeared beneficial and advantageous to Sterling and LeBlanc, so Sterling and LeBlanc agreed to proceed with the Qualified Appraisal and bargain sale based on the representations made by

Welfont through its members, agents, representatives, and/or employees including but not limited to Marcell and Scull.

22.

Welfont also advised that it represented a qualified charitable organization, Master's Commission International Network, Inc. ("Master's"), for purposes of the bargain sale, and thereby brought Master's into the deal as the proposed 501(c)(3) organization to purchase the Property in a bargain sale for less than the fair market value as determined by the Qualified Appraisal and thereby complete the bargain sale.

23.

Welfont further explained, and the parties herein all understood, that the actual beneficiaries of the tax benefits resulting from the bargain sale would flow through Sterling to LeBlanc.

24.

Unbeknownst to Sterling and/or LeBlanc (but known to Welfont and Master's), Master's with Welfont/Marcell as their broker as seller, were in the process of negotiating a subsequent sale of the Property to JP, at a price substantially less than fair market value, but substantially more than the cash received by Sterling from Master's in connection with the bargain sale.

THE LETTER OF INTENT

25.

On October 10, 2016, Sterling received a "Letter of Intent" for purposes of outlining the terms of the transaction deal to sell the Property to a 501(c)(3) organization, Master's, which designated Master's broker as Shawn Marcell of Welfont.

26.

The Letter of Intent provided that Master's was to purchase the property through an Internal Revenue Code ("IRC") Section 170 Bargain Sale.

27.

The Letter of Intent provided an "Opinion of Value" of \$5,082,000, a cash amount to be paid of \$1,200,000 and that Sterling and LeBlanc would therefore receive a charitable contribution amount of \$3,882,000.

28.

The Letter of Intent provided that Sterling was to pay for a Qualified Appraisal to be performed by a Qualified Appraiser that complies with the requirements of IRC Section 170 and the regulations, rulings and other pronouncements of the Internal Revenue Service, including current IRS Publication 561.

29.

The Letter of Intent provided that, if the Qualified Appraisal of the Property was less than 90% of \$5,082,000, or \$4,573,800, then Sterling could cancel the proposed transaction via written notice within seven days of receipt of the appraisal.

30.

The Letter of Intent provided that the offer enclosed therein was only valid for seven business days.

31.

Sterling signed the Letter of Intent on October 18, 2016.

32.

Welfont requested that Sterling not obtain its own Qualified Appraisal but, instead, Welfont requested that Sterling use BAA, via TAG, based on Welfont representing to Sterling that BAA was accustomed to appraising these sorts of transaction.

33.

Welfont and/or TAG selected BAA to provide the Qualified Appraisal.

REAL ESTATE PURCHASE AGREEMENT

34.

Master's and Sterling entered into a Real Estate Purchase Agreement (the "Agreement") with an effective date of December 9, 2016.

35.

The Agreement provided that the sale was to be bargain sale as defined by Section 170 of the IRC, as amended, and the related Treasury regulations.

36.

The Agreement provided that Welfont group was to "coordinate and facilitate the Appraisal with an independent appraisal management company..." that was to be in conformity with a "Qualified Appraisal" as defined in the Internal Revenue Code of 1986, Section 170, as amended, and the treasury regulations promulgated thereunder.

37.

The Agreement provided "...that no other real estate brokerage firm, broker, salesperson or finder are involved in any aspects of this Agreement other than Van Eaton & Romero

Commercial (“Seller’s Agent”), which represents the Seller’s interest and The Welfont Group or its assignee (“Buyer’s Agent”) which represents the Buyer’s interest in this transaction.”

38.

The Agreement provided that Sterling was to pay a sales commission equal to 4% of the combined cash payment at closing and an estimated net tax savings, but not to exceed \$96,000, which commission was to be shared equally with seller and buyer’s agent.

THE APPRAISAL REPORT

39.

Welfont and/or TAG represented to Defendants that BAA was a Qualified Appraiser who could provide Defendants with a Qualified Appraisal for purposes of the bargain sale. Welfont and/or TAG promoted, endorsed and recommended and selected BAA for this appraisal.

40.

On February 8, 2017, Andrew Bryant prepared and forwarded an “Appraisal Proposal” to Sterling, Scull and David whereby BAA and Andrew Bryant agreed to:

- a. Determine the Bargain Sale Opinion of Value, based on IRS Publication 561.
- b. Conduct an inspection of the property.
- c. Apply the three traditional approaches to value, per IRS Publication 561.
- d. Provided for a \$5,000 fee inclusive of all expenses.
- e. Provided that the appraisal would be prepared and conveyed in compliance with the Uniform Standards of Professional Appraisal Practice and “Performed by Andrew J. Bryant... an Illinois Certified General Appraiser, working under a temporary permit to practice in the State of Wyoming.”

41.

The Appraisal Proposal was signed by Lynda Scull as the “Client” on February 8, 2017.

42.

On February 28, 2017, Sterling received “An Appraisal Report Concerning the Fair Market Value...” of the Property (the “BAA Report”).

43.

The BAA Report was prepared by Andrew J. Bryant and Christopher D. Bryant of BAA.

44.

The BAA Report indicated that the Property was “inspected” on February 21, 2017 by Christopher D. Bryant.

45.

The BAA Report indicated and acknowledged that it was to be used in support of a bargain sale to a charitable organization.

46.

The BAA Report opined that the fair market value of the Property was \$4,600,000 and an additional \$12,000 in furniture, fixtures, and equipment as of February 21, 2017.

47.

The BAA Report indicated it was prepared in conformity with the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute’s ethical requirements.

48.

The BAA Report indicated that it was in compliance with IRS Publication 561.

49.

The BAA Report indicated and acknowledged that Sterling may rely upon the BAA Report in evaluating the Property's market value for financial decision-making purposes relating to a bargain sale of the Property.

50.

Andrew J. Bryant and Christopher D. Bryant both certified that the facts contained in the BAA report were true and correct.

51.

Upon information and belief, BAA, Andrew J. Bryant and Christopher D. Bryant were domiciled in Indiana and/or California at all pertinent times herein, such that the injurious conduct occurred in Indiana and/or California and the resulting injury occurred in Louisiana to Sterling.

THE TRANSACTIONS- MARCH 2017

52.

On March 8, 2017, Sterling sold the Property via a bargain sale to Master's for a cash price of \$650,000.

53.

Sterling utilized the bargain sale to receive a charitable contribution tax deduction for the difference of the appraised value, \$4,612,000, and cash received, \$650,000.

54.

Upon information and belief, the \$650,000 cash payment received by Sterling from Master's was actually cash that was deposited by JP into an escrow account, none of which was disclosed to Sterling.

THE SUBSEQUENT SALE

55.

On March 8, 2017, within hours of the aforementioned \$650,000 bargain sale to Master's, Master's then sold the Property to JP for \$1,262,000, a handsome profit to Master's.

56.

Master's agent/broker in the Subsequent Sale to JP was Marcell and/or Welfont.

57.

Marcell and Welfont profited in the form of a commission, rebate, and/or direct profit from the Subsequent Sale to JP.

58.

Marcell and/or Welfont did not disclose this commission, rebate, and/or direct profit to Sterling.

THE AUDIT

59.

On July 12, 2021, the IRS issued an "Explanation" asserting that Sterling's charitable contribution deduction was disallowed in full due to the failure to provide a Qualified Appraisal by a Qualified Appraiser. Alternatively, the IRS asserts that the true fair market value was the \$1,262,000, the price at which Master's sold and/or flipped the property to JP hours after the bargain sale involving Sterling, which thereby results in a \$612,000 charitable donation to Sterling rather than a charitable donation of \$3,962,000.

60.

As it stands now, Plaintiffs face additional income taxes, penalties and/or other exposure to the IRS due to the individual and collective actions of Defendants, in addition to substantial additional cost and expenses including attorney fees and CPA fees.

61.

Plaintiffs are continuing to contest the audit(s) and the positions advanced by the IRS in connection therewith which have not yet reached a resolution and, as such, the allegations made herein are in the alternative and/or in the event Plaintiffs are deemed to have sustained recoverable damages as a result of the audit process.

**FALSE STATEMENTS OF BAA, ANDREW BRYANT, CHRISTOPHER BRYANT, TAG
AND/OR LYNDIA SCULL**

62.

Andrew Bryant was not an Illinois Certified General Appraiser on February 8, 2017.

63.

Andrew Bryant was not a licensed Appraiser in Louisiana at any point in time from February 8, 2017 through February 21, 2017.

64.

BAA, the entity, was not a licensed Appraiser in Louisiana at any point in time from February 8, 2017 through February 21, 2017.

65.

No Appraiser employed by BAA was a licensed Appraiser in Louisiana on February 8, 2017.

66.

Andrew Bryant did not prepare the Appraisal.

67.

Upon information and belief, Christopher Bryant did not inspect the Property on February 21, 2017.

68.

BAA increased the cost of the appraisal from the original agreed price of \$5,000 to \$6,500 telling Sterling that this was due to the appraisal costs of the furniture and fixtures; however, upon information and belief, this additional \$1,500 was actually so as to allow an undisclosed payment to be made from BAA to TAG and/or Lynda Scull.

69.

The Appraisal was not prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice; Financial Institutions, Reform, Recovery, and Enforcement Act of 1989, IRS Publication 561, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

CAUSES OF ACTION

Breach of Contract

70.

Sterling incorporates by reference the foregoing paragraphs of this Complaint to the extent consistent with this cause of action.

71.

Sterling and Welfont were parties to the Agreement and the Letter of Intent, which was a legally enforceable and binding contract pursuant to which Welfont agreed to obtain a Qualified Appraisal of the Property with a Qualified Appraiser.

72.

Although Sterling performed its obligations under the Agreement and the Letter of Intent, Welfont breached its obligations under the Agreement and the Letter of Intent by failing to obtain a Qualified Appraisal of the Property.

73.

Sterling, TAG, and BAA were parties to the BAA contract to conduct the Qualified Appraisal, which was a legally enforceable and binding contract by which TAG undertook for the benefit of Sterling an obligation to obtain a Qualified Appraisal of the Property with a Qualified Appraiser.

74.

Although Sterling fully performed its obligations thereunder, TAG and BAA breached their obligations under the BAA contract by failing to obtain a Qualified Appraisal of the Property.

75.

Welfont's breaches of the Agreement have caused Plaintiffs to suffer actual damages, including additional tax liability, interest, penalties, prejudgment interest, costs, expenses, and attorney's fees.

76.

TAG's and BAA's breaches of the BAA contract have caused Plaintiffs to suffer actual damages, including additional tax liability, interest, penalties, prejudgment interest, costs, expenses, and attorney's fees.

Negligent Misrepresentation

77.

Sterling incorporates by reference the foregoing paragraphs of this Complaint to the extent consistent with this cause of action.

78.

During the course of service as a real estate broker, Welfont and/or Marcell negligently and/or intentionally represented to Sterling that:

- (a) the Property had a fair market value of (at various times) \$5,082,000, \$4,706,000, and \$4,612,000;
- (b) Welfont would obtain a Qualified Appraisal of the Property with a Qualified Appraiser;
- (c) BAA, Christopher Bryant and/or Andrew Bryant were "Qualified Appraisers"; and
- (d) Sterling reserves the right to supplement and/or amend as permitted by law.

79.

During the course of service as a real estate broker, Welfont and/or Marcell and/or Lynda Scull failed to disclose to Sterling that:

- (a) principal members and agents of Welfont, including Marcell, were then currently serving as three out of the five members and/or officers of Master's.

- (b) principal members and agents of Welfont were involved as principal members and officers of prior 501(c)(3) organizations that had participated in prior bargain sale agreements with Welfont, which 501(c)(3) organizations had been audited by the IRS, which resulted in the loss of non-profit 501(c)(3) status.
- (c) principal members and agents of Welfont were involved as principal members and officers of prior 501(c)(3) organizations that had participated in prior bargain sale agreements with Welfont, which 501(c)(3) organizations had since gone defunct, declared bankruptcy, resulted in bargain sale audits whereby the deduction was disallowed, and/or were subject to media scrutiny due to the business practices of Welfont.
- (d) Master's had agreed to have Welfont and Marcell broker an immediate-same-day-sale of the Property to JP at a price substantially less than fair market value, with David and Van Eaton acting as the buyer's agent.
- (e) Sterling reserves the right to supplement and/or amend as allowed by law.

80.

Welfont, Marcel, and/or Lynda Scull made the foregoing misrepresentations willingly and knowingly and/or negligently.

81.

Welfont, Marcel, and/or Lynda Scull had a legal duty owed to Sterling to supply correct information and to disclose information.

82.

During the course of their services as an appraiser, BAA, Andrew Bryant, and Christopher Bryant made numerous misrepresentations (alleged alternatively as False Statements herein-above)

alleged herein above concerning their credentials, certifications, competency, experience, training, the cost of their services, fee sharing, the fair market value of the Property, property inspection, comparable sales, and other misrepresentations and falsities to be proven at trial.

83.

BAA, Andrew Bryant, and Christopher Bryant had a legal duty owed to Sterling to supply correct information and to disclose information.

84.

BAA, Andrew Bryant, and Christopher Bryant made the foregoing misrepresentations willingly and knowingly and/or negligently.

85.

Pursuant to the doctrine of vicarious liability, BAA is liable for the acts and/or omissions of Andrew Bryant and Christopher Bryant; Welfont is liable for the acts and/or omissions of Marcell and Scull; and TAG is liable for the acts and/or omissions of Scull.

86.

All of the above described falsities, misrepresentations and/or failure to disclose information when there was a legal duty to speak, were made for purposes of inducing Sterling to enter into the Agreement, so that Sterling would purchase the BAA Appraisal and then sell the Property to Master's.

87.

Welfont, BAA, TAG, Marcell, Scull, and Andrew and Christopher Bryant were negligent, grossly negligent, reckless, willful, and /or wanton in making these alleged representations and/or failures to disclose information.

88.

Sterling reasonably relied on the representations and information supplied to it by Welfont, BAA, TAG, Marcell, Scull, and Andrew and Christopher Bryant and as a direct and proximate result thereof, Sterling has suffered actual damages, including additional tax liability, interest, penalties, prejudgment interest, costs, expenses, and attorney's fees for which Defendants are liable.

89.

Defendants acted intentionally or with such reckless disregard as to the truth such that Sterling is entitled to punitive damages against Defendants in an amount to be determined by the Jury.

Article 2315 – Statutory Violations that Caused Sterling Damages

90.

Sterling incorporates by reference the foregoing paragraphs of this Complaint to the extent consistent with this cause of action.

91.

As a real estate broker, Welfont and Marcell owed specific statutory legal duties, including but not limited to those owed pursuant to La. R.S. 37:1455.

92.

Welfont and Marcell breached the duties owed to Sterling including but not limited to: providing correct information, communicating accurate information, accepting, giving, or charging any undisclosed commission or rebate, accepting, giving, or charging any undisclosed direct profit, knowingly making false representations to a party to a real estate transaction, failing

to advise all parties to the transaction in writing of the compensation being received from any source in connection with the transaction, and/or using advertising that is misleading or inaccurate.

93.

As a real estate broker, Welfont and Marcell owed a duty to supervise its agents, representatives and/or employees involved in this transaction including Lynda Scull.

94.

Breaches of the foregoing by Welfont and Marcell have caused Sterling to suffer damages.

95.

Welfont and Marcell are liable to Sterling for the damages they caused pursuant to Louisiana Civil Code article 2315.

Negligence

96.

Sterling incorporates by reference the foregoing paragraphs of this Complaint to the extent consistent with this cause of action.

97.

BAA, and Andrew and Christopher Bryant did not perform the Appraisal in accordance with the skill usually exercised by those in their profession in the same general area.

98.

BAA, and Andrew and Christopher Bryant owed a duty to Sterling to perform the Appraisal in accordance with the skill usually exercised by those in their profession in the same general area.

99.

Welfont, Marcell, TAG and Scull owed a duty to Sterling to select a Qualified Appraiser in accordance with the skill usually exercised by those in their profession in the same general area.

100.

Welfont, Marcell, TAG and Scull failed to perform their duty of selecting a Qualified Appraiser in accordance with the skill usually exercised by those in their profession in the same general area.

101.

The breaches of BAA, and Andrew and Christopher Bryant, Welfont, Marcell, TAG caused Sterling to suffer damages for which Defendants are liable.

Fraud

102.

Sterling incorporates by reference the foregoing paragraphs of this Complaint to the extent consistent with this cause of action.

103.

All of the false statements and/or suppression of the truth described herein, and others to be supplemented, were made by Defendants with the intention to obtain an unjust advantage over Sterling or to cause a loss to Sterling.

104.

Defendants had an affirmative duty to speak and then failed to do so.

105.

Sterling did not know, nor could it reasonably have known, of the fraud perpetuated upon Sterling by Defendants until less than one year prior to the filing of this Petition.

106.

Defendants are solidarily liable for the damages caused to Sterling by Defendants' fraudulent acts, statements, misrepresentations, and/or failures to speak when there was a legal duty to do so.

Louisiana Unfair Trade Practices Act

107.

Sterling incorporates by reference the foregoing paragraphs of this Complaint to the extent consistent with this cause of action.

108.

Defendants' collective and individual conduct in this transaction is an unfair method of competition, and an unfair or deceptive act in the conduct of trade or commerce.

109.

Defendants' collective and individual conduct offends established public policy and is immoral, unethical, oppressive, unscrupulous, or substantially injurious.

110.

Defendants' collective and individual conduct involves elements of fraud, misrepresentation, deception, and other unethical conduct.

111.

Sterling did not know, nor could it reasonably have known, of Defendants collective and individual violations of the Louisiana Unfair Trade Practices Act until less than one year prior to the filing of this Complaint.

112.

Sterling prays for a trial by jury.

WHEREFORE, Plaintiffs pray that, after due proceedings, this Court enter judgment in favor of Plaintiffs and against The Welfont Group, LLC, Tax Appraisal Group, LLC, Bryant Asset Advisors, LLC, Shawn Marcell, Andrew Bryant, Christopher Bryant, and Lynda Scull for all losses and damages sustained, as set forth more fully above, and awarding:

- a. Compensatory, punitive, and consequential damages in an amount to be proven at trial;
- b. Prejudgment and post-judgment interest at the maximum legal rate;
- c. Court costs and reasonable attorney's fees incurred in by Sterling;
- d. Additional tax liability, interest and penalties assessed to Plaintiffs;
- e. Statutory penalties where permitted;
- f. Attorneys' fees where permitted;
- g. Professional accounting, legal or other fees incurred by Plaintiffs in connection with the IRS examination; and
- h. For such other equitable relief as Plaintiffs shall show themselves justly entitled and/or that this Court deems proper.

Respectfully submitted,

BY: Robert M. Kallam
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PLEASE SERVE

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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

Sterling Resources Corporation and Arthur C. LeBlanc, +

(b) County of Residence of First Listed Plaintiff Lafayette, Louisiana
(EXCEPT IN U.S. PLAINTIFF CASES)

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

□ Robert M. Kallam and Brian J. Lindsey of Kean Miller,
LLP, 600 Jefferson Street, Suite 1101 Lafayette, +

DEFENDANTS

The Welfont Group, LLC; Tax Appraisal Group, LLC; Bryant +

County of Residence of First Listed Defendant Manatee, Florida
(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 ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☒ 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)

- | | PTF | DEF | | PTF | DEF |
|---|---------------------------------------|---------------------------------------|---|---------------------------------------|---------------------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input checked="" type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input checked="" type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

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

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input checked="" type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 INTELLECTUAL PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <input type="checkbox"/> 880 Defend Trade Secrets Act of 2016 SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

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 - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 USC 1332

Brief description of cause:

Negligence, breach of contract, fraud, negligent misrepresentation, and violations of the Louisiana Unfair Trade Practices Act.

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

\$3,000,000 or more

CHECK YES only if demanded in complaint:

JURY DEMAND:

☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

August 16, 2021

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. (a) **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. **Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. **Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. **Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. **Origin.** Place an "X" in one of the seven boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title [28 U.S.C. Section 1404\(a\)](#). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title [28 U.S.C. Section 1407](#).
- Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
- PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. **Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.
- VII. **Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. **Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.