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5 *Attorneys For Plaintiff JPMorgan Chase Bank, N.A.*

6 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
7 **IN AND FOR THE COUNTY OF MARICOPA**

8 JPMORGAN CHASE BANK, N.A.,

Case No. CV2024-031033

9 Plaintiff,

10 vs.

COMPLAINT

11
12 GN ENTERPRISE P.C., dba AZ Hometown
Law Firm fka LAW OFFICES OF GIL
13 NEGRETE, P.C., an Arizona Professional
14 Corporation, GIL C NEGRETE and TRINA
M NEGRETE, husband and wife,

(Breach of Contract)

Tier 2

15 Defendants.

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17 Plaintiff JPMorgan Chase Bank, N.A. (“Plaintiff” or “Chase”) for its causes of action
18 against Defendants, GN Enterprise P.C., doing business as AZ Hometown Law Firm,
19 formerly known as Law Offices of Gil Negrete, P.C., Gil C Negrete and Trina M Negrete,
20 alleges and states as follows:
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22 **PARTIES, JURISDICTION AND VENUE**

23 1. Plaintiff JPMorgan Chase Bank, N.A., is authorized to do business in Arizona
24 and doing business in Maricopa County.

25 2. Defendant, GN Enterprise P.C., doing business as AZ Hometown Law Firm,
26 formerly known as Law Offices of Gil Negrete, P.C. (the “Company”) is an Arizona
27 professional corporation authorized to do business and doing business in, Arizona.
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3. Plaintiff is informed and believes Defendants, Gil C Negrete and Trina M Negrete, are husband and wife and residents of Arizona. All the acts and omissions alleged herein were performed on behalf of their marital community.

4. The contracts at issue in this litigation were entered into and breached in Maricopa County, Arizona and contain a venue provision in which defendants agreed that any action or proceeding with regard to their contractual obligations “may be brought by the Bank in any state or federal court located in the State of Arizona, as [Chase] in its sole discretion may elect.”

5. Jurisdiction and venue are proper in this Court.

GENERAL ALLEGATIONS

6. Plaintiff incorporates the foregoing allegations by this reference.

7. On or about October 24, 2018, the Company executed a Line of Credit Note, which incorporated a separate Credit Agreement also executed on or about October 24, 2018, in the principal amount of \$280,000.00 (collectively, the “Contract”). A copy of the Line of Credit Note is attached hereto as **Exhibit A** and a Copy of the Credit Agreement is attached as **Exhibit B**.

8. On or about October 24, 2018, Defendants, Gil C Negrete and Trina M Negrete executed Continuing Guaranties of the Contract. Copies of their respective Guaranties are attached hereto as **Exhibits C and D**.

9. The Company has failed to pay the Contract as contractually required and is therefore in default under the Contract.

10. As a result of the Company’s breach, Plaintiff has declared all unpaid sums of principal and interest under the Contract immediately due and payable. Despite demand by Plaintiff, the Company has failed and refused to pay the balances due under the Contract.

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11. Defendants, Gil C Negrete and Trina M Negrete have failed to cure the default of the Company under their Guaranties. Accordingly, Defendants, Gil C Negrete and Trina M Negrete are in default under their Guaranties.

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12. As of October 29, 2024, the total outstanding amount owed on the Contract was \$287,637.46. Interest continues to accrue on the unpaid balance at the variable contract default rate of prime plus 4.80% (currently 12.8%) from October 29, 2024, until paid in full.

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13. Pursuant to the Contract, the Guaranties and Arizona law, Defendants are obligated to pay the attorney fees and costs Chase has incurred and continues to incur enforcing the Contract, and the Guaranties.

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COUNT I

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CLAIMS FOR RELIEF

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(Breach of Contract)

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14. Plaintiff incorporates the foregoing allegations by this reference.

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15. Pursuant to the terms of the Contract the Company is liable to Plaintiff for the unpaid balance of the Contract, plus interest and late fees.

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16. As of October 29, 2024, the total outstanding amount owed on the Contract was \$287,637.46. Interest continues to accrue on the unpaid balance at the variable contract default rate of prime plus 4.80% (currently 12.8%) from October 29, 2024, until paid in full.

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COUNT II

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CLAIMS FOR RELIEF

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(Breach of Contract – the Guaranty)

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17. Plaintiff incorporates the foregoing allegations by this reference.

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18. The Contract remains unpaid. Accordingly, pursuant to the terms of the Guaranties, Defendants, Gil C Negrete and Trina M Negrete are liable to Plaintiff for the unpaid balance of the Contract, plus interest and late fees.

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19. As of October 29, 2024, the total outstanding amount owed on the Contract

1 was \$287,637.46. Interest continues to accrue on the unpaid balance at the variable contract
2 default rate of prime plus 4.80% (currently 12.8%) from October 29, 2024, until paid in full.

3 WHEREFORE, Plaintiff respectfully requests judgment and relief against
4 Defendants GN Enterprise P.C., doing business as AZ Hometown Law Firm, formerly
5 known as Law Offices of Gil Negrete, P.C., Gil C Negrete and Trina M Negrete as follows:
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7 A. For the total outstanding amount owed on the Contract as of October 29, 2024
8 of \$287,637.46;

9 B. For prejudgment and post judgment interest on the unpaid balance at the
10 variable contract default rate of prime plus 4.8% (currently 12.8%) from October 29, 2024,
11 until paid in full;

12 C. For attorney fees pursuant to the Contract, the Guaranties, and A.R.S. § 12-
13 341.01, which in the event of a default will not exceed \$1,250.00;

14 D. For taxable costs pursuant to A.R.S. § 12-341;

15 E. For interest on the reasonable attorney fees, court costs and other costs of
16 collection at the legal rate of prime plus 1.0% (currently 9.00%) per annum from the date
17 of entry of judgment herein until paid in full; and

18 F. For such further relief as this Court deems just and proper under the
19 circumstances.

20 RESPECTFULLY SUBMITTED this 31st day of October 2024.

21 BALL, SANTIN & MCLERAN, PLC

22 By: /s/Jeffrey Messing (AZB #009768)

23 Jeffrey Messing
24 2999 North 44th Street, Suite 500
25 Phoenix, Arizona 85018
26 *Attorneys for Plaintiff,*
27 *JPMorgan Chase Bank, N.A.*
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EXHIBIT “A”



Line of Credit Note

\$280,000.00

Date: October 24, 2018

Promise to Pay. LAW OFFICES OF GIL NEGRETE, P.C. (the "Borrower") promises to pay to JPMorgan Chase Bank, N.A., whose address is 7675 W. Bell Rd., Peoria, AZ 85382 (the "Bank") or order, in lawful money of the United States of America, the sum of Two Hundred Eighty Thousand and 00/100 Dollars (\$280,000.00) or so much thereof as may be advanced and outstanding:

Accrued interest or \$100.00, whichever is greater, but not to exceed the then outstanding balance of this Note, shall be payable monthly, beginning on December 1, 2018 and on the same calendar day monthly thereafter until the Final Availability Date. As of the Final Availability Date, no further advances under this Note will be available. Thereafter, on the same calendar day as payments were due prior to the Final Availability Date, monthly payments shall be due in an amount equal to the greater of (1) \$250.00, or (2) the aggregate sum of (a) accrued interest, plus (b) 1/60th of the unpaid principal balance. Payments and any other credits shall be allocated among principal, interest, late charges, collection costs, fees and other charges at the discretion of the Bank, unless otherwise required by applicable law.

Interest on this Note is computed on the basis of the actual number of days elapsed in a year of 360 days at the rate of 1.80% Per Annum above the Prime Rate (the "Note Rate"), and at the rate of 3.00% Per Annum above the Note Rate, at the Bank's option, upon the occurrence of any default under this Note, whether or not the Bank elects to accelerate the maturity of this Note, from the date such increased rate is imposed by the Bank. In this Note, "Prime Rate" means the rate of interest Per Annum announced from time to time by the Bank as its prime rate. The Prime Rate is a variable rate and each change in the Prime Rate is effective from and including the date the change is announced as being effective. THE PRIME RATE IS A REFERENCE RATE AND MAY NOT BE THE BANK'S LOWEST RATE.

In no event shall the interest rate exceed the maximum rate allowed by law. Any interest payment that would for any reason be unlawful under applicable law shall be applied to principal.

The Borrower hereby agrees to pay an effective rate of interest that is the sum of the interest rate provided for in this Note together with any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with this Note or the Related Documents.

Interest will be computed on the unpaid principal balance from the date of each borrowing.

The Borrower shall make all payments on this Note and the other Related Documents, without setoff, deduction, or counterclaim, to the Bank at the Bank's address above or at such other place as the Bank may designate in writing. If any payment of principal or interest on this Note shall become due on a day that is not a Business Day, the payment will be made on the next succeeding Business Day. The term "Business Day" in this Note means a day other than a Saturday, Sunday or any other day on which national banking associations are authorized to be closed. Payments shall be allocated among principal, interest and fees at the discretion of the Bank unless otherwise agreed or required by applicable law. Acceptance by the Bank of any payment that is less than the payment due at that time shall not constitute a waiver of the Bank's right to receive payment in full at that time or any other time.

Annual Fee. The Borrower shall be charged a non-refundable fee of \$500.00 for the first year. Thereafter, the Borrower shall be assessed a non-refundable annual fee of \$500.00 each year advances are available under this Note or there remains a principal amount outstanding on this Note. If the annual fee has been waived by the Bank based on any promotional offer made in connection with the Borrower's Chase business account, the fee may be reinstated by the Bank if such account is closed for any reason.

Credit Holds. Notwithstanding anything to the contrary in this Note, the Bank may apply all payments and credits in accordance with the standard operating procedures of the Bank and with the requirements of applicable law. For billing and interest accrual purposes, credit for the payment is given on the Business Day the payment is processed and posted to the account. Nevertheless, after processing the Bank may elect to verify the receipt of good funds or otherwise elect to place a "credit hold" on such payments before releasing any payment amount as available credit for additional advances on the line of credit.

The Bank makes the following line of credit payments available for readvance the next Business Day after processing: (a) electronic payments, (b) payments made on Chase.com, and (c) payments made at any branch office of the Bank if made (i) by check drawn BBHD

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upon a deposit account with the Bank or (ii) in cash. The Bank currently places a credit hold on most other payments for a period of seven days commencing on the Business Day the payment is processed; provided that when the day following the seventh day of the credit hold period is not a Business Day, then the payment amount will not be available for additional advances until the next Business Day.

The Bank may change its credit hold policy from time to time and will advise Borrower, including by inclusion of a message on the billing statement for this Note. To preclude an overdraft during the credit hold period Borrower must remember the portion of each payment intended to reduce the principal balance may not be immediately available for additional advances on the line of credit. The balance available for advances can be verified by contacting the Bank on-line, by telephone or in person at a branch location.

Bank's Rights to Limit Credit Availability. Regardless of whether a default exists under this Note, the Bank may exercise any of the following options:

Reductions in Credit Available. Upon written notice to Borrower, in its sole discretion and for any reason, the Bank may reduce the maximum amount of credit available under this Note to an amount that will not be less than the principal balance then outstanding at the date the notice is provided. Notwithstanding any such reduction, all other provisions of this Note shall remain in full force and effect, including the payment terms as set forth in this Note, and including the Bank's right to convert the line of credit, or to elect to make future further reductions in the available credit. The effective date of the reduction in credit available shall be the date stated in the notice the Bank provides to the Borrower.

Termination of Revolving Credit. Upon written notice to the Borrower, in its sole discretion and for any reason, the Bank may terminate its obligation to make revolving advances under this Note and convert this Note to a term note. The effective date of the conversion to a term note shall be the date stated in the notice the Bank provides and this date shall be known as the "Final Availability Date."

Line of Credit Advances. The Note evidences a revolving line of credit. The unpaid balance of this Note shall increase and decrease with advances and payments made from time to time. Until the earlier of the Final Availability Date or the occurrence of any default, Borrower may borrow, pay down and reborrow under this Note. Advances under this Note shall be deemed to have been authorized by Borrower, and Borrower agrees to be liable for all such advances, if either (a) requested orally or in writing by the Borrower or by an authorized person or (b) credited to any of Borrower's accounts with the Bank. Each person or entity signing this Note on behalf of the Borrower and each guarantor is an authorized person. The Bank may, but need not, require that all oral requests be confirmed in writing. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by the Bank's internal records, including daily computer printouts. The Bank will have no obligation to advance funds under this Note if: (a) any Event of Default has occurred; (b) any Obligor ceases doing business or is insolvent; (c) any guarantors seek, claim or otherwise attempts to limit, modify or revoke their guarantee of this Note or any other loan with the Bank; (d) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by the Bank; or (e) the Bank in good faith believes itself insecure.

Methods for Advances. Additional advance procedures applicable to this Note include the following: The principal amount of this Note may be advanced by means including but not limited to, where available, check(s), telephone transfer/access, and online transfers and may be repaid and re-advanced in full or part until the Final Availability Date. Borrower assumes liability for, and agrees to pay for, purchases and cash advances made by Borrower or anyone authorized by Borrower, through use of any method of advance, and agrees to pay, at such place as the Bank designates, all extensions of credit and charges in accordance with statement billings and the interest, fees and other charges as same may be modified from time to time by the Bank. Borrower is bound and liable for repayment of the entire Note, regardless of who received the benefit of the transaction(s) or to whom any advance of credit was made. If the Bank should make any advance in excess of the maximum principal amount of this Note, the making of the advance shall not be deemed to constitute an increase in the maximum principal amount of this Note and shall be due and payable upon demand.

Overdraft Facility. The principal amount of this Note may also be advanced to Borrower's designated checking account(s) at the Bank and/or another JPMorgan Chase & Co. affiliate (individually and collectively referred to as the "Deposit Account") if any check or other charge against the Deposit Account exceeds the available balance of the Deposit Account. Borrower must confirm in writing any request for such overdraft protection for the Deposit Account. Such advances will be in \$50.00 increments or as otherwise provided in the Account Rules and Regulations, now existing or hereafter modified, rounded up to cover the entire amount by which the check(s) or other charges exceed(s) the available Deposit Account balance. If the available balance of this Note is not sufficient to cover the entire overdraft, the Bank will transfer the maximum available Note balance. The bank where the Deposit Account is maintained will pay items in accordance with the Deposit Account Rules and Regulations, now existing or hereafter modified. If the amount transferred is less than the amount of the overdraft, all checks or other charges may not be paid. Advances on this Note will be made to cover an overdraft created by any authorized signer on the Deposit Account, even if that authorized signer is not a Borrower.