



NEWS RELEASE

Arizona House of Representatives

Representative Walt Blackman (R-6)

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FOR IMMEDIATE RELEASE

Rep. Walt Blackman Highlights Constituent Concerns Involving Private Property Investment in Mexico

STATE CAPITOL, PHOENIX – State Representative Walt Blackman today held a news conference at the State Capitol and issued the following statement highlighting constituent concerns involving private property investment in Mexico:

I have learned of a shocking situation in Puerto Peñasco, Mexico, which leaves me with alarming concerns for Arizonans who have, or will, purchase property in Puerto Peñasco.

Two of my constituents, local business owners Rick and Julie Hatch, recently contacted me to report what appears, by all indications, to be the fraudulent theft of a valuable oceanfront property they purchased in Puerto Peñasco. Over 9 years ago, in 2013, they acquired this property using a Mexican corporation (Coca & Hatch Properties). The Hatches erected fences and signs on the property and visited it regularly. In 2016, they learned that someone had taken down their signs and, when they traveled to Mexico to investigate further, they were shocked to discover that, without their consent, someone had recorded a loan and mortgage against their company the previous year. Furthermore, when the loan—which, again, the Hatches never took out—was unpaid, a new deed was recorded in 2015 that transferred the property to a new owner, in satisfaction of the purported debt.

What is even more shocking is that this transaction, by all indications fraudulent, involves the current Mayor of Puerto Peñasco, Jorge Ivan Pivac Carrillo, and his sister, Martha Herlinda. In June 2015, a notary public authenticated documents that reflected a meeting with various individuals associated with the Hatches' company. However, all of these individuals have denied that they were actually present at the meeting, and instead testify that their signatures were forged. One of the board members allegedly present, Mercedes Coca, had in fact died years prior, on October 8, 2008. Another board member who was supposedly present at the meeting (who denies she was there) presented an identification card that had the name and picture of someone else.

At this sham “meeting,” the company’s board members purportedly appointed Roberto Trahin Rodriguez as the company’s “general manager,” with authority to make contracts on the company behalf. However, Roberto Trahin has never had any position with the Hatches’ company. Shortly after this fraudulent meeting, Trahin executed documents that indicated the company had taken out a loan from, and granted a mortgage to, Mayor Jorge Pivac. Pivac wired about \$300,000 to Trahin from a Bank of America bank account located in the United States—which was far less than the actual value of the property. Of course, the “loan” was never paid, as the Hatches had never

taken it out and were unaware of its existence. Several months later, in December 2015, Roberto Trahin executed a power of attorney in favor of the Mayor Jorge Pivac, which Pivac illicitly used to transfer to himself the Hatches' property in satisfaction of the alleged "loan."

Since learning of this fraud in early 2016, Rick and Julie have spent nearly 7 years and a tremendous amount of money trying to reclaim property that they purchased. In doing so, they have uncovered astounding evidence showing that the property was indeed stolen from their company. Some of that evidence is recounted above.

Significantly, the Hatches retained counsel in Mexico to sue the involved individuals and recover title to their property. After years of litigation, the Hatches' attorney inexplicably withdrew all of the evidence they had submitted to the court in Mexico, to the detriment of the case. The Hatches have no idea how this egregious act of malpractice occurred, and there does not appear to be any non-corrupt explanation. Seven years after this fraudulent theft took place, the Hatches have now had to retain new attorneys to pursue further litigation against the responsible parties in Mexico. Jorge Pivac, for his part, remains the mayor of Puerto Peñasco. Moreover, it appears he is using his position as mayor to prevent the Hatches from learning material information about the fraud. Among other things, officials in Puerto Peñasco refused to give the Hatches information about a criminal investigation of Mr. Pivac that was ended abruptly and without explanation. Furthermore, as the Hatches have refused to give up in their fight to recover their property, individuals' lives have recently been threatened.

Many Arizonans regard Puerto Peñasco as "Arizona's beach," and it has become very popular to purchase property there. With Jorge Pivac in place, Arizona citizens' security and investments are at risk. I am accordingly demanding that we take measures to protect the investments and safety of Arizona citizens and businesses.

Specifically, I am calling on law enforcement authorities in Arizona to initiate an investigation of Jorge Pivac and his dealings. The information the Hatches uncovered shows that a U.S. bank account was used to facilitate at least part of the fraud perpetuated against them, and Pivac reportedly has property in Arizona. Thus, his activities directly endanger the citizens and residents of this State.

We are cautiously optimistic in that state and federal authorities in Mexico have expressed an interest in rooting out fraud and corruption, and that they will investigate this matter thoroughly and take steps to ensure that any fraud is undone, the Hatches' property is returned to them and foreign investment is protected. However, given the impact on U.S. citizens and the involvement of U.S. assets, it is clear that this also needs to be a priority for law enforcement in the United States.

I've set up a hotline through the end of the year that people can call if they have experienced a similar situation. That number is (602) 926-3043.

Walt Blackman is a Republican member of the Arizona House of Representatives serving Legislative District 6, which includes portions of Coconino, Yavapai, Navajo, and Gila counties. He serves as chairman of the House Judiciary Committee and as a member of the House Military Affairs and Public Safety Committee. Follow him on Twitter at @BlackmanForAZ.

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