

Investor Korge seeks receiver for Osorio's InnoVida Holdings

Embattled Miami businessman Claudio Osorio is fighting a request to have a receiver appointed for his company, [InnoVida Holdings](#).

The request for a receiver comes as at least four investors have sued Osorio, alleging that investments they made with him have not been paid back as expected under contracts they signed.

The request for a receiver comes from Miami developer and attorney **Chris Korge**, who alleges that Osorio fraudulently misappropriated \$4 million. Two other lawsuits have been filed against Osorio by his neighbors on Miami Beach's swanky Star Island.

"Plaintiff is the victim of a fraud, and defendant Osorio ... is the once-trusted friend who swindled him," Korge states in his lawsuit complaint, which is being handled by Miami attorney **Kendall Coffey**.

Osorio and his attorney, **Robert Zarco**, have protested the appointment of a receiver. Zarco maintains that the lawsuits are misguided; he says the investors knew the risk involved.

"Mr. Korge's investment is no more than 1.5 percent of this entire company," Zarco told Miami-Dade County Circuit Judge **Manno Schurr** in a recent hearing. "Talk about the tail wagging the dog. This is the hair on the tail trying to wag the whole dog."

Korge's and Osorio's names appeared in a [Wall Street Journal](#) article in 2008 because Korge gave Osorio and his wife, **Amarilis Osorio**, tickets to the Democratic National Convention after the Osorios hosted a fundraiser for **Hillary Clinton** at their home. The event raised \$400,000, according to the article.

Osorio is the former CEO of CHS Electronics, a Fortune 500 company that disappeared amid a flurry of securities fraud allegations made by some of its investors and a bankruptcy in 2000.

InnoVida and its subsidiary, InnoVida Services, manufactures buildings and affordable housing from a fiber composite that is billed as fireproof, mold-proof and insect-proof.

InnoVida recently made headlines when it announced it would donate 1,000 small homes to Haiti following the disastrous earthquake in January.

Korge's lawsuit accuses Osorio of lying about upcoming sales of InnoVida stock – first, a \$500 million sale to a Middle Eastern sovereign wealth fund, then a \$250 million sale to Chinese investors.

Korge's suit says Osorio became difficult to contact about the investments during the summer. The suit alleges that Osorio then claimed InnoVida had \$50 million in cash and cash equivalents, but never provided proof. The suit says Osorio repeatedly told Korge he was out of the country, but was spotted in public places in Miami Beach during those times.

'no evidence to support' allegations

The Korge suit refers to Osorio as running a "scam." Zarco said in the recent hearing that "there is no evidence to support" allegations that Osorio is a "crook or a Ponzi schemer."

"They have no evidence of mismanagement. They have no evidence that the property is subject to deterioration," Zarco said. "They have no evidence that the property they are seeking, which is money, is being wasted or dissipated."

Core Development Holdings, a Miami Beach-based company led by President **Engin Yesil**, filed the largest of the recent lawsuits, over \$6.3 million of value in investments with InnoVida.

Marc Iacovelli, another neighbor of Osorio's, accuses him of misleading and defrauding him and his company, Intec, regarding investments in a 2002 business venture to sell computer game accessories overseas. Iacovelli alleges Osorio should pay a \$2 million arbitration award that was assigned to a company Osorio had an interest in.

Attorney **Abbey Kaplan**, of Kluger, Kaplan, Silverman, Katzen & Levine, P.L., represents Yesil and Iacovelli.

Jonathan Robbins of [Akerman Senterfitt](#) represents Osorio in the InnoVida case.

Robbins and Zarco said Osorio is defending himself against the allegations, and the disputes stem from misinterpretations of contractual language. Osorio has also filed similar counterclaim accusations against Iacovelli.

Zarco said Osorio did not defend himself in the arbitration case because he did not believe he would receive a fair hearing.

Kaplan said his clients are not trying to block the appointment of a receiver, but they are not seeking one at this point.

CHS Electronics filed for bankruptcy in April 2000. According to a settlement agreement dated Nov. 16, 2001, insurers for the company paid \$11.5 million to settle a securities fraud lawsuit, with no admission of guilt by the defendants.

Osorio got his start in 1977 when he founded a sporting goods and wholesale company in his hometown, Caracas, Venezuela, where he still maintains citizenship. He started CHS in 1983. At its peak, it was the third-largest computer distribution company in the world, with annual revenue of \$8.7 billion. In 1997, CHS was ranked 189th on the Fortune 500. That year, Osorio was named [Ernst & Young](#)'s Entrepreneur of the Year.