

Velva L. Price  
District Clerk  
Travis County  
D-1-GN-19-008697  
Victoria Benavides

CAUSE NO. D-1-GN-19-008697

CHOSE	§	IN THE DISTRICT COURT OF
	§	
<i>Plaintiff,</i>	§	
	§	
v.	:	TRAVIS COUNTY, TEXAS
INVERSE ASSET FUND, LI	§	
SCOTT A. CARSON	§	419th
	§	_____ JUDICIAL DISTRICT
<i>Defendants.</i>	§	

**PLAINTIFF’S ORIGINAL PETITION AND RULE 193.7 NOTICE**

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff, CHOSE (“CHOSE”), files this Original Petition and Rule 193.7 Notice, complaining of Defendants, Inverse Asset Fund, LLC (“Inverse”), and Scott A. Carson (“Carson”), (collectively “Defendants”) and would respectfully show the following:

**I. DISCOVERY**

1. Plaintiff requests that discovery in this case proceed under Discovery Control Plan Level 2 pursuant to the Texas Rules of Civil Procedure.

**II. NATURE OF THE CASE**

2. On or about August 1, 2017, CHOSE entered into a Joint Venture Agreement (the “Agreement”) with Inverse to purchase investment notes (the “Notes”) for \$40,000.00. CHOSE delivered the full amount of \$40,000.00 to Inverse but it has failed and refused to perform its end of the bargain. Once the Agreement reached the maturity date, CHOSE sent Inverse written notice to terminate the Agreement. After months of phone calls and attempts to be recompensated, it has become apparent that Inverse does not intend to honor the Agreement. Furthermore, upon information and belief, Inverse and Carson’s actions are not isolated to their Agreement with CHOSE. To date, CHOSE has not received a return of its \$40,000.00.

### **III. JURISDICTION, VENUE, AND CONDITIONS PRECEDENT**

3. This Court has jurisdiction over this matter because the amount in controversy exceeds the minimum jurisdictional limits of this Court.

4. Venue is proper in Travis County under Section 15.002(a)(3) of the Texas Civil Practice & Remedies Code because defendant's principal office is located in Travis County, Texas.

5. Plaintiff seeks monetary relief of \$100,000 or less and nonmonetary relief. Plaintiff reserves the right to amend its claim for relief in the event that Plaintiff learns of additional damages in discovery.

6. All conditions precedent for Plaintiff to recover have been performed, have occurred, or have been waived or excused.

### **IV. PARTIES**

7. Plaintiff CHOSE is a trust.

8. Defendant, Inverse Asset Fund, LLC is a Texas limited liability company, whose principal place of business is in Travis County, Texas and may be served with process through its registered agent Scott A. Carson at 13785 Research Boulevard, Suite 125-146, Austin, Texas 78750 or wherever he may be found. Issuance of Citation is hereby requested.

9. Defendant, Scott A. Carson is an individual doing business in Travis County, Texas and may be served with process at 13785 Research Boulevard, Suite 125-146, Austin, Texas 78750 or wherever he may be found. Issuance of Citation is hereby requested.

### **V. FACTS**

10. On or about August 1, 2017, CHOSE entered into a Joint Venture Agreement with Inverse (the "Agreement"). In the Agreement, CHOSE agreed to pay Inverse \$40,000.00 to acquire real estate Notes and/or real property. Should Inverse need to acquire the underlying real

property described in the Notes, Inverse agreed to record a lien or deed of trust to secure CHOSE's \$40,000.00. This did not happen.

11. Also, Inverse agreed to create an account for Inverse and CHOSE to have full access and transparency for all transactions related to the Notes and/or real property purchased using CHOSE's \$40,000.00. These accounts would track the purchase and subsequent sale of the Notes and/or real property. This did not happen.

12. The parties agreed that all proceeds stemming from the sale of the Notes and/or real property would be distributed as follows: (1) CHOSE would receive the portion of the \$40,000.00 used to purchase the Notes and/or real property, (2) repayment of any additional contributions, (3) closing costs and expenses, and (4) the parties would split the remaining amount 50/50. To date, Inverse has not informed CHOSE of any sale of the Notes and/or real property.

13. The Agreement specified that, if Inverse failed to sell the Notes and or real property purchased using the \$40,000.00 after 12 months, CHOSE could terminate the Agreement and Inverse would return the \$40,000.00 plus a 12% annualized return.

14. It has been over 12 months and Inverse has yet to fulfill any of its obligations under the Agreement. CHOSE terminated the Agreement per the contract and has yet to receive its \$40,000.00 plus its 12% annualized interest. CHOSE requested an explanation numerous times via email, telephonically, and finally through its attorney to no avail.

15. CHOSE now seeks its damages from the Defendants for the amount he was promised in the Agreement. CHOSE also seeks its reasonable and necessary, equitable and just attorneys' fees incurred in pursuing collection of these amounts through this lawsuit.

## **VI. CAUSES OF ACTION**

### **A. Breach of Contract**

16. CHOSE incorporates all the preceding paragraphs in their entirety for all purposes.

17. CHOSE has a valid contract with Inverse for the purchase and sale of Notes and/or real property. CHOSE performed under the contract. Inverse breached the contract. CHOSE has suffered damages as Inverse has failed to fulfill any of its obligations under the contract.

18. Inverse's failure to perform caused CHOSE's damages as CHOSE has yet to receive the \$40,000.00 plus a 12% annualized return under the Agreement.

**B. Money Had and Received**

19. CHOSE incorporates all the preceding paragraphs in their entirety for all purposes.

20. Defendants are holding money that in equity and good conscience belongs to CHOSE. Defendants are liable to Inverse for at least \$40,000.00 plus a 12% annualized return they are holding.

**C. Fraud**

21. CHOSE incorporates all the preceding paragraphs in their entirety for all purposes.

22. Inverse, through its agent Carson, made materially false representations to CHOSE with the intent that CHOSE enter into the Agreement. CHOSE relied on Defendants' materially false representations and entered into the contract thereby causing CHOSE injury.

23. Accordingly, CHOSE seeks a recovery of its actual damages and consequential damages suffered as a result of Defendants' fraud. CHOSE further seeks exemplary damages pursuant to TEX. CIV. PRAC. & REM. CODE § 41.003(a)(1) because of Defendants' fraud.

**D. Liability of Carson Pursuant to the Texas Tax Code**

24. Pursuant to Texas Tax Code §171.255, the officers and directors of the Inverse are personally liable for the debts Inverse created or incurred after the time of the forfeiture and before the corporate privileges are revived. Prior to and at the time of the transaction which makes the basis of this lawsuit, Inverse's existence was in forfeiture and remained in forfeiture until

December 11, 2017. As such, Carson is jointly and severally liable for any amounts awarded to CHOSE in this action against Inverse.

**E. Attorney's and Other Fees**

25. CHOSE asks the Court to award it reasonable and necessary attorney fees from Defendants under Texas Civil Practice and Remedies Code § Chapter 38.001 and the Texas Business and Commerce Code § 27.01(e). CHOSE is also entitled to his expert witness fees and other costs provided for in Texas Business and Commerce Code § 27.01(e).

**VII. RULE 193.7 NOTICE**

26. Pursuant to Rule 193.7 of the Texas Rules of Civil Procedure, CHOSE hereby gives actual notice to Defendants that any and all documents produced by Defendants may be used against Defendants at any pretrial proceeding and/or at the trial of this matter without the necessity of authenticating the documents.

**VIII. PRAYER**

WHEREFORE, CHOSE respectfully requests that the Court:

- a) award CHOSE actual and consequential damages;
- b) award CHOSE exemplary damages;
- c) award CHOSE its attorney fees;
- d) award CHOSE prejudgment interest and post-judgment interest;
- e) award CHOSE costs of suit;
- f) grant CHOSE all relief in law and in equity to which it is entitled.

Respectfully submitted,  
**RAPP & KROCK, PC**

/s/ R. Alex Weatherford  
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