CAUSE NO. C-1-CV-16-010712

DCAP LLC, Plaintiff	§	**IN THE COUNTY COURT**
	§	
	§	
	§	
v.	§	**AT LAW NO. 1**
	§	
Inverse Investments, LLC, and Scott A. Carson, Individually Defendants	§	
	§	
	§	
	§	**TRAVIS COUNTY, TEXAS**

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, DCAP LLC (hereinafter referred to as "DCAP"), in the above-entitled and numbered cause, and files this, its Original Petition, against Inverse Investments, LLC (hereinafter referred to as "Inverse") and Scott A. Carson, individually (hereinafter referred to as "Carson"), and for cause of action would respectfully show the Court as follows:

I. DISCOVERY

1. Plaintiff intends that discovery be conducted under Level 2 of Texas Rule of Civil Procedure 190.3.

II. PARTIES

2. Plaintiff, DCAP , LLC, is a California limited liability company.

3. Defendant, Inverse Investments, LLC, is a Texas limited liability company which may be served with process by serving its registered agent, Scott A. Carson, at 2813 Pioneer Way, Round Rock, Texas 78665.

4. Defendant, Scott A. Carson, may be personally served at 2813 Pioneer Way, Round Rock, Texas 78665.

III. JURISDICTION AND VENUE

5. This Court has jurisdiction over this lawsuit because the amount in controversy is within the jurisdictional limits of the Court.

6. Venue is proper pursuant to Texas Civil Practice and Remedies Code §15.002, because Inverse's principal office is located in Travis County, Texas, Carson is the President of Inverse, and all or a substantial part of the events or omissions giving rise to the claims in this lawsuit occurred in Travis County, Texas.

IV. NOTICE

7. Inverse and Carson were given notice in writing of the claims made in this Petition, including a statement of Plaintiff's economic damages, as well as expenses, including attorney's fees, more than sixty (60) days before this suit was filed, as required by §17.505 of the Texas Deceptive Trade Practices—Consumer Protection Act ("DTPA")

V. CONDITIONS PRECEDENT

8. All conditions precedent to DCAP's claims for relief have been performed or have occurred.

VI. FACTS

9. The facts of this case are as follows. On January 12, 2015, DCAP and Inverse entered into a Joint Venture Agreement (hereinafter referred to as the "Agreement" and attached hereto as "Exhibit A") which was signed by Carson, as President of Inverse, and Centeno (hereinafter referred to as "Centeno"), as Manager of DCAP. Pursuant to the Agreement, Inverse and DCAP entered into a 50/50 partnership regarding the acquisition, management, and possible sale of two defaulted real estate notes, and/or the underlying real property securing the notes. The underlying real property in this case consisted of two Florida properties located at 4344 NW 9th Avenue, #11-2E, Pompano Beach, Florida. and 5280 Treetops Dr., #I-102, Naples, Florida. In exchange for Inverse providing the "manpower" in connection with the actual acquisition, management, deal negotiations, and possible sale of the properties, DCAP agreed to pay $70,000.00 to fund the acquisitions. On January 14, 2015, DCAP, through Centeno, wired the $70,000.00 to Inverse. (See Wire Transfer Receipt, attached hereto as "Exhibit B"). According to the Agreement, once the properties had been acquired, legal title "shall be taken in the name of both Parties with a 50% share to both" (See Page 2 of "Exhibit A"). However, despite repeated requests by Centeno to Carson, DCAP was never provided with a copy of an "assignment of mortgage" nor any other documentation showing DCAP's 50% ownership of either property.

10. Centeno made one last request to Carson for copies of the assignment of mortgages on the properties on November 29, 2015 but, again, Carson failed to respond. At this point, almost a year after DCAP's $70,000.00 investment, Centeno became deeply concerned as to legitimacy of the investment, as well as the truthfulness of Carson's many promises and assurances. Since the Agreement allowed for DCAP to be refinanced out of the deal at a 12% annualized interest, on top of the investment amount if a property did not sell within 12 months of the date of the Agreement (See Page 1 of "Exhibit A"), Centeno requested that DCAP be refinanced out of the Agreement and that its $70,000.00 be returned, plus 12% interest. Again, Carson did not respond to this request.

11. On January 18, 2016, Centeno again e-mailed Carson and reiterated that DCAP wanted to be refinanced out of the Agreement. Carson responded on February 1, 2016, stating that he was working on her refinancing request. However, months passed with no further communications from Carson. Meanwhile, aided by a friend experienced in real estate transactions, Centeno began researching the two properties that the Joint Venture was to have acquired and found that neither DCAP's nor Inverse's names were in the chain of title for either property, nor was any evidence found showing that Carson or Inverse had purchased any underlying mortgages on these properties. Further, the Florida Official Public Records revealed that the property at 5230 Treetops Dr. #I-102 had been sold to another investor on March 10, 2016 without reference to any underlying mortgage (See Warranty Deed, attached hereto as "Exhibit C"). In addition, it was also discovered that a condominium plat for the property located at 4344 NW 9th Avenue did not even include a unit #11-2E. In other words, Inverse and Carson, as its President, took DCAP's $70,000.00 investment and failed to acquire either of the properties listed in the Agreement, one of which appeared to be non-existent.

12. On May 19, 2016, the undersigned law firm sent a certified letter to Carson, as President of Inverse, reminding him that Centeno had repeatedly requested that DCAP be refinanced out of the Agreement and that, although Carson had promised to do so on several occasions, he had failed to perform his contractual duty. The letter demanded immediate payment of $70,000.00, plus 12% interest, to Centeno, as Manager of DCAP. Carson failed to respond to this letter (See letter from Hubert Bell, Jr. to Scott Carson, dated May 19, 2016, and attached hereto as "Exhibit D").

13. On July 6, 2016, the undersigned law firm sent a follow up letter to Carson, again demanding that Inverse abide by its contractual obligation under the Agreement to close out the Agreement and refund DCAP's total contribution of $70,000.00, plus 12% interest calculated from the date that Inverse received the funds. The letter went on to inform Carson that Inverse was not only in breach of contract, but that both his and Inverse's conduct prior to and continuing throughout the pendency of the Agreement constituted false, misleading, and deceptive acts in violation of the DTPA. Carson was given sixty (60) days from his receipt of the letter to respond. (See letter from Marci Morrison to Scott Carson, dated July 6, 2016, attached hereto as "Exhibit E"). Once again, Carson failed to respond.

14. Finally, on September 22, 2016, Carson orally agreed to pay the entire sum due and owing of $85,088.00. On September 26, 2016, Carson was sent an e-mail reiterating this agreement and attaching wire transfer instructions for the firm's account (See e-mail from Marci Morrison to Scott Carson, dated September 26, 2016, attached hereto as "Exhibit F"). To date, no monies have been received by the firm from Carson or Inverse.

VII. BREACH OF CONTRACT

15. As set forth in the above Statement of Facts, DCAP and Inverse entered into the Agreement at issue in this case on January 12, 2015. Pursuant to the Agreement, which is a valid and enforceable contract, Inverse promised that it was entering into a 50/50 partnership with DCAP in order to acquire the properties listed in the Agreement. Instead, Inverse and Carson took DCAP's $70,000.00, which was meant to fund the acquisition of these properties, and failed to use it to legally acquire either property.

16. Inverse and Carson's actions constituted a breach of the Agreement entered into by the parties and proximately caused DCAP's direct and consequential damages, including the loss of DCAP's $70,000.00 investment, as well as its anticipated profits from the sale of the properties or, at the very least, the contractually agreed-upon 12% interest on its investment.

VIII. CAUSE OF ACTION UNDER DTPA

17. DCAP is a consumer entitled to bring this action for relief under the DTPA. The actions of both Inverse and Carson outlined above constitute misrepresentations and unconscionable conduct under the DTPA.

18. Specifically, Inverse and Carson committed the following acts in violation of the DTPA "laundry list", one or more of which was a producing cause of DCAP's damages:

a) Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which he does not;

b) Representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law; and

c) Failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed.

19. In addition, Inverse and Carson violated the DTPA under §27.015(b) of the Texas Business and Commerce Code which states that "A violation of Section 27.01 that relates to the transfer of title to real estate is a false, misleading, or deceptive act or practice as defined by Section 17.26(b), and any public remedy under Subchapter E, Chapter 17, is available for a violation of that section".

20. DCAP relied upon these representations to its detriment.

21. Inverse's and Carson's conduct, as described herein, was a producing cause of damages to DCAP.

IX. COMMON LAW AND STATUTORY FRAUD

22. As set forth in the above Statement of Facts, both Inverse and Carson, individually, made material representations to DCAP that the two properties listed in the Agreement had been acquired by Inverse pursuant to the Agreement and that DCAP and Inverse both owned a 50% interest in the properties. Given that Inverse and Carson never actually acquired the two properties at issue, it is clear that Inverse and Carson intended to induce DCAP to make its $70,000.00 investment by falsely representing to DCAP that the investment was being used to acquire the two properties at issue. All of these actions constitute common law fraud on the part of Inverse and Carson.

23. In addition, the above-referenced false representations and actions performed by Inverse and Carson in order to induce DCAP to enter into the Agreement are also evidence that Inverse and Carson committed statutory fraud under §27.01 of the Texas Business and

Commerce Code, since the Agreement involved a real estate transaction. Under §27.01, not only are Inverse and Carson liable to DCAP for its actual damages, but the fact that Inverse and Carson made such false representations with an actual awareness of their falseness, failed to disclose the falsity of such representations to DCAP, and benefited from the false representations, also makes them liable to DCAP for exemplary damages pursuant to §27.01(d).

X. DAMAGES

24. Inverse's and Carson's acts and omissions as described herein have been a producing and/or proximate cause of damages to DCAP.

25. The actual damages suffered by DCAP are as follows:

a) $70,000.00 paid by DCAP to Inverse and Carson in order to fund the acquisition of the two properties named in the Agreement.

b) $16,165.04 in 12% annualized interest.

XI. EXEMPLARY AND TREBLE DAMAGES

26. In addition to the actual damages owed to DCAP pursuant to its claims in this lawsuit, Inverse and Carson are also liable to DCAP for exemplary damages pursuant to §27.01(d) of the Texas Business and Commerce Code due to the fact that they made false representations to DCAP with an actual awareness of their falseness, failed to disclose the falsity of such representations to DCAP, and benefited from the false representations by receiving $70,000.00 in funding from DCAP.

27. Inverse and Carson are also liable to DCAP under §17.50 of the DTPA for three times the amount of DCAP's actual damages because their conduct, which is specifically prohibited under the DTPA, was committed knowingly.

XII. ATTORNEY'S FEES

28. As a result of Inverse's and Carson's conduct as described above, DCAP has been required to employ this firm to make demand and bring suit to recover its damages. DCAP is, therefore, entitled to recover from Inverse and Carson an additional sum to compensate it for a reasonable fee for this firm's necessary services in the preparation and prosecution of this action, as well as a reasonable fee for any and all necessary appeals to other courts.

XIII. PRAYER

29. WHEREFORE, PREMISES CONSIDERED, DCAP respectfully prays that the Court issue citation for Inverse and Carson to appear and answer, and that DCAP be awarded a judgment against Inverse and Carson, individually, for the following:

a. $86,165.04 for DCAP's actual economic damages;

b. Exemplary damages

c. Treble damages

d. Pre-judgment and post-judgment interest;

e. Court costs;

f. Attorney's fees; and

g. All other relief to which DCAP may justly be entitled.

Respectfully submitted,

LAW OFFICE OF HUBERT BELL, JR.

By: _____

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