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**TRAVIS COUNTY, TEXAS**

## I. DISCOVERY CONTROL PLAN

## II. PARTIES

4. Defendant WeCloseNotes.com is a Texas corporation and may be served with process by serving its registered agent at its registered address for service: Scott A. Carson, 13785 Research Blvd., Suite 125-146, Austin, Texas 78750.

5. Defendant Inverse is a Texas limited liability company and may be served with process by serving its registered agent at its registered address for service: Scott A. Carson, 13492 Research Blvd., Suite 120-515, Austin, Texas 78750.

### **III. JURISDICTION AND VENUE**

6. The Court has subject matter jurisdiction because the damages sought are of an amount within the jurisdictional limits of the Court. Pursuant to Texas Rule of Civil Procedure 47(c), RVM pleads monetary relief of over \$100,000 but not more than \$200,000.

7. Personal jurisdiction over Defendant Carson is proper because he is a resident of the State of Texas, and personal jurisdiction over Defendant Inverse and Defendant WeCloseNotes.com is proper because they were organized under Texas law and do business in the State of Texas.

8. Venue of this cause is proper in Travis County pursuant to Section 15.002(a) of the Texas Civil Practice & Remedies Code as the county in which all or a substantial part of the events or omissions giving rise to the claim occurred, and because Defendant Carson resides in Travis County and Defendants Inverse and WeCloseNotes.com have their principal places of business in Travis County.

### **IV. FACTUAL BACKGROUND**

9. Defendant Carson is the principal of WeCloseNotes.com. On his website, Carson touts himself as an expert on investing in non-performing notes and calls himself “The Note Mastermind.” He also hosts podcasts, webinars, and a “Virtual Note Buying for Dummies Workshop” where he purports to give beginner investors access to his expertise for \$699.

<https://rw176.infusionsoft.com/app/storeFront/showProductDetail?productId=4> He also sells his “Note Buying Blueprint” online training kit for \$997. <https://notebuyingblueprint.com/ksjf98437f>

10. von M ("von M") heard about Carson through his online presence through WeCloseNotes.com and believed his representations that he was an expert in the non-performing note industry. Carson convinced von M to invest \$50,000 with him to purchase notes secured by deeds of trust on three parcels of real estate. As part of these discussions, Carson promised to assign the deeds of trust for the properties to von M's affiliate, RVM.

11. Carson induced von M to invest with him by inviting her to several live, online webinars where he offered investment opportunities, and by sending her a recorded version of one of these webinars in which Carson promised a successful and safe investment by purchasing these non-performing notes. <https://vimeo.com/227837339>. A true and correct copy of the email from Carson to von M transmitting the link to this video is attached hereto as **Exhibit A**.

12. In this recorded webinar, Carson made numerous representations designed to lure von M and others to invest their money with him, including representations that (1) WeSellNotes.com had a whole marketing plan if there were no payments on the properties [1:09:08], (2) there was a 12-18 month time frame to dispose of the properties and Carson would provide monthly updates [1:18:05], (3) there would be quarterly payments made to the investors [1:21:55], (4) investors would be co-named on the contract for deeds [1:20:25], and (5) because WeSellNotes.com bought plenty non-performing notes, if anything went wrong, Carson would take his own equity in other deals and would give it to one of his investors [1:24:25].

13. In reliance on these representations, on August 2, 2017, RVM entered into a Joint Venture Agreement (the "JVA") with another of Carson's affiliates, Inverse, whereby RVM contributed \$50,000 for the purchase of three real estate notes (the "Notes"). A true and correct



copy of the JVA is attached hereto as **Exhibit B**. According to the JVA, outside of investing the \$50,000, RVM was to “have no other role or responsibility” with respect to the Notes or their security. **Exhibit B**, p.2.

14. Under the terms of the JVA, Inverse was required to record a lien or deed of trust against the real estate securing the Notes in favor of RVM. **Exhibit B**, p. 2. Also under the terms of the JVA, RVM had the right to terminate the relationship with respect to any Note. *Id.* at 3. In the event of such termination, Inverse was required to return to RVM its \$50,000 investment, plus 12%, within 90 days.

15. In or around August of 2017, Inverse acquired the three Notes secured by three parcels of real estate, two of which are located in Ohio and one of which is located in Indiana (the “Properties”). Inverse never recorded any liens in favor of RVM with respect to the Notes.

16. After a year elapsed, RVM only received sporadic and inconsistent status updates on its investment from Carson, and only after von M persistently hounded him for information. After von M asked about the quarterly payments promised in the recorded webinar, Carson paid RVM one quarterly payment in the amount of \$1,247.38. Eventually, on August 20, 2018, Carson and von M agreed to terminate the JVA and Carson confirmed that Inverse would return to RVM the \$50,000 plus the 12% return as outlined in the agreement (the “Refund”). True and correct copies of the emails reflecting this agreement are attached hereto as **Exhibit C**.

17. The Refund was due on November 20, 2018 (the “Due Date”). But since the Due Date, Carson has ignored RVM’s repeated requests for information regarding when the Refund would be paid to RVM.

18. On February 15, 2019, RVM sent a demand letter by certified mail to Carson requesting payment of the Refund pursuant to the JVA. To date, Carson has completely ignored this request. Ironically, even though Carson previously represented that he did not want anyone getting “stuck with the short-end of the stick” [1:18:39] <https://vimeo.com/227837339>, this is exactly what happened to RVM.

19. All conditions precedent to the relief requested have been performed or excused.

## **V. CAUSES OF ACTION**

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

20. As described above, RVM and Inverse are parties to the JVA, which is a valid and enforceable contract. The defendants’ refusal and failure record liens in favor of RVM and to pay the Refund as required under the JVA constitutes breaches of such agreement. As a result, RVM has suffered damages of the unpaid investment of \$50,000 plus the 12% return, totaling \$56,000.

### **B. Texas Securities Act Violations**

21. The JVA is an investment contract and constitutes a security as provided under the Texas Securities Act. By reason of the defendants’ misrepresentations and nondisclosures set forth above, defendants offered and sold a security to RVM by means of the untrue statements and omissions of material facts described above, and RVM would not have entered into the securities transaction but for such statements. Carson, as the managing member of Inverse and the principal of WeCloseNotes.com, is jointly and severally liable for such violations because he constitutes a control person under Section 33 of the Texas Securities Act.

22. As a result of these violations, RVM seeks its return of the \$50,000 investment, plus the 12% return required under the JVA upon rescission, totaling \$56,000 (plus interest).

## **VI. ATTORNEYS' FEES**

23. RVM has retained the services of Fritz, Byrne, Head & Gilstrap, PLLC to represent it in this action and has agreed to pay the firm reasonable and necessary attorneys' fees. RVM is entitled to compensation for reasonable attorneys' fees incurred and to be incurred in bringing this suit and in all appeals of this suit pursuant to Section 38.001 of the Texas Civil Practice and Remedies Code and pursuant to Section 33(D)(7) of the Texas Securities Act.

## **VII. EXEMPLARY DAMAGES**

24. The fraudulent acts of defendants allow the imposition of exemplary damages.

## **VIII. REQUEST FOR DISCLOSURE**

25. Pursuant to the provisions of Rule 194 of the Texas Rules of Civil Procedure, defendants are requested to disclose, within fifty (5) days of service of this request, the information and material described in Texas Rule of Civil Procedure 194.2 (a) – (l).

## **IX. PRAYER**

FOR THESE REASONS, RVM respectfully requests that defendants be cited to appear and answer herein, and that on final trial hereof, RVM be awarded the following relief:

1. Actual damages in the amount of \$56,000;
2. Exemplary damages;
3. Costs of court;
4. Attorneys' fees;
5. Prejudgment post-judgment interest as provided by law; and
6. Any such other and further relief, at law or in equity, to which RVM may show itself to be justly entitled.

Respectfully submitted,

**FRITZ, BYRNE, HEAD & GILSTRAP, PLLC**

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