

Velva L. Price  
District Clerk  
Travis County  
D-1-GN-19-007354  
Jessica A. Limon

CAUSE NO. D-1-GN-19-007354

CAPITAL	LLC	§	IN THE DISTRICT COURT OF
		§	
<i>Plaintiff,</i>		§	
		§	
v.		§	TRAVIS COUNTY, TEXAS
		§	
INVERSE ASSET FUND, LLC & SCOTT A. CARSON		§	
		§	
<i>Defendants.</i>		§	<u>353RD</u> JUDICIAL DISTRICT

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

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff, Capital LLC (“Capital”), 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 31, 2018, Capital entered into a Joint Venture Agreement (the “Agreement”) with Inverse to purchase investment notes (the “Notes”) for \$50,000.00. Capital delivered the full amount of \$50,000.00 to Inverse but it has failed and refused to perform its end of the bargain. Capital terminated the Agreement and Inverse asked for an amendment to the Agreement (“Amendment”). The Amendment changed the terms of payment on the Agreement. Despite receiving favorable changes in the Amendment, Inverse quickly defaulted. Furthermore, upon information and belief, Inverse and Carson’s actions are not isolated to the Agreement with Capital. To date, Capital has not received a return of its \$45,000.00.

### **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, Capital LLC is a Texas limited liability company.

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 31, 2018, Capital entered into a Joint Venture Agreement with Inverse (the "Agreement"). In the Agreement, Capital agreed to pay Inverse \$50,000.00 to acquire real estate Notes and/or real property. Inverse agreed to include Capital as a co-owner of the Notes,

if feasible. 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 Capital's \$50,000.00. This did not happen.

11. Also, Inverse agreed to create an account for Inverse and Capital to have full access and transparency for all transactions related to the Notes and/or real property purchased using Capital's \$50,000.00. 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) Capital would receive the portion of the \$50,000.00 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 Capital 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 \$50,000.00 after 12 months, Capital could terminate the Agreement and Inverse would return the \$50,000.00 plus interest at 12% per annum.

14. After a year, Capital entered into an Amendment with Inverse. The Amendment gave Inverse favorable payment terms, but the amendment amounted to nothing more than an exercise in delaying the inevitable. Inverse paid nothing.

15. Capital now seeks its damages from the Defendants for the amount he was promised in the Agreement. Capital 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. Capital incorporates all the preceding paragraphs in their entirety for all purposes.

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

18. Inverse's failure to perform caused Capital's damages as Capital has yet to receive the \$50,000.00 plus 12 % interest under the Agreement.

**B. Fraud**

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

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

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

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

22. Capital 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). Capital is also entitled to its expert witness fees and other costs provided for in Texas Business and Commerce Code § 27.01(e).

**VII. RULE 193.7 NOTICE**

23. Pursuant to Rule 193.7 of the Texas Rules of Civil Procedure, Capital 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.

## X. PRAYER

WHEREFORE, Capital respectfully requests that the Court:

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

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

/s/ R. Alex Weatherford  
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