

CAUSE NO. D-1-GN-19-001705

IRA SERVICES TRUST COMPANY
CFBO:

Plaintiff,

v.

INVERSE ASSET FUND, LLC &
SCOTT A. CARSON

Defendants.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

53RD JUDICIAL DISTRICT

PLAINTIFF’S ORIGINAL PETITION AND RULE 193.7 NOTICE

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff, IRA Services Trust Company CFBO: (“IRA”), 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 June 7, 2017, IRA entered into a Joint Venture Agreement (the “Agreement”) with Inverse to purchase investment notes (the “Notes”) for \$50,000.00. IRA delivered the full amount of \$50,000.00 to Inverse but it has failed and refused to perform its end of the bargain. IRA sent Inverse written notice to terminate the Agreement on October 25, 2018. After months of phone calls and attempts to contact Inverse, 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 IRA. To date, IRA has not received a return of its \$50,000.00.

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, IRA Services Trust Company CFBO: _____ 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 June 7, 2017, IRA entered into a Joint Venture Agreement with Inverse (the "Agreement"). In the Agreement, IRA agreed to pay Inverse \$50,000.00 to acquire real estate

Notes and/or real property. Inverse agreed to include IRA 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 IRA's \$50,000.00. This did not happen.

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

14. It has been over 12 months and Inverse has yet to fulfill any of its obligations under the Agreement. IRA terminated the Agreement per the contract and has yet to receive its \$50,000.00 plus 12% interest. IRA requested an explanation numerous times via email, telephonically, and finally through its attorney to no avail.

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

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

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

B. Money Had and Received

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

20. Defendants are holding money that in equity and good conscience belongs to IRA. Defendants are liable to Inverse for at least \$50,000.00 plus 12 % interest they are holding.

C. Fraud

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

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

23. Accordingly, IRA seeks a recovery of its actual damages and consequential damages suffered as a result of Defendants' fraud. IRA 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 IRA in this action against Inverse.

E. Attorney's and Other Fees

25. IRA 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). IRA 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, IRA 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, IRA respectfully requests that the Court:

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

Respectfully submitted,
RAPP & KROCK, PC

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