

Velva L. Price
District Clerk
Travis County
D-1-GN-19-008759
Connie Jefferson

CAUSE NO. D-1-GN-19-008759

QUEST TRUST COMPANY FBO
FOR

Plaintiff,

v.

INVERSE ASSET FUND, LLC &
SCOTT A. CARSON

Defendants.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

200TH JUDICIAL DISTRICT

PLAINTIFF’S ORIGINAL PETITION AND RULE 193.7 NOTICE

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff, Quest Trust Company FBO For (“For”), 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 July 1, 2019, For entered into a Joint Venture Agreement (the “Agreement”) with Inverse to purchase investment notes (the “Notes”) for \$65,000.00. For delivered the full amount of \$65,000.00 to Inverse but it has failed and refused to perform its end of the bargain. For spoke with the Defendants and realized he would never follow through with its responsibilities under the Agreement. A further investigation revealed that Defendants never owned a property they claimed to own. After months of phone calls and attempts to be recompensated, it has become apparent that Inverse does not intend to honor the Agreement.

For§ made attempts to resolve this issue amicably but Defendants refused to follow the terms of the Agreement. To date, For§ has not received a return of its \$35,000.00.

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, Quest Trust Company FBO For§ is a self-directed IRA.

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 July 1, 2019, Forç entered into a Joint Venture Agreement with Inverse (the "Agreement"). In the Agreement, Forç agreed to pay Inverse \$65,000.00 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 Forç \$65,000.00. This did not happen.

11. Also, Inverse agreed to create an account for Inverse and Forç to have full access and transparency for all transactions related to the Notes and/or real property purchased using Forç's \$65,000.00. These accounts would track the purchase and subsequent sale of the Notes and/or real property. This did not happen.

12. Forç researched the property the Defendants claimed were part of the Agreement. Forç's research discovered the Defendant had lied about the ownership of the property. According to the property records, the Defendants had never owned the property in question. Forç demanded an explanation from Defendants but received none.

13. Forç requested an explanation numerous times via email, telephonically, and finally through its attorney to no avail. Forç now seeks its damages from the Defendants for the amount it was promised in the Agreement. Forç 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

14. Forç incorporates all the preceding paragraphs in their entirety for all purposes.

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

16. Inverse's failure to perform caused For; 's damages in the amount of \$65,000.00 plus a 12% annualized return under the Agreement.

B. Money Had and Received

17. For; incorporates all the preceding paragraphs in their entirety for all purposes.

18. Defendants are holding money that in equity and good conscience belongs to For; . Defendants are liable to Inverse for at least \$65,000.00 plus a 12% annualized return they are holding.

C. Fraud

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

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

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

D. Attorney's and Other Fees

22. For; 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). For; 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, For§ 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, For§ respectfully requests that the Court:

- a) award For§ actual and consequential damages;
- b) award For§ exemplary damages;
- c) award For§ its attorney fees;
- d) award For§ : prejudgment interest and post-judgment interest;
- e) award For§ costs of suit;
- f) grant For§ 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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