

CAUSE NO. 2022 68763

HOUSTON SECURED DEVELOPMENT PARTNERS, LLC	§	IN THE DISTRICT COURT OF
	§	
	§	
V.	§	HARRIS COUNTY, TEXAS
	§	
HSDP BAM, LLC and JOSEPH JACKSON	§	151st JUDICIAL DISTRICT

MOTION FOR CONTEMPT FOR DISOBEDIENCE OF INJUNCTION

HOUSTON SECURED DEVELOPMENT PARTNERS, LLC, Plaintiff in this lawsuit, asks this Court to hold Defendants in contempt for their repeated and flagrant violations of this Court’s injunctive orders.

I. Background Facts - Violation of Temporary Restraining Order

1. On October 21, 2022, Ancillary Judge Ursula Hall entered a Temporary Restraining Order in this case requiring the Defendants to, among other things, “**protect and preserve all assets of Houston Secured Development Partners, LLC.**” As clearly set out in the pleadings and the TRO, its purpose was to preserve the status quo until a hearing could be held on Plaintiff’s claim for injunctive relief. See Exhibit 1. Due to a scheduling issue with the Temporary Injunction hearing that had been ordered by the Ancillary Judge, on October 28, 2022 this Court signed an Order extending the Temporary Restraining Order until November 28, 2022, which specifically stated that the TRO would “remain in in full force and effect” until the TI hearing which was then scheduled for November 28th.

2. In direct and blatant violation of the TRO, on November 14, 2022, Jackson, holding himself out as agent of Houston Secured Development Partners LLC, executed a

General Warranty Deed (With Vendor's Lien) purporting to convey real property owned by HSDP to defendant Premark Investments LLC. Attached as Exhibit 2 is a copy of this document as maintained in the Harris County Real Property Records, which purports to convey title to Plaintiff's real property located at 3327 Natchez Street in Houston, Texas. Under the TRO, Jackson did not have authority to transfer HSDP's real property on November 22, 2022! As such, the deed to Premark Investments LLC is fraudulent and voidable. Additionally, Plaintiff was not provided with ANY consideration for this purported sale of its property; Jackson took it for himself. Plaintiff has asserted claims in its petition related to this transaction, seeking a declaration that the Premark deed is void. This TRO violation is included in this motion to illustrate a pattern of behavior and present a backdrop for Defendants' recent contemptible conduct.

II. Violation of Temporary Injunction

3. On December 2, 2022 this Court signed a Temporary Injunction which modified the injunctive relief, requiring preservation of certain documentary records, and prohibiting conduct which would harm, deplete, or otherwise interfere with Plaintiff's assets, pending a final trial on the merits of this case. See Exhibit 3. The TI specifically prohibited the Defendants from **transferring, withdrawing, or spending HSDP funds, collateralizing any HSDP assets, or selling, transferring, assigning, pledging, or conveying (by deed or otherwise) any HSDP assets, without first obtaining the approval** of either the Court or DMI Securities, LLC. This Temporary Injunction serves to protect the assets that are in dispute in this litigation.

4. On January 5, 2023, after discovering Defendants' violation of the TRO, Plaintiff recorded a *Notice of Lis Pendens* with respect to properties that Defendants had acquired and/or improved since gaining access to the HSDP funds, including the property located at 3333 Kilgore Street in Houston, Texas. On March 11, 2023, Defendants asked this Court to expunge the Notices of Lis Pendens, judicially admitting to this Court that the lis pendens notices "are the functional equivalent of an involuntary lien that clouds title" to the properties in question.¹ On April 24, 2023, after a hearing on this motion, this Court *denied* the motion to expunge lis pendens. See Exhibit 4. **Not stymied by this Court's order, Defendants took the matter into their own hands.** On May 15, 2023, Defendant Jackson caused Defendant RL 360 Funding, LLC to *sell the property located at 3333 Kilgore*, defrauding both the buyer and the buyer's lender (and Plaintiff, because the property in question would be subject to levy after final judgment) by improperly executing and delivering a "Release of Lis Pendens" purportedly on behalf of Plaintiff! See Exhibits 5 (Warranty Deed) and 6 ("Release of Lis Pendens"). Plaintiff discovered this fraudulent "Release" and resulting General Warranty Deed through a search of the Harris County Real Property records. Defendants received consideration of over \$304,000 (the amount of the buyer's note) in exchange for the sale of 3333 Kilgore. See Exhibit 7 (Deed of Trust).

5. The purpose of the lis pendens notice was to advise any prospective buyer that the property located at 3333 Kilgore had a claim attached to it. Plaintiff's contingent

¹ See Defendants' Motion to Expunge Notices of Lis Pendens, on file with this Court.

interest in this property (by virtue of constructive trust or equitable title) is a real property interest, and is an asset. See *Walker v. Walker*, 631 S.W.3d 259, 268 (Tex. App. – Houston [14th Dist.] 2020, no pet.) (finding that the plaintiff’s claim “for unjust enrichment [was] a real property claim”). As such, the Temporary Injunction required Defendants to seek approval of this Court or DMI Securities, LLC before transferring, conveying, or otherwise disposing of that asset! Defendants tried—and failed—to have the lis pendens expunged, then in complete disregard of this Court’s prior orders and of the serious claims and property interests at issue in this litigation, falsely and fraudulently delivered a “Release of Lis Pendens” so that Defendants could sell the property and abscond with the proceeds.

III. Motion for Contempt

6. Rule 692 of the Texas Rules of Civil Procedure permits this court to punish the disobedience of an injunction as a contempt. An officer or agent of a corporation who participates in or encourages the violation of a court order can be held in contempt. *Ex parte Chambers*, 898 S.W.2d 257 (Tex. 1995). Plaintiff requests the issuance of an Order to Appear, served personally upon Defendant Joseph Jackson, requiring Jackson to appear and Show Cause why he should not be found in contempt for violations of this Court’s orders and punishment assessed at proven damages, attorney’s fees and costs, clarifications of Defendants’ duties, and if this Court deems appropriate, confinement in the Harris County Jail. Plaintiff requests that at Jackson’s initial appearance on this motion that the Court read Jackson his legal rights and warnings.

7. As penalty for Defendants' disobedience, Plaintiff seeks an order directing Defendants Jackson and RL 360 Funding LLC, jointly and severally, to deposit the sum of \$380,000.00 into the Registry of the Court, within 24 hours of appearance on this motion.²

8. Plaintiff would show that Defendants had the past ability to comply with this Court's orders, and willfully and intentionally chose not to comply. An appropriate remedy for such willful noncompliance is criminal contempt. As such, Plaintiff requests that Defendants Jackson be held in contempt for each violation found and ordered confined to the Harris County Jail for up to 180 days on each violation but that Jackson's commitment be suspended upon specific terms and conditions as determined by the Court.

IV. Request for Attorney's Fees and Costs

9. It was necessary for Plaintiff to secure the services of Mary Alice Parsons, a licensed attorney, to enforce and protect its rights in connection with Defendants' repeated violations of this Court's orders. Reasonable attorney's fees, expenses, and costs in an amount not less than \$2,000.00 should be taxed as costs and should be ordered paid by Defendants directly to the undersigned attorney.

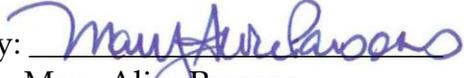
WHEREFORE, PREMISES CONSIDERED, Plaintiff HOUSTON SECURED DEVELOPMENT PARTNERS, LLC respectfully requests that citation and notice issue as required by law, and that the Court render an order directing Defendant Joseph Jackson

² The sale of 3333 Kilgore Street included delivery of a Deed of Trust to secure a \$304,000 Note. *See Exhibit 7.* If the note represents 80% of the purchase price, then the purchase price was approximately \$380,000 and this amount is rationally related to the financial gain Defendants realized, and loss to Plaintiff, due to the misconduct.

to appear in person at a date and time specific to answer this motion; and further, that the Court render an order directing Defendants to deposit the sum of \$380,000.00 into the Registry of the Court within 24 hours, and that Jackson be held in contempt and punished as set forth herein if this timeline is not met. Plaintiff also respectfully requests that the Court clarify any part of its prior Orders found not specific enough to be enforced by contempt, and award Plaintiff \$2,000 for attorney's fees and expenses, and grant all further relief authorized by law.

Respectfully submitted,

THE PARSONS LAW FIRM

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CERTIFICATE OF CONFERENCE

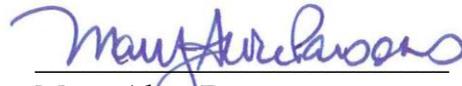
I certify that I attempted to confer with Defendants' counsel on the 18th day of August, 2023 regarding the relief sought in this motion, but did not receive any kind of reply. The undersigned counsel is confident that Defendants are opposed to the relief sought herein.



Mary Alice Parsons

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing motion was served upon all counsel of record via transmission to a certified electronic filing manager and electronic filing service provider pursuant to Texas Rule of Civil Procedure 21a(a)(1), on the 18th day of August, 2023.



Mary Alice Parsons

