

IN THE MATTER OF
THE MARRIAGE OF

VASU REDDY
AND
GURU REDDY

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IN THE DISTRICT COURT

MONTGOMERY COUNTY, TEXAS

410TH JUDICIAL DISTRICT

SUPPLEMENT TO OPPOSED MOTION TO ABATE

This *Supplement to Opposed Motion to Abate* is brought by Respondent, **GURU REDDY** (“**GURU**”), and is being timely filed pursuant to the instructions of this Court regarding the submission deadline. As further support for his *Opposed Motion to Abate*, **GURU** provides as follows:

At the present time, **GURU** and **VASU REDDY** (“**VASU**”), as promoters for the Continental Hospitals Pv. Ltd. in India, are on the hook by virtue of their personal guarantee for 100% of the entire debt owed to the Consortium of Banks, despite being minority shareholders. That total debt amounts to 235.70 INR in Crores or approximately \$37,712,000.00 USD. In addition thereto, the parties have also guaranteed a contingency buffer for unforeseen expenditures related to the hospital in the amount of 6 INR in Crores or approximately \$960,000.00. All of the parties’ assets contained in their Net Worth Statements submitted to the Lender are subject to this personal guarantee, thereby comprising the entirety of their US and international liquid and illiquid assets. Further, the parties’ shares in and to Continental Hospitals are currently in flux and have already been diluted due to the ongoing litigation surrounding these personal guarantees and the parties’ request to be released from the same. In support of the same, **GURU** hereby attaches as Exhibit “A” his notarized summary of assets and liabilities in India subject to the on-going litigation.

Until the pending litigation is resolved, per Indian laws, the Lender is entitled to sell, transfer, or otherwise dispose of any asset of **GURU** and **VASU** pledged to secure the financing of Continental Hospitals Pvt. Ltd. Most significantly, were **GURU** and **VASU** to dispose or otherwise encumber their assets, such disposition and encumbrance would constitute a triggering event and criminal proceedings could be initiated against the parties by the Lender, even before approaching the Civil Court in India for the recovery of the debt. These significant impediments

to this Court's determination of a just and right division are acknowledged in the notarized documents previously filed with this Court, which include: (1) a letter from the parties' CPA in India (attached as Exhibit "A" to **GURU's Opposed Motion for Continuance** filed on June 5, 2017); (2) a letter from Orbit Law Services, the law firm engaged by Lender (the Consortium of Banks) to draft the executed personal guarantee agreement, finance, and other security documents between Lender and the parties (attached as Exhibit "B" to **GURU's Opposed Motion to Abate**); and (3) a letter from R. Muralidhar, the Panel Advocate for the Indian Bank (attached as Exhibit "C" to **GURU's Opposed Motion to Abate**). As further support, **GURU** hereby attaches as Exhibit "B" the legal opinion drafted by P. Vikram, Advocate for the High Court of Telangana and A.P. in India and the parties' counsel representing their interests in the foreign litigation, which was previously provided to this Court at the hearing on **GURU's Opposed Motion for Continuance** and which provides in pertinent part:

- (1) Criminal proceedings can be initiated by the Lender against **GURU** and **VASU** in the event of default on the loan and can proceed with the same prior to approaching the Civil Court for relief (*see* page 4).
- (2) Any sale or transfer of assets in the parties' net worth statement would have to be made only with the consent of the banks (*see* page 7).
- (3) The obligation imposed on the parties to repay the debt to the Lender is co-extensive with that of the principal debtor (the hospital), meaning that the Lender can proceed against the parties before even pursuing remedies against the principal debtor (*see* page 8).
- (4) If **GURU** and/or **VASU**, as Guarantor, transfer his or her properties or assets contained in the net worth statement without agreement from the Lender, such action would "amount to a failure to perform [the Guarantor's] obligation when, and [Guarantor] would be held responsible for his acts of frustrating/defeating the contractual obligation (*see* page 8).

For the aforementioned reasons and those reasons set forth in the *Opposed Motion to Abate*, Respondent, **GURU REDDY** requests that this Court abate this case until the foreign litigation is concluded or until the parties are released from their personal guarantees and all the liabilities associated therewith are settled.

PRAYER

GURU REDDY prays that the Court grant the abatement and all relief requested herein.

GURU REDDY prays for all further relief to which he may be entitled at law or in equity.

Respectfully submitted,

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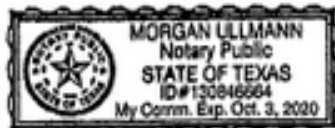
Verification

The undersigned states under oath: "I am the Respondent in this case and the Movant in the foregoing Supplement to Opposed Motion to Abate. I have read the motion. I have personal knowledge of the allegations and facts stated herein, and they are true and correct."

Guru Reddy

GURU REDDY

SIGNED under oath before me on September 10, 2017.



Morgan Ullmann

Notary Public, State of Texas