

I. DISCOVERY LEVEL & RULE 47 DISCLOSURE

1.1 Discovery may be conducted under Level 3 of the Texas Rules of Civil Procedure.

Pursuant to Rule 47 of the Texas Rules of Civil Procedure, the Sorrels seek monetary relief over \$1,000,000.

II. PARTIES

2.1 Plaintiff Randall Sorrels is an individual residing in Harris County, Texas.

2.2 Plaintiff Alexandra Farias-Sorrels is an individual residing in Harris County, Texas.

2.3 Defendant Agustin Victoria Aguilar d/b/a Victoria Painting has been served, has appeared herein, and is before the Court for all purposes.

2.4 Defendant Corbel Custom Homes, Inc. ("Corbel") is a Texas corporation and has appeared herein, and is before the Court for all purposes.

2.5 Defendant The Interfield Group, LLC ("Interfield") is a Texas corporation doing business in Harris County, Texas and can be served through its registered agent, M.F. Qaddumi at 7660 Woodway, Ste. 300, Houston, Texas 77063.

2.6 Defendant Michael C. Bregenzer is an individual residing in Harris County and has been served, has appeared herein, and is before the Court for all purposes.

2.7 Defendant Fran Bregenzer is an individual residing in Harris County and has been served, has appeared herein, and is before the Court for all purposes.

2.8 Defendant Nicholas Bregenzer is an individual residing in Harris County and has been served, has appeared herein, and is before the Court for all purposes.

2.9 Defendant Cheryl Bregenzer is an individual residing in Harris County and has been served, has appeared herein, and is before the Court for all purposes.

2.10 Defendant Marshall Bregenzer is an individual residing in Harris County and has been

served, has appeared herein, and is before the Court for all purposes.

2.11 Defendant Mason Bregenzer is an individual residing in Harris County and has been served, has appeared herein, and is before the Court for all purposes.

2.12 Defendant Maddie Bregenzer is an individual residing in Harris County and has been served, has appeared herein, and is before the Court for all purposes.

2.13 Defendant Liv Construction Inc. (formerly known as American Flyer Construction Inc. and/or Halcon Group Inc.) is a Texas corporation doing business in Harris County, Texas. It can be served through its registered agent, Edis Portillo at 13506 Oak Bend Forest Drive, Houston, Texas 77083.

2.14 Defendant Carlos Villalobos (AKA Carlos Gutierrez and/or Miguel Angel Gutierrez) is an individual residing in Fort Bend County and can be served at 13506 Oak Bend Forest Drive, Houston, Texas 77083.

2.15 Defendant Edis Portillo is an individual residing in Fort Bend County and can be served at 13506 Oak Bend Forest Drive, Houston, Texas 77083.

2.16 Defendant Houston Pro Framing Inc. (formerly known as American Flyer Construction Inc. and/or Halcon Group Inc.) was a Texas corporation doing business in Harris County, Texas. It can be served through its registered agent Miguel Angel Gutierrez, at 10831 Sela Lane, Houston, Texas 77072.

2.17 Defendant Abel Torres is an individual residing in Fort Bend County and can be served at 1118 Plantation Drive, Richmond, Texas 77406.

2.18 Duct-Tex, LLC, formerly Duct-Mex, LLC, is a Texas limited liability company doing business in Harris County, Texas and can be served through its registered agent, Alma Gloria Saldierna, 2219 Cactus Finch, Katy, Texas 77494.

2.19 Ultimate Comfort, LLC (“Ultimate Comfort”) is a Texas limited liability company doing business in Harris County, Texas and can be served through its counsel of record, Peter C. Blomquist, Daniel R. Erwin, Hannan Alkhalifa, Hartline Barger LLP, 1980 Post Oak Blvd., Suite 1800, Houston, Texas 77056, Pblomquist@hartlinebarger.com, derwin@hartlinebarger.com, halkhalifa@hartlinebarger.com.

2.20 Builder Services Group, Inc. d/b/a Williams Insulation (“Williams Insulation”) is a Texas corporation doing business in Harris County, Texas and can be served through its counsel of record, Ryan D. Wozny, Quintairos, Prieto, Wood & Boyer, P.A., 1700 Pacific Avenue, suite 4545, Dallas, Texas 75201, ryan.wozny@qpwbllaw.com.

2.21 Foundation Builders, LLC is a Texas limited liability company doing business in Harris County, Texas and can be served through its registered agent, Lawrence Langan, Jr. at 8107 Cottonwood Lane, Houston, Texas 77095.

III. JURISDICTION AND VENUE

3.1 This Court has subject matter jurisdiction over this case under its general jurisdiction as conferred by the Texas Constitution and because the amount in controversy exceeds this Court’s minimum jurisdictional requirements.

3.2 This Court has personal jurisdiction over Defendants because they committed a tort and/or a breach of contract in the State of Texas.

3.3 Venue is proper in Harris County, Texas, pursuant to TEX. CIV. PRAC. & REM. CODE ANN. §15.002(a)(1) because all or a substantial part of the events or omissions giving rise to this claim occurred in Harris County, Texas and the construction project at issue is located in Harris County, Texas.

IV. FACTS

4.1 In or around November 2019, the Sorrels engaged Corbel Custom Homes (“Corbel”) to remodel a home located in Harris County, Texas. The remodel encompassed significant changes, additions and modifications. It also involved the hiring of many subcontractors, including, but not limited to, Defendants Victoria Painting, Liv Construction Inc. (formerly known as American Flyer Construction Inc. and/or Halcon Group Inc.), Carlos Villalobos (AKA Carlos Gutierrez and/or Miguel Angel Gutierrez), Edis Portillo, Houston Pro Framing Inc. (formerly known as American Flyer Construction Inc. and/or Halcon Group Inc.), Abel Torres, Ultimate Comfort, LLC, Builder Services Group, Inc. d/b/a/ Williams Insulation, Foundation Builders, LLC, and Duct-Tex, LLC (the “Sub-contractor Defendants”).

4.2 Unbeknownst to Plaintiffs, Corbel and Michael C. Bregenzer had previously built homes that were later found to have mold resulting from Corbel’s construction. These Defendants knew of the damages that could be caused by improper construction techniques and the extensive damages that could be caused by mold.

4.3 The remodel of the home at 3642 Inverness by Defendants Michael C. Bregenzer, Nicholas Bregenzer, Corbel, and the Sub-contractor Defendants has caused damages including, but not limited to, structural damages, cosmetic damages, and mold throughout the home. Corbel, its agents, and the Sub-contractor Defendants did not reconstruct the home in a good and workmanlike manner, and there are numerous defects throughout the Sorrels’ home, many of those defects causing additional issues and problems – including moisture and mold in other parts of the home.

4.4 Michael C. Bregenzer was the general contractor on the home, working in his capacity as an owner of Corbel. He had several assistants and employees working with him on the

home.

4.5 Plaintiffs contracted with Michael C. Bregenzer and Corbel to supervise the construction of the home, but Corbel (along with its agents) and Michael C. Bregenzer failed to oversee any aspect of construction, instead relying on City inspectors to approve of the work.

4.6 Plaintiffs' investigation into the construction defects found with the home after the Corbel remodel show that Corbel and its agents, including but not limited to Michael Bregenzer and his assistants, ignored standing water under the home, exposed the home to the outside elements for long periods of time, and failed to ensure that their subcontractors performed their work in a good and workmanlike manner.

4.7 Corbel and Michael C. Bregenzer ignored the way in which the home was being constructed, allowing for sub-contractors to commit major mistakes and errors that would cause the home to be infiltrated with mold and moisture.

4.8 Corbel and Michael C. Bregenzer failed to have a soils analysis performed on the land in which the home is built and failed to have a new drainage plan prepared for the home so as to prevent water from entering the home's crawlspace.

4.9 Corbel and Michael C. Bregenzer failed to properly reconstruct and/or ensure proper reconstruction of the Sorrels' driveway, particularly with regard to proper sloping, channeling, and surfacing of the driveway such that water would drain away from the home. Instead, due to Corbel's faulty construction and/or management of the reconstruction, rather than drain away from the home and towards the street, rainwater drains back towards the home, where it ponds for days and weeks at the base of the home and below the crawl space of the home and has caused damage to other parts of the home.

4.10 Corbel and Michael C. Bregenzer also allowed for water and moisture to enter the

home by leaving holes in the sub-floor that were open to the underground crawlspace of the home.

4.11 Corbel and Michael C. Bregenzer also failed to acclimate the home during construction, and they left several areas of the home open to the outside elements for an unreasonable amount of time.

4.12 Defendants Liv Construction Inc. (formerly known as American Flyer Construction Inc. and/or Halcon Group Inc.), Carlos Villalobos (AKA Carlos Gutierrez and/or Miguel Angel Gutierrez), Edis Portillo, Houston Pro Framing Inc. (formerly known as American Flyer Construction Inc. and/or Halcon Group Inc.), and Abel Torres (the "Framer Defendants") were contracted by Corbel to frame the home. Upon information and belief, Defendants Abel Torres Carlos Villalobos (AKA Carlos Gutierrez and/or Miguel Angel Gutierrez), and Edis Portillo are employees and/or owners of Defendants Liv Construction Inc. (formerly known as American Flyer Construction Inc. and/or Halcon Group, Inc.) and/or Houston Pro Framing Inc. (formerly known as American Flyer Construction, Inc. and/or Halcon Group, Inc.). The Framer Defendants installed the new windows and a new vapor barrier, and they worked on the home's crawlspace. Plaintiffs' investigation has shown that the Framer Defendants failed to properly install the windows properly, failed to properly install the new vapor barrier, and haphazardly installed pieces of wood and concrete under the home that negatively affected the foundation system. The Framer Defendants' installation of the windows and new vapor barrier was performed in a way that has trapped moisture and water in the walls of the home, creating mold.

4.13 Defendant Ultimate Comfort, LLC was contracted by Corbel to install a new HVAC system. Plaintiffs' investigation has shown that Ultimate Comfort, LLC installed an improperly sized system. They installed duct work that failed. And they failed to timely address the high humidity levels in the home. The poorly installed HVAC system failed to properly

climatize the house.

4.14 Defendant Duct-Tex, LLC was subcontracted by Defendant Ultimate Comfort, LLC for the flexible ductwork associated with the new HVAC system. That ductwork is not functioning properly and was installed improperly.

4.15 Defendant Williams Insulation installed the insulation inside and under the home. Williams Insulation improperly installed the insulation under the home in several ways, including but not limited to, installing insulation over wet underground wood framing and poorly installing the insulation.

4.16 Defendant Foundation Builders was contracted to install the new driveway. It improperly installed a driveway without any structural plans, failed to incorporate drainage into the driveway, and it improperly installed the cement associated with the driveway.

4.17 Defendant Interfield was hired by Plaintiffs at the request of Corbel and Michael Bregenzer. Plaintiffs and Interfield entered into a contract regarding the scope of the project, including but not limited to, the design of the home's framing and foundation system and preparation of the framing and construction drawings. A certificate of merit (affidavit required by the Texas Civil Practice & Remedies Code) has been previously filed and is incorporated by reference for all purposes herein.

4.18 Interfield worked closely with Corbel and Michael Bregenzer throughout the construction of the project and visited the home to undertake visual observations for their analysis. Interfield ignored and/or overlooked the standing water under the home and wet soils under and around the home, and failed to prepare drainage and site grading plans that would address these issues. Further, Interfield designed a defective framing and foundation system, and it designed a defective HVAC system. *See* the Affidavit of Michael D. Barrentine which is attached as Exhibit

A to this petition and incorporated for all purposes. The affidavit lays out in detail the acts of negligence of Interfield and those acts are incorporated for all purposes into this petition.

4.19 As a result of the actions and inactions of Corbel, Michael C. Bregenzer, the Sub-contractor Defendants, and Interfield the entire home has mold, necessitating the home to be completely stripped out and gutted to remediate the mold.

4.20 Additionally, in remodeling and reconstructing the 3642 Inverness home, Corbel and all of the Bregenzer Defendants (family members of Michael Bregenzer) have engaged in financial misdeeds with the funds the Plaintiffs entrusted to them for their home.

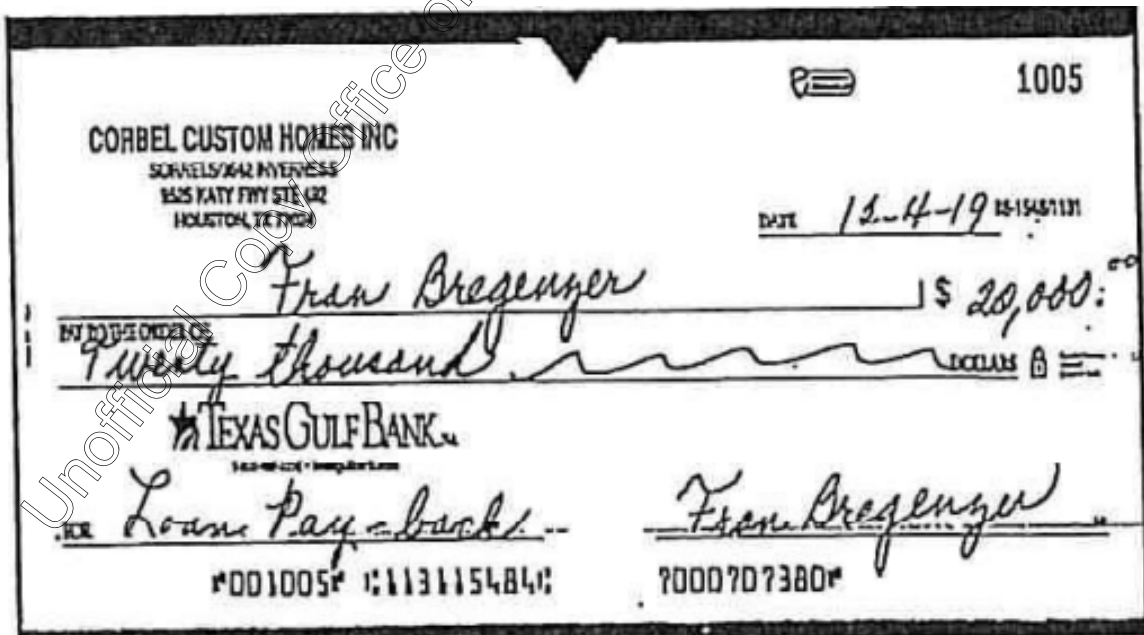
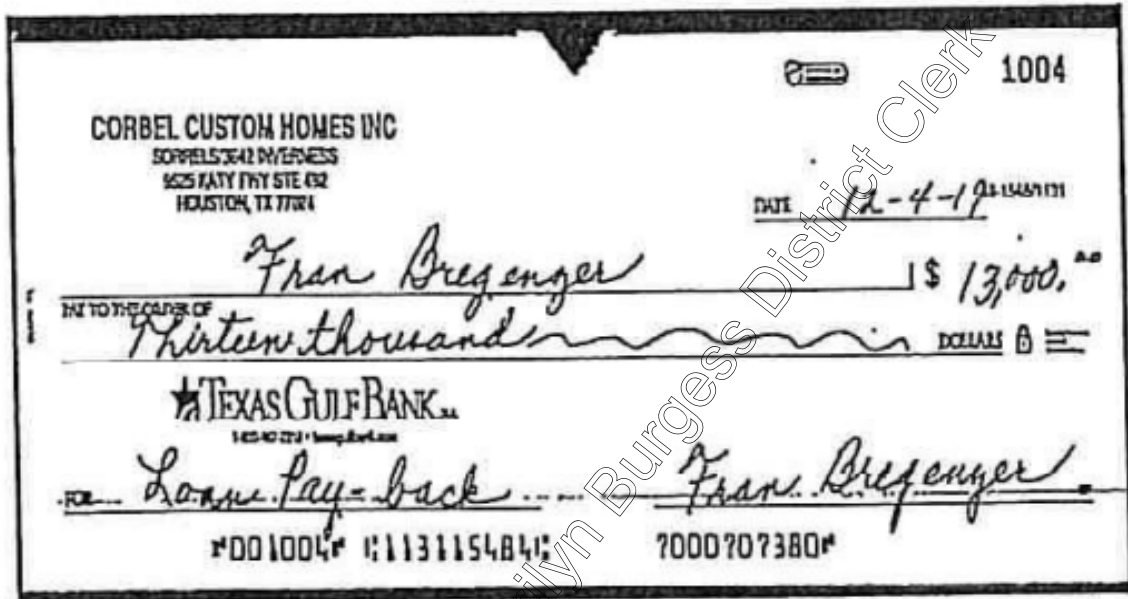
A. Financial Misdeeds

4.21 The remodel and construction are governed by Chapter 162 of the Texas Property Code. In particular, construction payments were made by Plaintiffs to Corbel Custom Homes and the Corbel and Bregenzer Defendants were “Trustees” of Plaintiffs’ funds. There are dozens (if not hundreds) of Chapter 162 violations as shown in more detail below.

4.22 Corbel, Michael C. Bregenzer, Fran Bregenzer, Nicholas Bregenzer, Cheryl Bregenzer, Marshall Bregenzer, Mason Bregenzer, and Maddie Bregenzer either actually committed fraud or were involved in a conspiracy to commit fraud in the construction and financing of the Plaintiffs’ house. Corbel, Michael C. Bregenzer and Fran Bregenzer represented they were spending certain monies on the Plaintiffs’ house, but instead were diverting Plaintiffs’ funds to other Corbel projects (and thus failing to provide the appropriate quality of work to Plaintiffs’ house), to third parties (not related to the house at 3642 Inverness), to other creditors, and to themselves. Upon information and belief, Michael C. Bregenzer is a graduate of Texas A&M University with a degree in finance.

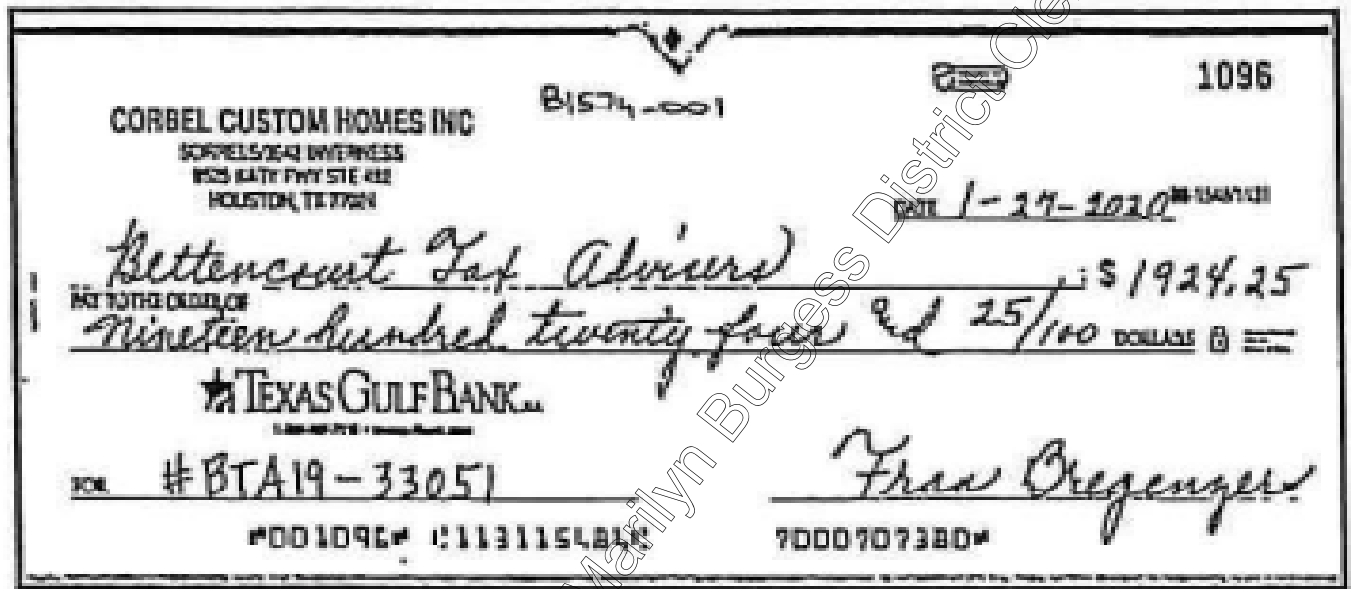
4.23 For example, right after Plaintiffs paid their initial installment to begin work,

Defendant Fran Bregenger wrote herself two checks: check 1004 for \$13,000 and check 1005 for \$20,000:

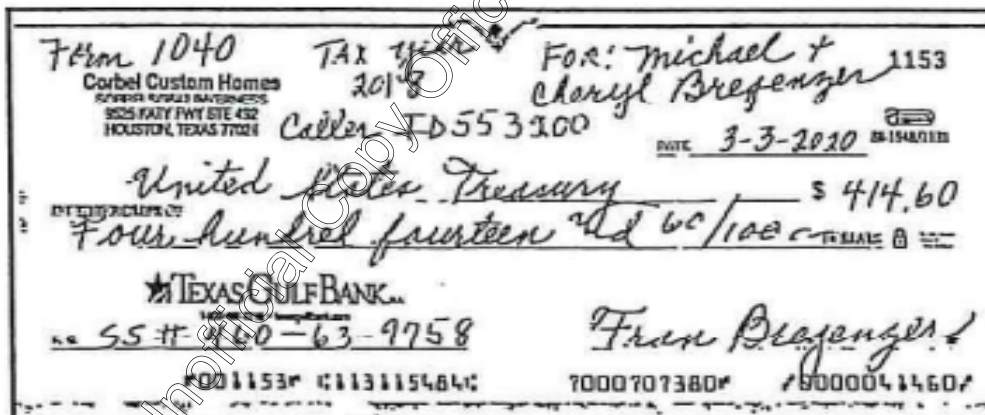


4.24 Defendants Michael C. Bregenger and Fran Bregenger wrote dozens of checks for

their personal expenses and to support the Bregenzer family's lifestyle. There are checks written from the Sorrels' trust fund account for Defendants' cars, music, hunting, and tax debt. For example, they paid for tax relief for their personal properties:



4.25 Defendants paid taxes for Michael and Cheryl Bregenzer:

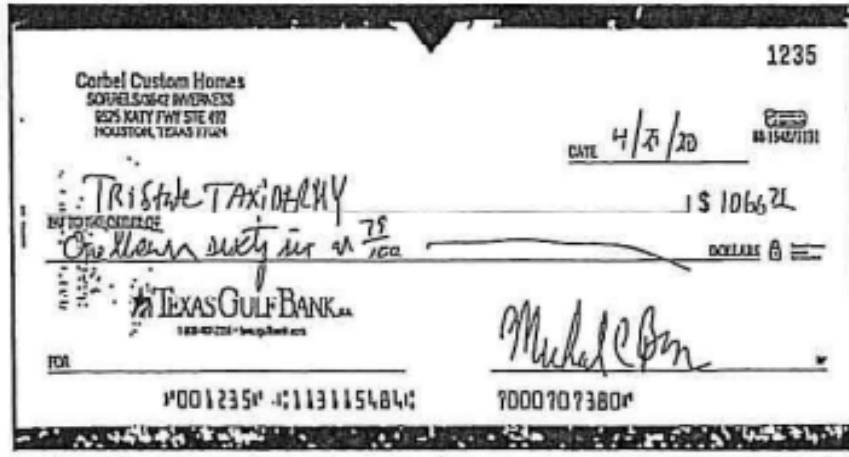


SS # 460-63-9758 MICHAEL BREGENZER - 1609
 CORBEL CUSTOM HOMES
 509 FIELDS ROAD
 8225 KATY HWY STE 102
 HOUSTON, TEXAS 77051
 281-652-6028
 DATE 10-15-2020
 United States Treasury \$ 579.⁰⁰
 PAY TO THE ORDER OF
 Five hundred seventy nine
 TEXAS GULF BANK
 2019 FORM 1040
 #001609# 0113115484# 7000707380# 70000051900#
 Fran Bregenzer

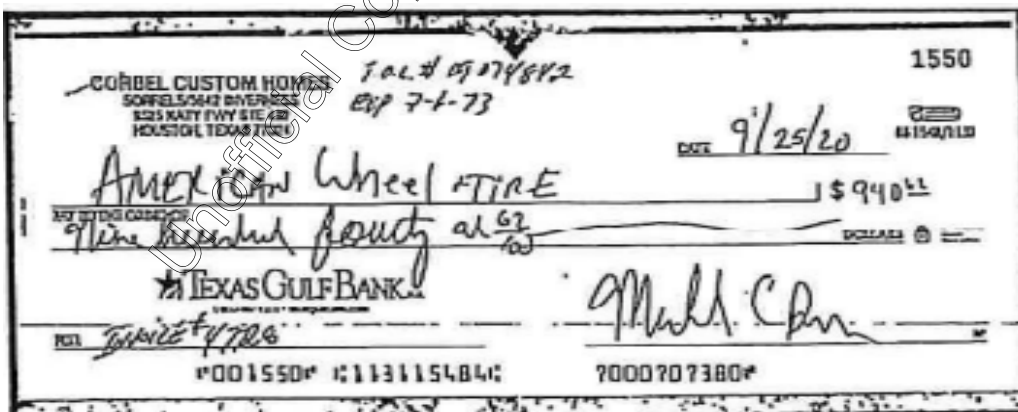
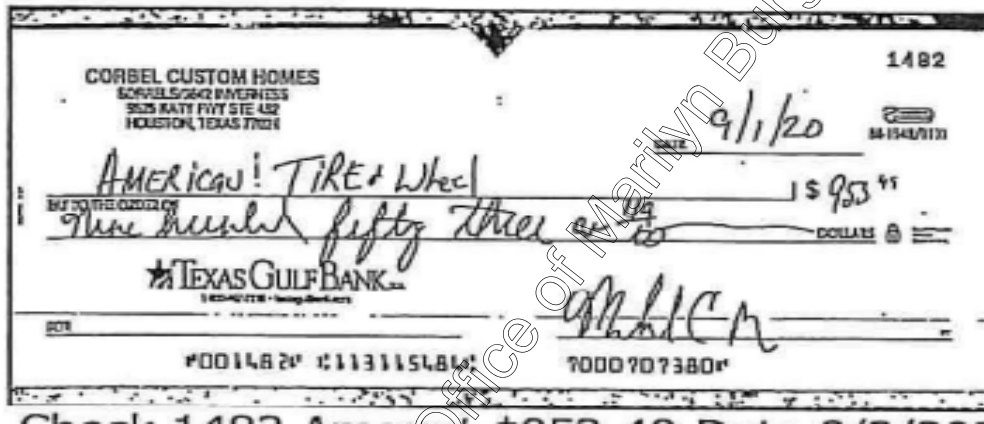
Defendants paid for flood insurance for the personal residence of Michael C. Bregenzer and his wife, Cheryl, at 14 Sandalwood.

CORBEL CUSTOM HOMES
 509 FIELDS ROAD
 8225 KATY HWY STE 102
 HOUSTON, TEXAS 77051
 Re: Michael & Cheryl Bregenzer 1833
 14 Sandalwood 77024
 DATE 2-1-21
 Wright National Flood Insurance Co.
 \$ 572.⁰⁰
 Five hundred seventy two
 TEXAS GULF BANK
 #42-1151449306-04
 #001833# 0113115484# 7000707380#
 Fran Bregenzer

Hunting trophies at the taxidermy shop were paid for out of the Sorrels' trust fund account:



Then Michael C. Bregner's car stereos, tires, exotic cars, and other car payments were paid out of the Sorrels' trust fund account:



CORBEL CUSTOM HOMES
CORBELS/0402 INVERNESS
9525 KATY FWY STE 402
HOUSTON, TEXAS 77024

1522

DATE 9/14/20

EXTREME Sportcars - \$1000.00

TO THE ORDER OF
One thousand and 00/100

TEXAS GULF BANK

FOR

⑆001522⑆ ⑆113115484⑆ 7000707380⑆

Mull C Ben

CORBEL CUSTOM HOMES
CORBELS/0402 INVERNESS
9525 KATY FWY STE 402
HOUSTON, TEXAS 77024

1532

DATE 9/19/20

EXTREME SPORT CARS INC \$7000.00

TO THE ORDER OF
Seven thousand and 00/100

TEXAS GULF BANK

FOR

⑆001532⑆ ⑆113115484⑆ 7000707380⑆

Mull C Ben

CORBEL CUSTOM HOMES
CORBELS/0402 INVERNESS
9525 KATY FWY STE 402
HOUSTON, TEXAS 77024

1766

DATE 1-1-21

Car Max \$3192.59

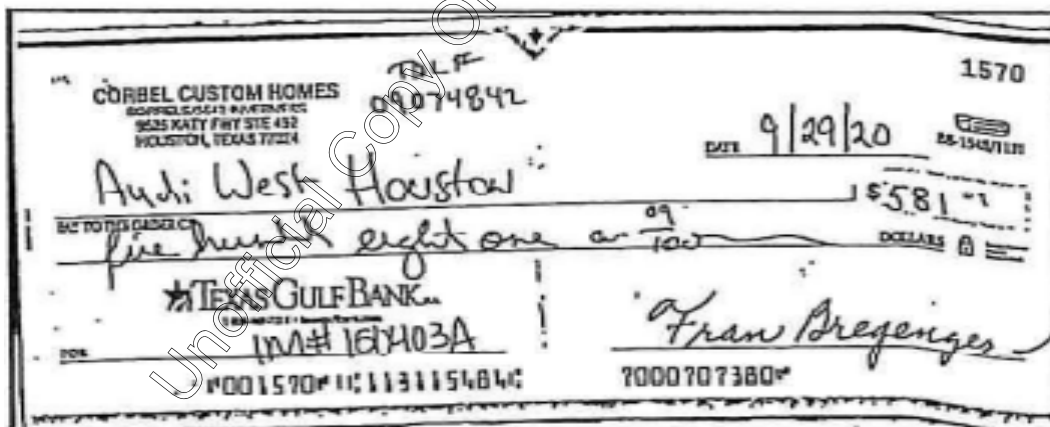
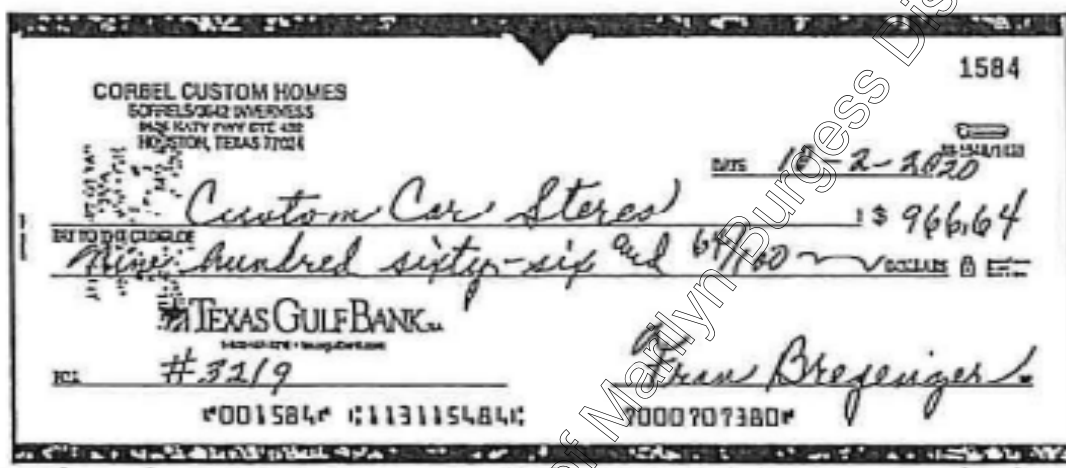
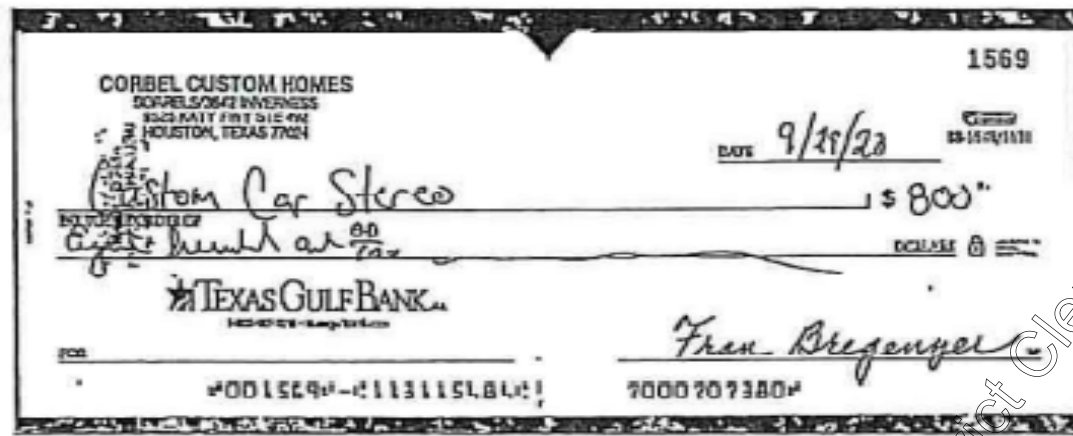
TO THE ORDER OF
Thirty one hundred ninety two and 59/100

TEXAS GULF BANK

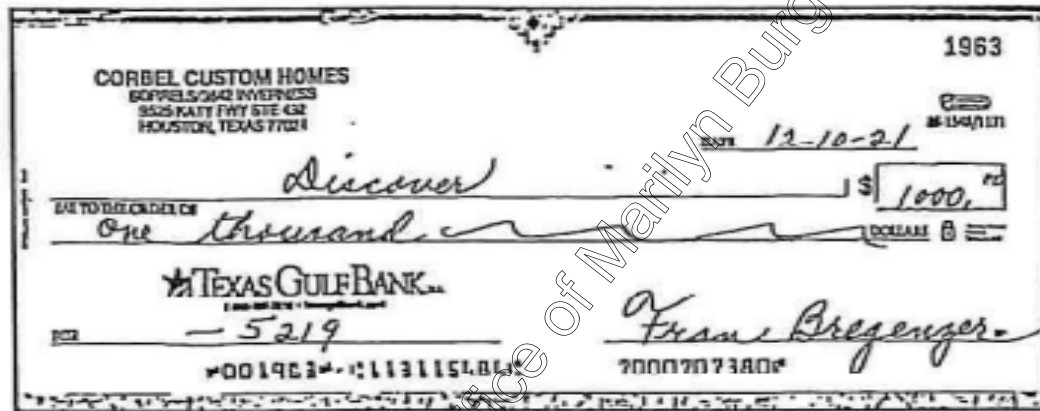
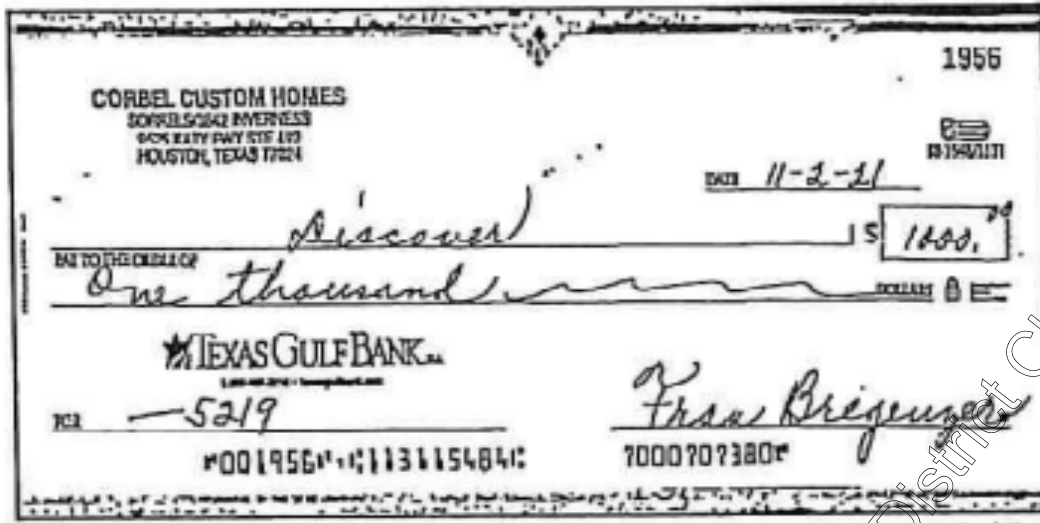
FOR
acc # 21821519

⑆001766⑆ ⑆113115484⑆ 7000707380⑆

Frank Pregonzo



The Bregenzers paid their credit card bills:



4.25 Marshall Bregenza, Mason Bregenza, and Maddie Bregenza have been co-conspirators in this scheme to commit fraud and violations of Chapter 162. And it is becoming clear that the Corbel and Bregenza Defendants have committed wire fraud, tax fraud, and RICO violations. These Defendants are likely involved in a huge Ponzi scheme with the homes they have built or remodeled over the last several years.

Corbel Custom Homes
 5096 L.50642 BAYVIEW
 5225 KATY FRY STE 402
 HOUSTON, TEXAS 77024

1200

DATE 4-6-2020 ⑈ 1542/1131

Marshall Bregenzers \$ 300.00

PAY TO THE ORDER OF
Three hundred DOLLARS

TEXAS GULF BANK
 14040713 - www.tgfb.com

FOR Fran Bregenzers

⑆001200⑆ ⑆113115484⑆ 7000707380⑆

Corbel Custom Homes
 5096 L.50642 BAYVIEW
 5225 KATY FRY STE 402
 HOUSTON, TEXAS 77024

1226

DATE 4-24-2020 ⑈ 1542/1131

Marshall Bregenzers \$ 200.00

PAY TO THE ORDER OF
Two hundred DOLLARS

TEXAS GULF BANK
 14040713 - www.tgfb.com

FOR Fran Bregenzers

⑆001226⑆ ⑆113115484⑆ 7000707380⑆

CORBEL CUSTOM HOMES
 5096 L.50642 BAYVIEW
 5225 KATY FRY STE 402
 HOUSTON, TEXAS 77024

1557

DATE 9-18-20-20 ⑈ 1542/1131

Marshall Bregenzers \$ 300.00

PAY TO THE ORDER OF
Three hundred DOLLARS

TEXAS GULF BANK
 14040713 - www.tgfb.com

FOR Fran Bregenzers

⑆001557⑆ ⑆113115484⑆ 7000707380⑆

CORBEL CUSTOM HOMES
 5095 KATY HWY STE 402
 HOUSTON, TEXAS 77051

1772

DATE 1-5-21

TO THE ORDER OF Marshall Bregenzler \$ 300.⁰⁰
 Three hundred DOLLARS

TEXAS GULF BANK

FOR Fran Bregenzler

⑆001772⑆ ⑆113115484⑆ 7000707380⑆

CORBEL CUSTOM HOMES
 5095 KATY HWY STE 402
 HOUSTON, TEXAS 77051

1846

DATE 2-5-21

TO THE ORDER OF Marshall Bregenzler \$ 500.⁰⁰
 Five hundred DOLLARS

TEXAS GULF BANK

FOR Fran Bregenzler

⑆001846⑆ ⑆113115484⑆ 7000707380⑆

CORBEL CUSTOM HOMES
 5095 KATY HWY STE 402
 HOUSTON, TEXAS 77051

1475

DATE 8-31-2020

TO THE ORDER OF Mason Bregenzler \$ 300.⁰⁰
 Three hundred DOLLARS

TEXAS GULF BANK

FOR Fran Bregenzler

⑆001475⑆ ⑆113115484⑆ 7000707380⑆

1847

CORBEL CUSTOM HOMES
 3097255042 INK/PRINT
 8325 KATY FVY STE 402
 HOUSTON, TEXAS 77024

DATE 1-5-21

PAID TO THE ORDER OF
 Mason Brezinger \$ 200.⁰⁰
 Two hundred

TEXAS GULF BANK
 1-800-451-1111

FOR
 Fran Brezinger

⑆001847⑆ ⑆113115484⑆ 7000707380⑆

Check 1847 Amount \$200.00 D.D. 2/5/2021

1558

CORBEL CUSTOM HOMES
 3097255042 INK/PRINT
 8325 KATY FVY STE 402
 HOUSTON, TEXAS 77024

DATE 9-18-2020

PAID TO THE ORDER OF
 Mason Brezinger \$ 300.⁰⁰
 Three hundred

TEXAS GULF BANK
 1-800-451-1111

FOR
 Fran Brezinger

⑆001558⑆ ⑆113115484⑆ 7000707380⑆

1559

CORBEL CUSTOM HOMES
 3097255042 INK/PRINT
 8325 KATY FVY STE 402
 HOUSTON, TEXAS 77024

DATE 9-18-2020

PAID TO THE ORDER OF
 Maddie Brezinger \$ 300.⁰⁰
 Three hundred


TEXAS GULF BANK
 1-800-451-1111

FOR
 Fran Brezinger

⑆001559⑆ ⑆113115484⑆ 7000707380⑆

1848

CORBEL CUSTOM HOMES
 5096 S. 2642 BUSINESS
 2525 KATY HWY STE 402
 HOUSTON, TEXAS 77024

DATE 2-5-21 

FOR THE ORDER OF Maddie Bregunzer \$ 200.00

Two hundred DOLLARS 


TEXAS GULF BANK
 1824218 • www.tgbank.com

FOR Fran Bregunzer


⑆001848⑆ ⑆113115484⑆ 7000707380⑆

1719

CORBEL CUSTOM HOMES INC.
 5096 S. 2642 BUSINESS
 2525 KATY HWY STE 402
 HOUSTON, TEXAS

DATE 4-24-2020 

FOR THE ORDER OF Maddie Bregunzer \$ 200.00

Two hundred DOLLARS 

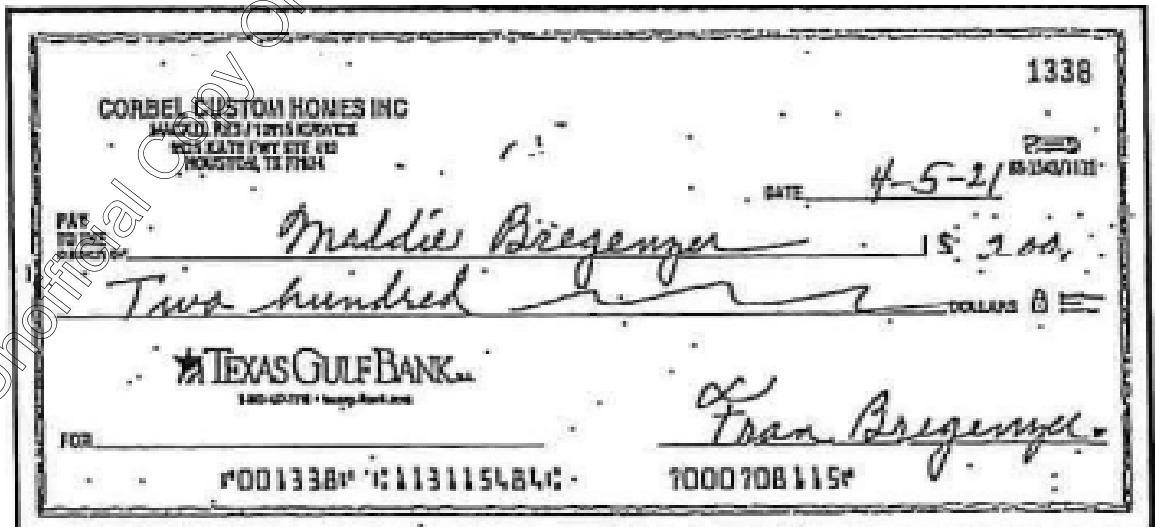
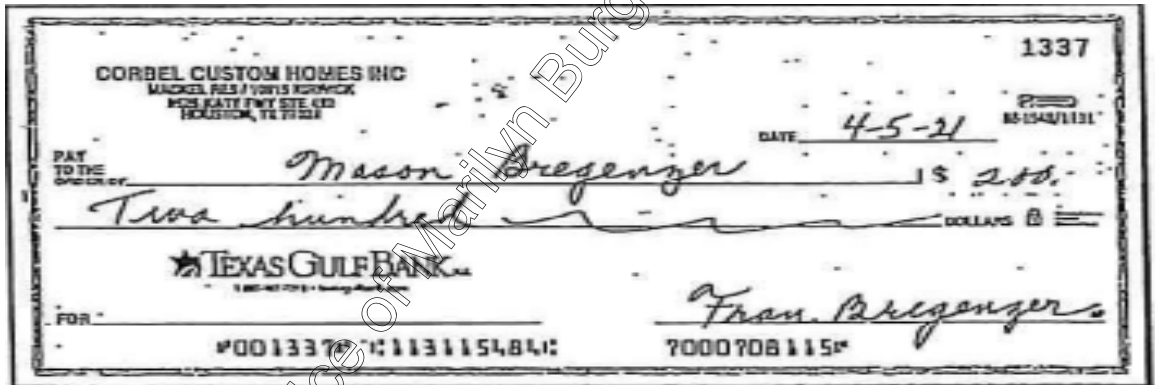
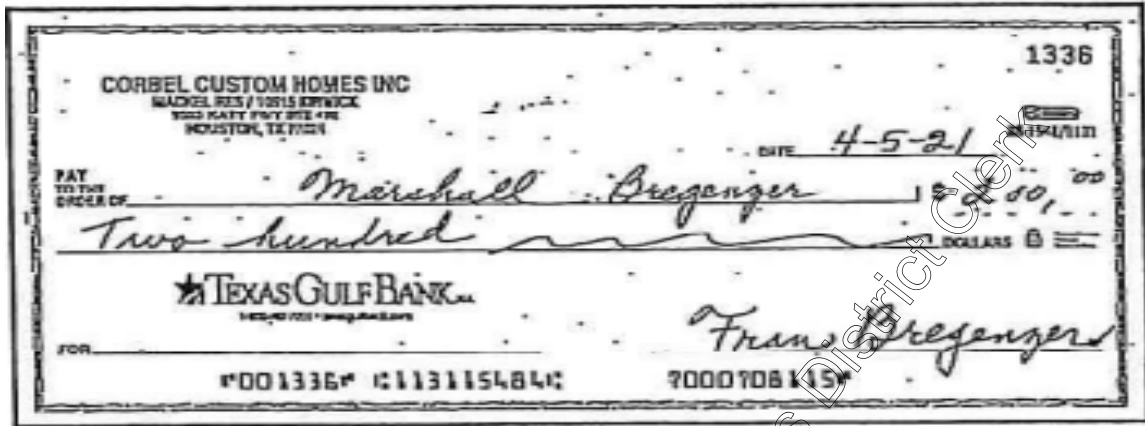
TEXAS GULF BANK
 1824218 • www.tgbank.com

FOR Fran Bregunzer

⑆001848⑆ ⑆113115484⑆ 7000510580⑆

Unofficial Copy of Marilyn Burgess District Clerk

Checks produced from other Chapter 162 accounts reveal that the Corbel and Bregenzler Defendants' deceitful conduct stretches far beyond the wrongful conduct at 3642 Inverness.



1370

CORBEL CUSTOM HOMES INC.
 WACKEL FELS / 10115 KORNICK
 8215 KATY Pkwy STE 401
 HOUSTON, TEXAS 77021

DATE 4/27/21

PAY TO THE ORDER OF Cheryl Brezinger \$3000

Three thousand and 00/100

TEXAS GULF BANK

FOR

001370 1113115484

7000708107

Mitchell Brezinger

1283

CORBEL CUSTOM HOMES INC.
 MORELAND RES / 11641 GREENBAY
 8215 KATY Pkwy STE 401
 HOUSTON, TEXAS 77021

DATE 5-2-21

PAY TO THE ORDER OF Cheryl Brezinger \$1800

Eighteen hundred and 00/100

TEXAS GULF BANK

FOR

001283 1113115484

7000708107

Fran Brezinger

1312

CORBEL CUSTOM HOMES INC.
 MORELAND RES / 11641 GREENBAY
 8215 KATY Pkwy STE 401
 HOUSTON, TEXAS 77021

DATE 5-14-21

PAY TO THE ORDER OF Cheryl Brezinger \$2000

Two thousand and 00/100

TEXAS GULF BANK

FOR

001312 1113115484

7000708107

Fran Brezinger

CORBEL CUSTOM HOMES INC
 MORELAND RES / 11544 GREENBAY
 5525 KATY PWAY STE 452
 HOUSTON, TEXAS 77024

1468

DATE 7/31/21

PAY TO THE ORDER OF Cheryl Bregenzler \$15,500.00

One thousand five hundred and 00/100 DOLLARS

TEXAS GULF BANK

FOR Michael C. Bregenzler

⑆001468⑆ ⑆113115484⑆ 7000708107⑆

CORBEL CUSTOM HOMES INC
 MORELAND RES / 11544 GREENBAY
 5525 KATY PWAY STE 452
 HOUSTON, TEXAS 77024

1381

DATE 6/12/21

PAY TO THE ORDER OF Cheryl BREGENZER \$3,000.00

Three thousand and 00/100 DOLLARS

TEXAS GULF BANK

FOR Michael C. Bregenzler

⑆001381⑆ ⑆113115484⑆ 7000708107⑆

CORBEL CUSTOM HOMES INC
 MORELAND RES / 11544 GREENBAY
 5525 KATY PWAY STE 452
 HOUSTON, TEXAS 77024

1475

DATE 9-4-21

PAY TO THE ORDER OF Capital One \$133,774.74

Three hundred thirty seven and 74/100 DOLLARS

TEXAS GULF BANK

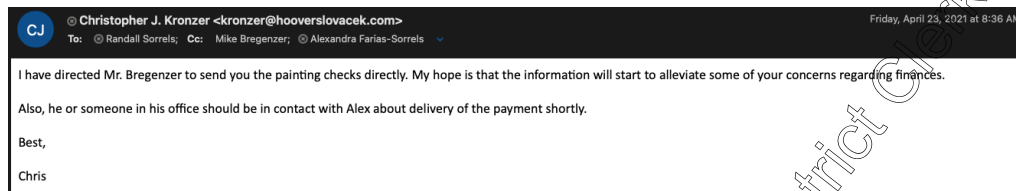
FOR - 9643 Jason Bregenzler

⑆001475⑆ ⑆113115484⑆ 7000708107⑆

4.26 Additionally, investigation into the payments made by Corbel and/or Mike, Nick

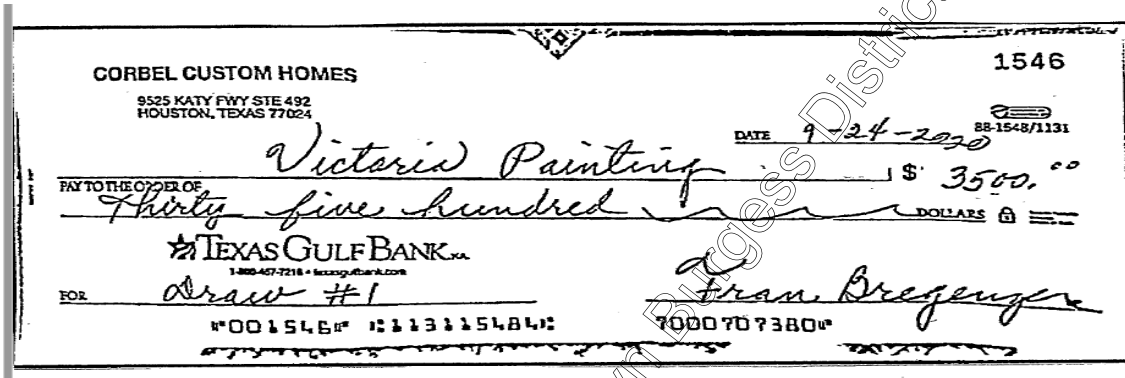
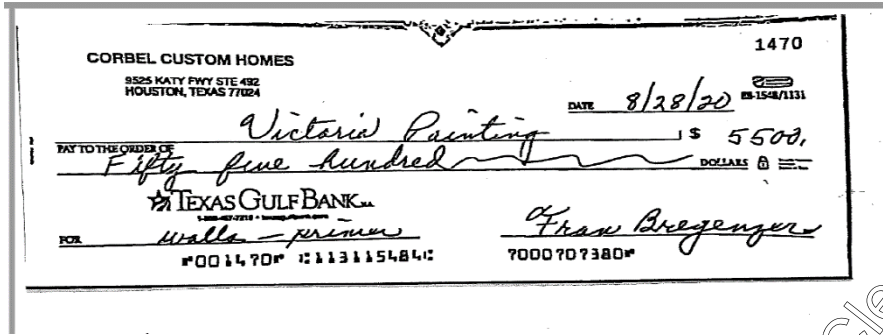
or Fran Bregenzer to Victoria Painting for its work revealed the following:

4.27 On April 23, 2021, counsel for Corbel (Chris Kronzer) directed Corbel Principal Mike Bregenzer to send checks relating to the painting of the house to Plaintiffs. See email from Chris Kronzer to Plaintiffs:



4.28 On the same date, Corbel produced an email containing checks purportedly written for work done on Plaintiffs' house. These checks would have been written out of the trust account required by Chapter 162 of the Texas Property Code. Corbel (and the Bregenzer family – including Fran Bregenzer, Mike Bregenzer and Nicholas Bregenzer) owed a fiduciary duty because Corbel (and the family members) received construction payments under a construction contract for the improvement of real property. Defendant Corbel was a trustee of funds received.

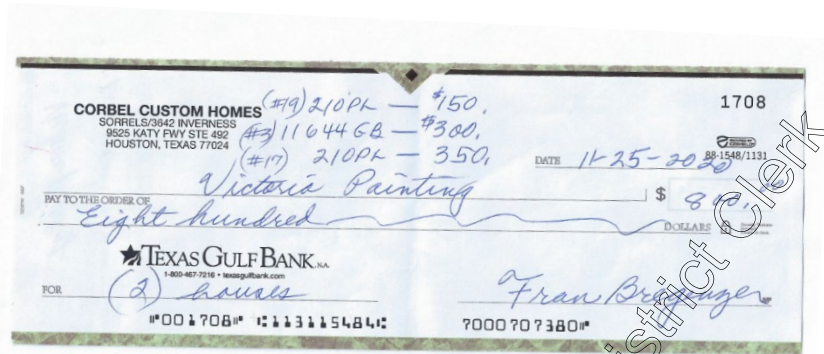
4.29 When Corbel produced the checks, Michael C. Bregenzer has admitted he personally altered every check. Michael C. Bregenzer's explanation (under oath) of his alteration of evidence is not credible or believable. What is credible and believable is that he was trying to cover up the fraud and deceit in the remodel of the house. Those checks also attempted to cover up the breach of the fiduciary duty. See the checks below and note how the Plaintiffs' residential address is not on the checks.



4.30 Defendant Victoria Painting ultimately produced the unaltered checks that appear to show Corbel committed a breach of fiduciary by applying trust funds for Plaintiffs' property to other construction projects of Corbel. A comparison of the same checks as above reveals the depth of effort Corbel went through on dozens of checks.



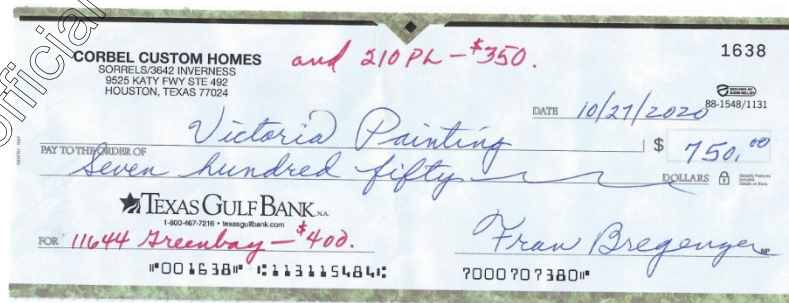
4.31 Further, the following check from Defendant Victoria Painting delineates in the “for” line to be for two houses; the Sorrels do not own two houses:



4.32 See also the following check as it delineates in the “for” line to be for a different home, not owned by the Sorrels, and instead is a house on Greenbay:



4.33 See also the following three checks as they delineate in the “for” line to be for a different home, not owned by the Sorrels, listed by address as 11627 Greenbay:





4.34 See also the following check delineate in the “for” line to be for a different home, not owned by the Sorrels, listed by address as 307 Shasta:



B. Construction Defects

4.35 As stated above, Corbel and its agents, Michael C. Bregenzel, the Sub-contractor Defendants, and Interfield responsible for the remodel and construction of the Inverness home caused much damage to the home. Not all of the defects or damages have been identified and the demolition of many parts of the house has progressed to reveal additional defects and damages

from poor supervision and construction. This investigation into additional potential defects, including mold, and damages is ongoing.

4.36 As stated in paragraphs above, so far the investigation has showed that several sub-contractors' work allowed for the penetration of moisture and water into and around the home, causing mold throughout the home. Corbel and Michael Bregenzer completely failed to supervise any of that work so as to prevent such water and moisture penetration into the home.

4.37 Additionally, Corbel (and its agents) and Michael C. Bregenzer himself engaged in acts that allowed for moisture and water to enter the home, causing mold. Examples of the ways in which Corbel and Michael C. Bregenzer caused mold are set forth above and the supervision of this home amounts to gross negligence.

4.38 Interfield's role in causing the construction defects and mold in the home are set forth in attached Exhibit A.

C. Cosmetic Defects

4.39 As a part of the remodeling process, Corbel entered into a contract with Victoria Painting to paint the entire exterior and interior of the home; this process would necessarily include properly prepping the areas to be painted.

4.40 Unbeknownst to Plaintiffs, Victoria Painting was a sub-standard painting company that lacked the skill to paint a home of as represented by Corbel. Further, the wrong paint was used inside and out.

4.41 Corbel and Victoria Painting had a duty to paint the home in a good and workmanlike manner but miserably violated that duty. They failed to follow basic steps that are involved in the painting process, including adequately prepping and priming the various surfaces throughout the home. For example, Victoria Painting left visible saw marks and other major visible

defects in the various surfaces (including walls, wood trims, cabinets, and doors), instead of sanding them and prepping them in a way that would have left them in a good condition. Victoria Painting then painted all areas in the home in an unworkmanlike manner, leaving roll-marks, brush-marks, blemishes, and other defects throughout the house. Corbel and Victoria Painting was also contracted to stain certain wooden areas of the home, but was incapable of doing that, painting over areas that should have been stained.

4.42 The sub-standard and shoddy work performed by Corbel and Victoria Home necessitated the work being re-done.

4.43 As just one example, this painting consequence of Corbel and Victoria Painting's failure to paint the Sorrels' home in a good and workmanlike manner and their negligent application of acceptable painting technique caused the Sorrels to suffer actual and consequential damages.

D. Residential Remodeling Contract

4.44 The Sorrels and Corbel entered into a Residential Modeling Contract prior to work being performed on the Inverness home. As a part of that Contract, Corbel agreed that any changes to the Contract Price of the home would be memorialized in "Change Orders" that would be memorialized in written agreements between the owner and builder. The "Change Orders" section of the Contract can be found in paragraph eight (8) of that document.

4.45 Throughout the construction of the Inverness home, Corbel and its agents failed to abide by the "Change Orders" section of the Contract by unilaterally implementing changes, additions, or deletions to the home, all affecting the Contract price, without obtaining the Sorrels' written agreement (or any agreement). Examples of this include costly work performed on part of the roof of the home that was not included in the original plans/scope of work, as well as failing

to incorporate details of the home that were called out in the architectural plans (i.e., solar lights in the second-floor hallway).

4.46 Similarly, the Contract Price included certain items that were either called out in the architectural plans or agreed to by the Sorrels and Corbel. These items were not supplied by Corbel and/or incorporated into the home. This includes, but is not limited to, the solar lights referenced in the paragraph above, as well as “Lutron” electrical outlets, switches, and faceplates.

CAUSES OF ACTION

V. Breach of Warranty – Corbel, the Sub-Contractor Defendants, and Interfield

5.1 The Sorrels incorporate the preceding paragraphs as if fully set forth herein.

5.2 Corbel, the Sub-contractor Defendants, and Interfield breached their respective statutory and expressed warranties to Plaintiffs. As a direct and proximate result of Corbel’s, the Sub-contractor Defendants’, and Interfield’s breach of their respective warranties, the Sorrels sustained actual, incidental and consequential damages in an amount which exceeds the minimum jurisdictional limits of this Court.

VI. Breach of Contract – Corbel and Interfield

6.1 The Sorrels incorporate the preceding paragraphs as if fully set forth herein.

6.2 Corbel and its agents were the first to breach the Residential Remodeling Contract between the parties. Corbel specifically failed to abide by the “Change Orders” section of the Contract and it failed to incorporate items and elements to the Inverness home that were paid by the Sorrels in the Contract Price, directly and proximately causing financial damage to the Sorrels.

6.3 Interfield was the first to breach the contract it entered with the Sorrels, by failing to perform its obligations to them, as set forth in attached Exhibit A and the preceding paragraphs. It

additionally designed a defective HVAC system.

VII. Breach of Fiduciary Duty – Michael C. Bregenzer and Corbel

7.1 The Sorrels incorporate the preceding paragraphs as if fully set forth herein.

7.2 Michael C. Bregenzer and Corbel owed a fiduciary duty to Plaintiffs. Michael C. Bregenzer and Corbel breached that fiduciary duty by violating Chapter 162 of the Texas Property Code.

7.3 As a direct and proximate result of Michael C. Bregenzer's and Defendant Corbel's breaches of their fiduciary duties, the Sorrels sustained actual, incidental and consequential damages in an amount which exceeds the minimum jurisdictional limits of this Court.

VIII. Breach and Fraud Under Chapter 162 Of The Texas Property Code – Corbel, Michael C. Bregenzer, Fran Bregenzer, Nicholas Bregenzer, Cheryl Bregenzer, Marshall Bregenzer, Mason Bregenzer, and Maddie Bregenzer

8.1 The Sorrels incorporate the preceding paragraphs as if fully set forth herein.

8.2 Corbel, Michael C. Bregenzer, Fran Bregenzer, Nicholas Bregenzer, Cheryl Bregenzer, Marshall Bregenzer, Mason Bregenzer, and Maddie Bregenzer also breached and defrauded the Sorrels, in violation of Chapter 162 of the Texas Property Code, as detailed in the "Financial Deeds" section above.

8.3 As a direct and proximate result of Corbel's, Michael C. Bregenzer's, Fran Bregenzer's, Nicholas Bregenzer's, Cheryl Bregenzer's, Marshall Bregenzer's, Mason Bregenzer's, and Maddie Bregenzer's violations of the Texas Property Code, the Sorrels sustained actual, incidental, consequential damages.

8.4 Similarly, as a direct and proximate result Corbel's, Michael C. Bregenzer's, Fran Bregenzer's, Nicholas Bregenzer's, Cheryl Bregenzer's, Marshall Bregenzer's, Mason Bregenzer's, and Maddie Bregenzer's intentional and fraudulent violations of Chapter 162 of the Texas Property

Code, they are liable for exemplary damages.

IX. Negligence – Michael C. Bregenzer, Corbel, the Sub-Contractor Defendants, and Interfield

9.1 The Sorrels incorporate the preceding paragraphs as if fully set forth herein.

9.2 Defendants Corbel, Interfield, Michael C. Bregenzer and the Sub-Contractor Defendants had implied and express duties to Plaintiffs to complete all construction with care and skill. *Chapman Custom Homes, Inc. v. Dallas Plumbing Co.*, 445 S.W.3d 716, 717 (Tex. 2014); *Montgomery Ward & Co. v. Scharrenbeck*, 146 Tex. 153, 157, 204 S.W.2d 508, 510 (1947).

9.3 Defendants Corbel, Interfield, Michael C. Bregenzer and the Sub-Contractor Defendants breached the above listed duties to Plaintiffs in one or more of the following ways:

- a. Failure to educate themselves on the proper method and manner to properly complete the project;
- b. Failure to hire sufficiently skilled subcontractors to properly complete the project;
- c. Failure to monitor and ensure the work of the subcontractors;
- d. Failure to supervise the subcontractors;
- e. Failure to protect the home from moisture and water penetration;
- f. Failure to be present on the job site;
- g. Exposing the interior of the house to the outside elements for long periods of time;
- h. Failure to follow the standards required for the project; and
- k. Other acts or omissions so deemed negligent or grossly negligent by the Court.

9.4 Defendants Corbel's, Interfield, Michael C. Bregenzer's, and the Sub-Contractor

Defendants' breach of duties was the proximate cause of Plaintiffs' damages.

9.5 As result, the Sorrels have suffered substantial economic loss, and continue to incur damages.

X. Gross Negligence - Michael C. Bregenzer, Corbel, the Sub-Contractor Defendants, and Interfield

10.1 The Sorrels incorporate the preceding paragraphs as if fully set forth herein.

10.2 Plaintiffs allege Defendants Corbel's, Interfield's, Michael C. Bregenzer's, and the Sub-Contractor Defendants' acts and/or omissions, singularly or in combination, constitute gross negligence and proximately caused Plaintiffs' damages.

10.3 Defendants Corbel's, Interfield's, Michael C. Bregenzer, and the Sub-Contractor Defendants' acts and/or omissions, when viewed objectively from all Defendants' standpoints, amounted to more than just careless mistakes or inattention. Instead, the quality of the work created an extreme degree of risk, considering the probability and magnitude of the potential harm to others (in particular financial, but also foreseeable physical dangers as it pertains to the mold infestation of the home). All Defendants had or should have had the actual, subjective awareness of the risk but proceeded with the conscious indifference to the rights, safety, and welfare of Plaintiffs.

10.4 Such gross negligence proximately caused Plaintiffs' damages.

10.5 Because Defendants Corbel, Interfield, Michael C. Bregenzer, and the Sub-Contractor Defendants are liable for gross negligence, punitive and/or exemplary damages should be assessed in an amount to be determined by the jury.

XI. VICARIOUS LIABILITY

11.1 Defendants Corbel and Michael C. Bregenzer are vicariously liable for the acts and omissions of its agents, servants, employees, and statutory employees including the Corbel officers,

assistants, employees, and contractors who had responsibilities over the reconstruction of Plaintiffs' home, the Bregenzer family members who are Defendants in this lawsuit, and Interfield. These persons and/or entities were directly vetted and hired by Michael C. Bregenzer and Corbel and completed all efforts on Plaintiffs' property under the course and scope of employment with Corbel.

XII. CONDITIONS PRECEDENT

12.1 The Sorrels have fully or substantially performed all acts necessary to perfect and establish all claims and causes of action asserted in this lawsuit. All conditions precedent to Plaintiffs' right to recover on any of the claims and causes of action asserted in this lawsuit have been discharged, satisfied or fully performed. Corbel has failed to timely remedy issues currently in this suit although Corbel was given proper and timely notice under all statutes and the contract.

XIII. NOTICE OF INTENT TO USE DISCOVERY AT TRIAL

13.1 Pursuant to Texas Rule of Civil Procedure 193.7, the Sorrels give notice that they intend to use all discovery instruments produced in this case at trial. Such discovery instruments include, but are not limited to, all documents the Defendants have or will produce in response to the Sorrels' written discovery requests.

XIV. DAMAGES

14.1 Plaintiffs incorporate the preceding paragraphs into this section.

14.2 As a direct and proximate result of the Defendants' acts and/or omissions, Plaintiffs sustained economic damages. Therefore, Plaintiffs bring suit for the following economic damages:

- a) Actual damages, including, the reasonable cost of repairs necessary to cure the construction defects directly and proximately caused by the Defendants; the reasonable and necessary costs for the replacement or repair of any damaged goods; reasonable and necessary engineering and consulting fees; the reasonable expenses

of temporary housing reasonably necessary during the repair period; the reduction in current market value, if any, after the construction defect is repaired if the construction defect is a structural failure.

- b) Actual damages stemming from the Corbel Defendants' violations of Chapter 162 of the Texas Property Code.
- c) Actual damages stemming from Corbel's and Interfield's breach of contract.
- d) Incidental damages; and
- e) Consequential damages

14.3 Additionally, Plaintiffs seek, and are entitled to recover, reasonable and necessary attorney's fees; pre-judgment and post-judgment interest; and court costs.

XV. EXEMPLARY DAMAGES

15.1 The Sorrels are also seeking exemplary damages stemming from the Corbel Defendants' knowing and fraudulent violation of that statute and, the acts of gross negligence by Corbel, Michael C. Bregenzler, Interfield, and the Sub-Contractor Defendants.

XVI. CERTIFICATE OF MERIT

Please find attached a true and correct copy of the Affidavit of Michael D. Barrentine as **Exhibit A**, in compliance with section 150.002 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE.

PRAYER

The Sorrels seek damages in excess of the minimum jurisdictional limits of this Court, monetary relief of \$1,000,000 or more, excluding interest, statutory or punitive damages and penalties, attorney fees and costs, pre-judgment and post-judgment interest, court costs, and all such other relief to which Plaintiffs show themselves justly entitled, including but not limited to

actual and consequential damages.

[signature block on following page]

Respectfully submitted,

SORRELS LAW

/s/ Randall O. Sorrels

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ATTORNEYS FOR PLAINTIFFS

CERTIFICATE OF SERVICE

I hereby certify that on this 18th of October, 2023, a true and correct copy of this document has been served electronically upon all counsel of record.

/s/ Randall O. Sorrels

Randall O. Sorrels

Unofficial Copy Office of Marilyn Burgess District Clerk

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Sorrels Law on behalf of Randall Sorrels
Bar No. 10000000
eservice@sorrelslaw.com
Envelope ID: 80739516
Filing Code Description: Amended Filing
Filing Description: Plaintiffs' Fourth Amended Petition
Status as of 10/19/2023 8:19 AM CST

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