

**CAUSE NO. 2023-20456**

**CIRCLE T RESERVES L.L.C.,  
ERNEST J. TAYLOR AND  
LECIA A. TAYLOR**

**V.**

**AMG TEXAS CAPITAL, L.L.C.**

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**IN THE DISTRICT COURT OF**

**HARRIS COUNTY, TEXAS**

**80<sup>TH</sup> JUDICIAL DISTRICT**

**DEFENDANT'S ORIGINAL ANSWER AND COUNTERCLAIM**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, AMG TEXAS CAPITAL LLC, Defendant and Counter Plaintiff in the above-entitled and numbered cause, and files this Original Answer to Plaintiffs' Petition and all subsequent supplemental and/or amended petitions, Counterclaim against Plaintiffs, and would respectfully show the Court and jury as follows:

**I.**  
Pursuant to the provisions of Rule 92 of the Texas Rules of Civil Procedure, Defendant denies each and every, all and singular, the allegations contained in Plaintiffs' Petition, and demands strict proof thereof.

**II.**  
Plaintiffs' cause of action pursuant to section 51.002(d) of the Texas Property Code is invalid as the property in question was not used as the Plaintiffs' residence.

**III.**  
Defendant reserves the right to amend this Answer pursuant to the Texas Rules of Civil Procedure.

**IV.**

**COUNTERCLAIM FOR BREACH OF CONTRACT**

On or about October 20, 2021, to be effective October 16, 2021, Circle T Reserves, LLC, a Texas limited liability company (the "Debtor"), executed a certain promissory note (the "Note") in the original principal amount of ONE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,200,000.00), payable to the order of AMG Texas Capital, more fully described in and secured by a Deed of Trust executed by Debtor and Earnest J. Taylor and wife, Lecia A. Taylor (hereinafter collectively referred to as "Obligors"), to C. Scott Mann, Jr., Trustee, recorded under County Clerk's File No. RP-2021-606767 in the Official Public Records of Real Property of Harris County, Texas (the "Deed of Trust"), covering certain real property more fully described in the Deed of Trust (the "Property").

Earnest J. Taylor and wife, Lecia A. Taylor individually executed guaranty agreements dated effective October 16, 2021, guaranteeing all of the obligations of Obligors under the Note and Deed of Trust.

The Note matured on October 16, 2022, and the unpaid balance of the Note, including principal, interest, and late fees, is now past due and payable. Obligors have failed to pay this amount and are in default under the Note and Deed of Trust.

After due and proper notice, the Property was sold at public auction on March 7, 2023, for the price of \$1,000,000 (One Million Dollars).

After crediting Counter Defendants with the proceeds from the sale, Counter Defendants owe \$339,256.21 to Counter Plaintiff as the remaining amount of unpaid principal, interest, and late fees as of May 3, 2023.

Demand has been made upon Counter Defendants for the amount still owing but Cross Defendants have refused to pay the outstanding debt. The amount of the interest portion of the debt continues to increase as Counter Defendants continue to refuse to pay the outstanding debt.

V.

**COUNTER-CLAIM FOR INTERFERENCE WITH CONTRACTUAL RELATIONS**

Defendant and Counter Plaintiff was the owner and holder of a Deed of Trust on the Property which was being leased by CVS Pharmacy, Inc., a Rhode Island corporation (“CVS”), under a Ground Lease dated August 14, 2012, from Earnest Taylor, as landlord (the “Lease”), for the Property. Earnest Taylor transferred the Property to a limited liability company controlled by him, Plaintiff, Circle T. Reserves, LLC, a Texas limited liability company (the “Circle T”). Circle T defaulted on the loan from Counter Plaintiff secured by the Property. On March 7, 2023, a Substitute Trustee’s Sale of the Property was held under Counter Plaintiff’s Deed of Trust on the Property, and Counter Plaintiff was the successful bidder on the Property. The Substitute Trustee recorded a Deed transferring title of the Property to Counter Plaintiff.

On March 8, 2023, Counter Plaintiff provided notice to CVS of the foreclosure sale and requested that CVS begin making rent payments to Counter Plaintiff per the Lease.

On April 7, 2023, Earnest Taylor sent correspondence via email to CVS claiming that the rent payments due under the lease should continue being made to himself.

On April 10, 2023, CVS notified Counter Plaintiff that it would not make the rent payments to AMG based upon Mr. Taylor’s correspondence demanding that the rental payments continue being made to him. CVS advised that the rent payments would be held in escrow until a written confirmation by all parties or a Court Order.

The Deed of Trust, conveyance documents between Earnest Taylor and Circle T Reserves, along with the Lease documents entitles Counter Plaintiff to the rent payments as Landlord per the original Lease Agreement between CVS and Earnest Taylor.

On April 7, 2023, Earnest Taylor demanded that CVS continue making rent payments to him when he knew that the Property had been sold at foreclosure and that he was no longer entitled to receive such payments.

The interference by Earnest Taylor has caused damages to Counter-Plaintiff in that rental payments due and owing are not being made by CVS due to Mr. Taylor's interference with Counter Plaintiff's rights per the Lease with CVS.

**VI.**

**COUNTERCLAIM FOR PUNITIVE DAMAGES**

The actions of Earnest Taylor as described above were motivated by malice. Earnest Taylor's actions warrant the imposition of punitive damages to penalize his conduct and to serve as a deterrent for similar conduct in the future.

**VII.**

**COUNTERCLAIM FOR ATTORNEY FEES**

Counter Plaintiff has retained the services of the undersigned counsel of record and sue for the recovery of reasonable attorneys' fees pursuant to the Deed of Trust as well as TRCP 38.001 together with conditional awards of fees in the event of appeal.

**VIII.**

**STATEMENT REGARDING RELIEF SOUGHT**

As required by TRCP 47(c), Counter Plaintiff states that it seeks monetary relief in excess of \$1,000,000 and non-monetary relief.

**PRAYER**

Defendant and Counter Plaintiff respectfully requests that Plaintiffs take nothing, that Plaintiffs' causes of action be dismissed, that judgement be entered for Defendant and Counter Plaintiff, as follows:

- 1) Dismissal of Plaintiffs' causes of action;
- 2) Judgement for Counter Plaintiff for the outstanding amount of debt of \$339,256.21 as of May 3, 2023, plus additional interest that accrues and any additional sums incurred by Counter-Plaintiff secured by the Deed of Trust.
- 3) Punitive damages.
- 4) Defendant and Counter Plaintiff's reasonable attorneys' fees and costs.
- 5) Pre-judgment and post judgment interest.
- 6) Any further relief to which Defendant and Counter Plaintiff shows that it is entitled to receive.

Respectfully submitted,

**GERMER PLLC**

By: 

**JAMES A. TATEM**

State Bar No. 00785086

**C. SCOTT MANN, JR.**

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**ATTORNEYS FOR DEFENDANT,  
AMG CAPITAL TEXAS LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing instrument has been served on all counsel of record on this 11<sup>th</sup> day of May, 2023.



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**JAMES A. TATEM**

Unofficial Copy Office of Marilyn Burgess District Clerk

### Automated Certificate of eService

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Cynthia Wallace on behalf of James Tatem

Bar No. 00785086

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Envelope ID: 75532627

Filing Code Description: Counter Claim/Cross

Action/Interpleader/Intervention/Third Party

Filing Description: Defendant's Original Answer and Counterclaim

Status as of 5/11/2023 10:20 AM CST

#### Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Gagan Khan	24090207	info@gagan.law	5/11/2023 9:56:36 AM	SENT

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