

CAUSE NO. 2018-06752

**FREE AND SOVEREIGN STATE OF
VERACRUZ DE IGNACIO DE LA LLAVE**

IN THE 127th DISTRICT COURT

vs.

**JAIME REVERTE, JMA REVERTE
PROPERTIES LLC, AZULGRANA
MANAGEMENT LLC, GIMAL REVERTE
PROPERTIES LLC, AND REVERTE
FAMILY LIVING TRUST AND JAVIER
DUARTE DE OCHA**

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OF

HARRIS COUNTY, TX

**DEFENDANTS' (JAIME REVERTE, JMA REVERTE PROPERTIES LLC,
AZULGRANA MANAGEMENT LLC, GIMAL REVERTE PROPERTIES LLC, AND
REVERTE FAMILY LIVING TRUST) MOTION TO TRANSFER VENUE;
ANSWER AND REQUESTS FOR DISCLOSURE**

TO THE HONORABLE JUDGE OF SAID COURT:

COME NOW, Defendants Jaime Reverte, JMA Reverte Properties LLC, Azulgrana Management LLC, Gimal Reverte Properties LLC, and Reverte Family Living Trust, and file their Answer to the Petition in the above styled and numbered lawsuit, respectfully showing the Court the following:

I. BACKGROUND

1. Jaime Reverte is a United States Citizen, residing in Montgomery County, Texas. He is a very successful businessman, with his principal business having involved the sale of unique products to the oil industry, such as valve locks.

2. Mr. Reverte and his companies and the Reverte Family Living Trust (the "Reverte Defendants") have no relationship with or association with Javier Duarte De Ochoa. Plaintiff Veracruz' allegation prior to Section I in its petition that "Defendant Jaime Reverte has very close ties to Javier Duarte" is entirely false and without basis in fact or law.

3. Plaintiff Veracruz' allegation prior to Section I in its petition that "Each of the Defendants named conspired with Javier Duarte to steal government funds from the State of Veracruz" is entirely false and without basis in fact or law.

4. In Plaintiff Veracruz' Petition, in the Section labeled *In Rem Parties*, Plaintiff made claims against 8 pieces of property alleging that the funds the Reverte Defendants used to purchase the properties were stolen from Veracruz. Plaintiff's allegation is entirely false and without basis in fact or law.

5. Indeed, with the exception of Mr. Reverte's residence (90 West Horizon Ridge), the Reverte Defendants' properties listed in the lawsuit were purchased with funds borrowed by the respective purchaser of each property from the banking and financial services company commonly known as UBS. Exhibit 1 hereto is a copy of the UBS Note and related documents (Note, Borrowing Agreement, Guaranty Agreement and Statement of Purpose for Extension of Credit for real estate investments) – collectively the "UBS Note." The only property purchased with funds from a different source than the UBS Note was Mr. Reverte's residence, owned by the Reverte Family Living Trust. It was purchased with a down payment from Mr. Reverte's personal funds, and financed with a conventional mortgage through Sierra Lending Group LLC.

6. Exhibit 2 hereto is a copy of the HUD-1 closing statement for the purchase of 90 West Horizon Ridge, showing the purchase price paid and down payment by Mr. Reverte from his personal funds, with the balance of the purchase price coming from his lender. Exhibit 3 is a copy of Deed of Trust on the property from the home mortgage lender, and a copy of the loan paperwork for the mortgage from the closing. Exhibit 4 are the documents reflecting Mr. Reverte's personal funds were used for the down payment.

7. Exhibit 5 hereto is a copy of the HUD-1 closing statement for the purchase of 123 S. Village Knoll Circle, showing the purchase price paid. Exhibit 6 is a copy of the UBS Note

Statement showing the funds borrowed by Mr. Reverte from the UBS Note for the purchase price shown on the HUD-1.

8. Exhibit 7 hereto is a copy of the HUD-1 closing statement for the purchase of 7 West Archwyck Circle, showing the purchase price paid. Exhibit 8 is a copy of the UBS Note Statement showing the funds borrowed by Mr. Reverte from the UBS Note for the purchase price shown on the HUD-1.

9. Exhibit 9 hereto is a copy of the HUD-1 closing statement for the purchase of 7 South Burberry Park Circle, showing the purchase price paid. Exhibit 10 is a copy of the UBS Note Statement showing the funds borrowed by Mr. Reverte from the UBS Note for the purchase price shown on the HUD-1.

10. Exhibit 11 hereto is a copy of the HUD-1 closing statement for the purchase of 98 North Pathfinders Circle, showing the purchase price paid. Exhibit 12 is a copy of the UBS Note Statement showing the funds borrowed by Mr. Reverte from the UBS Note for the purchase price shown on the HUD-1.

11. Exhibit 13 hereto is a copy of the sales and purchase agreement for the purchase of Tomball North, Lot 15 TR3; Lot 16 TR4; and Lot 15 TR4. The purchase of these lots was made directly from seller to purchaser and was not closed through a title company, so there is not a HUD-1 closing statement showing the source of funds for the purchase of the lots; however Exhibit 14 is a copy of the statement reflecting the borrowing of the purchase price from UBS in the amount shown on the sales and purchase agreement.

12. In short, with its political grandstanding and rush to make a media splash with its numerous lawsuits, Plaintiff failed to check the facts first and levied false accusations against the Reverte Defendants.

II. MOTION TO TRANSFER VENUE

13. In Section III of the petition, labeled “Venue and Jurisdiction” Plaintiff Veracruz, Mexico contends “Venue is proper in [Harris] County as at least one Defendant maintains a principal office here [in Harris County] and most of the properties involved are here [in Harris County]. Again, just as with its other allegations, Plaintiff Veracruz’ venue allegations are false and wholly without basis in law or fact. None of the listed defendants has a Harris County principal office, and none of the listed properties are located in Harris County, Texas. Indeed, save and except for Javier Duarte (who Plaintiff contends is jailed in Veracruz, Mexico) all of the remaining Defendants either reside in Montgomery County (Defendant Jaime Reverte), have their principal office in Montgomery County (JMA Reverte Properties LLC, Azulgrana Management LLC, and Gimal Reverte Properties LLC) or have the trust situs in Montgomery County (Reverte Family Living Trust).

14. Because Plaintiff’s venue allegations (like the remainder of its other allegations) are wholly false, venue is not proper in Harris County. Instead, venue is mandatory in Montgomery County under Texas Civil Practice and Remedies Code 15.011 (real property suit shall be brought where the property is located – Montgomery County). Further venue is permissive in Montgomery County for numerous other reasons – Texas Property Code 115.002 (venue for trust where situs is located – Montgomery County); Texas Civil Practice and Remedies Code 15.002(2) (venue for suit against a person is where that person’s residence is – Montgomery County); and Texas Civil Practice and Remedies Code 15.002(3) (venue for suit against LLCs is where the LLC’s principal office is located – Montgomery County) – indeed each venue provision establishes that this lawsuit should have been brought in Montgomery County, Texas. The Reverte Defendants hereby move to transfer venue to a district court in Montgomery County, Texas.

**SUBJECT TO THE MOTION TO TRANSFER VENUE, ANSWER,
COUNTERCLAIM, AND REQUEST FOR DISCLOSURE**

III. GENERAL DENIAL

15. The Reverte Defendants assert a general denial as authorized by Tex. R. Civ. P. 92, and respectfully request that Plaintiff Veracruz be required to prove its allegations by a preponderance of the evidence where applicable or higher burden of proof where required by law.

IV. ATTORNEYS' FEES CLAIM BY DEFENDANTS

16. In Section IV of its petition, Plaintiff brought claims labeled as "Theft Liability Act – All Defendants." As Plaintiff sued the Reverte Defendants under the Theft Liability Act, Defendants therefore seek their costs of court and reasonable necessary attorneys fees from Plaintiff under that Act, asking that it be awarded when they prevail. The Texas Supreme Court, in *In re Corral-Lerma*, 451 S.W.3d 385, 386-87 (Tex. 2014), held that an award of attorneys fees under the act are not compensatory damages, and are recoverable without an underlying damage recovery.

17. To defend themselves against this lawsuit, the Reverte Defendants have been forced to retain counsel and incur expenses in the nature of reasonable attorneys' fees, expenses, and court costs. In connection therewith, they retained the law firm of Martin, Earl & Stilwell LLP, duly licensed Texas attorneys, as counsel to represent them and have agreed to pay reasonable attorneys' fees. The Reverte Defendants seeks recovery of their reasonable attorneys' fees pursuant to Texas Civil Practice and Remedies Code, Section 134.005(b) and *Arrow Marble, LLC v. Estate of Killion*, 441 S.W.3d 702, 706-07 (Tex.App.—Houston [1st Dist.] 2014, no pet)(requiring trial court to award prevailing Defendant its attorneys' fees for prevailing in a suit brought against it under the Texas Theft Liability Act). Accordingly, the Reverte Defendants ask that Plaintiff be held liable for their reasonable and necessary attorneys' fees.

18. Pursuant to Rule 192.3 of the Texas Rules of Civil Procedure, the Reverte Defendants hereby designate the undersigned attorney, James H. Stilwell, as an expert to testify to the reasonable and necessary attorneys' fees incurred relative to this lawsuit (and any appeals thereof), and he may also testify as to any other party's fees. Mr. Stilwell will testify regarding not only the reasonableness and necessity of the fees, but also as to the factors related to the reasonableness and necessity. He is familiar with attorney's fees charged in Harris County, Texas and Montgomery County, Texas, and has knowledge of fees in real estate litigation. He has testified as an expert on attorneys' fees in multiple cases previously. With respect to the fees, Mr. Stilwell is expected to testify about the application of the factors outlined in Tex. Disc. R. Prof'l Conduct 1.04(b) and pertinent case law (including *Arthur Anderson & Co. v. Perry Equip. Corp.*, 945 S.W.2d 812 (Tex. 1997)). His bio/resume is available on his website, www.meslawfirm.com; however if any counsel cannot access same, a copy will be provided to them upon request. Mr. Stilwell reserves the right to provide an opinion at the time of trial as to the total fees and expenses incurred in the period leading up to and through trial, and the amounts estimated for various stages of appeal. A copy of Martin, Earl & Stilwell, LLP's redacted attorneys' fees invoices are available upon request.

19. The Reverte Defendants respectfully request, in addition to an award of their attorneys' fees and costs, an award of post-judgment interest on all amounts awarded, if any.

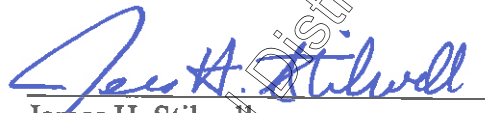
V. REQUESTS FOR DISCLOSURE

20. The Reverte Defendants request that, in compliance with Texas Rules of Civil Procedure, Rule 194, Plaintiff disclose the information described in Rule 194.2(a)-(1), on or before the expiration of 30 days after service of this request by disclosing the information in a response served on the undersigned counsel, James H. Stilwell.

WHEREFORE, premises considered, the Reverte Defendants ask the Court to transfer venue to Montgomery County, and after venue is proper, upon trial of this matter, to find against the Plaintiff in all regards, to award them recovery of their reasonable and necessary attorneys' fees against Plaintiff, to award them costs and post-judgment interests on all sums awarded, and to grant them all such other relief to which they may be entitled at law and in equity.

Respectfully submitted,

MARTIN, EARL & STILWELL, L.L.P.



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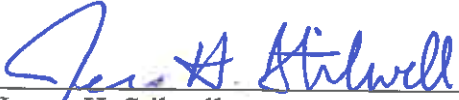
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ATTORNEY FOR THE REVERTE DEFENDANTS

Unofficial Copy Office of the District Clerk

CERTIFICATE OF SERVICE

On the 5th day of Marche, 2018 this filing was served (by eservice) on all counsel of record in accord with the Texas Rules of Civil Procedure.


James H. Stilwell

Unofficial Copy Office of Chris Daniel District Clerk