

CAUSE NO. 2018-06526

<p>FREE AND SOVEREIGN STATE OF VERACRUZ DE IGNACIO DE LA LLAVE, Plaintiff,</p>	<p>§ § § § § § § § § § § § § §</p>	<p>IN THE DISTRICT COURT OF HARRIS COUNTY, TEXAS 190TH JUDICIAL DISTRICT</p>
<p>VS.</p>		
<p>JOSE A. MANSUR, JR.; M1 WOODLANDS, LLC; M1 VILLAGE, LLC; TEXAS SOUTHMAN, INC.; AND JAVIER DUARTE DE OCHOA, Defendants</p>		

**DEFENDANTS M1 WOODLANDS, LLC'S, M1 VILLAGE, LLC'S,
AND TEXAS SOUTHMAN, INC.'S ORIGINAL ANSWER,
SPECIAL EXCEPTIONS, MOTION FOR SANCTIONS; REQUEST
FOR DISCLOSURE, AND REQUEST FOR PRODUCTION**

COME NOW, M1 Woodlands, LLC, M1 Village, LLC, and Texas Southman, Inc., Defendants herein, and files this Defendants' Original Answer, Special Exceptions, Motion for Sanctions, Request for Disclosure, and Request for Production, and in support thereof respectfully shows the following:

General Denial

1. Defendants M1 Woodlands, LLC, M1 Village, LLC, and Texas Southman, Inc. (hereinafter referred to as "Landowners" or "Defendants") hereby enter a general denial. Defendant Landowners generally deny each and every, all and singular, the material allegations of fact and law contained in The Free and Sovereign State of Veracruz De Ignacio De La Llave's (hereinafter "Veracruz") Petition in accordance with Rule 92, Texas Rules of Civil Procedure, and respectfully requests this court require Plaintiff to prove each and every one of its allegations as required

by applicable law.

Special Exceptions

2. Landowners hereby specially except to the allegations contained in the causes of action stated in Plaintiff's Petition with the headings "Conversion," and "Theft Liability Act." Plaintiff makes bald false allegations, but does not provide any alleged facts, to show that Landowners or Defendant Mansur wrongfully acquired possession of any funds used to purchase the property owned by Landowners. Landowners know this frivolous and extortionate allegation to be false and know that Plaintiff will be unable to state any such facts, which is likely why none are pleaded. Regardless, Plaintiff's petition does not give Landowners fair and adequate notice of the alleged facts upon which it bases its alleged claim. Landowners request that the Court make an order sustaining this special exception, requiring Plaintiff to amend and state specific facts and cure this defect before a future date certain, and that the Court dismiss Plaintiff's claims and award sanctions and attorney's fees to Landowners if such facts are not sufficiently pled with particularity and specificity.

3. Landowners further except to the allegations contained in the cause of action stated in Plaintiff's Petition with the heading "Civil Conspiracy." Plaintiff makes bold allegations but does not provide any facts to show that Defendant Mansur and Landowners acted or conspired to act towards any unlawful purpose. Plaintiff's Petition does not give Landowners fair and adequate notice of the facts upon which it bases its claim. Landowners request that the Court make an order sustaining this special exception, requiring Plaintiff to replead with specific facts and cure this defect

before a future date certain, and that the Court dismiss Plaintiff's claims and award sanctions and attorney's fees to Landowners if such facts are not sufficiently pled with particularity and specificity.

4. Landowners except to the allegations contained in the cause of action stated in Plaintiff's Petition with the heading "Texas Penal Code 31.03(e)(7)." Plaintiff again makes bold allegations but again does not provide any facts to show that Defendant Mansur and Landowners unlawfully appropriated property belonging to the Plaintiff. Plaintiff's Petition does not give Landowner fair and adequate notice of the facts upon which Plaintiff bases its claim. Landowners request that the Court make an order sustaining this special exception, requiring Plaintiff to replead with specific facts and cure this defect before a future date certain, and that the Court dismiss Plaintiff's claims and award sanctions and attorney's fees to Landowners if such facts are not sufficiently pled with particularity and specificity.

Affirmative Defenses - Statute of Limitations

5. Plaintiff's Petition describes certain properties owned by Landowners. A simple review of readily available public records would have revealed to Plaintiff's counsel before they filed the frivolous Petition the following:

6. All of the described properties located on Montfair in the Woodlands except the property located at 129 E. Montfair, the described property located on Whetstone Ridge, as well as the described property located on Chipwyck Way in the Woodlands, were acquired by Jose Mansur, Sr., who is not a party to this lawsuit, in 2009, nearly nine years before this suit was filed, and long before any of the alleged

conduct claimed by Plaintiff's Petition is stated by Plaintiff to have occurred. Though allegations are made by Plaintiff against his son, Jose Mansur, Sr. is not a party to this suit, and this suit makes no allegations of wrongdoing against Jose Mansur, Sr.

7. Defendant M1 Woodlands is a subsidiary of M2 Corodoba, a Mexican corporation owned for many years by members of the Mansur family. Defendant Jose Mansur, Jr. gained no interest in any of the properties described by Plaintiff's Petition until October of 2010, when Jose Mansur, Sr. transferred ownership of these properties to Defendant M1 Woodlands. This transfer to Defendant M1 Woodlands occurred before Defendant Duarte became Governor of Veracruz in December of 2010; and therefore also occurred before any of the alleged conduct claimed by Plaintiff's Petition could have occurred. October of 2010 is also when M1 Woodlands, LLC acquired 129 E. Montfair.

8. The described property located at 13139 North Freeway in Houston was acquired by Defendant Texas Southman, Inc., also a subsidiary of M2 Corodoba, in 2008, a decade before this suit was filed and years before the alleged conduct claimed by Plaintiff's Petition could have occurred.

9. The described property located at 2 Heather Bank was acquired by Jose Mansur, Sr. in 2006, nearly twelve years before this suit was filed and before the alleged conduct complained about by Plaintiff's Petition could have occurred.

10. The described property located on Sweetgum Lane and the property identified as the Northland Indian Hills Drill Site 4 were acquired by Defendant M1 Village, LLC, also a subsidiary of M2 Corodoba, in June of 2013, over four years before

this suit was filed.

11. The longest statute of limitations for any cause of action alleged by the Plaintiff is four years. In this case, the alleged actions complained about accrued more than four years prior to the filing of this lawsuit; therefore, Plaintiff's claims are barred by the statute of limitations.

DEFENDANTS' MOTION FOR ORDER TO ASSESS SANCTIONS

12. Defendants ask the Court to impose appropriate sanctions against Veracruz and its attorneys for filing a frivolous and groundless claim in violation of Texas Civil Practice & Remedies Code, §19.011 and §10.001. Defendants seek recovery of their fees and costs in defending this frivolous claim.

Introduction

13. Veracruz and its attorneys have abused the judicial process by filing frivolous, false, and groundless pleadings without making a reasonable inquiry into the surrounding facts. Veracruz has filed a groundless claim against Landowners alleging that they engaged in illegal activity which could have occurred no earlier than December of 2010 and alleging that such conduct somehow resulted in the illicit acquisition of funds used to purchase of specific properties by Landowner. Veracruz makes claims about purchases of property that occurred years ago and concerning alleged actions which clearly did not occur and concerning which any applicable Statute of Limitations has long ago expired. Recorded deeds proving that Landowners acquired these properties years before the alleged theft and fraud occurred are matters of public record, and even a cursory search would have revealed

that the Plaintiff's claims were groundless and unfounded.

Facts

14. Veracruz alleges without facts that the land acquired years before by Landowners was obtained with funds that were somehow acquired by Duarte. Though Veracruz fails to give sufficient facts as to how exactly they believe Landowners may have illicitly received funds or in any way been involved in the acquisition of these allegedly illicitly-received funds, they do plead sufficient facts that the alleged misconduct occurred while Duarte was Governor of Veracruz. Duarte did not take office until December of 2010.

15. However, a cursory glance at the Montgomery County appraisal district records and the Harris County appraisal district records would have shown the Plaintiff that Jose Mansur, an owner of Landowner corporations, purchased fourteen of the sixteen properties described by Plaintiff's Petition before Defendant Duarte took office. Further, it was Jose Mansur, Sr., not Jose Mansur, Jr., who purchased these properties in the first place. Twelve of these properties were purchased in 2009 and 2010. Two of the properties were bought earlier, one in 2006, and the other in 2008. Only two of the properties described in Plaintiff's Petition were purchased after Duarte took office, both in June of 2013, and both were purchased more than four years before this suit was filed.

Authorities

16. The statute of limitations prevents fraudulent and stale claims from being brought many years after the alleged causes of action accrue, memories have

faded, and documents have been destroyed. *Safeway Stores, Inc. v. Certainteed Corp.*, 701 S.W.2d 544, 546 (Tex. 1986). In Texas, the statute of limitations on conversion claims is two years. Tex. Civ. Prac. & Rem. Code §16.003. The statute of limitations for fraud claims is four years. Tex. Civ. Prac. & Rem. Code §16.004.

July 27, 2017.)

17. The signing of a pleading or motion as required by the Texas Rules of Civil Procedure constitutes a certificate by the signing lawyer that to the lawyer's best knowledge, information, and belief, formed after reasonable inquiry, each allegation or other factual contention in the pleading or motion has evidentiary support or, for a specifically identified allegation or factual contention, is likely to have evidentiary support after a reasonable opportunity for further investigation or discovery. Tex Civ. Prac. & Rem. Code §10.001(3). A court may award to a party prevailing on a motion under this section the reasonable expenses and attorney's fees incurred in presenting or opposing the motion, and if no due diligence is shown, the court may award to the prevailing party all costs for inconvenience, harassment, and out-of-pocket expenses incurred or caused by the subject litigation. Tex. Civ. Prac Rem. Code §10.002.

Argument

18. Texas law requires that a reasonable inquiry be made for any allegation made by a filed pleading against a defendant. In this case, it is obvious that no reasonable inquiry was made, or that it was intentionally ignored. Readily available and public information conclusively proves that Landowners owned fourteen of the

properties they are specifically accused of purchasing with illicit funds before Defendant Duarte was in position to carry out the alleged stealing of these funds. Plaintiff's allegation is therefore impossible with respect to these fourteen properties. The records proving this are available, publicly and obviously, on the Montgomery County Appraisal District website¹ and the Harris County Appraisal District website². Had Veracruz and its attorneys exercised even a modicum of diligence in a search for facts before making allegations against Landowners, then they would have discovered that the allegations they are making could not possibly be true. Moreover, Veracruz and its attorneys presumably did have such a search of public records done, finding the properties they describe in the Petition.

19. The information revealed by this most basic search would have informed the Plaintiff that all of these properties were acquired so long ago that not only is the claim impossible, the applicable statutes of limitation bar the claims of Veracruz. Defendant Landowners have been greatly inconvenienced and actually harmed by the frivolous and baseless claims made by Veracruz, and have been wrongfully required to hire attorneys to defend this claim. Defendant Landowners ask this Court to award Landowners their reasonable attorney's fees and costs incurred as a result of this action.

Request for Disclosure

20. Pursuant to Rule 194, Veracruz is requested to disclose, within thirty

¹ <http://mcad-tx.org/>

² <http://hcad.org/>

(30) days of service of this request, the information or material described in Rule 194.2.

Request for Production

21. Pursuant to Rule 196 of the Texas Rules of Civil Procedure, Veracruz is requested to produce an exact color copy, and supplement timely production of, the information or material listed below (together with response to any other discovery served in this case). Please provide a privilege log for any document or thing withheld on any claim of privilege.

This Request is intended to cover all requested documents and data in your possession or that of your attorney, or subject to the custody or control of either, wheresoever located or maintained.

Definitions

As used herein, the term “Veracruz” refers to the Free and Sovereign State of Veracruz De Ignacio De La Llave, including any of its agents, employees, officials, or other representatives.

As used herein, the term “you” or “your” refers to the party to whom this request is addressed, as well as your directors, officers, employees, agents, representatives, and attorneys.

As used herein, the term “document” embraces and includes, without limitation, the original (or when the original is not in your possession, custody or control, a carbon, Xerox, photographic, or other identical copy thereof) of the following items, whether printed or recorded or reproduced by any mechanical, electrical, electronic or photographic process or means, or written or produced by hand, and each copy of the original that includes any attachment, notes, markings or addenda not contained in or on the original, to-wit: agreements, communications, contracts, correspondence, telegrams, memoranda, summaries or records of telephone conversations or interviews, diaries, graphs, reports, notebooks, charts, plans, drawings, summaries or records of meetings or conferences, summaries or reports of investigations, research or negotiations, opinions or reports of consultants, photographs, circulars,

pamphlets, brochures, drafts, letters, any marginal comments or notations appearing on any documents, and all other writings specifically described hereinafter, and all other documentary material of any nature whatsoever.

1. Copies of any non-privileged correspondence, including but not limited to letters, reports, email, faxes, text messages, or instant messages between Veracruz and any other entity regarding the alleged misconduct by Landowners.
2. Copies of any non-privileged correspondence, including but not limited to letters, reports, email, faxes, text messages, or instant messages between agents, employees, officials or other representatives of Veracruz regarding the alleged misconduct by Landowners.
3. Any witness statements, whether in writing or recorded, that you rely on or plan on using as evidence in this lawsuit.
4. Any documents evidencing Defendant Jose A. Mansur's "close ties" to Javier Duarte.
5. Any documents evidencing that the funds used to purchase 59 E. Montfair Blvd., 114 W. Montfair Blvd., 133 E. Montfair Blvd., 90 Montfair Blvd., 129 E. Montfair Blvd., 79 Chipwyck Way, 82 W. Montfair Blvd., 113 E. Montfair Blvd., 47 E. Montfair Blvd., 42 Whetstone Ridge, 137 E. Montfair Blvd., 110 E. Montfair Blvd., 10 Sweetgum Ln., 2 Heather Bank Place, 13139 North Freeway or Northland Indian Hills Drill Site #4 were stolen from Veracruz.
6. Any documents supporting your allegation of conspiracy between Javier Duarte De Ochoa and Defendant Mansur or Landowners.
7. Any documents supporting your allegation that Defendant Mansur or Landowners stole money from the state of Veracruz.
8. Any documents supporting your allegation that Defendant Mansur or Landowners engaged in constructive fraud in obtaining funds from the state of Veracruz.
9. Any documents supporting your allegation that Defendant Mansur or Landowners stole from Veracruz or conspired to do so.
10. Any documents supporting your allegation that Defendant Mansur or Landowners embezzled from Veracruz or conspired to do so.

11. Any documents supporting your allegation that Defendant Mansur or Landowners committed fraud on Veracruz or conspired to do so.
12. Any documents supporting your allegation that Defendant Mansur or Landowners conspired to wrongfully move money from the State of Veracruz to the United States.
13. Any documents supporting your allegation that Defendant Mansur or Landowners planned or assisted in any conspiracy against Veracruz that resulted in the damages complained of by Plaintiff in this case.
14. Any documents supporting your allegation that Defendant Mansur or Landowners unlawfully appropriated any property belonging to the State of Veracruz.
15. Any documents supporting your claim that any of the properties described in Plaintiff's Petition were acquired with any money belonging to the state of Veracruz.

Prayer

WHEREFORE, PREMISES CONSIDERED, Defendants M1 Woodlands, LLC, M1 Village, LLC, and Texas Southman, Inc. pray that Veracruz be required to amend its pleadings in compliance with the Special Exceptions set forth herein, that a take-nothing judgment be entered against Veracruz, that sanctions be imposed against Veracruz for their frivolous filing of this lawsuit, that Landowners be awarded their attorney's fees, costs of court, and other relief to which they be entitled.

Respectfully submitted,



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**ATTORNEYS FOR
M1 WOODLANDS, LLC,
M1 VILLAGE, LLC, AND
TEXAS SOUTHMAN, INC.**

CERTIFICATE OF SERVICE

I certify that on the 13th day of May, 2018, a true and correct copy of Defendants' Original Answer, Special Exceptions, Motion for Sanctions, Request for Disclosure and Request for Production was served by certified mail, return receipt requested, hand delivery, e-service and/or facsimile to the following:

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ROBERT L. COLLINS

CAUSE NO. 2018-06526

**FREE AND SOVEREIGN STATE
OF VERA CRUZ DE IGNACIO DE
LA LLAVE,
Plaintiffs**

VS.

**JOSE A. MANSUR, JR., M1
WOODLANDS, LLC, M1 VILLAGE,
LLC, TEXAS SOUTHMAN, INC.
AND JAVIER DUARTE DE
OCHOA,
Defendants**

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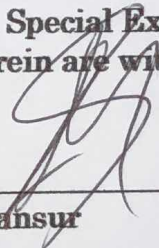
IN THE DISTRICT COURT

HARRIS COUNTY, TEXAS

190TH JUDICIAL DISTRICT

VERIFICATION

On this day, Chara Mansur appeared before me, the undersigned notary public, and, after being by me first duly sworn, stated that he is an officer of M1 Woodlands, LLC, M1 Village, LLC, and Texas Southman, Inc., and has read the foregoing Answer including the General Denial, Special Exceptions, and Affirmative Defenses, and the factual allegations stated therein are within his personal knowledge and are True and Correct



Chara Mansur

SUBSCRIBED AND SWORN To before me on this 12 day of May, 2018.



NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



Unofficial Copy Office of Daniel District Clerk