

CAUSE NO. 2018-06526

FREE AND SOVEREIGN STATE OF
VERACRUZ DE IGNACIO DE LA LLAVE
Plaintiff,

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 OF

190th JUDICIAL DISTRICT

HARRIS COUNTY, TEXAS

JURY TRIAL DEMANDED

PLAINTIFF'S SECOND AMENDED PETITION

TO THIS HONORABLE COURT:

Plaintiff, the Free and Sovereign State of Veracruz De Ignacio De La Llave ("Veracruz"), files this Original Petition against Defendants Jose A. Mansur, Jr., Moises Mansur, Javier Duarte, M1 Woodlands, LLC, M1 Village, LLC, and Texas Southman, Inc. and respectfully shows this Honorable Court the following:

Summary of this Case

Javier Duarte De Ochoa was the governor of the Mexican state of Veracruz from 2010 until 2016. Prior to his tenure as governor, Mr. Duarte was a congressman representing Veracruz in the Mexican Congress. The corruption in Gov. Duarte's administration, and during his time as a congressman, reached dizzying heights. Mr. Duarte orchestrated a scheme in which hundreds of millions of dollars earmarked for social programs were diverted to an elaborate network of phantom companies – among other misdeeds. Indeed, he is alleged to have absconded with nearly \$3 billion of his state's money. This global conspiracy was centered here in Houston, Texas. The money moved north to Houston and then was used to make investments and purchase luxury homes and cars all over the United States. Some of the money went offshore.

As the allegations against him grew, Mr. Duarte eventually fled Veracruz, and then Mexico. Mr. Duarte was later indicted, and then arrested in Guatemala as a fugitive. He was ultimately extradited to Mexico, where he is currently jailed.

The money stolen by Duarte rightfully belong to the people of the State of Veracruz. The State thus files this and other actions in an effort to recoup those funds stolen by Duarte and those acting in concert with him. Veracruz also seeks to recover assets purchased with such stolen funds.

Each of the Defendants named conspired with Javier Duarte to steal government funds from the State of Veracruz. Defendant Jose A. Mansur, Jr., has very close ties to Javier Duarte, and served as his Secretary of Finance. Moises Mansur is in the middle of extradition efforts to get him back to Mexico to answer for these crimes. Defendant Mansur manages and controls the corporate defendants listed in this case. The properties listed *in rem* are just a few of the hundreds purchased with stolen funds all across the United States and the world.

I.
Discovery Control Plan

Plaintiff intends to conduct discovery under Level 2.

II.
Parties

Plaintiff Veracruz is a foreign state entity of Mexico.

Defendant M1 Woodlands, LLC, is a domestic limited liability company residing in Texas. This company can be served via personal service via its registered agent, Jose A. Mansur, Jr., at 2 Heather Bank Place, Spring, Texas 77382.

Defendant M1 Village, LLC, is a domestic limited liability company residing in Texas. This company can be served via personal service via its registered agent, Jose A. Mansur, Jr., at 2 Heather Bank Place, Spring, Texas 77382.

Defendant Texas Southman, Inc. is a domestic corporation residing in Texas. This company can be served via personal service via its registered agent, Jose A. Mansur, at 38 N. Arrow Canyon Circle, The Woodlands, Texas 77389.

Defendant Javier Duarte is a foreign individual that will be served via the Hague Convention. He is currently jailed in Veracruz.

Defendant Jose A. Mansur, Jr. is an individual residing in Texas. He may be served with personal service at 2 Heather Bank Place, Spring, Texas 77382, or wherever he may be found.

Defendant Moises Mansur, is an individual residing in Texas. He may be served with personal service at 2 Heather Bank Place, Spring, Texas 77382, or wherever he may be found.

In Rem Parties

Plaintiff makes claims against the following properties *in rem*.

59 E. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

114 W. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

133 E. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

90 Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

129 E. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

79 Chipwyck Way is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

82 W. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

113 E. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

47 E. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

42 Whetstone Ridge Ct. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

137 E. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

110 E. Montfair Blvd. is a property in The Woodlands, Texas; its record owner is Defendant M1 Woodlands, LLC. The funds used to purchase this property were stolen from Veracruz.

10 Sweetgum, Ln. is a property in Magnolia, Texas; its record owner is Defendant M1 Village, LLC. The funds used to purchase this property were stolen from Veracruz.

Northland Indian Hills Drill Site #4, Acres 4.000, is a property in Montgomery County; its record owner is M1 Village, LLC. The funds used to purchase this property were stolen from Veracruz.

2 Heather Bank Place, Spring, Texas 77382 is a property in Spring, Texas; its record owner is Jose A. Mansur, Jr. The funds used to purchase this property were stolen from Veracruz.

13139 North Freeway, Houston, Texas 77060 is a property in Harris County; its record owner is Texas Southman, Inc. The funds used to purchase this property were stolen from Veracruz.

III.
Venue and Jurisdiction

Plaintiff seeks damages in excess of \$75,000.00, exclusive of interest and costs; however, federal courts lack subject matter over this action, as there is no federal question and there is incomplete diversity of citizenship due to the presence of a defendant who is a resident and citizen of Texas. Removal would thus be improper. No party is asserting any claims arising under the Constitution, treaties, or laws of the United States. Venue is proper in this County as at least one Defendant maintains a principal office here and most of the properties involved are here.

IV.
Causes of Action

Conversion – All Defendants

Plaintiff incorporates the preceding paragraphs of this Petition as if set forth fully below.

Plaintiff owned, possessed, and had the right to the funds that were stolen by Javier Duarte and his network, including Jose Mansur and Moises Mansur, to invest into the above referenced assets. These funds were the property of State of Veracruz. Defendants are currently wrongfully exercising control over this property.

Plaintiff has suffered injury because of these actions.

Theft Liability Act – All Defendants

Plaintiff incorporates the preceding paragraphs of this Petition as if set forth fully below.

Defendant Duarte unlawfully appropriated property with the intent to deprive the owner of this property. In this case, the property belonged to the State of Veracruz. Currently, this property is owned or controlled by Defendants.

Constructive Trust – All Defendants

Plaintiff incorporates the preceding paragraphs of this Petition as if set forth fully below.

Plaintiff seeks a constructive trust over Mr. Duarte and his associates' interest in the subject properties – this is to include Mr. Mansur, Moises Mansur, and each of the corporate Defendants listed. Mr. Duarte, Jose Mansur, and Moises Mansur and their associates conspired together and looted government coffers and engaged in other graft that stole money from the State of Veracruz. Mr. Duarte and his associates took those funds and invested into the above referenced assets, among other things. Mr. Duarte had a fiduciary relationship with the State of Veracruz. More importantly, Mr. Duarte and his associates committed both actual and constructive fraud in obtaining these funds. These funds were then used to invest in properties in Texas.

Civil Conspiracy – All Defendants

Plaintiffs would show that Duarte, together with Jose A. Mansur and the other Defendants, conspired with Duarte and his associates to steal and embezzle, and to commit fraud on Plaintiff. The purpose of the conspiracy was move as much money as possible from the State of Veracruz to the United States for the benefit of Mr. Duarte and his family. Duarte and Mansur had a meeting of the minds on this objective and, as shown in detail above, together, made one or more unlawful and overt acts towards this objective. As a result, Plaintiff suffered damages. Plaintiff also seeks punitive damages.

Joint and Several Liability – All Defendants

Duarte and the other defendants are joint and severally liable for all acts of Duarte and his associates, including Jose Mansur and Moises Mansur, the conspirators as referenced above. Duarte and the other defendants planned and assisted in this conspiracy, and, as such, they are jointly and severally liable for all acts done by any member of the conspiracy in furtherance of such.

Texas Penal Code 31.03(e)(7) – All Defendants

The previous paragraphs are incorporated herein. Defendants, including Jose Mansur and Moises Mansur, unlawfully appropriated property with intent to deprive the owner, the State of Veracruz, of its property. Defendants did not have the effective consent of the State of Veracruz. Additionally, the property at issue is stolen and the various actors appropriated the property knowing it was stolen by another.

**V.
Damages**

As a direct and proximate result of the foregoing events, Veracruz suffered damages in the form of stolen funds, all for which Plaintiff seeks recovery herein.

VI.
Exemplary Damages

Plaintiff seeks to recover exemplary damages against all Defendants based on their criminal conduct and resulting injuries and damages made the basis of this suit. Any caps or limits on punitive damages should not be applied because Defendants' conduct and violations of the Penal Code, including 31.03, disqualifies them from the benefit of any caps.

VII.
Demand for Jury

Plaintiff demands a jury trial and has tendered the appropriate fee.

VIII.
Requests for Disclosure

Pursuant to Tex. R. Civ. P. 194, Plaintiff requests that each Defendant disclose within fifty (50) days of service of this Request for Disclosure, the information and/or material described in Rule 194.2.

IX.
Prayer

For these reasons, Plaintiff asks that Defendants be cited to appear and answer, and that they have judgment against Defendants for the following:

- a. Actual damages within the jurisdictional limits of this Court, but no less than \$25,000,000;
- b. Exemplary damages;
- c. Court costs;
- d. Pre and post judgment interest; and
- e. All other relief to which the Plaintiff is justly entitled.

Respectfully submitted,

THE BUZBEE LAW FIRM

By: /s/ Anthony G. Buzbee

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ATTORNEYS FOR PLAINTIFF

Unofficial Copy Office of Chris Daniel DeBorja Clerk

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this document has been duly served on all known counsel of record and pro se parties in accordance with the Texas Rules of Civil Procedure on June 25, 2018, as set forth below:

Via E-filing

Dennis Sanchez

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/s/ Christopher J. Leavitt

Christopher J. Leavitt

Unofficial Copy Office of Chris Daniel District Clerk