

CAUSE NO: 2016-59114

PAULA FORSHEE, PMF SOLUTIONS, LLC,
CATALYST SOLUTIONS, LLC,

Plaintiffs,

v.

PHILIP LEUNG, PREMIER CAPITAL
LIMITED, GUIDA INTERNATIONAL,
OVERSEAS ASSET MANAGEMENT, LLC,
THE REAL ESTATE PEOPLE,
MISTY LUCAS, IMAGINE CONSULTING,
CURTIS R. LUCAS,

Defendants.

OAKWOOD GARDENS CONDOMINIUM
ASSOCIATION, INC., AND ASBURY PARK
CONDOMINIUM ASSOCIATION, INC.,

Intervenors,

v.

PAULA FORSHEE and CATALYST
SOLUTIONS, LLC,

Third Party Defendants.

IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

295th JUDICIAL DISTRICT

**PLAINTIFFS' FIRST AMENDED PETITION AND APPLICATION FOR
PRELIMINARY AND PERMANENT INJUNCTION**

COME NOW, PAULA FORSHEE (“Forshee”), PMF SOLUTIONS, LLC (“PMF”), and CATALYST SOLUTIONS, LLC (“Catalyst”)(hereinafter collectively “Plaintiffs”) in the above-styled and numbered cause, complaining of PHILIP LEUNG, PREMIER CAPITAL LIMITED, GUIDA INTERNATIONAL, OVERSEAS ASSET MANAGEMENT, LLC, THE REAL ESTATE PEOPLE, MISTY LUCAS, IMAGINE CONSULTANTS, CURTIS R. LUCAS, (hereinafter collectively “Defendants”), and asserting Cross-claims against Oakwood Gardens

Condominium Association, Inc., and Asbury Park Condominium Association, Inc., and for cause of action would show the Court and Jury as follows:

I.
DISCOVERY CONTROL PLAN

1. Plaintiffs intend to conduct discovery under Level 3 of Texas Rule of Civil Procedure 190.4.

II.
PARTIES

2. Plaintiff Paula Forshee is a resident of Houston, Harris County, Texas.

3. Plaintiff PMF Solutions, LLC, is a Texas Limited liability company with its principal place of business in Houston, Harris County, Texas.

4. Plaintiff Catalyst Solutions, LLC, is a Texas Limited liability company with its principal place of business in Houston, Harris County, Texas.

5. Defendant, Philip Leung, is a resident of Sheung Wan, Hong Kong. Philip Leung has appeared herein.

6. Defendant, PREMIER CAPITAL LIMITED, is a Limited Liability Company, based in Sheung Wan, Hong Kong and U.S. office in Winterhaven, Florida, Polk County. Premier Capital Limited can be served through the Texas Secretary of State's office.

7. Defendant, GUIDA INTERNATIONAL, is a Company, based in Sheung Wan, Hong Kong. Guida International can be served through the Texas Secretary of State's office.

8. Defendant Overseas Asset Management is a Limited Liability Company, an addressed of Winterhaven, Polk County Florida. Overseas Asset Manager, LLC, can be served through the Texas Secretary of State's office.

9. Defendant, Misty Lucas is a resident of Houston, Harris County, Texas. Misty

Lucas can be served at her home or at the offices of The Real Estate People, LLC, 2575 S. Dairy Ashford Ste. L, Houston, TX 77077.

10. Defendant, The Real Estate People, LLC, is a limited liability company with its principal place of business at 2575 S. Dairy Ashford Ste. L, Houston, TX 77077. It can be served through its registered agent for service of process, Misty Lucas, at 2575 S. Dairy Ashford Ste. L, Houston, TX 77077.

11. Defendant, Curtis R. Lucas is a resident of Houston, Harris County, Texas. Curtis R. Lucas can be served at his home or at the offices of Imagine Consulting at 5161 San Felipe Street, Suite 320-1045, Houston, Harris County, Texas.

12. Defendant Imagine Consulting is, on information and belief, a sole proprietorship operated by Curtis R. Lucas. Its principal place of business is at 5161 San Felipe Street, Suite 320-1045, Houston, Harris County, Texas. Image Consulting has appeared herein.

13. Intervenor and Cross-Defendant Oakwood Gardens Condominium Association, Inc., is a Texas corporation with its principal place of business at 5625 Antoine Drive, Houston, Texas 77091.

14. Intervenor and Cross-Defendant Asbury Park Condominium Association, Inc., is a Texas Corporation with its principal place of business at 6200 W. Tidwell Drive, Houston, Texas 77091.

III. **JURISDICTION**

15. This Court has subject matter jurisdiction over this lawsuit because the amount in controversy is within this Court's jurisdictional requirements. Plaintiffs seek monetary relief over \$250,000 in accordance with Rule 47 of the Texas Rules of Civil Procedure.

16. This Court has personal jurisdiction over all of the Defendants because they are

Texas residents, have continuous and systematic contacts with the State of Texas and have submitted to the jurisdiction of this Court, and/or because they committed torts within the State of Texas.

IV.
VENUE

17. Venue for this suit is proper in Harris County under Civil Practice & Remedies Code §15.002 and §15.005 because all or a substantial part of the events or omissions giving rise to the claims herein occurred in Harris County, Texas.

V.
FACTS

18. Plaintiff Forshee owns and operate a successful property management company, Catalyst Property Solutions, which had a substantial portfolio of properties and a reputation for providing quality management services, due to Forshee's skill, expertise and experience in the property management industry. Defendants Philip Leung ("Leung"), Premier Capital Limited ("Premier"), Guida International ("Guida") seek to solicit investors to purchase real estate. Defendant Overseas Asset Management, LLC ("OAM") serves as a property and asset management company for Premier's activity in the United States. The Real Estate People, LLC ("TREP") is a property management and real estate brokerage business. Defendant, Misty Lucas ("Ms. Lucas") is a licensed real estate broker and property manager. Defendants Curtis Lucas ("Mr. Lucas") and Image Consulting ("IC") have purported to be auditors and work with Ms. Lucas and TREP.

19. Defendants Leung, Premier and OAM executed management agreements with Catalyst Solutions for Catalyst to manage assets owned by Premier, its affiliates and its clients. Defendants alleged that they had authorization through Powers of Attorney or Management

agreements to engage Catalyst on behalf of their clients.

20. Defendants Leung, Premier, OAM promised Plaintiff that they would also assign other management agreements to Plaintiff and would thereby expand Plaintiff's business in Florida, Atlanta and Houston and that Plaintiff would take on the management responsibilities of Defendant's future property management needs, thereby working together to serve numerous mutual clients.

21. Defendants Leung, Premier, OAM promised Plaintiff that Defendant Premier would cover all net operating losses incurred by Plaintiffs as a result of taking over and cleaning up the poor management of OAM as quickly as possible. Defendants explained that OAM was losing money from this business venture and needed immediate take over.

22. Cross-Defendants Asbury Park Condominium Association, Inc. ("Asbury") and Oakwood Gardens Condominium Association, Inc. ("Oakwood") have maligned Paula Forshee and Catalyst Solutions and have breached their management agreements with Catalyst. They have also tortiously interfered with Catalyst's contracts with the property owners.

VI. **CAUSES OF ACTION**

A. Fraud

23. Defendants Premier, Leung, Guida and OAM misrepresented the truths to Plaintiffs and Plaintiffs' clients. As a result Plaintiffs' clients cannot afford to pay Plaintiffs for the management services nor for loans Plaintiffs extended to their clients. These misrepresentations include:

- a. Overstating through altered photographs and brochures the conditions of the properties their clients purchased;
- b. that the properties were in good condition;
- c. that the properties would produce acceptable return;
- d. that the properties were a good value to investors;

- e. that the properties were achieving higher rental rates than the properties were actually achieving and in many cases higher than the market would allow;
- f. that operating expenses for the properties were lower than actual numbers;
- g. that the condominium associations could operate on suppressed assessments;
- h. that the properties' market value approximated the sale price to the Chinese client;
- i. Defendants Premier, Leung, Guida, are have requested Plaintiff's submit Plaintiff's client, Ms. Tung documents to Defendants Premier, Leung, Guida claiming to be at the request of Ms. Tung. Whereas, in fact, Plaintiff's client, Ms. Tung had no knowledge of this request and was offended by the misrepresentation.
- j. Premier, Leung, IC and Mr. Lucas executed and attempted to deliver a fraudulent Power of Attorney with the intent to illegally access the books and records of Plaintiffs and Plaintiffs' clients.

24. In addition to the above affirmative misrepresentations, Defendants failed to disclose numerous facts to Plaintiffs and the Chinese clients that Defendants had a duty to disclose, including:

- a. that no reserves were in place for the condominium associations;
- b. that there were unpaid bills with the condominium associations at time of the Chinese clients' purchase;
- c. that the properties were plagued with deferred maintenance;
- d. that there was a high incident of crime in the areas at issue;
- e. that the properties were saddled with mounting debts from unpaid vendors;
- f. that Defendants Premier, Leung, Guida and/or OAG were being paid fees by the sellers of the houses as well as from the Chinese buyers;
- g. that the homes were being sold to the Chinese buyers at prices as high as three times their actual value;
- h. that Defendants' partner, Sterling, had purchased the properties for a fraction of what it marketed the properties to the Chinese buyers for;
- i. that Catalyst would lose money by managing the properties due to the lack of additional capital from the Chinese clients to improve and/or maintain the properties.

25. Plaintiffs relied on Defendants representations. Plaintiffs would not have agreed to manage the properties at issue, at the rates they agreed to, had they known of Defendants' fraudulent scheme. Plaintiffs were damaged by Defendants' fraud on their Chinese clients.

26. Plaintiffs suffered damages from Defendants frauds, for which they now sue. In

addition to Plaintiffs' significant financial losses from the above frauds, Plaintiffs seek exemplary damages as a result of Defendants fraudulent and malicious conduct.

B. Breach of Contract

27. Defendants Leung, Premier and OAM executed management agreements with Catalyst Solutions to manage assets owned by Premier, its affiliates and its clients.

28. Defendants Leung, Premier, OAM promised Plaintiff that they would also assign other management agreements to Plaintiff and would thereby expand Plaintiffs' business in Florida, Atlanta and Houston and that Plaintiff would take on the management responsibilities of Defendants' future property management needs, thereby work together to server mutual clients

29. Defendants Leung, Premier, OAM promised Plaintiffs that, Defendant Premier would cover all net operating losses incurred by Plaintiffs as a result of taking over and cleaning up the poor management of OAM as quickly as possible. Defendants explained that OAM was losing money from this business venture and needed immediate take over.

30. Defendants Leung, Premier, OAM did not deliver to Plaintiffs' additional contracts while Plaintiffs incurred additional overhead expense to ramp up for growth provided in Defendants' promises.

31. Defendants Leung, Premier, OAM did not reimburse Plaintiffs for their losses.

32. On August 26, 2016, Defendants Leung, Premier, OAM sought to terminate existing contracts with Plaintiffs. This is a direct breach of the written and verbal agreements that caused Plaintiffs damages.

33. Plaintiff Paula Forshee and Defendants Leung and Premier and OAM entered into a valid and enforceable oral contract to grow Plaintiff's business. The oral partnership was evidenced and effectuated by a written agreements, including the sub-management contracts

between Plaintiff's and OAM. .

34. Plaintiffs performed their portion of the oral (and written) contracts, and all conditions precedent have been met. Defendants Premier, Philip and OAM breached the oral contract by, among other acts, failing to reimburse Plaintiff's for its expenses, by failing to deliver other management opportunities to Plaintiff by sabotaging Plaintiff to its clients and by terminating its management contract with Plaintiffs'.

35. Plaintiffs/Cross-Plaintiffs assert that Intervenors Oakwood and Asbury have breached their management contracts with Plaintiffs.

36. Plaintiffs have been damaged by Defendants' conduct.

37. For Defendants' breach of contracts with Plaintiffs, Plaintiffs seek their actual damages and attorneys' fees.

C. Defamation and Business Disparagement

38. Defendants Premier, Leung, TREP, and Ms. Lucas have acted in concert to defame and disparage Plaintiffs.

39. Those Defendants have told Plaintiffs' clients that Plaintiffs have created "fake" invoices for Plaintiffs' clients to pay.

40. Defendants Leung, Premier, Guida, TREP, Ms. Lucas, OAM, Mr. Lucas, and IC have disparaged Plaintiff's business by making false accusations of theft, poor management, mishandling of funds, conflicts of interest, property value decline, and enticing criminal activity on properties Plaintiff managed for its clients.

41. Defendants Leung, Premier, Guida, TREP, and Ms. Lucas have sabotaged Plaintiff's business with accusations of dishonesty in Plaintiff's business dealings.

42. With respect to Plaintiff Paula Forshee, these actions constitute slander and libel

per se.

43. Defendants Premier, Leung, Guida, TREP, Ms. Lucas, Mr. Lucas and IC have sabotaged the relationship between Plaintiff and its clients and disparaged the good reputation of Catalyst through a series of lies and bad faith actions.

44. Defendants Ms. Lucas and TREP have disparaged Plaintiffs to Plaintiffs' residents by stating that Plaintiffs are poor managers.

45. Defendants TREP and Ms. Lucas have falsely alleged to Plaintiffs' clients that Plaintiff has collected and retained its client's funds.

46. Defendants Premier, Leung, Guida, TREP and Ms. Lucas have told Plaintiffs' clients that Plaintiffs caused the deterioration of the properties and common areas held in associations that Plaintiffs manage for the association under the direction of the elected Board of Directors.

47. Plaintiffs/Cross-Plaintiffs assert that Intervenors Oakwood and Asbury have made similar misrepresentations about Plaintiffs.

48. Defendants are liable to Plaintiffs for business disparagement because (1) they published false and disparaging information about Plaintiffs, (2) with malice, (3) without privilege, and (4) that resulted in special damages to the plaintiffs. Defendants knew of the falsity or acted with reckless disregard concerning it, or acted with ill will or intended to interfere in the economic interest of the plaintiff in an unprivileged fashion.

49. Plaintiffs have been damaged by Defendants' libel, slander, and business disparagement. Plaintiffs seek to recover their actual damages, as well as exemplary damages for Defendants' intentional malicious conduct.

D. Tortious Interference with Contract

50. Defendants Leung, Premier, Guida, TREP, and Ms. Lucas have been sabotaging Plaintiffs' business by soliciting Plaintiffs' clients, defaming Plaintiffs with the intent to transfer the business to Defendants TREP and Ms. Lucas.

51. Defendants Leung, Premier, Guida, have induced Plaintiffs' clients not to fund their accounts with Plaintiffs including accounts that Plaintiffs have extended loans for the benefit of Plaintiffs' clients.

52. Defendants Leung, Premier, Guida, TREP, and Ms. Lucas coerced and/or induced some of Plaintiffs' clients to transfer Plaintiffs' business to Defendants TREP and Ms. Lucas.

53. It has been reported to Plaintiffs by some of its clients that Defendants Premier and Leung have called and emailed Plaintiffs' clients, making false statements about Plaintiffs and inducing Plaintiffs' clients to terminate their management contracts with Plaintiffs and to enroll in management contracts with TREP instead.

54. Defendants Premier, Leung, Guida, have assisted Defendants TREP and Ms. Lucas with executing new management agreements between Plaintiffs' clients and Defendants TREP.

55. Defendants Premier, Leung, Guida, have assisted Defendants TREP and Ms. Lucas with soliciting sales listing agreements and recommending Plaintiffs' clients sell their properties for an undisclosed amount without Plaintiff's knowledge.

56. Defendants Premier, Leung, Guida, have assisted Defendants TREP and Ms. Lucas with contacting Plaintiffs' residents and interviewed Plaintiffs' residents in an effort to interfere with the leases between Plaintiffs' clients and Plaintiffs' tenants.

57. Defendants acted in concert to threaten to sabotage Plaintiffs' business if Plaintiff did not immediately hand over to Defendants Mr. Lucas and IC Plaintiffs' records and Plaintiffs'

client's financial records.

58. Defendants Mr. Lucas and IC, serving as Defendants' Premier and Leung's representatives, threatened Plaintiff with filing certain false legal claims and criminal claims alleging that Mr. Lucas and IC are authorities in this matter if Plaintiff did not immediately surrender access to Plaintiffs' records and Plaintiffs' clients' books and records.

59. Defendants Mr. Lucas and IC, serving as Defendants' Premier and Leung's representatives, threatened Plaintiffs staff physically in a loud demanding demeanor in a direct face to face and chest-to-chest threatening challenge.

60. The violent, harassing, and threatening actions of Defendants Mr. Lucas and IC were part of a scheme by all Defendants to tortiously interfere with Plaintiffs' contracts with its clients.

61. Plaintiffs have since learned that Mr. Lucas is a felon who was initially sentenced to two years in prison for assault of a police officer and resisting arrest.

62. On August 30, 2016, Premier purported to terminate the Property Management Agreement between Plaintiff and Plaintiffs' client, Ms Zhi. Ms. Zhi did not authorize Premier to terminate Plaintiffs' contract.

63. Defendants Premier, Leung, Guida, TREP and Ms. Lucas have advised Plaintiffs' clients to surrender to Defendants Premier and Leung, TREP and Ms. Lucas a Power of Attorney with the intent to collect enough Power of Attorneys, to overturn the Board of Directors authority and thereby terminate Plaintiffs' contracts with certain condominium associations.

64. Plaintiffs/Cross-Plaintiffs assert that Intervenors Oakwood and Asbury have participated in and/or aided and abetted the above scheme. Plaintiffs further assert that Oakwood and Asbury have directly tortiously interfered with Catalyst's management contracts by

suggesting to property owners that they terminate their contracts with Plaintiffs.

65. Defendants have thus engaged in a scheme designed to induce Plaintiffs' clients to terminate and/or breach their contracts with Plaintiffs.

66. Plaintiffs have been damaged by the clients who have already purported to terminate their contracts, and will be damaged if more clients are induced to terminate.

67. Plaintiffs seek to recover their actual damages. Plaintiffs also seek exemplary damages for Defendants intentional and malicious conduct.

VII. **INJUNCTIVE RELIEF**

A. Application for Preliminary and Permanent Injunction

68. Defendants Leung, Premier, Guida, TREP, Ms. Lucas, Mr. Lucas and IC have tortiously interfered with Plaintiffs' business and contractual relations and defamed Plaintiffs. Because there is a threat of imminent harm and a lack of adequate remedy at law, Plaintiffs require injunctive relief.

69. Harm has occurred from the actions taken by Defendants Leung, Premier, Guida, OAM, TREP, Ms. Lucas, Mr. Lucas and IC as described above. Further harm will result if Defendants are allowed to continue their actions.

70. Plaintiffs lack an adequate remedy at law to repair the irreparable injury caused by the wrongful actions of Defendants. Although Plaintiffs will be able to quantify and recover some of the damages caused by their actions, much of the damage done is reputational, or is otherwise not subject to calculation.

71. Defendants have no legal right to interfere with Plaintiffs' management of the properties at issue or access records of Plaintiff's clients.

72. Plaintiffs therefore request that the Court enter a Preliminary and Permanent Injunction, ordering Defendants to desist and refrain from:

- a) Interfering in any way with Catalyst Solutions, LLC's operation of its business;
- b) Making disparaging remarks claims or comments against Plaintiffs or Plaintiffs' staff;
- c) Threatening in any way Plaintiffs' staff, clients or vendors;
- d) Taking possession of properties managed by Catalyst;
- e) From soliciting Plaintiffs' clients to sell their properties;
- f) From soliciting tenants residing on a property managed by Plaintiffs;
- g) From selling any property Plaintiffs manage without giving Plaintiffs ten (10) days' notice;

VIII. **DAMAGES**

73. As a proximate result of Defendants' breaches of contract and tortious activity, Plaintiffs have been harmed and have incurred, actual, special, consequential and restitution damages, as well as punitive damages, in an amount to be determined by the jury. Plaintiffs seek damages in an amount greater than \$250,000.00, and no more than \$2,000,000.00. Plaintiffs seek exemplary damages for Defendants' intentional torts.

74. Plaintiffs further plead for all costs and attorney's fees allowed by law.

Prayer


For the reasons stated above, Plaintiffs ask the Court to issue citations for Defendants to appear and answer, and that Plaintiffs be awarded a Preliminary and Permanent Injunction, as well as a judgment against Defendants for the following:

- a. all actual, consequential and special damages allowed by law;
- b. exemplary damages;
- c. attorney's fees and expenses;

- d. pre-judgment and post judgment interest at the maximum rate allowed by law;
- e. costs of court; and
- f. such other relief to which Plaintiffs may be justly entitled.

Respectfully submitted,

SCHMIDT LAW FIRM, PLLC

By: 

C. Thomas Schmidt
State Bar No. 00797386
7880 San Felipe, Suite 210
Houston, Texas 77063
firm@schmidtfirm.com
713-568-4898 telephone
815-301-9000 facsimile

ATTORNEYS FOR PLAINTIFFS