

Cause No.: DC-24-19043

1812 Enterprises, LLC	§	State of Texas
-Plaintiff	§	
	§	
vs.	§	298th Judicial District Court
	§	
Great Investments, LLC, and	§	
Eric Crutchfield	§	Dallas County
-Defendants	§	

Original Petition for Declaratory Judgment and Damages

Plaintiff, 1812 Enterprises, LLC, complaining of Defendants, Great Investments, LLC, and Eric Crutchfield, respectfully states the following.

I. Parties

Plaintiff, 1812 Enterprises, LLC (“Plaintiff” or “Buyer”), is a limited liability company organized under the laws of Delaware, and is licensed to undertake business in Texas.

Defendant, Great Investments, LLC (“Great Investments” or “Seller”), is a limited liability company organized under the laws of Texas or some other state. Great Investments may be served with process through its agent for service of process: Eric Crutchfield, 6929 Lockhead Avenue, Dallas, Texas 75209.

Defendant, Eric Crutchfield (“Mr. Crutchfield”), is an individual over the age of majority and is domiciled in Dallas County, Texas. Mr. Crutchfield may be served at his residence: 6929 Lockhead Avenue, Dallas, Texas 75209.

Defendants, Great Investments and Mr. Crutchfield, may be collectively referred to as “Defendants.”

II. Jurisdiction and Venue

This Honorable Court has jurisdiction over Plaintiff's claims inasmuch as they exceed the minimum jurisdiction of the Court. Venue is appropriate in this Court inasmuch as the causes of action accrued in Dallas County, Texas, and the Defendants are located in Dallas County, Texas, and the real property at issue is located in Dallas County, Texas.

III. Discovery Level: 3

Discovery shall occur under Level 3, Texas Rule of Civil Procedure 190.4.

IV. Claims for Relief

Plaintiff seek monetary relief in excess of \$2 million, in addition to non-monetary relief, equitable relief, pre-judgment and post-judgment interest, and attorney fees.

V. Factual Background

1. In July 2024, Plaintiff's predecessor, 3HU Estate Trust and/or assigns, agreed to purchase the real property located at 6838 Chevy Chase ("Property") from Defendants for \$2,717,500.00, with an agreement (set out in Exhibit A) for Defendants to undertake specified improvements.
2. Defendants did not disclose that the Property had numerous deficiencies, including violations of building codes, deficiencies about which Defendants knew, or should have known.
3. As part of the consideration for the New Home Contract, and to induce Plaintiff to purchase the Property, Defendants had agreed to perform the work specified in Exhibit A to the Contract. Exhibit A listed significant work to be completed prior to the closing date, with more work to be completed within 14 days of the closing date. The closing date was originally July 12, 2024, and was extended to July 18, 2024. Defendants had completed very

little work by the July 18, 2024, closing date. Defendants promised to Plaintiff that “Everything will be completed by the end of weekend” which would have been July 14, 2024. That did not happen. After the closing, Defendants promised that all items would be completed within 14 days. That again did not happen.

4. Defendants did not undertake their work on the Property, or that listed in Exhibit A, in a good and workmanlike manner. After Plaintiff’s principals became concerned about the quality of Defendants’ work, Plaintiff’s principals retained a home inspector to evaluate Defendants’ work. The home inspector issued a 133-page report detailing numerous deficiencies in Defendants’ work on the Property.
5. The deficiencies that the home inspector listed included, without limitation, problems with grading, drainage, site grading, mosquito harborage, soil level being too high at the northwest corner of the home, attic floor issues, attic beam deficiencies, attic stairs deficiencies, thermal barrier issues, lack of an energy code certificate, lack of caulking and painting for interior laundry room shelves, unworkmanlike cabinet construction, installation, and finishing, among many other problems detailed in the 133 page report.
6. As part of the Exhibit A work, Defendants were required to construct a concrete block wall on the east side of the Property. Defendants began to construct the block wall without a building permit, a permit that the City of Dallas required. As it turned out, Defendants did not construct the wall properly, or in compliance with applicable code. Defendants had misrepresented to Plaintiff and/or Plaintiff’s principals that Defendants had secured a building permit for the wall prior to starting construction of the wall.
7. Defendants did not construct the Exhibit A fireplace properly, and would not listen to anyone

who pointed out deficiencies. Mr. Crutchfield led Plaintiff's principals to believe that Defendants were experienced and competent in constructing residential improvements, and the work set out in Exhibit A. Mr. Crutchfield was so confident of his competence that he declared: "Everyone get out of the home who doesn't understand construction."

8. Since Defendants would not listen to anyone pointing out either building code violations, or unworkmanlike work, and would not resolve obvious construction deficiencies, Plaintiff had to retain multiple construction professionals to investigate the deficiencies. The professionals retained included, without limitation, a civil engineer for wall (CE Engineers), fireplace specialist (DFW Chimney), and general contractor (CJB Homes). Plaintiff's engineer inspected Defendants' work and discovered flaws in the design, engineering, and support for Defendants' work on the east side concrete block wall.
9. Plaintiff's engineer also inspected the fireplace that Defendants were constructing, and observed numerous code violations and potential carbon monoxide poisoning issues.
10. Plaintiff provided to Defendants a copy of the home inspector's 133-page inspection report. Defendants have promised to remedy some or all of the deficiencies, but have not done so.
11. When Plaintiff discovered that Defendants were covering up or ignoring deficiencies, Plaintiff had to issue a stop work directive on about July 29, 2024, so that the deficiencies could be addressed. Although invited to cure the deficiencies, Defendants have failed or refused to do so. On about August 10, 2024, Plaintiff's principals became homeless.
12. Defendants' acts, omissions, and misrepresentations have caused damages to Plaintiff, as Plaintiff's principals have had to make alternative living arrangements, and Plaintiff will have to reconstruct the Property to resolve the Property's deficiencies that Defendants had

misrepresented and concealed.

13. Plaintiff provided proper notice to Defendants of the Property's concealed conditions and deficiencies, but Defendants have refused to acknowledge responsibility or to assist in any way in resolving the deficiencies without Plaintiff paying in advance for the work, work for which Defendants were already committed under the New Home Contract. The New Home Contract did not provide for payment in advance, and there are about 90 deficiencies that need attention, in addition to the Defendants' own defective work.
14. All conditions precedent have been performed or have occurred.

Count I
Violation of Texas Deceptive Trade Practice Act

15. The allegations of paragraphs 1 through 14 are hereby incorporated by reference and reaverred as if fully set out herein.
16. Plaintiff is a consumer under the terms of the Texas Deceptive Trade Practice Act, sections 17.41, et seq., of the Texas Business & Commerce Code ("DTPA").
17. Defendants are considered as merchants under the DTPA, and made representations, misrepresentations, or material omissions to Plaintiff and Plaintiff's principals to induce the purchase of the Property. Such representations have turned out not to be true or as represented.
18. Defendants have violated sections 17.46 and 17.50 of the DTPA. Among other things, Defendants concealed important and significant defects and deficiencies concerning the Property, and made representations which have turned out not to be true or as represented. Among other things, Defendants concealed and misrepresented the Property's condition to

induce Plaintiff and Plaintiff's principals to agree to purchase the Property.

19. Among other violations, Defendants knew or should have known that they would have been unable to perform the Exhibit A work within the time that they represented to Plaintiff's principals and predecessor. Defendants made such representations as to their ability to complete the Exhibit A work to induce Plaintiff's principals and predecessor to agree to the New Home Contract.
20. In addition, Defendants' conduct has been unconscionable under the circumstances.
21. Proper notices of violations of the DTPA have been provided to Defendants.
22. Defendants' violations of the DTPA have been knowing and intentional.
23. Plaintiff has sustained damages as a result of such violations.
24. Defendants are liable to Plaintiff for such damages.
25. Defendants are also liable for enhanced damages for knowing or intentional violations of the DTPA.

Count II
Misrepresentation, Material Omission, and Fraud

26. The allegations of paragraphs 1 through 25 are hereby incorporated by reference and reaverred as if fully set out herein.
27. Defendants made misrepresentations, and committed material omissions and fraud to induce Plaintiff's principals and Plaintiff's predecessor to agree to purchase the Property.
28. Among other misrepresentations, Defendants knew or should have known that they would have been unable to perform the Exhibit A work within the time that they represented to Plaintiff's principals and predecessor. Defendants made such representations as to their

ability to complete the Exhibit A work to induce Plaintiff's principals and predecessor to agree to the New Home Contract.

29. But for such misrepresentations, material omissions, and fraud, Plaintiff's principals and Plaintiff's predecessor would not have agreed to purchase the Property.
30. Defendants knew or should have known that Plaintiff's principals and Plaintiff's predecessor would rely on Defendants' misrepresentations, material omissions and fraud in agreeing to purchase the Property.
31. Plaintiff's principals and Plaintiff's predecessor reasonably relied on such misrepresentations, material omissions, and fraud by Defendants in agreeing to purchase the Property.
32. Defendants made misrepresentations to Plaintiff's principals and Plaintiff's predecessor and concealed the Property's deficiencies to induce Plaintiff's principals and Plaintiff's predecessor to agree to purchase the Property.
33. Plaintiff has sustained damages from reliance on Defendants' misrepresentations, material omissions, and fraud.
34. Defendants are liable to Plaintiff for such damages.
35. Under the circumstances, Defendants are liable for exemplary damages for such misrepresentations, material omissions, or fraud to teach Defendants not to fleece property purchasers in the future.

Count III
Real Estate Fraud

36. The allegations of paragraphs 1 through 35 are hereby incorporated by reference and

reaverred as if fully set out herein.

37. Under the circumstances, Defendants have committed real estate fraud under Texas law.

38. Defendants' real estate fraud has caused damages to Plaintiff.

39. Defendants are liable to Plaintiff for such damages.

40. Defendants are liable to Plaintiff for exemplary or punitive damages for such real estate fraud.

Count IV Breach of Contract

41. The allegations of paragraphs 1 through 40 are hereby incorporated by reference and reaverred as if fully set out herein.

42. Defendant, Great Investments, signed the New Home Contract and agreed to undertake the improvements listed in Exhibit A, as that listing was amended during the Project.

43. Great Investments failed or refused to complete its work under the New Home Contract, and the little work that it did perform was not performed in a good and workmanlike manner, or as required by applicable building codes.

44. Despite being afforded an opportunity to cure its defaults, Great Investments has failed or refused to do so.

45. Plaintiff provided proper notice under the Texas Residential Construction Liability Act, Chapter 27 of the Texas Property Code ("RCLA"). Defendants did not make a reasonable settlement offer under the RCLA.

46. Under the circumstances, Plaintiff is entitled to the following damages:

(1) the reasonable cost of repairs necessary to cure any construction defect;

- (2) the reasonable and necessary cost for the replacement or repair of any damaged goods in the residence;
 - (3) reasonable and necessary engineering and consulting fees;
 - (4) the reasonable expenses of temporary housing reasonably necessary during the repair period;
 - (5) the reduction in current market value, if any, after the construction defect is repaired if the construction defect is a structural failure; and
 - (6) reasonable and necessary attorney's fees.
47. Plaintiff also seeks carrying costs and other costs associated with the Property while the Property cannot be occupied. Such costs include, without limitation, extra moving costs, insurance, utilities, mortgage interest, etc.

Count V
Rescission of Contract

48. The allegations of paragraphs 1 through 47 are hereby incorporated by reference and reaverred as if fully set out herein.
49. Under the circumstances, Defendants' misrepresentations, material omissions, concealment, and fraud that induced Plaintiff's principals and predecessor to agree to purchase the Property justify a rescission of the purchase of the Property,
50. Without such misrepresentations, material omissions, concealment, and fraud, Plaintiff's principals and predecessor would not have agreed to purchase the Property. More specifically, Defendants concealed their lack of expertise and experience in performing the Exhibit A work. As it turns out, it will take months to remedy Defendants' incompetence.

Plaintiff's principals and predecessor never would have agreed to purchase the Property had Defendants been honest and forthright concerning their limitations in being able to construct the Exhibit A work.

51. Defendants knew or should have known that they would have been unable to perform the Exhibit A work within the time that they represented to Plaintiff's principals and predecessor. Defendants made such representations as to their ability to complete the Exhibit A work to induce Plaintiff's principals and predecessor to agree to the New Home Contract.
52. Under the circumstances, Plaintiff is entitled to restitution of any money paid to Defendants, and any costs that Plaintiff has incurred in connection with the Property.

Count VI Declaratory Relief

53. The allegations of paragraphs 1 through 52 are hereby incorporated by reference and reaverred as if fully set out herein.
54. Plaintiff seeks a declaratory judgment under the Texas Declaratory Judgment Act that (1) Defendants materially and substantially misrepresented, materially omitted, and fraudulently concealed the Property's deficiencies to induce Plaintiff's principals and predecessor to agree to purchase the Property; (2) Defendants' misrepresentations, material omissions, and fraud justify a rescission of the agreement to purchase the Property and restitution of any money paid for the Property, and any costs that Plaintiff has occurred; (3) Plaintiff is entitled to the damages sought in this suit, including without limitation those damages awardable under the RCLA; and (4) Plaintiff is entitled to recover its attorney's fees.

Count VII
Attorney's Fees

55. The allegations of paragraphs 1 through 54 are hereby incorporated by reference and reaverred as if fully set out herein.

56. Plaintiff has had to retain undersigned counsel to prosecute his claims in this suit. Plaintiff has agreed to pay undersigned counsel a reasonable and necessary attorney's fee for such legal representation. Defendants are liable for reimbursing Plaintiff for such attorney's fees.

Wherefore, Plaintiff, 1812 Enterprises, LLC, respectfully prays that: (1) Defendants, Great Investments, LLC, and Eric Crutchfield, be duly cited and served with a true copy of this petition, and be commanded to appear and answer same; (2) after due proceedings, there be judgment in favor of Plaintiff and against Defendants in accordance with the demands herein; (3) Plaintiff be awarded reasonable and necessary attorney's fees, and all costs of this proceeding; and (4) Plaintiff receive all such other general and equitable relief as may be appropriate.

Respectfully submitted,

**THE ERIKSON FIRM,
A PROFESSIONAL CORPORATION**

/S/ Brian W. Erikson

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Associated Case Party: 1812 ENTERPRISES, LLC

Name	BarNumber	Email	TimestampSubmitted	Status
Brian Erikson	6643800	Brian.Erikson@eriksonfirm.com	10/23/2024 9:05:31 AM	SENT