

CAUSE NO. 2019-18855

PRINCETON CAPITAL CORPORATION, <i>Plaintiff,</i>	§	IN THE DISTRICT COURT
	§	
	§	
v.	§	
	§	
GREAT VALUE STORAGE LLC, WORLD CLASS CAPITAL GROUP LLC, AND NATIN PAUL <i>Defendants.</i>	§	HARRIS COUNTY, TEXAS
	§	
	§	165 th JUDICIAL DISTRICT

MOTION FOR POST-JUDGMENT RECEIVERSHIP

Judgment Creditor Princeton Capital Corporation (“Princeton”) respectfully move this Court to enter a turnover order and appointment of an experienced receiver, Seth Kretzer, to collect the outstanding judgment issued by the Court, and in support thereof would respectfully show as follows.

I. Order Requested

Princeton asks the Court to sign the attached order appointing a receiver. The Court has authority to do so under Texas Civil Practice and Remedies Code § 31.002.

II. The Court Has Issued a Judgment Against Great Value Storage LLC and World Class Capital Group, LLC.

Princeton obtained a judgment against Great Value Storage LLC (“GVS”) and World Class Capital Group LLC (“World Class,” and together, “Judgment Debtors”).

The judgment is dated March 4, 2021 and is in the amount of \$9,759,713.84, plus attorney’s fees in the amount of \$150,887.50, costs, and post-judgment interest. A copy of the judgment is attached as **Exhibit 1**. Judgment Debtors have appealed the judgment but have taken no effort to supersede the judgment. Judgment Debtors have not paid the judgment. Indeed, Judgment Debtors have not paid anything at all.

III. This Court has Authority to Appoint Receivers in this Case.

This Court has the authority to appoint a receiver. “The Texas turnover statute is a procedural device to assist judgment creditors in post-judgment collection.” *Davis v. West*, 317 S.W.3d 301, 309 (Tex. App.—Houston [1st Dist.] 2009, no pet.). “A judgment creditor is entitled to aid from a court of appropriate jurisdiction to reach property to obtain satisfaction on the judgment if the judgment debtor owns property . . . that is not exempt from attachment, execution, or seizure for the satisfaction of liabilities.” Tex. Civ. Prac. & Rem. Code § 31.002(a).

“The court may . . . appoint a receiver with the authority to take possession of the nonexempt property, sell it, and pay the proceeds to the judgment creditor to the extent required to satisfy the judgment.” *Id.* § 31.002(b)(3). The trial court is not required to identify in the order the specific property subject to turnover. *Id.* § 31.002(h). In addition, the trial court may enforce the order by contempt proceedings. *Id.* § 31.002(c). “The judgment creditor may move for the court’s assistance under this section in the same proceeding in which the judgment is rendered or in an independent proceeding.” *Id.* § 31.002(d); *see also Haden v. David J. Sacks, P.C.*, 332 S.W.3d 523, 531 (Tex. App.—Houston [1st Dist.] 2009, pet. denied) (“The ‘court of appropriate jurisdiction’ here was initially the trial court.”).

Moreover, Texas Civil Practice & Remedies Code § 64.001 provides that a “court of competent jurisdiction may appoint a receiver . . . in an action by a creditor to subject any property or fund to his claim.” Tex. Civ. Prac. & Rem. Code § 64.001(a)(2).

IV. Princeton is Entitled to a Turnover Order and Appointment of a Receiver.

This Court issued a valid final judgment that remains unpaid. This Court therefore has competent jurisdiction to enforce collection. Princeton believes the Judgment Debtors own property that is not exempt from attachment, execution, or seizure for the satisfaction of liabilities.

Id. § 31.002(a). Princeton’s belief is supported by the evidence detailed in Part V of this motion below. The Judgment Debtors refused to participate in all discovery throughout the underlying litigation, and have refused to produce any discovery of their assets. This Court’s intervention to appoint a receiver is required.

Princeton is not required to exhaust other means of collection before asking a court to appoint a receiver. *See Universe Life Ins. Co. v. Giles*, 982 S.W.2d 488, 493 (Tex. App.—Texarkana 1998, pet. denied) (“A judgment creditor need not first exhaust other legal remedies prior to seeking relief under the turnover statute if the statutory requirements are met.”); *In re Estate of Trevino*, 195 S.W.3d 223, 231 (Tex. App.—San Antonio 2006, no pet.) (“A receiver appointed pursuant to section 64.001(a) and (b) . . . is not required to show that no other adequate remedy exists.”).

Accordingly, Princeton asks the Court to order the Judgment Debtors to turn over all nonexempt property that is in their possession or subject to their control, together with all documents related to the property, to appoint a receiver with the authority to take possession of the nonexempt property, sell it and pay the proceeds to Princeton to the extent required to satisfy the judgment, including the fees and costs of the receiver. Tex. Civ. Prac. & Rem. Code § 31.002(b).

V. The Judgment Debtors Own Non-Exempt Property.

Section 31.002 does not specify or restrict the manner in which evidence may be received in order for a trial court to determine whether the conditions of 31.002(a) exist, nor does it require that such evidence be in any particular form, that it be at any particular level of specificity, or that it reach any particular quantum before the court may grant relief under section 31.002.” *Tanner v. McCarthy*, 274 S.W.3d 311, 322 (Tex.App.—Houston [1st Dist.] 2008, no pet.).

To date, the Judgment Debtors have taken no steps to satisfy the judgment rendered against them by this Court, yet they are in possession of non-exempt property.

GVS operates self-storage facilities with locations throughout Texas and the United States. According to its website, it is one of the nation's largest self-storage companies, with 69 locations and approximately 45,000 units in 11 states.¹ GVS's website itself, <https://www.greatvaluestorage.com/>, is another commercial asset over which GVS has control. As of at least July 2018, GVS had a bank account at the Austin, Texas branch of Wells Fargo, and as of at least August 31, 2018, GVS reported on its balance sheets that it had \$5,000,000 in "Investments in Real Estate," approximately \$1.4 million in "Cash and Cash Equivalents," and \$66,696 in "Furniture, Fixtures, & Equipment."

World Class is an Austin-based real estate firm. World Class maintains active status with the State of Texas for franchise tax purposes. World Class also operates and has control over a commercial asset, its website, <http://www.wccapitalgroup.com>. According to the website, World Class "creates, acquires, and operates businesses that benefit from our flexible capital, extensive global network, operational expertise, and long-term investment horizon." World Class claims to be the holding company for several other affiliated entities, including World Class Property Company, Great Value Storage, NowSpace, World Class Technologies, World Class Mortgage Capital, and Westlake Industries.

VI. Appointment and Compensation of Receiver.

Princeton requests that this Court appoint a receiver with all of the power and authority necessary to take possession of and sell all non-exempt assets of the Judgment Debtors (and all

¹ Great Value Storage, About Us, <https://www.greatvaluestorage.com/about-us> (last accessed June 17, 2021).

documents related thereto) including but not limited to cash and contents in all accounts of all financial institutions and to apply the proceeds to satisfy the judgment and all amounts due under the receivership. Princeton requests that the receiver have broad powers to enforce the order of this Court, including, but not limited to, ordering the production of documents and assets set forth in the proposed order.

Princeton further requests that the Judgment Debtors be ordered to pay the receiver 25% of any recoveries by the receiver as compensation to the receiver, as well as any out of pocket expenses incurred by the receiver to aid in the recovery, and that such be paid as taxable costs of court, in addition to the amount owed to Princeton.

Princeton asks this Court to appoint Mr. Seth Kretzer, TBN: 24043764, whose address is 440 Louisiana Street, Suite 1440, Houston, TX 77002, (713) 775-3050; seth@kretzerfirm.com (email), as Receiver. Mr. Kretzer is an experienced civil litigation attorney who specializes in receivership matters. Princeton asks the Court to authorize all actions and powers to the receiver contained in the attached proposed order of appointment.

Princeton also requests that the Court award attorney's fees, expenses and costs in the amount of \$2,400 for attorney Abigail Noebels' time preparing, filing and presenting this motion and obtaining an order. Under § 31.002(e), the judgment creditor is entitled to recover reasonable costs, including attorney's fees.

Wherefore, Princeton respectfully requests that the Court appoint a receiver to collect the judgment in this case, award attorney's fees, and provide for the payment of fees and costs to the Receiver.

Dated: June 30, 2021

Respectfully submitted,

SUSMAN GODFREY L.L.P.

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CERTIFICATE OF SERVICE

I hereby certify that on this 30th of June 2021, a true and correct copy of the foregoing was forwarded via the Court's electronic filing service and counsel of record by electronic service:

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