No. 01-23-00618-CV

In the First Court of Appeals
Houston, Texas

GREAT VALUE STORAGE, LLC AND WORLD CLASS CAPITAL GROUP, LLC,
Appellants,

v.

PRINCETON CAPITAL CORPORATION,
Appellee.

Appeal from Cause No. 2019-18855
165th District Court of Harris County, Texas

RECEIVER'S: 1) NOTICE OF SUPPLEMENTAL/RECENT AUTHORITY AND 2) OBJECTION TO RULE 38.3 PROHIBITED NEW ARGUMENTS RAISED IN APPELLANTS' JUNE 24, 2025 LETTER BRIEF

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TO THE HONORABLE FIRST COURT OF APPEALS:

I. ***CHASE V. CHASE***

Yesterday, a panel of this Court decided *Chase v. Chase*.[1] This is a doctrinal opinion which cites both *Princeton* and *Roberts*. Saliently, *Chase* quotes *Hill v. Hill*,[2] which is the Dallas appellate opinion presented by Receiver to this Court,[3] and now claimed by Appellants in their letter brief yesterday:

> The taxation of the costs of a receivership ***and how such costs are collected*** "are matters entirely within the sound discretion of the trial court." *Hill,* 460 S.W.3d at 767 (quoting *Theatres of Am., Inc. v. State*, 577 S.W.2d 542, 547 (Tex. App.—Tyler 1979, no writ)).[4]

Thus, the central holding of *Chase* is that while the fee formula in a turnover order presents one potential methodology, the trial court is not constrained when determining the receiver's fee after final results are in. It seems beyond cavil that the Receiver's collection efforts against Appellants in more than a dozen state and federal trial, bankruptcy, and appellate courts are why Princeton got paid 106% of its judgment.

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[1] No. 01-23-00501-CV, slip op., 2025 Tex. App. LEXIS 4339 (Tex. App.—Houston [1st Dist.] June 24, 2025, no pet. h.)

[2] 460 S.W.3d 751, 763-64 (Tex. App.—Dallas 2015, pet. denied).

[3] Response Brief of Receiver, No. 01-23-00618-CV (Mar. 25, 2024) at 36 & nn.102 & 104.

[4] *Chase*, No. 01-23-00501-CV, slip op. at *15 (emphasis added).

II. *ROAKE V. BRUMLEY*: "A CLAIM IS RIPE SO LONG AS IT IS NOT 'CONTINGENT [ON] FUTURE EVENTS . . . .'"

Appellants' June 13, 2025 letter assured that some new spectral conception of jurisdiction might remain because the Dallas Bankruptcy Court might not authorize payment from the same reserve it set up to pay the Receiver's fees and expenses: "That source is contingent on approval by the bankruptcy court which is not guaranteed."[5] But just last Friday, the Fifth Circuit confirmed for purposes of Article III standing the same jurisdictional concept *Grassroots Organizing* held under Texas' constitution. Hypothetically "contingent" events cannot predicate a justiciable controversy:

> This means that a claim is ripe so long as it is not "**contingent [on] future events** that may not occur as anticipated, or indeed may not occur at all."[6]

This categorial rejection of "contingency based standing" advanced by Appellants as their newest allegation of jurisdiction is precisely why the Supreme Court of Texas last month decreed: "[A] 'real and substantial controversy' is one where the dispute is genuine, concrete, and tangible rather than speculative, contingent, or hypothetical."[7] No appellant in this case has come close.

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[5] Appellants' Letter to Court, No. 01-23-00618-CV (June 13, 2025), at 5.

[6] *Roake v. Brumley*, No. 24-30706, slip op. at 8, 2025 WL 1719978 *3 (5th Cir. June 20, 2025) (emphasis added).

[7] *Texas Department of Family and Protective Services v. Grassroots Leadership, Inc.*, No. 23-0192, slip op., 2025 Tex. LEXIS 437 (May 30, 2025).

III. APPELLANTS ARE TRYING TO REWRITE THEIR BRIEFS IN VIOLATION OF RULE 38.3.

In their June 13, 2025 letter, Appellants were adamant: "This Court can render an enforceable judgment." But by June 24, their story had morphed into a new argument. In the latest telling, "orders" and "a judgment" are merely interchangeable legal terms: "[T]he result is the same: the trial court has power—independent of its power over the judgment—to issue orders to remediate harms caused by its appointed officer."[8]

The problem with this new argument is that it pirouettes from what they argued just last month. For example, their May 19, 2025 letter was adamant "they are entitled to do so in order to seek redress of injuries inflicted on them by the Receiver."[9] In his first minute of oral argument, Mr. Gaston declaimed: "the Receiver should pay a damages award, potentially."[10] But Appellants cannot get "a judgment" in a case where the one final judgment has already been affirmed by the Supreme Court of Texas, and pretend it is an "order" to circumvent Rule of Civil Procedure 301's single judgment limitation. Texas's Supreme Court meant what it said in March 2024: the case and appeal are moot.[11]

Huston v. F.D.I.C. does not help.[12] It is a little misleading to characterize this case as "a pre-judgment liquidation receiver rather than a post-judgment turnover receiver"

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[8] Appellants' Letter to Court, No. 01-23-00618-CV (June 24, 2025), at 2.
[9] Appellants' Letter to Court, No. 01-23-00618-CV (May 19, 2025), at 2.
[10] Oral Args., No. 01-23-00618-CV (May 28, 2025) (Mr. Gaston's argument).
[11] Mandate, *Great Value Storage, LLC v. Princeton Capital Corporation*, No. 23-0722 (Tex. Mar. 26, 2024).
[12] *Huston v. Fed. Deposit Ins. Corp.,* 800 S.W.2d 845 (Tex. 1990).

because "[t]his case involves the issues of (1) whether final orders resolving discrete issues during the course of a state bank receivership must be timely appealed or be waived; and (2) whether interest may be paid on the claims of the creditors of a failed state bank."[13] Simply stated, *Huston* had nothing to do with the Chapter 31 post-judgment turnover statute,[14] and there was no *custodia legis* estate,[15] and Receiver Kretzer is not the FDIC.

These new arguments about *Huston* appear to be largely copied-and-pasted from the *Roberts* opinion.[16] Regardless where they found it, Appellants' logic is inverted. They omitted the remainder of the sentence in *Roberts* which qualified: "[*Huston*] . . . justified its departure from the one-final-judgment rule because '[t]here must be some finality to orders which dispose of discrete issues or controverted questions by which the parties are going to be bound.'"[17] But turnover orders necessarily bind a judgment debtor. By contrast, the district court here cannot grant injunctive or declaratory relief against itself so that a post-judgment intervenor can take a flier with a new appeal. And certainly not when the Supreme Court of Texas has issued mandate finding both the case and appeal moot.

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[13] *Id.* at 846-47.
[14] Tex. Civ. Prac. & Rem. Code, Ch. 31 (post-judgment collection).
[15] *First Southern Properties, Inc. v. Vallone*, 533 S.W.2d 339, 343 (Tex. 1976).
[16] 2020 Tex. App. LEXIS 10137, *6-7 (Tex. App.—Houston [1st Dist.] Dec. 22, 2020, no pet.).
[17] *Id.* at 6-7 (citations omitted).

Respectfully submitted this 25th of June 2025.

/s/ *Seth Kretzer*

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this document has been delivered this June 25, 2025 (by court electronic filing only) to all counsel of record in cause 01-23-00618-CV.

/s/ *James W. Volberding*

JAMES W. VOLBERDING

CERTIFICATE OF COMPLIANCE

As required by Texas Rule of Appellate Procedure 9.4, I certify that the number of words in this pleading is 1,005, measured from page one through the conclusion, according to Word. This pleading was prepared with Microsoft Word for Apple, version 16.51.

/s/ *James W. Volberding*

JAMES W. VOLBERDING

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