

STATE OF TEXAS,

§

IN THE DISTRICT COURT
OF

Plaintiff

§

vs.

§

§

§

§

§

FREDDRICK RAY CARTWRIGHT aka §
 FREDERICK DWAYNE REESE aka FRED §
 CARTWRIGHT aka FREDRICK R. CARTWRIGHT §
 aka FREDERICK R. CARTWRIGHT aka §
 FREDRICK RAY CARTWRIGHT aka FREDRICK §
 CARTWRIGHT aka FREDDERICK R. §
 CARTWRIGHT aka FREDDRICK CARTWRIGHT §
 aka FREDERICK REESE aka FREDRICK REESE §
 aka FRED REESE, Individually and d/b/a TRINITY §
 SOUTH BUILDERS and TRINITY SOUTH §
 BUILDERS, INC.; BETTIE SUE BAILEY aka §
 BETTIE SUE CARTWRIGHT aka BETTIE J. §
 BAILEY aka BETTY J. BAILEY aka BETTY J. §
 CARTWRIGHT aka BETTY S. BAILEY aka §
 BETTY S. CARTWRIGHT aka BETTY BAILEY §
 aka BETTIE S. BAILEY aka BETTIE §
 CARTWRIGHT aka BETTIE BAILEY, Individually; §
 JOSE DEMETRIO MURRUGARRA aka JOSE §
 DEMETRIO MURRUGARRA MEDINA aka JOSE §
 D. MURRUGARRA aka JOSE MURRUGARRA, §
 Individually and d/b/a BENTA DE CASAS; §
 FRANCIS CARROLL, Individually and dba D & G §
 Properties: FCI EQUITIES, INC.; R.I.C.H. §
 BUSINESS AND BUILDING SYSTEMS, INC.; §
 and JOSE MENJAREZ, §

Defendants

§

DALLAS COUNTY, TEXAS

191st JUDICIAL DISTRICT

PARTIAL AGREED PERMANENT INJUNCTION AND FINAL ORDER ^{PLM/2}
AGAINST DEFENDANT, JOSE DEMETRIO MURRUGARRA AND DEFAULT
JUDGMENT AGAINST DEFENDANTS, (FREDRICK RAY CARTWRIGHT), BETTIE
SUE BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC., R.I.C.H. BUSINESS AND
BUILDING SYSTEMS, INC. and JOSE MENJAREZ

On this the _____ day of _____, 2006, came for hearing on the STATE OF TEXAS' Original Petition in the above entitled and numbered cause, the STATE OF TEXAS which is the Plaintiff, acting by and through Attorney General Greg Abbott, and Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, JOSE DEMETRIO MURRUGARRA, FRANCIS CARROLL, FCI EQUITIES, INC., R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC. and JOSE MENJAREZ (hereinafter "Defendants"). After hearing the argument of counsel and evidence in this case, the court enters the following order:

I. APPEARANCES

The State of Texas, Plaintiff appeared by and through Assistant Attorney General Deanya T. Kueckelhan and announced ready.

Defendant JOSE DEMETRIO MURRUGARRA, individually and d/b/a Benta De Casas, appeared in person and by and through Attorney of Record, S. Gary Werley and announced ready.

Defendant FREDDERICK RAY CARTWRIGHT, individually and d/b/a Trinity South Builders and Trinity South Builders, Inc., although having been duly and legally cited to appear and answer, failed to appear and answer in this cause, and wholly made default, *but agreed to settlement* *cd*

Defendant BETTIE SUE BAILEY, individually, although having been duly and legally cited to appear and answer, failed to appear and answer in this cause, and wholly made default.

Defendant FRANCES CARROLL, individually and d/b/a D & G Properties, although having been duly and legally cited to appear and answer, failed to appear and answer in this cause, and wholly made default.

Defendant FCI EQUITIES, INC., although having been duly and legally cited to appear and answer, failed to appear and answer in this cause, and wholly made default.

Defendant R.I.C.H. BUILDING AND BUSINESS SYSTEMS, INC., although having been duly and legally cited to appear and answer, failed to appear and answer in this cause, and wholly made default.

Defendant JOSE MENJAREZ, although having been duly and legally cited to appear and answer, failed to appear and answer in this cause, and wholly made default.

II. AGREEMENT WITH DEFENDANT, JOSE DEMETRIO MURRUGARRA

The State of Texas, Plaintiff, by and through the Texas Attorney General GREG ABBOTT, and Defendant, JOSE DEMETRIO MURRUGARRA, by and through his attorney of record, announced to the Court that all matters of fact and things in controversy between Plaintiff and Defendant, JOSE DEMETRIO MURRUGARRA had been fully and finally compromised and settled and presented to the Court this AGREED PERMANENT INJUNCTION AND FINAL ORDER AGAINST DEFENDANT, JOSE DEMETRIO MURRUGARRA AND ^{and} DEFAULT JUDGMENT AGAINST DEFENDANTS. (FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC., R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC. and JOSE MENJAREZ ("Judgment").

By their duly authorized signatures, Plaintiff and Defendant, JOSE DEMETRIO MURRUGARRA stipulated to the Court the following: that they understand the terms of this Judgment; that they agree to the terms of this Judgment; that they have waived all rights of appeal

from this Judgment; that they actively participated in the mediated negotiations leading up to this Judgment and are aware of the duties placed upon them by it and are desirous and capable of carrying out those duties in full; that they acknowledge receipt of copies of this Judgment and have full notice of the terms of this Judgment; that the issuance and service of a writ of injunction are waived; that the terms of this Judgment are sufficiently detailed and specific to be enforceable by the Court in conformance with TEX.R.CIV.P. 683; that this Judgment represents a compromise and settlement of all matters arising out of facts alleged by the STATE OF TEXAS in this cause against Defendant, JOSE DEMETRIO MURRUGARRA; that no party agrees to this Judgment as a result of duress; that Defendant, JOSE DEMETRIO MURRUGARRA does not admit to any violations of law, or liability for any alleged acts, by entering this agreement, but enters into this Judgment because of the uncertainty and costs of litigation.

Pursuant to the agreement, the parties submit to the jurisdiction of the Court and do not contest the entry of this Judgment.

It appearing to the Court that Plaintiff and Defendant, JOSE DEMETRIO MURRUGARRA agree to the entry of this Judgment and that they have approved its entry by their duly authorized signatures and the signature of their respective attorneys below, the Court, upon the stipulations of the Plaintiff and Defendant, JOSE DEMETRIO MURRUGARRA and after being fully advised in this matter, finds as follows:

THAT it has jurisdiction of the parties and subject matter of this suit;

THAT the settlement between Plaintiff and Defendant, JOSE DEMETRIO MURRUGARRA of this dispute is fair, reasonable, and just;

THAT this Judgment is in accord with the Texas Deceptive Trade Practices-Consumer Protection Act ("DTPA") and is proper in all respects; and

THAT it would be in the best interest of Plaintiff and Defendant, JOSE DEMETRIO MURRUGARRA if the Court approved the settlement and rendered judgment accordingly.

III. INJUNCTION RELATED TO REAL ESTATE ACTS

Based upon these findings and the evidence presented at the default trial, the Court is of the opinion that a permanent injunction should issue and that the STATE OF TEXAS is entitled to recover of and from Defendant JOSE DEMETRIO MURRUGARRA^{and} as well as the defaulting Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC., and R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC., as set forth below.

IT IS FURTHER ORDERED that Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, JOSE DEMETRIO MURRUGARRA, FRANCIS CARROLL, FCI EQUITIES, INC., and R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC., their officers, agents, servants, spouse, relatives, employees, attorneys and any other persons in active concert or participation with them, who receive actual notice of this order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other devise, shall be restrained from engaging in the following acts or practices:

- (1) From representing that real estate sold to a buyer and/or the title

documentation for such sale has sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have;

- (2) From representing that real estate sold to a buyer and/or the title documentation for such sale are of a particular standard, quality, or grade, if they are of another;
- (3) From representing that an agreement for the sale/purchase of real estate confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law;
- (4) From failing to disclose real estate and title information concerning real estate which was known at the time of the transaction if such failure to disclose such information was intended to induce a buyer into a transaction into which the buyer would not have entered had the information been disclosed; and,
- (5) From engaging in the real estate sales business without a realtor license.

ADDITIONALLY, IT IS FURTHER ORDERED that Defendant FREDDERICK RAY CARTWRIGHT, his officers, agents, servants, spouse, relatives, employees, attorneys and any other persons in active concert or participation with him, who receive actual notice of this order by

personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other devise, shall be restrained from engaging in the following acts or practices:

- (1) From using the term "corporation," "incorporated," or an abbreviation of either of those terms in the name of a business entity that is not incorporated under the laws of this state or another jurisdiction.

The Clerk of the above-entitled Court shall forthwith issue a writ of permanent injunction in conformity with the law and the terms of this Order to Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, JOSE DEMETRIO MURRUGARRA, FRANCIS CARROLL, FCI EQUITIES, INC., and R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC. This Order shall be effective without the execution and filing of a bond as Plaintiff, State of Texas is exempt from such bond under TEX. BUS. & COM. CODE ANN. §17.47(b).

IV. INJUNCTION RELATED TO UNAUTHORIZED PRACTICE OF LAW

Based upon the evidence presented at the default trial, the Court is of the opinion that a permanent injunction should issue and that the STATE OF TEXAS is entitled to recover of and from defaulting Defendant JOSE MENJAREZ, as set forth below.

IT IS FURTHER ORDERED that Defendant JOSE MENJAREZ, his officers, agents,

servants, spouse, relatives, employees, attorneys and any other persons in active concert or participation with them, who receive actual notice of this order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other devise, shall be restrained from engaging in the following acts or practices:

- (1) From causing confusion or misunderstanding as to the approval or certification of legal services;
- (2) From causing confusion or misunderstanding as to certification of legal services by another;
- (3) From representing that legal services have approval, characteristics, benefits, or quantities which they do not have or that a person has a approval, status, affiliation, or connection which he does not have;
- (4) From representing that legal services are of a particular standard, quality, or grade if they are of another;
- (5) From representing that an agreement for legal services confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law; and

- (6) From failing to disclose information concerning the provision of legal services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction regarding legal services into which the consumer would not have entered had the information been disclosed by failing to disclose to consumers.

The Clerk of the above-entitled Court shall forthwith issue a writ of permanent injunction in conformity with the law and the terms of this Order to Defendant JOSE MENJAREZ. This Order shall be effective without the execution and filing of a bond as Plaintiff, State of Texas is exempt from such bond under TEX. BUS. & COM. CODE ANN. §17.47(b).

V. EQUITABLE RESCISSION AND CONSTRUCTIVE TRUST

THE COURT ORDERS all agreements between Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC., and R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC. and JOSE MENJAREZ and the consumers Walter Ramos, Mario Saucedo, Yolanda Saucedo, Francisco Rojas, Mata Adriana, Ferman Cuadros, Elva Castro and Jose Demetrio Murrugarra rescinded.

THE COURT ORDERS a constructive trust and an equitable lien be placed upon all of

the assets of Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC., and R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC. and JOSE MENJAREZ.

VI. CONSUMER RESTITUTION

IT IS ORDERED THAT Plaintiff, STATE OF TEXAS, shall have judgment against Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC., and R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC. in the amount of One hundred and three ^{pk JRC} Thousand Dollars and No Cents (\$ 103,000 - ^{pk JRC}) for consumer restitution.

IT IS ORDERED THAT Plaintiff, STATE OF TEXAS, shall have judgment against Defendant JOSE DEMETRIO MURRUGARRA in the amount of One Hundred Three Thousand Dollars and No Cents (\$103,000) for consumer restitution. Defendants shall be jointly and severally liable for the restitution judgement, except that Defendant JOSE DEMETRIO MURRUGARRA shall be jointly and severally liable up to the amount of One Hundred Three Thousand Dollars and No Cents (\$103,000).

IT IS ORDERED THAT Plaintiff, STATE OF TEXAS, shall have judgment against Defendant JOSE MENJAREZ in the amount of nine hundred dollars

Thousand Dollars and No Cents (\$ 9000) for consumer restitution.

The restitution amount shall be used by the State to restore money to consumers.

IT IS FURTHER ORDERED agreed and understood that this Judgment shall in no way affect the rights of individual citizens, and shall in no way abrogate the rights and obligations existing under any agreements entered into by any consumer with the Defendants.

VII. PENALTIES

IT IS ORDERED that Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC., and R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC., shall pay and deliver Ten JRC
OK Thousand Dollars and No Cents (\$ 10,000 OK
JRC) to the Office of the Attorney General as civil penalties under Section 17.47(c)(1) of the DTPA.

IT IS ORDERED that Defendant JOSE DEMETRIO MURRUGARRA shall pay and deliver Ten Thousand Dollars and No Cents (\$10,000.00) to the Office of the Attorney General as civil penalties under Section 17.47(c)(1) of the DTPA. Defendants shall be jointly and severally liable for the civil penalty judgement, except that Defendant JOSE DEMETRIO MURRUGARRA shall be jointly and severally liable up to the amount of Ten Thousand Dollars

and No Cents (\$10,000).

IT IS ORDERED that Defendant JOSE MENJAREZ shall pay and deliver

Ten Thousand Dollars and No Cents
(\$ 10,000.⁰⁰) to the Office of the Attorney General as civil penalties under
Section 17.47(c)(1) of the DTPA.

This Order shall further constitute a judicial determination that all civil penalties awarded
herein shall constitute a civil fine or penalty to and for a governmental unit and are not
compensation for actual pecuniary loss.

VIII. ATTORNEYS FEES

IT IS ORDERED that Defendants FREDDERICK RAY CARTWRIGHT, ~~BETTIE SUE~~
~~BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC. and R.I.C.H. BUSINESS AND~~
~~BUILDING SYSTEMS, INC.~~ shall pay to the State of Texas, Office of the Attorney General the
amount of Nine Thousand ^{JRC} ~~PK~~ Dollars and No Cents (\$ 9,000 ^{PK} ~~JRC~~)
in reasonable attorneys' fees pursuant to TEX.GOV'T CODE § 402.006(c). The Defendants are
jointly and severally liable for the judgment amount. *

IT IS ORDERED that Defendant JOSE DEMETRIO MURRUGARRA shall pay to the

* It is Ordered that Defendants BETTIE SUE CARTWRIGHT, FRANCIS
CARROLL, FCI EQUITIES, & R.I.C.H. BUSINESS AND BUILDING SYSTEMS
INC. shall pay to the State of Texas, Office of the ATTORNEY
GENERAL the amount of 61,505.00 Dollars and No Cents
in reasonable attorneys' fees pursuant to TEX. GOV'T CODE Section
and severally liable for amount.

State of Texas, Office of the Attorney General the amount of Nine Thousand Dollars and No Cents (\$9,000.00) in reasonable attorneys' fees pursuant to TEX.GOV'T CODE § 402.006(c).

Defendants shall be jointly and severally liable for the attorney fee judgement, except that Defendant JOSE DEMETRIO MURRUGARRA shall be jointly and severally liable up to the amount of Nine Thousand Dollars and No Cents (\$9,000).

IT IS ORDERED that Defendant JOSE MENJAREZ shall pay to the State of Texas, Office of the Attorney General the amount of Nine Thousand Dollars and No Cents (\$ 9,000.⁰⁰) in reasonable attorneys' fees pursuant to TEX.GOV'T CODE § 402.006(c). *jointly and severally with the other defendants* Cts

VIII. COSTS OF COURT

IT IS FURTHER ORDERED that Defendants shall pay to the State of Texas, Office of the Attorney General taxable costs of court. The Defendants are jointly and severally liable for the judgment amount.

IX. PLACE OF PAYMENTS

All payments due hereunder are to be paid to the State of Texas, Office of the Attorney General, 1412 Main St., Suite 810, Dallas, Texas 75202, Attn: Deanya T. Kueckelhan, Assistant

X. AGREEMENT TO TESTIFY

Defendant, JOSE DEMETRIO MURRUGARRA ^{and Freddrick Ray Cartwright} agrees to testify at the final trial of this ^{OK JRM} cause regarding the acts of Defendants FREDDERICK RAY CARTWRIGHT, BETTIE SUE BAILEY, FRANCIS CARROLL, FCI EQUITIES, INC., and R.I.C.H. BUSINESS AND BUILDING SYSTEMS, INC. and JOSE MENJAREZ related to this lawsuit along with presentation of this agreed judgment to the court for entry by prove up.

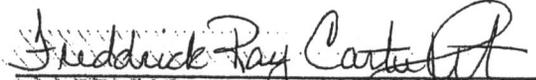
SIGNED this 17th day of June, 2006 at 9:02: A M a.m.

Carlo Bern

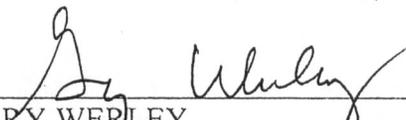
District Judge Presiding
~~101~~¹⁰¹ Judicial District Court
 1918

APPROVED AS TO FORM AND SUBSTANCE:

JOSE DEMETRIO MURRUGARRA, Defendant


Frederick Ray Cartwright
1553 Cypress Bend Drive
Cedar Hill, Texas 75106

APPROVED AS TO FORM ONLY:



S. GARY WERLEY
State Bar No. 21187000
Law Offices of S. Gary Werley
Fort Worth Club Building
306 West Seventh Street
Suite 508
Fort Worth, Texas 76102
(817) 335-4300 (telephone)
(817) 335-4335 (facsimile)
ATTORNEY FOR DEFENDANT, JOSE DEMETRIO MURRUGARRA

DEANYA T. KUECKELHAN
Assistant Attorney General
State Bar No. 11751500
Office of the Attorney General
Consumer Protection & Public Health Division
1412 Main, Suite 810
Dallas, Texas 75202
(214) 969-7639 (telephone)
(214) 939-7615 (facsimile)
ATTORNEY FOR PLAINTIFF, THE STATE OF TEXAS

X JOSE DEMETRIO MURRUGARRA
JOSE DEMETRIO MURRUGARRA, Defendant

APPROVED AS TO FORM ONLY:



S. GARY WERLEY
State Bar No. 21187000
Law Offices of S. Gary Werley
Fort Worth Club Building
306 West Seventh Street
Suite 508
Fort Worth, Texas 76102
(817) 335-4300 (telephone)
(817) 335-4335 (facsimile)
ATTORNEY FOR DEFENDANT, JOSE DEMETRIO MURRUGARRA

DEANYA T. KUECKELHAN
Assistant Attorney General
State Bar No. 11751500
Office of the Attorney General
Consumer Protection & Public Health Division
1412 Main, Suite 810
Dallas, Texas 75202
(214) 969-7639 (telephone)
(214) 939-7615 (facsimile)
ATTORNEY FOR PLAINTIFF, THE STATE OF TEXAS