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STATE OF TEXAS,  
Plaintiff

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IN THE DISTRICT COURT OF

vs.

FARAH J. RABADI d/b/a AMERICAN  
DESIGNERS & BUILDERS INC.;  
GROUP INC.; AMERICAN  
DESIGNERS & BUILDERS INC.; and  
ADMA RABADI,  
Defendants

DALLAS COUNTY, T E X A S    MILLIARD  
\_\_\_\_\_ JUDICIAL DISTRICT

**PLAINTIFF'S ORIGINAL PETITION  
AND APPLICATION FOR EX PARTE TEMPORARY RESTRAINING ORDER, ASSET  
FREEZE, TEMPORARY INJUNCTION, PERMANENT INJUNCTION & REQUESTS  
FOR DISCLOSURE**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, THE STATE OF TEXAS, Plaintiff, acting by and through Attorney General GREG ABBOTT, filing Plaintiff's Original Petition and Application for Temporary Restraining Order, Asset Freeze and Temporary Injunction, complaining of and against FARAH J. RABADI d/b/a AMERICAN DESIGNERS & BUILDERS INC.; MILLIARD GROUP INC.; AMERICAN DESIGNERS & BUILDERS INC.; and ADMA RABADI.

**I. DISCOVERY CONTROL PLAN**

1. Discovery is intended to be conducted under Level 2 of the Texas Rules of Civil Procedure 190.

**II. AUTHORITY**

2. This suit is brought by the ATTORNEY GENERAL through the Consumer Protection Division in the name of the STATE OF TEXAS and in the public interest under the authority granted to him by § 17.47 of the Deceptive Trade Practices-Consumer Protection Act (“DTPA”), TEX. BUS. & COM. CODE ANN. 17.41 *et seq.* and the Business and Corporations Act, TEX. BUS. CORP. ACT ART. 8. The DTPA permits the Attorney General’s office to bring an action to restrain, by temporary restraining order, temporary injunction, or permanent injunction, the use of any method, act or practice declared to be unlawful by TEX. BUS. & COM. CODE ANN. 17.46, where such proceedings are in the public interest.

### III. DEFENDANTS

3. Defendant FARAH J. RABADI is an individual residing in Williamson County, Texas and is doing business in the State of Texas under the name of AMERICAN DESIGNERS & BUILDERS, INC. Defendant may be served with citation and process at his place of business 7801 N. Lamar, Suite F20, Austin, Texas 78752 or alternatively at his residence at 3009 Bradford Park Drive, Round Rock, Texas, 78664, or wherever he may be found.

4. Defendant MILLIARD GROUP INC. is a foreign corporation, organized and existing under the laws of the State of Delaware that engages in business in the State of Texas but has not designated and does not maintain a resident agent within the State of Texas. Its principal office is located at 7801 N. Lamar, Suite F20, Austin, Texas 78752, Travis County. MILLIARD GROUP INC. may be served with process by serving the Secretary of State for the State of Texas, 1019 Brazos Street, Austin, Texas 78701, as its agent for service of process because Defendant MILLIARD GROUP INC. has not designated or maintained a resident agent for service of process in Texas, as required by statute. *See* TEX. CIV. PRAC. & REM. CODE ANN. §§ 17.044(a)(1) and 17.045.

5. Defendant AMERICAN DESIGNERS & BUILDERS INC. is a foreign corporation, organized and existing under the laws of the State of Delaware that engages in business in the State of Texas but has not designated and does not maintain a resident agent within the State of Texas. Its principal office is located at 7801 N. Lamar, Suite F20, Austin, Texas 78752, Travis County. AMERICAN DESIGNERS & BUILDERS INC. may be served with process by serving the Secretary of State for the State of Texas, 1019 Brazos Street, Austin, Texas 78701, as its agent for service of process because Defendant AMERICAN DESIGNERS & BUILDERS INC. has not designated or maintained a resident agent for service of process in Texas, as required by statute. TEX. CIV. PRAC. & REM. CODE ANN. §§ 17.044(a)(1) and 17.045.

6. Defendant ADMA RABADI is an individual residing in Williamson County, Texas. Defendant may be served with citation and process at her place of business 7801 N. Lamar, Suite F20, Austin, Texas 78752 or alternatively at her residence, 3009 Bradford Park Drive, Round Rock, Texas, 78664, or wherever she may be found.

#### **IV. VENUE**

7. Venue of this action lies in Dallas County pursuant to § 17.47(b) of the DTPA because the transactions and events giving rise to this action occurred in Dallas County and/or because Defendants have done or are doing business in Dallas County.

#### **V. ACTS OF AGENTS**

8. Whenever in this Petition it is alleged that Defendants did any act or thing, it is meant that Defendants performed or participated in such act or thing or that such act was performed by the officers, agents or employees of said Defendants, and in each instance, the officers, agents or

employees of said Defendants were then authorized to and did in fact act on behalf of Defendants or otherwise acted under the guidance and direction of the Defendants.

## **VI. PUBLIC INTEREST**

9. By reason of the institution and operation of the unlawful practices set forth herein, Defendants have caused and will continue to cause immediate and irreparable injury, loss and damage to the STATE OF TEXAS and its citizens, and will also cause adverse effects to legitimate business enterprises that conduct trade and commerce in a lawful manner in this State. Therefore, the Attorney General of the State of Texas believes and is of the opinion that these proceedings are in the public interest.

## **VII. TRADE AND COMMERCE**

10. Defendants are engaged in “trade” and “commerce” as defined by §17.45(6) of the DTPA, in that Defendants are engaged in the sponsorship of “Building and Design Expos” specifically promoting trade show expositions and soliciting exhibitors to buy booths.

## **VIII. NOTICE BEFORE SUIT**

11. Plaintiff did not inform Defendants herein at least seven (7) days before instituting this action of the alleged unlawful conduct of which complaint is now made, pursuant to DTPA § 17.47(a), for the reason that Plaintiff is of the opinion that there is good cause to believe that such an emergency exists that immediate and irreparable injury, loss or damage would occur as a result of such delay in obtaining a temporary restraining order, and that the Defendants would evade service of process, destroy relevant records and secrete assets if prior notice of this suit were given.

## **IX. SPECIFIC FACTUAL ALLEGATIONS**

12. Farah J. Rabadi does business in the State of Texas using the assumed name American Designers & Builders Inc. (Exhibit “A”). Defendant Farah J. Rabadi d/b/a American Designers & Builders Inc. primarily solicits exhibitors to participate in Building and Design Expos which it sponsors. (Exhibit “B”). Defendant American Designers & Builders Inc. is a Delaware corporation. (Exhibit “C”). Defendant American Designers & Builders Inc., the Delaware corporation (sometimes also referred to as “BDX,” “ADB,” “ADB Inc.,” and “Builders and Designers Inc.”), primarily solicits exhibitors to participate in Building and Design Expos which it sponsors. (Exhibit “B”). American Designers and Builders Inc. has failed to procure a certificate of authority to operate as a corporation from the Texas Secretary of State. (Exhibit “D”).

13. The President of American Designers and Builders Inc. is Farah Rabadi. (Exhibit “E”). The Directors of American Designers and Builders Inc. are Farah Rabadi and Adma Rabadi. (Exhibit E - Delaware secretary of state).

14. Defendant The Milliard Group Inc., is also a Delaware corporation. (Exhibit “F”). Defendant The Milliard Group Inc. (sometimes referred to as “M.G. Inc.”), primarily solicits exhibitors to participate in Building and Design Expos which it sponsors. (Exhibit “B”). The Milliard Group Inc. has failed to procure a certificate of authority to operate as a corporation from the Texas Secretary of State. (Exhibit “G”).

15. The Directors of The Milliard Group Inc. are Farah Rabadi and Adma Rabadi. (Exhibit H, bank statements of North Dallas bank with articles of incorporation included)

16. Plaintiff sent a Civil Investigative Demand (CID), subsequent to Section 17.61 of the Texas Deceptive Trade Practices Act, to the Milliard Group Inc. Registered Agent, Agents and

Corporations Inc. A representative of Agents and Corporations Inc. forwarded the Civil Investigative Demand to Defendant Farah Rabadi (Exhibit "I"). A representative of the Milliard Group Inc. wrote a letter to the Office of the Attorney General regarding the Civil Investigative Demand (CID) using American Builder and Design Inc. stationary in response to the CID. (Exhibit "J").

17. Defendants American Designers and Builders Inc. and the Milliard Group Inc. advertised their Building and Design Expos via the Internet including sites at [www.buildinganddesignexpo.com](http://www.buildinganddesignexpo.com) and [www.thebdx.com](http://www.thebdx.com). (Exhibits "B," "K," & "L"). Defendants solicited consumers to purchase booths in a trade show exposition, "Building and Design Expo," on December 5 and 6, 2006 in Dallas, Texas. (Exhibit "B"). By means of its web pages, telephone marketing, facsimiles, and mailings Defendants advertised Building and Design Expos designed to attract home builders, general contractors, commercial builders, property managing companies, remodeling contractors, architects, engineers, realtors, subcontractors, government and municipal officials, land developers, interior designers, and other industry professionals. (Exhibits "B," "K," & "L"). Less than fifty persons attended the Expo. (Exhibits "N," "O," "P").

18. Defendants represented on their web pages that continuing education programs would be offered during the Expo to attract architects and engineers. (Exhibits "K" & "L"). No continuing education programs were offered or provided. (Exhibits "N," "O," "P").

19. Defendants also represented that free seminars would be offered at the Building and Design Expo including seminars, including but not limited to: Quickbooks, Floor & Decor, Fiber Fence, Surveillance Technology, Helical Application, and Green Energy. (Exhibits "K" & "L"). In addition, Defendants represented that the Dallas Building and Design Expo would have a technology

pavilion showcasing the latest technology products targeted at the building and design market including Lutron, AmX, Automated Outlet, H Com International, Integrated Office Systems, Build Topia and All Tech Group Services, Inc. (Exhibits “K” & “L”). There technology pavilion at the Dallas Building and Design Expo on December 5<sup>th</sup> and 6<sup>th</sup>, 2007 was an area containing approximately twenty chairs where presentations could be given. (Exhibits “N”, “O”, “P”). No free seminars or continuing education programs took place. (Exhibits “N”, “O”, “P”).

20. While approximately sixty exhibitors participated in the Dallas Building and Design Expo on December 5 and 6, 2006, fewer than fifty people attended the exposition over the two-day period. (Exhibits “N”, “O”, “P”). The price of exhibitor booths ranged from \$1,875 to \$5,250. (Exhibits “B” & “O”). Defendants represented to some consumers that attendance was expected to exceed 3,000. (Exhibit “P”).

21. Because of poor attendance, some exhibitors dismantled their booths before the close of the exposition on December 6, 2006 and were consequently charged an additional \$1,000 as a penalty for closing their booths early. (Exhibits “Q” & “R”). Additionally, some exhibitors’ credit cards were double-charged for participating in the Expo. (Exhibits “B”, “Q”, & “R”).

22. The Consumer Protection Division of the Attorney General’s office received ten complaints regarding the December 5<sup>th</sup> and 6<sup>th</sup>, 2006 Building and Design Expo, including complaints that the promotional materials were misleading, the Expo was poorly attended, advertised seminars were canceled, exhibitors’ credit cards were double charged, and exhibitors were charged an additional \$1000 for early break down of the exhibits. (Exhibits “B” & “R”).

23. The Better Business Bureau of Dallas also received thirteen complaints regarding

the December 5<sup>th</sup> and 6<sup>th</sup>, 2006 Building and Design Inc. (Exhibits “B” & “R”). The complaints alleged the promotional materials were misleading, the Expo was poorly attended, advertised seminars were canceled, exhibitors’ credit cards were double-charged, and exhibitors were charged an additional \$1,000 for early break down of the exhibits. (Exhibit “B” & “R”).

24. Defendants hosted a similar exposition in Dallas on August 16 and 17, 2005. (Exhibit “B”). The Better Business Bureau of Dallas received twenty-four complaints from exhibitors asserting that Defendants provided misleading promotional materials, poor advertisement, poor attendance, and cancelled advertised seminars at the 2005 Dallas Expo. (Exhibits “B” & “P”).

25. Defendants also hosted similar expositions in San Diego on November 8<sup>th</sup> and 9<sup>th</sup>, 2005, in Minneapolis, Minnesota on April 5, 2006, in Boston, Massachusetts on September 29<sup>th</sup> and 30<sup>th</sup>, and in Detroit, Michigan on October 18<sup>th</sup> and 19<sup>th</sup>, 2006. (Exhibit “B”). The Better Business Bureau of Dallas received fifteen complaints from exhibitors regarding these Building and Design Expos including three complaints regarding the San Diego 2005 Expo, six complaints regarding the Minneapolis 2006 Expo, three complaints regarding the Boston 2006 Expo, and three complaints regarding the Detroit 2006 Expo. Exhibitors complained that Defendants provided misleading promotional materials, poor advertisement, and the expos were poorly attended. (Exhibits “B” & “P”).

26. On February 8, 2007, the telephone and fax machine numbers listed on Defendant’s American Designers & Builders Inc. stationary were not answered by the Defendants but were answered instead by recordings stating each of the numbers was “not a working number.” (Exhibit “B”). The Building and Design Expo web pages, that were on-line and functioning on February 7, 2007 with the uniform resource locator, [www.themgx.com](http://www.themgx.com) (Exhibit “Q”), were not in operation on February

8, 2007. (Exhibit “B”). The telephone line was only reconnected on February 16, 2007. (Exhibit “B”).

27. One web page was reinstated on February 22, 2007 at [www.themgx.com](http://www.themgx.com) (Exhibits “B” & “R”). Defendants, by means of their web page as recently as February 28, 2007 continue to advertise for exhibitors to participate in Building and Design Expos to be held in Jacksonville, Florida on May 1st and 2nd, 2007 as well as in future Building and Design Expos scheduled to be held in Baltimore, Maryland; Kansas City, Missouri, New York, New York, and Los Angeles, California during 2007. (Exhibits “B” & “S”).

28. Plaintiff sent Civil Investigative Demands (CID), subsequent to Section 17.61 of the Texas Deceptive Trade Practices Act, to North Dallas Bank & Trust, Independent BankersBank, J. P. Morgan Chase Bank, Regions Bank, and Wells Fargo Bank, N.A. requesting bank records of the American Designers and Builders, Inc. and the Milliard Group, Inc. (Exhibit \_\_\_\_). Signers on the accounts included Farah Rabadi, Adma Rabadi, Rouba Rabadi, and Jamie Rabadi. (Exhibit \_\_\_\_). Evidence of dissipation of corporate funds was found in that numerous charges were made to the accounts for insufficient funds and overdraft charges, and \_\_\_\_ charge backs were made to bank cards between \_\_\_\_\_ and \_\_\_\_\_. Additionally, corporate checks written to Nordstroms, Godiva Chocolates, Saks Fifth Avenue, Dilliards, and Victoria’s Secrets (Exhibit \_\_). Additionally, over \$11,000 in checks were written to Rouba Rabadi from American Designer’s and Builders Inc. corporate account during the first eight days of December 2006 and were deposited in Rouba Rabadi’s personal account. (Exhibit \_\_\_\_). Moreover, \$8,000 was removed from Farah J. Rabadi’s and Adma Rabadi’s account on January 30<sup>th</sup>, 2007 only six days after the CID was received by the Registered Agent for Milliard Group inc. (Exhibits letter and

CID).

29. The actions of defendants Farah J. Rabadi d/b/a American Designers and Builders Inc., Milliard Group Inc., American Designers and Builders Inc. and Adma Rabadi demonstrate a pattern and practice of deception in the promotion of Building and Design Expos that are consistently poorly attended. Even though their promotion methods have failed in the past as exemplified in the San Diego 2005 Expo, the Dallas 2005 Expo, the Minneapolis 2006 Expo, the Boston 2006 Expo, the Detroit 2006 Expo Defendants employed similar promotion methods in the failed Dallas 2006 Building and Design Expo. Moreover, American Designers and Builders Inc. and the Milliard Group Inc. confuse consumers by using referring to the entities by multiple names, changing the name of the web site and using more than one web site simultaneously, and not having a working telephone number so that consumers can contact the entities makes it difficult for consumers to contact Defendants so that complaints can be lodged and potentially answered. Defendants have also demonstrated a pattern of dissipating corporate assets.

30. Because Defendants continue to advertise future expositions, using the same promotional procedures that have failed in the past, it is essential that Defendants are prevented from further violating the Deceptive Trade Practices Act and making further misrepresentations to consumers. Defendants already are advertised a Building and Design Expo to be held in Jacksonville, Florida on May 1 and May 2, 2007 as well as additional Building and Design Expos to be held in Baltimore, Maryland, Kansas City, Missouri, New York, New York, and Los Angeles, California during the year 2007. (Exhibits "B" & "S").

## **X. VIOLATIONS OF THE DECEPTIVE TRADE PRACTICES ACT**

31. Defendants, as set out in Paragraphs 1 through 26, in the course and conduct of trade and

commerce, have directly and indirectly engaged in and will continue to engage in false, misleading, deceptive or unconscionable acts and practices declared unlawful by Sections 17.46(a) and (b) of the Texas Deceptive Trade Practices Act, including but not limited to:

- A. Causing confusion as to the identity of the entity by using the names including but not limited to Building and Design Expo, Milliard Group Inc., American Designers and Builders Inc. (Delaware corporation), Farah J. Rabadi d/b/a American Designers and Builders Inc. (sole proprietor assumed name), BDX, ADB, ADB Inc., Builders and Designers Inc., and M.G. Inc. interchangeably, in violation of §17.46(b)(3) of the DTPA;
- B. Falsely representing that the December 2006 Dallas Building and Design Expo would be well-attended by industry professionals when attendance at Defendants' previous Expos was consistently low, in violation of §17.46(b)(5) of the DTPA;
- C. Falsely representing that attendance at the December 2006 Dallas Building and Design Expo would be well in excess of actual attendance when attendance at Defendants' previous Expos was consistently low, in violation of §17.46(b)(5) of the DTPA;
- D. Failing to disclose that attendance at previous Expos sponsored by Defendants was consistently low, in violation of §17.46(b)(24) of the DTPA;
- E. Representing to exhibitors that Defendants' Expos that continuing education programs would be offered to attract architects and engineers to attend the December 2006 Dallas Building and Design Expo, when no continuing education programs were offered or provided, in violation of §17.46(b)(5) of the DTPA;
- F. Representing to exhibitors that seminars, including but not limited to QuickBooks, Floor & Decor, Fiber Fence, Surveillance Technology, Helical Application, and Green Energy, would be offered at the December 2006 Dallas Building and Design Expo, when no seminars were offered or provided, in violation of §17.46(b)(5) of the DTPA;
- G. Misrepresenting the cost to exhibit at Defendants' Expos because many exhibitors were doubled-charged the exhibition fee, in violation of §17.46(b)(5) of the DTPA;
- H. Failing to disclose that exhibitors would be double-charged for a booth, in violation of §17.46(b)(24) of the DTPA;

- I. Failing to disclose that Defendants' Expos consistently have low attendance and then charging fees, including a \$1,000 fee, for early dismantling when poor attendance at the December 2006 Dallas Building and Design Expo was highly predictable, in violation of §17.46(b)(24) of the DTPA;
- J. Causing confusion by changing Defendants' telephone number, facsimile number and web page without providing instructions as to how consumers can contact Defendants for refunds and complaints, in violation of §17.46(b)(3) of the DTPA;
- K. Advertising an exhibitor's booth at a well-attended Building and Design Expo when Defendants knew that attendance was low and that exhibitors complained about low attendance at their previous Expos, in violation of §17.46(b)(9) of the DTPA;
- L. Failing to disclose that American Designers and Builders Inc. is not authorized to do business in Texas, in violation of §17.46(b)(24) of the DTPA; and
- M. Failing to disclose that Millard Group Inc. is not authorized to do business in Texas in violation of §17.46(b)(24) of the DTPA.
- N. Failing to disclose that the Milliard Group and American Designers and Builders Inc. were dissipating corporate assets in violation of §17.46(b)(24) of the DTPA.

32. Moreover, the Consumer Protection Division has reason to believe that the above

actions specifically violate Section 17.46(a) and the following provisions of Section 17.46(b) of the

DTPA:

- A. Causing confusion or misunderstanding as to the affiliation, connection, or association with or certification by another in violation of §17.46(b)(3) of the DTPA;
- B. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which they do not have in violation of §17.46(b)(5) of the DTPA;
- C. Advertising goods or services with intent not to sell them as advertised, in violation of §17.46(b)(9) of the DTPA; and

- D. Failing to disclose information concerning goods or 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 into which the consumer would not have entered had the information been disclosed, in violation of , in violation of §17.46(b)(24) of the DTPA.

## **XI. VIOLATIONS OF THE BUSINESS CORPORATION ACT**

33. The Business Corporation Act provides that no foreign corporation may transact business in this State until it shall have procured a certificate of authority to do so from the Secretary of State. TEX. BUS. CORP. ACT ART. 801(A). Defendants AMERICAN DESIGNERS & BUILDERS INC. and MILLIARD GROUP INC. are foreign corporations organized and existing under the laws of the State of Delaware (Exhibits “C” & “F”). But Defendants have never procured certificates of authority from the Texas Secretary of State (Exhibits “D” & “G”).

34. Nevertheless, Defendant AMERICAN DESIGNERS & BUILDERS INC. has transacted business in this State without a certificate of authority at least since December 16, 2004 through the present day, a total of twenty-seven months (Exhibit “C”).

35. Defendant MILLIARD GROUP INC. has transacted business in this State without a certificate of authority at least since April 19, 2006 through the present day, for a total of eleven months. (Exhibit “E”).

36. For unlawfully transacting business in the State of Texas, Defendant AMERICAN DESIGNERS & BUILDERS INC. is liable for the years 2004 to 2007 in an amount equal to all fees and franchise taxes, which would have been imposed by law upon Defendant AMERICAN DESIGNERS & BUILDERS INC. had it duly applied and received a certificate of authority to transact business in this State and thereafter filed all reports required by law. *See* TEX. BUS. CORP.

ACT ART. 8.18(C).

37. Similarly, Defendant MILLIARD GROUP INC. is liable for the years 2006 to 2007 in an amount equal to all fees and franchise taxes, which would have been imposed by law upon Defendant MILLIARD GROUP INC. had it duly applied and received a certificate of authority to transact business in this State and thereafter filed all reports required by law. *See id.*

38. Furthermore, Defendants AMERICAN DESIGNERS & BUILDERS INC. and MILLIARD GROUP INC. should forfeit to this State an amount not less than One Hundred Dollars (\$100) nor more than Five Thousand Dollars (\$5,000) for each month or fraction thereof that Defendant AMERICAN DESIGNERS & BUILDERS INC. and Defendant MILLIARD GROUP INC. transacted business in this State without a certificate. *See id.*

39. Moreover, FARAH RABADI and ADMA RABADI breached their duties of care as directors of AMERICAN DESIGNERS & BUILDERS INC. and MILLARD GROUP INC. by failing to adequately supervise the conduct of AMERICAN DESIGNERS & BUILDERS INC. and MILLARD GROUP INC.'s employees, when the directors knew or should have known that violation of the Deceptive Trade Practices Act and violations of the Texas Business Corporation Act were taking place.

## **XII. INJURY TO CONSUMERS**

40. By means of the foregoing unlawful acts and practices, Defendants have acquired money or other property from identifiable persons to whom such money should be restored, or who in the alternative are entitled to an award of damages.

## **XIII. DISGORGEMENT**

41. All of the Defendants' assets are subject to the equitable remedy of disgorgement, which is the forced relinquishment of all benefits that would be unjust for Defendants to retain, including all ill-gotten gains and benefits or profits that result from Defendants putting fraudulently converted property to a profitable use. Defendants should be ordered to disgorge all monies fraudulently taken from individuals and businesses together with all of the proceeds, profits, income, interest and accessions thereto. Such disgorgement should be for the benefit of victimized consumers and the State of Texas.

#### **XIV. REPATRIATION OF ASSETS**

42. After due notice and a hearing, the court should order that all of the Defendants' assets situated outside the jurisdiction of this Court be deposited into an appropriate financial institution within the jurisdiction of this Court.

#### **XV. NECESSITY OF IMMEDIATE RELIEF TO PRESERVE DEFENDANT'S ASSETS**

43. Plaintiff requests immediate relief by way of a Temporary Restraining Order and Temporary Injunction to preserve and protect the Defendants' assets from dissipation so that the many victims of Defendants' actions can receive the restitution to which they are entitled. The Defendants receive sums of money from double-charging for booths at expositions and for soliciting exhibitors to pay to participate in expositions which are consistently poorly promoted and poorly attended. Thus the money collected from consumers constitutes contraband which should be returned to its rightful owners. The assets of the Defendants are subject to dissipation and secretion and therefore should be frozen pending final trial so

restitution can be made, and full and final relief can be awarded at the resolution of this litigation.

#### **XVI. REQUEST TO CONDUCT DISCOVERY PRIOR TO TEMPORARY INJUNCTION HEARING**

44. The STATE OF TEXAS requests leave of this Court to conduct telephone, oral, written, and other depositions of witnesses, including Defendants or employees of Defendants, prior to any scheduled Temporary Injunction Hearing and prior to Defendants' answer date. There are a number of witnesses who may need to be deposed prior to any scheduled Temporary Injunction Hearing. Any depositions, telephonic or otherwise, would be conducted with reasonable shortened notice to Defendants and their attorneys if known.

45. The following deposition notices are attached to this petition:

- a) Deposition notice for Farah Rabadi;
- b) Deposition notice for Adma Rabadi;
- c) Deposition notice for Rouba Rabadi; and
- d) Deposition notice for Jamie Rabadi.

#### **XVII. TRIAL BY JURY**

46. Plaintiff, STATE OF TEXAS demands trial by jury in this cause.

#### **XVIII. DISCOVERY REQUEST**

47. Under Texas Rule of Civil Procedure 194, FARAH J. RABADI d/b/a AMERICAN DESIGNERS & BUILDERS INC.; MILLIARD GROUP INC.; and AMERICAN DESIGNERS & BUILDERS INC. and ADMA RABADI are each requested to disclose, within 50 days of service of this request, the information or material described in Texas Rule of Civil Procedure 194.2 (a), (b), (c), (d),

(e), (f), (g), (h), and (i).

## **XIX. PRAYER**

48. WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that FARAH J. RABADI d/b/a AMERICAN DESIGNERS & BUILDERS INC.; MILLIARD GROUP INC.; AMERICAN DESIGNERS & BUILDERS INC. and ADMA RABADI; a TEMPORARY RESTRAINING ORDER be issued; that after due notice and hearing a TEMPORARY INJUNCTION be issued; and upon final hearing a PERMANENT INJUNCTION be issued restraining and enjoining Defendants, Defendants' successors, assigns, officers, agents, servants, employees, and attorneys and any other person in active concert or participation with Defendant from engaging in the following acts or practices: representatives from making the representations, doing the acts, and engaging in the practices set out in the proceeding paragraphs:

- A. Transferring, concealing, destroying, or removing from the jurisdiction of this Court any books, records, documents, invoices or other written materials relating to the business of Defendants currently or hereafter in Defendants' possession, custody or control except in response to further orders or subpoenas in this case;
- B. Transferring, spending, hypothecating, concealing, encumbering, depleting, modifying, dissipating, distributing, or removing from the jurisdiction of this Court any money, stocks, bonds, assets, notes, equipment, funds, accounts receivable, policies of insurance, trust agreements, or other property, real, personal or mixed, wherever situated, belonging to or owned by, in possession of, or claimed by Defendants, insofar as such property relates to, arises out of or is derived from the unlawful business operation of Defendant within the State of Texas;

- C. Opening or causing to be opened any safe deposit boxes or storage facilities titled in the name of Defendants, or subject to access or control by Defendant, without providing Plaintiff and the Court prior notice by motion seeking such access.
- D. Operating American Builder and Designers Inc. in the State of Texas until it has duly applied and received a certificate of authority to transact business in this State and filed all reports required by the TEX. BUS. CORP. ACT ART. 8.18(C);
- E. Operating Millard Group Inc. in the State of Texas until it has duly applied and received a certificate of authority to transact business in this State and filed all reports required by the TEX. BUS. CORP. ACT ART. 8.18(C);
- F. Soliciting Exhibitors to participate in any Building and Design Expos sponsored or promoted by Defendants using only the same advertising and promotion techniques used in the Dallas 2005 and Dallas 2006 Expos;
- G. Causing confusion as to the identity of the entity by using the names Building and Design Expo, Milliard Group Inc., American Designers and Builders Inc. (Delaware corporation), Farah J. Rabadi d/b/a American Designers and Builders Inc. (sole proprietor assumed name), BDX, ADB, ADB Inc., Builders and Designers Inc., and M.G. Inc. interchangeably;
- H. Representing that any Building and Design Expo sponsored or promoted by Defendants would be well-attended by industry professionals unless advertising and promotions are substantially increased;
- I. Representing that attendance at any Building and Design Expo sponsored or promoted by Defendants would be well in excess of the average of attendance

at Defendants' previous Expos unless advertising and marketing for such Expos are substantially increased;

- J. Failing to disclose that attendance at previous Building and Design Expos sponsored or promoted by Defendants was consistently low;
- K. Representing that continuing education programs will be offered to attract architects and engineers to attend any Building and Design Expos sponsored or promoted by Defendants, unless continuing education programs are offered and provided;
- L. Representing that seminars, including but not limited to QuickBooks, Floor & Decor, Fiber Fence, Surveillance Technology, Helical Application, and Green Energy, will be offered at any Building and Design Expos sponsored or promoted by Defendants, unless advertised seminars are offered and provided;
- M. Misrepresenting the cost to exhibit at any Building and Design Expos sponsored or promoted by Defendants;
- N. Doubled-charging exhibitors the exhibition fee or any other fee;
- O. Failing to disclose that exhibitors will be double-charged for a booth;
- P. Failing to disclose to all exhibitors and potential exhibitors that Defendants' Building and Design Expos consistently have low attendance and that the \$1,000 early dismantling fee will apply in a box in 16 point type on any web page or print advertisement;
- Q. Causing confusion by changing Defendants' telephone number, facsimile number and web page without providing instructions as to how consumers can contact

Defendants for refunds and complaints; and

- R. Advertising the benefits of purchasing an exhibitor's booth at a well-attended Building and Design Expo when Defendants know that attendance has been traditionally low at their previous expositions and substantial increases in advertising and marketing have not occurred.

49. Plaintiff further prays that upon final hearing this Court orders each and every Defendant to pay civil penalties of \$20,0000.00 per violation of the DTPA to the STATE OF TEXAS. *See* TEX. BUS. & COM. CODE §17.47(c)(1).

50. Plaintiff further prays that, upon final hearing, this court order each and every Defendant to restore all money or other property taken from identifiable persons by means of unlawful acts or practices, or in the alternative, award judgment for damages to compensate for such losses. *See* TEX. BUS. & COM. CODE §17.47(d).

51. Plaintiff further prays that, upon final hearing, this Court order each and every Defendant to disgorge all monies taken from consumers through deceptive practices, including gains and benefits or profits resulting from violations of the DTPA.

52. Plaintiff further prays that, upon final hearing, this Court order Defendants to pay civil penalties described below for the duration of time that Defendants AMERICAN DESIGNERS & BUILDERS INC. and the MILLIARD GROUP INC., foreign corporations, engaged in actions violating Article 8.1A of the Business Corporation Act by transacting business in this State without first procuring a certificate of authority from the Secretary of State. Plaintiff prays for the aforementioned civil penalties as follows: (1) in an amount equal to all fees and franchise taxes that would have been imposed by law upon Defendants AMERICAN DESIGNERS & BUILDERS INC. and MILLIARD GROUP INC. had

they duly applied for and received a certificate of authority to transact business in this State as required by law and thereafter filed all reports required by law, plus all penalties imposed by law for failure to pay such fees and franchise taxes; and (2) in an amount of \$5,000 for each month or fraction thereof for each month that AMERICAN DESIGNERS & BUILDERS INC. and MILLIARD GROUP INC. each transacted business in this State without a certificate. *See* TEX. BUS. CORP. ACT ART. 8.18©).

53. Plaintiff further prays for costs of Court, reasonable attorney fees as provided in TEX. GOV'T. CODE ANN. § 402.006(c), and such other relief to which Plaintiff may be justly entitled.

Respectfully submitted,

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Attorney General of Texas

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First Assistant Attorney General

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Deputy First Assistant Attorney General

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**VERIFICATION**

**STATE OF TEXAS** §  
§  
**COUNTY OF DALLAS** §

Before me, the undersigned Notary Public, on this day personally appeared Patricia Stein, who, after being duly sworn, stated under oath that she is one of the attorneys for Plaintiff in this action, that she has read the above petition, and that every statement contained in the petition is true and correct and within the personal

knowledge the affiant as indicated in the affidavit attached to Plaintiff's Original Petition and Application for Ex Parte Temporary Restraining Order, Asset Freeze, Temporary Injunction, and Requests for Disclosure.

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PATRICIA STEIN, Assistant Attorney General

SUBSCRIBED AND SWORN TO before me, on the \_\_\_\_ day of February, 2007 to certify which witness my hand and official seal.

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**Notary Public**  
State of Texas