

NO. 07-04350

STATE OF TEXAS,
Plaintiff

vs.

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

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IN THE DISTRICT COURT OF

DALLAS COUNTY, TEXAS

C-68th JUDICIAL DISTRICT

EX PARTE TEMPORARY RESTRAINING ORDER
AND ASSET FREEZE

Plaintiff, State of Texas, has filed its Original Petition in this cause seeking a Temporary and Permanent Injunction and Asset Freeze against Defendants Farah J. Rabadi d/b/a American Designers & Builders Inc., Milliard Group Inc., American Designers & Builders Inc., and Adma Rabadi and in the same petition has presented its request for an Ex Parte Temporary Restraining Order and Asset Freeze regarding Farah J. Rabadi d/b/a American Designers & Builders Inc., Milliard Group Inc., and American Designers & Builders Inc., and Adma Rabadi .

The Court finds that Defendants may be violating § 17.46(a) and (b) of the Deceptive Trade Practices-Consumer Protection Act, TEX. BUS. & COM. CODE ANN §17.41 *et. seq.* It appears from facts set forth in the Plaintiff's Original Petition and the exhibits and sworn affidavits attached thereto that unless Defendants are immediately restrained from the acts prohibited below, Defendants will commit such acts before notice can be given and a hearing can be held on the State of Texas' request for a Temporary Injunction. Furthermore, Defendants will continue to use deception in their promotion of Building and

Design Expositions, solicitations to sell booths to exhibitors, double-charging exhibitors and may well dissipate and secrete Defendants' assets before a judgment for restitution can be rendered. If the restraint is not issued, Defendants will continue to, before notice can be given and a hearing held, cause irreparable injury, loss, or damage to consumers who are deceived by Defendants' misrepresentations and who will purchase exhibition booths at future Building and Design Expos. Consumers will be subjected to double-charging and loss of money because of Defendant's pattern and practice of sponsoring participation in poorly promoted and poorly attended Expos. Such injury would be irreparable because continued violations of the DTPA may well cause many more consumers to lose money as a consequence of Defendants' deceptive practices.

The Court further finds that Defendants' business may have been solely organized for an unlawful purpose and that assets held by Defendants may be proceeds from business activity which is wholly unlawful and, therefore, such assets are subject to the equitable remedy of disgorgement. Given the likelihood of dissipation of Defendants' assets prior to rendition of a final judgment, the possibility of restitution for consumers will be remote unless an order freezing assets is granted. This action is in the public interest.

1. **IT IS THEREFORE ORDERED** that Defendants, Farah J. Rabadi d/b/a American Builders and Designers Inc., American Builders & Designers Inc. and Milliard Group Inc., and Adma Rabadi their officers, agents, servants, spouse, relatives, employees, attorneys and any other persons in active concert or participation with them, including but not limited to, all financial institutions such as Wells Fargo¹, Regions

Bank², North Dallas Bank & Trust Co.³, Independent Bankers Bank⁴, and J.P. Morgan Chase⁵ holding money in the name and/or for the benefit of Defendants Farah J. Rabadi d/b/a American Designers & Builders Inc., Milliard Group Inc., American Designers & Builders Inc. and/or Adma Rabadi 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:

- 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 Defendants 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 Defendants, 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;~~ *by representing they are associated with and/or offering CEU's for architects and engineers. /s/*

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, ABD, ABD 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.

3. *The court grants the following expedited discovery regarding*
~~IT IS FURTHER ORDERED~~ that the Defendants advise any financial or brokerage institution, escrow agent, title company, storage facility, commodity trading company, business entity or person maintaining or having custody or control of any account or other asset of Defendant, *On or before* ~~which receives actual~~ *May 15, 2008* Defendants shall provide the information requested *below:* notice of this Order by personal service or otherwise, to within five (5) business days of the date of service of this Order, provide to counsel for the Plaintiff and the defendant/account holder a statement or letter setting forth:

- A. The identification of each account or asset titled in the name, individually or jointly, of Defendant, or held on behalf of, or for the benefit of Defendant;
- B. The balance of each such account, or a description and estimated value of such assets, as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other assets was remitted; and
- C. The identification of any safe deposit box or storage facility that is either titled in the name individually or jointly, of Defendant, or is otherwise subject to access or control by

Defendant;

It is ordered that
Defendants shall serve their responses in such a manner as
Ex Parte Temporary Restraining Order and Asset Freeze to be received by Plaintiff's counsel by
STATE OF TEXAS V. FARAH J. RABADI d/b/a AMERICAN DESIGNERS & BUILDINGS INC.
OAG # 072433345 3:00 p.m. on May 15, 2008.

4. **IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** that, as used in this Judgment, the following terms are defined as follows:

- A. "Consumer" means an individual, partnership, corporation, or entity of any kind, including this state, or a subdivision or agency of this state who seeks or acquires, by purchase or lease, any goods or services;
- B. "Defendants" mean Farah J. Rabadi d/b/a American Designers & Builders Inc., Milliard Group Inc., American Designers & Builders Inc., and Adma Rabadi as well as their successors, assigns, officers, agents, subcontractors, servants, present and former employees, corporations and any other persons in active concert or participation with them;
- C. "Person" means an individual, sole proprietorship, firm, partnership, corporation, association, joint venture or other group, or business entity, however organized;
- D. "Solicits" or "solicited" means any type of contact with a person or entity for the purpose of requesting, persuading, or seeking any type of contribution, sponsorship, compensation, or anything of value from said person or entity for any reason whatsoever.
- E. "Building and Design Expos" means any type of exposition, showcase, trade show, or event sponsored by Defendants or any exposition, showcase, trade show or event for which Defendants solicit participants and/or exhibitors to participate including but not limited to those expositions, showcases, trade shows or events targeting the residential and commercial building industry, and construction and design industry workers and professionals.

5. **IT IS FURTHER ORDERED** that ^{the parties} Plaintiff shall be granted leave to take telephonic, video, written, and other depositions, including those of Defendants, prior to any scheduled temporary injunction hearing

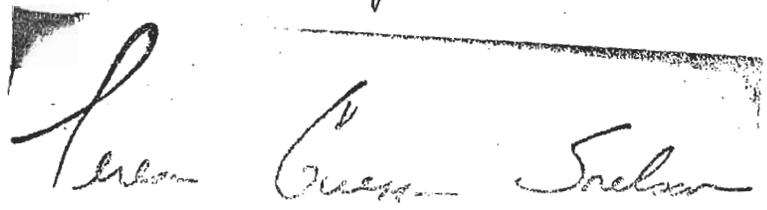
upon reasonable shortened notice to ~~the~~ ^{one another} Defendants;

6. **IT IS FURTHER ORDERED** that Defendants in this cause be and hereby is commanded forthwith to comply with this Order from the date of entry until and to the fourteenth (14) day after entry or until further order of this Court, whichever is less.

7. The Clerk of the above-entitled Court shall forthwith issue an ex parte temporary restraining order in conformity with the law and the terms of this Order. 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).

Hearing on Plaintiff, State of Texas' Application for an Temporary Injunction and Asset Freeze is hereby set for the 23 day of May, 2007 at 2:00 o'clock, p m.

SIGNED this 10th day of May, 2007 at 4:27 o'clock, p m.



JUDGE PRESIDING
Teresa Guerra Snelson
Associate Judge
WGS Sitting for the
Civil District Court