

Mitchell Vexler, President G.P.
MAVEX Shops of Flower Mound LP]
Complainant]

VS.

State of Texas,]
Denton Central Appraisal District,]
DENTON COUNTY School Districts,]
Associated Entities &]
Individuals.]
Defendants]

**1st Amendment to the CRIMINAL COMPLAINT
In the Name and Under Authority of the State of Texas and the United
States of America.**

Mitchell Vexler, President G.P. Mavex Shops of Flower Mound, LP, the Complainant in this case, hereby states the following is true to the best of my knowledge and belief that the Defendants and co-conspirators including but not limited to those stated below have set out to defraud the American Public on a mass scale.

In order to show and prove a pattern and practice of intent to defraud on a mass scale; Denton Central Appraisal District (“DCAD”) and it’s co-conspirators including its Board of Directors comprised of Charles Stafford, Roy Attwood (also an attorney), Alex Buck, Chief Appraiser Don Spencer, X-Chief Appraiser Hope McClure, Deputy Chief Appraiser Chris Littrel, Chuck Saling Commercial Department DCAD, County Judge Andy Eads, Texas State Comptroller and BRB Board Member Glen Hegar, DCAD’s attorney Bradon Metcalf, DCAD Board of Directors, Texas Department of Licensing and Regulation, Texas Licensing and Certification Board, Lewisville Independent School District (its Board of Directors and Superintendent), Denton Independent School District (its Board of Directors and Superintendent), Colony Independent School District (its Board of Directors and Superintendent), along with every other school district and the School Districts Superintendents in the State of Texas (and throughout the United States) that will not provide proper notes to the balance sheet, sources and uses, bond schedule and adherence to GAAP, all of whom are in violation of multiple State and Federal Laws, Michell French (retired) Denton County Tax Assessor Collector, Dawn Waye current Denton County Tax Assessor Collector, Governor Abbott Chairman of the Bond Review Board, Dan Patrick member Bond Review Board and Rob Latsha Executive Director Bond Review Board and the accounting firms and accountants for these organizations, Senator Paul Bettencourt and Ken Paxton State Attorney General (“Defendants”) while acting, or purporting to act, under the color of an official capacity, has exerted an authority beyond

the scope of his / her / their office and or took positions that justify recusal, and in the process denied Complainant and others similarly situated in the full and free access to, and/or enjoyment of, rights secured by the Constitution and laws of both the State of Texas and the United States of America.

Michelle French and the new Denton County Tax Assessor Collector or any Tax Assessor Collector and the attorneys for DCAD or any Central Appraisal District is deemed to know the law. “Officers of the court have no immunity...when violating a constitution right for are deemed to know the law.” *Owens v Independence 100 S.C.T. 1398* Officers of the Court know that properly applying the facts to the law is NOT discretionary. (*Walker v Packer, 827 S.W.sd 833, 840 (Tex. 1992)*) and misapplying the facts to the law in a matter is an abuse of discretion and constitutes Official Oppression.

A special category of investigation by the SEC is warranted with regard to any **Securities firm** who sold bonds without any due diligence and disclosure to the bond buyers. Did the Securities firms violate the cap limit on bonds found in the Texas Constitution?

In furtherance of the above, in addition to and integral to the original Criminal Complaint filed with the DOJ on 3/5/2025 by Mavex Shops of Flower Mound LP this 1st Amendment to said original Criminal Complaint expands the original Criminal Complaint to include

- A.) School District Superintendents – (See Short List of School Bond Debt below)
- B.) Chief Appraisers – (See Short List of School Bond Debt below)
- C.) School Districts Board of Directors – (See Short List of School Bond Debt)
- D.) Central Appraisal Districts Board of Directors – (See Short List of School Bond Debt)
- E.) LEG Texas House – Attorneys conspiring against the Citizens of the State of Texas.
- F.) Texas Education Agency and Special Unit Investigators (SUI)

Mavex Shops of Flower Mound, LP has reason to believe and does believe that the above-named Defendants as well as those in similar positions across the United States have committed various crimes against the laws of the State of Texas and throughout the United States, including but not limited to Official Misconduct, Official Oppression, Sedition of which facts and violations are listed herein as follows:

FACTUAL BACKGROUND FOR THIS 1ST AMENDMENT TO THE CRIMINAL COMPLAINT – [Link to Original Criminal Complaint](#)

Let’s start with one question: Is there any person in the State of Texas or any State in the United States that has agreed to go bankrupt as a result of fraudulent school district bond debt?

Gross Negligence, Gross Incompetence, **Title 42 U.S. Code Section 1986, Knowledge of Wrongful Act & Power to Prevent** - Texas has a swamp.

After 40 days of holding the ACT which I wrote and delivered to Helen Kerwin, and which is the only viable solution, I received changes that were made by LEG on 3/13/2025. I responded in less than 1 hour and stated that the changes by LEG (Legal Counsel to House of Representatives Texas) were useless and in fact made the problem of the bond fraud worse by allowing it to continue. One of two things occurred. Either LEG is grossly incompetent or intentionally grossly negligent. I then proceeded to update the ACT with

current evidence and information, which was quickly sent back to James Wesolek, Chief of Staff for Helen Kerwin, and the immediate response from James was, “well that will take a lot of time for LEG to review”. There are over 12,000 hours of research into what has resulted in the original Criminal Complaint and the ACT and LEG has what appears to be ½ hour at best. They made unauthorized changes and it was obviously their intent to hide the ACT from the beginning otherwise they would not have waited till the last minute to deliver their changes and would have reached out to me during their inspection period.

In a last-ditch effort to resurrect the ACT on 3/14/25 at 2:30 p.m. I responded with;

Hi James:

We are at DEFCON 5 and let me explain and show you why. Attached is the spreadsheet that is being worked on by the hour. The TEA website is more current than the BRB (which should be shut down for misleading the public. Aggravated Perjury) but the bottom line is the deficit so far, based on the current research shows a \$10 Billion dollar difference between the TEA and the BRB and that is for just 21 school districts out of the over 1,040 school districts. The Godley School Bond Debt increased by \$50,000,000.00 above the BRB and that is now in the spreadsheet below. That puts the Godley debt at \$109,000 (up from \$90,000) / household with a median value of \$160,000 = DEFCON 5.

Debt per Household for Current School Bonds , NOT including Interest Payments							Monthly House Payment for Existing School Bond Debt Based on a 30 Year Term and 6.5% Interest Rate < 30 Year Term Typ	
Assuming the Debt is Actually Decreasing and NO NEW DEBT Added							Rate	
							6.5%	
ISSUER	Population	Students	DEBT OUTSTANDING**	Cost/Student	House Holds*	Debt Per Household	Monthly Payment Due	
Aledo ISD	31,966	9,598	\$664,178,481.00	\$69,200	1,785	\$ 372,088.78	\$ (2,178.42)	
Allen ISD	111,348	29,999	\$1,429,683,101.00	\$47,658	33,786	\$ 42,315.84	\$ (247.74)	
Alvarado ISD	21,101	5,241	\$315,334,393.00	\$60,167	1,585	\$ 198,949.14	\$ (1,164.76)	
Argyle ISD	16,571	5,007	\$593,662,855.00	\$118,567	1,710	\$ 347,171.26	\$ (2,032.54)	
Aubrey ISD	13,640	3,937	\$441,417,678.00	\$112,120	2,183	\$ 202,206.91	\$ (1,183.83)	
Carrollton-Farmers Branch	169,645	24,888	\$1,288,475,000.00	\$51,771	60,794	\$ 21,194.11	\$ (124.08)	
Cleburne ISD	39,871	9,820	\$238,304,181.00	\$24,267	11,258	\$ 21,167.54	\$ (123.93)	
Crowley ISD	107,143	28,106	\$1,806,937,041.00	\$64,290	6,172	\$ 292,763.62	\$ (1,714.00)	
Denton ISD	217,427	49,880	\$3,426,270,955.00	\$68,690	52,243	\$ 65,583.35	\$ (383.96)	
Frisco ISD	276,743	84,485	\$4,637,794,341.00	\$54,895	74,081	\$ 62,604.37	\$ (366.52)	
Forney ISD	55,884	17,630	\$1,570,293,451.00	\$89,069	8,520	\$ 184,306.74	\$ (1,079.04)	
Fort Worth ISD	976,932	74,850	\$2,833,065,000.00	\$37,850	346,392	\$ 8,178.78	\$ (47.88)	
Godley ISD	10,032	2,886	\$273,164,984.00	\$94,652	2,500	\$ 109,265.99	\$ (639.71)	
Itasca ISD	3,816	984	\$8,275,000.00	\$8,410	572	\$ 14,466.78	\$ (84.70)	
Keller ISD	184,550	50,705	\$751,034,989.00	\$14,812	16,052	\$ 46,787.63	\$ (273.92)	
Lewisville ISD			\$1,490,300,000.00	#DIV/0!		#DIV/0!	#DIV/0!	
McKinney ISD	135,162	35,032	\$1,311,015,000.00	\$37,423	68,224	\$ 19,216.33	\$ (112.50)	
Mesquite ISD	184,168	52,874	\$655,349,280.00	\$12,395	50,391	\$ 13,005.28	\$ (76.14)	
Plano ISD	362,158	75,872	\$898,035,000.00	\$11,836	107,448	\$ 8,357.86	\$ (48.93)	
Prosper ISD	75,224	25,887	\$1,937,492,968.00	\$74,844	9,071	\$ 213,591.99	\$ (1,250.49)	
Richardson ISD				#DIV/0!		#DIV/0!	#DIV/0!	
Royse City ISD	32,903	9,932	\$608,231,064.00	\$61,240	4,512	\$ 134,802.98	\$ (789.21)	
Wylie ISD	105,027	31,026	\$864,055,971.00	\$27,849	18,390	\$ 46,985.10	\$ (275.08)	
Canutillo ISD***	6,880	5,700	\$357,459,616.00	\$62,712	1,979	\$ 180,626.39	\$ (1,057.49)	
Socorro ISD	35,429	47,000	\$727,904,806.00	\$15,487	9,964	\$ 73,053.47	\$ (427.70)	
Ysleta ISD	26,677	36,183	\$865,693,032.00	\$23,925	8,737	\$ 99,083.56	\$ (580.09)	
			\$29,993,428,187.00					

* From Census Bureau

** As Reported on the BRB Website 2025

The difference between the BRB for Frisco is \$2,191,990,934.00 and the TEA is \$4,637,794,341.00 which is double the BRB. I wish to point out that Governor Abbott is the Chair of the BRB.

The TEA is showing an increase above the BRB for Forth Worth by \$1,440,450,000.00

This is Texas and any party can agree to any document they wish to agree to. Without question, this is an emergency, and drastic measures must be taken. The Titanic is taking on water by the second and sinking fast. If there is an attorney in LEG who can point to any language in the ACT that I sent that does not work under law, then we can modify the language without modifying the context or the explanation of the issues. This cannot be sugarcoated. We can't modify the meaning because the problem is irrefutably clear and the ACT itself as drafted explains to the reader, including the public, what needs to be done and why Helen is in front of it.

If an attorney from LEG wants to speak with me, I will tweak the text to make it work and I will do it in a matter of minutes.

No Citizen in the State of Texas or in any State signed up to bankrupt themselves in favor of any school district.

We are on standby to help.

Best Regards.

M.

Mitchell Vexler, President G.P.

Mockingbird Properties LLC

1913 Justin Road

Suite 117

Flower Mound, TX.

75028

214-725-9013

mitch@mockingbirdprop.com

www.mockingbirdproperties.com

The result was that I received a phone call at 3:05 p.m. Saturday 3/15/2025 that the ACT was not submitted.

I would like to suggest that the DOJ immediately send a preservation of records to the legal department (LEG) for the House of Representatives and James Wesolek.

Could it be they are afraid of the ACT itself? See Article 3 on page 39 herein. The School Districts would be required to...

“(b) Existing school bond debt will be brought down to zero, within 3 years of the date hereof with all interest rates hereby frozen and no new bonds issued, and all school districts within 30 days from the date of this ACT must provide from the School District Superintendent and Board, under threat of perjury, a current bond schedule (CUSIPS, term, interest rate, bonds paid off, bonds outstanding underwriter, seller of the bonds, holder of the bonds), balance sheet with proper notes, sources and uses including operations and maintenance, along with the “Investment Pool” full disclosure (participants, operator, tenure, paid in, unfunded liabilities, profit and loss) and if not provided the

school district will be put into bankruptcy with the mandate of restoring an efficient education system for the benefit of the students no longer on the back of the real estate taxpayer, by violating the 16th Amendment to the U.S. Constitution and Texas State Law Every School District, (including each person on the Board and the Superintendent within 30 days of the date herein, will deliver to the State Comptroller (for public viewing) any and all Energy Contracts funded under TEA Code Chapter 44.901, Subchapter Z, miscellaneous provisions, (in full being on balance sheet & off balance sheet) including but not limited to Chapter 313 Agreements, and JETI Contracts, specifically stating the Type of Contract, terms, status, return of capital, return on capital, signators to the Contract and the accounting firms overseeing the Contracts and Agreements.”

It is important to point out that what is required in the ACT as stated above is what is required in law to make any school districts set of financials meet proper accounting standards.

Below is the Short List of School Bond Debt that shows the names of the Superintendents, Chief Appraisers, and bond amounts outstanding that we currently know of. This graphic is the continuation of the graphic that was delivered to James Wesolek above, which formed the document that LEG saw and which was prohibited from moving forward to the House Ways and Means Committee of the State of Texas. This graphic is but a small fraction of the over 1,000 school districts in Texas but clearly shows the intent to defraud in that the monthly payment on top of a households current mortgage cannot be made under any circumstance which is why bonds are raised to cover the interest payments and that is the Ponzi scheme.

[Link to graphic](#)

Short List of School Bond Debt in Texas														Rev. 3						
Debt per Household for Current School Bonds , NOT including Interest Payments																				
Monthly House Payment for Existing School Bond Debt Based on a 30 Year Term and 6.5% Interest Rate														< 30 Year Term Typical for Home Mortgage Loans						
Assuming the Debt is Actually Decreasing and NO NEW DEBT Added														Rate Term Annual Payments						
Find Out More Regarding Texas Schools at: Commonsenselaw.org														6.5%	30	12				
ISSUER	Superintendent of Schools	Chief Appraiser	Population	Students	As Reported on FSP DEBT OUTSTANDING*	Cost/Student	House Holds*	Debt Per Household	Monthly Payment Due	Median Household Income	Percent of Gross Income	Reported Budget Deficit	Debt as Reported on BRB Website (2025)	Delta of BRB and FSP Values						
Aledo ISD	Susan K. Bohn	Joe Don Bobbitt	31,966	9,598	\$664,178,481.00	\$69,200	1,785	\$ 372,088.78	\$ (2,351.85)	\$146,236.00	-19.3%		\$ 367,459,021.00	\$ 296,719,460.00						
Allen ISD	Robin Bullock		111,348	29,999	\$1,429,683,101.00	\$47,658	33,786	\$ 42,315.84	\$ (3267.46)	\$121,259.00	-2.6%		\$ 589,855,811.00	\$ 839,827,290.00						
Alvarado ISD	Kenneth Estes	Brittiany Vereen	21,101	5,241	\$315,334,393.00	\$60,167	1,585	\$ 198,949.14	\$ (1,287.49)	\$91,718.00	-16.5%		\$ 181,965,000.00	\$ 133,369,393.00						
Argyle ISD	Dr. Carpeneter	Don Spencer	16,571	6,243	\$593,662,855.00	\$95,093	1,710	\$ 347,171.26	\$ (2,194.36)	\$205,246.00	-12.8%		\$ 403,087,391.00	\$ 190,575,464.00						
Aubrey ISD	Shanon Saylör	Don Spencer	13,640	3,937	\$441,417,678.00	\$112,120	2,183	\$ 202,206.91	\$ (1,278.09)	\$100,596.00	-15.2%		\$ 347,661,976.00	\$ 93,755,702.00						
Carrollton-Farmers Branch	Wendy Eldredge	Shane Docherty	169,645	24,888	\$1,288,475,000.00	\$51,771	60,794	\$ 21,194.11	\$ (133.96)	\$80,000.00	-2.0%	\$19,000,000.00	\$ 643,675,000.00	\$ 644,800,000.00						
Cleburne ISD	Coby Kirkpatrick	Brittiany Vereen	39,871	9,820	\$238,304,181.00	\$24,267	11,258	\$ 21,167.54	\$ (133.79)	\$66,324.00	-2.4%		\$ 162,077,083.00	\$ 76,227,098.00						
Crowley ISD	Michael McFarland	Joe Don Bobbitt	107,143	28,106	\$1,806,937,041.00	\$64,290	6,172	\$ 292,763.62	\$ (1,890.47)	\$88,333.00	-25.1%		\$ 1,164,843,722.00	\$ 642,093,319.00						
Denton ISD	Susananh Holbert O'Bara	Don Spencer	217,427	49,880	\$3,426,270,955.00	\$68,690	52,243	\$ 65,583.35	\$ (414.83)	\$73,719.00	-6.7%		\$ 2,104,582,488.00	\$ 1,321,688,467.00						
Frisco ISD	Mike Waldrip	Don Spencer	276,743	84,485	\$4,637,794,341.00	\$54,895	74,081	\$ 62,604.37	\$ (398.70)	\$146,158.00	-3.2%		\$ 2,191,990,934.00	\$ 2,445,803,407.00						
Forney ISD	Justin Terry	Sarah Curtis	55,884	18,000	\$1,570,293,451.00	\$87,239	8,520	\$ 184,306.74	\$ (1,164.94)	\$105,911.00	-13.2%		\$ 1,126,842,730.00	\$ 443,450,721.00						
Fort Worth ISD	Karen Molinar	Joe Don Bobbitt	976,932	74,850	\$2,833,065,000.00	\$37,850	346,392	\$ 8,178.78	\$ (81.70)	\$77,082.00	-0.8%		\$ 1,692,620,000.00	\$ 1,140,445,000.00						
Godley ISD	Rich Dear	Brittiany Vereen	10,032	2,886	\$273,164,984.00	\$94,652	2,500	\$ 109,265.99	\$ (690.64)	\$56,792.00	-14.6%		\$ 225,490,000.00	\$ 47,674,984.00						
Houston ISD	Mile Miles	Rolan Allinger	2,300,000	189,934	\$6,058,503,755	\$31,898	916,536	\$ 6,610.22	\$ (41.73)	\$62,894.00	-0.8%		\$ 1,915,450,000.00	\$ 4,143,053,755.00						
Itasca ISD	Mike Harris	Mike McKibben	3,816	984	\$16,295,000.00	\$16,560	572	\$ 28,487.76	\$ (180.06)	\$67,047.00	-3.2%		\$ 8,275,000.00	\$ 8,020,000.00						
Keeler ISD	Cory Wilson	Joe Don Bobbitt	184,550	50,705	\$2,343,070,693.00	\$46,210	16,052	\$ 145,967.52	\$ (922.61)	\$168,728.00	-6.6%		\$ 751,034,989.00	\$ 1,592,035,704.00						
Lewisville ISD	Lori Rapp	Don Spencer	133,779	49,060	\$3,502,178,680.00	\$71,386	48,725	\$ 71,876.42	\$ (454.31)	\$82,006.00	-6.6%		\$ 1,490,300,000.00	\$ 2,011,878,680.00						
McKinney ISD	Shawn Pratt		135,162	35,032	\$1,311,015,000.00	\$37,423	68,224	\$ 19,216.33	\$ (121.46)	\$113,286.00	-1.3%		\$ 478,860,000.00	\$ 832,155,000.00						
Mesquite ISD	Angel Rivera	Shane Docherty	184,168	52,874	\$1,469,555,143.00	\$27,794	50,391	\$ 29,163.05	\$ (184.33)	\$68,134.00	-3.2%		\$ 655,349,280.00	\$ 814,205,963.00						
Plano ISD	Theresa Williams		362,158	75,872	\$2,288,069,984.00	\$30,157	107,448	\$ 21,294.67	\$ (134.60)	\$108,649.00	-1.5%		\$ 898,035,000.00	\$ 1,390,034,984.00						
Prosper ISD	Holly Ferguson	Don Spencer	75,224	25,887	\$2,401,341,244.00	\$92,762	9,071	\$ 264,727.29	\$ (1,673.28)	\$178,244.00	-11.3%		\$ 1,937,492,968.00	\$ 463,848,276.00						
Richardson ISD	Tabitha Branum	Joe Don Bobbitt	116,813	45,200	\$2,018,259,965.00	\$44,652	37,260	\$ 54,166.93	\$ (342.37)	\$96,257.00	-4.3%		\$ 1,029,015,000.00	\$ 989,244,965.00						
Royse City ISD	Amy Anderson	Kevin Passons	32,903	9,932	\$814,646,533.00	\$82,022	4,512	\$ 180,551.09	\$ (1,141.21)	\$116,424.00	-11.8%		\$ 608,231,064.00	\$ 206,415,469.00						
Rockwall ISD	John Villarreal	Kevin Passons	54,642	18,384	\$1,753,284,985.00	\$95,370	17,092	\$ 102,579.28	\$ (648.37)	\$114,799.00	-6.8%		\$ 942,257,549.00	\$ 811,027,436.00						
Wylie ISD***	David Vison	Joe Don Bobbitt	105,027	31,026	\$1,476,854,304.00	\$47,601	18,390	\$ 80,307.47	\$ (807.60)	\$113,661.00	-5.4%		\$ 864,055,971.00	\$ 612,798,333.00						
Canutillo ISD***	Pedro Galavez	Dinah Kilgore	6,880	5,700	\$357,459,616.00	\$62,712	1,979	\$ 180,626.39	\$ (1,141.68)	\$43,833.00	-31.3%	\$4,300,000.00	\$ 170,259,627.00	\$ 187,199,989.00						
Socorro ISD	James Vasquez	Dinah Kilgore	35,429	47,000	\$1,613,604,332.00	\$34,332	9,964	\$ 161,943.43	\$ (1,023.89)	\$47,649.00	-25.8%	\$38,000,000.00	\$ 727,904,806.00	\$ 885,699,526.00						
Ysleta ISD	Xavier De La Torre	Dinah Kilgore	26,677	36,183	\$1,382,434,596.00	\$38,207	8,737	\$ 158,227.61	\$ (1,000.11)	\$31,186.00	-38.8%	\$13,900,000.00	\$ 865,693,032.00	\$ 516,741,564.00						
					\$48,325,155,291.00	Total Delta of BRB and FSP Values>			\$23,780,789,849.00			\$78,200,000.00	\$ 24,544,365,442.00	\$ 23,780,789,849.00						

* From Census Bureau
 ** As Reported on the Foundation School Program Website 2025
 *** Canutillo ISD Passed a \$370,000,000 Bond in May 2024 and Currently in the Application Phase to Do a JETI Contract with Vinton Steel, LLC for a 50% Tax Abatement
 **** Includes both A and B districts

The School Districts are hiding the above outlined required evidence, “**must provide from the School District Superintendent and Board, under threat of perjury, a current bond schedule (CUSIPS, term, interest rate, bonds paid off, bonds outstanding underwriter, seller of the bonds, holder of the bonds), balance sheet with proper notes, sources and uses including operations and maintenance, along with the “Investment Pool” full disclosure (participants, operator, tenure, paid in, unfunded liabilities,**

profit and loss)” and the State legislators are aiding and abetting. The School Districts by presenting pre-determined budgets are colluding with the Central Appraisal District to defraud the real estate taxpayer. The School Districts are hiding evidence. If they were not hiding the evidence (accounting fraud) then why are we having to make demand for it, and why are the Criminal Complaints necessary? If a single business or owner created \$100 million in fraudulent bond debt and threatened to take property or life from a person, the business would be shut down and the person or people behind it would be jailed under RICO. This is not \$100 million... this is approximately \$5 Trillion across the U.S. and approximately \$600 Billion in Texas.

In the State of Texas, every taxpayer that is paying into the system that funds public schools has a position and voice in every school district across the State because of the Robinhood Plan (Recapture Plan) that redistributes tax dollars from “rich districts” to “poor districts”. Therefore, any taxpayer can file a criminal complaint regarding fraud and corruption in any school district across the State. This 1st Amendment to the Criminal Complaint also lists school districts that have violated the 25% cap rule and that cannot repay their bond debts. When liabilities are > than assets that = bankruptcy. When “rich districts” have liabilities i.e. fraudulent bond debt > than the assets that = bankruptcy, fraud, intent to defraud and dozens of underling crimes (see violations.pdf and the original Criminal Complaint). There is no distinction between rich districts and poor districts as both are being made poorer by the actions of criminals and the State Comptroller which uses the Property Valuation Study to further push the Chief Appraisers to fraudulently create higher property market values and the resulting higher assessed values, neither one of which have anything to do with the true value.

Given the above, it is irrefutably clear that the equal protections afforded the Citizens of the State of Texas, per the Texas Constitution have been violated and that violates the Constitution to the United States of America. The same can be said for any State in the Union that promises to require and use USPAP where bonds have been raised to support the criminal activity of the School Districts through their owned Central Appraisal Districts. Along with Equity Stripping, Constitutional rights have been stripped.

A few days ago, a report from the Texas Scorecard showed that there are over 8,000 bills pending in Austin. To say this is insane is a gross mis understatement. If you total all those bills up there is a high probability that they don’t equal the damage from the bond fraud that is outlined in the original Criminal Complaint and this 1st Amendment to the Criminal Complaint. This intended confusion is to make it look like they are doing something but has the opposite effect on what needs to be done and is the definition of subterfuge.

In order not to be repetitious of the original Criminal Complaint the following is occurring throughout the State of Texas and across the United States.

1. As seen in the above Debt per Household, Central Appraisal Districts have been brazenly and recklessly increasing the value of properties for years, unchecked and without any accountability. This fraud on the public has grown exponentially into bond debt from which there is no possible way to pay off this debt which in many cases exceeds 50% of the fraudulently assessed value of a home. “Pay the tax or we take the home” is RICO. By not paying off the bond debt, the cumulative interest and then adding more bond debt is a Ponzi scheme of biblical proportions which grows faster than the Rule of 72 pace because debt is being added with new bond and debt is being added to cover the ever-increasing cost of carry being the interest rate. (See Compound Interest Rate Calculator on Page 27)

Thousands of people across the U.S. have lost their homes and thousands more will continue to lose their homes as a result of this fraud on society. They are being bankrupted by a system that is irretrievably corrupted and a system that has created its own demise as there is no money from which to keep the Ponzi scheme alive. Property owners are facing the possible loss of their businesses, loss of their homes, and

buyers are cancelling purchases because of this unprecedented and unconstitutional valuation upsurge. These numbers reflect a grim reality: Central Appraisal Districts do not follow the law or any recognizable appraisal methods when appraising properties but instead are artificially and arbitrarily increasing property values so that the various taxing entities (School Districts) can collect illegal and inflated property taxes from which fraudulent bonds are created.

In addition, homeowners are being priced out of their homes as property taxes become unaffordable. (See Home Affordability graphic on page 14). In 2023, \$189,500.00 was the household income required to purchase an average market value home in Denton County. Id. However, almost 75% of the residents of Denton County made less than \$189,500.00 in household income for 2023. Id. This unwarranted increase in property valuations by DCAD put approximately 37% of households at risk of losing their home, as property valuations continue to skyrocket. This same math is applicable across the United States. In Texas there are over 4,000,000 homes at risk and across the United States over 42,000 homes at risk.

2. Appraisal districts are required to certify their tax rolls to the Comptroller's office. Chief Appraisers across Texas and the United States have falsified the tax rolls to their Comptroller's Office. School Superintendents across Texas and the United States have falsely certified, under threat of perjury, their balance sheets.

3. The Central Appraisal Districts fraudulent property valuations cost the taxpayers money, time, and effort – as they must invest resources in fighting against the CAD's illegal taxation which is derived from the fraudulent School Districts financial certifications. By way of just one example, based on a sample of 140 commercial shopping center properties in Denton County, 2020 Appraisal Notice Values increased by 77.05% compared to their 2019 values. Of these 140 properties, 131 of the properties protested the tax valuation, seeing an average reduction in market value of 33%. This trend continued in 2021, but became even more egregious in 2022, as the 2022 Appraisal Notice Values were 80.86% higher than the 2021 values. 128 of the properties in this sample protested and saw an average reduction of 31.54%. The CAD's game is simple: grossly inflate property values so that even the reduction by the ARB still yields an overvaluation. The same math and evidence applies across the United States.

4. On its face, the CAD's valuations are not uniform and equal as required by the Texas Constitution as such an increase far exceeds the present fair market cash value of those properties. This has been the case for years, yet every chief appraiser has either ignored this problem at best, or willingly violated the constitutional rights of property owners, at worst. Given the amount of protests per year at every CAD across the United States and hundreds of new articles, there is an extraordinarily low probability that no Chief Appraiser can claim, they did not know. Further Chief Appraisers sign an Oath of Office to protect and defend their State Constitution and The Constitution of the United States of America. Property owners are entitled to appraisals that comply with constitutional and statutory requirements and as of the date herein, we have not seen a single CAD that is in compliance with State or Federal law as the data has been fraudulently manipulated and the School Districts are hiding evidence from which to create fraudulent pre-determined budgets that are handed to the CADs from which "market value" and then "assessed value" are derived.

5. The Chief Appraisers and School Superintendents are fully aware of the myriad of problems within the CADs.

6. Article 8, Section 1(a) of the Texas Constitution requires all taxable property to be taxed in an equal and uniform manner. Section 23.01(a) of the Texas Property Tax Code ("Tax Code") requires all taxable property be appraised at its market value as of January 1 of the tax year. Section 23.01(b) of the Tax Code requires "each property shall be appraised based upon the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of the property shall be taken into

account in determining the property's market value.” The original Criminal Complainant and this 1st Amendment to the Criminal Complaint contends that CADs did not and do not fulfill their mandatory obligation to base their appraisal upon the individual characteristics that affect the property's market value and take into account all available evidence that is specific to the value of the property in determining the property's market value as required in USPAP, Texas Property Tax Code, Texas Constitution.

7. Section 23.01(b) of the Tax Code requires that the “same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property.” CADs 2022 and 2023 appraisal records are replete with disparate valuations of similarly situated and comparable properties, which valuations could not have been derived by using similar appraisal methods and techniques. CADs use a computer mass appraisal system called PACS Appraisal. PACS Appraisal is the primary software used by DCAD to conduct property appraisals for Denton County. The PAC Appraisal has produced tens of thousands of erroneous valuations, either through limitations in the software or manipulation by the CADs. As a matter of law, property tax on valuations that are greater than market value cannot be equal and uniform. The Chief Appraisers have full knowledge of these systematic problems with the appraisal software, which in the case of DCAD was discussed at length in an October 12, 2023, DCAD board meeting. Indeed, Spencer admitted that DCAD has to work around and run valuation processes outside of the software, admitting that DCAD has to “pull data out of the system, manipulate the data, and then put it back into the system.” According to Spencer, instead of contacting the PACS vendor, DCAD has instead chosen to run the valuation process outside of the PACS Appraisal software. In fact, a single DCAD employee is responsible for correcting over 60,000 properties outside of the PACS Appraisal software. This employee uses a Microsoft Excel spreadsheet too make these supposed corrections, and the potential for any type of error exponentially explodes as a result, according to Tax Assessor Collector Michelle French. Further, the IAAO noted during its Gap Analysis that DCAD staff recognized the limitations of their current PACS Appraisal, noting issues related to valuation quality control.

8. Complainant anticipates other property owners will join this Criminal Complaint and or file their own Complaints with the DOJ, given the egregious conduct by the CADs. Complainant has received thousands of Petition signatures from across Texas and the United States and there are tens of thousands of comments below the video interviews that Mr. Vexler did.

9. The pattern and practice of the CADs and that of their attorneys, including delaying justice through the court system, which are owned by the Taxing Entities, which are supposed to be regulated by other government entities, and the Texas State Comptroller, none of which enforce the law, and all of which violate the Texas Constitution and the Constitution of the United States of America, is clear as is the continued intent of the State of Texas to violate its own laws and Constitution thus the necessity of prosecution by the Department of Justice, outside of the purview of the State of Texas. The pattern and practice is similar throughout the CADs in Texas and evidenced throughout the United States where USPAP is claimed to be used by the Central Appraisal District.

10. Although the evidence against the Defendants herein stated is clear, (“you are the masters at guessing”) it is important to recognize that the pattern and practice as a method to defraud is not limited to a single county in the State of Texas but is rampant across the State of Texas and the United States of America. It all emanates from one key fact and that is that no Central Appraisal District that we have seen yet, is adhering to Uniform Standards of Professional Appraisal Practice (USPAP) which is adopted and referenced in law, and which is intentionally ignored in favor of compounding the fraud in favor of a cash grab from the property owners across the United States of America. When complaints have been filed, the written response is “we don’t have the authority to enforce” or “we don’t know what to do with this” which in itself is a violation of multiple laws.

11. The pattern and practice of the Denton Central Appraisal District and many other Central Appraisal Districts in Texas which have created school district bond debts that in many cases exceed 50% of the fraudulently stated and claimed “market value” and its derivative the “assessed value” of the home which clearly violates dozens of State and Federal laws including but not limited to Texas Property Tax Code, USPAP, Texas Education Act, the Texas Constitution and the Constitution of the United States of America. Further, the continuation of the scheme allowing annual perpetual bond debt is evidence of intent to defraud and evidence that the State of Texas is violating its own laws and Constitution thus the necessity of prosecution by the Department of Justice, outside of the purview of the State of Texas. The pattern and practice is similar throughout the CADs in Texas and evidenced throughout the United States where USPAP is claimed to be used by the Central Appraisal District. The pattern and practice of creating fraudulent financial statements by School District Superintendents and the Board of those School District is similar throughout Texas and evidenced throughout the United States. In fact, we have yet to see a single school district, their Superintendents or School District Board provide financial statements that include **“must provide from the School District Superintendent and Board, under threat of perjury, a current bond schedule (CUSIPS, term, interest rate, bonds paid off, bonds outstanding underwriter, seller of the bonds, holder of the bonds), balance sheet with proper notes, sources and uses including operations and maintenance, along with the “Investment Pool” full disclosure (participants, operator, tenure, paid in, unfunded liabilities, profit and loss)” and “any and all Energy Contracts funded under TEA Code Chapter 44.901, Subchapter Z, miscellaneous provisions, (in full being on balance sheet & off balance sheet) including but not limited to Chapter 313 Agreements, and JETI Contracts, specifically stating the Type of Contract, terms, status, return of capital, return on capital, signators to the Contract and the accounting firms overseeing the Contracts and Agreements.”** On balance sheet and off-balance sheet financings by the School Districts are intentionally hidden from the public. This is accounting fraud.

Accounting fraud refers to the deliberate falsification of financial information to deceive stakeholders. This can include investors, creditors, regulators, and the public. The primary goal is often to inflate the company's financial performance or hide financial problems.

Common Types of Accounting Fraud are:

- A.) Misrepresentation: Providing false or misleading information about a company's financial status.
False Financial Statements: Creating financial statements that do not accurately reflect the company's financial position.
- B.) Earnings Management: Manipulating earnings to meet targets or expectations.
- C.) Asset Misappropriation: Stealing or misusing company assets.
- D.) Misrepresentation in Accounting

Forms of Misrepresentation

- A.) Overstating Revenues: Recording revenue before it is earned or inflating sales figures.
- B.) Understating Expenses: Delaying the recognition of expenses or omitting them entirely.
- C.) Inflating Asset Values: Overstating the value of assets on the balance sheet.
- D.) Hiding Liabilities: Failing to disclose or underreporting liabilities.

This is accounting fraud at both the School Districts and the Central Appraisal Districts across Texas and the United States of America!

ULTRA VIRES ACTS

Each of the foregoing paragraphs are incorporated and reasserted herein by reference.

1. Appraisal districts are required to certify their tax rolls to the Texas Comptroller's Office that the value for 95% of the respective district's tax base has been fully resolved by July 25. In 2021, DCAD, through its chief appraiser at the time, Hope McClure, and her deputy, Spencer, falsified the tax rolls to the Comptroller's Office. As early as February of 2021, McClure and Spencer were aware that the data DCAD were using to generate initial notice values resulted in grossly inflated values, which led to a surge of Denton County property owners protesting property values with the Appraisal Review Board. Instead of sending amended or updated property values, McClure and Spencer, chose to falsify the tax roll certification by moving the status of anywhere between 8,000 and 10,000 unresolved properties to resolved. After falsifying the tax rolls to the Comptroller's Office, McClure and Spencer then redesignated those properties as unresolved. In falsifying the tax roll certification, McClure and Spencer acted without legal authority. McClure and Spencer had no statutory authority or authority from any law that allowed them to falsify the tax roll certification by removing unresolved properties to resolved and then moving these same properties back to unresolved. Further, McClure and Spencer acted without legal authority by changing the status of properties back to unresolved after having certified the tax roll. In the alternative, McClure and Spencer failed to perform a ministerial act, as the law requires them to certify that the value for 95% of the Denton County's tax base has been fully resolved by July 25. Further, Spencer has admitted that DCAD is working around the computerized mass appraisal software, which is a violation of appraisal standards and Texas law.

2. Appraisal District Chief Appraisers and their Boards across Texas and the United States are required to certify their tax rolls. Given that over \$21 Trillion of fraudulent property overvaluation in the last 5 years, from which over \$450 Billion was stolen from property owners in 2024 alone and that proves that the extreme majority of CADs are incapable by intent of certifying a legitimate tax roll. These Chief Appraisers acted without legal authority. These Chief Appraiser had no statutory authority or authority from any law that allowed them to falsify the tax roll certification, collude with any School District by accepting fraudulent pre-determined budgets, and then manipulate values outside the confines of USPAP, States Property Tax Code, States Penal Codes, Federal Laws, States Constitution and the Constitution of the United States of America.

3. School District Superintendents and their Boards across Texas and the United States are required to certify their financial statement. Given the bond fraud as shown on above Short List of School District Bond Debt, and the total outstanding bond debt as claimed by Bond Review Board of which Governor Abbott is the Chaiman claims to be \$130 Billion but that is not true according to the TEA and in addition to either the BRB or the TEA, which is not disclosed is the cumulatively compounding of interest by the second, and as of the writing of this 1st Amendment to the Criminal Complaint is estimated at over \$600 Billion of fraudulent bond debt in Texas and more bonds are in the process of being raised from an unsuspecting pubic. This is bond fraud and to our knowledge the largest Ponzi scheme in history. This proves that the extreme majority of School Districts are incapable by intent of legitimately certifying their financial statements. It also proves fraud by omission. These School Superintendents and their Boards acted without legal authority. These School District Superintendents and their Boards had no statutory authority or authority from any law that allowed them to falsify financial records, hide critical financial information, collude with Central Appraisal District to fraudulent inflate property values to meet pre-determined budgets, all of which is outside the confines of USPAP, States Property Tax Codes, States Penal Codes, States Education Acts, States Constitution, Federal Laws and the Constitution of the United States of America.

Paragraphs 2 and 3 above prove the collusion to create a closed loop economic system being a criminal conspiracy to defraud.

4. Complainant seeks prosecution of Mr. Don Spencer in that Spencer committed ultra vires acts in connection with the certification of the 2021 Denton County tax roll. Complainant further seeks a declaratory judgment that Spencer committed an ultra vires act by authorizing and continuing to authorize and condone appraisals to occur outside of the PACS software DCAD uses to conduct mass appraisals.

5. Complainant seeks prosecution of any Chief Appraiser and any Board of Directors of a Central Appraisal District that committed ultra vires acts in connection with the certification of any property valuation outside the confines of USPAP, States Property Tax Codes, States Penal Codes, States Education Acts, States Constitution, Federal Laws and the Constitution of the United States of America and continues to authorize and condone such fraudulent overvaluation and resulting over taxation on a mass scale.

6. Complainant seeks prosecution of any School District Superintendent and any Board of Directors of a School District that committed ultra vires acts in connection with the certification of any property valuation outside the confines of States Property Tax Codes, States Penal Codes, States Education Acts, States Constitution, Federal Laws and the Constitution of the United States of America and continues to authorize and condone such accounting fraud and colluding with Central Appraisal Districts which fraudulent overvalue and over tax on a mass scale.

ULTRA VIRES ACTS OF DEFENDANTS

Complainant wishes to inform the DOJ via this 1st Amendment to the Criminal Complaint about a pattern and practice by the Entities and Individuals being the Defendants listed in the original Criminal Complaint and now listed in this 1st Amendment to the Criminal Complaint, to defraud the property owners of the State of Texas and in the United States of America and to request prosecution of those who have conspired to defraud the property taxpayers in the State of Texas and across the United States of America.

Complainant takes no pleasure from finding the necessity to inform and ask the Department of Justice to criminally prosecute the above named Entities and Individuals who are responsible for and actively participate in a closed loop economic system of deceit and fraud where the current net result are many homes with hidden school bond many of which exceed 50%+ of the current deemed fraudulently assessed value of the home. None of the deceit, fraud, or school bond debt to the point of bankrupting over 37%+ of the households across the United States was ever agreed to by a single property owner. Not a single property owner in the United States agreed to go bankrupt to support a corrupt school system. The magnitude of these crimes immediately impacts over 4,000,00 homes in Texas and over 42,000,000 homes across the United States.

The law should not see faces and should look at activities and intent. These Individuals head the Entities and are well paid for the positions of legal responsibility they hold. Many of the individuals are officers of the Court and many signed an Oath of Office. Claiming ignorance will not work. Claiming “we are just doing what we were taught” will not work. As seen throughout the pages of the original Criminal Complaint and as outlined herein, under law, given the amount of violations, there is no defense. The facts are borne from Entities and Individuals actions, writings, audio, video, depositions, and computer logs. When carefully analyzed over time, very publicly on video and in written communications (emails and press), in full view of those same Individuals, they chose to protect the closed loop system of their creation over the economic survival of their constituents.

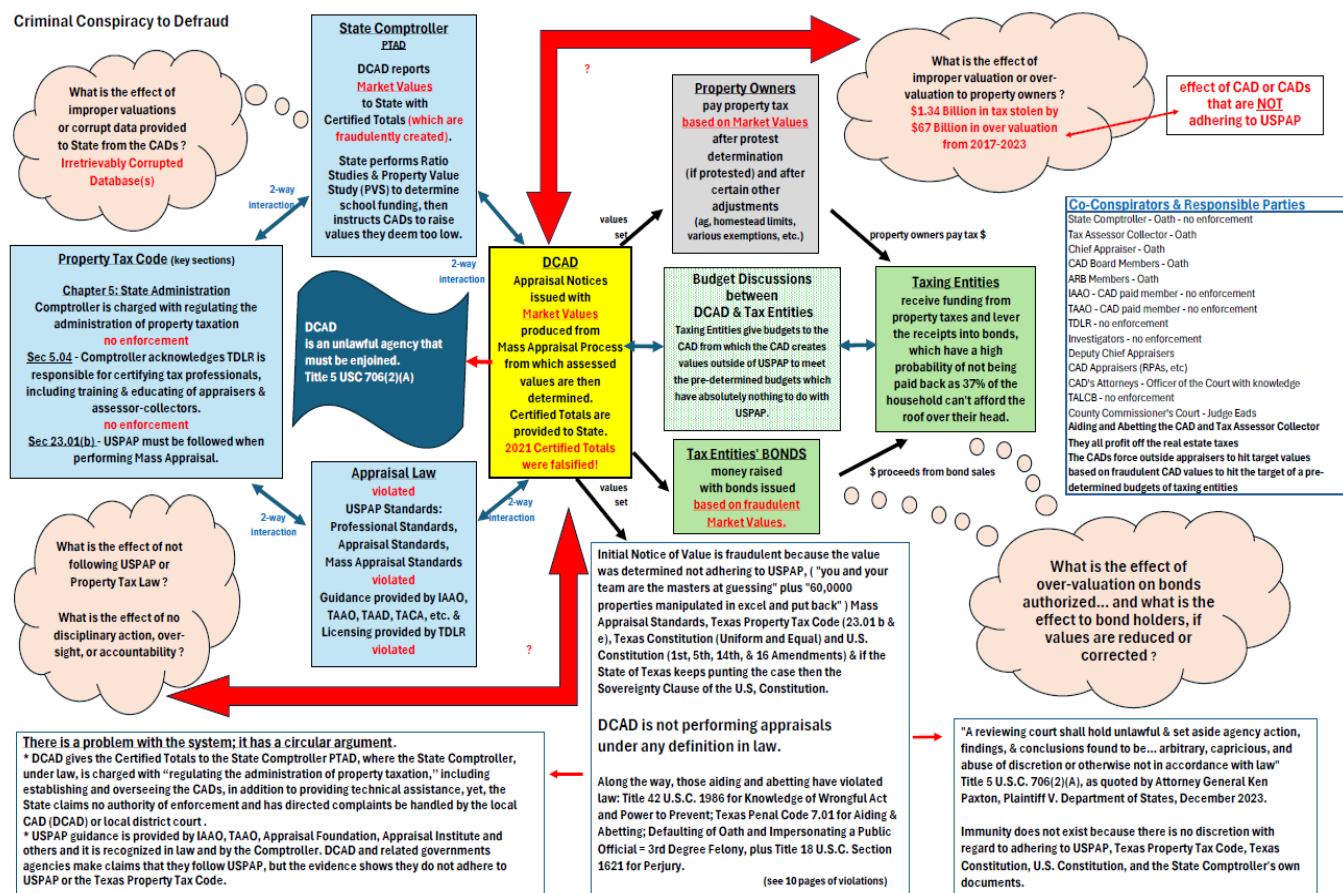
SUMMARY OF FACTUAL BACKGROUND

The actions of Defendant(s) and or their co-conspirators, by ignoring USPAP a requirement under the Texas Property Tax Code, have voided the existence of USPAP, Texas Property Tax Code and the Texas Constitution which requires USPAP adherence and Uniform and Equal. Thus Defendant(s) have participated, knowingly, and with intent to defraud the real estate taxpayers and property owners of Denton County and the State of Texas and stripped the Constitutional protections of those Citizens found under both the Texas Constitution and The Constitution to the United States of America.

The same math and pattern and practice applies to all Central Appraisal Districts across the United States that claim to be using USPAP. The ramifications of the bond fraud are stated herein.

PRESENTATION BOARDS

Overview Graphic (LINK)



Overview: Flow of Intertwined organizations and resulting violations of law.

Taxation of unrealized gains (aka Market Value) in violation of the 16th amendment, considering government creep, literally and mathematically means that there would be no probable way for any property owner to make money on their assets in the short term or the long term because of the compound cumulative effect of the overvaluation and over taxation reduces the profit, if any.

What is lost in the depth of these issues, is that allowing Taxation of Unrealized Gains (Market Value) is

cause and the exact definition of bankruptcy where the liabilities are greater than the assets. Further, the home income to debt ratio under the above scenario would breach 60% (Bureau of Labor Statistics, HUD, FHA, and Lenders utilize 28%) and this means that the average Denton County household could not afford a \$150,000 home let alone a \$350,000 home or as currently claimed by DCAD a \$514,000 median value of a home.

16th Amendment to The Constitution of the United States of America - In the years 2016, 2017, 2018, 2019...2023 and prior to the creation of The Constitution of the United States of America, there were and are no laws in the United States that allow Taxation of Unrealized Gains / Market Value. The government overreach as evidenced herein is trying to create Taxation of Unrealized Gains / Market Value, without understanding the ramifications of such action which bring us to where we are...the tipping point. The State of Texas Legislature which created the Taxing Entities which own the CADs and the State Comptroller which allegedly oversees DCAD and the CADs, and the Executive Branch at that time did a work around the U.S. Constitution and have violated the 16th Amendment which states "Congress to lay and collect taxes on incomes, from whatever source derived". This is why it says, "taxes on incomes". Then as now, income was understood to refer to gains realized by a taxpayer through payment, exchange, or the like, not merely increase in value of property. Appreciation in the value of a home or other asset is not income until it is sold, and the gain realized, and no property should be taxed on sale or based on market value. We would be remiss if we did not point out that the appreciation in value (inflation) is directly correlated to the decrease in purchasing power of the U.S. dollar which neither DCAD and its co-conspirators take into consideration which ends up being the equity stripping of Mom and Pop.

WHO is responsible: LINK here for link to live document that is linked to the evidence.

WHO

- DCAD, its employees, Board, Taxing Entities, State Comptroller, Co-Conspirators = UNREGULATED and UNLAWFUL accordingly Case No. 23-926-481 has been filed in Denton County. Many Exhibits are posted at www.mckinbhr.com/real-estate/.
- An elaborate scheme of multiple entities: DCAD creates fraudulent income statements, uses comparisons which are not comparisons, knows how many people are going to protest, manipulates 60,000 properties, builds into their valuations the pre-determined budgets of the taxing entities, builds into their valuations a % that tax consumers will receive, negotiating values before protest hearings because they can't get to all the protests, issues a directive to ARB panels not to go below the homestead cap, all of which is a violation of USAP and Texas Constitution. There is no other answer other than that it is an elaborate scheme, and all these entities and people are participating.
- The Texas State Legislature is the creator of DCAD, Hegar, Paxton, Abbott. (The Executive Branch) they state they have no authority to enforce. Appraisal districts are their own political subdivision of the state, established by each county. You can direct your complaint to your local county district court to resolve your complaint. If the creator of DCAD & all central appraisal districts (CADs) has no authority...meaning there is NO ENFORCEMENT MECHANISM...then the Executive Branch, creator of DCAD, has created an unlawful entity which must be enjoined.

10

Property valuations are not prepared following USAP & legal requirements and they are incorrect by intent.

Data & values have been manipulated year after year leading to irrevocably corrupt databases (s). LINK

Infection Rate estimate is ~ 76% assuming Spencer did not lie to the DCAD Board about only manipulating 60,000 properties.

The water fall effect of incorrect valuations, the most basic element of USAP, is in the tens of billions, including, property values, bond values and mortgage values, and touches the lives of every real estate taxpayer.

Currently 70,000 homeowners in Denton County cannot afford median priced home in DC. (See Home Affordability LINK)

Denton Central Appraisal District (DCAD) is an unregulated government body, in violation of Texas Procedures Act, Texas Constitution, Texas Property Tax Code, USAP, 1st, 5th, 14th & 16th Amendment to the US Constitution, and additional State & Federal Laws.

DCAD and its members (co-conspirator) have knowingly stolen, by over valuation and over taxation of the taxpayers in excess of \$1.36 Billion since 2017. LINK

DCAD Chief Appraiser, Don Spencer - Responsible Party in Law LINK
- Violation of Oath (see 2 below)
- \$230K salary to defraud the public
- Knows database is corrupt
- Created fraudulent certifications LINK
- Manipulated 60,000 properties LINK
- Gains increasing values LINK

Any elected or appointed official or attorney who fails to honor acceptance of their oath is simply impersonating a public official, a violation of TX Penal Code 37.1 Impersonating a Public Servant and a 3rd degree felony.

Under the "neglect to protect" provision of law by persons under oath and Title 42 USC Sec. 1995, should they fail to prevent a wrong, having knowledge of the law, the power to prevent, and the legal or moral duty to prevent the wrong, which causes deprivation of your religious and/or civil rights or liberties, a suit can be brought for violation, they are liable for any failure to act.

McClure replaced software system without backups. Spencer admitted 60,000 properties "manipulated." Spencer now shopping to replace software system. Spencer wants to hire IAAO to assist (audit) DCAD. If this is a good, why hire IAAO as a switch software? LINK

This is nothing more than further gaslighting and a cover-up.

McClure replaced software system without backups. Spencer admitted 60,000 properties "manipulated." Spencer now shopping to replace software system. Spencer wants to hire IAAO to assist (audit) DCAD. If this is a good, why hire IAAO as a switch software? LINK

7

From the DCAD Website

Codes & Standards

DCAD Chief Appraiser Don Spencer (McClure & Spencer), Deputy Chief Appraisers, Employees, Denton County Tax Assessor ("DCAD"), violated the Texas & U.S. Constitutions, their Oath, USAP, their membership in IAAO, TAAO, TAAO, Appraisal Institute, Appraisal Foundation, and many other State and Federal Laws resulting in Discrimination against real estate taxpayers, which violates Federal Civil Rights Act per the Department of Education of which LUSD and DISD are beneficiaries.

Defendants' Funding, Development, Marketing, and Promotion of Private Real Estate Software Tools, Technologies (in violation of USAP), and CENSORSHIP SCHEME FOR THE PURPOSES OF STEALING REAL ESTATE TAXPAYER WEALTH, LINK

By implementing censorship tools that seek to silence taxpayer's speech (RPA statements on the record in ARB hearings), and or presentation of evidence (redacting of prior year DCAD assessed values in ARB hearings), per the requirements in USAP and Texas Property Tax Code, Defendants

Under Administrative Procedure Act ("APA"), sovereign immunity is waived to non-monetary claims challenging non-final agency action as ultra vires.

DCAD's scheme is ultra vires and must be enjoined.

Litigants can use the APA to assert ultra vires claims against government actors and overcome sovereign immunity that would otherwise protect those government actors. Appt. 30 F.4th at 587.

Moreover, under the APA, a reviewing court shall "hold unlawful and set aside agency action, findings, and conclusions found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." 5 U.S.C. § 706(2)(A).

TEXAS CONSTITUTION (LAW)
- Requires Uniform & Equal LINK

TEXAS CONSTITUTION (LAW)
- All valuations tax values may NOT exceed fair market cash value LINK

TEXAS CONSTITUTION (LAW)
- Texas Property Tax Code requires compliance with USAP. LINK

11

State Comptroller - Co-conspirator

Comptroller Hegar ignored complaint from Maxev SFM LINK

PTAD ignored filed complaint from Maxev SFM LINK

PTAD - state stepped complaint from Bob Warner LINK

Failed to audit median levels of appraised data

Public Info Request School dist, PWS LINK

Violated Texas Property Tax Code

DCAD ignores State Comptroller's income approach (i.e. use income & exp data to determine present worth of future beneficial) LINK

PTC Chap 5 - Comptroller in charge of State Admin of Prop Tax, so why is there no actual regulation on oversight of DCAD LINK

NO Enforcement

12

Hope McClure - Co-conspirator

4.02 - McClure, Spencer & French falsified 2021 tax roll certification (JRM testimony Commissioners Court Aug 2021)

McClure tells public / press values going up 35% 5/10/22

McClure ignored 5/14/22 email detailing violations

McClure & Nash ignore evidence & negotiate on 5/24/22

Violated 161 Agreement, refuse to turn over formulae

McClure "no idea about formulae"

Email & letter to "Taxpayer" regulation on oversight of DCAD LINK

See letters from State Rep Patterson LINK

Violated USAP & PROFESSIONAL STANDARDS

13

DCAD Board - Co-conspirators

Roy Atwood, ATTY, Charles Stafford, Alan Romay, Alex Bork, David Torre, Michelle Ferrer

RPA, Registered Professional Appraiser Licensed by TDLR

DCAD Board

Meeting 5/13/22

Violated Oath

14

DCAD RPAs - Co-conspirators

RPA, Registered Professional Appraiser Licensed by TDLR

DCAD RPAs

Violated Oath

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DCAD ARB - Co-conspirators

Illusion of due process, violation of due process, violation of civil rights & due process by willfully disregarding tax code & ignoring

Violating civil rights & due process by willfully disregarding tax code & ignoring

See 5/19/23 email, Bob Warner to PTAD LINK

See 5/24/23 email, PTAD to T. Castillo Reply to Bob Warner LINK

See Comptroller Pub 56-308 ARB Manual LINK

See ARB LINK

16

TDLR - Co-conspirator

Ignore filed complaints

Violated Oath

17

TALCB - Co-conspirator

Ignore filed complaints

Violated Oath

18

ISD's - Co-conspirators

Know databases and values are corrupt, and choose to do nothing

ISD's only viable asset is the cash flow from the taxpayers. Reduce the cash flow, then the existing debt service on the BONDS cannot be paid.

See LUSD Admitted Violated Budget (2021 - 2024) LINK

Violated Oath

19

Attorneys - Co-conspirators

Know databases and values are corrupt, and choose to do nothing

Violated Oath

20

Fifth Amendment to US Constitution. "No person shall be deprived of life, liberty, or property, without due process of law"

Whoever corruptly - 1. offers, destroys, mutilates, or conceals a record, document, or other object or attempts to do so, with the intent to impair the object's integrity or availability for use in an official proceeding or (2) otherwise obstructs, influences or impedes any official proceeding or attempts to do so, shall be fined under this title or imprisoned not more than 20 years, or both.

See Deposition Testimony of Chuck Salting, Hope McClure, public testimony and deposition of Brandon MacFarland and the upcoming deposition of Don Spencer.

DCAD's attorneys are co-conspirators, compiling in sloppy legal research and conspiring to persuade and intimidate the public, including negotiating values during mediation with no basis in fact or law.

Without enforcement, the actions of DCAD and its co-conspirators have rendered the appraisal process and licensing meaningless.

Without enforcement, highly compromised individuals manufacture valuations which have no basis in law, fact, math, USAP, or the Texas and U.S. Constitutions.

"A reviewing court shall 'hold unlawful and set aside agency action, findings, and conclusions found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.'" 5 U.S.C. § 706(2)(A). (Quote by Attorney General Ken Paxton Plaintiff, Department of State December 2023)

DCAD is an UNLAWFUL entity that must be enjoined.

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TAAO (Texas Assoc. of Assessing Officers) - Co-conspirators

Parrot of USAP

IAAO (International Assoc. of Assessing Officers) - Co-conspirators

Parrot of IAAO

TAAD (Texas Association of Appraisal Districts) - Co-conspirators

Purpose: to promote efficient and effective functioning of appraisal districts & add to improvement of administration thereof (FALED)

See TAAD press release 5/17/22

See values increase 20 to 30% since last year = gaslighting

Assume pay increase by 6%

DCAD violated IAOC/USAP standards

Ethics Violated

22

TAAO (Texas Assoc. of Assessing Officers)

Parrot of IAAO

IAAO Income Approach to Valuation, Chap 2, importance of accuracy & relevance LINK

IAAO Real Property Modeling Concepts, includes ratio studies LINK

DCAD violated IAOC/USAP standards

Ethics Violated

23

Appraisal Institute

"Whether you are an appraisal trainee or a seasoned professional, AI offers the education courses and resources you need to achieve your goal."

DCAD KNOWS GUIDANCE

Income Capitalization LINK

Common Errors and Issues LINK

Regression LINK

Appraising the Appraisal (many references)

24

Appraisal Foundation

Authorized by U.S. Congress as the Source of Appraisal Standards and Guidelines that state required & licensed appraisers are required to adhere when performing professional services as an appraiser.

The Appraisal Standards Board (ASB) set the minimum standards known as USAP LINK

Published, maintained, and updated by the ASB (Appraisal Standards Board) of the Appraisal Foundation, a pseudo-governmental agency controlled by the US Congress with armstrong appraisal practice standards

25

USAP (Uniform Standards of Professional Appraisal Practice)

The set of rules, standards, and guidelines that state required & licensed appraisers are required to adhere when performing professional services as an appraiser.

Published, maintained, and updated by the ASB (Appraisal Standards Board) of the Appraisal Foundation, a pseudo-governmental agency controlled by the US Congress with armstrong appraisal practice standards

USAP Standards

USAP SDB 1-2 LINK

USAP SDB 5-6 LINK

26

ALL Entities being the Co-conspirators, Reference USAP & All Entities ignore USAP

VIOLATED

Home Affordability LINK

THE CURRENT POTENTIAL % OF HOUSEHOLDS AT RISK OF LOSING THEIR HOME AS A DIRECT IRREFUTABLE RESULT OF THE FRAUD IS 37.81% as seen in the Bankruptcy Probability.

Denton County Home Affordability Reviewed - 2023	Household Income Required to Purchase Average Market Value Home	Median Household Income cannot afford Average Market Value Home	Maximum Home Price a Median Household Income Can Afford
<u>assumptions made to keep it simple:</u> ignored closing costs, PMI, MIP & HOA fees assumed 10% down payments used 1.8% combined property tax rate assumed mortgage interest rate of 7.50% estimated homeowner insurance at .097% (policygenius.com avg rate for Texas)	\$189,500 Annual Income Required to meet lender's housing-income ratio must be ≤ 28%	\$109,126 Median Household Income fails lender's housing-income ratio 48.62% is above 28%	\$296,000 is the maximum purchase price that meets lender's ratio test, housing cost to income must be ≤ 28%
Home Market Value	514,082 <u>note 1</u>	514,082 <u>note 1</u>	296,000
Down Payment 10.00%	(51,408)	(51,408)	(29,600)
Mortgage Loan Amount	462,674	462,674	266,400
	annual monthly % of income	annual monthly % of income	annual monthly % of income
Household Gross Income	189,500 15,792 100.00%	109,126 9,094 100.00% <u>note 2</u>	109,126 9,094 100.00% <u>note 2</u>
<u>Monthly Housing Payment</u> 2023 rates			
Mortgage Pmt (30 yr loan princ + int) 7.50%	3,235	3,235	1,863
Property Tax 1.80%	9,253 771	9,253 771	5,328 444
Homeowners Insurance 0.97%	4,987 416	4,987 416	2,871 239
Housing Income Ratio	4,422 <u>28.00%</u>	4,422 <u>48.62%</u>	2,546 <u>28.00%</u>

note 1: Average Market Value of Single Family Residential Property (prop code A) for Denton County (code G01) per DCAD 2023 Certified Totals Report.
note 2: Census.gov, 2021 median household income for Denton County was \$96,265. BLS.gov, Denton County wage growth was 9% 2021-2022, and 4% 2022-2023.
 Estimate 2023 median household income as \$96,265 x 1.09 x 1.04, or \$109,126.
side note: Median Certified Market Value for Single Family Residential (prop code A) is \$450,832, per 8/3/23 data extract file downloaded from DCAD website with property value information.

2021 Households by Income Bracket, Reviewed				2023 Households by Income Bracket, Estimated					
	2021 Income Brackets		count	%		2023 Income Brackets		count	%
2021 Median Household Income \$96,265, in this bracket ----->	\$0	\$24,999	29,599	9.21%	2023 Median Household Income \$109,126, in this bracket ----->	\$0	\$28,339	34,684	9.21%
	\$25,000	\$49,999	48,127	14.97%		\$28,340	\$56,679	56,394	14.97%
	\$50,000	\$74,999	50,085	15.58%		\$56,680	\$85,019	58,689	15.58%
	\$75,000	\$99,999	41,001	12.76%		\$85,020	\$113,359	48,044	12.76%
	\$100,000	\$124,999	37,071	11.53%		\$113,360	\$141,699	43,439	11.53%
2021 Median Value Home \$321,000	\$125,000	\$149,999	27,838	8.66%		\$141,700	\$170,039	32,620	8.66%
	\$150,000	\$199,999	39,204	12.20%	\$189,500 ----->	\$170,040	\$226,719	45,939	12.20%
	\$200,000	or more	48,522	15.09%	Income needed to buy Avg Mkt Value Home \$514,000 ----->	\$226,720	or more	56,857	15.09%
65.10% of households owned home in 2021			321,447	100.00%				376,666	100.00%
	2021 Total Population 943,857				1/1/2023 Total Population 1,006,942				
	65.10%	vs	27.29%	=	37.81%	the current potential % of households at risk of losing home/housing			

Specifically, what you see is the cumulative compounding fraud on the public via Market Value as solely determined by Denton Central Appraisal District (DCAD) and the math is applicable to any CAD in all 3,143 Counties across the United States, between 2021 and 2023, the net result for 2023 is that 72% of homeowners cannot afford the average market value of what DCAD claims is a \$514,000 home. 37% of all households are at risk of losing their home. The same mathematical formulas apply across the State of Texas and the United States of America.

You would logically then ask, how could that happen?

Example of two different single family residences – Proving Fraudulent Hyper-Inflation

Home in Copper Canyon (Lewisville ISD)								Home in Krugerville (Aubrey ISD)							
Tax Year	Appr Notice Market Value	% Change	Final Market Value	% Change	Assessed Value	% Change	% chg, new vs py final	Tax Year	Appr Notice Market Value	% Change	Final Market Value	% Change	Assessed Value	% Change	
2016	1,090,030		1,006,000		827,506			2016	249,387		249,387		233,621		
2017	1,006,000	-7.71%	950,000	-5.57%	910,257	10.00%	0.00%	2017	271,661	8.93%	271,661	8.93%	256,983	10.00%	
2018	950,000	-5.57%	950,000	0.00%	950,000	4.37%	0.00%	2018	275,244	1.32%	275,244	1.32%	275,244	7.11%	
2019	1,302,425	37.10%	980,000	3.16%	980,000	3.16%	37.10%	2019	314,184	14.15%	314,184	14.15%	302,768	10.00%	
2020	1,305,277	0.22%	980,000	0.00%	980,000	0.00%	33.19%	2020	322,082	2.51%	322,082	2.51%	322,082	6.38%	
2021	1,314,733	0.72%	985,000	0.51%	985,000	0.51%	34.16%	2021	316,251	-1.81%	316,251	-1.81%	316,251	-1.81%	
2022	1,397,815	6.32%	1,149,000	16.65%	1,083,500	10.00%	41.91%	2022	408,421	29.14%	345,000	9.09%	345,000	9.09%	
2023	1,858,935	32.99%	1,500,000	30.55%	1,191,850	10.00%	61.79%	2023	511,272	25.18%	380,000	10.14%	379,500	10.00%	
Value Increase		64.07%					Violation of 23.01(e)	Value Increase		79.43%			50.77%		
Inflation Increase		24.31%						Inflation Increase		24.31%			24.31%		
		2.64								3.27			2.09		
Doesn't matter which value you review & compare, DCAD increased value much faster than inflation, 1.56 to 2.64 times faster.								Doesn't matter which value you review & compare, DCAD increased value much faster than inflation, 1.82 to 3.27 times faster.							

This graphic shows 2 different single-family residences in 2 different municipalities and then looks at the change in appraisal notice market value, final market value and assessed value for the years 2016-2023 and then looks at the inflation, as stated by the U.S. Treasury, during those years. You will see that regardless of which value percentage compared, being Notice Value, Final Market Value, or Assessed value, DCAD through its corrupt database and co-conspirators increased the values 156% to 327% faster than inflation. The same mathematical formulas apply across the State of Texas and the United States of America.

Example of an entire subdivision – Proving Fraudulent Hyper- Inflation

Example of a Single Family Home Community, with 27 homes (Estates of Copper Canyon)									
Review of Average Market Value per Square Foot from 2017 to 2023									
	2017	2018	2019	2020	2021	2022	2023		
Average Market Value/sq ft	148.83	153.23	156.00	153.23	156.00	176.91	232.90	**	
Percentage Change from Prior Year		2.96%	1.81%	-1.78%	1.81%	13.40%	31.65%		
Sum of % Change Since 2017		2.96%	4.76%	2.99%	4.80%	18.20%	49.85%	Market Value	
Inflation Rate/CPI	2.13%	2.44%	1.81%	1.23%	4.70%	8.00%	4.00%		
Sum of % Change Since 2017	2.13%	4.57%	6.38%	7.61%	12.31%	20.31%	24.31%	Inflation	
							49.85%	=	2.05
							24.31%		

An entire community in Copper Canyon Texas where the values increased 205% faster than inflation.

In Law under USPAP, and The Texas Property Tax Code, what “clear and convincing” evidence exists for a home to go up from \$1,149,000 market value to \$1,858,935 initial notice value, which is 62% higher than the prior year? The answer is none and this is just a snippet of the corruption of the database and those people deploying made up values (Taxation of Unrealized Gains / Market Value) against the real estate taxpayers. It also proves that DCAD, JCAD, HCAD etc. are incapable, by intent, of obtaining an Initial Notice of Market Value, which is a violation of USPAP, Texas Property Tax Code and the Texas Constitution and The Constitution of the United States of America. The law does not say “lets just make the values up to satisfy a pre-determined budget created by a Taxing Entity (i.e. school district). The same math applies across the United States of America.

Example of retail shopping center – Proving Fraudulent Hyper- Inflation and fraudulent creation of income calculation worksheets = bank fraud

This Commercial Shopping Center is in Flower Mound, Texas
Demonstrates Persistent Annual Violation of Property Tax Code Section 23.01(e) which states

... if property value was reduced by Subtitle F (protest, appeal, etc.), then “in the next tax year in which the property is appraised, the chief appraiser may not increase appraisal value of the property unless increase by the chief appraiser is reasonably supported by clear and convincing evidence when all of the reliable and probative evidence in the record is considered as a whole.”

Tax Year	Document Type	Date of Document	Market Value	(cy/py)	% Leased Jan 1st	Avg Rent/sf of Leased	(per total sf 12455)	
				Compared to Prior Yr			Eff Rent Rate/sf	Collected Rent/sf
2015	Notice of Appraisal	04/30/15	2,587,200		72%	16.39	11.12	12.17
	Protest Reduction	06/26/15	1,066,000					
2016	Notice of Appraisal	04/29/16	3,053,871	286%	68%	22.18	15.06	15.08
	Protest Reduction	06/01/16	1,000,000		reduced			
2017	Notice of Appraisal	05/01/17	3,181,873	318%	68%	22.31	15.14	15.27
	Protest Reduction	06/15/17	2,350,000		unchanged	minimal change		
	Appeal Suit Order/Judgment	06/12/18	1,350,000					
2018	Notice of Appraisal	04/18/18	3,827,809	284%	68%	22.77	15.45	15.23
	Protest Reduction	06/07/18	2,522,000		stagnant	minimal change		reduced
	Appeal Suit Order/Judgment	06/12/18	1,350,000					
2019	Notice of Appraisal	04/17/19	3,894,467	288%	68%	22.15	15.03	11.83
	Protest Reduction	06/05/19	2,350,000		stagnant	reduced	reduced	reduced
	Appeal Suit Order/Judgment	08/04/21	925,000					
2020	Notice of Appraisal	06/05/20	3,880,472	420%	68%	19.59	13.30	10.87
	Negotiated Top-Line	02/12/21	2,100,000		stagnant	reduced	reduced	reduced
	Appeal Suit Order/Judgment	11/22/22	750,000					
2021	Notice of Appraisal	05/14/21	2,100,000	280%	68%	18.72	12.71	14.20
	Protest Reduction	07/20/21	1,600,000		stagnant	reduced	reduced	
	Appeal Suit Order/Judgment	11/22/22	750,000					
2022	Notice of Appraisal	04/18/22	2,724,929	363%	89%	18.64	16.55	16.58
	Protest Reduction	09/01/22	1,246,000			reduced		
	Appeal Suit Order/Judgment	11/22/22	750,000					
2023	Notice of Appraisal	04/17/23	2,888,557	385%	89%	18.88	16.76	TBD
	Protest Reduction	07/19/23	850,000			minimal change		

DCAD repeatedly ignored the historical occupancy and income based evidence of this shopping center, & did not have clear & convincing evidence to raise value 2 to 3 times higher than the prior reduced value.

Change in Market Value – Year over year in RED as high as 420%

The change in market value for this commercial property is equivalent to an **8 standard deviation move**, when the norm under USPAP is .5 STDEV or + or – 5% to 10%. The odds of an 8 STDEV are **1 in 390,000,000,000** yet there are only approximately 511,000 tax accounts in Denton County. **The same mathematical formulas apply across the State of Texas and the United States of America.**

DCAD created class codes, beyond the purview of the public, without accuracy or uniformity in its application and in violation of USPAP and Mass Appraisal Standards and thus in violation of the Law.

This graphic below shows DCAD's (and most CADs across the U.S.) failings under the Mass Appraisal Standards:

Did DCAD factor in wage growth?	No
Did DCAD factor in cost of mortgage rates?	No
Did DCAD look at wage adjusted mortgage payments?	No
Did DCAD study mortgage application volume?	No
Did DCAD look at Consumer Price Inflation, month over month % change?	No
Did DCAD use proper comparisons as required under USPAP and Law?	No
Did DCAD conform to USPAP?	No
Did DCAD examine SF rental income as a method to value SF homes?	No
Did DCAD study standard deviation of price as a method to value property?	No
Does DCAD have a system of checks and balance to prohibit corrupt data?	No
Did DCAD use Standard Deviation to determine the expected move of price?	No
Did the DCAD Board hire a Chief Appraiser capable of doing the job?	No
Did the County Tax Assessor Collector knowingly accept corrupt data from DCAD?	YES
DID DCAD BREAK THE LAW, UPSAP, TEXAS CONSTITUTION, & US CONSTITUTION?	YES
Did CADs across Texas follow the same non-enforcement of Appraisal Laws as DCAD?	YES

In the mass appraisal process, DCAD has failed to consider “all available evidence” and “supply and demand” factors that affect property value.

The exact same method of criminality, pattern and practice, exists in the majority of CADs across the United States.

The net result of the root causes as outlined above is fraud on a mass scale.

2023 Notice Values in Denton County were over \$30 Billion higher than 2022, 20+% higher. DCAD brazenly & recklessly increased values of properties for years, unchecked & without accountability.

Result and effect of their deception & overvaluation in violation of The Texas Constitution in “affordability” analysis.

- *72% of Denton County homeowners cannot afford the average market value of a home.
- *With average market value at \$514,082, only 27.29% can.
- *In 2021, 65.10% of households owned a home.
- *In 2023, 37.81% of households are at risk of losing their home (65.10% - 27.29%).
- *Households need annual gross income of \$189,500 to afford a \$514,082 home.
- *With 2023 median household incomes of \$109,126 the lender's housing-income ratio (48% > 28%).
- *2023 median income household can only afford a home valued at \$296,000
- *72.72% of Denton County homeowners would fail loan approval on \$551,082 avg mkt home value.
- *Certified average home values of \$514,082 are overvalued by 42% based on affordability.
- *($\$514,028 - \$296,000 = \$218,028$. $\$218,028 / \$514,082 = 42\%$)

*Average home value in this dollar range (\$514,082) are obviously being valued as if NEW.

*DCAD is using new homes (bad comparisons) to value existing homes.

*New construction homes should not be used in comparison to older homes.

The summary of the above is:

A.) There is no clear and convincing evidence to justify 20% increases year over year yet alone 420%. Thus, an irrefutable violation of every appraisal method, requirement, and law ever written.

B.) Based on the 140-property sample, what clear and convincing evidence exists to increase commercial property values in bulk by 80% year over year when the cash flows are generally flat? The answer is none, meaning that the initial notice of values is determined by hand, outside the confines of USPAP and the Texas Property Tax Code and the Texas Constitution.

C.) What was the purpose to go from 6 class codes to 28 class codes, when there are no audits of data entry? DCAD thinks, let's just make it up...nobody will figure it out. "We are DCAD and the public has to trust us". The best descriptive words to describe this creation of categories is a scam, sham, and con and it gets worse in that even after the creation of these categories, DCAD simply increases the values to meet the pre-determined budgets of the Taxing Entities, all of which ends in a violation of the Texas Constitution.

D.) These class codes do not exist in many other Central Appraisal Districts and there is no uniformity of application.

It is the combination of the above facts created by government overreach and constitutional violations which are demonstrated in the graphics that define government creep, but the mathematical ramifications of violating the very existence of the Laws for the purpose of funding pre-determined budgets of the Taxing Entities (which in itself violates USPAP), shows the level of ignorance of the Central Appraisal Districts and lack of care or understanding for the very people and corporations that generate the revenue to begin with. What you see in the above graphics in Denton County alone is that over 100,000 homeowners today are severely impacted by what DCAD and its co-conspirators have done, which is irrefutably illegal, and criminal and this is occurring across the United States.

You can now see exactly how fraud is perpetrated by the intentional misapplication of Market Value (Taxation of Unrealized Gains). We cannot stress enough the economic damage that will occur across the State of Texas and the United States of America, to homeowners, commercial property owners and businesses, if this real estate tax is not repealed in favor of a Uniform States Sales Tax. We have the math that ties to the laws to show how bad this will be, and it shows that the risk greatly outweighs the rewards of owning real estate and will cause a dramatic domino effect of bankruptcies not just of homeowners and income property owners but to the mortgage holders, bond investors, which are pensions and 401Ks. Not repealing the real estate tax will have the effect of destroying the very fabric of everyday American life in that owning a home will be an impossibility for many people who strive to be owners and destroy any reason to own commercial property.

SAMPLE SCHOOL BOND DEBT PER HOUSEHOLD

Questions:

How many households know that they are the implicit guarantor of the school district bond debts?

How many households signed up to go bankrupt as the implicit guarantor of the school district bonds?

How many households know that the school district debt upon their home is in many cases greater than 50% of the “Assessed Value” of the home?

How many households know that this stated bond debt does not include operations and maintenance for the schools on an annual basis?

How many households know that the compound cumulative effect of \$109,000 / household turns into \$742,000 in 30 years and that they are expected to pay for it?

How many households know that the school district bond debt increases whenever the school district cons the public by omission of all the above facts?

\$22.5 Trillion in 5 years of fraudulent overvaluation, resulting in \$450 Billion of fraudulent over taxation of Mom and Pop in 2024:

Year	Description	Trillions	Losses accrue to Mom and Pop
2015	Start of parabolic run of housing prices at the CADs	\$23,000,000,000,000.00	
2019	Continuation of parabolic run	\$25,000,000,000,000.00	
2024	Pivot of parabolic run	\$50,000,000,000,000.00	
	5 year Difference	\$25,000,000,000,000.00	
	Inflation FED stated @ 2% /yr. Avg.	\$2,500,000,000,000.00	
	Cumulative Fraud	\$22,500,000,000,000.00	Mom and Pop
	Fundamental Expected Value Pullback to 5 yrs. Ago	\$22,500,000,000,000.00	45.00%
	Technical Pullback .618 FIB	\$16,686,000,000,000.00	\$33,314,000,000,000.00 66.63%
	Real Estate Tax @ 2% on the fraud	\$450,000,000,000.00	Mom and Pop
	School Districts Liability @ 83%	\$373,500,000,000.00	Mom and Pop
	Bond leverage at the school district level	\$7,470,000,000,000.00	Roll up and Roll out
	Interest @ 6% / year	\$448,200,000,000.00	Compound Cumulative
	Real Estate Taxpayer "implicit guaranty" - You don't own the land beneath your feet - to pay for their fraud.	\$7,918,200,000,000.00	Equity Stripping
	Investors in Bond = Pensions and 401Ks -further Equity Stripping		Rob Peter to Pay Paul on the backs of Mom and Pop
	Insurance costs up on fraudulent overvaluation		Mom and Pop
	Mortgages overvalued of fraudulent overvaluation		Mom and Pop
	Each Real Estate Taxpayer owes today approx.	\$243,105.40	Mom and Pop
	Each Federal Taxpayer owes today approx.	\$1,139,000.00	Mom and Pop
	Total U.S. National + Unfunded + Local	\$1,382,105.40	Mom and Pop
	Average Home Mortgage	\$400,000.00	Mom and Pop
	Annual Real Estate Tax @ 2%	\$8,000.00	

Parabolic home prices up 100% in 5 years create losses which accrue to the Property Owners (Mom and Pop). \$21.25 Trillion in fraudulent overvaluation led to \$450,000,000,000 in over taxation in 2024 alone.

Median Household Income Shortfall

CADs Compared	2023 <u>Johnson</u>	2023 <u>Denton</u>	2024 <u>Denton</u>	2024 <u>Brazoria</u>	2024 <u>Travis</u>	2024 <u>Tarrant</u>
2023 Population	202,906	1,006,500	1,006,500	374,264	1,334,961	2,182,947
County Land Area, sq miles (excludes lakes)	725	878	878	1,386	990	864
<u>Certified Total Report Data</u>					<u>Movie-Star Effect</u>	
Total Market Value SF Residential	can't locate data	140,068,923,743	143,863,655,261	37,392,952,073	235,517,809,023	218,346,197,187
Total Count SF Residential		272,464	288,774	116,933	359,873	586,410
Average Market Value		514,082	498,188	319,781	654,447	372,344
Total Market Value, All Property	can't locate data	226,645,332,214	235,733,571,726	92,368,222,562	461,287,503,439	397,901,322,389
Total Count, All Property *see mineral counts*		470,529	454,673	245,627	482,336	1,901,617
Average Market Value per Parcel		481,682	518,468	376,051	956,361	209,244
		* 90,609 G1 mineral props	* 60,297 G1 mineral props	* 20,157 G1 mineral props	* no G1 minerals on report	* 1,124,288 G1 mineral props
<u>Data Point & Assumptions</u>						
Mortgage Interest Rate	7.50%	7.50%	6.50%	6.50%	6.50%	6.50%
Average Insurance Rate, Texas	0.97%	0.97%	1.40%	1.40%	1.40%	1.40%
Property Tax Rate (combined: city,co,isd,etc)	1.86%	1.80%	1.89%	2.02%	1.95%	2.26%
Median Household Income (gross annual)	79,000	109,126	110,514	84,992	98,369	83,667
<u>Review</u>					<u>Median per CAD 4/11/24</u>	
CAD Average or Median Home MV	349,000	514,082	498,188	319,781	551,419	372,344
Down Payment	34,900	51,408	49,819	31,978	55,142	37,234
Mortgage Loan Amount	314,100	462,674	448,369	287,803	496,277	335,110
Median Household Income (gross monthly)	6,583	9,094	9,210	7,083	8,197	6,972
Mortgage Payment (30 yr loan princ + int)	2,196	3,235	2,834	1,819	3,137	2,118
Property Tax	541	771	787	538	896	701
Homeowner's Insurance	282	416	581	373	643	434
Total Monthly Housing	3,019	4,422	4,202	2,730	4,676	3,254
Mortg Lender Housing/Gross Inc Ratio	45.86%	48.62%	45.63%	38.55%	57.04%	46.67%
<u>Income Needed to Afford CAD Home MV</u> and be at 28%	129,398	189,504	180,080	117,021	200,408	139,447
Median Household Income Shortfall	50,398	80,378	69,566	32,029	102,039	55,780
<u>Median Income Affordable Home</u>						
Affordable Home MV	213,100	296,000	305,700	232,250	270,700	223,400
Down Payment	21,310	29,600	30,570	23,225	27,070	22,340
Mortgage Loan Amount	191,790	266,400	275,130	209,025	243,630	201,060
Median Household Income (gross monthly)	6,583	9,094	9,210	7,083	8,197	6,972
Mortgage Payment (30 yr loan princ + int)	1,341	1,863	1,739	1,321	1,540	1,271
Property Tax	330	444	483	391	440	421
Homeowner's Insurance	172	239	357	271	316	261
Total Monthly Housing	1,844	2,546	2,578	1,983	2,296	1,952
Mortg Lender Housing/Gross Inc Ratio	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
<u>CAD Value Exceeding Affordability</u>	64%	74%	63%	38%	104%	67%
CAD Average or Median Home MV	349,000	514,082	498,188	319,781	551,419	372,344
Affordable Home MV	213,100	296,000	305,700	232,250	270,700	223,400

The median household income shortfall is the fraud to which the cumulative compound interest is added by virtue of the fraudulent bonds!

An elaborate scheme (government overreach) of all these entities and Individuals:

DCAD creates fraudulent income statements, uses comparisons in violation of USPAP, “manipulates 60,000 properties” (audio recording), builds into their valuations the pre-determined budgets of the taxing entities, negotiates values before protest hearings because they can’t get to all the protests, issues a directive to ARB panels not to go below the homestead cap, all of which is a violation of USPAP, Texas Constitution and The Constitution of the United States of America and all of which create dirty data and corrupt databases. Our evidence proves that DCAD and its co-conspirators are not doing appraisals under any definition in law, are violating USPAP, and due to intentionally corrupt databases are incapable of arriving at a legitimate Market Value. **The same mathematical formulas apply across the State of Texas and the United States of America.**

On average 9% of the median household income goes into real estate tax regardless of home ownership or renting.

Questions	Why have credit card defaults spiked?			
	What has inflation done?			
	How does Real Estate Tax cause bankruptcies?			
	Why is Consumer Purchasing Power Slowing?			
Evidence	Household Expenses per Government Estimate			
	Housing Expense (maintenance, utilities, insurance, etc.)			\$10,958
	Mortgage Expense (with mortgage loan of \$272,051)			\$26,508
	Home Real Estate Tax (Property Tax)			\$7,000
	Transportation			\$12,258
	Food			\$9,340
	Personal Insurance and Pensions Social Security			\$8,756
	Entertainment			\$3,456
	Cash Contributions			\$2,760
	Healthcare			\$5,856
	Personal Care			\$864
	Apparel			\$1,944
	Average Total Expenses per Household (Govt Est)			\$89,700 *
	Average Monthly Expenses per Household (Govt Est)			\$7,475
	Average Annual Expenses Family of 4 (2nd Govt Est)			\$101,520
	Average Monthly Expenses Family of 4			\$8,460
	Median Household Income, 2023 census.gov			\$80,610 *
	Minus Average Expenses			-\$89,700
	Net in your pocket	it's short !		(\$9,090)
	Real Estate Tax as a percent of the cash shortage			77.01%
	ADD - Taxpayer's "Implicit Guarantee" or Share of Govt Debt (Sept 2024 estimate)			
	Local Outstanding Bond Debt, per Denton County Texas home			\$243,105
	U.S. National + Unfunded Liabilities, approximately per taxpayer			\$1,131,944
	\$163,000,000,000,000 total/ 144,000,000 taxpayers			
	Combined Total			\$1,375,050
	Monthly Amortized Cost of Govt Debt , 25 years at 6.25% (rounded)			\$9,000
	Annual Amortized Cost of Govt Debt, 25 years at 6.25% (rounded)			\$108,000 *
Answers	Median Household Income \$80,610 is not enough to cover estimated annual home/living expenses of \$89,700.			
	Income of \$80,610 is not enough to cover estimated annual home/living expenses of \$101,520 for family of 4.			
	So it cannot possibly cover the taxpayer's "implicit guarantee" of another \$108,000 of govt debt per year.			
	Household's consumer purchasing power is slowing and short			(\$9,090)
	Family of 4's consumer purchasing power is slowing and short			(\$20,910)
	With not enough cash to cover expenses, spending has tightened & credit card use has increased.			
	Not to mention the taxpayer's "implicit guarantee" or share of govt debt...that can never be collected.			
	Median household Income			\$80,610 *
	Estimated Annual Expenses			-\$89,700 *
	Estimated Taxpayer Share of Debt, "implicit guarantee"			-\$108,000 *
				(\$117,090)
	This proves that the implicit guarantee is nonsense & violates State & Federal RICO laws.			
	Real Estate Tax as a percentage of Median Income...			8.68%

Roughly 9% (\$7,000.00) of a median income goes to real estate tax on homes.
The average household is short roughly \$9,000 per year of which \$7,000 is real estate tax.
The difference of surviving or bankruptcy is the real estate tax and this proves the fraud.
The home value cannot be as claimed by any CAD.

Additional Evidence:

(See original Criminal Complaint [LINK](#).)

Bond Fraud (See graphic above Debt Per Household for school bonds):

Perhaps the most famous type of bond fraud in recent years involved mortgage bonds. Mortgage bonds are bonds made up of consumer mortgage debt (aka Credit Loan Obligations, Credit Default Obligations, Mortgage-Backed Securities, Credit Default Swaps, Financial Guaranty Insurance etc.), When subprime mortgages were packaged into mortgage bonds and given AAA ratings from credit agencies, the bonds were sold at inflated values to investors who thought they were buying safe mortgage debts. Of course, in 2008, when defaults started to occur on subprime loans, the U.S. financial market and global financial markets crashed, big banks folded, investors lost billions, the real estate market collapsed, and the economic ramifications of the mortgage bond fraud caused a massive recession with lingering after-effects felt for years.

Now, let's correlate the above paragraph to where we are today given the **Median Household Income**. When subprime bonds (aka School Bonds) are packaged based on the "implicit guarantee" of the real estate taxpayers based on fraudulent overvaluation and resulting over taxation, then given AAA ratings from credit agencies or the bond underwriter (aka the School Districts), the bonds are sold at inflated values to investors who may believe they are buying safe mortgage debts (aka bonds). Of course, when defaults start to occur on "subprime" bonds, the U.S. financial market and global financial markets will suffer, banks will fold, investors will lose billions, teachers 401Ks and Pensions may default, the Pensions and 401Ks of Mom and Pop who invested in these bonds, may lose that portion of their investments, the real estate market may simultaneously collapse, and the economic ramifications of the bond fraud causes a massive recession with lingering after-effects felt for years.

While mortgage bond fraud is well-known, other types of bond fraud may be less common but equally damaging to investors who face financial loss. There are several off shoots of bond fraud, which are bank fraud, wire fraud, mail fraud, securities fraud, accounting fraud, money laundering and laws prohibiting market manipulation. While criminal cases are likely given the evidence, it is reasonable to believe that many civil fraud charges can be brought against the Taxing Entities (i.e. School Districts and their Boards) which own the Central Appraisal Districts and their Boards as well as the Tax Assessor Collectors.

U.S. Code Section 3301 defines Federal Securities fraud offenses to include a violation of:

U.S. Code Section 1348.

Section 32(a) of the 1934 Securities and Exchange Act

Section 24 of the 1933 Securities Act

Section 325 of the Trust Indenture Act of 1939

Section 217 of the 1940 Investment Advisers Act

Section 49 of the 1940 Investment Company Act

Section 32(a) of the Securities and Exchange Act imposes penalties for:

Willful violations, false or misleading statements and false reports required by the Securities and Exchange Act. Penalties could include up to 20 years' incarceration, and a fine up to \$5,000,000. If it was not a natural person but instead a brokerage firm, corporation, or financial institution that violated the law, fines could reach \$25,000,000.

Examples of criminal acts that should result in arrests and potential conviction for securities fraud include but are not limited to:

- Breach of fiduciary obligation
- False promises of investment returns
- Failure to Supervise
- Filing false reports
- Inaccurate financial reporting
- Market manipulations
- Misrepresentation, fraud and omissions
- Third party misrepresentation

The school districts bond fraud in combination with the Central Appraisal Districts overvaluation and over taxation make the \$63.4 billion bankruptcy of Enron and subsequent WorldCom bankruptcy seem small both of which resulted in over thirty thousand layoffs and billions in lost pensions.

THE ONLY THING THAT MATTERS IS THE MEDIAN HOUSEHOLD INCOME, FROM WHICH THE TRUE MATH OF FINANCE MUST BE DERIVED. ONE CANNOT GET BLOOD OUT OF A STONE MEANING IF MEDIAN HOUSEHOLD INCOME < CUMULATIVE COMPOUNDING OF PRINCIPAL AND INTEREST AND NON-PAYMET OF OUTSTANDING BONDS FOR THE SAKE OF GOVERNMENT COVER-UP AND FRAUD = BANKRUPTCY BY INTENT WHICH IS CRIMINAL.

SEC. 45.001 Texas Education Code - Violated

Sec. 45.001. BONDS AND BOND TAXES. (a) The governing board of an independent school district, including the city council or commission that has jurisdiction over a municipally controlled independent school district, the governing board of a rural high school district, and the commissioners court of a county, on behalf of each common school district under its jurisdiction, may:

(1) issue bonds for:

- (A) the construction, acquisition, and equipment of school buildings in the district;
- (B) the acquisition of property or the refinancing of property financed under a contract entered under Subchapter A, Chapter 271, Local Government Code, regardless of whether payment obligations under the contract are due in the current year or a future year;
- (C) the purchase of the necessary sites for school buildings;
- (D) the purchase of new school buses;
- (E) the retrofitting of school buses with emergency, safety, or security equipment; and

(F) the purchase or retrofitting of vehicles to be used for emergency, safety, or security purposes; and

(2) levy, pledge, assess, and collect annual ad valorem taxes **sufficient to pay the principal of and interest on the bonds as or before the principal and interest become due, subject to Section 45.003.**

(b) The bonds must mature serially or otherwise not more than 40 years from their date. The bonds may be made redeemable before maturity.

(c) Bonds may be sold at public or private sale as determined by the governing board of the district.

SEC. 45.0011 Texas Education Code – Violated – Bond Raises Exceed the 25% Cap.

Sec. 45.0011. CREDIT AGREEMENTS IN CERTAIN SCHOOL DISTRICTS. (a) This section applies only to an independent school district that, at the time of the issuance of obligations and execution of credit agreements under this section, has:

(1) at least 2,000 students in average daily attendance; or

(2) a combined aggregate principal amount of at least \$50 million of outstanding bonds and voted but unissued bonds.

(b) A district to which this section applies may, in the issuance of bonds as provided by Sections 45.001 and 45.003(b)(1), exercise the powers granted to the governing body of an issuer with regard to the issuance of obligations and execution of credit agreements under Chapter 1371, Government Code.

(c) A proposition to issue bonds to which this section applies must, in addition to meeting the requirements of Section 45.003(b)(1), include the question of whether the governing board or commissioners court may levy, pledge, assess, and collect annual ad valorem taxes, on all taxable property in the district, sufficient, without limit as to rate or amount, to pay the principal of and interest on the bonds and the costs of any credit agreements executed in connection with the bonds.

(d) A district may not issue bonds to which this section applies in an amount greater than the greater of:

(1) **25 percent** of the sum of:

(A) the aggregate principal amount of all district debt payable from ad valorem taxes that is outstanding at the time the bonds are issued; and

(B) the aggregate principal amount of all bonds payable from ad valorem taxes that have been authorized but not issued;

(2) \$25 million, in a district that has at least 3,500 but not more than 15,000 students in average daily attendance; or

(3) \$50 million, in a district that has more than 15,000 students in average daily attendance.

(e) In this section, average daily attendance is determined in the manner provided by Section 48.005.

2/26/25, 11:40 AM EDUCATION CODE CHAPTER 45. SCHOOL DISTRICT FUNDS <https://statutes.capitol.texas.gov/Docs/ED/htm/ED.45.htm> 2/66

(f) Sections 1371.057 and 1371.059, Government Code, govern approval by the attorney general of obligations issued under the authority of this section.

SEC. 1371.057 Texas Code – Violated by the Attorney General – The Bonds do not conform to the Texas Constitution.

Sec. 1371.057. **REVIEW AND APPROVAL OF OBLIGATION, CREDIT AGREEMENT, AND CONTRACT BY ATTORNEY GENERAL.** (a) Before an obligation may be issued or a credit agreement executed, a record of the proceedings of the issuer authorizing the issuance, execution, and delivery of the obligation or credit agreement and any contract providing revenue or security to pay the obligation or credit agreement must be submitted to the attorney general for review.

(b) If the attorney general finds that the proceedings authorizing an obligation or credit agreement conform to the requirements of the Texas Constitution and this chapter, the attorney general shall approve them and deliver to the comptroller a copy of the attorney general's legal opinion stating that approval and the record of proceedings. After approval, the obligation or credit agreement may be executed and delivered, exchanged, or refinanced from time to time in accordance with those authorizing proceedings.

(c) If the authorization of an obligation or of a credit agreement provides that the issuer intends to refinance the obligation or a payment under the credit agreement with refunding bonds issued under Chapter 1207, then the obligation or payment shall be treated, **for purposes of attorney general review and approval, as having the intended term and payment schedule of the refunding bonds.**

Possible Cumulative Compound Fraud – TEXAS

**Conservatively, possible total outstanding bond debt \$606 Billion.
 Reasonable value capped under Texas Law at roughly \$151 Billion.
 Total Cumulative Compound Fraud at roughly \$455 Billion.**

Texas Households	Avg. School Bond Debt / Household*	Possible Total Bond Debt*	Reasonable value ability to carry at 25% Capped to allow paydown to zero	Total Cumulative Compounded Fraud
12,139,000	\$50,000.00	\$606,950,000,000.00	\$151,737,500,000.00	\$455,212,500,000.00

* Requires AI to data scrape all total school district bond debt as it is intentionally hidden (aka bond fraud);

No Bond Schedule
 No Sources and Uses
 No Property Notes to Balance Sheet
 No "Implicit Guarantee" by any real estate taxpayers
 No property owners signed any guarantee to create their own bankruptcy, wherein the school bond debt per household is greater than a 2nd mortgage on the home.

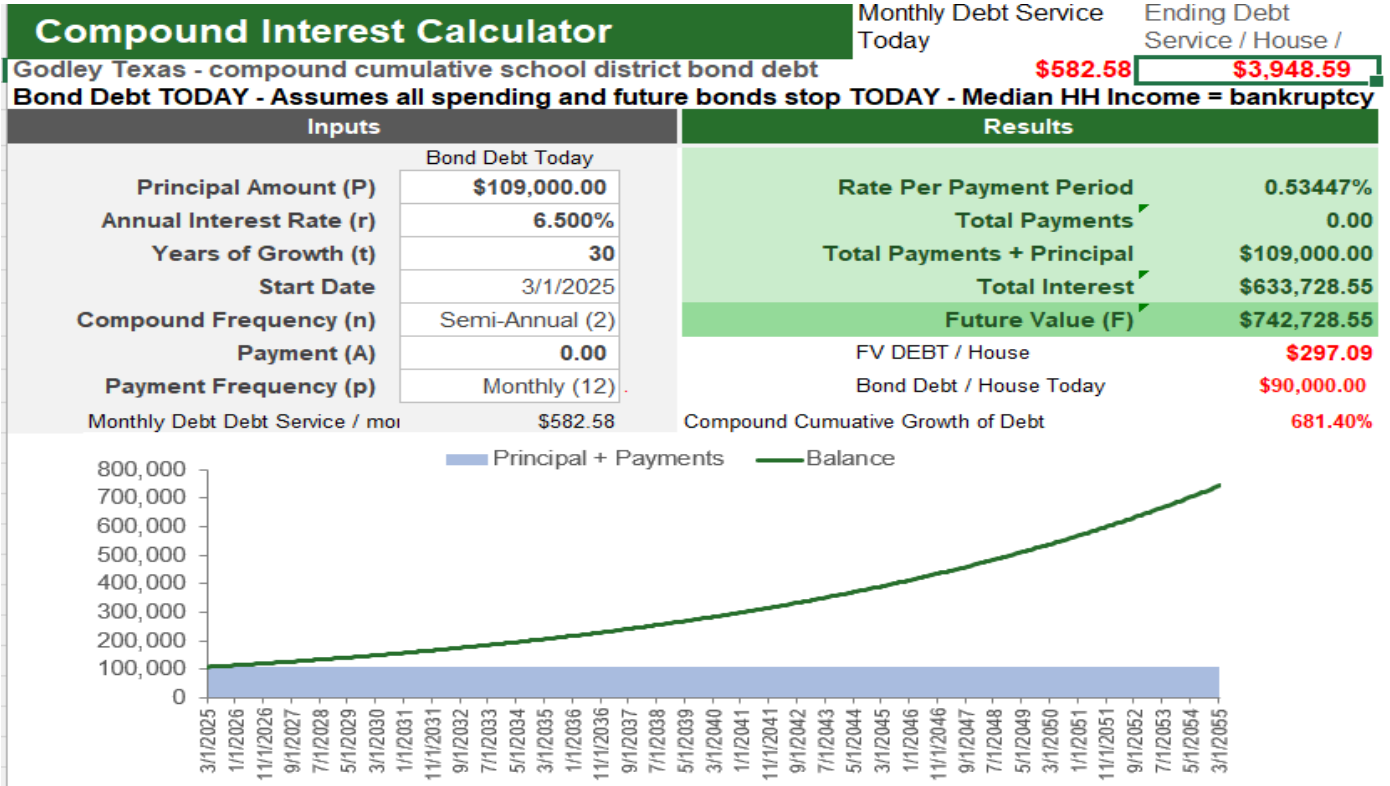
Possible Cumulative Compounding – United States of America

Texas Households	Avg. School Bond Debt / Household*	Possible Total Bond Debt*	Reasonable value ability to carry at 25% Capped to allow paydown to zero	Total Cumulative Compounded Fraud
143,000,000	\$50,000.00	\$7,150,000,000,000.00	\$1,787,500,000,000.00	\$5,362,500,000,000.00

* Requires AI to data scrape all total school district bond debt as it is intentionally hidden (aka bond fraud);

No Bond Schedule
 No Sources and Uses
 No Property Notes to Balance Sheet
 No "Implicit Guarantee" by any real estate taxpayers
 No property owners signed any guarantee to create their own bankruptcy, wherein the school bond debt per household is greater than a 2nd mortgage on the home.

Godley Texas Current Outstanding School District Bond Debt per Household according to TEA is \$109,000 which when not paid off compounds to \$1.4 million in 30 years. Then add on that the cost of operations and maintenance of the schools, then add on that the demand for more bond money, and the system implodes shortly. The same math applies across Texas and the United States of America.



Bond Fraud Map

1. Creation of a budget at a school district, signed off on by a superintendent and the school district boards, without a bond schedule, sources and uses, and proper notes to the balance sheet, then making false statements to the public. is aggravated perjury and fraud.
2. A Chief Appraiser accepting a fraudulent pre-determined budget (or any budget for that matter) is violating the Texas Property Tax Code because in USPAP, there is no nexus between property valuation and a pre-determined budget from a taxing entity ie school district from which property values can or may be established.
3. The Chief Appraiser by Certifying the Tax Roll has committed multiple felonies (see violations.pdf under evidentiary exhibits in original Criminal Complaint) within the Texas Property Tax Code and in the Texas Constitution (Uniform and Equal)
4. This is a fraud upon a fraud upon a fraud including the database at the CADs which are roughly 92% corrupt. This is a criminal conspiracy to commit fraud between the School Districts (Taxing Entity) and the Central Appraisal Districts and those named in the original Criminal Complaint and this 1st Amendment to the Criminal Complaint for intentionally failing to adhere to the law such that there are no checks and balances by intent which is collusion.

5. The Tax Assessor Collector by law which must adhere to the U.S. Constitution, and has the right to simply state that The Tax Assessor Collector refuses to collect the property taxes given 1, 2, 3 and 4 above.

If the Tax Assessor Collector ignores #5 above, then the Tax Assessor Collector has knowingly accepted false certifications.

Fraud from Inception – Amount charged to create the Bond Guarantee Program:

Payments for Remittance to Charter District Bond Guarantee Reserve Fund

Texas Education Code (TEC) §45.0571 authorizes the commissioner to establish rules related to the Charter District Bond Guarantee Reserve Fund. Those rules are established in 19 TAC Chapter 33, Subchapter AA §33.1001.

The amount to be remitted is based on the savings to the issuer as a result of being able to access the guarantee. To determine the payment required, the commissioner will calculate an amount equal to 20% of the savings over the life of the bond to the charter district resulting from the lower interest rate on the bond due to the guarantee by the Permanent School Fund. The formula for calculating the amount due will be $R = (P \times S \times 0.2) \div (1 + PV)T$.

"R" is the annual amount to be contributed to Charter District Bond Guarantee Reserve Fund;

"P" is the outstanding principal amount on the closing date of the bond or the outstanding principal amount on the anniversary of the closing date of the bond, as applicable.

"S" is the savings to the charter district as a result of the bond guarantee under §33.7 of this title, which is computed as the difference between the preceding 36-month moving average of the Thomson Reuters Municipal Market Data index yield for the Baa twenty-year maturity and the preceding 36-month moving average of the Thomson Reuters Municipal Market Data index yield for the AAA twenty-year maturity. If the Thomson Reuters Municipal Market Data index is discontinued, the commissioner shall choose another data source for a reasonable period of time until this section can be amended with another acceptable data source. The savings "S" shall remain constant for the life of the newly guaranteed bond.

"PV" is the present value discount factor, which is the yield to worst of the Bloomberg Barclays US Aggregate 3-5 Year Bond Index on the last business day of the previous month. If the Bloomberg Barclays US Aggregate 3-5 Year Bond Index is discontinued, the commissioner shall choose another data source for a reasonable period of time until this section can be amended with another acceptable data source.

"T" is the number of years from the anniversary of the closing date of the bond.

The payment is equal to the sum of the amount required annually and is due within 30 days of the closing date of the bonds.

The value of "S" is calculated in March and September of the applicable state fiscal year. The value of "PV" is calculated monthly. Both values can be found in this spreadsheet: Charter Reserve Calculation Numbers. (/finance-and-grants/state-funding/facilities-funding-and-standards/charter-reserve-calculationnumbers-feb25.xlsx)

The above formula is horribly flawed both in math and concept:

A.) Did not consider the Rule of 72

B.) Did not take into account what if schools close down. What happens to the education cost per student? The interest on the bonds does not stop.

- C.) What happens to the bond debt that is applied to the schools, meaning fewer schools and the same bond debt? Closing schools forces the principal and interest to be applied toward the remaining students and still based on a non-existent implicit guarantee per property owner and per household.
- D.) What happens when the school districts create more bond fraud by raising more bond money that cannot be paid off – aka Ponzi scheme? **A contract that is designed to break the law is not a contract in the eyes of the law.**
- E.) No notes to the balance sheet, no sources and uses, no bond schedule, no disclosure on the “investment pools” all of which is by intent to defraud and never taken into account with regard to a “sinking fund” which cannot “sink” i.e. be paid off, due to the fraud and then adding to that fraud with additional bond debt requiring additional interest to be paid, to the point where we are today in that the raising of bonds not for principal reduction but to continue carrying the interest payments.
- F.) The Compound Cumulative Effect of the fraud, means that by not paying off the debt as claimed under law, then refinancing that debt makes the item purchased more expensive than it’s initial purchase price, for which there is no disclosure to the real estate tax paying public or the bond buyers. If buses are purchased with bonds, the effective life of a bus is 5 years, but the bonds not being paid off, means the cost of the buses is exponentially higher than their initial purchase price. No Bond Schedule = FRAUD.

Who received the benefit? – The Bond Guarantee Program allegedly contains \$57 billion today and has allegedly guaranteed \$250 Billion of school bonds. Governor Greg Abbott is the Chair of the Bond Review Board. Will any of this money be used to pay down the outstanding school districts bond debts? Will any of this money be used to prohibit the bankruptcy of any of the school districts? Probably not, and we know this because the bankruptcies have already started. This Bond Guarantee Program shifted “Equity Stripped” money from the real estate taxpayers into this “Sovereign Wealth Fund” which has been commandeered as a slush fund as there is a high probability it will not be used to cover any school bond debt. This fund should be put into immediate conservatorship under Federal control until the truth is fully uncovered.

This section, **Fraud from Inception**, is enough to demand immediate conservatorship and or bankruptcy of any school district that exceeds its Constitutional limits and immediately freeze of all real estate tax as there is and never was a benefit of the bargain. It was and is a con.

RULE OF LAW

The rule of law requires measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency.

Just to be crystal clear regarding the Bond Fraud and Real Estate Tax Fraud described in this Criminal Complaint, was the Rule of Law adhered to?

- 1. Measures to ensure adherence to the principles of supremacy of law. No.
- 2. Equality before the law. No.
- 3. Accountability to the law. The government and private actors are accountable. No.
- 4. Application of the law. Must be applied equally to all person in like circumstances. No.
- 5. Separation of powers. No.

- | | |
|--|-----|
| 6. Participation in decision-making. | No. |
| 7. Legal certainty. Means provided for resolving disputes without prohibitive cost or inordinate delay | No. |
| 8. Avoidance of arbitrariness. (The ARB panels exist for the benefit of the CADs and against Citizens) | No. |
| 9. Procedural and legal transparency. | No. |
| 10. The law must protect the security of persons and property. | No. |
| 11. Law must be written so that it can be understood by ordinary persons in society. | No. |

VIOLATIONS

(See original Criminal Complaint [LINK](#).)

I want to reiterate:

Texas Penal Code 37.11, Defaulting on Oath

Defaulting of duties & obligations is equivalent to impersonating a public officer.... any elected or appointed official or Attorney refusing to honor an acceptance of their Oath is simply impersonating a public official, thus violating the Texas Penal Code 37.11 law regarding Impersonating a Public Servant, which is a 3rd degree felony.

Texas Penal Code 7.01, Assisting in Commission of Crime or Failed to Report Crime

Texas law says that a person may be held legally responsible for another person’s criminal activity or conduct if he or she assisted in the commission of the crime as “party to the offense.” Person may also held liable for:

- failure to report
- accessory after the fact
- harboring a fugitive
- aiding/abetting a fugitive

Title 42 U.S. Code Section 1986, Knowledge of Wrongful Act & Power to Prevent Person

with knowledge that a wrongful act is about to be committed and having the power to prevent the commission of such wrong neglects or refuses so to do, is liable to the party injured for all damages caused by the wrongful act.

- Person need not have participated in the conspiracy or the commission of the act, just having knowledge of it implies guilt.
- Any number of persons guilty of wrongful neglect or refusal may be joined as defendants in a § 1986 action

Title 18 U.S. Code Section 1512(c)(1) & (2), Corruptly Alter, Destroy, Conceal - or - Obstruct, Influence, Impede

“(c) Whoever corruptly (1) alters, destroys, mutilates, or conceals a record, document or other object, or attempts to do so, with the intent to impair the object’s integrity or availability for the use in an official proceeding; or (2) otherwise obstructs, influences or impedes any official proceedings or attempts to do so, shall be fined under this title or imprisoned not more than 20 years, or both.”

Title 18 U.S. Code Section 1621, Perjury Defined

Perjury can be summarized as any untrue testimony, declaration, deposition or certification that is made under oath, whoever...

- (1) having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed, is true, willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true; or
- (2) in any declaration, certificate, verification, or statement under penalty of perjury as permitted under [section 1746 of title 28](#), United States Code, willfully subscribes as true any material matter which he does not believe to be true; is guilty of perjury and shall, except as otherwise expressly provided by law, be fined under this title or imprisoned not more than five years, or both. This section is applicable whether the statement or subscription is made within or without the United States.

US Constitution, 1st Amendment, summarized:

The First Amendment provides that Congress make no law respecting an establishment of religion or prohibiting its free exercise. It protects freedom of speech, the press, assembly, and the right to petition the Government for a redress of grievances.

US Constitution, 5th Amendment summarized:

Fifth Amendment creates a number of rights relevant to both criminal and civil legal proceedings. In criminal cases, the Fifth Amendment guarantees the right to a grand jury, forbids “double jeopardy,” and protects against self-incrimination. **It also requires that “due process of law” be part of any proceeding that denies a citizen “life, liberty or property” and requires the government to compensate citizens when it takes private property for public use.**

US Constitution, 14th Amendment, summarized:

No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; **nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.**

US Constitution, 16th Amendment:

- 16th Amendment as summarized says that Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.
- Taxing property before it is sold, at a value in excess of what was paid at purchase, is essentially a tax on unrealized gains. It is not a tax on income and therefore is not permitted by law.
- Unrealized gain may be stated on paper, but it is not cash in hand/bank.
- Income (or loss) cannot exist unless currency (\$\$) or other assets has been received or traded creating an actual realized gain or loss.

CONSTITUTIONAL CASE LAW

Given that DCAD and its co-conspirators as well as the State of Texas have done an end run around the Texas Constitution and The Constitution of the United States of America, as shown in the evidence and as seen above, and given that Judge Lavonius denied Complainant due process, which continues

the delay tactics by DCAD and their attorneys, and further given that DCAD's Counsel, is knowingly aiding and abetting a criminal conspiracy to defraud, we are taking this opportunity to ask the DOJ to;

A.) demand that if Defendant(s) have any evidence that any statement or statements made herein on any government created document, video, transcript, audio, and testimony given by Defendants, which was under threat of perjury is inaccurate, to provide such evidence within 15 days of this filing or to substantiate their abuse of the aforementioned Constitutions as legitimate, and

B.) for the benefit and enlightenment of those who dare show contempt for the Texas Constitution or other States Constitutions and The Constitution of the United States of America, we now outline a portion of the Constitutional Case Law that may be used in upcoming Court hearings and this Criminal Complaint:

CASE LAW

(See original Criminal Complaint [LINK.](#))

I want to reiterate;

Article VI, Clause 2:

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

RICO

Under RICO, it is a crime for an individual to belong to an "enterprise" that is involved in a pattern of racketeering, even if the racketeering was committed by other members. Specifically, Section 1962 of RICO prohibits "any person" from: (a) **using income received from a pattern of racketeering activity or from the collection of an unlawful debt** to acquire an interest in an enterprise affecting interstate commerce; (b) **acquiring or maintaining through a pattern of racketeering activity or through collection of an unlawful debt** an interest in an enterprise affecting interstate commerce; (c) **conducting or participating in the conduct of the affairs of an enterprise affecting interstate commerce through a pattern of racketeering activity or through collection of an unlawful debt**; or (d) **conspiring to participate in any of these activities.**

a. 18 U.S.C. § 1962(a)

Under section 1962(a), it is a crime to "use or invest" any income derived from "a pattern of racketeering activity" or through "collection of an unlawful debt" to establish, acquire an interest in, or operate "any enterprise" engaged in or affecting interstate commerce.⁷ To establish an offense under section 1962(a), the government must show that the defendant had derived income from a pattern of racketeering or collection of unlawful debt, and then used or invested some part of that income in the establishment and operation of an enterprise, which was engaged in or its activities affected commerce.⁸ An example of a violation of section 1962(a) is a drug dealer using the proceeds of a pattern of drug trafficking crimes to invest in or operate a legitimate business.⁹

b. 18 U.S.C. § 1962(b)

Section 1962(b) prohibits acquiring or maintaining an interest in, or control of, any enterprise that is engaged in or affects interstate commerce “through a pattern of racketeering activity or through collection of an unlawful debt.”¹⁰ This provision essentially makes it unlawful to take over an enterprise that affects interstate commerce through a pattern of racketeering activity or collection of unlawful debt. An example of a section 1962(b) violation is an organized crime figure taking over a legitimate business through a pattern of extortionate and loansharking acts designed to intimidate the owners into selling the business to him.¹¹

c. 18 U.S.C. § 1962(c)

Section 1962(c) makes it unlawful for any person “employed by or associated with any enterprise engaged in” or affecting interstate or foreign commerce “to conduct or participate, directly or indirectly, in the conduct of such enterprise’s affairs through a pattern of racketeering activity or collection of unlawful debt.”¹²

⁷ *Id.* § 1962(a).

⁸ *See, e.g.*, *United States v. Vogt*, 910 F.2d 1184, 1194 (4th Cir. 1990); *United States v. Carlock*, 806 F.2d 535, 547 (5th Cir. 1986); *United States v. Robertson*, 73 F.3d 249, 251 (9th Cir. 1996) (“Unlike § 1962(c), § 1962(a) prohibits not the engagement in racketeering acts to conduct an enterprise affecting interstate commerce, but rather the *use or investment of the proceeds* of racketeering acts to acquire, establish or operate such an enterprise.”) (emphasis in original).

⁹ *See, e.g.*, *United States v. Robertson*, 514 U.S. 669 (1995) (defendant convicted of narcotic offenses and of violating section 1962(a) by investing the proceeds of those unlawful activities in a gold mine).

¹⁰ 18 U.S.C. § 1962(b).

¹¹ *See, e.g.*, *United States v. Biasucci*, 786 F.2d 504, 506–07 (2d Cir. 1986) (acquisition of interests in and control over businesses through loansharking activities involving collection of unlawful debt); *see also* *United States v. Jacobson*, 691 F.2d 110, 112 (2d Cir. 1982) (acquisition of bakery’s lease as security for usurious loan).

¹² 18 U.S.C. § 1962(c).

d. 18 U.S.C. § 1962(d)

Section 1962(d) provides that “[i]t shall be unlawful for any person to conspire to violate any of the provisions of subsection (a), (b), or (c) of this section.”²⁰ Unlike the general conspiracy statute applicable to federal crimes, which requires proof that at least one of the conspirators committed an “act to effect the object of the conspiracy,”²¹ there is no requirement under section 1962(d) that an “overt act” or specific act be committed in furtherance of a RICO conspiracy.²²

¹³ *See* *United States v. Alkins*, 925 F.2d 541, 551–53 (2d Cir. 1991).

¹⁴ *See* *Cedric Kushner Promotions, Ltd. v. King*, 533 U.S. 158, 161 (2001).

¹⁵ *See* *Reves v. Ernst & Young*, 507 U.S. 170, 185 (1993).

¹⁶ *See* *Cedric Kushner Promotions, Ltd.*, 533 U.S. at 163 (“After all, incorporation’s basic purpose is to create a distinct legal entity, with legal rights, obligations, powers, and privileges different from those of the natural individuals who created it, who own it, or whom it employs.”).

¹⁷ *United States v. Turkette*, 452 U.S. 576, 583 (1981).

¹⁸ *Id.*

¹⁹ *Boyle v. United States*, 556 U.S. 938, 947 (2009) (citing *Turkette*, 452 U.S. at 583).

²⁰ 18 U.S.C. § 1962(d).

²¹ *See id.* § 371.

²² *See id.* § 1962(d); *see also* *Salinas v. United States*, 522 U.S. 52, 63 (1997) (“There is no requirement of some overt act or specific act in the [RICO statute], unlike the general conspiracy provision applicable to federal crimes, which requires that at least one of the conspirators have committed an ‘act to effect the object of the conspiracy.’”).

²³ *Salinas*, 522 U.S. at 65–66 (explaining that a defendant can violate section 1962(d) without “himself commit[ing] or agree[ing] to commit two or more” acts of racketeering activity); *see* *United States v. Fernandez*, 388 F.3d 1199, 1230 (9th Cir. 2004) (holding after *Salinas* that a defendant is guilty of conspiracy to violate § 1962(c) if he knowingly agreed to

facilitate a scheme which includes the operation or management of a RICO enterprise, regardless of whether he actually conspired to operate or manage the enterprise himself).

²⁴ See, e.g., *Boyle v. United States*, 556 U.S. 938 (2009).

²⁵ *RJR Nabisco, Inc. v. European Cmty.*, 136 S. Ct. 2090, 2102-03 (2016) (“To give a[n] example, a violation of § 1962 could be premised on a pattern of killings of Americans abroad in violation of § 2332(a)—a predicate that all agree applies extraterritorially—whether or not any domestic predicates are also alleged.”).

²⁶ 18 U.S.C. § 1961(1)(A).

²⁷ See, e.g., *United States v. Kirsch*, 903 F.3d 213, 225 (2d Cir. 2018); *United States v. Adams*, 722 F.3d 788, 802 (6th Cir. 2013); *United States v. Ferriero*, 866 F.3d 107, 115 (3d Cir. 2017).

²⁸ See, e.g., *United States v. Licavoli*, 725 F.2d 1040, 1045-47 (6th Cir. 1984); *United States v. Malatesta*, 583 F.2d 748, 757 (5th Cir. 1978); *United States v. Forsythe*, 560 F.2d 1127, 1134-35 (3d Cir. 1977) (fact that former state bribery statute was recodified to provide for a term of imprisonment not exceeding one year did not preclude prosecution under RICO for conduct prior to enactment of the subsequent bribery statute).

²⁹ 18 U.S.C. § 1961(1)(B), (C), (E), (F), and (G) (listing specific federal statutes constituting racketeering acts). Notably, subdivision G describes racketeering activity as any act indictable under any provision listed in section 2332b(g)(5)(B) of title 18, which adds approximately 50 terrorism-related offenses to the list of racketeering acts. See 18 U.S.C. § 2332b (Acts of terrorism transcending national boundaries).

³⁰ See 18 U.S.C. § 1961(1)(B), (C), (E), (F), and (G).

³¹ See *id.* § 1951.

³² See *id.* § 1951(a) (“Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires so to do . . .”).

³³ 18 U.S.C. § 1961(1)(D).

³⁴ See, e.g., *United States v. Darden*, 70 F.3d 1507, 1524-25 (8th Cir. 1995) (conspiracy to distribute and possession with intent to distribute controlled substances constitute RICO predicate acts, but simple possession of cocaine does not); *United States v. Echeverri*, 854 F.2d 638 (3d Cir. 1988) (conspiracy to possess and distribute a controlled substance constitute RICO predicate acts); *United States v. Weisman*, 624 F.2d 1118, 1123-24 (2d Cir. 1980) (conspiracy to commit offense involving bankruptcy fraud or securities fraud is a RICO predicate act) (*abrogation on other grounds recognized by Ianniello v. United States*, 10 F.3d 59, 62 (2d Cir. 1993)).

³⁵ 18 U.S.C. § 1961(5).

³⁶ See *id.* (excluding any period of imprisonment from the ten-year limitations period).

³⁷ See *H.J. Inc. v. Northwestern Bell Tel. Co.*, 492 U.S. 229, 240 (1989) (“RICO’s legislative history tells us . . . that the relatedness of racketeering activities is not alone enough to satisfy § 1962’s pattern element. To establish a RICO pattern, it must also be shown that the predicate themselves amount to, or that they otherwise constitute a threat of, *continuing* racketeering activity.”) (emphasis in original); *Sedima, S.P.R.L. v. Imrex Co.*, 473 U.S. 479, 496 n.14 (1985).

³⁸ 18 U.S.C. § 1961(6).

³⁹ *Goldenstein v. Repossessors, Inc.*, 815 F.3d 142, 148 (3d Cir. 2016).

⁴⁰ *United States v. Weiner*, 3 F.3d 17, 24 (1st Cir. 1993) (citations omitted) (holding that “a single collection of an unlawful debt satisfies section 1962(c)’s ‘collection of unlawful debt’ requirement”); *United States v. Giovanelli*, 945 F.2d 479, 490 (2d Cir. 1991) (“Unlike a ‘pattern of racketeering activity’ which requires proof of two or more predicate acts, to satisfy RICO’s ‘collection of unlawful debt’ definition the government need only demonstrate a single collection.”); *United States v. Vastola*, 899 F.2d 211, 228 n.21 (3d Cir. 1990), *vacated and remanded on other grounds*, 497 U.S. 1001 (1990); *United States v. Pepe*, 747 F.2d 632, 645 (11th Cir. 1984); see also *H.J. Inc.*, 492 U.S. at 232 (stating that “[e]ach prohibited activity is defined in 18 U.S.C. § 1962 to include, as one necessary element, proof either of ‘a pattern of racketeering activity’ or of ‘collection of an unlawful debt’”).

⁴¹ 18 U.S.C. § 1961(3).

⁴² See *id.* § 1961(4); *United States v. Turkette*, 452 U.S. 576, 580 (1981).

⁴³ *Id.*

⁴⁴ See *Boyle v. United States*, 556 U.S. 938, 945 (2009).

⁴⁵ *Turkette*, 452 U.S. at 584-85 (“There is no inconsistency or anomaly in recognizing that § 1962 applies to both legitimate and illegitimate enterprises.”).

⁴⁶ 18 U.S.C. § 1962(a), (b).

⁴⁷ See *id.* § 1962(c).

⁴⁸ See *Cedric Kushner Promotions, Ltd. v. King*, 533 U.S. 158, 164-65 (2001) (quoting *Turkette*, 452 U.S. at 591).

⁴⁹ If the government seeks a sentence exceeding the 20-year statutory maximum, a jury must find beyond a reasonable doubt (or the defendant must have admitted in pleading guilty) that the defendant committed a racketeering act for which the maximum penalty includes life imprisonment. See *United States v. Nguyen*, 255 F.3d 1335, 1343-44 (11th Cir. 2001) (holding that RICO defendants’ sentences ran afoul of *Apprendi* because they were sentenced to a term greater than 20

years, but the jury did not find the defendants committed a racketeering act carrying a potential life sentence); *see also* *Apprendi v. New Jersey*, 530 U.S. 466 (2000).

⁵⁰ 18 U.S.C. § 1963(a)(1).

⁵¹ *See id.* § 1963(a)(2)(A)–(D).

⁵² *See id.* § 1963(a)(3).

⁵³ *See id.* § 1963(b).

⁵⁴ *See id.* § 1963(c).

⁵⁵ *See id.* § 1963(d)–(m).

⁵⁶ *See id.* § 1963(a).

⁵⁷ *Libretti v. United States*, 516 U.S. 29, 39 (1995) (“Congress plainly intended forfeiture of assets to operate as punishment for criminal conduct in violation of the federal drug and racketeering laws, not as a separate substantive offense.”). Indeed, the Supreme Court observed that criminal forfeiture as authorized by the RICO statute “is clearly a form of monetary punishment no different, for Eighth Amendment purposes, from a traditional fine,” and, therefore, is subject to the Eighth Amendment’s prohibition against “cruel and unusual punishment” or “excessive fines.” *Alexander v. United States*, 509 U.S. 544, 558 (1993).

⁵⁸ *See United States v. Ursery*, 518 U.S. 267, 273 (1996).

⁵⁹ *See Blockburger v. United States*, 284 U.S. 299, 304 (1932).

⁶⁰ *Iannelli v. United States*, 420 U.S. 770, 777–78 (1975).

⁶¹ *See, e.g., United States v. Marino*, 277 F.3d 11, 39 (1st Cir. 2002); *United States v. Sessa*, 125 F.3d 68, 71 (2d Cir. 1997); *United States v. Rone*, 598 F.2d 564, 569–71 (9th Cir. 1979).

⁶² *See, e.g., United States v. Masters*, 978 F.2d 281, 285 (7th Cir. 1992) (rejecting the defendant’s argument that cumulative terms for racketeering and racketeering conspiracy violate the Double Jeopardy Clause); *United States v. Pungitore*, 910 F.2d 1084, 1105–07 (3d Cir. 1990) (double jeopardy does not preclude prosecution for RICO offenses charging predicate acts for which the defendant was previously tried and acquitted or previously convicted); *United States v. Ciancaglini*, 858 F.2d 923, 928 (3d Cir. 1988) (defendant’s prior RICO conviction did not bar on double jeopardy grounds instant successive prosecution for RICO conspiracy and substantive RICO offense involving same enterprise as prior conviction because successive indictment alleged different pattern of racketeering activity); *United States v. Grayson*, 795 F.2d 278, 282 (3d Cir. 1986) (“The language and legislative history of RICO indicates little doubt that Congress, in enacting RICO, sought to allow separate prosecution and punishment of predicate offenses and a subsequent RICO offense.”).

⁶³ *See, e.g., United States v. Zemlyansky*, 908 F.3d 1, 10–11 (2d Cir. 2018) (defendant’s prior acquittal on substantive counts of insurance-related mail fraud and money laundering did not preclude government from predicating his RICO conspiracy charge on conduct mirroring those same counts in subsequent trial); *United States v. Burden*, 600 F.3d 204, 228–29 (2d Cir. 2010) (acquittal on state murder charge did not bar its use as a predicate racketeering act for RICO violation under the dual sovereignty principle); *United States v. Licavoli*, 725 F.2d 1040, 1047 (6th Cir. 1984) (same); *United States v. Malatesta*, 583 F.2d 748, 757 (5th Cir. 1978) (same); *United States v. Frumento*, 563 F.2d 1083, 1086–89 (3d Cir. 1977) (same).

⁶⁴ *Zemlyansky*, 908 F.3d at 11.

⁶⁵ *Id.* at 11–12.

Deprivation Of Rights Under Color of Law

42 U.S. Code § 1983 - Civil action for deprivation of rights makes it a crime for a person acting under color of any law to willfully deprive a person of a right or privilege protected by the Constitution or laws of the United States.

For the purpose of Section 42, acts under "color of law" include acts not only done by federal, state, or local officials within their lawful authority, but also acts done beyond the bounds of that official's lawful authority, if the acts are done while the official is purporting to or pretending to act in the performance of his/her official duties. Persons acting under color of law within the meaning of this statute include police officers, prisons guards and other law enforcement officials, as well as judges, care providers in public health facilities, and others who are acting as public officials. It is not necessary that the crime be motivated by animus toward the race, color, religion, sex, handicap, familial status or national origin of the victim.

The offense is punishable by a range of imprisonment up to a life term, or the death penalty, depending upon the circumstances of the crime, and the resulting injury, if any.

Whoever, under color of any law, statute, ordinance, regulation, or custom, willfully subjects any person in any State, Territory, Commonwealth, Possession, or District to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States, ... shall be fined under this title or imprisoned not more than one year, or both; and if bodily injury results from the acts committed in violation of this section or if such acts include the use, attempted use, or threatened use of a dangerous weapon, explosives, or fire, shall be fined under this title or imprisoned not more than ten years, or both; and if death results from the acts committed in violation of this section or if such acts include kidnapping or an attempt to kidnap, aggravated sexual abuse, or an attempt to commit aggravated sexual abuse, or an attempt to kill, shall be fined under this title, or imprisoned for any term of years or for life, or both, or may be sentenced to death.

Res Ipsa Loquitur – The Evidence Speaks for Itself.

This many violations of law cannot exist but for intent. The law is not supposed to see faces and exist for equality before the law, supremacy of the law and accountability to the law. Every single element of the Rule of Law, without exception has been destroyed. Those responsible Entities and Individuals listed in this complaint cannot claim ignorance of their own laws, regulations and job descriptions. The entire system of Real Estate Taxation was a fraud from its inception and is a fraud today and if these compound cumulative fraudulent debts are not worked out immediately, may lead to the economic collapse of the United States of America. Those who are responsible and whistled past the economic graves of their constituents must be held accountable.

ACT

This is the ACT titled Uniform States Sales Tax – Update and Clarification An ACT, that was submitted and blocked from moving forward due to changes made by LEG which invalidated the entire purpose of the ACT.

This ACT is the solution to the real estate tax fraud and the bond fraud which restores the balance sheet to all property owners and stops the equity stripping.

Uniform States Sales Tax – Update and Clarification

AN ACT

Relating to the repeal of all real estate and personal property tax in favor of a Uniform States Sales Tax and related School District, City & County finance reform:

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. UNIFORM STATES SALES TAX

SECTION 1.01. DEFINITIONS. In this ACT:

(1) “Political Subdivision Current Percent (%) Allotment of Revenue”. The Current Percentage of Allotment of Taxable Revenue collected by any Political Subdivision will remain as is currently assessed by that Political Subdivision. The Percentage assigned to County, City, Schools, Hospital, Special Districts portion of tax revenue will all remain as currently assessed by percentage.

(2) "Uniform States Sales Tax" is comprised of the current 8.25% Texas wide sales tax, plus the addition of a 6.75% tax to replace the real estate and ad-valorem tax for which the combination being 15% in Total is the new Uniform States Sales Tax.

(3) "Taxpayer" means a person on whom the Uniform States Sales Tax is imposed.

(4) "Uniform States Sales Tax" means the tax imposed under Section 1.02 of this Article.

SECTION 1.02. Uniform States Sales Tax imposed. A Uniform States Sales tax is imposed on each person in this State who supplies any goods and service in the ordinary course of a trade or business in which the person engages for profit, of which specific exclusions may apply. The Uniform States Sales Tax replaces all current sales taxes as defined under Texas Law, of which specific exclusions may apply. A.) Specific exclusions include grocery goods.

SECTION 1.03. RATE OF TAX. The initial rate is the maximum rate in perpetuity of the Uniform States Sales Tax being set at 15% percent of the taxpayer's taxable receipts from the supply of goods and services which said rate should stabilize out at 13% after the school districts bond debts are paid down to zero within a 3 year timeframe from the date of this ACT. The justification for the maximum 3 years to pay all bond debts down to zero is the attached Compound Interest Rate Calculator spreadsheet.

SECTION 1.04. Determination of School District Bond Debt. Any School District that has created bond debt in excess of 15% of the Assessed Value of a home, is subject to the requirement of immediate bankruptcy unless that School District can prove that it can pay the outstanding bond debt down to zero in 3 years.

SECTION 1.05. EXEMPTIONS.

(a) The comptroller by rule shall exempt from the Uniform States Sales Tax

- (1) governmental entities; and
- (2) religious, educational, and public service organizations.
- (3) manufacturers of goods.
- (4) insurance premiums.

(b) The comptroller shall refund the amount of any input tax that has been accrued by an entity exempt under Subsection (a) of this section prior to the date of this ACT.

SECTION 1.06. EXCLUSIONS. The comptroller by rule shall exclude the following services and property from the Uniform States Sale Tax:

- (1) monetary instruments, financial assets, precious metals, and investments;
- (2) intercompany services;
- (3) employment services;
- (4) incidental transactions;
- (5) transfers of interest(s) in property;
- (6) services and property taxed by other law, including Chapters 201 and 202, Tax Code.

Homeowners Associations dues will not be taxed. Homeowner Associations will not be allowed to foreclose

on a home for non-payment of dues, but may file notice of lien on the property owner for HOA defaults and nonpayment of fines as well as file suit in Court against the property owner.

(7) services and property the State is prohibited from taxing by federal law or Texas Constitution.

(8) all current exemptions available to taxpayers who manufacture, fabricate or process tangible personal property for sale will remain in full force and effect. Texas sales and use tax exempts tangible personal property that becomes an ingredient or component of an item manufactured for sale, as well as taxable services performed on a manufactured product to make it more marketable. The exemption also applies to tangible personal property that makes a chemical or physical change in the product being manufactured and is necessary and essential in the manufacturing process.

SECTION 1.07. RULES. The comptroller shall adopt all rules necessary to implement, administer, and enforce the Uniform States Sales Tax under this ACT.

SECTION 1.08. DISPOSITION OF REVENUE. All proceeds from the collection of the Uniform States Sales Tax shall be deposited to the credit of the general revenue fund under which full accountability will occur and from which the necessary revenue to operate the functions of Political Subdivisions will be disbursed. At the end of 3 years from the date of this ACT, existing cost of bonds and interest thereon relating to any School District in the State of Texas will be zero.

SECTION 1.09. EFFECTIVE DATE OF ACT. This ACT takes effect June 1, 2025.

ARTICLE 2. LOCAL VALUE ADDED TAXES, PROPERTY TAXES, AD-VALOREM TAXES, AND OR USE TAXES OF ANY KIND are hereby repealed and said current taxes become integral and part of the Uniform States Sales Tax.

SECTION 2.01. LOCAL SALES AND USE TAXES PROHIBITED. Notwithstanding any other law, a political subdivision may not at any time impose a sales or use tax or any other tax, on or after the effective date of this ACT being June 1, 2025.

SECTION 2.02. LOCAL VALUE ADDED TAXES, PROHIBITED.

- (a) A political subdivision that was authorized to impose a sales and or use tax immediately before the effective date of this article may not impose a local value added tax on or any other tax after the effective date of this article being June 1, 2025. The Uniform States Sales Tax will pay for all publicly and State Comptroller approved new construction school projects, reconstruction school projects and ongoing school maintenance which must be competitively bid and posted on the State Comptroller's website for transparency purposes.
- (b) At no time will any 313 Agreement or any other agreement to fund private development or other government fundings, be allowed within or upon a school district. No school district will be authorized to negotiate away any rights of the school district or to utilize reserve funds for the purpose of backstopping private development or any government funded or assisted project. School districts from the effective date herein are charged with only the efficient operations of the schools within the school district itself on a cash non-levered basis. From the effective date herein, school districts will be forever barred from creating additional sources of tax revenue and must operate within the confines of the maximum dollars allowed by the State Comptroller as a result of this ACT to eliminate real estate State tax in favor of the Uniform States Sales Tax.

- (c) The Comptroller shall allocate and remit to each appropriate taxing jurisdiction proceeds from the collection of the Uniform States Sales Tax.
- (d) All Property Taxes and Personal Property Taxes (Sec. 151.009) are effective May 1, 2025 are hereby repealed.
- (e) Any increase in the Uniform States Sales Tax above 15% will require a 75% majority vote of the population of the State of Texas.
- (f) State Comptroller will create and or amend it's website which will allow for the drill down per line item income and expenses per school such that the public is fully capable of following the flow of funds. The Texas Education Agency, with regard to establishing bond criteria, which has been defaulted upon (Chapter 1207), will be rendered null and void. The Bond Guarantee Program which is comprised of the real estate taxpayer's money, will be rendered null and void and all bond funds and cash accounts will be added to the initial Uniform States Sales Tax fund from which school districts operating expenses may be paid. Should the Bond Guarantee Program fall short of its function, then surplus funds from the General Fund, may be used to offset the bond liabilities created by the bond fraud at the School Districts.

SECTION 2.03. RATES OF EXISTING LOCAL VALUE ADDED TAXES.

(a) Given the State's 6.25% sales tax, the combined rate of all current local value added taxes and or sale taxes currently not exceeding two percent at any location in the territory of a political subdivision, for a combined 8.25%, the Uniform States Sales Tax at 15% will take the place of the current real estate and personal property tax system. Any value added tax, ad valorem tax, enrichment value added tax or any associated tax or real estate or personal property, imposed prior to the date of this ACT is hereby repealed and to be integral in the Uniform States Sales Tax.

(b) The maximum combined rate of 15% provided by Subsection (a) of this section 2.03 does include a school district enrichment value added tax under Article 3 of this ACT. Any school enrichment value added tax imposed prior to the date of this ACT is hereby repealed and to be integral in the Uniform States Sales Tax.

(c) On the effective date of this ACT, a political subdivision may not begin imposing a local value added tax or any other tax. Any value added tax imposed prior to the date of this ACT is hereby repealed and to be integral and included and integral in the Uniform States Sales Tax.

SECTION 2.04. EFFECTIVE DATE OF ACT. This ACT takes effect June 1, 2025.

ARTICLE 3. SCHOOL DISTRICT ENRICHMENT VALUE ADDED TAX

SECTION 3.01. TAX AUTHORIZED.

(a) Following the effective date of this ACT (June 1, 2025) A school district may not adopt a school district enrichment value added tax at an election. Any such rights are hereby repealed.

(b) A school district's funding requirements will be administered, collected, and enforced by the Comptroller and a Private Citizens Board comprised of property owners in any given school district.

SECTION 3.03. USE OF TAX REVENUE BY SCHOOL DISTRICT.

- (a) Revenue from the school district enrichment value added tax, maintenance and operations ad valorem tax, foundation school program funding, and the property valuation study is hereby repealed in favor of a non-financially levered cash basis documented cost of operations.
- (b) Existing school bond debt will be brought down to zero, within 3 years of the date hereof with all interest rates hereby frozen and no new bonds issued, and all school districts within 30 days from the date of this ACT must provide from the School District Superintendent and Board, under threat of perjury, a current bond schedule (CUSIPS, term, interest rate, bonds paid off, bonds outstanding underwriter, seller of the bonds, holder of the bonds), balance sheet with proper notes, sources and uses including operations and maintenance, along with the “Investment Pool” full disclosure (participants, operator, tenure, paid in, unfunded liabilities, profit and loss) and if not provided the school district will be put into bankruptcy with the mandate of restoring an efficient education system for the benefit of the students no longer on the back of the real estate taxpayer, by violating the 16th Amendment to the U.S. Constitution and Texas State Law Every School District, (including each person on the Board and the Superintendent within 30 days of the date herein, will deliver to the State Comptroller (for public viewing) any and all Energy Contracts funded under TEA Code Chapter 44.901, Subchapter Z, miscellaneous provisions, (in full being on balance sheet & off balance sheet) including but not limited to Chapter 313 Agreements, and JETI Contracts, specifically stating the Type of Contract, terms, status, return of capital, return on capital, signators to the Contract and the accounting firms overseeing the Contracts and Agreements.
- (c) No school district will, past the date hereof, ever be allowed to pledge future tax receipts for any purposes whatsoever. There will be no new bonds, no new financing mechanisms, and all school districts are heretofore required to run on an all cash non-levered cost of operations.
- (d) Notwithstanding any other law, a school district may not impose an ad valorem tax for maintenance and operations or any purposes on or after the date hereof.
- (e) This section takes effect June 1, 2025. A constitutional amendment to prohibit all school districts from imposing an ad valorem tax for maintenance and operations or any purpose will be ratified and enforced.

ARTICLE 4. REPORT.

- (a) The comptroller shall prepare a report that recommends any change in constitutional or statutory law needed to implement this ACT.
- (b) Not later than May 1, 2025, the comptroller shall submit to the governor, lieutenant governor, speaker of the house of representatives, and members of the legislature the report required by Subsection (a) of this section.

SECTION 4.01. EFFECTIVE DATE OF ACT. Except as otherwise provided by this ACT, this ACT takes effect June 1, 2025.

ARTICLE 5. SCHOOL FINANCE

- (a) The commissioner of education shall annually prepare and provide a report to the legislature and the comptroller regarding funding for each school district, to be approved by both the State Comptroller and a Board of Citizens for each school in that district.

ARTICLE 6. REPEALED PROVISIONS

SECTION 6.01. TAX CODE.

(a) Any conflicting provisions with the above, are hereby repealed, including but not limited to

- (1) Chapter 142;
- (2) Subtitles E, F, G, H, and J, Title 2; and
- (3) Subtitle C, Title 3.

(b) The former law(s) continue in effect for the collection of taxes due (if any) and for civil and criminal enforcement of the liability for those taxes.

SECTION 6.02. EDUCATION CODE.

(a) The following provisions of the Education Code are repealed:

- (1) Sections 45.0032, 48.255, 48.2551, 48.2552, 48.2553, 48.256, 48.257, and 48.275; and
- (2) Chapter 49.

(b) This section takes effect upon the effective date of May 1, 2025.

SECTION 6.03. EFFECTIVE DATE OF ACT. Except as otherwise provided by this ACT, this ACT takes effect June 1, 2025.

I sincerely believe...that the principle of spending money to be paid by posterity under the name of funding is but swindling futurity on a large scale” – Thomas Jefferson 1816

AGAINST THE PEACE AND DIGNITY OF THE STATE.

VERIFICATION

I, Mitch Vexler, President G.P. on behalf of Mavex Shops of Flower Mound LP as Complainant, do affirm that all statements made herein are true and accurate, in all respects, to the best of my knowledge.

_____ Date

_____ Mitch Vexler, President G.P. Mavex Shops of Flower Mound LP

As a Notary Public, I hereby certify that Mitch Vexler, President G.P. Mavex Shops of Flower Mound, LP, who is known to me, appeared before me and after affirming, he executed the foregoing document on this the _____ day of March, in the year two thousand and twenty-five (2025).

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

Notary Seal