

D-1-GN-24-005105

CAUSE NO. _____

GREGORY S. MILLIGAN, in his capacity as
the court-appointed receiver for PRIDE OF
AUSTIN HIGH YIELD FUND I, LLC,

Plaintiff,

v.

MILAN SAI JOINT VENTURE, LLC,
SUNIL PATEL, AND VISHAL MAKWANA,

Defendants.

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IN THE DISTRICT COURT

TRAVIS COUNTY, TEXAS

345TH, DISTRICT COURT

_____ JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE DISTRICT COURT:

Plaintiff Gregory S. Milligan, in his capacity as the court-appointed receiver (the “**Receiver**” or “**Plaintiff**”) for Pride of Austin High Yield Fund I, LLC (the “**Fund**”), files this Plaintiff’s Original Petition on behalf of the Fund against Defendants Milan Sai Joint Venture, LLC (“**Milan Sai**”), Sunil Patel (“**Patel**”), and Vishal Makwana (“**Makwana**”) (Patel and Makwana are collectively, “**Guarantors**”).

DISCOVERY CONTROL PLAN

1. Plaintiff intends to conduct discovery under Level 3 and will submit a discovery control plan for approval by the Court. *See* Tex. R. Civ. P. 190.4.

PARTIES

2. Plaintiff brings this suit as the court-appointed Receiver on behalf of the Fund. The Fund is a Texas limited liability company doing business in Travis County, Texas. Plaintiff may be contacted through the undersigned counsel.

3. Milan Sai is a Texas limited liability company doing business in Travis County, Texas and can be served with process by and through its registered agent, Sunil Patel, at 2220 Pistachio Drive, Irving, Texas 75063.

4. Patel is an individual residing at 2220 Pistachio Drive, Irving, Texas 75063. Patel may be served at that address or wherever else he may be found.

5. Makwana is an individual residing at 7575 Frankford Road, Apartment 2618, Dallas, Texas 75252-6488. He may be served at that address or wherever else he may be found.

JURISDICTION AND VENUE

6. The Court has jurisdiction over this matter because the claims asserted exceed the minimum jurisdictional limits of this Court. This Court has jurisdiction over Milan Sai because Milan Sai is a Texas limited liability company doing business in Texas and over Patel and Makwana because they are Texas residents.

7. Venue for this lawsuit is proper in Travis County, Texas. This lawsuit arises from certain loan documents, including a note and guaranties, which constitute major transactions as defined under Texas Civil Practice and Remedies Code § 15.020. In executing the guaranties, Guarantors expressly agreed that any action arising from these agreements may be brought—at the Fund’s option—in state or federal court in Travis County. Additionally, venue is proper in Travis County as to claims against Milan Sai under Texas Civil Practice and Remedies Code § 15.005 because the claims against all Defendants arise out of the same transaction or occurrence.

AMOUNT IN CONTROVERSY

8. Plaintiff seeks monetary relief over \$1,000,000.00. *See* Tex. R. Civ. P. 47(c)(4).

FACTUAL BACKGROUND

9. On or about September 29, 2017, the Fund extended credit to Milan Sai in the original principal amount of \$2,400,000.00 to finance improvements of certain real property in Martin County, Texas (the “*Loan*”). The Loan is evidenced by a Real Estate Lien Note (the “*Note*”) in that original principal Loan amount in favor of the Fund and is secured by a Deed of Trust, Security Agreement, and Fixture Financing Statement (the “*Deed of Trust*”) and Assignment of Rents and Revenues, both executed on or about September 29, 2017. The Deed of Trust and Assignment of Rents and Revenues were recorded in the Official Public Records of Martin County, Texas, on October 3, 2017 in Volume 580, Page 136 as Instrument No. 4578 and Volume 580, Page 172 as Instrument No. 4579, respectively. The original maturity date of the Loan and Note was October 1, 2019.

10. As a condition of the Fund extending credit to Milan Sai, Guarantors each executed a guaranty agreement on September 29, 2017, guaranteeing full payment and performance of the Note (the “*Guaranties*”). More specifically, Guarantors agreed to guaranty all principal, interest, reasonable attorneys’ fees, and any other indebtedness and liabilities of every kind of Milan Sai to the Fund arising under the Loan and Note.

11. The Fund, Milan Sai, and Guarantors later agreed to modify the Loan, Note, and related loan documents. Among other things, the modification extended the maturity date of the Loan and Note to October 1, 2020 and permitted no further extensions. In modifying the Loan, Note, and other loan documents, Guarantors expressly reaffirmed their obligations under the Guaranties.

12. The Note matured on October 1, 2020. Milan Sai defaulted under the Note by failing to pay the Note by the maturity date. The remaining balance under the Note remains due

and owing, and Milan Sai has refused to pay the remaining balance. Further, under the Guaranties, Milan Sai's default under the Note made the remaining balance on the Note immediately due and payable by Guarantors to the Fund pursuant to the Guaranties' terms. However, Guarantors have refused to pay the remaining balance owed on the Note.

CAUSES OF ACTION

A. Breach of the Note (as to Milan Sai)

13. Plaintiff, in his capacity as the court-appointed receiver for the Fund, currently owns and holds the Note. Milan Sai defaulted under the terms of the Note by failing to pay the remaining balance by the Note's maturity date, as modified. A balance under the Note remains due and owing to the Fund. However, Milan Sai has refused to pay the remaining balance owed. In addition to the principal and interest as provided in the Note, Milan Sai agreed to pay reasonable attorneys' fees incurred by the Fund in connection to collecting under and enforcing the Note. Reasonable attorneys' fees are also recoverable from Milan Sai pursuant to Texas Civil Practice and Remedies Code § 38.001(b)(8).

B. Breach of the Guaranties (as to Guarantors)

14. The Note is in default as a result of Milan Sai's failure to pay the Fund what is owed under the Note, secured by, among other things, the Deed of Trust. As a consequence, the Guaranties are in default, and the indebtedness due thereunder is immediately due and payable pursuant to the Guaranties' terms. Guarantors have failed and refused to pay the amounts due and owing under the Guaranties. In addition to the principal and interest as provided in the Guaranties, Guarantors agreed to pay reasonable attorneys' fees incurred by the Fund in connection to collecting under and enforcing the Guaranties. Reasonable attorneys' fees and costs are also recoverable from Guarantors pursuant to Texas Civil Practice and Remedies Code § 38.001(b)(8).

CONDITIONS PRECEDENT

15. All conditions precedent for recovering under the Note and Guaranties and for filing this lawsuit have occurred.

RESERVATION OF RIGHTS

16. Plaintiff reserves all of his rights to pursue his nonjudicial and contractual rights and remedies under the terms of any agreements between the Fund and Milan Sai and the Fund and Guarantors (whether such agreements are referenced in this petition or not) and applicable law. The filing of this lawsuit is not an election of remedies or a waiver of such rights.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff requests that the Court enter final judgment awarding the Fund damages against Defendants for lawful amounts owed under the Note and Guaranties, including costs and reasonable attorneys' fees, pre- and post- judgment interest, and all other and further relief to which Plaintiff may be justly entitled.

Respectfully submitted,

By: /s/ Trip Nix

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capacity as court-appointed receiver for
PRIDE OF AUSTIN HIGH YIELD FUND
I, LLC**