

No. 25-0615

Amicus Brief

IN THE  
Supreme Court of Texas



BRIEF OF

Leslie Robbins, CPA

Travis Spencer, President Real Estate Mindset LLC

Vicky Svendsen

Peter Svendsen, Board of Directors Johnson Central Appraisal  
District.

Larry Trammell, Board of Directors Johnson Central Appraisal  
District.

Jeff Mashburn

Craig Hundley, President Hundley Hydraulic and Rancher

In support of Petitioner in case 25-0615 and in support of and in agreement  
with Mitchell Vexler as Amicus Curiae & Property Owners

**& MITCHELL VEXLER AS AMICUS CURIAE SUPPORTING  
PETITIONERS & PROPERTY OWNERS**

**Mitchell Vexler**

**v.**

**Denton Central Appraisal District, et al.**

## Table of Contents - Detailed

PART I: LEGAL SUMMATION	3
Opening Statement	3
Documented Fraud Pattern	3
Affected Constituencies	4
Legal Framework	4
Immediate Action Required	5
Supporting Evidence	5
Urgency Factors	5
Coordination Opportunity	6
The Importance of This Case	7
Questioned Presented	10
Case References and Parallels	11
Why This Matters	14
Comparative Authorities	14
Jurisdictional Statement	17
Application to Current Case	17
Prayer for Relief	17
 PART II: BACKGROUND & INTEREST OF AMICUS	 20
Interests of the Amicus Curiae	20
Summary of the Argument	23
Legal Argument	27
Evidentiary Finds, Effects, and Ramifications	31
Home Affordability	31
Targeting Communities	32
Work Arounds & Manipulations	33
Commercial Property Values	35
Appraisal District & ARB Failures	36
Property Tax Delinquencies, Follow-up Home Affordability	37
Real Estate Tax as % of Median Household Income in U.S.	39
Income Calculation Worksheet	40
No Authority	40
Rule of 72	41
Property Devaluation	42
Compound Interest Calculator, Denton County Schools	43
313 Agreements	45
History	46
Conclusion	46
 PART III: EXHIBITS	 48

## **PART I: LEGAL SUMMATION**

### **OPENING STATEMENT**

This case presents a constitutional question of statewide importance: whether systemic property appraisal fraud, when used to inflate tax rolls and underpin billions in school district bonds, may be insulated from judicial review under doctrines of administrative exclusivity.

A comprehensive investigation has uncovered systematic municipal bond fraud across Texas, mirroring the SEC's successful 2022 prosecution of Crosby Independent School District. The evidence reveals a statewide pattern of fraudulent property valuations and bond misrepresentations that threatens both state financial stability and national municipal bond market integrity.

The Court of Appeals' dismissal leaves property owners without a judicial forum to challenge documented fraud, undermining the Open Courts guarantee (Tex. Const. art. I, § 13), the Due Course of Law clause (art. I, § 19), the Equal and Uniform Taxation mandate (art. VIII, § 1(b)), and the Takings Clause (art. I, § 17). At stake is not merely one district's valuation practices, but the financial integrity of the Texas school finance system and the municipal bond market on which it relies.

### **DOCUMENTED FRAUD PATTERN (Issue)**

The evidence demonstrates a recurring and systemic pattern of fraudulent valuation practices by Central Appraisal Districts (CADs), consistent with prior enforcement actions in Texas:

- *Crosby ISD Precedent (SEC 2022)*: A \$20 million bond issuance based on falsified financials and \$11.7 million in concealed liabilities, resulting in successful federal securities prosecution.
- *Current Evidence*: A 15-year pattern of inflated valuations and misrepresentations, including the Celina ISD's \$2.3 billion bond issuance for an 8,700-household community. Debt service ratios reveal mathematical impossibility of repayment absent continued overvaluation, amounting to insolvency by design.
- *Resulting Harm*: Taxpayers face foreclosure, farmland is overvalued in violation of appraisal standards, and municipal bond investors rely on securities underpinned by false collateral.

These facts establish the issue before the Court: whether systemic appraisal fraud tied to municipal bond issuances can constitutionally be barred from judicial review by administrative exclusivity.

### **Crosby ISD Precedent (SEC 2022):**

- \$20 million bond issuance based on falsified financial statements
- \$11.7 million in concealed liabilities
- Federal prosecution confirmed local oversight failures

### **Current Systemic Evidence:**

- 15+ years of compound fraudulent bond practices
- \$2.3 billion Celina ISD bond for 8,700-household community equals \$247,367 / house
- Mathematical improbability of debt repayment creating insolvency (per debt service ratio and stress test)
- Direct impact on federal securities markets and mortgage-backed securities

## AFFECTED CONSTITUENCIES

- **Texas Taxpayers:** Facing foreclosure due to unsustainable tax burdens
- **Agricultural Community:** Farmland systematically overvalued for taxation
- **Municipal Bond Investors:** Securities based on fraudulent valuations
- **Federal Markets:** RICO implications and interstate commerce violations

## LEGAL FRAMEWORK

### Texas Supreme Court Case (*Vexler v. Texas*):

- Constitutional challenge under *Patel v. Texas Dept. of Licensing & Regulation*
- Administrative exclusivity cannot shield securities fraud from judicial review
- Comprehensive documentation available at [mockingbirdproperties.com/dcad](http://mockingbirdproperties.com/dcad)

### Federal Jurisdiction:

- Securities fraud (enumerated RICO predicate)
- Interstate commerce implications
- National municipal bond market integrity

## CONSTITUTIONAL LEGAL FRAMEWORK

**A. Open Courts (Tex. Const. art. I, § 13).** Fraud is the paradigmatic legal wrong, yet the Court of Appeals' decision bars property owners from accessing any judicial remedy. As this Court held in *LeCroy v. Hanlon*, 713 S.W.2d 335 (Tex. 1986), the Legislature cannot foreclose meaningful judicial remedies for recognized injuries. Forcing fraud claims into appraisal review boards (ARBs)—entities without discovery powers, subpoena authority, or jurisdiction over fraud—denies the Open Courts guarantee.

**B. Due Course of Law (Tex. Const. art. I, § 19).** In *Patel v. Texas Dep't of Licensing & Regulation*, 469 S.W.3d 69 (Tex. 2015), this Court invalidated an economic regulation that imposed “oppressive” burdens unrelated to legitimate governmental interest. Here, requiring taxpayers to exhaust ARB procedures for fraud claims—while barring judicial courts from review—creates precisely the type of oppressive burden *Patel* forbids.

**C. Equal & Uniform Taxation (Tex. Const. art. VIII, § 1(b)).** CADs have adopted non-uniform valuation methods, arbitrary class codes, and data manipulation practices that result in gross disparities between similarly situated properties. This violates both constitutional uniformity requirements and the statutory mandate of Tex. Tax Code § 23.01(b).

**D. Takings Without Compensation (Tex. Const. art. I, § 17).** When property is taxed at fraudulently inflated valuations, equity is stripped from owners without just compensation, amounting to a regulatory taking.

**E. Separation of Powers / Judicial Review.** Allowing CADs to police their own fraud while invoking sovereign immunity removes courts from their constitutional role as a check on executive misconduct.

**F. Clearfield + Patel (Constitutional “Dead Zone”).** By supporting bond issuance processes, CADs act as market participants, not merely sovereign regulators. Under *Clearfield Trust Co. v. U.S.*, 318 U.S. 363 (1943), immunity does not extend to such proprietary functions. Combined with *Patel*, which prohibits statutory schemes that foreclose meaningful remedies, ARB exclusivity creates a constitutional “dead zone” requiring judicial correction.

## IMMEDIATE ACTION REQUIRED

### SEC Request:

- **Amicus brief** supporting Texas Supreme Court constitutional review
- **Federal investigation** coordination with state authorities
- **Emergency suspension** of fraudulent bond approvals

### Texas Attorney General:

- **Amicus brief** supporting constitutional judicial review
- **Investigation** of bond oversight process failures
- **Enhanced due diligence** procedures for future bond approvals

### Agricultural Officials:

- **Review farmland valuation practices** affecting rural constituencies
- **Coordinate** with state and federal authorities on systematic overvaluation
- **Protect agricultural interests** from fraudulent taxation schemes

## SUPPORTING EVIDENCE

- **Jeff Mashburn Analysis:** Historical documentation of fraud patterns [https://irp.cdn-website.com/39439f83/files/uploaded/Crosby+ISD+Breakdown+for+SEC+Investigators\\_8.21.2025\\_Rev.4.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/Crosby+ISD+Breakdown+for+SEC+Investigators_8.21.2025_Rev.4.pdf)
- **Video Presentation:** Comprehensive overview at [youtube.com/watch?v=U41OSZUHdak](https://youtube.com/watch?v=U41OSZUHdak)
- **Financial Projections:** Mathematical proof of systemic insolvency
- **Comparative Analysis:** Direct parallels to SEC-prosecuted Crosby ISD case

## URGENCY FACTORS

- **Compound fraud effects** creating exponential taxpayer harm
- **Imminent liquidity crisis** threatening state and federal systems
- **Ongoing bond issuances** perpetuating fraudulent practices
- **Constitutional violations** requiring immediate federal intervention
- **Constitutional Emergency Framework:**

## 1. Multiple Constitutional Violations

- Article I, § 13 (Open Courts)
- Article I, § 19 (Due Course of Law)
- Article VIII, § 1 (Uniform & Equal Taxation)
- Article I, § 17 (Taking Without Compensation)

## 2. Federal Coordination Requirements

- SEC securities fraud jurisdiction
- Mail fraud (postal inspection)
- Interstate commerce implications
- Federal supremacy issues

## 3. Statewide Constitutional Crisis

- Systematic government fraud across multiple counties
- 37% of households at bankruptcy risk - unsustainable
- Federal securities implications – systemically destabilizing
- Constitutional protections under attack statewide
- **DCAD’s conduct to systemic fraud and racketeering-level misconduct**
  - **Tex. Const. art. VIII, § 1(b) (Equal & Uniform).**
  - **Tex. Tax Code § 23.01(b) (market value standards).**
  - **Tex. APA. Gov’t code 2001**
  - **U.S.C. § 1985–1986 (conspiracy, duty to prevent).**
  - **DCAD has violated the black-letter law.**
- **ARB exclusivity cannot shield fraud from judicial review**
- **MILLS CENTRAL APPRAISAL DISTRICT v. ONCOR ELECTRIC DELIVERY COMPANY NTU LLC (Opinion) – 2024 – Supreme Court of Texas**

The Supreme Court of Texas grants review to resolve constitutional crises and establish precedent on issues of statewide importance. The facts above are exactly why the Supreme Court of Texas should grant Remand.

## COORDINATION OPPORTUNITY

Federal and state authorities have a narrow window to address this crisis cooperatively before mandamus proceedings and additional litigation become necessary. The Crosby ISD precedent provides the legal framework; the documented evidence provides the factual foundation; immediate coordinated action can prevent a broader financial crisis.

The Appraisal Review Board (ARB) is fundamentally flawed constitutionally. It was not created or set to determine fraud meaning there is no due process under the ARB. The ramifications of the Patel case and the decision by the Supreme Court of Texas Case 12-0657 are the same issues being raised by Mr. Vexler being;

“The standard of review for as-applied substantive due course challenges to economic regulation statutes includes an accompanying consideration as reflected by cases referenced above: whether the statute’s effect as a whole is so unreasonably burdensome that it becomes oppressive in relation to the underlying government interest.”

“To overcome that presumption (statutes are presumed to be constitutional) the proponent of an as-applied challenge to an economic regulation statute under Section 19’s substantive due course of law requirement must demonstrate that either (1) the statute’s purpose could not arguably be rationally related to a legitimate governmental interest; or (2) when considered as a whole, the statute’s actual real world effect as applied to the challenging party could not arguably be rationally related to, or is so burdensome as to be oppressive in light of, the government interest.”

There is no constitutionality or due process in the ARB process because if you find a flaw, as Mr. Vexler did, in the process, they invoke sovereign immunity and that was addressed in the Patel case 12-0657 **Patel v. TDLR, 469 S.W.3d 69 (Tex. 2015)**

Mr. Vexler is not just arguing “my value is wrong” but alleging systemic fraud, ultra vires, beyond the ARB’s competence and exhaustion is inadequate for fraud based on the constitutional claims.

In the Clint ISD V. Marques, the administrative processes cannot extinguish constitutional claims.

## **THE IMPORTANCE OF THIS CASE**

### **1. Open Courts Guarantee – Tex. Const. art. I, § 13**

Issue: The Court of Appeals’ dismissal insulates fraud claims from any judicial remedy by forcing them into the ARB process.

Constitutional Question: Can the Legislature or lower courts constitutionally bar judicial review of systemic fraud claims by confining them to an administrative scheme that lacks discovery, subpoena power, or fraud-adjudication authority?

***Why Should the Supreme Court of Texas Care: This is a classic “open courts” problem—if ARBs are the exclusive forum, then property owners have no meaningful remedy for fraud. That is exactly the type of constitutional anomaly the Supreme Court of Texas exists to resolve.***

### **2. Due Course of Law – Tex. Const. art. I, § 19**

Issue: Patel v. TDLR (2015) established that regulations are unconstitutional if “so burdensome as to be oppressive.”

Constitutional Question: Does forcing property owners to rely exclusively on ARB remedies—while barring fraud claims from judicial courts—create an “oppressive” burden inconsistent with due course of law protections?

***Why Should the Supreme Court of Texas Care: Patel is the Supreme Court of Texas own precedent. Extending it to property taxation would be a doctrinal development of Texas constitutional law, which justifies granting review.***

### 3. Equal & Uniform Taxation – Tex. Const. art. VIII, § 1(b)

Issue: CADs allegedly apply non-uniform valuation methods, create arbitrary class codes, and manipulate data outside appraisal software.

Constitutional Question: Do systematic departures from uniform appraisal methods, applied unequally to similarly situated properties, violate the “equal and uniform” requirement of art. VIII, § 1(b)?

***Why Should the Supreme Court of Texas Care: The Supreme Court of Texas is the ultimate guardian of the state’s uniformity mandate, and systemic non-uniformity across counties is squarely within its constitutional oversight role.***

### 4. Takings Without Compensation – Tex. Const. art. I, § 17

Issue: When property is taxed at fraudulently inflated “market values,” equity is stripped without compensation.

Constitutional Question: Does systemic overvaluation resulting in forced loss of equity amount to a “taking” under art. I, § 17?

***Why Should The Supreme Court of Texas Care: Expands the boundary of takings jurisprudence into the property-tax context—again, a constitutional development.***

### 5. Separation of Powers / Judicial Review of Fraud

Issue: Allowing CADs and ARBs to police themselves while invoking sovereign immunity effectively insulates constitutional violations from judicial oversight.

Constitutional Question: Does administrative exclusivity, when applied to fraud by a government entity, impermissibly violate the separation of powers by depriving courts of their constitutional role to check executive abuses?

***Why Should The Supreme Court of Texas Care: Goes directly to the Court’s institutional role as the guarantor of judicial access.***

### 6. Statewide Importance (Art. VIII & the School Finance System)

Issue: Property valuations are the revenue backbone for school finance and the Permanent School Fund bond guarantee.

Constitutional Question: Does systemic overvaluation in CADs threaten the constitutional requirement of equal and uniform taxation and the integrity of the school finance system?

## 7. Doctrine, Patel, and the Constitutional Dead Zone

Issue: Whether the Texas Property Tax Code's requirement that fraud claims be funneled exclusively through appraisal review boards (ARBs) creates a constitutional "dead zone" when applied to systemic appraisal fraud tied to bond issuance, thereby insulating the Denton Central Appraisal District (DCAD) from accountability.

Rule: *Petitioner has not raised this specific constitutional argument.* Amicus submits, however, that both federal and Texas doctrines support the need for judicial review when administrative exclusivity forecloses accountability:

- Under *Clearfield Trust Co. v. United States*, 318 U.S. 363 (1943), the government, when entering the commercial marketplace (such as by issuing negotiable instruments), "descends from its position of sovereignty" and is subject to the same rules as private entities.
- Under *Patel v. Texas Dep't of Licensing & Regulation*, 469 S.W.3d 69 (Tex. 2015), the Texas Constitution's Open Courts guarantee (Tex. Const. art. I, § 13) forbids the Legislature from creating a "constitutional dead zone" — a statutory scheme that recognizes injury but forecloses meaningful judicial remedy.

Separately, under the Texas Constitution's **Open Courts guarantee** (Tex. Const. art. I, § 13), the Legislature may not create a remedial structure that forecloses meaningful judicial review of a recognized legal wrong. In *Patel v. Texas Dep't of Licensing & Regulation*, 469 S.W.3d 69 (Tex. 2015), the Supreme Court of Texas invalidated a statutory scheme that left individuals without an adequate judicial forum, holding that laws cannot create a "constitutional dead zone" where injuries exist but remedies are denied.

Application: DCAD's inflated property valuations serve as the financial foundation for school district bonds, which are commercial instruments marketed in interstate commerce. By supporting this bond issuance process, DCAD operates as a market participant, not merely a sovereign regulator. Under *Clearfield*, immunity does not extend to such proprietary functions.

Yet, under current Texas Tax Code provisions, taxpayers alleging fraud are confined to ARB proceedings. ARBs, however, lack jurisdiction to adjudicate fraud, constitutional violations, or securities law claims; their role is limited to routine valuation disputes. This mismatch creates the very kind of "dead zone" *Patel* condemned: a recognized legal wrong (systemic appraisal fraud and inflated bond issuances) without an adequate judicial forum for redress.

*Patel* condemned a recognized injury (systemic overvaluation and securities fraud) but no judicial remedy.

The combined effect of *Clearfield* and *Patel* makes clear that DCAD cannot hide behind sovereign immunity or ARB exclusivity when systemic fraud tied to bond issuances is alleged.

By entering the bond market, DCAD acts as a commercial entity subject to liability; by channeling fraud claims into an inadequate ARB process, the **Texas Legislature has created an unconstitutional remedial dead zone.**

**Clearfield + Patel** together close the accountability gap for DCAD fraud.

Conclusion: While petitioner has not invoked *Clearfield* or *Patel*, these doctrines illustrate why remand is essential. *Clearfield* confirms that entities like DCAD lose immunity when their valuations underpin commercial bond transactions; *Patel* confirms that statutory exclusivity cannot constitutionally foreclose judicial remedies for fraud. **Together, they underscore that ARB exclusivity produces an unconstitutional remedial gap, and that this Court must ensure meaningful judicial review of the fraud alleged.**

***Why Should The Supreme Court of Texas Care: This is not just Denton County—it’s systemic and affects billions in state-backed school district bonds. That’s exactly the kind of statewide crisis the Supreme Court of Texas exists to address.***

#### **Bottom line:**

There are significant Texas constitutional issues involved, particularly:

- Open Courts (art. I, § 13) – no meaningful judicial remedy for fraud
- Due Course (art. I, § 19) – Patel test applied to ARB exclusivity
- Equal & Uniform (art. VIII, § 1) – systemic non-uniform valuation
- Takings (art. I, § 17) – equity stripping via fraudulent tax base
- Separation of Powers – insulating fraud from judicial review

These are precisely the kind of constitutional questions of statewide importance that SCOTX can and should grant review on.

## **QUESTIONS PRESENTED**

### **1. Open Courts Guarantee (Tex. Const. art. I, § 13).**

Whether the Court of Appeals erred by holding that fraud claims against a Central Appraisal District are barred by “administrative exclusivity,” thereby depriving taxpayers of any judicial remedy for systemic fraud, in violation of the constitutional guarantee that courts shall be open and every person shall have a remedy by due course of law.

### **2. Due Course of Law (Tex. Const. art. I, § 19).**

Whether forcing taxpayers to rely exclusively on limited administrative remedies before an Appraisal

Review Board—an entity without discovery powers, subpoena authority, or fraud-adjudication competence—creates a burden so oppressive as to violate this Court’s standard in *Patel v. Texas Department of Licensing & Regulation*, 469 S.W.3d 69 (Tex. 2015).

### 3. Equal & Uniform Taxation (Tex. Const. art. VIII, § 1(b)).

Whether the systematic use of non-uniform appraisal methods, arbitrary class codes, and extra-statutory “workarounds” that produce grossly disparate valuations of similar properties violates the Texas Constitution’s mandate that taxation be “equal and uniform.”

### 4. Takings Without Compensation (Tex. Const. art. I, § 17).

Whether repeated overvaluation of property, resulting in the stripping of equity through forced taxation on unrealized gains, constitutes a taking of private property for public use without just compensation.

### 5. Separation of Powers.

Whether doctrines of “administrative exclusivity” and sovereign immunity may constitutionally insulate systematic government fraud from judicial review, thereby denying courts their constitutional role to check executive abuses and protect Texans’ property rights.

### 6. Statewide Importance: School Finance & Bond Integrity.

Whether systemic overvaluation by appraisal districts, used to support billions of dollars in school district bonds guaranteed by the Texas Permanent School Fund, creates a constitutional crisis of statewide importance under Article VIII’s taxation requirements and warrants immediate review by this Court.

### 7. Judicial Review.

Whether the combined effect of *Clearfield* and *Patel* make it clear than DCAD and no CAD can hide behind sovereign immunity or ARB exclusivity when fraud tied to bond issuances is alleged in order to ensure accountability and to preserve Texans’ constitutional right of access to the courts.

## CASE REFERENCES AND PARALLELS:

### 1. Texas Disposal Systems Landfill, Inc. v. Travis CAD (2024)

- **SCOTX (Supreme Court of Texas) Focus:** Whether taxpayers can use *market value evidence* in an **equal-and-uniform** valuation challenge, or whether they’re restricted to ARB protest grounds.
- **Parallel to Vexler Case:**
  - Shows SCOTX *will* step in when **procedural doctrines threaten to cut off meaningful equal-and-uniform remedies**.
  - Supports your **Open Courts** and **Due Course** arguments — SCOTX already recognized

that *limiting judicial review* too narrowly undermines fairness.

## 2. Mills CAD v. Oncor Electric Delivery Co. (2024)

- **SCOTX Focus:** Whether certain agreements under Tax Code §1.111(e) deprive courts of jurisdiction.
- **Parallel to Vexler Case:**
  - Confirms SCOTX takes cases about **jurisdictional limits on courts in appraisal disputes**.
  - Aligns with Vexler case **administrative exclusivity vs. judicial review** issue.

## 3. Bexar CAD v. Johnson (2024)

- **SCOTX Focus:** Case granted on valuation dispute issues; part of a cluster of appraisal cases in 2023–2024.
- **Parallel to Vexler Case:**
  - Reinforces that **SCOTX views CAD litigation as recurring and important enough** to grant review, especially where taxpayer rights are implicated.

## 4. Valero Refining v. Galveston CAD (2017, applied in later cases)

- **SCOTX Focus:** Equal-and-uniform refinery valuations; whether Valero could use comparisons across refineries.
- **Parallel to Vexler Case:**
  - Supports Vexler’s **Equal & Uniform Taxation** claim.
  - Shows SCOTX will look at whether appraisal methods themselves **violate constitutional mandates of uniformity**.

## 5. Willacy CAD v. Sebastian Cotton & Grain (2018)

- **SCOTX Focus:** Challenges under Tax Code §25.25 corrections and appraisal procedures.
- **Parallel to Vexler Case:**
  - Confirms SCOTX does not shy away from **systemic appraisal disputes**, especially when **agricultural land and tax equity** are involved.
  - Resonates with your **agriculture/farm overvaluation** point.

**Cases above provide Strategic Alignment to the Vexler Case.**

## **Vexler Petition Issues:**

- **Administrative exclusivity blocks fraud claims** → *Parallels Mills CAD (jurisdiction) + Patel (due course)*.
- **Equal & uniform violations through manipulated methods** → *Parallels Texas Disposal Landfill + Valero*.
- **Constitutional Open Courts and Takings issues** → *A logical extension beyond the narrower valuation cases SCOTX has already reviewed*.

- **Statewide systemic crisis (PSF bonds, municipal market)** → *Adds urgency & statewide importance, not yet squarely addressed by SCOTX in recent cases.*

## **Precedent:**

The Supreme Court of Texas has in the last five years reviewed multiple CAD cases involving equal-and-uniform taxation and jurisdictional barriers to court review.

Vexler's filed petition fits directly into those doctrinal tracks — but raises them on a broader constitutional and statewide scale.

## **Cases Granted Review by the Supreme Court of Texas (Last 5 Years):**

### 1. Texas Disposal Systems Landfill, Inc. v. Travis Central Appraisal District (2024)

Issue: Whether trial courts are limited to the grounds asserted before the Appraisal Review Board (ARB), or may also consider market value evidence in an equal-and-uniform valuation suit.

Ruling: SCOTX held the trial court's jurisdiction isn't restricted to protest grounds; market value evidence remains relevant in equal-and-uniform challenges.

### 2. Mills Central Appraisal District v. Oncor Electric Delivery Co. NTU, LLC (2024, consolidated with Oncor v. Wilbarger CAD)

Issue: Whether subject-matter jurisdiction is triggered by the presence of Section 1.111(e) agreements affecting appraisal.

Ruling: Jurisdiction is not implicated by those agreement questions; remanded for further proceedings.

### 3. Bexar Appraisal District v. Johnson (2024)

Issue: Though specifics are not in the summary, this involved an appraisal dispute and was granted review. The mere grant indicates substantive or procedural significance.

### 4. Valero (GCAD) appraisal dispute—Equality & Uniformity/Jury Decision

Issue: Valero challenged unequal refinery valuation; the Court held Houston-area refinery comparisons valid.

Impact: SCOTX affirmed trial court jurisdiction to hear equal-and-uniform challenge.

### 5. Willacy CAD v. Sebastian Cotton & Grain, Ltd. (2018, slightly beyond five years)

Issue: Several Tax Code challenges including corrections under Section 25.25; SCOTX decided

procedural rights in protest and corrections.

## Summary Table:

### Year Case Name Key Issue:

2024 Texas Disposal Landfill v. Travis CAD Equal & Uniform vs. market value scope

2024 Mills CAD / Oncor v. Wilbarger CAD Jurisdiction under Tax Code §1.111(e)

2024 Bexar CAD v. Johnson Appraisal dispute on review (specifics varied)

Pre-2020 Valero v. GCAD Equal & Uniform valuation via jury evidence

Out of these, several touch on issues directly related to the Vexler petition: equal-and-uniform challenges, scope of judicial review of ARB decisions, and proper valuation methods.

## WHY THIS MATTERS

This case implicates multiple constitutional guarantees simultaneously:

- *Open Courts* (Tex. Const. art. I, § 13) — no judicial remedy for fraud.
- *Due Course* (art. I, § 19, Patel) — ARB exclusivity is “oppressive.”
- *Equal & Uniform* (art. VIII, § 1(b)) — systemic non-uniformity in methods.
- *Takings* (art. I, § 17) — equity stripped through inflated valuations.
- *Separation of Powers* — courts barred from checking executive abuses.

Beyond property owners, the integrity of Texas’s municipal bond market and school finance system is at stake. These are precisely the kinds of constitutional questions of statewide importance this Court was created to resolve.

The Supreme Court of Texas does review appraisal district valuation disputes—especially when statewide tax policy or judicial review procedures are implicated.

## COMPARATIVE AUTHORITIES

This Court has repeatedly granted review in appraisal disputes where access to courts or uniformity were at risk:

- *Texas Disposal Systems Landfill v. Travis CAD* (2024) — affirmed market value evidence admissible in equal-and-uniform challenges.
- *Mills CAD v. Oncor* (2024) — rejected overbroad jurisdictional bars.
- *Bexar CAD v. Johnson* (2024) — review granted on appraisal dispute, underscoring systemic importance.
- *Valero Refining v. Galveston CAD* (2017) — confirmed methodology challenges fall within constitutional uniformity mandate.
- *Willacy CAD v. Sebastian Cotton & Grain* (2018) — agricultural disputes warrant review.

These authorities confirm that far from being novel, Petitioners’ claims lie within established categories SCOTX has reviewed. What is new is their constitutional scale and systemic risk.

This case presents no novel departure from this Court’s jurisprudence. To the contrary, it arises squarely within the categories of appraisal litigation that this Court has repeatedly granted review in recent years.

The constitutional questions posed here—equal and uniform taxation, open courts, due course of law, and the limits of administrative exclusivity—are natural extensions of the Court’s existing precedent.

Taken together, these authorities confirm that Petitioners’ claims lie within categories of disputes the Supreme Court of Texas has repeatedly reviewed. Far from being routine tax complaints, the issues here implicate fundamental constitutional protections, jurisdictional access to the courts, and the financial integrity of the state’s tax and bond systems. Review is therefore both appropriate and necessary.

### **I. Equal and Uniform Taxation – *Texas Disposal Systems Landfill, Inc. v. Travis CAD* (2024)**

In *Texas Disposal Systems Landfill*, this Court addressed whether a taxpayer in an equal-and-uniform valuation suit may rely on market value evidence even if that evidence was not part of its protest before the Appraisal Review Board. The Court held that such evidence is admissible, confirming that trial courts must be able to reach the merits of equal-and-uniform claims without being artificially confined by administrative protest boundaries.

Here, Petitioners likewise challenge systematic departures from uniform appraisal methods, including arbitrary class codes and extra-statutory manipulations of data. As in *Texas Disposal*, this Court’s intervention is necessary to ensure that constitutional guarantees of equal and uniform taxation are not hollowed out by procedural barriers.

Here, DCAD’s admitted ‘manipulation’ of over 60,000 property records outside its software system (Exhibit 1), combined with targeting specific school districts (Exhibits 1, 2, 3) to meet State Comptroller requirements, demonstrates exactly the type of non-uniform methodology that violates *Article VIII, § 1(b)*.

### **II. Jurisdiction and Administrative Exclusivity – *Mills CAD v. Oncor Electric Delivery Co.* (2024)**

In *Mills CAD v. Oncor*, the Court clarified that questions regarding appraisal agreements under Tax Code § 1.111(e) do not strip trial courts of subject-matter jurisdiction. By rejecting overbroad readings of “administrative exclusivity,” the Court reaffirmed that judicial review remains vital when appraisal disputes implicate broader legal rights.

Petitioners here raise a parallel concern: that doctrines of administrative exclusivity are being used to bar fraud and constitutional claims from judicial review entirely, forcing taxpayers into ARBs that lack discovery powers, subpoena authority, or jurisdiction to adjudicate fraud. Just as in *Mills CAD*, this Court’s review is required to preserve meaningful judicial oversight.

### **III. Due Course of Law – *Patel v. Texas Department of Licensing & Regulation* (2015)**

In *Patel*, this Court struck down an economic regulation that imposed “oppressive” burdens

disproportionate to any legitimate governmental interest. The Court emphasized that Tex. Const. art. I, § 19 provides substantive protections against laws and procedures that leave citizens without a meaningful remedy.

The same principle applies here. Forcing property owners to litigate systemic fraud exclusively before ARBs, with no discovery and no capacity to address fraud, creates an illusory remedy. Under Patel, such an arrangement is unconstitutional. Petitioners' claims thus fall squarely within the framework of due course protections already articulated by this Court.

#### **IV. Equal and Uniform Methodology Challenges – *Valero Refining v. Galveston CAD* (2017)**

In *Valero*, this Court recognized that a taxpayer could use comparisons across refineries to demonstrate unequal appraisal. The Court underscored that **uniformity in taxation requires more than labels—it requires actual methodological consistency across similarly situated properties.**

Petitioners allege widespread creation of arbitrary class codes, manipulation of property records, and disparate valuations of like properties. These allegations are not unlike the valuation inconsistencies at issue in *Valero*, but raised here as a systemic pattern affecting entire classes of property owners. This Court's prior willingness to review methodology-based constitutional challenges confirms the appropriateness of review here.

#### **V. Agricultural and Rural Taxation – *Willacy CAD v. Sebastian Cotton & Grain* (2018)**

In *Willacy CAD*, the Court reviewed statutory and procedural questions arising from corrections to agricultural land appraisals under § 25.25 of the Tax Code. The Court's grant of review confirmed that agricultural land and rural taxation disputes raise issues of statewide significance deserving this Court's oversight.

Petitioners here present evidence of systematic overvaluation of farmland, which places agricultural constituencies at disproportionate risk of foreclosure. The constitutional stakes—equal and uniform taxation, due course of law, and open courts—are no less significant than those addressed in *Willacy*.

#### **VI. Takings Without Compensation – Tex. Const. art. I, § 17**

Although this Court has not yet squarely addressed whether systematic equity-stripping through overvaluation constitutes a "taking," its **takings jurisprudence has consistently extended beyond physical appropriation to regulatory and economic deprivations of property rights.** The constitutional question presented here is a logical and necessary extension of that doctrine.

#### **VII. Statewide Importance**

Finally, the Supreme Court of Texas has repeatedly recognized that it may grant review where issues present questions of statewide importance. See Tex. Gov't Code § 22.001(a)(6). Here, systemic appraisal inflation underpins billions of dollars in school district bonds guaranteed by the Permanent School Fund, exposing not only taxpayers but also the integrity of Texas's municipal bond market. The issue is thus not parochial, but structural and statewide.

## JURISDICTIONAL STATEMENT

This case presents questions of exceptional constitutional and statewide importance. The Court of Appeals’ decision insulates systemic fraud in property appraisals from any judicial remedy by confining taxpayers to appraisal review boards (ARBs) that lack authority to adjudicate fraud. That result violates:

- Open Courts guarantee (Tex. Const. art. I, § 13)
- Due Course of Law protections (art. I, § 19), as recognized in *Patel v. TDLR*.
- Equal and Uniform Taxation (art. VIII, § 1(b))
- Strips equity in violation of the Takings Clause (art. I, § 17).

Because these appraisal practices directly underpin billions of dollars in Permanent School Fund–guaranteed bonds, the case implicates not only constitutional rights of Texans but also the financial stability of the State. Review is proper under Tex. Gov’t Code § 22.001(a)(2) and (6).

## APPLICATION TO CURRENT CASE

**A. Systemic Fraud and Administrative Exclusivity.** Evidence shows CADs have manipulated data, targeted ISDs, and inflated values well beyond inflation rates. Fraud claims cannot be resolved in ARBs because those bodies lack subpoena power, discovery, or fraud-adjudication authority (*Clint ISD v. Marquez*, 487 S.W.3d 538, 555–56 (Tex. 2016)).

**B. Evidentiary Findings.** Documented patterns include:

- Home affordability collapse (72% cannot afford average DCAD “market value”).
- Single-family and commercial properties inflated 150–400% faster than inflation.
- Arbitrary class codes, data “manipulation” and “workarounds” acknowledged in board meetings.
- Agricultural and apartment valuations increased without lawful basis.

**C. Systemic Financial Risks.** Fraudulent tax rolls underpin billions in school bonds. These securities are treated as high-quality liquid assets under Basel III, meaning inaccurate collateral jeopardizes bank capital adequacy, credit ratings, and the Permanent School Fund guarantee.

**D. Federal and State Coordination.** Because securities fraud is a RICO predicate and affects interstate commerce, state remedies alone are inadequate. Federal agencies (SEC, FDIC, Federal Reserve) require coordination. Amicus does not seek treble damages, but judicial review and referral.

## PRAYER FOR RELIEF

Amicus respectfully urges this Court to:

1. Grant the Petition for Review;
2. Reverse the Court of Appeals’ dismissal;
3. Remand for constitutional adjudication of fraud claims;
4. Clarify that systemic fraud claims are not barred by administrative exclusivity; and

5. Direct consideration of coordination with federal regulators where municipal bond stability is implicated.

### **Amicus Addendum to Prayer for Relief**

Petitioners have prayed that this Court reverse the judgments below and remand for proceedings on the merits. Amicus curiae does not seek to enlarge that relief. Rather, amicus submits that additional doctrines — including *Clearfield Trust Co. v. United States*, which recognizes that governments lose sovereign immunity when acting as commercial participants, and *Patel v. Texas Department of Licensing & Regulation*, which holds that statutory schemes may not create constitutional “dead zones” by foreclosing meaningful judicial review — independently confirm the necessity of reversal and remand in this case.

These authorities reinforce the Petitioners’ position that the Denton Central Appraisal District’s alleged systemic fraud, undertaken in support of municipal bond issuances, cannot be shielded by sovereign immunity or exclusive-remedy doctrines. Amicus respectfully offers them as supportive considerations for the Court’s deliberation, while fully aligning with and deferring to Petitioners’ prayer for relief.

Amicus further notes that recognizing the limits of ARB exclusivity and reaffirming the availability of judicial review will advance judicial economy. If systemic appraisal fraud is left insulated from review, taxpayers will be forced into piecemeal collateral litigation — including federal securities suits, refund actions, and constitutional claims outside the Tax Code. Such fragmentation would multiply litigation, invite inconsistent rulings across Texas, and destabilize public confidence in both the courts and the bond market. By remanding now and clarifying that ultra vires and constitutional claims are not barred, this Court ensures a coherent forum for resolution, conserves judicial resources, and provides clarity to taxpayers, appraisal districts, and financial markets alike.

### **Considerations:**

#### **a. Ultra Vires Exception**

- Cite *Heinrich* (2009): sovereign immunity does not bar suits seeking to bring officials into compliance with statutory/constitutional provisions.
- Cite *Herrera v. Mata* (2024): confirms ultra vires suits apply in the ad valorem tax context.
- Apply here: Allegations that DCAD falsified certifications and ignored §23.01 USPAP mandates = acting beyond statutory authority.

#### **b. ARB Exclusivity Is Inadequate**

- Cite *Hensley* (2024): exclusive remedy does not apply when forum cannot grant requested relief.
- ARBs can hear valuation protests but cannot (1) enjoin systemic misconduct, (2) declare certification fraud unlawful, or (3) enforce USPAP mandates prospectively. Therefore, ARB process is not “exclusive.”

**c. Open Courts Principle**

- Cite *Patel* (2015) for general principle: statutes cannot create remedial dead zones.
- Forcing fraud claims into ARBs creates a dead zone (injury w/o remedy). Courts remain open under Tex. Const. art. I, §13.

**d. Relief**

- Hold that the lower courts erred in dismissing on sovereign immunity/exclusivity grounds.
- Reverse and remand to the district court for proceedings on the merits.

**For these reasons, Amicus respectfully supports Petitioners' prayer for reversal and remand.**

Signatures:

In support of Petitioner in case 25-0615 and in support of and agreement with Mitchell Vexler as Amicus Curiae.

Leslie Robbins, CPA \_\_\_\_\_ Date: \_\_\_\_\_

Travis Spencer, President Real Estate Mindset LLC \_\_\_\_\_ Date: \_\_\_\_\_

Vicky Svendsen \_\_\_\_\_ Date: \_\_\_\_\_

Peter Svendsen, Board of Directors Johnson Central Appraisal District \_\_\_\_\_ Date: \_\_\_\_\_

Larry Trammell, Board of Directors Johnson Central Appraisal District \_\_\_\_\_ Date: \_\_\_\_\_

Jeff Mashburn \_\_\_\_\_ Date: \_\_\_\_\_

Craig Hundley, President Hundley Hydraulic and Rancher \_\_\_\_\_ Date: \_\_\_\_\_

**MITCHELL VEXLER AS AMICUS CURIAE SUPPORTING PETIONER & PROPERTY OWNERS**

\_\_\_\_\_ Date: \_\_\_\_\_

## **PART II: BACKGROUND & INTERESTS OF AMICUS**

### **INTERESTS OF THE AMICUS CURIAE**

Mitchell Vexler is a 36-year builder / developer / investor with a background in statistical probability and quantitative finance. He has been writing with respect to issues created by Denton Central Appraisal District (DCAD) and produced multiple videos outlining many of the issues created by DCAD and its co-conspirators. Mr. Vexler and his accountant have spent thousands of hours of hours compiling public records and certified roll analyses since 2016 documenting the evolution of issues at and surrounding not only DCAD, but now multiple Central Appraisal Districts across Texas and the United States. On an annual basis, DCAD, through its fraudulent valuation methods, forced Mr. Vexler and his entities to file protests and several lawsuits which have now culminated in the 2023 case appearing before this Supreme Court of Texas. In addition, as a result of gathering DCAD's certified tax roll numbers on an annual basis, Mr. Vexler and his accountant created numerous spreadsheets to analyze all the data.

Some of the results of that analysis are described herein and include a few presentation analyses for the benefit of this Supreme Court to understand the depth of the issues and the inter-relationship of the entities committing violations of law.

This Amicus Brief should provide the understanding how Market Value is to be determined, including the law, math, finance, and the ramifications ignoring appraisal law, and further allowing the compound cumulative increasing debts at the Taxing Entities (such as School Districts) level, and thus pushing up the resulting cost of operations ending in the demanded overvaluation and the resulting over taxation to the point that approximately 37%+ of the household population being at risk of losing their homes and or bankruptcy. The Denton Central Appraisal District alone has increased property market values 4 times faster than inflation since 2017. (See Exhibit 4.) All of this occurs as a direct result of the ARB being used as a stopping point, a prohibition to gain access to the courts to prohibit the fraud that has intentionally occurred and where the ARB panels lack the education and legal authority to determine and prohibit the fraud.

The graphic titled Denton County Home Affordability Reviewed 2023 demonstrates that for 2023 72.71% cannot afford the average value home of \$514,082, only 27.29% can. Where \$514,082 was the average home value per the Denton Central Appraisal Districts certified totals for 2023. In comparison to data from 2021, where 65.10% of Denton County households owned a home and the median home value was \$321,000, 37%+ of households are now at risk of losing their home or housing. (Exhibit 5)

As for the overvaluation of all properties and resulting over taxation, it is the only vehicle, used to create more bonds from which interest is paid on the current principle plus cumulative compound interest. (See Exhibits 6 and 7.) Regardless of school district, no ARB has the authority in law to prohibit the determination of fraud. This simple fact is that the outstanding bond debt per household (per the BRB) has reached approximately \$235,723 per home in Argyle Texas which is in Denton County as seen in Exhibit 7. See Exhibits 5, 6, and 7 that follow.

## Exhibit 5 - Denton County Home Affordability Reviewed 2023

<https://irp.cdn-website.com/39439f83/files/uploaded/Tab%203-Home%20Affordability%202023.pdf>

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		
<b>assumptions made to keep it simple:</b> 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)		<b>\$189,500</b> Annual Income Required to meet lender's housing-income ratio must be ≤ <b>28%</b>			<b>\$109,126</b> Median Household Income fails lender's housing-income ratio <b>48.62%</b> is above <b>28%</b>			<b>\$296,000</b> is the maximum purchase price that meets lender's ratio test, housing cost to income must be ≤ <b>28%</b>		
Home Market Value		<b>514,082</b>	<b>note 1</b>		<b>514,082</b>	<b>note 1</b>		<b>296,000</b>		
Down Payment	10.00%	(51,408)			(51,408)			(29,600)		
Mortgage Loan Amount		462,674			462,674			266,400		
Household Gross Income		annual <b>189,500</b>	monthly 15,792	% of income 100.00%	annual <b>109,126</b>	monthly 9,094	% of income 100.00%	annual <b>109,126</b>	monthly 9,094	% of income 100.00%
<b>Monthly Housing Payment</b>	<b>2023 rates</b>				<b>note 2</b>			<b>note 2</b>		
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			<b>4,422</b>	<b>28.00%</b>		<b>4,422</b>	<b>48.62%</b>		<b>2,546</b>	<b>28.00%</b>
<b>note 1:</b> Average Market Value of Single Family Residential Property (prop code A) for Denton County (code G01) per DCAD 2023 Certified Totals Report.										
<b>note 2:</b> 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.										
<b>side note:</b> 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.										
<b>2021 Households by Income Bracket, Reviewed</b>					<b>2023 Households by Income Bracket, Estimated</b>					
	<u>2021 Income Brackets</u>	<u>count</u>	<u>%</u>			<u>2023 Income Brackets</u>	<u>count</u>	<u>%</u>		
	\$0 - \$24,999	29,599	9.21%			\$0 - \$28,339	34,684	9.21%		
2021 Median Household	\$25,000 - \$49,999	48,127	14.97%		2023 Median Household	\$28,340 - \$56,679	56,394	14.97%	72.71%	
Income \$96,265,	\$50,000 - \$74,999	50,085	15.58%		Income \$109,126	\$56,680 - \$85,019	58,689	15.58%	cannot	
in this bracket →	\$75,000 - \$99,999	41,001	12.76%		in this bracket →	\$85,020 - \$113,359	48,044	12.76%	afford	
	\$100,000 - \$124,999	37,071	11.53%			\$113,360 - \$141,699	43,439	11.53%	avg mkt value	
2021 Median Value	\$125,000 - \$149,999	27,838	8.66%			\$141,700 - \$170,039	32,620	8.66%	home	
Home \$321,000	\$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	\$226,720 or more	56,857	15.09%	27.29%	
65.10% of households owned home in 2021		321,447	100.00%		buy Avg Mkt Value Home \$514,000		376,666	100.00%		
	2021 Total Population	943,857				1/1/2023 Total Population	1,006,942			
	<b>65.10%</b>	<b>vs</b>	<b>27.29%</b>	<b>=</b>	<b>37.81%</b>	<b>the current potential % of households at risk of losing home/housing</b>				

- 72.71% of Denton County (DC) households cannot afford average market value home.
- With average market value at \$514,082, only 27.29% can.
- In 2021, 65.10% of households owned home.
- In 2023, 37.81% of households are at risk of losing their home (65.10% - 27.29%).
- Household needs annual gross income of \$189,500 to afford a \$514,082 home.
- With 2023 median household income of \$109,126 they fail lender's ratio (48% > 28%).
- 2023 median income households can only afford home valued at \$296,000.
- 72.71% of DC households would fail loan approval on \$514,082 avg mkt value home.
- Certified average home values of \$514,082 are overvalued by 42% based on affordability.  
( $\$514,082 - \$296,000 = \$218,082$ ;  $\$218,082 / \$514,082 = 42\%$ )
- Average home values in this dollar \$514,082 range are obviously being valued, as if, NEW.
- Median home value per data extract file downloaded from DCAD was \$450,832.
- DCAD is using new homes (bad comps) to value existing homes.
- New construction homes should not be used as comparisons against older homes.

When you compare the 2023 analysis above with a similar analysis done for 2021, the following was seen:

- In 2021, Median Household Income could afford a home valued at \$358,300.
- This \$358,300 is higher than Median Home of \$331,000 & Average Home of \$339,784 for 2021.
- In 2023, Median Household Income CANNOT afford \$358,300 like 2021, but only \$296,000.
- 13.36% estimate increase in Median Household Income from 2021 to 2023

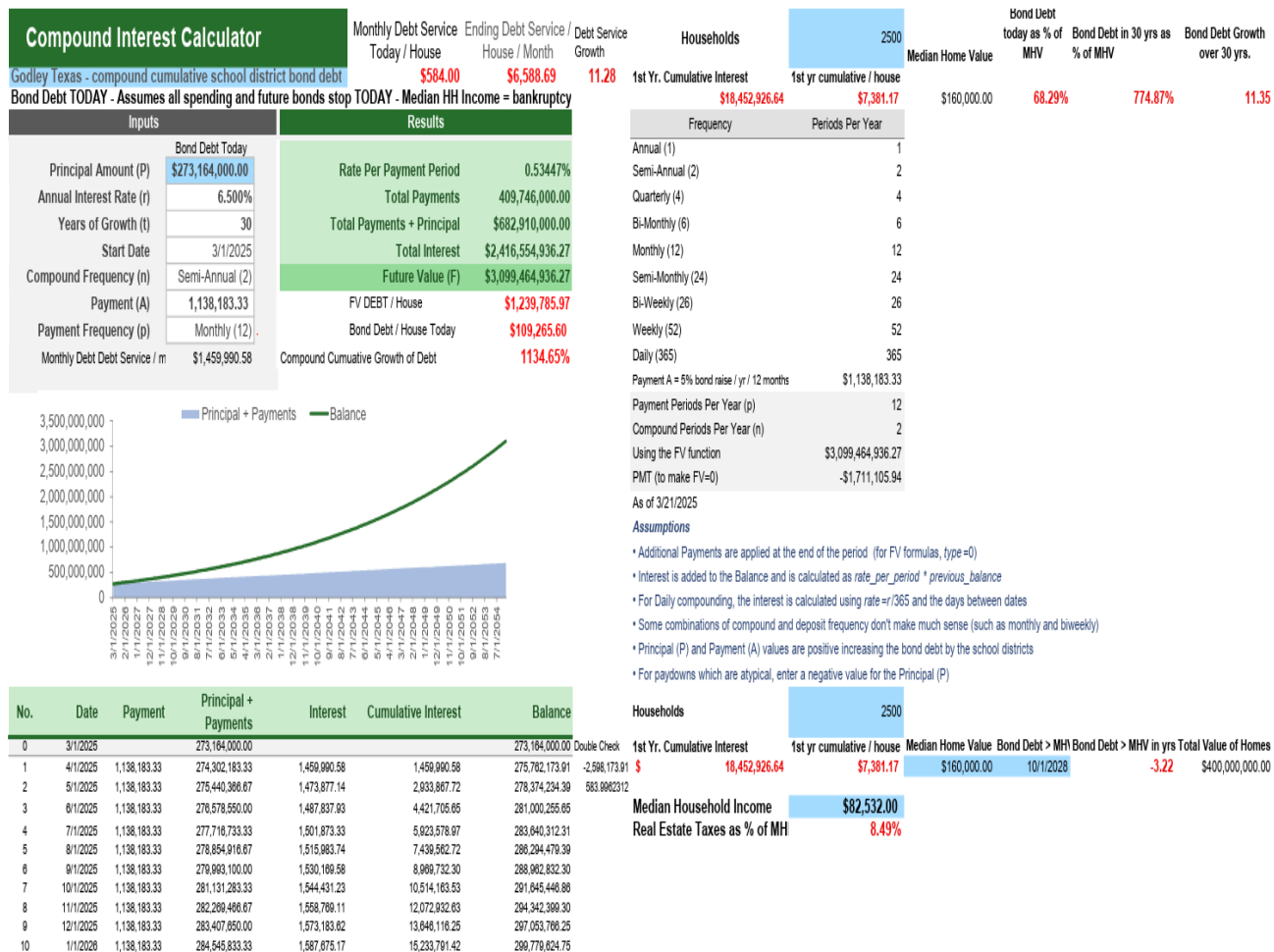
- 40.45% increase in Median Home Market Values from 2021 to 2023.
- 51.30% increase in Average Home Market Values from 2021 to 2023.
- Median Home Values have increased 3 times faster than Household Incomes  
450,832 vs 321,000 = 40.45% value increase.  
109,126 vs 96,265 = 13.36 income increase  
40.45 / 13.36 = 3.03.

### Data sources:

2023 Denton County estimated/average combined property tax rate, dentoncounty.gov  
 2023 mortgage interest rates, google  
 2023 average Texas homeowner insurance cost, policygenius.com  
 2023 Denton County average market value of SF res property, per DCAD 2023 Certified Totals Report (note 1)  
 2023 Denton County households, census.gov  
 2023 Denton County households by income bracket for 2021, adjusted for wage growth to 2023, BLS.gov  
 2023 Denton County median household income, 2021 adjusted for wage growth to 2023 BLS.gov (note 2)  
 2023 Denton County population, dentoncounty.gov  
 2021 Denton County households, census.gov  
 2021 Denton County households by income bracket, neilsberg.com  
 2021 Denton County median household income, \$96,265, census.gov & datausa.io  
 2021 Denton County median home value, \$321,000, census.gov & datausa.io  
 2021 Denton County population, dentoncounty.gov  
 2021 Denton County households that own a home, 65.10%, census.gov  
 Lender's Preferred DTI for Housing Cost-Income Ratio: 28%, google search, mortgage lenders

## Exhibit 6 – Godley Texas Example of Bond Debt & Cumulative Compounding

<https://irp.cdn-website.com/39439f83/files/uploaded/Compound+Interest+Calculator+-+Godley+Texas.pdf>



## Exhibit 7 – School Bond Debt per Household, Texas Sample

[https://irp.cdn-website.com/39439f83/files/uploaded/Estimated\\_Monthly\\_Bond\\_Debt\\_per\\_Household-sample\\_of\\_TX\\_ISDs.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/Estimated_Monthly_Bond_Debt_per_Household-sample_of_TX_ISDs.pdf)

Debt per Household for Current School Bonds , NOT including Interest Payments							
Monthly House Payment for Existing School Bond Debt Based on a 40 Year Term and 6.5% Interest Rate							
Assuming the Debt is Actually Decreasing and NO NEW DEBT Added							
ISSUER	Population	Students	DEBT OUTSTANDING**	Cost/Student	House Holds*	Debt Per Household	Monthly Payment Due
Aledo ISD	31,966	9,598	\$367,459,021	\$38,285	1785	\$ 205,859.40	\$ 1,205.00
Allen ISD	111,348	29,999	\$589,855,811	\$19,663	33786	\$ 17,458.59	\$ 102.00
Alvarado ISD	21,101	5,241	\$181,965,000	\$34,720	1585	\$ 114,804.42	\$ 672.00
Argyle ISD	16,571	5,007	\$403,087,391	\$80,505	1710	\$ 235,723.62	\$ 1,380.00
Aubrey ISD	13,640	3,937	\$347,661,976	\$88,306	2183	\$ 159,258.81	\$ 932.00
Cleburne ISD	39,871	9,820	\$162,077,083	\$16,505	11258	\$ 14,396.61	\$ 84.00
Crowley ISD	107,143	28,106	\$1,164,843,722	\$41,445	6172	\$ 188,730.35	\$ 1,105.00
Denton ISD	217,427	49,880	\$2,104,582,488	\$42,193	52243	\$ 40,284.49	\$ 236.00
Forney ISD	55,884	17,630	\$1,126,842,730	\$63,916	8520	\$ 132,258.54	\$ 774.00
Frisco ISD	276,743	84,485	\$2,191,990,934	\$25,945	74,081	\$ 29,589.11	\$ 173.00
Godley ISD	10,032	2,886	\$225,490,000	\$78,132	2500	\$ 90,196.00	\$ 528.00
Itasca ISD	3,816	984	\$8,275,000	\$8,410	572	\$ 14,466.78	\$ 85.00
Keller ISD	184,550	50,705	\$751,034,989	\$14,812	16052	\$ 46,787.63	\$ 274.00
McKinney ISD	135,162	35,032	\$478,860,000	\$13,669	68224	\$ 7,018.94	\$ 41.00
Mesquite ISD	184,168	52,874	\$655,349,280	\$12,395	50391	\$ 13,005.28	\$ 76.00
Plano ISD	362,158	75,872	\$898,035,000	\$11,836	107,448	\$ 8,357.86	\$ 44.00
Prosper ISD	75,224	25,887	\$1,937,492,968	\$74,844	9071	\$ 213,591.99	\$ 1,250.00
Royse City ISD	32,903	9,932	\$608,231,064	\$61,240	4512	\$ 134,802.98	\$ 789.00
Wylie ISD	105,027	31,026	\$864,055,971	\$27,849	18390	\$ 46,985.10	\$ 275.00
* From Census Bureau							
** As Reported on the BRB Website 2025							

A Suit for violating Constitutional rights, among other violations, was filed against DCAD and individuals (Defendants), by Mr. Vexler, in October 2023. The evidence of several years of analysis and investigating DCAD and its co-conspirators activities and documents including taped DCAD Board meetings is posted on [www.mockingbirdproperties.com/DCAD](http://www.mockingbirdproperties.com/DCAD) which is the library of documents and evidence assembled since 2016 and which is free to all the public and including both State and Federal governments.

Mr. Vexler is interested in these issues both as a matter of constitutional principle and because of his concerns related to the tax lien foreclosures that have occurred, the harm that has occurred, and the harm that would flow to the many families and corporations as a result of the issues raised in this Amicus Brief.

Mr. Vexler is not pleading his case against DCAD in this Amicus Brief but is using a portion of the evidence gathered in the DCAD case and now across the State of Texas and supplying that evidence to the Supreme Court of Texas to provide information and background which leads to the Prayer for Relief sought by Plaintiff.

## SUMMARY OF THE ARGUMENT

The Court of Appeals acknowledged conduct by DCAD that was "reckless," "brazen," and "fraudulent," yet denied Petitioners any judicial remedy. This outcome conflicts with fundamental Texas constitutional protections and creates systemic risks extending far beyond individual property disputes.

**1. Constitutional Violation:** *Patel v. Texas Dep't of Licensing & Regulation*, 469 S.W.3d 69, 87–88 (Tex. 2015), requires that remedies for constitutional wrongs must be meaningful, not illusory. Denying judicial

review leaves homeowners, bondholders, and taxpayers without recourse.

**2. Open Courts Guarantee:** Texas Constitution Article I, §§ 13, 19 are violated when systematic government fraud is insulated from judicial review through administrative exclusivity doctrines designed for routine valuation disputes.

**3. Systemic Financial Risk:** Fraudulent valuations underpin over \$15 billion in school district bonds guaranteed by the Texas Permanent School Fund. This distorts municipal bond markets, threatens bank capital adequacy, and creates potential federal regulatory coordination issues.

**4. Public Trust Crisis:** There are thousands of Petition signatures available to this Supreme Court of Texas (in-camera). There are tens of thousands of comments below the videos in which Mr. Vexler has participated. In 3 recent videos, there would not be over 1,000,000 views with thousands of comments if nobody was affected by the fraud. There are over 6,000,000 views across the videos he has participated in.

To put the four points above in context, consider the following:

The Central Appraisal Districts have no revenue generating assets such as a public company. The only cash flow is as stated by the underwriter as seen below the “unlimited tax” which by definition is impossible and thus we have bonds that cannot be paid off and paper chasing paper. Enron is a parallel example wherein MTM (Mark to Market) being a creation of Jeff Skilling the Enron CFO was used to overstate values of assets from which the stock price was inflated 800% in 9 years. The Central Appraisal Districts and the School Districts use the Mark to Market method to overstate the values of the property from which the bonds are derived until the eventual collapse as the home values are based on fraudulent databases, accounting fraud, and bond fraud all overridden by the simple fact that the Median Household Income cannot cover any portion of the school district bonds. The average American home is \$38,000 in debt (personal loan, credit card, auto loan) not including a mortgage and that is before the fraudulent 2<sup>nd</sup> mortgage created by the school districts and not recognizing the equity stripping of the property owners which has occurred.

The ARB, a group of citizens tasked with resolving disputes between property owners and appraisal districts, has no capacity whatsoever to determine Mark to Market, personal loans, or Median Household Income, all of which have a direct correlation to the fraud allowed to occur by Central Appraisal Districts with and through the ARB process. There is no uniformity of application of the law, no uniformity of ARB actions from year to year, no independence of the CAD, no ability of an ARB to determine fraud or adherence to USPAP.

### **ARB Process Compared to ENRON**

Andrew Fastow’s (CFO of Enron) SPEs hid liabilities. The refusal of the Attorney General, State Auditor, State Comptroller, School District Superintendent, Chief Appraisers, to deliver CUSIPs hides the bond exposure. The ARB is a cloaking mechanism designed to sustain fraud by concealing the true financial picture and pushing property values higher to cover for years of fraud being the compound cumulative effect of the fraudulently created principal plus the compound cumulative interest on that fraudulent created principal.

See **Exhibit 8**, a chart titled “Comparison to Enron – School District Bond Practices”.

COMPARISON TO ENRON - SCHOOL DISTRICT BOND PRACTICES		
Element	Enron (Andy Fastow's SPEs)	School District Bond Practices
<b>What was hidden</b>	Billions in liabilities moved into off-balance-sheet Special Purpose Entities (SPEs).	Billions in municipal bond obligations obscured by refusal to release CUSIP identifiers.
<b>Mechanism of concealment</b>	Complex legal structures and accounting tricks kept debt off Enron's official books.	Administrative non-disclosure of CUSIPs prevents tracing specific bonds to inflated appraisals.
<b>Appearance presented</b>	Enron's financials looked stronger than reality—earnings inflated, risk downplayed.	School districts appear fiscally sound with "healthy" tax bases, masking appraisal inflation.
<b>Effect on outsiders</b>	Investors believed Enron was solvent and invested more capital.	Taxpayers and bond investors believe tax rolls support more debt than truly possible.
<b>Ultimate motive</b>	Sustain stock price, maintain credit ratings, keep issuing securities.	Sustain bond issuance, preserve credit ratings, keep inflating tax base to cover shortfalls.
<b>Cloaking function</b>	SPEs acted as "black boxes," separating liabilities from public view.	CUSIP refusals act as "black boxes," separating bond traceability from public view.
<b>Fraud element proven</b>	Intentional misrepresentation: Enron engineered opacity to induce reliance.	Intentional misrepresentation: districts withhold identifiers to prevent exposure of appraisal-driven fraud.

In simple terms, the ARB is the pawn, it provides cover for the Central Appraisal District and the taxing entities they represent, as property owners are not able to get relief, accountability, or resolution, and as a result, many have lost their homes and or faced bankruptcy. The only resolution is through this Supreme Court of Texas

The effect of so much debt being created is in addition to the equity stripping and is the equivalent of a 2<sup>nd</sup> mortgage. However, as seen in the tax delinquencies presented below, the Median Household Income does not exist to pay this 2<sup>nd</sup> mortgage.

The School Districts fraudulently created and transferred their liabilities via the Central Appraisal Districts to the property owners, which clearly proves that the property tax appraisal method of funding the schools is pure moral hazard.

It is estimated that if the Texas school district bond debt did not exist, and property taxes were used to fund the operations cost of school districts the demand on school district property tax receipts would decrease roughly 70%. Regardless of the district or the amount of bond debt leverage, eliminating school district debt would lead to a notable decrease in property tax rates for homeowners. Eliminating school district debt would lead to

quality equipment, schools, and teachers that could exist but for the interest payments which are compound cumulative and additional principal of bonds being raised annually not just for capital improvements but for paying interest on compounded interest. Approximately \$50 billion per year of interest has been spent in each of the last 10 years on interest with nothing to show for it. Just 10% of that amount, being an extra \$5 billion, could be a direct injection into quality assets and without the compounded interest on fraudulent debt, would have made all the difference for schools and society.

## **I&S Tax Rate - Real Estate Property Taxes for Schools**

The Interest & Sinking (I&S) tax rate is a part of a school district's total tax rate used to pay off debt, such as bonds issued for school construction and renovations. It is combined with the Maintenance & Operations (M&O) tax rate to determine the overall tax rate for property owners in the district.

### **Definition of Interest & Sinking (I&S) Tax Rate**

The Interest & Sinking (I&S) tax rate is a component of a school district's total tax rate in Texas. It specifically funds the repayment of debt incurred by the district, such as bonds used for school construction and renovations.

### **Key Features of I&S Tax Rate**

- **Purpose:** The I&S tax rate is used to pay interest on and to retire the principal of bonds issued by the school district.
- **Calculation:** The I&S rate is determined based on the amount of debt the district has and the repayment schedule for that debt.
- **Combined Rate:** The total school tax rate consists of two parts: the Maintenance & Operations (M&O) tax rate and the I&S tax rate. Both rates are combined to calculate the total taxes allegedly owed by property owners.

### **Importance of I&S Tax Rate**

- **Funding for Facilities:** The I&S tax rate is allegedly crucial for maintaining and improving school facilities, ensuring that districts can finance necessary projects without relying solely on state funding.
- **Impact on Taxpayers:** Changes in the I&S tax rate can affect the overall tax burden on property owners within the district, especially when new bonds are issued or existing debt is refinanced.

### **Issue:**

1) The O&M tax rate funds the annual operating cost of schools this includes but it is not limited to, teacher and staff salaries and benefits, curriculum, building expenses, buses, IT and etc.

2) The I&S tax rate is the rate to pay for bond debt(s). It is in fact not a tax at all like the O&M tax rate. Instead, the so called I&S rate is a debt payment for a loan(s) with homes as the collateral. It is a loan payment forced on the taxpayers without their written authorization. I have stated many times in writing and on video that "Mom and Pop did not sign up for this".

In Texas at this time, we have school districts already discussing selling off properties paid for by taxpayers. Taxpayers and homeowners have been lied to for decades in Texas as well as other states by calling both of these, being O&M and I&S, taxes when in fact only the O&M is really a tax used for annual operating cost. Without the written consent by ALL homeowners to put their homes up for collateral the entire property tax

scheme regarding bond debt is one of the biggest frauds ever committed in the US.

It could be shown that those homeowners who voted against bond referendums have every legal right and ground to sue school officials and citizens in their local for financial damages and losses to whatever extent possible.

Allowing systemic fraud to proceed without judicial remedy further erodes institutional legitimacy and creates a public trust crisis.

Systemic fraud occurs by hiding evidence which even the press is unable to obtain and write about in their articles which are incomplete with regard to:

1. Void of any discussion on the bonds.
2. Void of sources and uses. Money raised by bonds...Where did it go?
3. No reference of CUSIPS or ability to obtain them.
4. No discussion or calculation on the leverage created by the bonds and cumulative interest.
5. No matching of line-item budget request to each School with dollars received by that School from the General Fund.

The only reason these items are not available is because they would easily prove the movement of money and the systemic fraud (past and the compound leveraged future) on the backs of all property owners.

This case transcends routine tax disputes—it presents constitutional, financial, and systemic governance issues that only the Supreme Court of Texas can resolve definitively.

## **LEGAL ARGUMENT**

### **I. THE APPELLATE DECISION CONFLICTS WITH PATEL AND FUNDAMENTAL CONSTITUTIONAL DOCTRINE**

The Court of Appeals' dismissal creates an unconstitutional barrier to justice. In *Patel*, this Court held that constitutional guarantees require access to "meaningful remedy" and that laws are unconstitutional if "so burdensome as to be oppressive." 469 S.W.3d at 87–88.

Here, administrative remedies are illusory when systematic fraud spans multiple tax years and involves approximately 500,000 property accounts in the Denton Central Appraisal District (DCAD) alone with inflated valuations, many exceeding 100% in the last 5 years. (See Exhibit 4.)

This outcome contradicts *LeCroy v. Hanlon*, 713 S.W.2d 335, 341 (Tex. 1986), which guarantees that courts remain open to adjudicate recognized legal wrongs. Fraud is the paradigmatic legal wrong—yet the Appellate decision closes courthouse doors entirely.

The Appellate decision creates a constitutional anomaly: government actors receive broader immunity from fraud claims than private parties, inverting the constitutional presumption that government power is limited and accountable.

### **II. ADMINISTRATIVE EXCLUSIVITY CANNOT CONSTITUTIONALLY SHIELD SYSTEMATIC FRAUD**

*Clint Independent School District v. Marquez*, 487 S.W.3d 538, 555–56 (Tex. 2016), establishes that administrative remedies cannot eliminate constitutional rights where the underlying harm exceeds the administrative scheme's competence.

Fraud adjudication cannot occur within tax protest procedures:

- **Time limits that preclude multi-year fraud investigation**
- **Limited discovery authority**
- **Lack of subpoena power for third-party records**
- **No authority to coordinate with federal regulators**

Administrative capture concerns are heightened when the same governmental entity both commits alleged fraud and controls the "remedy" process.

### **III. SYSTEMIC FINANCIAL RISKS DEMAND IMMEDIATE JUDICIAL INTERVENTION**

Fraudulent property valuations create cascading systemic risks:

- A. Basel III Compliance Jeopardy** Member banks hold billions of dollars in municipal bonds secured by property tax revenues. Basel III rules treat these as high-quality liquid assets, but fraudulent underlying collateral jeopardizes regulatory capital ratios.
- B. Bond Rating Distortion** Credit rating agencies rely on accurate tax base data.
- C. Portions of investment-grade**, liquid municipal obligations can qualify as HQLA (High Quality Liquid Assets) under the 2019 rule – creating system-level exposure if collateral valuations are unreliable.

#### **“Unlimited Tax”**

The graphic on the next page was used in the bond marketing process; it was received from a securities dealer / underwriter in Texas.

The following are important issues with regard to this graphic:

1. Interest rates are not frozen at 4.5% in perpetuity. When fraud is recognized the face values may disintegrate to below junk and the interest rates may rise considerably.
2. 24 years into the future does not account for the continuous bond raises on an annual basis, rendering this analysis by the securities dealer / underwriter pure fiction.
3. We have a chart from when Governor Abbott was Attorney General Abbott and in 2000 that chart showed payoff down to zero in 2024. The exact opposite happened.
4. The graphic (Exhibit 9) below utilized the same 24-year period. Yet, under Texas law, bonds can have a 40-year term thus allowing different bonds to have different due dates which is proper based on the type of bond, i.e. roof replacement, new building, driveway replacement etc. The graphic is completely devoid of any description of intended use and lumps the wish-list of money into one line item and intentionally hides the true needs and uses of the bonds sought.

5. There could not have been a Probability of Default analysis, which is industry standard when valuing bonds, because given the intentional lack of disclosure, a Probability of Default analysis would prohibit the creation of the fiction shown in the graphic. Or, the inverse of this issue would be that there is no Probability of Default analysis by intent such that the fraud can be hidden, until it can't.

6. Where is the population or income going to come from to pay the current debt let alone the debt in 8 years from now, given the fact that more bonds are being raised annually by the school districts?

7. Where is the breakdown of the bonds i.e., CUSIPS? None of what is presented in this graphic by the securities dealer / underwriter and promoted by the Itasca school district, is trackable to a denominator, thus making this pure fiction also used by the rating agencies and nothing more than a con on the public as well as a host of Federal violations of SEC law.

8. One must ask, what is the associated gravy train of fees to the securities dealer / underwriters and if the securities dealer / underwriters eat their own cooking?

### Exhibit 9 - Itasca Independent School District: Unlimited Tax School Building Bonds

*I&S Tax Rate to 50 Cents*

ITASCA INDEPENDENT SCHOOL DISTRICT (Hill County, Texas)									
\$35,615,000 Unlimited Tax School Building Bonds, Series 2025									
Projected Future Debt Service and I&S Tax Rates - Preliminary									
October 24, 2024									
Fiscal Year Ending	Existing Debt Payments	Unlimited Tax School Building Bonds, Series 2025				ASAHE		Combined	
		Principal	Int Rate	Interest	Total	Hold	Harmless	NewTotal	I&S Tax Rate Computation
									Net Taxable Value
8/31/2024	\$ 679,563					\$ (75,715)		\$ 603,848	\$ 488,836,717
8/31/2025	684,763					(76,278)		608,485	595,467,824
8/31/2026	684,163	\$ 725,000	4.50%	\$ 1,602,675	\$ 2,327,675	(75,000)		2,936,838	600,122,315
8/31/2027	687,963	790,000	4.50%	1,570,050	2,360,050	(75,000)		2,973,013	608,777,366
8/31/2028	680,963	875,000	4.50%	1,534,500	2,409,500	(75,000)		3,015,463	621,067,829
8/31/2029	683,563	915,000	4.50%	1,495,125	2,410,125	(75,000)		3,018,688	636,695,076
8/31/2030	680,363	955,000	4.50%	1,453,950	2,408,950	(75,000)		3,014,313	655,417,607
8/31/2031	681,263	1,000,000	4.50%	1,410,975	2,410,975	(75,000)		3,017,238	677,043,098
8/31/2032	686,713	1,045,000	4.50%	1,365,975	2,410,975	(75,000)		3,022,688	701,421,672
8/31/2033	684,313	1,090,000	4.50%	1,318,950	2,408,950	(75,000)		3,018,263	728,440,211
8/31/2034	686,363	1,140,000	4.50%	1,269,900	2,409,900	(75,000)		3,021,263	758,017,560
8/31/2035	687,713	1,195,000	4.50%	1,218,600	2,413,600	(75,000)		3,026,313	790,100,475
8/31/2036	688,363	1,245,000	4.50%	1,164,825	2,409,825	(75,000)		3,023,188	824,660,230
8/31/2037	683,313	1,300,000	4.50%	1,108,800	2,408,800	(75,000)		3,017,113	861,689,763
8/31/2038	682,713	1,355,000	4.50%	1,050,300	2,405,300	(75,000)		3,013,013	886,016,230
8/31/2039	681,413	1,420,000	4.50%	989,325	2,409,325	(75,000)		3,015,738	930,317,042
8/31/2040	683,675	1,485,000	4.50%	925,425	2,410,425	(75,000)		3,019,100	967,529,724
8/31/2041		1,550,000	4.50%	858,600	2,408,600			2,408,600	1,006,230,913
8/31/2042		1,625,000	4.50%	788,850	2,413,850			2,413,850	1,046,480,149
8/31/2043		1,695,000	4.50%	715,725	2,410,725			2,410,725	1,088,339,355
8/31/2044		1,770,000	4.50%	639,450	2,409,450			2,409,450	1,131,872,929
8/31/2045		1,850,000	4.50%	559,800	2,409,800			2,409,800	1,177,147,846
8/31/2046		1,935,000	4.50%	476,550	2,411,550			2,411,550	1,224,233,760
8/31/2047		2,020,000	4.50%	389,475	2,409,475			2,409,475	1,273,203,111
8/31/2048		2,115,000	4.50%	298,575	2,413,575			2,413,575	1,324,131,235
8/31/2049		2,210,000	4.50%	203,400	2,413,400			2,413,400	1,377,096,484
8/31/2050		2,310,000	4.50%	103,950	2,413,950			2,413,950	1,432,180,344
	\$ 11,627,175	\$ 35,615,000		\$ 24,513,750	\$ 60,128,750	\$ (1,276,993)		\$ 70,478,932	

The point to the above is that fraudulent appraisals, belief in the **“unlimited tax”** school district bonds, lead to corrupt fundamental credit analysis and bond rating distortion which may end in mass bankruptcies.

**Federal Regulatory Coordination** - The Federal Reserve, FDIC, and SEC all have oversight interests in municipal bond market integrity. The importance of accurate underlying collateral data is of the utmost importance.

#### IV. PUBLIC CONFIDENCE IN CONSTITUTIONAL GOVERNANCE REQUIRES JUDICIAL OVERSIGHT.

Without judicial oversight, public trust in property tax assessment fairness is an impossibility. Allowing systemic fraud to persist without remedy:

- Undermines property rights protected by Texas Constitution Article I, § 17
- Creates moral hazard encouraging further governmental misconduct
- Violates equal protection when similarly situated taxpayers face different treatment based on fraudulent schemes.

The separation of powers requires judicial checks on executive branch misconduct. Administrative exclusivity that shields fraud, and violates this fundamental constitutional structure being:

1. Federal Law is applicable to prohibit sovereign immunity defense such that any State that avails themselves of access to the bond market gives up sovereign immunity. In Texas courts, there is no immunity for ultra vires / constitutional violations. Misconduct is handled under Texas law and federal securities enforcement (SEC).
2. The Bond Guarantee Program of the State of Texas is insufficient to cover the principal and or the interest on outstanding school district bonds.
3. Denton Central Appraisal District (Defendants) did not defend against claims of inflation so they can't say this is a tax case. They must answer directly to the claims, and they did not.
4. The fundamental issue is the power to tax and to lien is something that needs to be judiciously contained being the ability to affect the equity in an asset and to place upon that asset claims need exacting laws. Equity stripping is not lawful. The law should not be allowed to produce moral hazard. The appraisal system is unchecked and unmonitored (as seen below in the linked FOIA submissions) and a hazard to the bond issuance and the bond guarantee program.
5. The Justices must understand that baring anyone from peaking under the hood is exactly why this case needs to be moved forward and thus the **Request for Remand**.
6. The State does not have an answer regarding how the bonds can be paid off.
7. Because of inflation, Rule of 72, Compound Interest and continued bond raises, the Bond Guarantee Program is no longer able to protect the School Bonds and thus the bond investors.
8. In essence, the system is so broken that due process is rendered impossible and avoiding Judicial oversight is not in the best interest of the government or the Citizens.
9. The primary purchaser of these bonds is the banks who promised a return to their victims. (see 8 above)
10. The Texas school district bond debt and interest carried thereon, has grown to the point that the U.S. Treasury would have to print money to cover the debt sanctioned by the State of Texas. (see 8 above)
11. A Judicial Subpoena is required to force the School Districts to turn over the CUSIPs from which the bonds can be tracked which is the true sources and uses and which is intentionally hidden from the

public.

12. The Bonds are Federal Instruments which negate sovereign immunity.
13. The only way to pay the bond indebtedness is to issue more bonds. It is beyond comprehension that any court would sanction a Ponzi scheme which is clearly a violation of RICO at both State and Federal levels and thus the **Request for Remand**. RICO should be taken in context for federal jurisdiction / coordination. “Because **securities fraud** is a RICO predicate, the pattern alleged warrants **federal coordination** (SEC/Postal Inspectors). Amicus does not seek treble-damages here; the request is for **judicial review** and **referral/coordination** to protect investors and taxpayers.”

## EVIDENTIARY FINDINGS, EFFECTS, AND RAMIFICATIONS

What started as a fact-finding mission in 2016 concerning fraud that DCAD being committed on properties owed by Mr. Vexler, turned into evidence of systemic fraud which led to the effects on hundreds of thousands of property owners in Denton County and in millions of property owners across Texas and ramifications of that fraud.

The effects and ramifications include:

- Home affordability tightening and reducing
- Targeting of communities by the State Comptroller requiring higher property values than allowed in USPAP for purposes of the Property Value Study
- Property tax appraisal values of Retail Centers increasing year over year, up to 420% in one year
- Apartment property values increasing up to 100% year over year (50% reductions awarded in protest)

All of which lead to the failings of the Appraisal Districts who do not adhere to the law and cause economic damage in form of equity stripping that has occurred to the vast majority of property owners throughout Texas.

With no accountability within the property tax system itself and with no help from the lower courts, taxpayers have no true avenue to seek justice and relief from the unlawful practices of the CADs and all of the collaborators, thus the evidence will continue to pile up and the effects and ramifications will compound.

### Home Affordability

The graphic, titled Home Affordability (Exhibit 5) presented above, demonstrates how Market Value is the mechanism in Texas from which the Assessed Value is created. Under current Texas Law you can protest your Market Value but not the Assessed Value. If the Market Value is fraudulent, then so is the Assessed Value.

Specifically, what the Supreme Court of Texas will see is that due to the cumulative compounding fraud on the public via Market Value as solely and determined by Denton Central Appraisal District (CAD) and the ARB, 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 households are at risk of losing their home. The same mathematical formulas apply across the State of Texas for every CAD and also across the United States of America.

## Targeting Communities (ISDs)

To be clear, the ARB appeal process is a bait and switch where the taxpayer cannot protest or appeal on the actual levied assessed amount and can only appeal on the Market Value, which is a number derived by fraud in violation of USPAP and Mass Appraisal Standards. The Market Value is a derivative fraudulently created to continuously and cumulatively drive up the value to maximize the ceiling on the assessed amount no matter what the economics of the property are. To further expose the fraud, the Texas State Comptroller via the Property Valuation Study (PVS) requires the Chief Appraisers to raise values in certain independent school district jurisdictions (ISDs) as part of their funding allocation calculations to shift money among school districts.

Thus, the application of the Property Value Study by State of Texas has led CADs to target value increases.

The State Comptroller has a requirement between the CADs that the CADs maintain above a 95% confidence interval. This nonsense is used as a scapegoat allowing the State Comptroller to demand higher property values to re-enforce the underwriters and rating agencies fraudulent and fictitious actions.

Why is the confidence interval nonsense in this application being utilized by the State Comptroller?

In statistics, a **confidence interval (CI)** is a range of values used to estimate an unknown statistical parameter, such as a population mean. Rather than reporting a single point estimate (e.g. "the average screen time is 3 hours per day"), a confidence interval provides a range, such as 2 to 4 hours, along with a specified **confidence level**, typically 95%.

A 95% confidence level is not defined as a 95% probability that the **true** parameter lies within a particular calculated interval. The confidence level instead reflects the long-run reliability of the method used to generate the interval. In other words, this indicates that if the same sampling procedure were repeated 100 times (or a great number of times) from the same population, approximately 95 of the resulting intervals would be expected to contain the true population mean (see the figure). In this framework, the parameter to be estimated is not a random variable (since it is fixed, it is immanent), but rather the calculated interval, which varies with each experiment.

In plain English, it is the same data repeated over and over again which ignores the fact that the databases from which the initial values created in 2016 have been compounded fraudulently manipulated up many times over true inflation all in violation of Mass Appraisal Standards, USPAP, Texas Property Tax Code and the Texas Constitution. In other words, the confidence interval as promoted by the State Comptroller is part of the fraud. The CADs push the values up to meet the demands of the confidence interval by the State Comptroller and the CADs increase the already fraudulent valuations even higher to meet those demands of the State Comptroller.

Below is the evidence of specific communities being targeted for increases to property value, where valuation increases are without merit or cause and are above the average increases of Denton County. These actions are outside of Mass Appraisal Standards, USPAP, Texas Property Tax Code and the Texas Constitution.

In DCAD Board Meeting on October 12, 2023, Chief Appraiser Don Spencer discusses raising market values for properties of 3 ISDs that in 2021 and 2022 had fallen below the Comptroller's confidence interval (95% to 105%) per the State's Property Value Study, specifically raising values for 3 ISDs: Aubrey, Pilot Point and Sanger. Spencer states, **"We really raised the values, to try to get to what we can see as market value. And I feel confident that we're going to be back in."**

In the February 15, 2024 DCAD board meeting, Don Spencer praises himself and his team for getting the values “where they needed to be”, particularly the 3 school districts that had been flagged as invalid in 2021 and 2022 and now have passed the 2023 Property Value Study by the State. The Board members respond with enthusiasm, and they compliment Spencer for this accomplishment, with one member saying, **“they are truly masters at guessing.”**

**“Masters at guessing”. Where in the Texas Property Tax Code, Texas Constitution, USPAP, Mass Appraisal Standards is the word guessing and who under these real estate law has the right to guess?**

Transcripts and notes prepared for sections of these meetings and the complete audio recording have been linked on [www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad). Once on this page, search for October 12, 2023 or February 15, 2024 DCAD Board Meeting. The audio recordings can also be downloaded from the meeting page at [dentoncad.com](http://dentoncad.com). (Exhibits 1 and 2)

### **Work Arounds and Manipulations**

In the October 12<sup>th</sup>, 2023 DCAD Board of Directors Meeting, Deputy Chief Appraiser Chris Littrell, Deputy Chief Appraiser Jeanne Ashlock, and Chief Appraiser Don Spencer tell the board they perform software **“work arounds,”** are **“manipulating”** the property tax value data and later discuss that they are raising values on 3 ISD’s to get into “confidence interval” for State.

To listen to the full board meeting audio testimony, or to see the partial transcript and transcript notes, go to [www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad) and search for “October 12, 2023 DCAD Board Meeting Audio Recording”. (Exhibit 1)

**“Work arounds” and “manipulating”. Where in the Texas Property Tax Code, Texas Constitution, USPAP, Mass Appraisal Standards is the words work around and manipulating, and who in law under these real estate laws has the right to do a work around and manipulate the tax value data?**

### **Audio Recordings – Evidence**

- **Minute 27:11 to 28:47: Deputy Chief Littrell discusses visit to Bexar CAD & the CADs sharing "work arounds" in the CAMA software programs.**
- **Minute 31:06 to 33:28: Deputy Chief Jeanne Ashlock discusses correcting value info "outside" of the software.**
- **Minutes 36:38 to 39:30: Chief Appraiser Don Spencer justifies & discusses correcting 60,000 property record values outside of the software by exporting, changing & re-loading data. Tax Assessor Collector Michelle French comments on the enormity of the task being done in excel and on the potential for error.**
- **Minutes 41:18 – 46:03: Spencer discusses raising market values for properties of 3 ISDs that in 2021 & 2022 had fallen below the Comptroller’s confidence interval. (This was discussed with Targeting above.)**

### **Notes and Excerpts from Audio Recording and Transcript**

Deputy Chief Appraiser, Chris Littrell, Minute 27:11 – 28:47: DCAD staff are going to Bexar CAD to learn everything they can about their operations. DCAD has been communicating with Bexar CAD this past year regarding CAMA system problems. **“There's a lot of workarounds that have to happen with our current software program.** So, we're calling them, what's your fix? They're asking us what's your fix, and together

we're trying to formulate those ideas of how... we improve when things are just limited with what we have.”

Deputy Chief Appraiser, Jeanne Ashlock, Minute 31:06 – 33:18: Ashlock says that DCAD is addressing software issues “outside” of the software system because it cannot provide the correct value info for tax billing. Employee, Rebecca, has to go in and correct data “on the back end.”

Deputy Chief Appraiser, Jeanne Ashlock, Minute 36:10: Jeanne Ashlock comments about not contacting software vendor... “Honestly, we really haven’t reached out to them much, because luckily, we have Rebecca that has taught herself really. **She has kinda had to, how to do things in the database.**”

Chief Appraiser, Don Spencer, Minute 36:38 – 37:45: Don Spencer justifies Rebecca **“running the process outside of the software”** because of trying to meet deadline, had to make business decision, and that he can trust her process. And continues **“even as unfortunate as is because what she's having to do is pull data out of the system, manipulate the data, and then put it back into the system...”**.

Chief Appraiser, Don Spencer, Minute 38:21: Spencer says over 60,000 properties are being corrected outside of the software by Rebecca.

Tax Assessor Collector, Michelle French, Minute 38:42: Michelle French discusses the complexity of Rebecca’s work in excel with these records and that the **“potential for any type of error just exponentially explodes.”**

Chief Appraiser, Don Spencer, Minute 39:07: Spencer says Rebecca has to take “extra step once she’s put it back in” to check for errors. [39:30]

This same behavior has replicated itself across Texas because the CADs copy from each other.

## Commercial Property Values

### Exhibit 10 - One Retail Center's Appraisal Values by Date, 2015 – 2023

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."									
				(cy/pt)				(per total sf 12455)	
Tax Year	Document Type	Date of Document	Market Value	Compared to Prior Yr	% Leased Jan 1st	Avg Rent/sf of Leased	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.									

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 500,000 tax accounts in Denton County. The same mathematical formulas apply across the State of Texas and all CADs.

Pricing Inflation is the result of fraud (overvaluation resulting in over taxation) and the final real estate tax per property are passed on to the consumers resulting in compound-cumulative inflation in the final product output.

Apartments:

The graphic exhibit below is a quick analysis of three Apartment Properties in Denton County.

## Exhibit 11 -Review 2023 Values for 3 Apartment Properties

<b>Review 2023 Values for 3 Apartment Properties in Denton County</b>				
<b>Demonstrates Violation of Property Tax Code Section 23.01(b) &amp; (e)</b>				
		Appraisal	Reduced	%
<u>Apartments</u>		<u>Notice</u>	<u>Value</u>	<u>Reduced</u>
Mansions at Oak Point		124,279,520	61,117,702	-50.82%
Reatta Ranch		117,014,943	56,800,000	-51.46%
1519 Scripture		94,896,514	39,846,567	-58.01%
<b>Clearly DCAD's notice of appraisal was FAKE, INFLATED, FRAUDULENT, INVALID etc.</b>				

Rental Inflation is the result of fraud (overvaluation resulting in over taxation) and the final real estate tax per property is passed on to the consumers / renters resulting in compound cumulative inflation and more people losing the roof over their head.

The summary of the above commercial property graphics 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. The ARB panels are not trained to detect fraud, do not have adequate knowledge of USPAP as required in appraisal law and property tax law, and are not well versed with the property tax code itself, thus making their existence a weapon against the property owners.

This Supreme Court of Texas would logically then ask, how could that happen?

### Appraisal District & ARB Failures

There are many failings of the Denton Central Appraisal District and the ARB under USPAP and Mass Appraisal Standards, and many violations of these standards themselves.

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

The net result of the root causes as outlined above points to fraud on a mass scale and thus the **Request for Remand.**

In addition to the above, the 2023 Property Tax Appraisal Market Values in Denton County were over \$40 Billion higher than 2022, 20+% higher. Single Family Residential (Homes) were approximately \$29 Billion of that \$40 Billion increase and their values were 25+% higher than 2022. DCAD brazenly & recklessly increased values of properties for years, unchecked & without accountability. (See Exhibit 4.)

The Chief Appraiser, Deputy Chief Appraiser, County Tax Assessor falsified the 2021 tax roll certification. (See Exhibit 12.)

On face value, DCAD's valuations are not uniform & equal as required by the Texas Constitution. This has been the case for years and every Chief Appraiser has ignored the problem or willingly violated the constitutional rights of property owners.

The Texas Constitution requires that taxable property be taxed in an equal & uniform manner. DCAD, HCAD,

JCAD, MCAD, etc. did not fulfill the mandatory obligation of Sec 23.01(b), to base its appraisal upon individual characteristics that affect market value and consider “all available evidence” specific to value of property in determining market value.

Sec 23.01(b) also requires same or similar appraisal methods & techniques for same or similar properties. With records that are full of disparate valuations, they could not have used similar methods & techniques. DCAD has produced erroneous valuations due to software issues, limitations, & manipulations. Valuations that are greater than market value cannot be equal & uniform.

In the continued pursuit of justice for all property owners in Texas, during the last week of August 2025, two filings were sent, being:

1. To the Attorney General of the State of Texas under the Freedom of Information Act (See Exhibit 13.)
2. To the Texas State Auditor (See Exhibit 14.)

The evidence may show that both government entities are derelict in their duties (at a minimum) but the end result is the **insolvency** of the Texas school bond program.

### Property Tax Delinquency, A Follow Up to Home Affordability

Property Tax Delinquencies across Texas:

#### Exhibit 15 - Sampling of Texas Property Tax Delinquencies on Owner Owned Homes With No Debt as of September 3, 2025, 8:28 pm (Source: Propertyradar.Com).

Location/Area	Total Properties Owned Free & Clear	Total Tax Delinquency	As %
Godley, TX	1,351	85	6.3%
Denton County, TX	76,687	1,510	2%
Lewisville, TX	8,993	222	2.5%
Montgomery County, TX	87,903	8,651	9.8%
Harris County, TX	426,832	49,035	11.5%
Dallas County, TX	204,736	20,550	10%
Travis County, TX	101,018	5,695	5.6%
San Antonio, TX	172,291	39,929	23.2%

Location/Area	Total Houses	Total Tax Delinquency	As %
San Antonio, TX	639,833	101,205	15.5%

Most of these “delinquent” homeowners (218,231) are seniors, many retired, on fixed incomes and this is just a few cities in Texas. Thousands have lost their homes and tens of thousands more will lose their home via tax lien foreclosure as a direct result of accounting fraud, bond fraud, overvaluation and over taxation caused by the school districts and the central appraisal districts from which the State oversight is nothing more than an illusion of legitimacy.

Affordability Testing across Texas:

In the chart below look at the Median Household Income shortfall. The shortfall is the quantified fraud which continues to grow by virtue of compound cumulative interest, not paying off the prior bonds, and more bond raises.

The effects on affordability, or rather, the reduction in affordability, lead to a shortfall in median household income, which is now causing financial hardship, including property tax delinquencies.

## Exhibit 16 – CADs Compared in Affordability Testing

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>					<b>Movie-Star Effect</b>	
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 &amp; 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>					<b>Median per CAD 4/11/24</b>	
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 and be at 28%</u>	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

## LOOK AT THE MEDIAN HOUSEHOLD INCOME SHORTFALL

Recall the Home Affordability graphic, where 37%+ of the households in harms way of bankruptcy and or losing the roof over their head. (Exhibit 5 above)

Over taxation in violation of the Texas Property Tax Code and the Texas Constitution, 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 overvaluation and over taxation reducing the profit, if any. Further, the total debt to income ratio (DTI) would be considerably greater than the Fannie Mae standard requirement of 43%. The Bureau of Labor Statistics, HUD, FHA, and Lenders utilize a 28% for housing debt to income ratio and this means that in 2023 the average Denton County household, based on the Median Household Income could only afford a \$296,000 home not DCAD's \$514,000 average value home.

## Real Estate Tax as a Percent of Median Household Income in. U.S.

### Exhibit 17 – Estimating Real Estate Tax as a Percent of Median Household Income in. U.S.

<b>Questions</b>	Why have credit card defaults spiked?			
	What has inflation done?			
	How does Real Estate Tax cause bankruptcies?			
	Why is Consumer Purchasing Power Slowing?			
<b>Evidence</b>	<b>Household Expenses per Government Estimate</b>			
	Housing Expense (maintenance, utilities, insurance, etc.)		\$10,958	
	Mortgage Expense (with mortgage loan of \$272,051)		\$26,508	
	<b>Home Real Estate Tax (Property Tax)</b>		<b>\$7,000</b>	
	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	
	<b>Average Total Expenses per Household (Govt Est)</b>		<b>\$89,700</b>	*
	<b>Average Monthly Expenses per Household (Govt Est)</b>		<b>\$7,475</b>	
	<b>Average Annual Expenses Family of 4 (2nd Govt Est)</b>		<b>\$101,520</b>	
	<b>Average Monthly Expenses Family of 4</b>		<b>\$8,460</b>	
	<b>Median Household Income, 2023 census.gov</b>		<b>\$80,610</b>	*
	<b>Minus Average Expenses</b>		<b>-\$89,700</b>	
	<b>Net in your pocket</b>	<b>it's short !</b>	<b>(\$9,090)</b>	
	<b>Real Estate Tax as a percent of the cash shortage</b>		<b>77.01%</b>	
	<b>ADD - Taxpayer's "Implicit Guarantee" or Share of Govt Debt (Sept 2024 estimate)</b>			
	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			
	<b>Combined Total</b>		<b>\$1,375,050</b>	
	<b>Monthly Amortized Cost of Govt Debt , 25 years at 6.25% (rounded)</b>		<b>\$9,000</b>	
	<b>Annual Amortized Cost of Govt Debt, 25 years at 6.25% (rounded)</b>		<b>\$108,000</b>	*
<b>Answers</b>	<b>Median Household Income \$80,610 is not enough to cover estimated annual home/living expenses of \$89,700.</b>			
	<b>Income of \$80,610 is not enough to cover estimated annual home/living expenses of \$101,520 for family of 4.</b>			
	<b>So it cannot possibly cover the taxpayer's "implicit guarantee" of another \$108,000 of govt debt per year.</b>			
	<b>Household's consumer purchasing power is slowing and short</b>		<b>(\$9,090)</b>	
	<b>Family of 4's consumer purchasing power is slowing and short</b>		<b>(\$20,910)</b>	
	<b>With not enough cash to cover expenses, spending has tightened &amp; credit card use has increased.</b>			
	<b>Not to mention the taxpayer's "implicit guarantee" or share of govt debt...that can never be collected.</b>			
	<b>Median household Income</b>		<b>\$80,610</b>	*
	<b>Estimated Annual Expenses</b>		<b>-\$89,700</b>	*
	<b>Estimated Taxpayer Share of Debt, "implicit guarantee"</b>		<b>-\$108,000</b>	*
			<b>(\$117,090)</b>	
	<b>This proves that the implicit guarantee is nonsense &amp; violates State &amp; Federal RICO laws.</b>			
	<b>Real Estate Tax as a percentage of Median Income...</b>			<b>8.68%</b>

**Roughly 9% (\$7,000.00) of a median income goes to real estate tax on homes.**  
**The average U.S. 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.**

## Income Calculation Worksheet

DCAD creates fraudulent income statements (see Exhibit 18), uses comparisons in violation of USPAP, “manipulates 60,000 properties” (see Exhibit 1), builds into their valuations the pre-determined budgets of the taxing entities, negotiates values before ARB protest hearings (see Exhibit 19) 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 all CADs.**

## No Authority

See Exhibit 20 below with email from State Comptroller claiming no jurisdiction over the CADs or the ARBs.

**From:** PTAD CPA <PTAD.CPA@cpa.texas.gov>  
**Sent:** Thursday, November 10, 2022 1:33 PM  
**To:** Mitch Vexler <mvexler@mockingbirdprop.com>; PTAD CPA <PTAD.CPA@cpa.texas.gov>  
**Subject:** RE: Denton County Appraisal District Fraud - History and Current Update

Dear Mitch Vexler:

Thank you for contacting the Property Tax Assistance Division (PTAD) of the Comptroller’s office about your complaint against the Denton County Appraisal Review District. Please note that neither PTAD nor the Comptroller’s office has any direct jurisdiction over appraisal districts or Appraisal Review Boards (ARB). Our office can only act in a technical assistance role.

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.

We hope this information is helpful

Sincerely,

Property Tax Assistance Division  
Texas Comptroller of Public Accounts

The State of Texas Legislature is the creator of DCAD with the authority – Glenn Hegar (State Comptroller), Ken Paxton (State Attorney General), Governor Abbot being the Executive, are currently responsible, yet PTAD (State Comptroller) stated they have no authority to enforce and there is **“NO ENFORCEMENT” MECHANISM and “if you don't like it, file suit with the local county Court”**. We have obviously done so. The Executive Branch created this Agency – DCAD which is owned by the Taxing Entities. DCAD and its co-conspirators all exist as they are paid from the cash generated by real estate property owners. Then DCAD and its co-conspirators including the County Tax Assessor, create and allow for further abuse of authority by overvaluation and over taxation of the real estate taxpayers, outside of any Law and USPAP, using the ARB as the “get out of jail free card by those committing the fraud” and this results in theft of real estate taxpayer money and therefore DCAD and its co-conspirators must be enjoined and thus the **Request for Remand.**

**There cannot be this many violations of documents, requirements, organizations, USPAP, math, the Texas Constitution and The Constitution of the United States of America, but for intent.**

## What Is Civil Conspiracy?

Civil conspiracy occurs when two or more people agree to engage in a criminal act or an activity to accomplish an unlawful purpose or goal, with an injury to a bystander occurring as a result.

## What is fraud?

The Association of Certified Fraud Examiners (ACFE) defines fraud as a fraudulent act made by a person or entity who knows that this error can result in losses to individuals or entities. Fraud is an act and action which is done intentionally, consciously, knowingly and desire to abuse everything that is held together, both in the form of company and state resources for personal enjoyment and then presents incorrect information to cover the abuse (Ernst and Young, 2017). It can be concluded that fraud is an act, and an unlawful act carried out by someone from inside or outside the organization that is done intentionally with the aim of gaining personal and group benefits but on the other hand also harms others (Ablrecht et al, 2012).

Regarding unregulated and unfettered theft (equity stripping), it should be pointed out that DCAD, being in violation of the **5<sup>th</sup> Amendment** and **14<sup>th</sup> Amendment of the Constitution of the United States of America**, and the Texas Constitution, allows every element of RICO. In other words, the actions of DCAD and all CADs in Texas who violate the Texas Constitution and by violating the Laws under which they are governed (1<sup>st</sup>, 5<sup>th</sup>, 14<sup>th</sup>, and 16<sup>th</sup> Amendments separately or in combination create the opportunity for extortion “get a 2<sup>nd</sup> job and pay your taxes or we will take your house”. The context of RICO is that for federal jurisdiction / coordination.

The main focus for the Courts of Texas is the **Texas Constitution art. VIII, §1 (equal & uniform)** and **Tax Code §23.01** (market value standard and uniform methods), wherein **misapplication** and **non-uniformity**, are the main issues. See Texas Tax Code §23.01(a)-(b) (market value and uniform methods) and Comptroller guidance reinforcing those standards. “Texas law requires market-value appraisal using **uniform methods** and **all available evidence**, applied **equally and uniformly**. See **Tex. Const. art. VIII, §1; Tex. Tax Code §23.01(a)-(b)**. Appraisal records and admissions by DCAD officials show **non-uniform methods**, extra-software data manipulation, and targeted increases inconsistent with USPAP/IAAO standards—rendering the scheme unconstitutional as applied and inconsistent with due-course guarantees.”

## The Rule of 72

The Rule of 72 shows that depending on the interest rate, the debt may double every 5 to 7 years and this assumes that the government spending stops on the day of the analysis. **The vast majority of households today do not have the money to pay off the real estate tax, so what happens in 5 to 7 years from today, following roughly 37%+ of the households going bankrupt in between today and 5 years from today?**

Millions of people (approx. 143,000,000 homeowners) across the United States may be irreparably harmed if Taxation on Assessed Value derived from the Market Value which is an Unrealized Gain, is not stopped. For the above reasons and evidence, I would like the Supreme Court of Texas to recognize and understand that no government Agency or Taxing Entity or Tax Assessor Collector has in the history of the United States ever determined what Market Value is as of any date, because there must be a confirmed closing, without duress, to truly determine Market Value. In the case of DCAD and other Texas CADs, if given the opportunity to determine Market Value, the Entities abuse their authority as granted by the Executive Branch of the State of Texas which causes a waterfall effect of incorrect valuations throughout its databases and further throughout the underpinning of the economy including lenders, bond investors, mortgage holders, insurance companies, property owners and end product manufacturers, which effects every single Citizen. The most basic element of

USPAP, is to determine / quantify Market Value which DCAD and other Texas CADs along with their co-conspirators chose to ignore in favor of fraudulent income statements, comparisons which are not comparisons, overwriting by hand the values that DCAD and the CADs do not like to meet a pre-determined budget created at the Taxing Entities all of which has nothing to do with USPAP, Texas Property Tax Code, Texas Constitution, The Constitution to the United States of America, or math required under those laws of which the ARB panels are used as a weapon against the property taxpayers.

In Denton County Texas alone, there are tens of billions of dollars at risk because of a minimum 30% overvaluation and over taxation of property values, which directly impact bond values (i.e. 20 to 1 leverage) and mortgage values (amortization leverage) and touches the lives of every real estate taxpayer and every Texan.

## Property Devaluation

In Denton County alone, a 10% drop in property values creates approximately a \$1 Billion dollar funding deficit for which the only solution is more fraud via over valuation and increasing the tax rate. By law, exactly how can property values in the market drop and assessed values and tax rates go up? The answer is only by fraud.

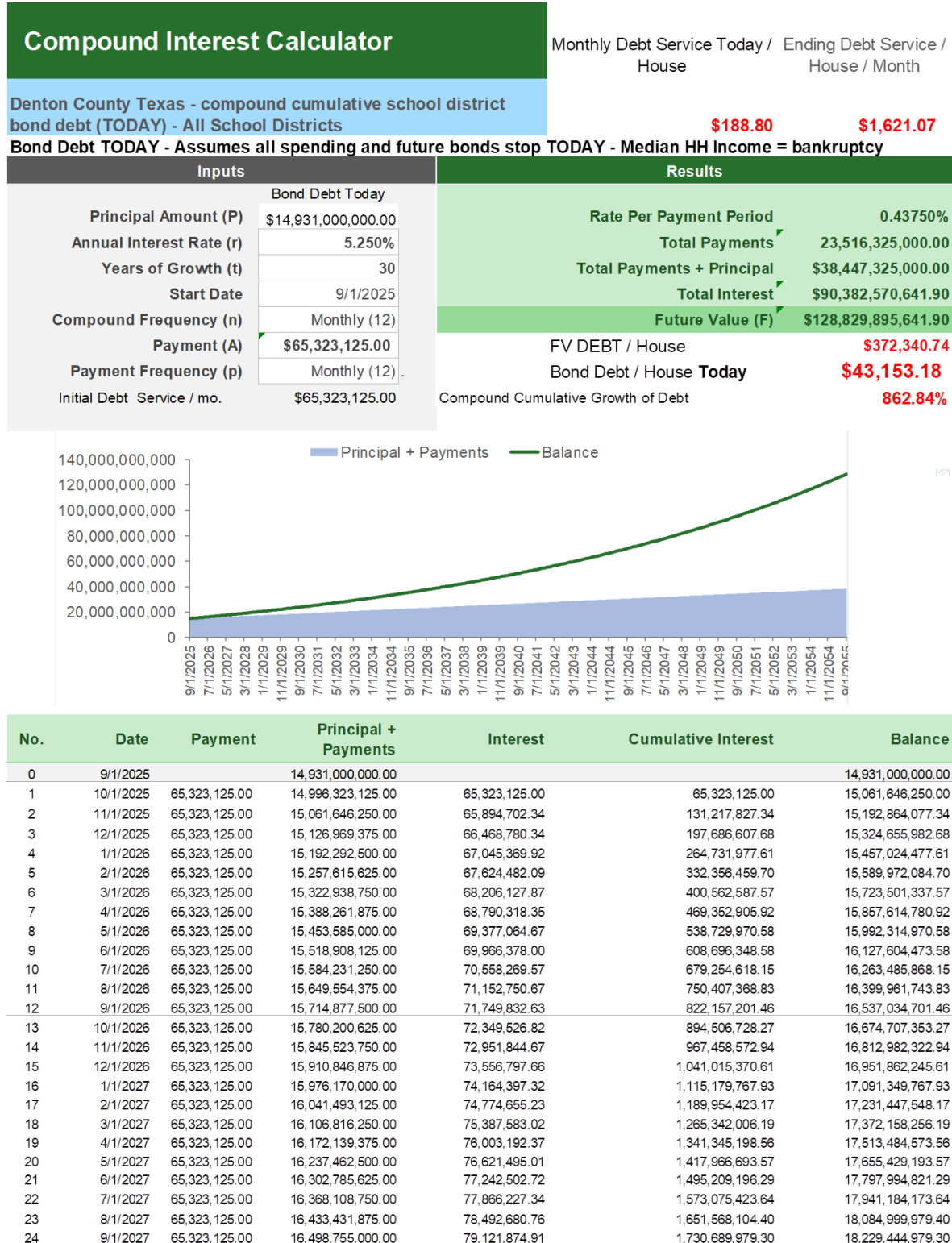
## Exhibit 21 – Estimating Effect on Bonds of 10% Drop in Property Values

Real Estate Taxes at 2.00% / \$100	\$7,000.00			
Mill Rate	2.00%			
Current year est. Total Tax revenue DC	\$2,422,000,000.00			
Current year est SD Tax Revenue @ 83%	\$2,010,260,000.00			
Total Cost of School District O&M @ 28%	28.00%			
% remaining for Debt Service	72.00%			
\$ net received for Debt Service	\$1,447,387,200.00			
Loan Affordability based on left for Debt Service				
Term	25			
Annual Interest Rate	6.25%			
Loan Amount Service / mo Max PI Payment	\$42,937,000.00			
Future Value				
Present Value				
	<b>Revenue / House Value</b>	<b>Monthly PMT</b>	<b>Loan Affordability</b>	
If Revenue Drops 10% = House values drop	\$1,302,648,480.00	\$38,770,000.00	\$7,582,390,000.00	
If Revenue Drops 20%	\$1,157,909,760.00	\$34,666,000.00	\$6,783,487,874.02	
Every 10% drop supports \$798,902,125 less bonds = Deficit			\$798,902,125.98	
Current bond raises create the gap of funding or Deficit			\$240,000,000.00	
<b>Total loss (Deficit) on just 10% = Home Value or Mil Rate goes up = more fraud</b>			\$1,038,902,125.98	
Note: Outstanding bond debt today does not include off balance sheet, 313, Energy, Investment Pools financing.				
Note: No CUSIPS to verify bonds				
<b>THE CAD SOFTWARE WOULD HAVE TO ALLOW THE VALUES TO DECLINE PER THE MARKET BUT IT WONT = FRAUD</b>				
<b>Current (alleged) SD Bonds for Denton County (no cusips, no notes, made up budgets, no sources and uses)</b>				
Face Value of Bonds Today (source BRB) DC	\$14,931,000,000.00			
Annual Interest Rate	5.25%			
Period of Bonds (years)	30			
Payment Monthly	1			
Monthly Bond Payment	\$82,449,534.77			
Total Bond Payment	\$29,681,832,516.05			
Total Bond Interest	\$14,750,832,516.05			
What the bonds pay for today costs many times more tomorrow.				
<b>THE BONDS ARE ROLLED UP AND ROLLED OUT SEE THE EFFECT ON THE COMPOUND INTEREST CALCULATOR</b>				
Effective Cost increase for depreciated parts	98.79%			
<b>The confidence interval at the State Comptroller is a fraud designed to feed the ratings agencies</b>				
As of 9/5/2025 Austin home values are down approx. 20% since the peak in 2022 yet the tax revenues have gone up = FRAUD				

## Compound Interest Calculator – Denton County School Districts Bonds, for example

Here is an example of the alleged \$14.9 Billion in bond debt for Denton county schools. (This is the figure provided by the BRB.) After the compound cumulative interest the true cost of debt explodes, to over \$128 Billion, which is the equivalent of a future debt of approximately \$372,340 per Denton County household.

### Exhibit 22 – Compound Interest Calculator for 14.9 Billion Bond Debt of Denton County Schools



The term cumulative compounding is another term that Mr. Vexler came up with to help describe the equity stripping of Mom and Pop because it is the opposite of an amortization schedule which pays off overtime. The mortgage on a typical home pays off over a set time. However, the real estate taxes have reversed and stripped out the equity build up of what would be the normal amortization of the mortgage. If the debts of the government (Local and Federal) are rolled out and interest rates rolled up, that is the cumulative compounding effect which in fact is fraud by omission created by State level entities including the Attorney General, State Auditor, State Comptroller which failed to oversee the actions of the School Districts and their owned Central Appraisal Districts and ARBs. The intent to defraud is laid bare when no school district that utilizes bonds, and no bond underwriter that we have seen yet has produced a bond schedule, balance sheet with proper notes, CUSIP schedule, and a source and uses. These are the items that forensic accountants, and the oversight entities mentioned above should have which culminate in a Probability of Default analysis, which so far we have not seen responsive from any of the oversight entities. In addition to the fraud created by the local Taxing Entities (School Districts) and the CADs, as facilitated by the ARBs, the Federal Reserve created another layer of fraud known as inflation, both of which impact the ability of property owners to pay the real estate tax and survive. In other words, the FED and the CADs are both purveyors of fraud on a mass scale and the CADs tax both frauds.

As an important note, which one of the banks and or underwriters who sold the school bonds to the Pensions, 401Ks, Mom and Pop and even the hidden “investment pools” on the school districts balance sheet, did the due diligence on the source of the revenue paid to the Taxing Entities / School Districts, to determine that the underlying tax receipts were created by fraud (over valuation resulting in over taxation)? Who is the bond underwriter and what are their associated liabilities?

The Suit filed by Mr. Vexler against DCAD and individuals unwinds the intentional layering of complexity, which subterfuge is designed by highly compromised individuals, and entities to defraud real estate taxpayers in violation of the Texas Constitution, and a multitude of other State and Federal laws and thus the **Request for Remand.**

DCAD, it's Board and employees, and the ARB have violated the requirements and laws of each of its affiliated entities and those entities chose to turn a blind eye to the fraud, which makes them a co-conspirator in a conspiracy to commit fraud.

It is DCAD's documents and the documents of its governing bodies which form the basis of our analysis. In plain language, it is their documents, audio recordings, press releases, videos, depositions, and certifications. It is their documents and their testimony. They have no defense.

By applying proper statistical analysis to DCAD’s documents, the truth that is hidden by DCAD and its co-conspirators becomes evident as outlined within the corners of this Amicus Brief.

The non-enforcement of laws by the very creators of those laws, creates the circumstance to allow arbitrary, capricious, abuse of discretion and multiple violations of Law (State and Federal) to occur, just as DCAD, JCAD, HCAD and many others have proven it can be done, until caught. The pattern and practice are crystal clear. DCAD and many other CADs including their ARBs have now been caught. The Supreme Court of Texas via this Amicus Brief, now has the knowledge of what was done and the obligation in law to prohibit further violations of law and thus the **Request for Remand.**

The only denominator that matters is the median household income. Nothing else!

We are at the clear tipping point. This is not sustainable. There is no alternative but to repeal the real estate taxes in favor of a Uniform States Sales Tax. Where will the money come from to cover the local school

districts bond debt per household being between \$50,000 (Houston) and \$235,000 (Argyle Texas) per household at an amortized cost of roughly \$2,507 per month at 6.25% for the next 25 years above the current household income and that assumes all bond raises stop today? The money does not exist. The State of Texas, by lack of enforcement, chose to put the success of its Citizens last in favor of debt that cannot be paid back because they did not contain the excessive spending and creation of bond leverage as the coverup to the compounding fraud. (See Exhibits 13 and 14, FOIA request to Attorney General of Texas and investigation request to Texas State Auditor and Exhibit 23 email response from Office of Attorney General.)

Capping tax increases via the Circuit Breaker, Homestead Exemptions (see Exhibit 24), ARB Panels are not dealing with the root cause and were only created out of ignorance to push the can down the road and that had a major cost on the property owners which has cumulatively compounded. The politicians can no longer bury their head in the sand and or create more counter-productive measures and all must take an active role in eliminating the real estate taxes in favor of a Uniform States Sales Tax.

Constitutional History and current evidence of DCAD and Texas CADs and their co-conspirators show us that Market Value cannot and should not ever be in the determination purview of any governmental agency. Market Value is not a fact and is subjective in nature. A confirmed closed sale of the property in question creates a factual and objective determination from which taxes (income and capital gains) can be determined.

"The purpose of a lock on a door is to stop an honest man from temptation". The same can be said for rules & laws. They are in fact locks on the door. Either the laws of USPAP, Texas Constitution, The Constitution of the United States of America, Texas Property Code, Texas Administrative Procedures Act, Mass Appraisal Standards, IAAO, TAAO, Texas State Comptroller & TDLR exist and are adhered to, or they don't, and have no meaning in favor of fraud. Unfortunately, the lack of enforcement has placed the Supreme Court of Texas in the position of having to understand the criminality of ignoring the law and why the repeal of the real estate taxes is necessary in order to prohibit the bankruptcy of 37%+ of Texas households and thus the **Request to Remand**.

As part of the history of the issues one must understand that when the State set up the ad-valorem taxing method it was corrupted from the very beginning by issuing and allowing property tax exemptions. No matter what type of exemption you want to call it, it creates an unfair and multi-tiered layered society. State leaders through bad legislation created a system of ranking and worth among its citizens.

When the State set up the Chapter 313 Agreements it simply showed reality that the state's previous funding system was flawed from the beginning. The government's only answer is to pile on more laws and statutes that further complicate things and make it impossible to keep up with how money is being spent and wasted. It also makes it impossible for the vast majority of property owners to understand what happened, why and who did it as a result of the intentional layering of complexities, all of which were designed to hide fraud.

### **313 Agreements**

In addition, there are multiple issues pertaining to conflict between state and federal law and legislation as follows:

- A. Chapter 313 Agreements award huge tax breaks to solar farm companies while the federal government is imposing tariffs on solar panels coming from China.
- B. The state Comptroller's office allows solar farm companies to use depreciation schedules for solar farms that have already received huge tax breaks from local school districts at the expense of taxpayers with 313 agreements.

- C. There are multiple issues with the depreciation schedules at the state level and what is reported at the federal level with the IRS regarding solar farm contracts.
- D. Taxpayers have been left out of the decision process as required by law when it comes to debt obligations and financial impact from Chapter 313 Agreements.
- E. The State and local school districts have hidden the cost of operating schools for decades by allowing and using off-balance sheet lease term agreements to fund multi-million-dollar energy contracts. These contracts violate the competitive bid requirements at all levels of government in the state including school districts. The recent investigation and conviction of multiple public officials in the Rio Grande Valley and the La Joya ISD (see Exhibit 25) are more proof the state of Texas has lost all control of what is going on in local school districts.

## HISTORY

If there was ever a time that the Constitutions of the United States of America and Texas Constitution should stand stronger, now more than ever, is that time. The Bill of Rights became part of the US Constitution on December 15, 1791, because James Madison and Thomas Jefferson understood the need to guard against the government's inclination to abuse its power.

**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**

**“Those who have the privilege to know have the duty to help”. Einstein**

**“They who can give up essential Liberty to obtain a little temporary Safety, deserve neither Liberty nor Safety”. Benjamin Franklin**

We pray that the Supreme Court of Texas will recognize the facts herein and realize the only solution to restore the balance sheet to the Property Owners, allowing them to own the land under their assets without taxation on property, and stop the cumulative compounding of fraud in school district bonds by the elimination of the real estate taxes in favor of the Uniform States Sales Tax and allow the **Request for Remand** to allow the case to proceed on its merits.

## CONCLUSION

**Roughly 9% (\$7,000.00) of a median income goes to real estate tax on homes.**  
**The average household (37% at risk of losing their home and 65% can't afford the claimed median home value) 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.**

Given the evidence, the quote written by James Otis Jr. in 1765 “no taxation without representation” is the parallel between then and now. In 1764, Otis wrote “...the very act of taxing, exercised over those who are not represented, appears to me to be depriving them of one of their most essential rights, as freemen; and if continued, seems to be in effect an entire disfranchisement of every civil right.” After the Stamp Act was implemented, he famously stated in a speech at the 1765 Stamp Act Congress “taxation without representation is tyranny”.

Office of the Attorney General – No Enforcement (see Exhibit 23)

Office of the Auditor – No Enforcement  
State Comptroller – No Enforcement  
TDLR – No Enforcement  
TALCB – No Enforcement  
Texas Governor – No Enforcement  
USPAP – No Enforcement  
IAAO – No Enforcement  
TAAO – No Enforcement  
Appraisal Foundation – No Enforcement  
School District Superintendents – Accounting Fraud leading to bond fraud  
Chief Appraisers – False Certifications and many other State and Federal Violations of law

Not repealing the real estate tax may have the effect of destroying the very fabric of everyday American life in that owning a home may be an impossibility for many people who strive to be owners and destroy any reason to own commercial property.

The relevance of the law itself is on trial, because of reckless abandonment. The American Dream of homeownership is on life support and thus the **Request for Remand**.

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

Extraordinary circumstances require extraordinary leadership.

Eliminating a corrupt bankrupt system and prohibiting future financial leverage in the school districts, so that it never happens again is crucial.

## **PART III – EXHIBITS**

### **EXHIBIT LIST**

	<u>page</u>
Exhibit 1 – October 12, 2023 DCAD Board Meeting	49
Exhibit 2 – February 15, 2024 DCAD Board Meeting	51
Exhibit 3 – Compare Certified Values of Denton County Overall vs Aubrey ISD	54
Exhibit 4 – Review of DCAD Certified Values from 2017 to 2023	55
Exhibit 5 - Denton County Home Affordability Reviewed 2023	21
Exhibit 6 – Godley Texas Example of Bond Debt & Cumulative Compounding	22
Exhibit 7 – School Bond Debt per Household, Texas Sample	23
Exhibit 8 – Comparison to Enron – School District Bond Practices	25
Exhibit 9 – Itasca Independent School District: Unlimited Tax School Building Bonds	29
Exhibit 10 - One Retail Center’s Appraisal Values by Date, 2015 – 2023	35
Exhibit 11- Review 2023 Values for 3 Apartment Properties	36
Exhibit 12 – Falsified 2021 Tax Roll Certifications Falsified	57
Exhibit 13 - Request for Information to Texas Office of Attorney General	60
Exhibit 14 - Request for Investigation to Texas State Auditor’s Office	73
Exhibit 15 - Sampling of Texas Property Tax Delinquencies	37
Exhibit 16 – CADs Compared in Affordability Testing	38
Exhibit 17 – Estimating Real Estate Tax as a Percent of Median Household Income in. U.S.	39
Exhibit 18 - 2022 DCAD Income Calculation Worksheet Reviewed (aka Tab L)	76
Exhibit 19 - June 15, 2023 DCAD Board Meeting	78
Exhibit 20 – Email from State Comptroller, 11/10/22	40
Exhibit 21 – Estimating Effect on Bonds of 10% Drop in Property Values	42
Exhibit 22 – Compound Interest Calculator: \$14.9 Billion Bond Debt of Denton County Schools	43
Exhibit 23 – Email Response from Office of Attorney General (OAG), 8/29/25	80
Exhibit 24 – Article: Circuit Breaker & Homestead Exemption... more fuel to the fraud fire	81
Exhibit 25 – Press Release, Justice.gov: Former LaJoya official convicted in bribery scheme	84

## Exhibit 1 – October 12, 2023 DCAD Board Meeting

### Partial Transcript & Notes

[https://irp.cdn-website.com/39439f83/files/uploaded/10-12-23\\_BOD\\_meeting\\_-\\_manipulating\\_records-051524.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/10-12-23_BOD_meeting_-_manipulating_records-051524.pdf)

Audio Recording can be found at on [www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad).  
Once on this page, search for October 12, 2023 DCAD Board Meeting and play.  
The audio recording can also be downloaded from the meeting page at dentoncad.com.

Transcript linked to website above was expanded to include minutes 41:18 – 46:03; see below.

**In the October 12th 2023 DCAD Board of Directors Meeting, Deputy Chief Appraiser Chris Littrell, Deputy Chief Appraiser Jeanne Ashlock, & Chief Appraiser Don Spencer tell the board they perform software “work arounds,” are “manipulating” the property tax value data, and later discuss that they are raising values on 3 ISD’s to get into “confidence interval” for State.**

<https://www.dentoncad.com/wp-content/uploads/2023/11/Board-Recording-101223-1.mp3>

- **Minute 27:11 to 28:47: Deputy Chief Littrell discusses visit to Bexar CAD & the CADs sharing "work arounds" in the CAMA software programs.**
- **Minute 31:06 to 33:28: Deputy Chief Jeanne Ashlock discusses correcting value info "outside" of the software.**
- **Minutes 36:38 to 39:30: Chief Appraiser Don Spencer justifies & discusses correcting 60,000 property record values outside of the software by exporting, changing & re-loading data. Tax Assessor Collector Michelle French comments on the enormity of the task being done in excel and on the potential for error.**
- **Minutes 41:18 – 46:03: Spencer discusses raising market values for properties of 3 ISDs that in 2021 & 2022 had fallen below the Comptroller’s confidence interval (95% to 105%).**

### **Software Work Arounds & Data Manipulation:**

Deputy Chief Appraiser, Chris Littrell, Minute 27:11 – 28:47: DCAD staff are going to Bexar CAD to learn everything they can about their operations. DCAD has been communicating with Bexar CAD this past year regarding CAMA system problems. **“There's a lot of workarounds that have to happen with our current software program.** So, we're calling them, what's your fix? They're asking us what's your fix, and together we're trying to formulate those ideas of how... we improve when things are just limited with what we have.”

Deputy Chief Appraiser, Jeanne Ashlock, Minute 31:06 – 33:18: Ashlock says that DCAD is addressing software issues “outside” of the software system because it cannot provide the correct value info for tax billing. Employee, Rebecca, has to go in and correct data “on the back end.”

Deputy Chief Appraiser, Jeanne Ashlock, Minute 36:10: Jeanne Ashlock comments about not contacting software vendor... “Honestly, we really haven’t reached out to them much, because luckily, we have Rebecca that has taught herself really. **She has kinda had to, how to do things in the database.”**

Chief Appraiser, Don Spencer, Minute 36:38 – 37:45: Don Spencer justifies Rebecca **“running the process outside of the software”** because of trying to meet deadline, had to make business decision, and that he can trust her process. And continues **“even as unfortunate as is because what she's having to do is pull data out of the system, manipulate the data, and then put it back into the system...”**

Chief Appraiser, Don Spencer, Minute 38:21: Spencer says over 60,000 properties are being corrected outside of the software by Rebecca.

Tax Assessor Collector, Michelle French, Minute 38:42: Michelle French discusses the complexity of Rebecca's work in excel with these records and that the "**potential for any type of error just exponentially explodes.**"

Chief Appraiser, Don Spencer, Minute 39:07: Spencer says Rebecca has to take "extra step once she's put it back in" to check for errors. [39:30]

### **Property Study Findings: Raising Values on 3 ISDs (Aubrey, Pilot Point & Sanger) Outside of Confidence Intervals:**

Minute 41:18 – 46:03: Spencer discusses market values for properties of 3 ISDs in 2021 & 2022 have fallen below the Comptroller's confidence interval (95% to 105%). 2022 was close at 94%. If fall below for a 3<sup>rd</sup> year, State will "assign" their value, and State values have been historically higher. If assigned this higher value the "long funding formula" calculations will indicate a higher tax revenue being generated, meaning they won't need as much funding. "The school district could be harmed through this process." He goes on to say the valuations for the area of these ISDs, in Northern Denton County, were hit harder than other areas. "**We really raised the values, to try to get to what we can see as market value. And I feel confident that we're going to be back in.**" (He feels they will be back in the confidence interval with/for the State.)

## Exhibit 2 – February 15, 2024 DCAD Board Meeting

### Partial Transcript & Notes

[https://irp.cdn-website.com/39439f83/files/uploaded/02-15-24\\_BOD\\_Meeting\\_-\\_PVS\\_results\\_-\\_masters\\_of\\_guessing.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/02-15-24_BOD_Meeting_-_PVS_results_-_masters_of_guessing.pdf)

Audio Recording can be found at on [www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad).  
Once on this page, search for February 15, 2024 DCAD Board Meeting and play.  
The audio recording can also be downloaded from the meeting page at [dentoncad.com](http://dentoncad.com).

**In the February 15<sup>th</sup> 2024 DCAD Board Meeting Chief Appraiser Don Spencer praises himself & his team for getting the values where they needed to be, particularly the 3 school districts that had been flagged as invalid in 2021 & 2022, and passed the 2023 Property Value Study by the State.**

**Board members compliment Spencer for this accomplishment, with one member saying, “they are truly masters at guessing.”**

<https://www.dentoncad.com/wp-content/uploads/2024/02/021524.mp3>

#### Spencer:

The preliminary findings came back from the [00:02:07] Comptroller's office, it was about 2:00, I think on January 31st when those were released. And I looked through those and happy to report that that all, all of the school districts, all 17 ISDs in Denton County were found to be local and valid. And so that's a good thing. You'll recall back last fall I had to come to you with a report that you know, we had three school districts that were never actually invalid on the findings and then we're out and in your second year of grace which meant that they were in jeopardy of you know possibly losing school or state funding, state aid, and so through the 2023 property value study we were able to get those values where within the confidence interval and back up into valid findings [00:03:07] from the state. Just you're really quick snapshot, or just pulled down the numbers from 2021's property value study and the 2023 that just wrapped up. And when you just look at the countywide average overall, the median level of the appraised value for Denton County in 2021 was a point nine seven and that that number is a percentage of you know, what they determined to be the median level of appraised value over or under and that confidence interval for us is five percent. So, it's either 5% higher or 5% lower we have to fall, you know, so even if 2021 when we had three school districts out, with really overall, we were only three percent low, but we were still in those three school districts, we were out we were actually I think about a 93 percent or so on those and in 2023, it is [00:04:07] at 100 so right in the middle. It was about a nine on the coefficient, coefficient of dispersion, which is kind of the measure of central tendency on how those fall, and the lower that number is, the better you're doing on your appraisals. So just for conversations sake, you know, a really good cod for a residential property is somewhere in the ballpark of anywhere 25 to you know, 10-12 percent and Commercial properties are typically up between 12 to 18 %, but our overall average on the cod was a 9.

So again, it was just a, it was it was a really good result to the property value study. I was extremely proud of the staff and hard work that they did to get those values back in line for that for that value [00:05:07] study.

#### Board member:

What was the issue with the 3 school districts, one issue, or was it a combination of things?

#### Spencer:

It was a, I mean it really is, you know, because, so in depending on the, depending on the overall population of the, in the makeup of the school district, it determines what is, what categories are actually studied. They have to have a certain percentage of value of a category to actually be studied. And those three school districts Sanger, Pilot Point, Aubrey are more rural districts that don't have a whole lot of commercial and personal property, you know, so there's a lot more weight on residential values to be able to, you know, come in within that confidence interval and so vacant land and non-qualifying vacant land and Residential Properties were really the two main categories that were of issue in those three school districts. And we were we were just low, which is not uncommon, you know, [00:06:07] I mean typically our appraisals. I mean we're looking at a trailing set of data to be able to you know, value something on January the first, effective data as of January first, were typically looking at the last 12 months, the previous 12 months worth of sales data. And everybody around here in Denton County has got to have seen over the last three years, the you know, the astronomical increase in the market, you know, I mean it was, it was trending, it was it was trending up, you know at a clip of 20-25 percent a year, there are over, you know, two or three years time. And so when it's increasing that quickly and you're looking at, at trailing data, it's really hard, you know to develop good time adjustments to bring those, you know, those sales adjustments to match what you feel like the January 1 number would be, and so that just creates a challenge. And so, I mean honestly, I think [00:07:07] Statewide CADs struggle with you know, trying to be at market value at 100% or market value as of January 1 because they just don't have enough data that's concentrated around that January 1 number to really give them a good picture of it. But so yeah, and thankfully, in this study are Residential Properties were back up, you know anywhere between 98 and 103 and are vacant land was, was right at 100% as well in the study. So, they did a great job, you know...

Board member (male):

Congratulations

Spencer:

Thank you

Board member (female):

Did the three districts, did you, have you really communicated with them, and they realized this and they're really pleased, or is this just another happening?

Spencer:

.... well, I mean it's you know, it's our job, you know, and as an expectation for us to hit the mark.

Board member (female):

But we weren't.

Spencer:

But they I mean, you know, as soon as I found out, [00:08:07] I mean, you know, all let all the school districts know. I mean that's a, you know, it's a great thing to be able to communicate that to your, to your ISDs, your superintendents.

Board member (female):

It's a real compliment.

Board member (male):

With all the things they're worried about.

Board member (female):

Yeah, but this is a compliment to the staff that they got that.

Board member (male) (Minute 8:23):

Real compliment to the staff too is, this is not a full disclosure State and a lot of these sales on a lot of these big tracks aren't disclosed, so they, they are, **they are truly masters at guessing.**

Board member (female):

Good. Thank you.

Spencer:

But yes, to answer your question. That was that was the first email that I sent was... (someone talking over him) ... out to the ISDs, it was a good feeling to be able... (lots of coughing)... to send that out, and to be to send it out and let the staff know, you know, how well of a job they have done. You know, I mean, they, they conquered 2 really huge [00:09:07] tasks last year. They certified the appraisal roll on time and then we passed the property value study, going through that, so you know hats off to the staff here. They did a tremendous job, I couldn't be more proud of them.

Minute 09:18

### Exhibit 3 – Compare Certified Values of Denton County Overall vs Aubrey ISD

<https://irp.cdn-website.com/39439f83/files/uploaded/Compare%20Cert%20Vals%20DC%20vs%20AubreyISD%202018-2023-103023.pdf>

In 2023, the Chief Appraiser “really raised the values” of 3 ISD jurisdictions, Aubrey ISD being one of them. Their home values increased 60% higher in 2023 than Denton County overall, the dead-line year (the 3<sup>rd</sup> year) per the State’s Property Value Study report valuation requirements.  
(Also see related Exhibits 1 and 2.)

Review & Analysis of DCAD Certified Total Reports																	
Compare SF Residential: Denton County (G01) vs Aubrey ISD (S02)																	
Years Reviewed: 2018-2023																	
DENTON COUNTY (G01) DATA																	
Within 6 years the home total values doubled, while parcel count only increased 21%, & avg home value increased by 72%.																	
Single Family Residential	2018	2019	2019 % chg	total of % chgs	2020	2020 % chg	total of % chgs	2021	2021 % chg	total of % chgs	2022	2022 % chg	total of % chgs	2023	2023 % chg	total of % chgs	2023 v 2018 compared
SF Res Market Value	67,155,690,612	72,630,630,793	8.15%	8.15%	77,568,232,505	6.80%	14.95%	86,157,085,509	11.07%	26.02%	111,182,018,768	29.05%	55.07%	140,068,923,743	25.98%	81.05%	2.09
SF Res Property Count	225,099	233,272	3.63%	3.63%	244,887	4.98%	8.61%	253,564	3.54%	12.15%	267,603	5.54%	17.69%	272,464	1.82%	19.51%	1.21
SF Res Avg Mkt Value	298,338	311,356	4.36%	4.36%	316,751	1.73%	6.10%	339,784	7.27%	13.37%	415,474	22.28%	35.64%	514,082	23.73%	59.38%	1.72
AUBREY ISD (S02) DATA																	
Within 6 years the home total values tripled, while parcel count doubled, & avg home value increased by 73%.																	
Single Family Residential	2018	2019	2019 % chg	total of % chgs	2020	2020 % chg	total of % chgs	2021	2021 % chg	total of % chgs	2022	2022 % chg	total of % chgs	2023	2023 % chg	total of % chgs	2023 v 2018 compared
SF Res Market Value	780,634,874	862,918,331	10.54%	10.54%	984,261,630	14.06%	24.60%	1,227,459,192	24.71%	49.31%	1,821,052,580	48.36%	97.67%	2,640,333,173	44.99%	142.66%	3.38
SF Res Property Count	3,587	3,933	9.65%	9.65%	4,348	10.55%	20.20%	5,130	17.99%	38.18%	6,686	30.33%	68.51%	7,025	5.07%	73.58%	1.96
SF Res Avg Mkt Value	217,629	219,405	0.82%	0.82%	226,371	3.18%	3.99%	239,271	5.70%	9.69%	272,368	13.83%	23.52%	375,848	37.99%	61.51%	1.73
Compare the Increase in Average Market Value from 2022 to 2023.																	
Aubrey ISD Average Market Values were raised much higher comparatively.																	
Aubrey ISD Denton County																	
37.99% 23.73%																	
=																	
160.08%																	
or																	
60.08%																	
higher																	
Average Market Values of homes were on average raised at a rate of 60% higher for Aubrey ISD as compared to Denton County overall.																	
Above aligns with Spencer's statements in the 10/12/23 DCAD Board Meeting regarding 3 ISDs that were outside the State's confidence interval for 2 years.																	
The Appraisal District has been raising values higher and or faster in Aubrey ISD to satisfy the State's Ratio Study (Property Value Studies, PVS) & School Funding parameters.																	
Note, the Ratio Study in recent years is flawed; PTAD does not understand or recognize the fraud being committed by DCAD in the appraisal value process.																	
Furthermore, PTAD (State Comptroller) is not performing appraisals. How would they know what the values should be?																	

## Exhibit 4 – Review of DCAD Certified Values from 2017 to 2023

[https://irp.cdn-website.com/39439f83/files/uploaded/Review\\_Certified\\_Totals\\_2017-2023-Over\\_Value-Tax-051624.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/Review_Certified_Totals_2017-2023-Over_Value-Tax-051624.pdf)

Review & Analysis of DCAD Certified Total Reports										* NOTE - Using an estimated tax rate of 2%; the taxing entities combined tax rates were over 2% in 2017 & now for 2023 in many Denton County areas it is below 2%.													
DCAD Entity Code Category: Denton County (G01)																							
Years Reviewed: 2017-2023																							
Inflation Rate/CPI		2017	2018	2019	2020	2021	2022	2023	Total														
Federal Reserve Bank & macro trends.net		2.13%	2.44%	1.81%	1.23%	4.70%	8.00%	4.00%	24.31%														
										In 7 years property values more than doubled, while parcel count only increased about 5 %.													
Base Year for this Analysis		2018	2018	2019	total of	2020	total of	2021	total of	2022	total of	2023	total of	2023 v 2018	compared								
Denton County (G01)		2017	2018	% chg	% chgs	2020	% chg	% chgs	2021	% chg	% chgs	2022	% chg	% chgs	2023	% chg	% chgs	2023 v 2018	compared				
Total Market Value		103,497,389,522	113,632,720,032	9.79%	10.36%	125,402,432,476	9.92%	20.15%	134,865,685,640	7.55%	27.70%	147,700,043,813	9.52%	37.21%	183,201,173,329	24.04%	61.25%	226,645,332,214	23.71%	84.96%	2.19		
Total Taxable Value		88,330,714,230	98,442,492,384	11.45%	9.92%	108,204,034,359	9.92%	21.36%	115,693,123,870	6.92%	28.28%	127,010,590,822	9.78%	38.07%	149,854,372,945	17.99%	56.05%	177,207,953,929	18.25%	74.31%	2.01		
Total Property Count		446,273	463,166	3.79%	3.29%	478,418	3.29%	7.08%	488,087	2.02%	9.10%	448,531	-8.10%	1.00%	458,600	2.24%	3.24%	470,529	2.60%	5.84%	1.05		
Avg Market Value		231,915	245,339	5.79%	6.84%	262,119	6.84%	12.63%	276,315	5.42%	18.04%	329,297	19.17%	37.22%	399,479	21.31%	58.53%	481,682	20.58%	79.11%	2.08		
Over-Valuation on Mkt Value by DCAD: 2017-2023		2023 Avg Mkt Value	481,682	=	207.70%	which is a...	107.70%	vs	24.31%	=	83.39%	DCAD Mkt Value Over-Valuation											
Over-Taxation by DCAD: 2017-2023		88,330,714,230	X	1.2431	=	109,803,910,859	vs	177,207,953,929	=	67,404,043,070	x	2.00%	=	1,348,080,861	Amount Over-Taxed								
Over-Valuation on Taxable Value by DCAD:		2023 Avg Mkt Value	481,682	=	207.70%	which is a...	107.70%	vs	24.31%	=	83.39%	DCAD Mkt Value Over-Valuation											
2 Specific Denton County Groups Reviewed:		In 6 years the home total values doubled, while parcel count only increased 21%, & avg home value increased by 72%.																					
Single Family Residential		2017	2018	2019	2020	2021	2022	2023	2023 v 2018	compared													
SF Res Market Value		not avail	67,155,690,612	72,630,630,793	8.15%	8.15%	77,568,232,505	6.80%	14.95%	86,157,085,509	11.07%	26.02%	111,182,018,768	29.05%	55.07%	140,068,923,743	25.98%	81.05%	2.09				
SF Res Property Count		not avail	225,099	233,272	3.63%	3.63%	244,887	4.98%	8.61%	253,564	3.54%	12.15%	267,603	5.54%	17.69%	272,464	1.82%	19.51%	1.21				
SF Res Avg Mkt Value		not avail	298,338	311,356	4.36%	4.36%	316,751	1.73%	6.10%	339,784	7.27%	13.37%	415,474	22.28%	35.64%	514,082	23.73%	59.38%	1.72				
Over-Valuation of Mkt Value by DCAD: 2018-2023		2023 Avg Mkt Value	514,082	=	172.32%	which is a...	72.32%	vs	22.18%	=	50.14%	DCAD Mkt Value Over-Valuation											
Over-Taxation by DCAD: 2018-2023		67,155,690,612	X	1.2218	=	82,050,822,790	vs	140,068,923,743	=	58,018,100,953	x	2.00%	=	1,160,362,019	Amount Over-Taxed								
		* note: analysis ignores exemptions & homestead tax limitations *																					
Commercial Real Prop F1		2017	2018	2019	2020	2021	2022	2023	2023 v 2018	compared													
Comm F1 Market Value		not avail	13,775,496,842	15,577,500,433	13.08%	13.08%	16,910,507,051	8.56%	21.64%	18,035,500,952	6.65%	28.29%	19,713,755,056	9.31%	37.60%	23,563,713,586	19.53%	57.13%	1.71				
Comm F1 Property Count		not avail	8,069	8,260	2.37%	2.37%	8,856	7.22%	9.58%	8,784	-0.81%	8.77%	8,839	0.63%	9.40%	9,086	2.79%	12.19%	1.13				
Comm F1 Avg Mkt Value		not avail	1,707,212	1,885,896	10.47%	10.47%	1,909,497	1.25%	11.72%	2,053,222	7.53%	19.24%	2,230,315	8.63%	27.87%	2,593,409	16.28%	44.15%	1.52				
Over-Valuation of Mkt Value by DCAD: 2018-2023		2023 Avg Mkt Value	2,593,409	=	151.91%	which is a...	51.91%	vs	22.18%	=	29.73%	DCAD Mkt Value Over-Valuation											
Over-Taxation by DCAD: 2018-2023		13,775,496,842	X	1.2218	=	16,830,902,042	vs	23,563,713,586	=	6,732,811,544	x	2.00%	=	134,656,231	Amount Over-Taxed								

**Exhibit 5 - Denton County Home Affordability Reviewed 2023**  
**page 21**

**Exhibit 6 – Godley Texas Example of Bond Debt & Cumulative Compounding**  
**page 22**

**Exhibit 7 – School Bond Debt per Household, Texas Sample**  
**page 23**

**Exhibit 8 – Comparison to Enron – School District Bond Practices**  
**page 25**

**Exhibit 9 – Itasca Independent School District: Unilimited Tax School Building Bonds**  
**page 29**

**Exhibit 10 - One Retail Center's Appraisal Values by Date, 2015 – 2023**  
**page 35**

**Exhibit 11 - Review 2023 Values for 3 Apartment Properties**  
**page 36**

## **Exhibit 12 – Falsified 2021 Tax Roll Certifications Falsified**

August 31, 2021 Denton County Commissioners Court Meeting, Partial Transcript

[https://irp.cdn-website.com/39439f83/files/uploaded/08-31-21\\_DCCC\\_Meeting\\_-\\_Vargas.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/08-31-21_DCCC_Meeting_-_Vargas.pdf)

**Lakewood Village Mayor, Mark Vargas, addressed Judge Eads at the Denton County Commissioner's Court Meeting on August 31<sup>st</sup>, 2021 regarding DCAD and Tax Assessor Collector's misrepresentation of the certified totals for 2021.**

**"DCAD put out the wrong numbers." "They know they are wrong." Says that properties still under appeal were counted and included in the certified totals. "They determined the outcome of the appeals that haven't happened yet." "So, everybody's certified totals in the county are wrong. They're all wrong." "That means Michelle French calculated the numbers wrong."**

<https://www.dentoncounty.gov/1344/Agendas-Minutes-and-Videos>

**(Note, Mr. Vargas also spoke at the September 2021 DCAD Board of Directors' Meeting.)**

**Mark Vargas:**

[00:2:59] Ok, thank you very much. My name is Dr. Mark Vargas. I'm the mayor of Lakewood Village. We are very happy to be back in Precinct one again.

I am, when I'm not the mayor I am an accounting professor. I'm actually one of only about 50 individuals in the world to ever get a PhD from Wharton in accounting. [00:03:19] So, I was very disturbed when I got the certified totals this year because they're all wrong. DCAD put out the wrong numbers. They know they're wrong and I need your help to try and get them to fix it. So, it's very simple, DCAD has a very simple kind of job. At the end of the year, they have to put out two numbers, what is certified, so what is complete and final and what is under review. If it's under review, they have to use the number which is last year's number. They're not allowed to use the Sky High number that they came up with, for instance for Lakewood Village. What DCAD did and they now admit you have the email. What they did was at the end of the term, the ones that were under appeal, they stuck them in certified. That's why every entity has no single family residential under review. If you look at your report, they stuck it in the certified totals. That's a violation of state law. The second thing they did was they determined the outcome of the appeals that haven't happened yet. They'd said this is what the appeals are going to end up at. So [00:04:19] we're going to put that number in instead of the lower bound. So, they've already determined that I'm going to have a 40 percent increase this year in my house. That's the number they gave Michelle French. So, everybody certified totals in the county are wrong. They're all wrong. We want them to recertify because you have to get the right numbers. That means Michelle French calculated the numbers wrong. Your voter approval rate is wrong. Your no new tax rate is wrong. Your INS rate is wrong. They're wrong for everybody. Okay, and that's because you don't have the right certified numbers. Lakewood Village, I will not put out numbers I know are false. So, we've told Michelle French not to certify our numbers because she has the wrong inputs, there wrong across the county. So, one solution is to get them to recertify, that's what you want them to do. Give everybody the correct numbers. They have the numbers. They're in their database. [00:05:19] They can pull a report and give everybody the new numbers that are correct. They don't want to do that. They want to run out the shot clock because they know we're all under the gun with the calendars with Publications and trying to get our stuff done and get the tax rates adopted. So, we may file suit for mandamus. We

hope that you would potentially look at that to force them to give you the right numbers, to do their job. So, Michelle can do her job. So, we can do our job. Thank you very much is I hope you can help us.

**Judge Eads:**

Thank you. Thank you very much. Thank you.

Michelle, did, I saw you stand up, did you want to speak? I will allow you to speak.

**Michelle French:**

[00:06:19]

If I may, I know that is maybe a little bit out of order here, but I just wanted to, to follow up with what Mr. Vargas said. By law, the tax assessor collector is to calculate the tax rates based upon the values that are provided to us. So, when Mr. Vargas says that I calculated wrong I want, I just want it to be known, that we calculated based upon the values that were provided to us, is what we have to do by law.

**Judge Eads:**

You're not in the evaluation department.

**Michelle French:**

That's correct. So, I just, for our, for our constituents that may be listening, I wanted to make sure, not about me, but about Everyone, that what was calculated was based upon the information that was provided to us.

**Judge Eads:**

Thank you for the clarification.

[00:07:09]

Exhibit 12 continued...

Sample Screen Shots of Property Protest Status Changes, Before & After Certification

<https://irp.cdn-website.com/39439f83/files/uploaded/LB31a-screenshot%20A-a59e0d26.pdf>

Event No.	Date / Time	Type	Description	Staff
6688225	7/8/2021 10:34 AM	Generate Default Evi...	\\files\voltp\pac..._otp\Evidence\1479\ARB-14 DAY RESPONSE	Jenna Simek
6688223	7/8/2021 10:35 AM	Generate Default Evi...	\\files\voltp\pac..._otp\Evidence\1479\ARB-RES REQUEST FO...	Jenna Simek
6688233	7/8/2021 10:35 AM	Evidence packet publ...	\\files\voltp\pac..._otp\Evidence\1479\EvidencePacket_479237...	Jenna Simek
6688234	7/8/2021 10:35 AM	Email Created	Email generated for ARB protest - Notification of publication of the...	Jenna Simek
6734232	7/9/2021 05:13 PM	Email Created	Email generated for ARB protest - Notification for change of status.	joyce
6734233	7/9/2021 05:13 PM	Online settlement offe...	An online settlement offer was made by joyce	joyce
6734234	7/9/2021 05:13 PM	Email Created	Email generated for ARB protest - Notification of no settlement offer.	joyce
6734235	7/9/2021 05:13 PM	Status Changed	Status changed from E.D to OND OFFER	joyce
7002902	7/22/2021 05:10 PM	Status Changed	Status changed from OND OFFER to 53Ro	Robert.Odesh
7002903	7/22/2021 05:10 PM	Protest Closed	ARB Protest closed by Robert.Odesh	Robert.Odesh
7002904	7/22/2021 05:10 PM	Email Created	Email generated for ARB protest - Notification of final appraised v...	Robert.Odesh
7037183	7/23/2021 11:08 AM	Status Changed	Status changed from O to 53Ro	Robert.Odesh
7037184	7/23/2021 11:08 AM	Protest Closed	ARB Protest closed by Robert.Odesh	Robert.Odesh
7037185	7/23/2021 11:08 AM	Email Created	Email generated for ARB protest - Notification of final appraised v...	Robert.Odesh
7140405	10/6/2021 10:43 AM	Email Created	Email generated for ARB protest - Notification for hearing date sc...	Liz.Yarbrough
7147054	10/12/2021 02:34 PM	Status Changed	Status changed from 13PPT to 13CHD	Liz.Yarbrough
7173943	11/2/2021 05:39 PM	Status Changed	Status changed from 13CHD to 1ARBNO SHOW	beac
7173944	11/2/2021 05:39 PM	Protest Closed	ARB Protest closed by beac	beac
7173945	11/2/2021 05:39 PM	Email Created	Email generated for ARB protest - Notification of final appraised v...	beac

Exhibit 12 continued...

<https://irp.cdn-website.com/39439f83/files/uploaded/LB31b-screenshot%20B-97f01849.pdf>

Case No. 77314 (for 2021)

Property	21563	SD 0063A-000008-0000-0038-0000	Nthd / Appt	DC05003 / TAMARAH
Owner	ROBERTS BRAND INVESTMENTS LLC		PTD / Type	A1 / Residential
Legal	DANIEL BLK B LOT 38		Ent/Ex	CD5, CAD, G01, S05
Status	1017 DENTON ST DENTON, TX 76201-2887		Agent	

Event: ALL

Event No.	Date / Time	Type	Description	Staff
6367340	6/19/2021 12:24 PM	Protest Created	ARB Protest created by Liz Yarbrough	Liz Yarbrough
6638028	7/8/2021 10:26 AM	Generate Default Evi...	Wiles\volp\pac..._oltp\Evidence\1479\Default Sales Comp Grid...	Jenna Simek
6638034	7/8/2021 10:26 AM	Generate Default Evi...	Wiles\volp\pac..._oltp\Evidence\1479\Default Equity Comp Grid...	Jenna Simek
6638036	7/8/2021 10:26 AM	Generate Default Evi...	Wiles\volp\pac..._oltp\Evidence\1479\2021 ARB HEARING INF...	Jenna Simek
6638040	7/8/2021 10:26 AM	Generate Default Evi...	Wiles\volp\pac..._oltp\Evidence\1479\ARB-14 DAY RESPONSE...	Jenna Simek
6638045	7/8/2021 10:27 AM	Generate Default Evi...	Wiles\volp\pac..._oltp\Evidence\1479\ARB RES REQUEST FO...	Jenna Simek
7011005	7/22/2021 05:19 PM	Status Changed	Status changed from TAPFF to SCHED	Robert Odeph
7011006	7/22/2021 05:19 PM	Protest Closed	ARB Protest closed by Robert Odeph	Robert Odeph
7134905	10/1/2021 03:57 PM	Status Changed	Status changed from TAPFF to SCHED	Liz Yarbrough
7148360	10/13/2021 11:58 AM	Distribute Value	ARB Value distributed by System	Allan Thomas
7148361	10/13/2021 11:58 AM	INFORMAL SIGNED ...		Allan Thomas
7148362	10/13/2021 11:59 AM	Distribute Value	ARB Value distributed by System	Allan Thomas
7148363	10/13/2021 03:36 PM	Distribute Value	ARB Value distributed by System	Allan Thomas
7148367	10/13/2021 03:36 PM	Protest Closed	ARB Protest closed by Allan Thomas	Allan Thomas
7148368	10/13/2021 03:36 PM	Status Changed	Status changed from SCHED to TAPFF	Allan Thomas

## Exhibit 13 - Request for Information to Texas Office of Attorney General

<https://irp.cdn-website.com/39439f83/files/uploaded/082625-Signed+Copy-TX+FOIA+Request+by+Vexler+w+TX+AG+Cover.pdf>

August 26, 2025

Attorney General Ken Paxton  
Office of the Attorney General  
300 W. 15<sup>th</sup> Street  
Austin, TX 78701

Dear Attorney General Paxton:

Enclosed please find a revised formal request submitted under the Freedom of Information Act (FOIA) and Texas open records laws.

This Freedom of Information Act request is the result of information obtained over several years including via lawsuits, stonewalling by government entities, and information coming to me from across Texas which evidence of oversight failure leads to a realization that the culmination is a Societal Issue. It is my sincere desire to obtain the information requested herein in an effort to head off a major economic issue regarding bond financing for the school districts and the State of Texas while simultaneously provide a workable solution. One would suggest, that you can't fix what you can't see. For the benefit of all, this request under the Freedom of Information Act, has been assembled.

This request seeks records, audits, verifications, and opinions related to the oversight of Central Appraisal Districts (CADs), the State Comptroller's property tax administration, the School Districts interactions with the CADs and related enforcement actions.

To ensure clarity, this request specifically applies to the period of January 1, 2017 through August 1, 2025. The term "records" includes, but is not limited to, emails, correspondence, memoranda, reports, audits, complaints, resolutions, communications, databases, spreadsheets, and any written or electronic materials. This includes records involving any Central Appraisal District in Texas, including but not limited to Denton CAD.

The purpose of this request is to ensure transparency, accountability, and compliance with state and federal law in the administration of property taxation in Texas. The requested records concern oversight authority, enforcement practices, appraisal accuracy, bond financing, affordability impacts, and allegations of fraud or improper conduct within appraisal districts.

We respectfully ask that responsive records be provided electronically, if available. If any part of this request is denied, please include the legal basis for the denial and release all segregable portions of responsive documents.

Thank you for your attention to this matter.

Respectfully submitted,

  
Mitchell Vexler, President G.P.  
Mavex Shops of Flower Mound LP  
& Mockingbird Properties  
1913 Justin Road Suite 117  
Flower Mound, Texas 75028  
Tel. 214-725-9013  
Email: [mitch@mockingbirdprop.com](mailto:mitch@mockingbirdprop.com)  
[www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad)

## Texas Public Information Act Request

**From:** Mitchell Vexler

**Date:** 8/26/2025

**To:** Public Information Coordinator, Office of the Attorney General of Texas

**Via:** Email & FedEx

[publicrecords@oag.texas.gov](mailto:publicrecords@oag.texas.gov)

Office of the Attorney General

Public Information Coordinator's Office – Mail Code 070

209 W. 14<sup>th</sup> Street

Austin, TX 78701

**To:** Office of the Attorney General

**Via:** FedEx

Office of Attorney General

Attorney General Ken Paxton

300 W. 15th Street

Austin, TX 78701

**Copied To:** Office of the Inspector General of Texas

**Via:** FedEx

Office of the Inspector General of Texas, North Austin Complex

4601 W. Guadalupe Street, Austin, TX 78751-3146

**Copied To:** Securities and Exchange Commission

**Via:** Email, FedEx & Hand Delivery

[Chairman@sec.gov](mailto:Chairman@sec.gov)

Securities and Exchange Commission, Chairman Mr. Paul S. Atkins

100 F Street, NE, Washington, D.C. 20549

**Copied To:** U.S. Department of Justice

**Via:** FedEx

U.S. Department of Justice, Attorney General Pamela Bondi

950 Pennsylvania Avenue, NW, Washington, D.C. 20530-0001

**Copied To:** Federal Bureau of Investigation

**Via:** FedEx

Federal Bureau of Investigation, Director Kash Patel

935 Pennsylvania Avenue, NW, Washington, D.C. 20535-0001

**Copied To:** USPS Office of the Inspector General

**Via:** FedEx

USPS Office of Inspector General, Inspector General Tammy Hull

1735 N. Lynn Street, Arlington, VA 22209

**Copied To:** Internal Revenue Service

**Via:** FedEx

Internal Revenue Service, Acting Commissioner Scott Bessent

1111 Constitution Avenue, NW, Washington, D.C. 20224

**Copied To:** Wall Street Journal

**Via:** Email

**Copied To:** Washington Counsel

**RE:** Request for Public Information (Freedom of Information Act Request) concerning Texas Office of Attorney General (OAG) oversight, communications, audits, and analyses related to Texas Central Appraisal Districts (CADs), the State Comptroller, school district bonds/finance, and related licensing and appraisal standards (2017–present).

## **Introduction**

This request is made under the Freedom of Information Act (FOIA) and applicable provisions of Texas open records laws. The undersigned respectfully requests records, audits, opinions, and verifications related to the oversight and enforcement of property tax administration, appraisal districts, and related entities in Texas.

For the purpose of this request, the term “records” includes, but is not limited to, emails, correspondence, memoranda, reports, audits, complaints, resolutions, communications, databases, spreadsheets, and any written or electronic materials. All records, including but not limited to emails, memoranda, and internal reports, that contain or are related to allegations concerning: a. Fraud or deceptive practices by Central Appraisal Districts or their employees; b. Violations of the Texas Property Tax Code; c. Conspiracy or oath of office violations by CAD or appraisal board members; d. Any communications referencing or related to Title 18 U.S.C. §1961 (Racketeer Influenced and Corrupt Organizations Act) or federal securities fraud allegations in the context of Texas municipal bond issues. This request applies to the time period from January 1, 2017 through August 1, 2025 unless otherwise noted.

## **Requested Records and Information**

1. All records and analysis by any and all school districts confirming that the Attorney General’s office has verified compliance of all Central Appraisal Districts (CADs), including but not limited to Denton CAD, with Title 18 U.S.C. §1512.
2. All records confirming the Attorney General’s enforcement authority over CADs and supporting documentation regarding the Comptroller’s statutory authority over property tax administration.
3. All records describing the Attorney General’s audit processes for:
  - a. Oversight of the State Comptroller’s administration of property tax.
  - b. Oversight of school districts’ preparation and advertising of bonds.
4. All records confirming enforcement authority held by TALCB and TDLR over CADs, including license revocations or disciplinary actions from 2017–2025.
5. All records describing complaint resolution processes, timelines, and case files at the Attorney General’s office, TDLR, TALCB, and the State Comptroller.
6. All records confirming that CADs operate under Texas law, the Attorney General’s standards, the Comptroller’s requirements, USPAP, IAAO, TAAO, TAAD, and other applicable professional and statutory frameworks.
7. All records of complaints investigated and resolved by the Attorney General regarding:
  - a. Appraisal Review Boards being told they cannot consider prior year values.
  - b. Registered Professional Appraisers at CADs committing aggravated perjury.
  - c. CADs using software or methods not compliant with USPAP, Texas Property Tax Code, or constitutional requirements.
8. All records verifying whether any County Commissioner has appointed CAD board members outside statutory authority.

9. All records confirming Attorney General oversight of market value increases, property assessments, and bond financing impacts, including market valuation studies from 2017–2025.
10. All records related to Denton County and other Texas counties regarding home affordability analysis, including income-to-value ratios, CAD certified values, and market affordability comparisons from 2017–2025.
11. All records of audits or opinions by the Attorney General regarding alleged data manipulation or fraudulent practices at CADs, including but not limited to Denton Central Appraisal District (DCAD).
12. All records of Attorney General review of Property Value Studies (PVS) conducted by the Texas Comptroller, including communications with Independent School Districts, from 2017–2025.
13. All records or opinions by the Attorney General related to allegations of conspiracy, fraud, RICO violations, and oath of office violations by CAD officials or appraisers.
14. All records confirming enforcement of Section 42.26 of the Texas Property Tax Code (Remedy of Unequal Appraisal).
15. Audit Standards and Oversight Records

All records, reports, communications, and evaluations prepared or reviewed by the Attorney General’s office concerning the verification of appraisal district compliance with required audit and appraisal standards, including but not limited to: the Uniform Standards of Professional Appraisal Practice (USPAP, Standard 5 – Mass Appraisal), Texas Property Tax Code appraisal and reappraisal requirements, the Property Value Study (PVS), the Methods and Assistance Program (MAP) reviews, and ratio studies conducted by the Texas Comptroller.

This request includes any records reflecting the Attorney General’s role in reviewing or relying upon these audit mechanisms, as well as any findings of deficiencies, irregularities, or noncompliance by Central Appraisal Districts.

## **CRITICAL SITUATION OVERVIEW**

### **Systemic Texas Municipal Bond Fraud: Request for Immediate Government Action**

A comprehensive investigation has uncovered systematic municipal bond fraud across Texas, mirroring the SEC's successful 2022 prosecution of Crosby Independent School District. The evidence reveals a statewide pattern of fraudulent property valuations and bond misrepresentations that threatens both state financial stability and national municipal bond market integrity.

#### **DOCUMENTED FRAUD PATTERN**

##### **Crosby ISD Precedent (SEC 2022):**

- \$20 million bond issuance based on falsified financial statements
- \$11.7 million in concealed liabilities
- Federal prosecution confirmed local oversight failures

##### **Current Systemic Evidence:**

- 15+ years of compound fraudulent bond practices
- \$2.3 billion Celina ISD bond for 8,700-household community = \$264,367/house
- Mathematical impossibility of debt repayment creating insolvency
- Direct impact on federal securities markets and mortgage-backed securities

### Production format & search details

- Please search and produce in **electronic form**: emails in **PST/mbox** (with metadata), documents/spreadsheets in **native formats** (DOC, DOCX, XLSX, CSV), and scans as OCR'd PDFs.
- For messages, include **To/From/CC/BCC, date-time, subject, and attachments**.
- If any records are withheld, provide a **Vaughn-style index** (or Texas equivalent) identifying the legal basis for each withholding.
- If you anticipate costs exceeding **\$100**, please provide a **written good-faith cost estimate** and pause processing to allow narrowing.
- If certain requests are better answered by **Comptroller, TDLR, TALCB, a CAD, or TEA, Bond Review Board** please **forward** under TPIA or promptly advise so we can directly request from the proper custodian.

### A. Timeframe, custodians, and scope

Please search **January 1, 2017 through the date you conduct each search** across these OAG custodians/offices (add or exclude as appropriate):

- Office of the Attorney General: Executive, Civil Litigation, Open Records Division, Opinion Committee, Financial Litigation/Tax, Criminal Investigations, Governmental Relations, and any special task forces or working groups touching property tax, school finance/bonds, TDLR/TALCB liaison, or CAD oversight.
- Any OAG liaison to the **Texas Comptroller, TDLR, TALCB, or Texas Education Agency** on property-tax, appraisal, or school-bond matters.
- Any OAG retained outside counsel or contractor advising on these subjects.

If responsive records exist outside these custodians, please include them or promptly advise so we can refine.

### B. Definitions (plain-English)

“Document/record” includes emails, letters, memos, reports, spreadsheets, presentations, notes, calendars, text/IM messages, Teams/Slack/Signal/WhatsApp content, recordings/transcripts, data extracts, dashboards, attachments, videos, press releases, and draft materials preserved under Texas retention rules. “CAD” includes any Central (or County) Appraisal District and the Appraisal Review Board (ARB). “Verification/confirmation” is satisfied by **documents sufficient to show** the requested fact, policy, finding, analysis, or communication existed.

### C. Requests (organized and narrowed)

#### 1) OAG authority, roles, and enforcement

1.1. All OAG **policies, manuals, memos, training, or guidance** describing OAG authority (if any) over **Central Appraisal Districts** or ARBs, including references to Texas Property Tax Code, Texas Constitution, or federal law.

1.2. **Documents sufficient to show** OAG’s view of the **Texas Comptroller’s role** in “State administration of property tax,” including organizational charts or MOUs with OAG.

1.3. Any **OAG enforcement authority analyses** regarding CADs, **TALCB**, or **TDLR** (e.g., who enforces what, and when OAG intervenes).

1.4. OAG procedures/guidelines for **intake, triage, referral, and resolution timelines** of complaints involving CADs, TDLR, TALCB, and the Comptroller (include service-level targets or metrics, if maintained).

1.5. Documents sufficient to show whether OAG prescribes or audits **software conformance** for CADs (USPAP, Texas Property Tax Code, etc.), or whether another agency does so.

## **2) Audits, reviews, or investigations (CADs, Comptroller, school districts)**

2.1. **All OAG audits, investigations, reviews, or assessment reports** (including workpapers and closure memos) that evaluated whether the Comptroller “oversaw the administration of property tax” in accordance with Texas law.

2.2. Same as 2.1, as to **school district administration** relating to **bond preparation, advertising, or compliance** obligations.

2.3. **Complaints, referrals, or enforcement case files** (closed or open status sheets; redact PII as needed) involving **CAD appraisal practices, ARB conduct, or appraisal software** since 2017.

2.4. Any OAG files analyzing or addressing alleged **manipulation of appraisal data** inside a CAMA or appraisal system (including the October 12, 2023 DCAD board-meeting matter).

2.5. Any OAG files analyzing whether **mobile homes or specific residential/commercial parcels** were appraised outside USPAP, Property Tax Code, or constitutional constraints, including any **post-ARB valuation reversals** or data rollbacks.

## **3) Criminal statutes / obstruction / RICO references**

3.1. **Internal OAG legal memoranda, issue briefs, or emails** that analyze potential application of **18 U.S.C. § 1512** (obstruction) to CAD data retention or alteration, including any per-district, per-CAD, or per-ISD analyses, if they exist. All records, including but not limited to internal audits, legal memoranda, reports, or communications with any federal agency, reflecting the Attorney General’s review, verification, or enforcement actions to ensure that Central Appraisal Districts (CADs) or their employees have complied with Title 18 U.S.C. §1512. This request seeks any records documenting the OAG’s statutory duty to oversee, verify, or act on allegations of obstruction of justice or destruction of records within Texas property tax administration, regardless of whether such a record is consolidated by school district.

3.2. Any **OAG guidance** referencing **Texas or federal RICO** exposure for appraisal, ARB, or school-bond related conduct.

3.3. OAG communications with **criminal justice units or prosecutors** regarding alleged **aggravated perjury** by Registered Professional Appraisers employed by CADs. All records of complaints, including the complaint filing, investigation records, and final resolution documents, that were investigated or reviewed by the Attorney General from January 1, 2017 through August 1, 2025 concerning any of the following:

a. Allegations of perjury or providing false information by a Registered Professional Appraiser;

b. Allegations that a CAD used software, algorithms, or appraisal methods not compliant with USPAP or the Texas Property Tax Code.

If the office determines that searching all responsive records from this period would be unduly burdensome, we request that you provide a specific, justified statement of the burden and a good faith estimate of a reasonable scope (e.g., a specific year, county, or a keyword search) that would satisfy the request, as per the Texas Public Information Act.

#### **4) Due process, equal & uniform, and ARB evidentiary standards**

4.1. OAG opinions, memos, or guidance regarding the **Fifth Amendment due process** as applied to property appraisal/ARB proceedings.

4.2. OAG materials interpreting **Texas Constitution “Equal & Uniform”** clauses in appraisal contexts.

4.3. Documents sufficient to show OAG’s position on ARB **evidentiary burdens**, including when **prior-year settled values** may/should be considered, and when **“clear and convincing evidence”** is met or not met.

4.4. Any OAG materials discussing **Texas Tax Code § 42.26** “Remedy of Unequal Appraisal,” including examples or guidance (if maintained).

#### **5) Comptroller Property Value Study (PVS) and mass appraisal standards**

5.1. OAG analyses or correspondence concerning how the **Comptroller’s PVS** or **95%–105% confidence interval** influences CAD reappraisals or ISD funding; include any assessment of **USPAP Standards Rules 5-1(b) and 5-1(c)** compliance by CADs.

5.2. Communications between OAG and **bond rating agencies**, or with **ISDs**, about **PVS outcomes**, appraisal levels, or impacts on **school debt/bonds**.

5.3. Any OAG documents assessing whether **“blanket statements” of value increases** (e.g., TAAD 3/17/2022 guidance citing 20–50% increases) affected **ARB hearings, taxpayer rights, or bond-market disclosures**.

#### **6) Conflicts, governance, and board composition**

6.1. OAG records concerning **county commissioners’ involvement** in CAD board appointments (including rules to prevent “hand-picking”).

6.2. Analyses on how expanding a CAD board (e.g., adding three members to a six-member panel) affects **quorum, voting, or legal sufficiency** of decisions.

6.3. Any **OAG ethics/conflict-of-interest reviews** for CAD board members, chief appraisers, or tax assessor-collectors (2017–present).

#### **7) Licensing and discipline (TDLR / TALCB)**

7.1. OAG communications with **TDLR** and **TALCB** regarding **licensing authority, revocation powers, or enforcement** over CAD employees/contract appraisers.

7.2. Documents sufficient to show any **license revocations, suspensions, or significant disciplinary actions** (2017–present) involving **Denton Central Appraisal District** personnel.

7.3. OAG records addressing whether **data manipulation** by licensed or unlicensed CAD personnel violates law or license conditions.

#### **8) Data integrity, falsification, and retention**

8.1. OAG documents addressing **falsification** of tax rolls, income/expense statements, sales/ratio data, or appraisal model inputs by any CAD; include **retention and purging** policies and any **litigation holds**.

8.2. Any **OAG audits or sampling reviews** comparing **assessed vs. market values** across multiple CADs for accuracy (2017–present).

8.3. **Records sufficient to show** whether OAG has taken steps to **ensure no CAD purged property files/working papers** outside retention schedules.

## **9) School-bond communications and risk**

9.1. Communications between OAG and **ISDs or rating agencies** that address **bond risk, default probability calculations**, or whether appraisal levels influenced bond-offering disclosures.

9.2. OAG files, if any, analyzing the reported **2023 single-family total market value increases** (e.g., +\$28.89B; +23.73% YoY; +22.28% in 2022) and whether such levels affected **ISD financials** or **public disclosures**.

9.3 OAG files, including spreadsheets and analysis featuring the mathematical formulas and calculations used by OAG staff showing the effects of compound interest on bonds raised for each school district.

9.4 Communications between OAG and State Comptroller that address bond risk, default probability calculations, or whether appraisal levels influenced bond offering requirements and disclosures.

9.5 Communications between OAG and banks financing the bonds, and bond underwriters, that address bond risk, default probability calculations, or whether appraisal levels influenced bond offering requirements and disclosures.

9.6 Communications between OAG and banks financing the bonds, and bond underwriters, that address bond risk, default probability calculations, or whether outstanding interest and bond reduction (if any) influenced the requirement for additional bond offerings.

## **10) Specific Denton County items (illustrative exhibits in requester’s possession)**

10.1. OAG records referencing the following Denton County topics (any of which may appear in complaints, investigations, liaison notes, or agency-to-agency communications):

- **Home-affordability ratios** and appraisal alignment for 2021 vs. 2023 (median income ~\$96,265 vs. ~\$109,126; average & median value deltas).
- **DCAD Board Meeting 10–12–2023** (alleged spreadsheet export/alteration/re-load to CAMA).
- **Mavex Shops of Flower Mound** valuation reduction on 7/19/2023 and the 8/24/2023 CSV extract showing a later increase.
- Targeted revaluation allegations (e.g., **Aubrey**) linked to **PVS** conformity.

**For each subtopic, provide complaints, emails, memos, analyses, and closure documents, if any.**

**Note:** We are not asking OAG to create new analyses or answer hypotheticals. We seek **existing records** reflecting policies, communications, decisions, data, and findings.

## **11) OAG audits, reviews, or investigations of ISD bond compliance or CAD appraisal practices (2017–present)**

11.1. **Independent School District Auditors** “Records identifying accounting firms engaged by Texas ISDs for bond audits, including qualifications, CFE certifications, and scope-of-work documents.”

**11.2. Bond Disclosure & Risk Assessments** “All communications between OAG, ISDs, and rating agencies regarding bond repayment capacity, appraisal roll values, or risk of default (2017–present).”

**11.3. Comptroller PVS & Manipulation** “OAG documents analyzing or commenting on whether CADs manipulate appraisals to align with the Comptroller’s Property Value Study (PVS).”

**11.4 Data Integrity / Falsification** “Complaints, referrals, or OAG files addressing falsification, alteration, or selective disclosure of CAD appraisal data used for ISD funding or bond disclosures.”

**11.5. Firewalls & Accountability Gaps** “OAG analyses, memos, or correspondence discussing responsibility (or lack thereof) for reconciling ISD bond disclosures with CAD appraisal data.”

**11.6. Auditor Limitations** “Any OAG memoranda or correspondence recognizing that ISD-retained auditors rely solely on district-provided data, without independent verification.”

## **12) Godley ISD bond proceedings, approvals, and related oversight (2017–present)**

Please provide the **Public Finance Division** records reflecting the Attorney General’s **review, approval, and related correspondence** for **Godley ISD public securities** since 2017, including any **deficiency letters, legal opinions, transcripts, and communications with bond counsel/underwriters/rating agencies**. Has the Attorney General received **complaints or conducted any inquiry** concerning **scope changes** publicly reported by the Godley district (e.g., postponement of roof/HVAC work), please produce those files as well.

**12.1. Public Finance Division (PFD) “record of proceedings” files** for any Godley ISD public securities (bonds/notes/obligations) submitted for **Attorney General review and approval** under Government Code **Ch. 1202** (and related provisions), including: the issuer’s transcript, certificate(s), approving opinion/letter, deficiency/hold letters, checklists, closing correspondence, and any **A.G. approval letter and legal opinion delivered to the Comptroller**.

**12.2. PFD correspondence (emails/letters/IMs)** with Godley ISD, its **bond counsel, underwriter(s), municipal advisor(s)**, trustee, or rating agencies regarding **legal sufficiency, disclosure concerns, or conditions** for approval of Godley ISD bonds since 2017. (Native format with attachments.)

**12.3. Any internal PFD issue memos, routing slips, or review notes** that discuss (a) **scope changes** or postponements reflected in district bond updates; (b) whether such changes affected the **legal basis** for issuance/validation or **continuing disclosure** expectations.

**12.4. Complaints, referrals, or investigations** (open/closed status sheets OK; redact PII as needed) received by OAG alleging **misrepresentation, omission, or falsification** tied to **Godley ISD bond programs** or related **appraisal/tax base representations** (2017–present).

**1) Open Records Division** files (if any) involving Godley ISD bond program disclosures or related appeals/rulings.

**Context for search (non-directive):** The district’s own updates discuss **postponing roofs/HVAC and other items** while moving ahead with large facilities, which may have generated correspondence or questions during bond processing.

(See district’s “2021 Industry Update” noting delayed **roof and HVAC replacements** and a **practice gym**, and the “2022 Update” reiterating postponed **aging systems** and other items.)

### **Custodians/Units to search:**

Public Finance Division (all reviewers/attorneys),

Opinion Committee (if consulted),

Governmental Relations (if rating-agency/legislative liaison involved),

Criminal Investigations (complaints triage, if any), Open Records Division.

## **2) To Godley ISD including Public Information Officer - Bond Program, Scope Changes, Disclosures & Advertising**

### **Records Requested:**

A) **Bond program files** for the May 2021 authorization and any subsequent issuances: board agenda packets/minutes, voter information materials, **official statements**, pre-election, post-election implementation plans, budget tables, and **owner's rep/CMAR/GMP** documents.

B) **Scope reprioritization** records tied to the District's public **2021 and 2022 Industry Updates**—including **value engineering logs, scope reduction matrices, and all change orders** that postponed or removed **roof/HVAC/system replacements** and other repair items.

C) **Monthly pay applications, cost reports, and contingency logs** for Pleasant View Elementary, HS Phase 2, and HS Phase 3 (as referenced on the bond site), and any **variance reports** comparing original vs. current scope.

D) **Communications (emails/letters/IMs)** between the District and its **bond counsel, municipal advisor, underwriter(s), rating agencies, and trustee** concerning:

- projected **tax base/appraised values**;
- **ability to pay**/debt service capacity;
- market or rating considerations tied to **PVS** results or tax rate discussions. (Include attachments.)

E) **Continuing disclosure** submissions and **material event notices** provided to EMMA (MSRB) for Godley ISD since 2017, including drafts and board approvals.

F) Any **internal/external memoranda or presentations** explaining why “critical repairs” were postponed, the **criteria for prioritizing** facilities vs. repair scope, and any community communications plan.

G) **Public information contained in contractor and architect records** related to the District's bond contracts (held on the District's behalf). (If some records are in vendor custody, please retrieve or identify the contract clause you rely on regarding access.)

**3.) Texas Comptroller — PVS & Godley ISD Interactions via** Public Information Coordinator, Texas Comptroller of Public Accounts — Records of Godley ISD and PVS (Jan. 1, 2017–present), study results, appeals, and communications.

### **Records Requested:**

A. **PVS outcomes** for Godley ISD and any **ISD communications/appeals** concerning study findings, including valuation worksheets, confidence intervals, and **final certifications** affecting Godley ISD (2017–present).

B. **Emails/letters** between the Comptroller and **Godley ISD** (or its agents) about the relationship between **PVS results** and **bonding capacity/tax base** estimates used in offering documents.

C. Any **Comptroller memoranda** addressing whether district **scope changes** (e.g., postponing repairs) intersected with **PVS findings** or local tax-rate planning.

**13) Energy Agreements:** Texas Comptroller via Texas State Comptroller; please search and deliver all records of all **off balance sheet lease purchase agreements** executed by school districts across the State of Texas between 1999 and 2025 and evidence that the net cost to the taxpayer is zero.

- 13.1. Deliver evidence of the **current outstanding debt** that needs to be serviced regarding all Energy Savings Performance Contracts (ESPC).
- 13.2. How much money have the school districts **used from their O&M budget** to cover the shortfall of the projected energy savings guaranteed in the terms of the Contract (ESPC)
- 13.3. Verify that the O&M (Operations and Maintenance) funds are derived from the tax receipts of the property owners.
- 13.4. The Attorney General may want to reference these school districts La Joya ISD, Paris ISD, Itasca ISD, Sheldon ISD which have refused to turn over the requested information by AG Paxton.
- 13.5. Verify that the opinion of the Attorney General is that the ESPC Contracts remain binding within the statute of limitations until the last payment is made.
- 13.6. Verify that the School Districts are not authorized under law to guarantee any financial liability.
- 13.7. Verify that Method and Verification Protocol Contract was maintained through the term of the lease purchase agreement with the third-party financing institution.
- 13.8. Please provide a list of the underwriters and banks that provided the funding for the Energy Contracts (ESPC). Were these banks and underwriters authorized by the State to provide the funding?
- 13.9. Please provide confirmation of the Lease Purchase Agreements that went beyond the term of the Agreement. Please provide confirmation of how many school districts extended the length of the term of the Agreement. Please provide confirmation that the Attorney General or State Comptroller authorized the extension. Please provide the termination of the Energy Developer(s) guarantee from the Agreements.
- 13.10. Please Provide verification that the school districts perform due diligence with a competitive bid process for the ECPC. Provide the competitive bids from any of the above school districts.
- 14) 313 Tax Abatement Agreements:** Please provide verification of who gave the school districts the authority to sign a **313 Tax Abatement Agreement(s)** without a taxpayer approval or vote?
- 14.1. Please provide verification by the Attorney General that the taxpayers received proper due process with regard to the 313 Tax Abatement Agreements (solar field farms).
- 14.2. Please provide verification that there was an independent lawyer representing the taxpayers in negotiations over the 313 Tax Abatement Agreements and who were they. Please provide verification that a law firm representing the school districts cannot represent the taxpayers.
- 14.3. Please provide verification that Mr. Paxton the Attorney General has copies of the letter (April 13<sup>th</sup>, 2023) submitted to the Itasca ISD by Mr. Jeff Mashburn requesting the District and it's Board state their knowledge and expertise in negotiating the 313 Agreements. Please provide verification that Mr. Paxton is aware that no response from the school district has every been made to the letter by the school district or it's attorneys.
- 14.4. Please provide verification that the Texas Attorney General oversee the actions and responsibilities of the Texas State Comptroller who is promoting and responsible administratively for the 313 agreements.
- 14.5. Please provide the documentation that states and or shows that the State Comptroller is the party responsible in law for the 313 Agreements.
- 14.6. Please provide the documentation that shows who has the authority to determine the negotiation points of the tax abatement amount such that one school district receives less value than another school district.

14.7. Please provide the legal standard from the State Comptroller that ensures the taxpayers receives the best and most consistent benefit for the taxes paid. Please provide confirmation that the school board, who signed an Oath of Office, is accountable directly to the taxpayers.

14.8. Please provide evidence that the Attorney General is aware that million of dollars were paid to lawyers and consultants to negotiate the 313 Agreements even though the School Board had the authority and clearly have a lack of knowledge. Please provide evidence that the Attorney General and State Comptroller did not shift liability to the school district superintendents and the school district boards.

14.9. Please provide the check register or ledger that shows how much State Matching Funds are received from each of the school districts involved in the 313 Agreements.

14.10. Please provide confirmation that the Attorney General prohibited the school districts from treating property owners differently than the 313 Agreement participants such that farm land values are disparate and not uniform and equal under the Texas Constitution.

14.11. Please provide evidence that the Attorney General is in agreement or not in agreement with regard to the depreciation schedule used by the 313 Agreements wherein a 10 year depreciation schedule is allowed as compared to the component of a farm or house which do not receive such benefit. Please provide comment on the position of the Attorney General if the depreciation schedules from the 313 solar filed owner operator is different than that stated to the IRS.

14.12. Please provide evidence that the Attorney General did not agree to allow school districts (superintendents and or school board members or trustees) to allow favoritism (bias) to certain landowners to relieve them of this tax liability and to burden other tax landowners with excess property taxes in the State of Texas.

14.13 Please search and provided any emails/letters recognizing that any school district has the authority to issue a 10 year guarantee for collateral in the financing of the 313 Agreements with regard to the solar fields. Please provide evidence that the Attorney General agrees that the 3<sup>rd</sup> party implicit guarantor is the property owners of the State of Texas and they have no knowledge and did not give their authority to be a guarantor of any solar field developer.

14.14 Please search and provide any Emails/letters between the OAG and the Texas State Comptroller authorizing "Investment Pools" as denoted on school districts balance sheet. Said information should include who paid into the Investment Pool, tenure, what are the terms, name the financial firm that is operating the investment pool(s), fee agreements, term, anticipated proforma and return on investment, and investments made.

### **Fee, narrowing, and rolling productions**

We consent to **rolling productions**. If any item is broad, please propose a **reasonable narrowing** (e.g., custodians, keywords, or a shorter date range), and we will confer immediately.

### **Preservation**

To the extent not already in place, please **preserve** potentially responsive records (including texts/IMs and cloud files) during the pendency of this request.

**If production exceeds 10 business days, please send the date you reasonably expect to release (per OAG guidance).**

### **Contact**

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

& Mockingbird Properties  
1913 Justin Road Suite 117  
Flower Mound, Texas 75028  
Tel. 214-725-9013  
Email: [mitch@mockingbirdprop.com](mailto:mitch@mockingbirdprop.com)  
[www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad)

See Exhibit “A” below for reference documents

#### **Exhibit A**

These are contextual topics so OAG can match them to any complaints or inter-agency communications on file without forcing OAG to answer questions.

- A.) Denton Central Appraisal District (and other CADs) perform software “work arounds” and manipulate the property tax value data; per Chief Appraiser Don Spencer, 60,000 properties were manipulated. Refer to DCAD Board Meeting Transcript Excerpt.**

[https://irp.cdn-website.com/39439f83/files/uploaded/10-12-23\\_BOD\\_meeting\\_-\\_manipulating\\_records-051524.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/10-12-23_BOD_meeting_-_manipulating_records-051524.pdf)

- B.) Michelle French, Tax Assessor Collector, accepted fraudulent tax certification and was protected by Judge Eads.**

[https://irp.cdn-website.com/39439f83/files/uploaded/08-31-21\\_DCCC\\_Meeting\\_-\\_Vargas.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/08-31-21_DCCC_Meeting_-_Vargas.pdf)

- C.) Link to evidentiary documents. Who Benefited, How, Ramifications – Insolvent Bonds**

<https://irp.cdn-website.com/39439f83/files/uploaded/Ramifications+-+Insolvent+Bonds-082025-504pm.pdf>

- D.) Denton County Home Affordability Review 2023**

<https://irp.cdn-website.com/39439f83/files/uploaded/Tab%203-Home%20Affordability%202023.pdf>

- E.) Review of DCAD Certified Total Reports 2017–2023**

[https://irp.cdn-website.com/39439f83/files/uploaded/Review\\_Certified\\_Totals\\_2017-2023-Over\\_Value-Tax-051624.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/Review_Certified_Totals_2017-2023-Over_Value-Tax-051624.pdf)

- F.) Congratulated for Passing Property Value Study and being “masters of guessing”**

[https://irp.cdn-website.com/39439f83/files/uploaded/02-15-24\\_BOD\\_Meeting\\_-\\_PVS\\_results\\_-\\_masters\\_of\\_guessing.pdf](https://irp.cdn-website.com/39439f83/files/uploaded/02-15-24_BOD_Meeting_-_PVS_results_-_masters_of_guessing.pdf)

- G.) Review of Aubrey ISD SF Residential Property Value Increase (effect of PVS)**

<https://irp.cdn-website.com/39439f83/files/uploaded/Compare%20Cert%20Vals%20DC%20vs%20AubreyISD%202018-2023-103023.pdf>

- H.) [www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad)**

- I.) [www.commonsenselaw.org](http://www.commonsenselaw.org)**

## Exhibit 14 - Request for Investigation to Texas State Auditor's Office

<https://irp.cdn-website.com/39439f83/files/uploaded/Texas+State+Auditor-Referral+Packet-signed-notarized-082825.pdf>

8/28/2025

To: Texas State Auditor  
Via FedEx: 1501 N. Congress Ave, Austin, TX 78711  
Via Email: [auditor@sao.texas.gov](mailto:auditor@sao.texas.gov)

Dear Texas State Auditor's Office:

We are formally submitting the attached referral packet featuring 3 sections being:

1. Texas Public Information Act Request
2. Strategic Analysis: Systemic Fraud in Central Appraisal District Valuations and ISD Finance
3. Complaint In the Name and Under Authority of the State of Texas and the United States of America concerning systemic fraud, waste, and abuse involving Texas Central Appraisal Districts and their impact on school district finance.

Our investigation has uncovered:

- **Systematic overvaluation of property** using non-compliant appraisal methods that violate the Texas Property Tax Code and professional standards.
- **Artificial inflation of ISD bonding capacity** leading to excessive debt issuance and taxpayer burden.
- **Failure of oversight agencies**, including the Texas Attorney General's Office, to exercise statutory duties despite repeated complaints.
- **Estimated \$67 billion in property over-valuation** at Denton Central Appraisal District, resulting in **\$1.348 billion in excess taxation**.

This email serves as an official submission. Comprehensive documentation, legal analysis, and specific allegations are attached for your review. This matter warrants a formal investigation under the State Auditor's Office mandate to address fraud, waste, and abuse of state-administered funds.

We respectfully request that the SAO initiate a formal investigation, applying Generally Accepted Government Auditing Standards (GAGAS) to ensure an independent, thorough review of these practices.

The integrity of Texas's property tax system and public trust in state oversight depends on accountability at this level.

This matter involves systematic property overvaluation schemes that artificially inflate school district bonding capacity, resulting in estimated taxpayer losses exceeding \$1.3 billion in Denton County and conservatively \$606 billion statewide (not including 313 Agreement funding, off-balance sheet financing, and energy contract financing).

The evidence demonstrates clear violations of Texas Property Tax Code, constitutional equal protection requirements, and professional appraisal standards - with complete failure of statutory oversight by the Attorney General's Office.

1 | Page

This referral falls directly within SAO's mandate under Texas Government Code §321.013 to investigate fraud, waste, and abuse of state-administered funds.

I am available to provide additional documentation or clarification as needed during your review process.

Thank you for your prompt attention to this critical matter affecting Texas taxpayers.

Respectfully submitted,



Mitchell Vexler President G.P.,  
Mavex Shops of Flower Mound LP  
& Mockingbird Properties  
1913 Justin Road, Suite 117  
Flower Mound, Texas 75028  
Tel. 214-725-9013  
Email: [mitch@mockingbirdprop.com](mailto:mitch@mockingbirdprop.com)  
Website: [www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad)

2 | Page

51 pages follow this cover letter, consisting of 3 attachments (referral packet) as listed at top of letter. Use link provided at top of this exhibit.

**Exhibit 15 - Sampling of Texas Property Tax Delinquencies**  
**page 37**

**Exhibit 16 – CADs Compared in Affordability Testing**  
**page 38**

**Exhibit 17 – Estimating Real Estate Tax as a Percent of Median Household Income in. U.S.**  
**page 39**

## Exhibit 18 - 2022 DCAD Income Calculation Worksheet Reviewed (aka Tab L)

DCAD worksheet reviewed & compared with worksheets  
prepared using actual income & expense data of property

<https://irp.cdn-website.com/39439f83/files/uploaded/G5-Tab%20L-Review%20DCAD%202022%20ICW-larger%20font-more%20notes.pdf>

Mavex Shops of Flower Mound 2022 ICW Indicated Value	Prior Year Inc & Exps as seen on 2016 ICW with cap rate per our DCAD Cap Rate Survey	Prior Year Actual Expenses with 1.2 mil value & cap rate as seen on 2016 ICW	Simply Inserted Prior Year Actual Expenses (excluding prop tax)	DCAD Estimates Current Year Income w/ Under-Estimated Expenses, Inappropriate Cap Rate, Ignores Actual Data
	12 months ended 12/31/2021	DCAD ICW 2022 Adjustd	DCAD ICW 2022 Adjustd	DCAD ICW 2022
		224,208 (22,421)	224,208 (22,421)	224,208 (22,421)
RENT (Rents Collected)	176,880	201,787	201,787	201,787
Reimbursed Expenses (as collected)				
RENTAL - FIRE SPRINKLER	987			
PASS THRU - PROP TAX	33,733			
PASS THRU - PY PROP TAX	1,646			
PASS THRU - INSURANCE	5,321			
PASS THRU - PY INSURANCE	3,594	80,958	80,958	80,958
PASS THRU - MAINT & MGMT	41,614			
PASS THRU - PY MAINT & MGMT	(1,024)			
PASS THRU - WATER	4,020			
PASS THRU - SEWER	3,310			
OTHER INCOME	2,002			
Reimbursed Expenses	95,203	80,958	80,958	80,958
Total Income	272,083	282,745	282,745	282,745
Property Operating Expenses				
ELECTRIC	3,172			
INSURANCE	12,455			
LANDSCAPE MAINTENANCE	8,079			
LEGAL & ACCOUNTING	827			
MANAGEMENT FEES	15,000			
MISCELLANEOUS EXPENSE	258			
NON-PASS THRU REPAIRS & MAINT	7,188	71,821	71,821	
REPAIRS & MAINTENANCE	6,125			
SECURITY	1,936			
TELEPHONE	440			
TRASH	4,773			
VACANCY: SHOW & MAINTAIN	1,608			
WATER, IRRIGATION	2,604			
WATER & SEWER, TENANT/BLDG	7,356			
Operating Expenses	71,821	71,821	71,821	24,910
Other Property Expenses				
PROPERTY TAX LEGAL	62,586	62,586	62,586	0
PROFESSIONAL FEES	11,010	11,010	11,010	0
TAXES - PROPERTY (2021 rate)	19,466	23,359	55,177	55,177
NON-PASS THRU CAPITAL REPAIRS	8,785	4,241	4,241	4,241
Other Property Exp	101,847	101,196	133,014	59,418
Net Operating Income (before DS)	98,416	109,728	77,910	198,417
Cap Rate	10.00%	8.50%	7.00%	7.00%
Valuation before Lease-up Costs	984,159	1,290,919	1,113,004	2,834,529
LEASE ACQUISITION COSTS	5,880	109,600	109,600	109,600
Indicated Value	978,279	1,181,319	1,003,404	2,724,929
Indicated Value, per sq ft	78.55	94.85	80.56	218.78
	These 2 columns are more appropriate because the tax expense on the assessed value proofs to the valuation itself		Demonstrates effect of manipulated or non-actual data used on worksheet before addressing proper cap rate. Insert correct data and worksheet will lead to more appropriate valuation.	DCAD's value is aggressively inflated by... 1. using current year estimated rents 2. severely under-estimating expenses 3. 1 & 2 lead to higher NOI to apply cap rate 4. cap rate is not appropriate for property with history of low occ until 1/1/22, with low or no cash flow, with rent/sf trending downward, etc.
Note:	Additional costs to property for tax suits are separated out from above for analysis & demonstration purposes.			

Exhibit 18 continues on next page.

## Exhibit 18 Continued

### Copy of DCAD Document "Income Calculation Worksheet 2022"

<https://irp.cdn-website.com/39439f83/files/uploaded/copy%20of%202022%20DCAD%20ICW.pdf>

Income Calculation Worksheet 2022						Page: 1 8/9/2022 3:59:16PM
Property Name:	SHOPS OF FLOWER MOUND					
Econ Area:	G01	Year Built:	2000	Price per Unit:	\$ 0.00	
Type Code:	SC045	Units:	0	GBA Price per Sq Ft:	\$ 218.69	
Class:	B	Avg Unit Size:				

Property ID	Owner Name	Situs	City	School	Dist %	Value
205482	MAVEX SHOPS FLOWER MOUND	1913 JUSTIN RD FLOWER MOUND, TX	C07	S09	100.00%	2,724,929
Total Value:						2,724,929

Value Method: SCH		Rate:	Percent:	Units of Comparison
Gross Building Area:	12,460			
Net Rentable Area:	12,455		99.96%	Efficiency
Leased Area:	11,210		90.00%	Occupancy
Vacant Area:	1,246		10.00%	Vacancy
(*) Leased Income:	201,780	18.00		Leased Rate
(*) Vacant Income:	22,428	18.00		Vacant Rate
(=) Gross Potential Income:	224,208	18,684.00		Rate per Month
		18.00		GPI
(-) Vacancy:	22,421	1.80	10.00%	
(-) Collection Loss:	0	0.00	0.00%	
(*) Reimbursed Expenses:	80,958	6.50	36.11%	
(*) Secondary Income:	0	0.00	0.00%	
(=) Effective Gross Income:	282,745	22.70	100.00%	EGI
(-) Operating Expenses:	24,910	2.00		
(-) Taxes:	55,177	4.43		
(-) Management:	0	0.00	0.00%	
(-) Reserve for Replacement:	4,241	0.34	1.50%	
(-) Non-Recoverable Tenant Imp:	0	0.00	0.00%	
(-) Leasing Costs:	0	0.00	0.00%	
(=) Total Expenses:	84,328	6.77	29.82%	
Net Operating Income:	198,417	15.93	70.18%	NOI
(/) BaseCap Rate:	0.00			
(/) Tax Load Rate:	0.00			
(/) Overall Cap Rate:	7.00			
(*) Excess Land Value:	2,834,529			
(-) Other Personal Property Value:	0			
(-) Lesseup Costs:	109,600			
Adjustment:	0.00			
Indicated Value:	2,724,929	218.78		Indicated Value RSF

Comments:

True Automation, Inc

## Exhibit 19 – June 15, 2023 DCAD Board Meeting

Approved/Signed Meeting Minutes, Page 3

<https://irp.cdn-website.com/39439f83/files/uploaded/Approved%20Board%20Meeting%20Minutes%2006-15-23.pdf>

Don Spencer discusses scheduling 750 ARB protest hearings per day, knowing they only have capacity for 250, as they (the Appraisal District) plan to negotiate 500 protests before their scheduled hearings, outside of the ARB's purview.

The minutes and audio recording can also be downloaded from the meeting page at [dentoncad.com](http://dentoncad.com).

Page 3

### Minutes - Board of Directors Meeting of June 15, 2023

Alex Buck made a motion to approve the 2022 Financial Audit. Michelle French seconded the motion. The motion passed and the vote was unanimous.

#### ITEM 6: CAD UPDATES

##### A. CHIEF APPRAISER PROGRESS REPORT - DON SPENCER

- Mr. Spencer paid compliments to the Denton CAD staff - with the volume of phone calls, emails and walk-in traffic - they do it all with a smile on their faces and great attitudes. Every department is working hard and showing a great team effort.
- 130K protests have been processed and put in the system so far
- Denton County has breached the 1 million mark this year - we have seen 100K growth in just over 2 years.
- ARB is doing a great job this season - they are working very hard to complete certification - have received a lot of compliments on the process this year.
- Currently with the number of ARB members we do have - we are running 8-9 panels and some are single member panels - which has allowed things to spread out.
- There are 750 hearings scheduled a day - each hearing lasts about 15 minutes so typically 200-250 hearings a day are heard
- DCAD Staff is creating some software solutions to work around multiple offers at a time.
- Over the last few days - there has been 14K settlement offers sent to property owners
- Weekly updates to entity portal provide entities with a fresh set of prelim value totals every Monday morning
- Freeports and Abatements are available on the entity portal so that entities can see how those are progressing.
- We are working with BCI to replace units that are needing replacement due to age including the Leibert System in the Server Room

Alex Buck asked about the software patch mentioned and if it would be useful for the future. It is working to bridge the gap between 2 different softwares so it is possible.

Michelle French asked about the availability of vendors that could do more of what we need them to do. Mr. Spencer said it would be pretty challenging to find - the database is hard to maneuver and while there could be someone Don is not aware of the availability.

##### B. DEPUTY CHIEF OF ADMINISTRATION UPDATES - JEANNE ASHLOCK

- Handed out an update on appraisal from Chris Littrell
  - Chart 1 - number of protests by date - 131,562 Protests in the System
  - Chart 2 - Difference in Real Property and BPP - Majority of protests are real - 126K
  - Chart 3 - Breaks down Real Property - 91% Residential - 8% Commercial
  - Chart 4 - Protest Reasons - 280K Reasons - each an item that appraisers have to prepare for - 45% of Protest Reasons are Market Value
  - Protest Status - Most are scheduled - 23K that have been waived - meaning there was an agreement made - 6K cases have been heard - 1800 people did not show up for their hearing

**Exhibit 20 – Email from State Comptroller, 11/10/22**  
**page 40**

**Exhibit 21 – Estimating Effect on Bonds of 10% Drop in Property Values**  
**page 42**

**Exhibit 22 – Compound Interest Calculator: \$14.9 Billion Bond Debt of Denton County Schools**  
**Page 43**

**Exhibit 23 – Email Response from Office of Attorney General (OAG), 8/29/25**

<https://irp.cdn-website.com/39439f83/files/uploaded/082925-0956a-TX+OAG+Asst+AG-PIC+Response+Email.pdf>

**From:** publicrecords <[PublicRecords@oag.texas.gov](mailto:PublicRecords@oag.texas.gov)>

**Sent:** Friday, August 29, 2025 9:56 AM

**To:** Mitch Vexler <[mrvexler@mockingbirdprop.com](mailto:mrvexler@mockingbirdprop.com)>

**Subject:** The attached request

The Office of the Attorney General is in receipt of the attached request. Please note that the OAG is not a records repository. Furthermore, the OAG does **not** oversee other governmental entities. Accordingly, this agency does not maintain records for other governmental bodies. Please direct your request for records of other entities directly to those entities. Please also note that the Public Information Act does not require a governmental body to answer questions, create documents, or conduct legal research in order to respond to a request. **Please re-review your request and submit a request specifically for records of the OAG.** Once we receive your amended request, we will provide you a cost estimate for the personnel time to locate, compile, redact, and reproduce releasable information. Upon receipt of payment, we will process your request for any releasable information the OAG maintains.

Sincerely,

June B. Harden  
Assistant Attorney General  
Assistant Public Information Coordinator  
Office of the Attorney General

## **Exhibit 24 – Article: Circuit Breaker & Homestead Exemption... more fuel to the fraud fire**

<https://www.mockingbirdproperties.com/circuit-breaker-and-homestead-exemption-these-concepts-are-more-fuel-to-the-fraud-fire>

### **Circuit Breaker & Homestead Exemption... more fuel to the fraud fire**

By Mitchell Vexler, December 9, 2024

These concepts are more fuel to the fraud fire.

Circuit Breaker Limitation and Residence Homestead are examples of illegal regulations written by the Texas Legislature and exist both in temporary status with expiration dates and subject to amendment, to cover the fraud created by the Central Appraisal Districts on behalf of their owner the Taxing Entities.

There is a big list of various exemptions available. [See page 670 of 2843 from the 2024 Certified Totals Report with G01-Denton County Grand Totals' Exemption Breakdown.](#) And then there are also reduced ag valuations that are not reported as exemptions but as “productivity losses”. There would be no need for any of these layered contortions (“exemptions”) to steal money if true market value as initially conceived was adhered to under the law. The Circuit Breaker and Homestead Exemption both exist as further proof of the valuations being created outside the confines of Texas Law being Uniform & Equal under Texas Constitution and outside of USPAP under the Texas Property Tax Code, and as violations of the 5<sup>th</sup>, 14<sup>th</sup> and 16<sup>th</sup> Amendments to the U.S. Constitution, not to mention RICO.

Leaving aside the illegality of the real estate tax “market value” under the 16<sup>th</sup> Amendment to the U.S. Constitution, neither the Circuit Breaker or the Residential Homestead would exist if properties were being valued (i.e. true market value) based on the price paid wherein under appraisal law, there is a willing buyer and willing seller, neither acting under duress, for a cash settled price.

The Circuit Breaker 20% increase limitation generally applies to non-ag land property & non-homesteaded property with values under \$5,000,000. The Residential Homestead limits annual assessment value increases to 10%, and in 2023, the tax exemption/exclusion amount for school taxes was bumped up to \$100,000. These limitations, exemptions, and exclusions were created by the Legislature in reaction to the public’s cries and concerns on rising property taxes and to make it appear that the Legislature was doing something about the mass overvaluation and mass over taxation, neither one of which are legal and both of which violate Texas Property Tax Code and the U.S. Constitution.

In law, selective enforcement occurs when government officials exercise discretion, which is the power to choose whether or how to punish a person or corporation. The biased use of enforcement discretion, such as that based on racial prejudice or corruption, is usually considered a legal abuse and a threat to the rule of law.

The dangers of selective enforcement lie in its potential to undermine the fundamental principles of justice and equality. When laws are enforced inconsistently, it can lead to arbitrary outcomes, favoritism, and unequal treatment under the law. Individuals from marginalized communities may face harsher penalties, while others escape accountability due to their social status or connections.

Equality before the law, also known as equality under the law, equality in the eyes of the law, legal equality, or legal egalitarianism, is the principle that all people must be equally protected by the law. The principle requires a systematic rule of law that observes due process to provide equal justice and requires equal protection ensuring that no individual nor group of individuals be privileged over others by the law.

My Accountant has been tracking the property tax appraisal values on 140 shopping centers for the past several years. In 2024, at least 82% of them protested and another 9% would have filed a protest if their taxable value had not been limited by the Circuit Breaker. Compare this 82% plus 9%, or 91%, in 2024 with 2023's 91% and 2022's 92% and one can see that the protest case workload decreased by the 9% in this group due to the circuit breaker temporary rule, but the flagrant overvaluation practice remained unchanged as the effective protest rate stayed the same at 91 or 92%.

We have also been tracking the cost of multifamily in today's market wherein the cost to build is in excess of \$300,000 per unit. The Homestead Act does not apply to multifamily which can only be seen as pure prejudice against multifamily renters who pay the real estate taxes included in their rent. Why is it that multifamily (MF) tenants do not receive the same benefits as a single family (SF) homeowner? This is selective enforcement and or straight prejudice as both SF and MF pay real estate tax, yet only one group, being the SF, has a homestead exemption.

Nowhere inside of USPAP are the words "Homestead" or "Circuit Breaker". Nowhere inside of Mass Appraisal Standards are the words "Homestead" or "Circuit Breaker". The Texas Property Tax Code **requires** adherence to Uniform Standards of Professional Appraisal Practice and Mass Appraisal Standards.

Also, with regard to commercial property appraisals, whether the circuit breaker limitation is available or not, nowhere in USPAP does it say that income, expenses, net operating income, and cap rates should be manipulated to achieve the desired inflated appraisal value, but the Denton Central Appraisal District annually uses their income calculation worksheet as the device to steer and manipulate commercial property appraisals upward.

The Texas Constitution **requires** Uniform and Equal.

**Ambiguity in contract** provisions are usually resolved by the golden rule:

1. Determine the ordinary and natural meaning of the words used.
2. Consider the context of the **contract** including its purpose, **any** "recitals" or "background" clauses and other relevant provisions.
3. If the ordinary and natural meaning is inconsistent with the context or gives rise to absurdities, modify the meaning as appropriate.

In the vast majority of cases, this approach will give a meaning the court adopts without needing to invoke the contra proferentem rule.

However, in the minority of cases where the rule is applied it works like this. The **ambiguity** should be **interpreted** against:

- the party who prepared the **contract** (particularly offered on a "take it or leave it" basis)
- the party seeking to rely on the ambiguous position (e.g. the beneficiary of a guarantee, indemnity, limitation or exclusion provision).

At a minimum both ambiguity and selective enforcement have been created in that the Residence Homestead and the Circuit Breaker are not applied for the benefit of all real estate taxpayers, violate both State and Federal Laws, and are prejudicial to all Texas multifamily real estate taxpayers (Tenants). The Texas Legislature wants its cake and wants to eat its cake, that is, provide cover to the Taxing Entities, but in such pursuit, has violated their own legislation thus creating Ambiguity and Selective Enforcement. Ambiguity must be read against the party seeking the restriction and that is the Texas Legislature itself as its own documented alleged law ("must adhere to USPAP"), violates another alleged law (Homestead). These alleged laws counteract each other, neither one of which would exist but for the attempt to cover up the continued fraudulent price increases of real estate to obtain higher tax revenue for the Taxing Entities, where the school districts receive roughly 83% of the bond

money raised, all premised on the fraud, being the overvaluation and resulting over taxations at the hands of the Central Appraisal Districts and a host of co-conspirators such as the Chief Appraisers, the Board of Directors, and those who signed an Oath, all of which should be prosecuted and their pensions stripped.

#### Reference.

Texas Tax Code, Section 23.231, Circuit Breaker Limitation on Appraised Value of Real Property Other than Residence Homestead:

<https://casetext.com/statute/texas-codes/tax-code/title-1-property-tax-code/subtitle-d-appraisal-and-assessment/chapter-23-appraisal-methods-and-procedures/subchapter-g-appraisal-of-public-access-airport-property/section-23231-see-note-circuit-breaker-limitation-on-appraised-value-of-real-property-other-than-residence-homestead>

Texas Tax Code, Section 11.13, Residence Homestead:

<https://law.justia.com/codes/texas/tax-code/title-1/subtitle-c/chapter-11/subchapter-b/section-11-13/#:~:text=Sec.,11.13.,value%20of%20his%20residence%20homestead.>

## Exhibit 25 – Press Release, Justice.gov: Former LaJoya official convicted in bribery scheme

<https://www.justice.gov/usao-sdtx/pr/former-la-joya-official-convicted-bribery-scheme>

### PRESS RELEASE

# Former La Joya official convicted in bribery scheme

Monday, February 7, 2022

Share



#### For Immediate Release

U.S. Attorney's Office, Southern District of Texas

McALLEN, Texas – The former La Joya Independent School District (LJISD) assistant superintendent of Student Services has admitted to taking \$28,000 in bribes, announced U.S. Attorney Jennifer B. Lowery.

Jose Luis Morin, 41, Mission, pleaded guilty today and agreed to forfeit \$28,000.

As part of the plea, Morin admitted to receiving approximately \$28,000 as bribes beginning in 2019 for his official and favorable recommendations at LJISD. They pertained to energy savings contracts awarded to a company as well as job order contracts and facilitating the processing of pay applications related to those contracts. The LJISD school board subsequently approved the contracts Morin recommended.

U.S. District Judge Randy Crane accepted the plea and set sentencing for April 19. At that time, Morin faces up to five years in federal prison.

He was permitted to remain on bond pending that hearing.

The FBI conducted the investigation with the assistance of the Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Agriculture, Texas Department of Insurance and McAllen Police Department. Assistant U.S. Attorney Roberto Lopez Jr. is prosecuting the case.

*Updated February 7, 2022*

END