

8/28/2025

To: Texas State Auditor

Via FedEx: 1501 N. Congress Ave, Austin, TX 78711

Via Email: 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.

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,

A handwritten signature in black ink, appearing to read 'Mitchell Vexler', with a stylized flourish at the end.

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
Website: www.mockingbirdproperties.com/dcad

Attachment 1: FOIA Request

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

Office of the Attorney General

Public Information Coordinator's Office – Mail Code 070

209 W. 14th 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

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 Steet 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
- 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 13th, 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 3rd 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
www.mockingbirdproperties.com/dcad

[Signature]

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

- 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

- 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

- 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

- 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

- I.) www.commonsenselaw.org

Attachment 2: Strategic Analysis: Systemic Fraud in Central Appraisal District Valuations and ISD Finance

I. Introduction

The purpose of this analysis is to provide a legal and strategic framework for understanding how Texas Central Appraisal Districts (CADs), through the use of fraudulent or noncompliant appraisal methods, are inflating property values in violation of statutory and constitutional requirements. These inflated valuations have a direct and material impact on Independent School District (ISD) bonding capacity, state education funding formulas, and taxpayer obligations.

II. Legal Framework

1. **Texas Property Tax Code** §23.01 requires all property to be appraised at market value using “generally accepted appraisal methods and techniques” and in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). §5.10 authorizes the Comptroller to conduct ratio studies to measure CAD accuracy, requiring values to fall within 95–105% of market value. §42.26 provides for remedies when property is unequally appraised, a recognition of the constitutional requirement for uniform taxation.
2. **USPAP Compliance** USPAP Standard 5 (Mass Appraisal Development) requires statistically valid models, proper data stratification, and transparent disclosure of methods. Evidence indicates CADs are employing noncompliant software and methodologies, producing valuations that fail statistical reliability.
3. **Constitutional Requirements** Article VIII of the Texas Constitution requires taxation to be “equal and uniform.” Fraudulent overvaluation violates due process and equal protection principles.
4. **Audit Standards – GAGAS (Yellow Book)** The U.S. GAO’s Generally Accepted Government Auditing Standards (GAGAS) provide a recognized framework for public audits, requiring independence, evidence sufficiency, and quality control. The Texas Comptroller and State Auditor’s Office (SAO) frequently apply GAGAS principles when evaluating fraud, waste, and abuse of state-administered funds.

III. Mechanism of Fraud

Inflated CAD Valuations artificially raise the tax base and ISD bonding capacity. ISDs are then enabled to issue higher levels of debt, increasing financial exposure and long-term taxpayer obligations. These practices distort the Property Value Study (PVS) and related state funding formulas, creating inequities across school districts. The Attorney General’s failure to exercise oversight has allowed CADs to continue these practices unchecked, creating a systemic abuse of public funds.

IV. Oversight Gaps

The Texas Comptroller’s PVS and MAP reviews, while statutorily required, are limited in enforcement power. The Attorney General’s office has declined to act on statutory complaints, leaving no effective enforcement mechanism at the state level. The State Auditor’s Office (SAO), with its authority to investigate fraud, waste, and abuse of public funds, is uniquely positioned to fill this oversight void.

V. Strategic Rationale for SAO Involvement

The SAO's mandate includes investigating fraud, waste, and abuse in any state-administered program. CAD overvaluation and ISD debt manipulation clearly fall within this scope. By applying GAGAS principles, the SAO can ensure that audit findings are independent, evidence-based, and quality-controlled. A statewide audit of CAD practices would not only uncover fraudulent methods but also establish enforceable standards for compliance with USPAP and constitutional tax requirements.

VI. Recommended Actions

1. SAO should initiate a performance audit of CAD valuation practices and ISD bonding impacts, applying GAGAS and IAAO ratio study standards.
2. SAO should review communications and complaints submitted to the Attorney General and Comptroller regarding CAD noncompliance.
3. SAO should issue findings and recommendations to the Legislature and Governor regarding systemic fraud and recommend statutory remedies.

VII. Queries

- A. Did the Office of the Attorney General and or its employees seek guidance from the SAO regarding documented evidence of bond fraud and accounting fraud at both the Independent School Districts and Central Appraisal Districts specifically including the DCAD board meeting minutes from October 2023 documenting systematic software manipulation and the IAAO Gap Analysis report confirming appraisal practice failures?
- B. Between January 1, 2017 and August 1, 2025 did the Office of the Attorney General and or it's employees seek guidance from the SAO regarding the Texas Education Code compliance for the Bond Guarantee Program, specifically whether systematic CAD overvaluations create false debt capacity calculations that expose the state to guarantee obligations beyond community payment capacity as measured by the Median Household Income analysis while simultaneously ignoring probability of default calculations?
- C. Between January 1, 2017 and August 1, 2025 did the Office of the Attorney General and or it's employees seek guidance from the SAO regarding the Bond Guarantee Program underwriter(s) and the due diligence those underwriters performed?
- D. Between January 1, 2017 and August 1, 2025 did the SAO issue directives, recommendations or communications to the Office of the Attorney General regarding verification of school districts financial capacity, CAD valuation accuracy, or compliance with bond issuance requirements under the Texas Education Code?
- E. What formal protocols exist between the AGO and SAO for coordination on matters involving both legal enforcement and audit responsibilities, and were these protocols followed regarding school district finance and CAD oversight?
- F. Did the SAO coordinate with federal agencies regarding potential securities law violations?
- G. Did the AGO seek SAO guidance on the fraud allegations outlined herein or any fraud allegations between January 1, 2017 and August 1, 2025?
- H. Is the AGO and SAO aware of Bond Underwriters proformas used by school districts which contain;
 1. Interest rates that are frozen at 4.5% in perpetuity (ie 24 years into the future).
 2. Twenty four years into the future with no accounting for the continuous bond raises on an annual basis, rendering the Bond Underwriters analysis pure fiction.

3. The existence of a proforma chart from when Governor Abbott was the AG Abbott showing in the year 2000 the school district bond debts being payoff down to zero in 2024. The exact opposite happened.
 4. A proforma chart utilized by a Bond Underwriter with the same 24 year period into the future. Yet, under Texas law, depending on the bond they can run a term up to 40 years.
 5. No mention of a Probability of Default analysis.
 6. No mention of where the population or income is going to come from to pay the current debt let alone the debt in 8 years from now, given the fact that the bonds are being raised annually.
 7. No breakdown of the bonds ie, no CUSIPS, no notes, no sources and uses all of which renders the Bond Underwriters graphic(s) false, misleading, and thus making this pure fiction.
 8. Did the AGO and SAO seek guidance between themselves with regard to the fees charged by and the investor structure of the Bond Underwriters?
- I. Did the SAO audit the school districts to ensure that all bond money raised was traced to its intended use and not used as part of the Operations and Maintenance (O&M) of the school districts?
 - J. Did the SAO audit the General Fund of the State of Texas to ensure that all bond money raised was traced specifically back to the school district for which it was raised and specifically back to the school which claimed the need for the bond funding and if there were excess funds available, where those funds were spent?
 - K. Did the SAO audit the funding to the State of Texas into the General Fund from the Federal Government to trace the received funds back to each school district to ensure matching funds?
 - L. Did the SAO audit school districts claims made by school district Superintendents with regard to required bonds, the tax proceeds projected in the 313 Agreements and the Energy Contract financing?

VIII. Conclusion

The inflation of property values by CADs constitutes systemic fraud and abuse of public funds. The failure of the Attorney General to exercise oversight exacerbates this harm. The SAO has both the authority and the duty to intervene, applying GAGAS standards to protect taxpayers, ensure fairness in public school financing, and restore public trust in the integrity of Texas's property tax system.

Attachment 3 – for purposes of explaining and showing the issues:

COMPLAINT In the Name and Under Authority of the State of Texas and the United States of America.

Mitchell Vexler, President G.P.

MAVEX Shops of Flower Mound LP]
Complainant]

VS.

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

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

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

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

Michelle French and the new Denton County Tax Assessor Collector or any Tax Assessor Collector and the attorneys for DCAD or any Central Appraisal District is deemed to know the law. “Officers of the court have no immunity...when violating a constitution right for are deemed to know the law.” *Owens v Independence* 100 S.C.T. 1398 Officers of the Court know that properly applying the facts to the law is NOT discretionary. (*Walker v Packer*, 827 S.W.2d 833, 840 (Tex. 1992)) and misapplying the facts to the law in a matter is an abuse of discretion and constitutes Official Oppression.

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

In furtherance of the above, the following should be noted.

- A.) School District Superintendents – (See Short List of School Bond Debt below)
- B.) Chief Appraisers – (See Short List of School Bond Debt below)
- C.) School Districts Board of Directors – (See Short List of School Bond Debt)
- D.) Central Appraisal Districts Board of Directors – (See Short List of School Bond Debt)
- E.) Texas Education Agency and Special Unit Investigators (SUI)

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

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

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

Below is the initial spreadsheet with regard to the outstanding bonds. The TEA website is more accurate than the BRB (Bond Review Board). Both the TEA website and the BRB are misleading the public for not including the off balance sheet financing, 313 Agreement financing, and Energy Contract financing. Based on the current research (not accurate based on what is missing) there a \$10 Billion dollar difference between the TEA and the BRB and that is for just 21 school districts out of the over 1,040 school districts. The Godley School Bond Debt increased by \$50,000,000.00 above the BRB and that is now in the spreadsheet below. That puts the Godley debt is at \$109,000 (up from \$90,000) / household with a median value of \$160,000.

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

* From Census Bureau

** As Reported on the BRB Website 2025

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

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

Without question, this is an emergency, and drastic measures must be taken. The Titanic is taking on water (interest carry) by the second and sinking fast.

I wish to point out that I submitted a Bill at the request of Helen Kerwin and in LEG that bill was materially modified without my knowledge and permission. Why? Could it be they are afraid of the Bill itself? See Article 3 on page 39 herein. The School Districts would be required to...

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

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

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

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

[Link to graphic](#)

Short List of School Bond Debt in Texas										Rev. 3				
Debt per Household for Current School Bonds , NOT including Interest Payments										< 30 Year Term Typical for Home Mortgage Loans				
Monthly House Payment for Existing School Bond Debt Based on a 30 Year Term and 6.5% Interest Rate														
Assuming the Debt is Actually Decreasing and NO NEW DEBT Added														
Find Out More Regarding Texas Schools at: Commonsenselaw.org														
ISSUER	Superintendent of Schools	Chief Appraiser	Population	Students	As Reported on FSP DEBT OUTSTANDING*	Cost/Student	House Holds	Debt Per Household	Rate Term Annual Payments			Reported Budget Deficit	Debt as Reported on BRB Website (2025)	Delta of BRB and FSP Values
									6.5%	30	12			
Aledo ISD	Susan K. Bohn	Joe Don Bobbitt	31,966	9,598	\$664,178,481.00	\$69,200	1,785	\$ 372,068.78	\$ (2,351,855)	\$146,236.00	-19.3%		\$ 367,459,021.00	\$ 296,719,460.00
Allen ISD	Robin Bullock		111,348	29,999	\$1,429,683,101.00	\$47,658	33,786	\$ 42,315.84	\$ (2,267,465)	\$121,259.00	-2.6%		\$ 589,856,811.00	\$ 839,827,290.00
Alvarado ISD	Kenneth Estes	Brittiany Vereen	21,101	5,241	\$315,334,363.00	\$60,167	1,585	\$ 198,949.14	\$ (1,287,495)	\$91,718.00	-16.5%		\$ 181,966,000.00	\$ 133,369,393.00
Argyle ISD	Dr. Carpeneler	Don Spencer	16,571	6,243	\$593,662,855.00	\$95,093	1,710	\$ 347,171.26	\$ (2,194,365)	\$205,245.00	-12.8%		\$ 403,087,391.00	\$ 190,575,464.00
Aubrey ISD	Shanon Saylor	Don Spencer	13,640	3,937	\$441,417,678.00	\$112,120	2,183	\$ 202,206.91	\$ (1,278,097)	\$100,595.00	-15.2%		\$ 347,661,976.00	\$ 30,755,702.00
Carrollton-Farmers Branch	Wendy Eldrede	Shane Docherty	169,645	24,886	\$1,288,475,000.00	\$51,771	60,794	\$ 21,154.11	\$ (132,965)	\$80,000.00	-2.0%	\$19,000,000.00	\$ 643,675,000.00	\$ 644,800,000.00
Cleburne ISD	Coby Kirkpatrick	Brittiany Vereen	39,871	9,820	\$238,304,181.00	\$24,267	11,258	\$ 21,167.54	\$ (132,795)	\$66,324.00	-2.4%		\$ 162,077,063.00	\$ 76,227,098.00
Crowley ISD	Michael McFarland	Joe Don Bobbitt	107,143	28,106	\$1,806,937,041.00	\$64,290	6,172	\$ 292,763.62	\$ (1,850,475)	\$88,333.00	-25.1%		\$ 1,164,843,722.00	\$ 642,093,319.00
Denton ISD	Susanann Holbert O'Bara	Don Spencer	217,427	49,880	\$3,426,270,955.00	\$68,690	52,243	\$ 65,583.35	\$ (414,932)	\$73,719.00	-6.7%		\$ 2,104,582,486.00	\$ 1,321,688,467.00
Frisco ISD	Mike Waldrup	Don Spencer	276,743	84,485	\$4,637,794,341.00	\$54,856	74,081	\$ 62,604.37	\$ (395,707)	\$146,158.00	-3.2%		\$ 2,191,990,934.00	\$ 2,445,803,407.00
Forney ISD	Justin Terry	Sarah Curtis	55,684	18,000	\$1,570,299,451.00	\$87,239	8,520	\$ 184,305.74	\$ (1,164,944)	\$105,911.00	-13.2%		\$ 1,126,842,730.00	\$ 443,450,721.00
Fort Worth ISD	Karen Molinar	Joe Don Bobbitt	976,932	74,850	\$2,833,065,000.00	\$37,850	346,392	\$ 8,178.78	\$ (81,707)	\$77,082.00	-0.8%		\$ 1,692,620,000.00	\$ 1,140,445,000.00
Godley ISD	Rich Dear	Brittiany Vereen	10,032	2,886	\$273,164,984.00	\$94,652	2,500	\$ 109,265.99	\$ (690,644)	\$56,792.00	-14.6%		\$ 225,490,000.00	\$ 47,674,984.00
Houston ISD	Mike Miles	Rolan Allinger	2,300,000	189,934	\$6,058,903,755	\$31,898	916,536	\$ 6,610.22	\$ (41,788)	\$62,894.00	-0.8%		\$ 1,915,450,000.00	\$ 4,143,053,755.00
Itasca ISD	Tonya Harris	Mike McKibben	3,816	984	\$16,295,000.00	\$16,560	572	\$ 28,487.76	\$ (180,065)	\$67,047.00	-3.2%		\$ 8,275,000.00	\$ 8,020,000.00
Keller ISD	Cory Wilson	Joe Don Bobbitt	184,550	50,705	\$2,343,070,693.00	\$46,210	16,052	\$ 145,967.52	\$ (922,615)	\$168,728.00	-6.6%		\$ 751,034,989.00	\$ 1,592,035,704.00
Lewisville ISD	Lori Rapp	Don Spencer	133,779	49,060	\$3,502,178,680.00	\$71,386	48,725	\$ 17,876.42	\$ (484,311)	\$82,006.00	-6.6%		\$ 1,490,300,000.00	\$ 2,011,878,680.00
McKinney ISD	Shawn Pratt		135,162	35,032	\$1,311,015,000.00	\$37,423	68,224	\$ 19,216.33	\$ (121,465)	\$113,285.00	-1.3%		\$ 478,860,000.00	\$ 832,155,000.00
Mesquite ISD	Angel Rivera	Shane Docherty	184,168	52,874	\$1,469,555,143.00	\$27,754	60,391	\$ 29,163.05	\$ (184,335)	\$68,134.00	-3.2%		\$ 655,349,260.00	\$ 814,205,863.00
Plano ISD	Theresa Williams		362,158	75,872	\$2,288,065,984.00	\$30,157	107,448	\$ 21,294.67	\$ (134,807)	\$108,649.00	-1.5%		\$ 898,035,000.00	\$ 1,390,034,984.00
Prosper ISD	Holly Ferguson	Don Spencer	75,224	25,887	\$2,401,341,244.00	\$92,762	9,071	\$ 264,727.29	\$ (1,873,265)	\$178,244.00	-11.3%		\$ 1,937,492,968.00	\$ 463,048,276.00
Richardson ISD	Talitha Branum	Joe Don Bobbitt	116,813	45,200	\$2,018,259,965.00	\$44,652	37,260	\$ 54,166.93	\$ (342,375)	\$96,257.00	-4.3%		\$ 1,029,015,000.00	\$ 969,244,965.00
Roysse City ISD	Amy Anderson	Kevin Passons	32,903	9,932	\$814,646,533.00	\$82,022	4,512	\$ 180,551.09	\$ (1,141,211)	\$116,424.00	-11.8%		\$ 608,231,064.00	\$ 206,415,469.00
Rockwall ISD	John Villareal	Kevin Passons	54,642	18,384	\$1,753,284,985.00	\$95,370	17,092	\$ 102,579.28	\$ (648,377)	\$114,799.00	-6.6%		\$ 942,257,549.00	\$ 1,011,027,436.00
Wylie ISD****	David Vison	Joe Don Bobbitt	105,027	31,026	\$1,476,654,304.00	\$47,601	18,390	\$ 80,307.47	\$ (507,607)	\$113,661.00	-5.4%		\$ 864,055,971.00	\$ 612,798,333.00
Canutillo ISD****	Pedro Galavez	Dinah Kilgore	6,880	5,700	\$357,459,616.00	\$62,712	1,979	\$ 180,626.39	\$ (1,141,683)	\$43,833.00	-31.3%	\$4,000,000.00	\$ 170,259,627.00	\$ 187,199,989.00
Socorro ISD	James Vasquez	Dinah Kilgore	35,429	47,000	\$1,613,604,332.00	\$34,332	9,964	\$ 161,943.43	\$ (1,023,559)	\$47,649.00	-25.8%	\$38,000,000.00	\$ 727,904,806.00	\$ 885,699,526.00
Ysleta ISD	Xavier De La Torre	Dinah Kilgore	26,677	36,183	\$1,382,434,556.00	\$38,207	8,737	\$ 158,227.61	\$ (1,000,111)	\$31,186.00	-38.5%	\$13,000,000.00	\$ 865,693,032.00	\$ 516,741,564.00
					\$48,325,155,291.00	Total Delta of BRB and FSP Values>				\$23,780,789,849.00				

* From Census Bureau

** As Reported on the Foundation School Program Website 2025

*** Canutillo ISD Passed a \$370,000,000.00 Bond in May 2024 and Currently in the Application Phase to Do a JETI Contract with Vinton Steel, LLC for a 50% Tax Abatement

**** Includes both A and B districts

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

profit and loss)” and the State legislators are aiding and abetting, whether willfully or out of ignorance is to be determined by State and Federal Authorities.

The School Districts by presenting pre-determined budgets are colluding with the Central Appraisal District to defraud the real estate taxpayer. The School Districts are hiding evidence. If they were not hiding the evidence (accounting fraud) then why are we having to make demand for it, and why are the Criminal Complaints necessary? If a single business or owner created \$100 million in fraudulent bond debt and threatened to take property or life from a person, the business would be shut down and the person or people behind it would be jailed under RICO. This is not \$100 million... this is approximately \$5 Trillion across the U.S. and approximately \$606 Billion in Texas.

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

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

1. As seen in the above Debt per Household, Central Appraisal Districts have been brazenly and recklessly increasing the value of properties for years, unchecked and without any accountability. This fraud on the public has grown exponentially into bond debt from which there is no possible way to pay off this debt which in many cases exceeds 50% of the fraudulently assessed value of a home. “Pay the tax or we take the home” is RICO. By not paying off the bond debt, the cumulative interest and then adding more bond debt is a Ponzi scheme of biblical proportions which grows faster than the Rule of 72 pace because debt is being added with new bond and debt is being added to cover the ever-increasing cost of carry being the interest rate. (See Compound Interest Rate Calculator on Page 43)

Thousands of people across the U.S. have lost their homes and thousands more will continue to lose their homes as a result of this fraud on society. They are being bankrupted by a system that is irretrievably corrupted and a system that has created its own demise as there is no money from which to keep the Ponzi scheme alive. Property owners are facing the possible loss of their businesses, loss of their homes, and buyers are cancelling purchases because of this unprecedented and unconstitutional valuation upsurge. These numbers reflect a grim reality: Central Appraisal Districts do not follow the law or any recognizable appraisal methods when appraising properties but instead are artificially and arbitrarily increasing property

values so that the various taxing entities (School Districts) can collect illegal and inflated property taxes from which fraudulent bonds are created.

In addition, homeowners are being priced out of their homes as property taxes become unaffordable. (See Home Affordability graphic on page 31). In 2023, \$189,500.00 was the household income required to purchase an average market value home in Denton County. Id. However, almost 75% of the residents of Denton County made less than \$189,500.00 in household income for 2023. Id. This unwarranted increase in property valuations by DCAD put approximately 37% of households at risk of losing their home, as property valuations continue to skyrocket. This same math is applicable across the United States. In Texas there are over 4,000,000 homes at risk and across the United States over 42,000 homes at risk.

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

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

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

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

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

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

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

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

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

10. The pattern and practice of the Denton Central Appraisal District and many other Central Appraisal Districts in Texas which have created school district bond debts that in many cases exceed 50% of the fraudulently stated and claimed “market value” and its derivative the “assessed value” of the home which clearly violates dozens of State and Federal laws including but not limited to Texas Property Tax Code,

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

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

Common Types of Accounting Fraud are:

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

Forms of Misrepresentation

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

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

ULTRA VIRES ACTS

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

1. Appraisal districts are required to certify their tax rolls to the Texas Comptroller's Office that the value for 95% of the respective district's tax base has been fully resolved by July 25. In 2021, DCAD,

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

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

3. School District Superintendents and their Boards across Texas and the United States are required to certify their financial statement. Given the bond fraud as shown on above Short List of School District Bond Debt, and the total outstanding bond debt as claimed by Bond Review Board of which Governor Abbott is the Chaiman claims to be \$130 Billion but that is not true according to the TEA and in addition to either the BRB or the TEA, which is not disclosed is the cumulatively compounding of interest by the second, and as of the date of this document is estimated at over \$606 Billion of fraudulent bond debt in Texas and more bonds are in the process of being raised from an unsuspecting pubic which is justification to freeze all school district bond raises across the State of Texas. This is bond fraud and to our knowledge the largest Ponzi scheme in history. This proves that the extreme majority of School Districts are incapable by intent of legitimately certifying their financial statements. It also proves fraud by omission. These School Superintendents and their Boards acted without legal authority. These School District Superintendents and their Boards had no statutory authority or authority from any law that allowed them to falsify financial records, hide critical financial information, collude with Central Appraisal District to fraudulent inflate property values to meet pre-determined budgets, all of which is outside the confines of USPAP, States Property Tax Codes, States Penal Codes, States Education Acts, States Constitution, Federal Laws and the Constitution of the United States of America.

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

4. Complainant seeks prosecution of Mr. Don Spencer in that Spencer committed ultra vires acts in connection with the certification of the 2021 Denton County tax roll. Complainant further seeks a declaratory

judgment that Spencer committed an ultra vires act by authorizing and continuing to authorize and condone appraisals to occur outside of the PACS software DCAD uses to conduct mass appraisals.

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

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

ULTRA VIRES ACTS OF DEFENDANTS

Complainant wishes to inform the Texas State Auditor about a pattern and practice by the Entities and Individuals being the Defendants listed herein to defraud the property owners of the State of Texas and to request prosecution of those who have conspired to defraud the property taxpayers in the State of Texas.

Complainant takes no pleasure from finding the necessity to inform and ask the Texas State Auditor to request criminal prosecution of the above named Entities and Individuals who are responsible for and actively participate in a closed loop economic system of deceit and fraud where the current net result are many homes with hidden school bond many of which exceed 50%+ of the current deemed fraudulently assessed value of the home. None of the deceit, fraud, or school bond debt to the point of bankrupting over 37%+ of the households across Texas was ever agreed to by a single property owner. Not a single property owner in Texas agreed to go bankrupt to support a corrupt school system.

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

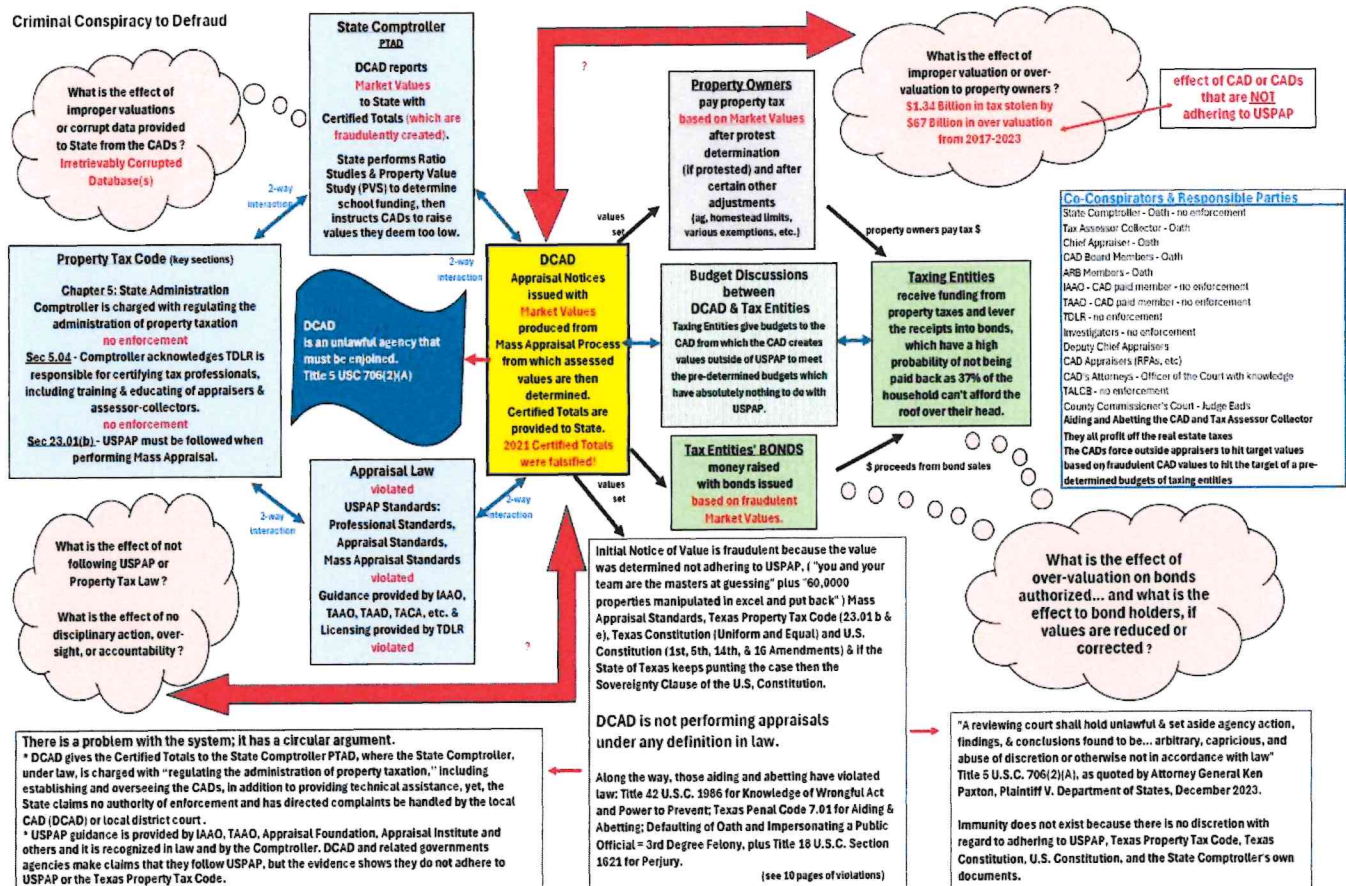
SUMMARY OF FACTUAL BACKGROUND

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

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

PRESENTATION BOARDS

Overview Graphic [\(LINK\)](#)



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

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

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

16th Amendment to The Constitution of the United States of America - In the years 2016, 2017, 2018, 2019...2023 and prior to the creation of The Constitution of the United States of America, there were and are

WHO is responsible: [LINK](#) here for link to live document that is linked to the evidence.



Probability.

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

note 1: Average Market Value of Single Family Residential Property (prop code A) for Denton County (code G01) per DCAD 2023 Certified Totals Report.

note 2: Census.gov, 2021 median household income for Denton County was \$96,265. BLS.gov, Denton County wage growth was 9% 2021-2022, and 4% 2022-2023.
Estimate 2023 median household income as \$96,265 x 1.09 x 1.04, or \$109,126.

side note: Median Certified Market Value for Single Family Residential (prop code A) is \$450,832, per 8/3/23 data extract file downloaded from DCAD website with property value information.

2021 Households by Income Bracket, Reviewed				2023 Households by Income Bracket, Estimated			
	<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%
Income \$96,265,	\$50,000 \$74,999	50,085	15.58%	Income \$109,126	\$56,680 \$85,019	58,689	15.58%
in this bracket ———>	\$75,000 \$99,999	41,001	12.76%	in this bracket ———>	\$85,020 \$113,359	48,044	12.76%
	\$100,000 \$124,999	37,071	11.53%		\$113,360 \$141,699	43,439	11.53%
2021 Median Value	\$125,000 \$149,999	27,838	8.66%		\$141,700 \$170,039	32,620	8.66%
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%
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	

65.10% vs 27.29% = 37.81% the current potential % of households at risk of losing home/housing

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

You would logically then ask, how could that happen?

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

Home in Copper Canyon (Lewisville ISD)								Home in Krugerville (Aubrey ISD)							
Tax	Appr Notice	%	Final	%	Assessed	%	% chg. new	Tax	Appr Notice	%	Final	%	Assessed	%	
Year	Market Value	Change	Market Value	Change	Value	Change	vs py final	Year	Market Value	Change	Market Value	Change	Value	Change	
2016	1,090,030		1,006,000		827,506			2016	249,387		249,387		233,621		
2017	1,006,000	-7.71%	950,000	-5.57%	910,257	10.00%	0.00%	2017	271,661	8.93%	271,661	8.93%	256,983	10.00%	
2018	950,000	-5.57%	950,000	0.00%	950,000	4.37%	0.00%	2018	275,244	1.32%	275,244	1.32%	275,244	7.11%	
2019	1,302,425	37.10%	980,000	3.16%	980,000	3.16%	37.10%	2019	314,184	14.15%	314,184	14.15%	302,768	10.00%	
2020	1,305,277	0.22%	980,000	0.00%	980,000	0.00%	33.19%	2020	322,082	2.51%	322,082	2.51%	322,082	6.38%	
2021	1,314,733	0.72%	985,000	0.51%	985,000	0.51%	34.16%	2021	316,251	-1.81%	316,251	-1.81%	316,251	-1.81%	
2022	1,397,815	6.32%	1,149,000	16.65%	1,083,500	10.00%	41.91%	2022	408,421	29.14%	345,000	9.09%	345,000	9.09%	
2023	1,858,935	32.99%	1,500,000	30.55%	1,191,850	10.00%	61.79%	2023	511,272	25.18%	380,000	10.14%	379,500	10.00%	
Value Increase		64.07%		45.30%		38.03%	Violation of 23.01(e)	Value Increase		79.43%		44.34%		50.77%	
Inflation Increase		24.31%		24.31%		24.31%		Inflation Increase		24.31%		24.31%		24.31%	
		2.64		1.86		1.56				3.27		1.82		2.09	
Doesn't matter which value you review & compare, DCAD increased value much faster than inflation, 1.56 to 2.64 times faster.								Doesn't matter which value you review & compare, DCAD increased value much faster than inflation, 1.82 to 3.27 times faster.							

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

Example of an entire subdivision – Proving Fraudulent Hyper- Inflation

Example of a Single Family Home Community, with 27 homes (Estates of Copper Canyon)
Review of Average Market Value per Square Foot from 2017 to 2023

	2017	2018	2019	2020	2021	2022	2023	
Average Market Value/sq ft	148.83	153.23	156.00	153.23	156.00	176.91	232.90	**
Percentage Change from Prior Year		2.96%	1.81%	-1.78%	1.81%	13.40%	31.65%	
Sum of % Change Since 2017		2.96%	4.76%	2.99%	4.80%	18.20%	49.85%	Market Value
Inflation Rate/CPI	2.13%	2.44%	1.81%	1.23%	4.70%	8.00%	4.00%	
Sum of % Change Since 2017	2.13%	4.57%	6.38%	7.61%	12.31%	20.31%	24.31%	Inflation

Market Values increased over 2 times faster than inflation

49.85% = 2.05

24.31%

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

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

Example of retail shopping center – Proving Fraudulent Hyper- Inflation and

fraudulent creation of income calculation worksheets = bank fraud

This Commercial Shopping Center is in Flower Mound, Texas

Demonstrates Persistent Annual Violation of Property Tax Code Section 23.01(e) which states

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

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

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

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

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

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

This graphic below shows DCAD's failings under the Mass Appraisal Standards:

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

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

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

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

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

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

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

*($\$514,028 - \$296,000 = \$218,082$. $\$218,082 / \$514,082 = 42\%$)

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

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

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

The summary of the above is:

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

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

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

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

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

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

SAMPLE SCHOOL BOND DEBT PER HOUSEHOLD

Questions:

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

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

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

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

How many households know that the compound cumulative effect of \$109,000 / household could turn into \$542,000 in 30 years (depending on interest rate fluctuations and freezing bond raises as of today) and that they are expected to pay for it?

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

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

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

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

Median Household Income Shortfall

CADs Compared	2023 <u>Johnson</u>	2023 <u>Denton</u>	2024 <u>Denton</u>	2024 <u>Brazoria</u>	2024 <u>Travis</u>	2024 <u>Tarrant</u>
2023 Population	202,906	1,006,500	1,006,500	374,264	1,334,961	2,182,947
County Land Area, sq miles (excludes lakes)	725	878	878	1,386	990	864
Certified Total Report Data					Movie-Star Effect	
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	* 60,197 G1 mineral props	* 20,157 G1 mineral props	* no G1 mineral on report	* 1,124,268 G1 mineral props
Data Point & Assumptions						
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
Review					Median per CAD 4/11/24	
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%
Income Needed to Afford CAD Home MV	129,398	189,504	180,080	117,021	200,408	139,447
and be at 28%						
Median Household Income Shortfall	50,398	80,378	69,566	32,029	102,039	55,780
Median Income Affordable Home						
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%
CAD Value Exceeding Affordability	64%	74%	63%	38%	104%	67%
CAD Average or Median Home MV	349,000	514,082	498,188	319,781	551,419	372,344
Affordable Home MV	213,100	296,000	305,700	232,250	270,700	223,400

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

An elaborate scheme of all these Entities and Individuals:

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

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

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

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

The average household is short roughly \$9,000 per year of which \$7,000 is real estate tax.

The difference of surviving or bankruptcy is the real estate tax and this proves the fraud.
The home value cannot be as claimed by any CAD.

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

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

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

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

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

U.S. Code Section 1348.

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

Section 24 of the 1933 Securities Act

Section 325 of the Trust Indenture Act of 1939

Section 217 of the 1940 Investment Advisers Act

Section 49 of the 1940 Investment Company Act

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

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

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

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

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

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

SEC. 45.001 Texas Education Code - Violated

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

(1) issue bonds for:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 1371.057. **REVIEW AND APPROVAL OF OBLIGATION, CREDIT AGREEMENT, AND CONTRACT BY ATTORNEY GENERAL.** (a) Before an obligation may be issued or a credit

agreement executed, a record of the proceedings of the issuer authorizing the issuance, execution, and delivery of the obligation or credit agreement and any contract providing revenue or security to pay the obligation or credit agreement must be submitted to the attorney general for review.

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

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

Possible Cumulative Compound Fraud – TEXAS

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

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

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

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

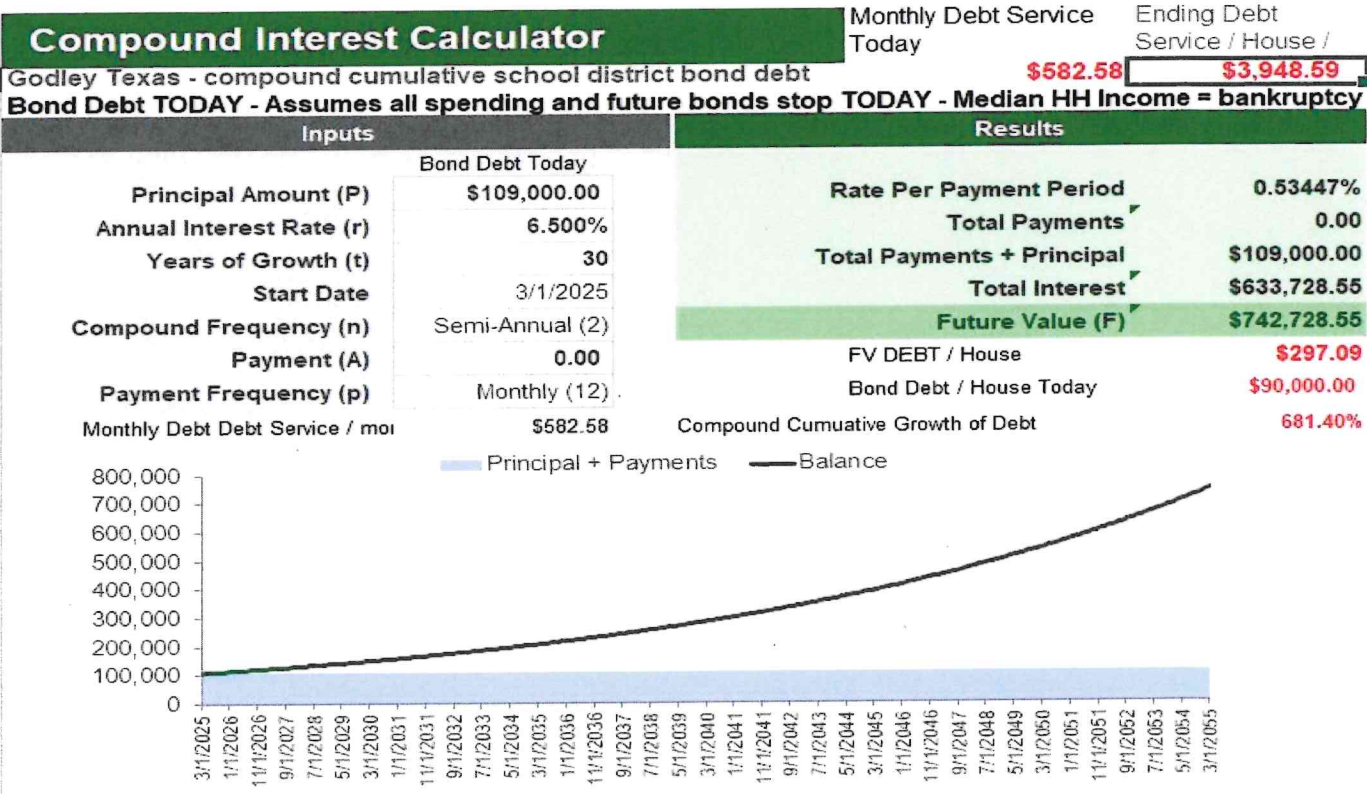
Possible Cumulative Compounding – United States of America

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

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

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

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



Bond Fraud Map

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

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

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

Payments for Remittance to Charter District Bond Guarantee Reserve Fund

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

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

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

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

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

be amended with another acceptable data source. The savings "S" shall remain constant for the life of the newly guaranteed bond.

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

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

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

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

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

- A.) Did not consider the Rule of 72
- B.) Did not take into account what if schools close down. What happens to the education cost per student? The interest on the bonds does not stop.
- C.) What happens to the bond debt that is applied to the schools, meaning fewer schools and the same bond debt? Closing schools forces the principal and interest to be applied toward the remaining students and still based on a non-existent implicit guarantee per property owner and per household.
- D.) What happens when the school districts create more bond fraud by raising more bond money that cannot be paid off – aka Ponzi scheme? **A contract that is designed to break the law is not a contract in the eyes of the law.**
- E.) No notes to the balance sheet, no sources and uses, no bond schedule, no disclosure on the "investment pools" all of which is by intent to defraud and never taken into account with regard to a "sinking fund" which cannot "sink" i.e. be paid off, due to the fraud and then adding to that fraud with additional bond debt requiring additional interest to be paid, to the point where we are today in that the raising of bonds not for principal reduction but to continue carrying the interest payments.
- F.) The Compound Cumulative Effect of the fraud, means that by not paying off the debt as claimed under law, then refinancing that debt makes the item purchased more expensive than its initial purchase price, for which there is no disclosure to the real estate tax paying public or the bond buyers. If buses are purchased with bonds, the effective life of a bus is 5 years, but the bonds not being paid off, means the cost of the buses is exponentially higher than their initial purchase price. No Bond Schedule = FRAUD.

Who received the benefit? – The Bond Guarantee Program allegedly contains \$57 billion today and has allegedly guaranteed \$250 Billion of school bonds. Governor Greg Abbott is the Chair of the Bond Review Board. Will any of this money be used to pay down the outstanding school districts bond debts? Will any of this money be used to prohibit the bankruptcy of any of the school districts? Probably not, and we know this

because the bankruptcies have already started. This Bond Guarantee Program shifted “Equity Stripped” money from the real estate taxpayers into this “Sovereign Wealth Fund” which has been commandeered as a slush fund as there is a high probability it will not be used to cover any school bond debt. This fund should be put into immediate conservatorship under Federal control until the truth is fully uncovered.

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

RULE OF LAW

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

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

- | | |
|--|-----|
| 1. Measures to ensure adherence to the principles of supremacy of law. | No. |
| 2. Equality before the law. | No. |
| 3. Accountability to the law. The government and private actors are accountable. | No. |
| 4. Application of the law. Must be applied equally to all person in like circumstances. | No. |
| 5. Separation of powers. | No. |
| 6. Participation in decision-making. | No. |
| 7. Legal certainty. Means provided for resolving disputes without prohibitive cost or inordinate delay | No. |
| 8. Avoidance of arbitrariness. (The ARB panels exist for the benefit of the CADs and against Citizens) | No. |
| 9. Procedural and legal transparency. | No. |
| 10. The law must protect the security of persons and property. | No. |
| 11. Law must be written so that it can be understood by ordinary persons in society. | No. |

I want to reiterate:

Texas Penal Code 37.11, Defaulting on Oath

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

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

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

- failure to report
- accessory after the fact
- harboring a fugitive

- aiding/abetting a fugitive

Title 42 U.S. Code Section 1986, Knowledge of Wrongful Act & Power to Prevent Person with knowledge that a wrongful act is about to be committed and having the power to prevent the commission of such wrong neglects or refuses so to do, is liable to the party injured for all damages caused by the wrongful act.

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

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

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

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

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

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

US Constitution, 1st Amendment, summarized:

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

US Constitution, 5th Amendment summarized:

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

US Constitution, 14th Amendment, summarized:

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

US Constitution, 16th Amendment:

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

CONSTITUTIONAL CASE LAW

Given that DCAD and its co-conspirators as well as the State of Texas have done an end run around the Texas Constitution and The Constitution of the United States of America, as shown in the evidence and as seen above, and given that Judge Lavonius denied Complainant due process, which continues the delay tactics by DCAD and their attorneys, and further given that DCAD's Counsel, is knowingly aiding and abetting a criminal conspiracy to defraud, we are taking this opportunity to ask the Texas State Auditor's Office to recognize the importance of the issues herein.

Article VI, Clause 2:

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

RICO

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

a. 18 U.S.C. § 1962(a)

Under section 1962(a), it is a crime to "use or invest" any income derived from "a pattern of racketeering activity" or through "collection of an unlawful debt" to establish, acquire an interest in, or operate "any

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

b. 18 U.S.C. § 1962(b)

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

c. 18 U.S.C. § 1962(c)

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

⁷ *Id.* § 1962(a).

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

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

¹⁰ 18 U.S.C. § 1962(b).

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

¹² 18 U.S.C. § 1962(c).

d. 18 U.S.C. § 1962(d)

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

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

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

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

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

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

¹⁸ *Id.*

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

²⁰ 18 U.S.C. § 1962(d).

²¹ *See id.* § 371.

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

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

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

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

²⁶ 18 U.S.C. § 1961(1)(A).

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

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

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

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

³¹ *See id.* § 1951.

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

³³ 18 U.S.C. § 1961(1)(D).

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

³⁵ 18 U.S.C. § 1961(5).

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

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

³⁸ 18 U.S.C. § 1961(6).

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

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

⁴¹ 18 U.S.C. § 1961(3).

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

⁴³ *Id.*

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

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

⁴⁶ 18 U.S.C. § 1962(a), (b).

⁴⁷ *See id.* § 1962(c).

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

⁴⁹ If the government seeks a sentence exceeding the 20-year statutory maximum, a jury must find beyond a reasonable doubt (or the defendant must have admitted in pleading guilty) that the defendant committed a racketeering act for which the maximum penalty includes life imprisonment. *See United States v. Nguyen*, 255 F.3d 1335, 1343–44 (11th Cir. 2001) (holding that RICO defendants’ sentences ran afoul of *Apprendi* because they were sentenced to a term greater than 20 years, but the jury did not find the defendants committed a racketeering act carrying a potential life sentence); *see also Apprendi v. New Jersey*, 530 U.S. 466 (2000).

⁵⁰ 18 U.S.C. § 1963(a)(1).

⁵¹ *See id.* § 1963(a)(2)(A)–(D).

⁵² *See id.* § 1963(a)(3).

⁵³ *See id.* § 1963(b).

⁵⁴ *See id.* § 1963(c).

⁵⁵ *See id.* § 1963(d)–(m).

⁵⁶ *See id.* § 1963(a).

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

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

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

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

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

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

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

⁶⁴ *Zemlyansky*, 908 F.3d at 11.

⁶⁵ *Id.* at 11–12.

Deprivation Of Rights Under Color of Law

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

For the purpose of Section 42, acts under "color of law" include acts not only done by federal, state, or local officials within their lawful authority, but also acts done beyond the bounds of that official's lawful authority, if the acts are done while the official is purporting to or pretending to act in the performance of his/her official duties. Persons acting under color of law within the meaning of this statute include police officers,

prisons guards and other law enforcement officials, as well as judges, care providers in public health facilities, and others who are acting as public officials. It is not necessary that the crime be motivated by animus toward the race, color, religion, sex, handicap, familial status or national origin of the victim.

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

42 U.S. Code § 1983

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


Res Ipsa Loquitur – The Evidence Speaks for Itself.

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

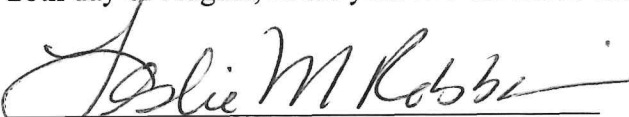
VERIFICATION

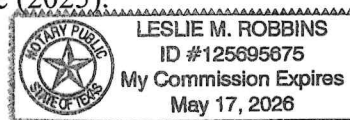
I, Mitchell Vexler, President G.P. on behalf of Mavex Shops of Flower Mound LP as Complainant, do affirm that all statements made herein are true and accurate, in all respects, to the best of my knowledge.

8/28/25
Date


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

As a Notary Public, I hereby certify that Mitch Vexler, President G.P. Mavex Shops of Flower Mound, LP, who is known to me, appeared before me and after affirming, he executed the foregoing document on this the 28th day of August, in the year two thousand and twenty-five (2025).


NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



Notary Seal