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SEP 10 2007  
10:50 a.m.  
AT ANNE REBECCA ELLIOTT, CLERK  
Dist. Court, Ft. Bend Co., TX

NO. 05-CV-146322

STATE OF TEXAS  
Plaintiff

v.

RNB ENTERPRISES, INC.  
D/B/A HOMER NORTON MOTEL  
Defendant

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IN THE DISTRICT COURT OF

FORT BEND COUNTY, TEXAS

268<sup>th</sup> JUDICIAL DISTRICT

**AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION**

On this date, came for hearing the above-entitled and numbered cause in which the STATE OF TEXAS ("State" or "Plaintiff"), acting by and through Attorney General of Texas, GREG ABBOTT, is Plaintiff, and RNB ENTERPRISES, INC., doing business as HOMER NORTON MOTEL ("Defendant"), acting by and through his attorneys of record, is Defendant. Through their respective attorneys of record, Plaintiff and Defendant agree to the entry of this AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION.

**STIPULATIONS**

The parties agree to the entry of this Judgment and, at their request, the Court finds that:

- a. It has jurisdiction over the subject matter of this action;
- b. It has jurisdiction over the Defendant;
- c. Venue is proper in Fort Bend County, Texas;
- d. The activities of Defendant constitute trade and/or commerce;
- e. Entry of this judgment is in the public interest;
- f. This judgment is non-appealable;
- g. Nothing in this Agreed Judgment in any way effects an individual's cause of action

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- under the DTPA, or any other laws or regulations of this State;
- h. Defendant acknowledges notice of this permanent injunction and acceptance of the same; therefore no writ need be issued;
  - i. This judgment resolves any remaining issues the State of Texas has with Defendant pursuant to the DTPA concerning Defendant's price gouging during the Hurricane Rita state of disaster through the date of this AFJ.
  - j. The court shall have continuing jurisdiction to enforce this judgment.

### DEFINITIONS

For the purposes of this Agreed Final Judgment and Permanent Injunction, the following definitions shall apply:

- a. "DTPA" shall mean the Texas Deceptive Trade Practices-Consumer Protection Act, TEX. BUS. & COM. CODE ANN. § 17.41 *et seq.* (Vernon 2002).
- b. "Homer Norton" shall mean the motel which is located at 4606 Avenue H, Rosenberg, Texas 77471.
- c. "State of disaster" shall mean the period of time from September 20, 2005, when Texas Governor Rick Perry issued a proclamation certifying Hurricane Rita as an imminent disaster, to November 18, 2005, when the second proclamation extending the state of disaster expired.
- d. "Average price" shall mean the average price charged for a good or service over a two month period prior to the declaration of a disaster by the Texas Governor.
- e. "Effective Date" of the judgment shall mean the date that this Agreed Final Judgment and Permanent Injunction is signed by the Court.

### PERMANENT INJUNCTION

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that Defendant, its officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with the Defendant who receive actual notice of this injunction shall be permanently enjoined, restrained, and prohibited from engaging in the following conduct:

1. Offering for sale or selling goods or services at exorbitant or excessive prices during a disaster declared by the Texas Governor; to wit: charging rates in excess of ten percent (10%) of the average price for those goods and services.
2. Taking advantage of any disaster or natural calamity by charging excessive prices for goods and services sought out by consumers as necessary to their daily living or to the operation of their business; to wit: charging in excess of ten percent (10%) of the average price for those goods and services.
3. Collecting the hotel occupancy tax from evacuees during a disaster declared by the Texas Governor and/or failing to obtain a completed exemption certificate from those evacuees.
4. Failing to post a sign or card in a conspicuous place in each room with the daily room rate and the date the sign or card was posted as required by TEX. OCC. CODE § 2155.001(a).
5. Failing to maintain a guest registration system to record the name and contact information of guests of the motel including the guests' names, addresses, the length of their stay, and the price charged per day.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant shall, within thirty (30) days of the Effective Date of this Judgment:

1. Provide a list of the names and contact information of all individuals who stayed at the Homer Norton Motel during the state of disaster who were charged an excessive price for a room and who have not already been refunded the excessive charges. That information shall go to Mary Vinson, Investigator, Office of the Attorney General, Consumer Protection and Public Health Division, P.O. Box 12548, Austin, TX 78711-2548.
2. Send a notice letter to guests of Homer Norton who stayed at the motel during the state of disaster who were charged an excessive price for a room and who have not already been refunded the excessive charges. This notice letter shall instruct individuals of their right to have the difference between the average price and the amount they were charged over the average price refunded. If a notice letter is returned marked with a different forwarding address, Defendant shall immediately mail a second notice letter to the person at the new address. If a person contacts Defendant indicating that they are entitled to such a notice letter, Defendant shall immediately mail a notice letter to that person;
3. Place a notice in a newspaper of general circulation in Harris and Fort Bend Counties which informs readers of the overcharge and restitution provided under this Agreed

**Final Judgment;**

4. Such notices as described in paragraphs 2 and 3 shall instruct all consumers to contact Mary Vinson, Investigator, Office of the Attorney General, Consumer Protection Division, P.O. Box 12548, Austin, Texas 78711-2548, or at telephone number 1-800-621-0508 for information on how to submit a request for restitution under this judgment;
5. Defendant shall also send a copy of the notices described in paragraphs 3 and 4 to Mary Vinson, Investigator, Office of the Attorney General, Consumer Protection and Public Health Division, P.O. Box 12548, Austin, TX 78711-2548, no later than sixty (60) days after the Court signs this judgment; and
6. In the event the Plaintiff is unable to disburse the entire restitution amount assessed herein, after exercising reasonable diligence to effect same, then and in that event, any excess restitution amounts shall revert to Plaintiff as additional attorney fees and investigative costs.

**PENALTIES, ATTORNEY'S FEES,  
RESTITUTION AND COURT COSTS**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Plaintiff shall have judgment against Defendant RNB Enterprises, Inc. in the amount of **SIXTY-TWO THOUSAND THREE HUNDRED AND SEVENTY ONE Dollars (\$62,371.03)**, which shall be paid to the State as follows:

1. **FORTY THOUSAND Dollars and No/100 (\$40,000.00)** shall be paid to the State of Texas as civil penalties to or for the benefit of the State of Texas, pursuant to DTPA §17.47(c)(1)-(2). These civil penalties shall constitute a civil fine or penalty to and for a governmental unit and are not compensation for actual pecuniary loss. The amount of civil penalties stated herein may be reduced if Defendants perform certain acts which are memorialized in a separate compromise and settlement agreement between the parties
2. **TWENTY THOUSAND THREE HUNDRED AND SEVENTY-ONE Dollars and 03/100 (\$20,371.03)** shall be paid to the State of Texas as Plaintiff's reasonable and necessary attorneys' fees, investigative costs and court costs.
3. **TWO THOUSAND DOLLARS (\$2,000.00)** shall be paid to the State, which will be set aside for restitution to all consumers who were Hurricane Rita evacuees and were overcharged by the Homer Norton motel during the weeks of September 19 and

26, 2005.

4. Payment shall be made by cashier's check or money order made payable to the State through the "Texas Attorney General," bearing the reference AG # 052230596, and delivered to the Consumer Protection and Public Health Division, Office of the Attorney General, P.O. Box 12548, or at its physical address, 300 W. 15<sup>th</sup> Street, 9<sup>th</sup> Floor, Austin, Texas 78711-2548. ATTN: David Ashton.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that if Defendants fail to pay these amounts on the effective date of this Judgment, postjudgment interest at the rate of 8.25% shall accrue.

#### MISCELLANEOUS

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the State of Texas shall have all writs of execution and other processes necessary to enforce this Agreed Final Judgment and Permanent Injunction. Defendant, by his signature below, hereby acknowledges notice of this Permanent Injunction and acceptance of same; therefore, no writ need be issued.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant shall not represent to the public that this Judgment constitutes approval by Plaintiff or this Court of any of Defendant's actions or business activities.

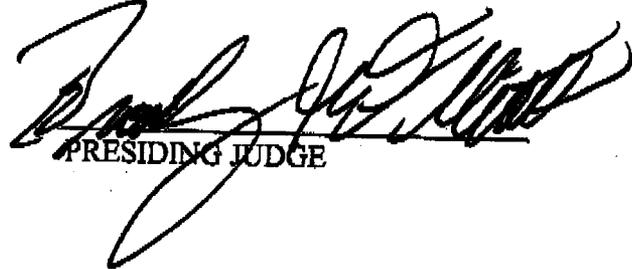
**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** in the event that Defendant files for bankruptcy prior to making all the payments set forth above, Plaintiff, the State of Texas, shall have an undisputed liquidated claim in the bankruptcy proceeding for the amount of the civil penalties, plus any accrued interest and less any and all amounts paid by Defendant to the State of Texas pursuant to this Agreed Judgment, representing civil penalties and attorney's fees.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that if in the future any definition or provision in this Judgment is inconsistent with the laws of the State of Texas or any

rules or regulations promulgated thereunder, then such laws and/or rules and regulations will prevail over the terms of this Judgment, provided that the remaining terms of the Judgment not affected by such laws, rules, or regulations will remain in full force and effect.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that all relief not expressly granted herein is denied.

SIGNED this 11<sup>th</sup> day of September, 2007.

  
PRESIDING JUDGE

**FILED**

2007 SEP 11 PM 2:02



CLERK DISTRICT COURT  
FORT WORTH, TEX.

**AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:**

GREG ABBOTT  
Attorney General of Texas

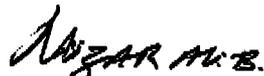
RNB ENTERPRISES, INC. D/B/A HOMER  
NORTON MOTEL

KENT C. SULLIVAN  
First Assistant Attorney General

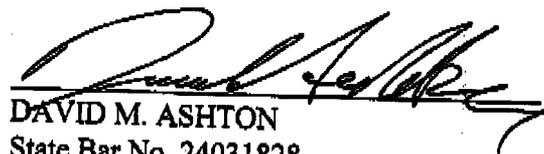
JEFF L. ROSE  
Deputy First Assistant Attorney General

PAUL D. CARMONA  
Chief, Consumer Protection Division

JOHN OWENS  
Deputy Chief, Consumer Protection Division



NIZAR ALI BHALESHA,  
President, RNB Enterprises, Inc.



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**ATTORNEY FOR DEFENDANT**

**ATTORNEYS FOR THE STATE OF  
TEXAS**