

CAUSE NO. DC-19-09051

<b>ROUNDTREE AUTOMOTIVE GROUP LLC,</b>	§	<b>IN THE DISTRICT COURT OF</b>
	§	
	§	
<b>Plaintiff,</b>	§	
	§	
<b>v.</b>	§	<b>DALLAS COUNTY, TEXAS</b>
	§	
<b>MATTHEW STINSON, NSOH HOLIDAY ROAD, LLC, and NSOH HOLIDAY ROAD II, LLC,</b>	§	
	§	
	§	
<b>Defendants.</b>	§	<b>192nd JUDICIAL DISTRICT</b>

**PLAINTIFF’S FIRST AMENDED PETITION AND  
REQUEST FOR DECLARATORY JUDGMENT**

Plaintiff Roundtree Automotive Group LLC (“*Roundtree*”) files this First Amended Petition and Request for Declaratory Judgment.

**I. Introduction**

1. This lawsuit seeks to recover property and amounts Defendants Matthew Stinson, NSOH Holiday Road, LLC (“*NSOH*”), and NSOH Holiday Road II, LLC (“*NSOH II*,” collectively with Matthew Stinson and NSOH, “*Defendants*”) wrongfully directed away from Roundtree while Matthew Stinson served as its Chief Executive Officer.

**II. Discovery Control Plan**

2. Pursuant to Texas Rule of Civil Procedure 190.4, Roundtree intends to conduct discovery under a Level 3 Discovery Control Plan.

**III. Parties**

3. Roundtree is a Louisiana limited liability company. The members of Roundtree include Frank Stinson, Brenda Stinson, Matthew Stinson, Audra E. Stinson, and Laura S. Bennett, who are all Texas residents, and Joshua B. Stinson, who is a Virginia resident.

Plaintiff’s First Amended Petition and

4. Matthew Stinson is a Texas resident and can be served by and through his counsel of record.

5. NSOH is a Texas limited liability company and can be served by and through its counsel of record.

6. NSOH II is a Texas limited liability company and can be served by and through its counsel of record.

#### **IV. Jurisdiction and Venue**

7. This Court has jurisdiction over the parties as each is a Texas citizen, maintains a principal place of business in Texas, or has voluntarily submitted to this Court's jurisdiction. Further, this Court has jurisdiction over the parties as each has done business in Texas and/or because each of the parties has had sufficient minimum or continuing contacts with Texas.

8. Subject matter jurisdiction of this case is proper because the amount in controversy exceeds the minimum jurisdictional limits of the Court.

9. Pursuant to Texas Civil Practice and Remedies Code §15.002(a)(1), venue is proper in this district because Dallas County is the county in which all or a substantial part of the events or omissions giving rise to the claims alleged herein occurred.

#### **V. Rule 47 Statement**

10. Pursuant to Texas Rule of Civil Procedure 47, Roundtree seeks monetary relief over \$1,000,000.00. Roundtree also seeks nonmonetary relief.

#### **VI. Background**

11. Founded by Frank Stinson in 1985, Roundtree is a holding company for a chain of retail automotive-related companies with its corporate headquarters in Dallas, Texas. With CEO Frank Stinson at its helm, Roundtree operated storefronts from California to Alabama. In its prime,

Roundtree generated over half a billion dollars in revenue annually and consistently ranked as one of the top 100 dealer groups in the United States.

12. In 2012, health issues necessitated Frank Stinson's leave of absence from Roundtree. During this medical leave of absence, Matthew Stinson, Frank Stinson's son, was appointed as CEO for Roundtree.

13. Frank Stinson returned to Roundtree in October 2018, only to discover that the once-strong dealer group he spent a lifetime building was on the precipice of financial ruin. An investigation and review of Roundtree's files and financial documents revealed that, under the direction of Matthew Stinson as CEO, Roundtree engaged in lavish spending.

14. In addition to his handsome salary as Roundtree's CEO, Matthew Stinson took advantage of and abused his position, directing the payments from Roundtree's accounts to acquire substantial amounts of property, including houses, high-end jewelry, guns, boats, cars, and custom golf carts. Despite paying for this property, none of it is held in Roundtree's name.

15. For example, Matthew Stinson directed that Roundtree spend over \$2.4 million to acquire a 1.26 acre lake house property located at 13380 Waterside Ct, Malakoff, TX 75148 (the "Lake House") (held in the name of NSOH II, an entity owned or controlled by Matthew Stinson) and a .775 acre empty lot in the same area (the "Lake Lot") (held in NSOH's name, an entity owned or controlled by Matthew Stinson) (the Lake House and the Lake Lot collectively, the "Lake Properties"). Roundtree also spent over \$600,000 to acquire a residence located at 3528 Marquette Street, Dallas, Texas 75225 (the "Dallas Property") (held in Matthew Stinson's name) (the Lake Properties and the Dallas Property collectively, the "Properties"). Roundtree directly paid the property taxes, mortgage and escrow bills, construction and renovation invoices, and other maintenance and day-to-day expenses for the Properties.

16. Matthew Stinson also had Roundtree pay for his day-to-day and personal expenses, such as groceries, household bills, luxury vacations, and event tickets. Acting as Roundtree's CEO, Matthew Stinson even directed Roundtree funds to his personal accounts.

17. The total amount Roundtree paid to acquire the Properties, high-end jewelry, guns, boats, cars, and custom golf carts, and the amount of Matthew Stinson's personal expenses paid with Roundtree funds, is presently unknown. It is clear, however, that Roundtree owns the Lake Lot and the Dallas Property, yet it does not hold title to these properties.

18. Without Roundtree's consent, Matthew Stinson marketed the Lake Properties and the Dallas Property for sale, and sold the Lake House on or about May 15, 2019. Roundtree never received any proceeds from the sale of the Lake House. The inescapable conclusion is that Matthew Stinson is liquidating assets to put them beyond the reach and jurisdiction of this Court and Roundtree—the true owner of the Properties.

## **VII. Causes of Action**

### **A. Money Had and Received (Against Defendants)**

19. Roundtree re-alleges and incorporates by reference all facts and allegations set forth above.

20. To the extent that Matthew Stinson, NSOH, and NSOH II are holding monies, property received as money, or property converted to money, including without limitation, the Properties, furniture, jewelry, boats, cars, golf carts, or personal items that Matthew Stinson took possession of and sold without remitting payment to Roundtree, such monies belong to Roundtree in equity and good conscience.

## **B. Breach of Fiduciary Duty (Against Matthew Stinson)**

21. Roundtree re-alleges and incorporates by reference all facts and allegations set forth above.

22. By virtue of Matthew Stinson's position as CEO of Roundtree, and as a result of the high degree of confidence Roundtree placed in him, Roundtree entrusted Matthew Stinson with access to and control of its finances. By doing so, Roundtree relied on Matthew Stinson to act in Roundtree's best interest and protect Roundtree's property. Through his unauthorized, unlawful, and self-interested use of Roundtree's assets and the damages resulting therefrom, Matthew Stinson knowingly, intentionally, and maliciously breached his fiduciary duties to Roundtree.

23. Matthew Stinson breached his duty of loyalty and utmost good faith, duty of candor, duty to refrain from self-dealing, duty to act with integrity, duty of fair and honest dealing, duty of full disclosure, duty to account for all corporate profits and property, and duty not to usurp corporate opportunity for personal gain.

24. Roundtree's injury resulted from Matthew Stinson's malice, fraud, or gross negligence, for which Roundtree seeks its full remedies, including without limitation, exemplary damages under Texas Civil Practice & Remedies Code § 41.003(a).

## **C. Knowingly Participating in Breach of Fiduciary Duty (Against NSOH and NSOH II)**

25. Roundtree re-alleges and incorporates by reference all facts and allegations set forth above.

26. NSOH and NSOH II knew Matthew Stinson owed fiduciary duties to Roundtree. NSOH and NSOH II proceeded to knowingly participate in Matthew Stinson's breach of his fiduciary duties to Roundtree.

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.