

CAUSE NO. _____

THE STATE OF TEXAS	§	IN THE DISTRICT COURT
Plaintiffs	§	
	§	
v.	§	
	§	
KHC LLC DBA POST OAK POKER CLUB,	§	
DANIEL J. KEBORT, WILLIAM HEUER III,	§	
SERGIO D. CABRERA, ALAN CHODROW AND	§	
KEVIN CHODROW	§	
Defendants	§	____ JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION FOR ABATEMENT OF A COMMON NUISANCE,
APPLICATION FOR A TEMPORARY INJUNCTION, PERMANENT INJUNCTION, AND
REQUEST FOR DISCLOSURE

To the Honorable Judge of Said Court:

Plaintiff, the State of Texas, by and through Harris County Attorney Vince Ryan, brings this action against KHC LLC DBA Post Oak Poker Club, Daniel J. Kebort, William Heuer III, Sergio D. Cabrera, Alan Chodrow, Kevin Chodrow (“Defendants”) seeking to abate the nuisance activity occurring at the Post Oak Poker Club located at 1001 West Loop South, Suite 400, Houston, Texas. Defendants own, operate, and maintain an illegal poker room at this location and are violating the Texas Penal Code by promoting illegal gambling and laundering proceeds from this illegal activity. This criminal activity places the Defendants in violation of Chapter 125 of the Texas Civil Practice and Remedies Code. In support thereof, Plaintiff would show the following:

I. DISCOVERY

1.1 Plaintiff intends to conduct discovery under Level 2 described in Rule 190.3 of the Texas Rules of Civil Procedure.

II. JURISDICTION AND STATUTORY AUTHORITY

2.1 This enforcement action is brought by Harris County Attorney Vince Ryan, through the Harris County Attorney's Office in the name of the State of Texas to enjoin and abate a common nuisance pursuant to Sections 125.001-125.047 of the CPRC. Verification of the petition or proof of personal injury need not be shown by the State under Section 125.002(a) of the CPRC.

2.2 The court has subject-matter jurisdiction and personal jurisdiction over this case under Section 125.002(a) of the CPRC.

III. PARTIES

3.1 Plaintiff, the State of Texas, by and through the Harris County Attorney Vince Ryan brings this action pursuant to Chapter 125 of the Texas Civil Practice and Remedies Code.¹

3.2 Defendant **KHC LLC DBA Post Oak Poker Club** owns and operates a poker club at 1001 West Loop South, Suite 400, Houston, Texas. KHC LL can be served by serving their registered agent, Daniel Kebort at 1001 W. Loop S., Suite 106, Houston, Texas 77027 or wherever he can be found.

3.3 Defendant **Daniel J. Kebort** is an owner and manager of the Post Oak Poker Club. He can be served at 6215 Sutherland Square, Houston, Texas 77081 or wherever he can be found.

3.4 Defendant **William Heuer III** is an owner of the Post Oak Poker Club. He can be served at 5806 Creston Springs Ct., Spring, Texas 77379 or wherever he can be found.

3.5 Defendant **Sergio D. Cabrera** is an owner of the Post Oak Poker Club. He can be served at 22390 Tomball Parkway, Houston, Texas 77070 or wherever he can be found.

3.6 Defendant **Alan Chodrow** is an owner of the Post Oak Poker Club. He can be served at 4701 Pine Circle, Bellaire, Texas 77401 or wherever he can be found.

¹ Tex. Civ. Prac. & Rem. Code § 125.0015.

3.7 Defendant **Kevin Chodrow** is an owner of the Post Oak Poker Club. He can be served at 5674 Grand Floral Blvd., Houston, Texas 77041 or wherever he can be found

IV. VENUE

4.1 Venue is proper pursuant to Section 125.002(a) of the Civil Practice and Remedies Code. Additionally, the property being maintained as a common nuisance at issue in this case is located in Harris County, Texas.

V. FACTS

5.1 The Property located at 1001 West Loop South, Suite 400, Houston, Texas houses a poker room that is open to the public seven days a week and through the morning hours. The Defendants, KHC LLC DBA Post Oak Poker Club, Daniel J. Kebort, William Heuer III, Sergio Cabrera, Alan Chodrow, Kevin Chodrow maintain, own, use or are a party to the use of the Post Oak Poker Club (“Poker Club”) for purposes of illegal gambling, gambling promotion, money laundering and engaging in organized criminal activity.

5.2 Beginning in November of 2018, the Houston Police Department (HPD) conducted an undercover investigation at the Poker Club located at the time at 1801 Post Oak Blvd., Ste. #1E, Houston, Texas in order to determine if illegal gambling was taking place. During their investigation, officers posed as customers and were asked to pay a membership fee, a door fee and a fee to play at a poker table inside the Poker Club. These fees varied depending on the time of day. On each occasion, officers observed large numbers of patrons inside playing at the poker tables sometimes in excess of 100 patrons at a time. The Poker Club served complimentary food and was BYOB allowing patrons to bring in their own alcohol. However, an undercover officer was able to purchase alcohol from an employee by paying her a “tip.” While food and beverages were available, officers noted that few of the patrons purchased food or drinks.

5.3 On each occasion inside the Club, HPD officers bought poker chips to bet on a poker game and were charged a fee to play at a poker table. At the end of the operation, the officers were able to turn in their chips and collect cash winnings from employees at the Poker Club.

5.4 As part of their investigation, a Fraud Examiner with the Harris County District Attorney's Office reviewed the financial records for the Poker Club. The bank records showed that Defendants Kevin Chodrow and Daniel Kebort deposited over four million dollars between August 2, 2017 through September 27, 2018,. Defendants Daniel J. Kebort, William Heuer III, Sergio Cabrera, Alan Chodrow, Kevin Chodrow were all included as signers on this bank account. A large portion of this money was deposited as cash payments.

5.5 Public filings in Cause No. 2018-14461 related to a lawsuit involving Defendants Kevin Chodrow, Daniel Kebort and William Heuer III, reveal that each of the individual defendants owns a 20 percent interest in the Poker Club. The Poker Club has recently changed locations and now operates at 1001 West Loop South, Suite 400, Houston, Texas 77027.

5.6 On April 29, 2019, a Harris County Judge signed arrest warrants for Daniel J. Kebort, William Heuer III, Sergio Cabrera, Alan Chodrow, Kevin Chodrow for Engaging in Organized Criminal Activity, Money Laundering and Gambling Promotion. A search warrant was also signed for the Poker Club.

VI. CAUSE OF ACTION

6.1 Section 125.0015(a) of the Texas Civil Practice and Remedies Code states that “[a] person who maintains a place to which persons habitually go for the following purposes and who knowingly tolerates the activity and furthermore fails to make reasonable attempts to abate the activity maintains a common nuisance.” Gambling, gambling promotion or communication

gambling information in violation of the Penal Code gives rise to a Chapter 125 nuisance, as well as, engaging in organized criminal activity as a member of a combination.

6.2 Section 125.004(a) of the Texas Civil Practice and Remedies Code provides that “[p]roof that and activity described by Section 125.0015 is frequently committed at the place involved or that the place is frequently used for an activity described by Section 125.0015 is prima facie evidence that the defendant knowingly tolerated the activity.” Evidence of the general reputation of the place involved is admissible to show the existence of the nuisance according to Section 125.004(c).

6.3 Simply put, Defendants, KHC LLC DBA Post Oak Poker Club, Daniel J. Kebort, William Heuer III, Sergio Cabrera, Alan Chodrow, Kevin Chodrow own, operate and maintain a nuisance at the Club. Evidence clearly shows that patrons go to the club for the sole purpose of illegal gambling and the Defendants are receiving an economic benefit from this illegal activity. Defendants have knowingly tolerated this Chapter 125 activity and have allowed such activity to occur habitually on the property. Additionally, the general reputation of the Poker Club is of a place where the public can go to participate in illegal gambling in violation of the Texas Penal Code.

6.4 Based on the foregoing, the State of Texas seeks to abate this common nuisance

VII. REQUEST FOR TEMPORARY AND PERMANENT INJUNCTIONS

7.1 Defendants maintain a nuisance and have failed or refused to abate the common nuisance. Defendants are likely to continue to maintain the property as a common nuisance unless refrained by an injunctive order of the court.

7.2 In accordance with Section 125.045(a) of Texas Civil Practice and Remedies Code, if, after notice and hearing on a request by a plaintiff for a temporary injunction, a court determines

that the plaintiff is likely to succeed on the merits in a suit brought under Section 125.002 (Suit to Abate Common Nuisance), the court shall require that each Defendants execute a bond. The bond must be 1) payable to the STATE OF TEXAS at Harris County, 2) be in the amount set by the court, but no less than \$5,000 nor more than \$10,000, 3) have sufficient sureties approved by the court, 4) and be conditioned that the defendant will not knowingly allow a common nuisance to exist at that place.

7.3 Based on section 125.002(e) of the Texas Civil Practice & Remedies Code, if the judgment is in favor of the State of Texas, the court shall grant an injunction ordering Defendants to abate the nuisance and be enjoined from maintaining or participating in, the common nuisance existing on the property. The court may include in its order reasonable requirements to prevent the use or maintenance of the place as a nuisance.

7.4 Pursuant to section 125.003(a) of the Texas Civil Practice & Remedies Code, should any condition of the bond or any injunctive order by this court be violated, suit upon the bond in the name of the State of Texas should be allowed; and upon a showing of a violation of any condition of the bond or injunctive order, the whole sum of the bond should be ordered forfeited to Harris County, Texas, the originating entity. The place where the nuisance exists should be ordered closed for one year from the date of the order of bond forfeiture.

7.5 If final judgment favors the Plaintiff, the Court shall grant a permanent injunction ordering Defendants to abate the nuisance and/or be forever enjoined from maintaining or participating in the common nuisance existing on the property. The Court may include in its order reasonable requirements to prevent the use or maintenance of the place as a nuisance.

7.6 In accordance with Section 125.002(d) of Texas Civil Practice and Remedies Code, for a common nuisance and a person who violates a temporary or permanent injunctive order is subject to the following sentences for civil contempt:

- a. fine of not less than \$1,000 or more than \$10,000,
- b. confinement in jail for a term of not less than 10 or more than 30 days,
- c. both a fine and confinement.

7.7 In accordance with Section 125.045(b) of the Texas Civil Practice and Remedies Code Annotated, if a defendant violates the temporary or permanent injunction, the court may order a political subdivision to:

- a. discontinue the furnishing of utility services to the place at which the nuisance exists;
- b. prohibit the furnishing of utility service to the place by any public utility holding a franchise to use the streets and alleys of the political subdivision;
- c. revoke the certificate of occupancy of the place;
- d. prohibit the use of city streets, alleys, and other public ways for access to the place during the existence of the nuisance or in furtherance of the nuisance;
- e. limit the hours of operation of the place, to the extent that the hours of operation are not otherwise specified by law;
- f. order a landlord to terminate a tenant's lease if:
 - i. the landlord and the tenant are parties to the suit, and
 - ii. the tenant has violated a condition of the injunctive order; or
- g. order any other legal remedy available under the laws of the state.
- h. Any other legal remedy available under the laws of the State.

7.8 Based on the foregoing, the State of Texas also requests a Permanent Injunction enjoining the Defendants from operating and maintain the Prime Social Club for the purposes that constitute a nuisance.

VIII. REQUEST FOR DISCLOSURE

8.1 In accordance with Rule 194 of the Texas Rules of Civil Procedure, Harris County, Texas requests that each Defendant disclose within fifty (50) days of service of this Petition, the information described in Rule 194.2.

IX. ATTORNEY'S FEES

9.1 It was necessary to secure the services of an assistant Harris County Attorney to litigate this cause of action to enjoin and abate the common nuisance being maintained on the property. Based on Sections 125.003(b) and 125.068 of the Texas Civil Practice & Remedies Code, Plaintiff requests the Defendants be ordered to pay reasonable attorney's fees and costs, including investigative costs, witness fees, court costs and deposition fees.

X. VERIFICATION

10.1 Pursuant to Section 125.002 of the Texas Civil Practice and Remedies Code, the Plaintiff is not required to verify the allegations set forth in this petition, nor show any proof of personal injury by the acts complained herein.

XI. PRAYER

For these reasons, the State of Texas respectfully requests that the Court 1) grant its request for a temporary injunction, 2) grant its request for a permanent injunction and 4) award it costs of court, reasonable attorney's fees, investigative costs, witnesses fees, and any other reasonable expenses for which they may be justly entitled.

Respectfully submitted,

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I, Marilyn Burgess, District Clerk of Harris County, Texas certify that this is a true and correct copy of the original record filed and or recorded in my office, electronically or hard copy, as it appears on this date.

Witness my official hand and seal of office this May 1, 2019

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Marilyn Burgess, DISTRICT CLERK
HARRIS COUNTY, TEXAS

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