



ANDERSON  
LEHRMAN  
BARRE  
MARAIST, L.L.P.

GASLIGHT SQUARE  
1001 THIRD STREET, SUITE 1  
CORPUS CHRISTI, TEXAS 78404  
TELEPHONE (361) 884-4981  
TELECOPIER (361) 884-9618  
[WWW.ALBMLAW.COM](http://WWW.ALBMLAW.COM)  
[www.Lehrman-Mediation.com](http://www.Lehrman-Mediation.com)

ANDREW J. LEHRMAN\*  
BOARD CERTIFIED CIVIL TRIAL LAW  
TEXAS BOARD OF LEGAL SPECIALIZATION  
\*ADMITTED IN TEXAS & NEW MEXICO  
CERTIFIED MEDIATOR

DENNY BARRE

KEVIN M. MARAIST  
BOARD CERTIFIED BUSINESS BANKRUPTCY LAW  
TEXAS BOARD OF LEGAL SPECIALIZATION

JEFFREY J. LEHRMAN\*\*  
\*\*ADMITTED IN TEXAS, NEW YORK & NEW JERSEY

ANDREW W. SCHUSTER  
NATHANIEL J. CLARK

OF COUNSEL:

MARVIN J. WANNER  
BOARD CERTIFIED ESTATE PLANNING & PROBATE  
TEXAS BOARD OF LEGAL SPECIALIZATION

R. BRYAN STONE  
BOARD CERTIFIED REAL ESTATE LAW  
COMMERCIAL-RESIDENTIAL-FARM AND RANCH  
PROPERTY OWNERS ASSOCIATION  
TEXAS BOARD OF LEGAL SPECIALIZATION

**Statement on behalf of Elevate QOF, LLC in Response to the baseless allegations of fraud and misconduct surrounding the Hilton Homewood Suites Hotel Project**

As attorneys for Elevate QOF, LLC ("Elevate"), this statement is in response to allegations related to the Hilton Homewood Suites Hotel Project ("the Project").

*"At no point has there ever been any intent by Elevate to deceive or defraud the Type B Board, the Corpus Christi City Council, or the citizens of Corpus Christi, and Elevate will vigorously defend itself against Plaintiff's baseless, meritless, and slanderous allegations. Elevate denies any allegation and/or insinuation of any wrongdoing and Elevate further denies that it has violated any statute, contract, or duty or that it has engaged in any false, misleading, or deceptive conduct. Elevate looks forward to presenting credible evidence at the time of trial and exposing Plaintiff's actions."*

**Q&A:**

**Q. What is at the heart of the Plaintiff's actions?**

A. Plaintiff Ajit David wrongfully filed this lawsuit in an effort to directly harm Elevate because as he states in his lawsuit "...the City's grant of \$2,000,000.00 threatens direct financial losses and undermines continued business success of Plaintiff [Ajit David]."<sup>1</sup> Plain and simple, this is an action taken to discredit and stop the development of a competing hotel.

**Q. What is the allegation in the Plaintiff's lawsuit and is there any validity?**

A. In Plaintiff's lawsuit against the City and Mayor, Plaintiff has falsely asserted that the date of the press release and release number was intentionally removed to deceive the Type B Board as to when Elevate was informed of the flood plain issues on the Project. In theory, this alleged deception would have cloaked information that could have impacted the Type B Board's approval of the Elevate incentive request. This allegation is patently without basis and a fabrication. Further, the record is clear and unequivocal that the Type B Board unanimously approved Elevate's Project because it was a "Capstone project in the downtown area to spur development"; it was NOT because of any FEMA floodplain zone requirements as the Type B Board's record reflects that "we [the Type B Board] all said we're not interested in fixing everyone's FEMA problem."

<sup>1</sup> This is because Plaintiff Ajit David and businesses that he is involved with (i.e. RGB Hospitality, Inc. where Raju Bhagat is President, Officer, and Director and Plaintiff Ajit David is an Officer and Director and Bayfront Marina, LLC where Ajit David and Raju Bhagat are Members, which is the General Partner of Bayfront Marina Investments, LP d/b/a Holiday Inn Corpus Christi Downtown Marina where Raju Bhagat is listed as Partner, along with others) or is associated with (i.e. Padre Island North, LLC where Raju Bhagat is the sole member and Director) own and/or operate hotels in this community and are competitors of Elevate.

Q. What's the role of a FEMA press release screenshot in the Plaintiff's lawsuit?

A. The Plaintiff has alleged that an edited screenshot of a FEMA press release was used in a presentation to the Type B Board in support of Elevate's application. That is simply false and a convenient construct by the Plaintiff. Reality is the screenshot is from a publicly available press release from the FEMA website with date stamps that simply do not support the Plaintiff's accusations.<sup>2</sup> Elevate was not aware of any potential flood plain issue until February 6, 2023, the date of Elevate's Early Assistance meeting with the City's Development Services department. Therefore, earlier statements made by Elevate to the Type B Board were accurate, true, and are supported by factual evidence, not speculation based on the false narrative created by Plaintiff.

Q. What legal actions, if any, is Elevate taking in response to the baseless accusations by the Plaintiff?

A. With respect to Plaintiff's lawsuit, the City and Mayor have denied Plaintiff's allegations and Elevate has filed its own Petition in Intervention seeking a declaration of the rights of the parties and a declaratory judgment that Ordinance Number 24-0256 is valid, proper, and enforceable. Elevate is also seeking all damages, costs, and reasonable and necessary attorney's fees as a result of Elevate being required to intervene in a clearly politically motivated and meritless lawsuit filed by Plaintiff, a competitor of Elevate who is admittedly attempting to inflict financial harm on Elevate while at the same time pursuing a separate \$2,000,000.00 incentive from the City and Type B Board for Plaintiff's own financial gain.

**ANDERSON, LEHRMAN, BARRE & MARAIST, L.L.P.**

By: /s/ Denny Barre  
Denny Barre, Partner

By: /s/ Jeffrey J. Lehrman  
Jeffrey J. Lehrman, Partner

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<sup>2</sup> The informational slide show presentation that was prepared for the Type B Board regarding Elevate's incentive request for the Project has been at the center of the Plaintiff allegations. Specifically, the presentation included a screenshot of a publicly available press release from the FEMA Newsroom regarding the adoption of the new FIRM maps for Nueces County on October 12, 2022. The screenshot clearly indicates the actual date of the OFFICIAL adoption of the FIRM Maps and is stated again in the corresponding bullet points to the left of the screen shot, both of which correspond with the City's own adoption of the FIRM Maps, Ordinance No. 032888. Any allegation or insinuation of tampering or forgery with intent to deceive is wholly without merit and is denied.

As has been stated repeatedly, the screen shot of the press release does not include the date of its release, April 13, 2022, or its release number, R6-009. Elevate has never denied this. Notably, the bulk of the remainder of FEMA Press Release Number R6-009, was also not included in the screen shot slide presentation as this information was superfluous and not necessary. The additional superfluous and unnecessary information, along with the release date and press release number, was neither relevant nor germane to the bullet points during the presentation or considered by the Type B Board when making its decision. What was important, however, was that the slide confirmed that the new Nueces County Flood Maps had been finalized and would become effective on October 13, 2022.