

CAUSE NO.

AYERCARE MANAGEMENT, LLC,

Plaintiff,

vs.

TIE LASATER, SHILOH BOONE
LASATER, MELIEA WARE, SURAJIT
KAR, LEIGH ARCHER, CHARLES
DOMBEK, SBL PERSONAL
INVESTMENTS, LLC, TKL
PERSONAL INVESTMENTS, LLC,
KCAP RE FUND II, LLC, KEYCITY
CAPITAL FUND MANAGEMENT,
LLC, and DOES 1–10.

Defendants.

IN THE DISTRICT COURT

DALLAS COUNTY, TEXAS

_____ JUDICIAL DISTRICT

PLAINTIFF’S ORIGINAL PETITION AND JURY DEMAND

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff, through counsel, for his cause of action alleges as follows:

I. DISCOVERY

1. Plaintiff intends to conduct discovery under a Level 2 discovery plan as defined by the TEXAS RULES OF CIVIL PROCEDURE.

II. PARTIES

2. Plaintiff AyerCare Management, LLC (AyerCare), is a South Carolina limited liability company located in South Carolina.

3. Defendant Tie Lasater is a resident of Texas. At all materials times, Defendant Tie Lasater is and was the Chief Executive Officer of KeyCity Capital, a real estate investment and financial services firm located in Southlake, Texas. This individual can be served at his place of business, located at 1211 S. White Chapel Blvd. Southlake, TX 76092, his residence at 351 S White Chapel Blvd, Southlake, TX, 76092, or wherever he may be found.

4. Defendant Shiloh Boone Lasater is a resident of Texas. At all materials times, Defendant Shiloh Boone Lasater was the Chief Operating Officer and/or the Chief Financial Officer of KeyCity Capital, a real estate investment and financial services firm located in Southlake, Texas. This individual can be served at his place of business, located at 1211 S. White Chapel Blvd. Southlake, TX 76092, his residence at 1041 Fannin Street Abilene, TX, 79603, or wherever he may be found.

5. Defendant Meliea Ware (“Ware”) is a resident of Texas. At all material times, Defendant Ware is and was the Senior Vice President of Operations of KeyCity Capital. This individual can be served at her place of business, located at 1211 S. White Chapel Blvd. Southlake, TX 76092, at her residence at 1013 Atlee Drive, Keller, TX, 76248, or wherever she may be found.

6. Defendant Surijat Kar (“Kar”) is a resident of Texas. At all materials times, Defendant Kar was the Chief Investor Experience Officer of KeyCity Capital. This individual can be served at 6210 La Cosa Drive, Dallas, TX, 75248, or wherever he may be found.

7. Defendant Leigh Archer (“Archer”) is a resident of Texas. At all material times, Defendant Archer was the Chief Acquisitions Officer for KeyCity Capital. This individual can be served at 420 Deer Run, Keller, TX, 76248, or wherever he may be found.

8. Defendant Charles Dombek is a resident of Texas. At all materials times, Defendant Dombek was the President and Chief Client Officer of KeyCity Capital. This individual can be served at 7230 Shady Grove Road, Keller, TX, 76248, or 4618 Ashton Court, Naples, FL, 34112.

9. KeyCity Capital is an unregistered assumed business name used by at least three different entities, including: (1) KeyCity Capital, LLC, an active Wyoming limited liability whose registration with the Texas Secretary of State as a foreign business operating in Texas has expired; (2) KeyCity Capital Fund Management, LLC, a Delaware limited liability company whose registration with the Texas Secretary of State as a foreign business operating in Texas is current and active; and (3) KX Wealth Management Company, LLC, a Texas limited liability company that was renamed to KeyCity Capital Fund Management, LLC.

10. Defendant KeyCity Capital Fund Management, LLC, is either a Texas limited liability company formerly known as KX Wealth Management Company, LLC, a Wyoming limited liability company, or both. This company can be served by serving its registered agent Capitol Corporate Services, Inc., located at 1501 S. Mopac Expressway, Ste. 220, Austin, Texas 78746 or wherever it may be found.

11. SBL Personal Investments, LLC (“SBL”), is a Texas limited liability company owned and managed by Defendant Shiloh Boone Lasater. SBL is one of the

current managers of KeyCity Capital Fund Management, LLC, formerly known as KX Wealth Management, LLC. This company can be served by serving its registered agent Capitol Corporate Services, Inc., located at 1501 S. Mopac Expressway, Ste. 220, Austin, Texas 78746 or wherever it may be found.

12. TKL Personal Investments, LLC (“TKL”), is a Texas limited liability company owned and managed by Defendant Tie Lasater. TKL is one of the current managers of KeyCity Capital Fund Management, LLC, formerly known as KX Wealth Management, LLC. This company can be served by serving its registered agent Capitol Corporate Services, Inc., located at 1501 S. Mopac Expressway, Ste. 220, Austin, Texas 78746 or wherever it may be found.

13. Defendant KCAP RE Fund II, LLC, is a Texas limited liability company managed by KeyCity Capital Fund Management, LLC, formerly known as KX Wealth Management, LLC. This company can be served by serving its registered agent Capitol Corporate Services, Inc., located at 1501 S. Mopac Expressway, Ste. 220, Austin, Texas 78746 or wherever it may be found.

14. Does 1–10 are individuals who, directly or indirectly, exercised any control over KeyCity Capital or the entities using that name between March 12, 2021, and September 17, 2025.

15. All entities described in this section are or were owned and/or controlled by the individual Defendants at times relevant to the matters addressed in this Petition.

III. JURISDICTION AND VENUE

16. Jurisdiction is proper in this Court because the damages sought by Plaintiff

exceed this Court's minimum jurisdictional limits as the sought-after monetary relief is over \$1,000,000.00, not including attorney's fees, and costs, and the parties to this lawsuit are all subject to jurisdiction in the State of Texas.

17. The Funding Agreement specifies Dallas County as the venue for disputes related to the Funding Agreement. Additionally, several of the Defendants are residents of Dallas County and the acts and omissions relevant to this matter took place in Dallas County.

IV. BACKGROUND FACTS

18. On March 12, 2021, Defendant Kar emailed the principals of AyerCare offering them a short-term investment opportunity. Kar's email characterized the opportunity as: "Get a quick return, and extract capital and earnings in 4-6 months."

19. Attached to the email were two documents: a two-page pdf titled "Executive Apartments | Investment Summary," and a contract titled "Funding Agreement." (Collectively these documents and the emails related to them constitute the "Offering Materials").

20. The Investment Summary describes the investment as follows:

KeyCity Capital is pleased to announce a unique syndication opportunity for our valued investors. The offering is for a 16- to 26-week secured bridge loan facility to complete the acquisition of a 68-unit executive apartment complex in San Antonio, Texas. Built in 1964, the property sits on 2.58 acres just off the corner of Fredericksburg Road and De Chantle Road. Consisting of six buildings, Executive Apartments has shingle roofs with brick exteriors. The property is currently 97% occupied with two vacant units and consistently remains at high occupancy levels due to the location's strong fundamentals.

To complete the acquisition and renovation, KeyCity Capital requires \$1.7M of bridge capital in conjunction with existing capital commitments of \$3.9M from our

institutional lender, Diversified Lending Partners (www.dlprealestate.com). The bridge capital will be used to fund a timing gap between incoming capital commitments from accredited investors who are purchasing Class A Shares in our Regulation D Fund – KCAP RE Fund II. Moreover, we have a backup exit strategy in place for the bridge capital in the form of a permanent financing commitment from Diversified Lending Partners, which will be closed upon completion of scheduled facility renovations. Investor capital will be collateralized with a deed-of-trust on the property and cross-collateralized by the portfolio of real estate assets held by KCAP RE Fund II. This portfolio has an approximate net asset value of \$30.6M.

Investors will receive a premium of sixteen percent per annum (16%), with a six-week minimum. Investor funding must occur on or about Thursday, March 18th, 2021.

21. The remainder of the Investment Summary gives various details regarding the property and then describes KeyCity Capital:

ABOUT KEYCITY CAPITAL

KeyCity Capital is a world-class private equity and wealth acceleration firm. We serve accredited investors and high net worth individuals with comprehensive wealth advice and the most attractive investments in the industry. Through using proprietary tools, we develop custom wealth strategies that blend investment diversification with personalized tax, income, and savings plans. Our world-class investment funds help investors diversify into distressed real estate and alternative assets, earn consistent passive income with high-yield returns while providing liquidity and security. By rapidly growing wealth for our investors, we enable their early financial independence. Our team blends 200 years of experience across wealth advice, finance, tax, accounting, and private capital management, through hundreds of successful investments. We connect capital to wealth and build intergenerational wealth for our investors.

22. The Investment Summary bears KeyCity Capital’s name and logo.

23. The Funding Agreement (attached hereto) is a loan agreement containing the following provisions:

- a. AyerCare will fund \$500,000 of a “Bridge Facility” that will total a maximum of \$1,700,000;

- b. KCAP RE Fund II, LLC, will be the borrower;
- c. The funds, if they are used, will be used to acquire the Executive Apartments in San Antonio, Texas;
- d. To the extent the funds are used, AyerCare will be entitled to interest at the rate of 16% per annum;
- e. The “Bridge Facility” will mature on or before September 17, 2021, at which time AyerCare will be repaid its principal and interest;
- f. The “Bridge Facility” documents are in the process of being completed and executed;
- g. The “Bridge Facility” documents “includes customary closing conditions, including all asset liens against the Borrower and all of Borrower’s rights, interests and financial entitlements as well as any and all benefits, privileges, causes of action and remedies relating to any of the foregoing, and any and all proceeds derived from any and all of the foregoing, and also includes an all assets person property lien against Guarantor”;
- h. If any part of the funds are not used to fund the Bridge Facility, the unused amount shall be returned to Ayercare (without interest, premium or any other return) within three business days.

24. The Funding Agreement was signed by Defendant Dombek on behalf of KX Wealth Management Company, LLC.

25. Upon information and belief, Defendants Tie Lasater, Shiloh Boone Lasater, Leigh Archer, and Charles Dombek are the guarantors of the Funding Agreement. If there

are no guarantors on the loan, then Defendants misrepresented that there was at least one guarantor.

26. On March 17, 2021, AyerCare wired the funds per the wire instructions in the Funding Agreement.

27. On March 22, 2021, Defendant Kar emailed AyerCare, saying “We appreciate you joining the \$1.7M Bridge Facility for the acquisition of Executive Apartments in San Antonio, TX. We are pleased to report that all committed investors funded last week and KeyCity Capital closed the transaction to acquire the property on Friday, March 19th, 2021. As mentioned in bridge funding documents, your loan is collateralized by the property and will pay an annualized 16% over the period that your capital is at work. Your loan will be paid back no later than 26 weeks from the closing, most likely sooner.”

28. To date, no principal or interest has been paid on the loan.

29. To date, no “Bridge Facility” documents have been drafted.

30. To date, no deeds of trust have been placed on the Executive Apartments or any of the other real estate assets in KCAP RE Fund II, LLC’s portfolio, which includes several other multi-family properties.

31. Defendants made a variety of untrue statements in the Offering Materials, including, but not limited to:

- a. That “The bridge capital will be used to fund a timing gap between incoming capital commitments from accredited investors who are purchasing Class A Shares in our Regulation D Fund – KCAP RE Fund II. Moreover, we have a backup exit strategy

in place for the bridge capital in the form of a permanent financing commitment from Diversified Lending Partners, which will be closed upon completion of scheduled facility renovations.”

- b. That “Investor capital will be collateralized with a deed-of-trust on the property and cross-collateralized by the portfolio of real estate assets held by KCAP RE Fund II.”
- c. That “This portfolio has an approximate net asset value of \$30.6M.”
- d. That “Investors will receive a premium of sixteen percent per annum (16%), with a six-week minimum.”
- e. That “Our world-class investment funds help investors diversify into distressed real estate and alternative assets, earn consistent passive income with high-yield returns while providing liquidity and security.”
- f. That “Our team blends 200 years of experience across wealth advice, finance, tax, accounting, and private capital management, through hundreds of successful investments.”
- g. That the “Bridge Facility” documents were in the process of being completed and executed at the time AyerCare made the loan;
- h. That the “Bridge Facility” documents would contain “customary closing conditions, including all asset liens against the Borrower and all of Borrower’s rights, interests and financial entitlements as well as any and all benefits, privileges, causes of action and remedies relating to any of the foregoing, and any and all proceeds derived from any and all of the foregoing, and also includes an all assets person property lien against Guarantor;” and

- i. That there would be at least one guarantor on the loan.

Collectively, these statements are hereafter referred to as the “Misrepresentations.”

32. The Misrepresentations were material to the terms of the investment and AyerCare’s decision to invest.

33. Defendants additionally omitted to state material facts relevant to the investment, including but not limited to:

- a. That no “Bridge Facility” documents were being drafted at the time the Offering Materials were created and transmitted to AyerCare, or ever would be;
- b. That no deeds of trust on the Executive Apartments or any other property would be drafted;
- c. That no “all assets person property lien against Guarantor” would be available to AyerCare to secure its loan and no Guarantor other than Defendant Dombek would ever be identified;
- d. That the individuals involved in KeyCity Capital are deeply incompetent in real estate, business management, and finance.

Collectively, these factual omissions are hereafter referred to as the “Omissions.”

34. Defendants’ failures to state these facts made the statements Defendants did make in the Offering Materials misleading. All conditions precedent to Plaintiff’s requested relief in this matter have been satisfied.

V. CAUSES OF ACTION

COUNT I—BREACH OF CONTRACT

35. Plaintiff incorporates the preceding paragraphs here.

36. By its express terms, the Funding Agreement matured on September 17, 2021, at which point, the principal and interest were due. To date, no principal or interest has ever been paid on the loan.

37. By its express terms, a secondary document, the “Bridge Facility” would be drafted. Yet, no “Bridge Facility” documents were ever drafted.

38. These omissions constitute material breaches of the Funding Agreement by Defendants KCAP RE Fund II, LLC, Tie Boone, Shiloh Boone Lasater, Archer Leigh, and Charles Dombek. Plaintiff has been damaged by the breaches in the amount of \$500,000 in principal and 16% interest on that amount accruing from March 17, 2021, until paid in full.

COUNT II—SECURITIES FRAUD (TEXAS)

39. Plaintiff incorporates the preceding paragraphs here.

40. KeyCity Capital (via one or more of the entities that use that name) and KCAP RE Fund II, sold or issued securities from the State of Texas. Any sale of securities made from the State of Texas is subject to Texas’s Securities Act, Tex. Gov’t Code Ann. § 4001.001, et seq.

41. The Texas Securities Act makes it unlawful to offer or sell a security by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

42. Defendants' Misrepresentations and Omissions were made in connection with an offer to sell securities. The Misstatements and Omissions were material, and Plaintiff reasonably relied upon them.

43. Plaintiff is entitled to rescission of the sale of the securities and interest from March 17, 2021 until the purchase price of the securities is repaid in full. Alternatively, Plaintiff suffered damages in the amount of \$500,000, plus interest, as a result of Defendants' violations of the Texas Securities Act.

44. All individual Defendants directly or indirectly controlled KeyCity Capital or participated in the conduct alleged herein, and thus are jointly and severally liable for violations of the Texas Securities Act.

COUNT III—SECURITIES FRAUD (SOUTH CAROLINA)

45. Plaintiff incorporates the preceding paragraphs here.

46. KeyCity Capital (via one or more of the entities that use that name) and KCAP RE Fund II, sold or issued securities into the State of South Carolina. Any sale of securities from South Carolina is subject to the South Carolina Uniform Securities Act, § 35-1-101, et seq.

47. The South Carolina Uniform Securities Act makes it unlawful to offer or sell a security by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

48. Defendants' Misrepresentations and Omissions were made in connection with an offer to sell securities. The Misstatements and Omissions were material, and Plaintiff reasonably relied upon them.

49. Plaintiff is entitled to rescission of the sale of the securities and interest from the date of sale. Alternatively, Plaintiff suffered damages in the amount of \$500,000, plus interest, as a result of Defendants' violations of the South Carolina Uniform Securities Act.

50. All individual Defendants directly or indirectly controlled KeyCity Capital or participated in the conduct alleged herein, and thus are jointly and severally liable for violations of the Texas Securities Act.

COUNT IV— FRAUD

51. Plaintiff incorporates the preceding paragraphs herein.

52. Plaintiff brings this claim against Defendants for fraud. Defendants made material representations and/or failed to disclose material facts to Plaintiff. Defendants omitted all such facts with the intent that Plaintiff would act on its failure to be informed of the same and would rely and act upon the Misrepresentations. Plaintiff relied on the Misrepresentations and/or nondisclosures. Defendants' Misrepresentations and/or omissions caused Plaintiff injury. Defendants acted knowingly and intentionally, with malice or with reckless disregard for the rights of others, in committing fraud against Plaintiff. But for the Misrepresentations, failures to disclose, and inducement by Defendants, Plaintiff would not have entered into the agreement.

53. As a result of Defendants' fraudulent activity, Plaintiff is entitled to actual damages in the amount of \$500,000.00, as well as punitive damages, lost profits, and additional damages all of which Plaintiff seeks herein.

PUNITIVE DAMAGE ALLEGATIONS

54. Plaintiff incorporates the preceding paragraphs here.

55. Defendants committed fraud.

56. Defendants committed the acts and omissions detailed herein with a specific intent to cause substantial financial harm to Plaintiff.

57. Defendants acts and omissions detailed herein, when viewed objectively from the standpoint of the Defendants at the time they occurred, involved an extreme degree of risk, considering the probability and magnitude of the potential harm to investors like Plaintiff; and Defendants had actual, subjective awareness of the risk involved, but nevertheless proceeds with conscious indifference to the rights, safety, or welfare of investors such as Plaintiff.

58. The harm to Plaintiff resulted from Defendants' willful, wanton, or reckless conduct.

59. Defendants are accordingly subject to punitive damages under Texas and/or South Carolina law.

VI. VICARIOUS LIABILITY

1. Defendants, individually and/or through their agents, apparent agents, ostensible agents, agents by estoppel, staff, servants, borrowed servants, vice-principals, and/or employees, committed all actions complained of in this petition, causing great

damages to Plaintiff. Plaintiff alleges that its damages, as described herein below, were proximately caused by various acts of omission and commission, jointly, severally, and/or individually by the Defendants, their agents, apparent agents, ostensible agents, agents by estoppel, staff, servants, borrowed servants, vice-principals, and/or employees.

2. It is believed that the employees and/or agents of Defendants were at all times relevant to the matters concerning this lawsuit functioning concomitantly within the course of their employment for Defendants. Defendants, individually, and by and through their respective apparent agents, ostensible agents, agents by estoppel, staff, vice principals, authorized, condoned, and/or approved the actions of their other employees and agents apparent agents, ostensible agents, agents by estoppel, and/or staff giving rise to Plaintiff's claims for which Plaintiff is seeking damages in this cause of action.

3. Therefore, Defendants are liable to Plaintiff under the doctrine of vicarious liability/respondeat superior for the acts and/or omissions of their agents, apparent agents, ostensible agents, agents by estoppel, staff, servants, borrowed servants, vice-principals, and/or employees.

VII. ATTORNEY'S FEES

4. On various occasions, Plaintiff presented the claim made the subject of this action to Defendants for payment by letter. At the time of the filing of this petition, payment for the just amount owed has not been tendered by Defendants. As a result of Defendants' breach of the contractual agreement, and securities fraud, Plaintiff was required to obtain legal counsel to bring this suit. Plaintiff is, therefore, entitled to recover reasonable and

necessary attorneys' fees for the services rendered in bringing and prosecuting this suit, any appeal to the court of appeals, and any appeal to the Texas Supreme Court, if necessary.

5. Pursuant to rule 192.3 of the Texas Rules of Civil Procedure, Plaintiff hereby designates Cavyn D. Sanders as expert to testify to the reasonable and necessary attorneys' fees incurred relative to this lawsuit (and any appeals thereof), and he may also testify as to any other party's fees. Mr. Sanders will testify regarding not only the reasonableness and necessity of the fees, but also as to the factors related to the reasonableness and necessity. He is familiar with attorney's fees charged in Dallas County, Texas, and has knowledge of fees in litigation regarding these matters. He has testified as experts on attorneys' fees in multiple cases previously. With respect to the fees, Mr. Sanders is expected to testify about the application of the factors outlined in Tex. Disc. R. Prof'l Conduct 1.04(b) and pertinent case law (including *Arthur Anderson & Co. v. Perry Equip. Corp.*, 945 S.W.2d 812 (Tex. 1997)). Mr. Sanders' resume can be found at www.wkpz.com. Mr. Sanders reserves the right to provide an opinion at the time of trial as to the total fees and expenses incurred in the period leading up to and through trial, and the amounts estimated for various stages of appeal.

PRAYER FOR RELIEF

Plaintiff prays for judgment in his favor and for (cumulatively, or in the alternative):

1. Economic damages of \$500,000;
2. Punitive damages of up to two times the amount of compensatory damages;
3. Prejudgment interest from March 17, 2021 to the date of judgment;
4. Rescission of the sale of the securities;

5. Costs;
6. Attorneys fees; and
7. For any further relief the Court deems just or necessary.

DATED this 9th day of September, 2025.

Respectfully submitted,

WEYCER, KAPLAN, PULASKI & ZUBER, P.C.

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