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EVICTED

Former tenants accuse local landlord of exploitative practices, theft

North Texas families wanted a chance to purchase a home. Instead, they say they lost tens of thousands in a scheme to trap tenants in unlivable houses.

By Amber Gaudet Staff Writer agaudet@dentonrc.com
Aug 20, 2022

‘Homes for everyone’

The neighbors all had a similar story about what happened to the house numbered 2820 on Lakemont Drive in Flower Mound. From the outside, the four-bedroom, red-brick two-story looked much like the others in the upper-middle-class neighborhood. After its original owner, an armed forces officer, died of a heart attack overseas, the house eventually went to auction, where it was bought by a local property manager in 2012.

That, residents say, is when things began to go downhill.

For Jennifer McLaughlin and her husband, Cedric, the trouble began last spring. After selling the family farm in Millsap, the McLaughlins began the hunt for a new home. Cedric quickly fell in love with the Lakemont neighborhood, with its tree-lined streets and handsome brick structures. Depressed credit scores meant the couple's options to secure a traditional home loan were limited, so the property, advertised as owner-financed, seemed like the perfect fit.

A sign outside 2820 Lakemont Drive in 2016 advertises owner-finance options.
Screenshot

The upfront costs would be hefty, with extra fees added for the couple's low credit, an $8,000 deposit and the prorated monthly rent totaling $13,000, according to the couple.

"He [the landlord] took us for every penny we had," Jennifer says.

But the McLaughlins were willing to pay if it meant working toward a home to call their own. They signed a 36-month lease for the house on March 21, 2021.

The next day, Jennifer stood in the foyer just inside the home's entryway, looking up as water gushed down through the ceiling. The leak had revealed itself when the Flower Mound Utility Department turned on water to the house. Jennifer wheeled a green city garbage can underneath to catch the torrent of water and contacted their landlord, who sent a repairman to the property.

Later, she watched as an unmarked vehicle pulled up, the man behind the wheel having driven in from Tyler. He came bearing a sledgehammer. He knocked the first hole in the ceiling where the water was pouring out, and then it began seeping out of the house's walls, at least five others, Jennifer says. The living room ceiling, the wall behind the washer and dryer in the laundry room, and a bathtub and cabinet in the home's second-floor bathroom all became targets.

"I don't think he was a professional contractor — he seemed like a random guy — and he just started busting holes in everything," Jennifer says.

The man did enough to stop the water flow, though the first-floor bathroom eventually had to be sealed off permanently after another burst pipe. Ruined, too, were the floors below the original ceiling leak, which remained logged with water nearly a year later.

2820 Lakemont Drive

The early problems with the home on Lakemont Drive, though far from minor, turned out to be just the beginning, the McLaughlins say. The couple discovered just after moving in that the home's oven didn't work. The downstairs toilet would flood the dining area if the couple tried to use it, Jennifer says, and they kept the door shut tight to contain the smell of sewage from the unsealed commode.

As the months turned warmer, the home's lack of a working air conditioner made the sweltering Texas summer unbearable. The water heater eventually failed, too, but the couple say their landlord told them he was not legally obligated to make repairs since they still owed $6,700 in upfront fees. The McLaughlins deny owing further deposits for the home.

The property owner wanted the couple to get homeowners insurance that would cover the repairs, Jennifer says. In some ways, it made sense — they thought their payments would go toward the purchase price of the property, and the home would eventually be theirs anyway. But without any proof of ownership and a lease that did not mention any future ownership rights, securing insurance wasn't possible.

A repairman eventually was sent to work on the AC unit but abandoned the job before fixing it, the couple say. Jennifer says the landlord wanted Cedric, who had a background in janitorial and some general contracting, to "work off" the alleged debt by performing maintenance on the owner's other homes. They declined, and Jennifer says she spent the last of their cash on four window AC units. It would be two months before the downstairs central unit was eventually replaced, the couple say. The upstairs never had heat or air conditioning, the McLaughlins say.

The house also had become a sore spot for homeowners association members and neighbors, who say their complaints about its condition fell on deaf ears over the years.

"We discussed it with him [the landlord], but he doesn't do anything, he doesn't respond," says Susan Roberts, a longtime neighborhood resident and former HOA president.

Roberts says she had been inside the home several times over the years. She saw cracks in the house's walls — signs of foundation woes — and was aware of widespread plumbing issues. From the outside, disrepair was evident, too, Roberts says, with overgrown weeds, a broken fence and cracked brick siding among the visible imperfections.

At one point, Roberts says she made weekly calls to Flower Mound's code enforcement department, but problems remained unresolved.

"I used to even call the number on the sign for the people listing it and tell them what a hellhole it was," Roberts says.

'This man is exploiting people'

The McLaughlins' rental is one of more than 260 owned by Kamy Real Property Trust and managed through Kamy Investments in Denton County alone. Owned by the Sadeghian family, the Denton company leases properties in Oklahoma, Missouri, Kansas and New Mexico as well as throughout Texas, with its website claiming more than 700 tenants live in Kamy's "investor-owned" properties, many bought at foreclosure auctions.

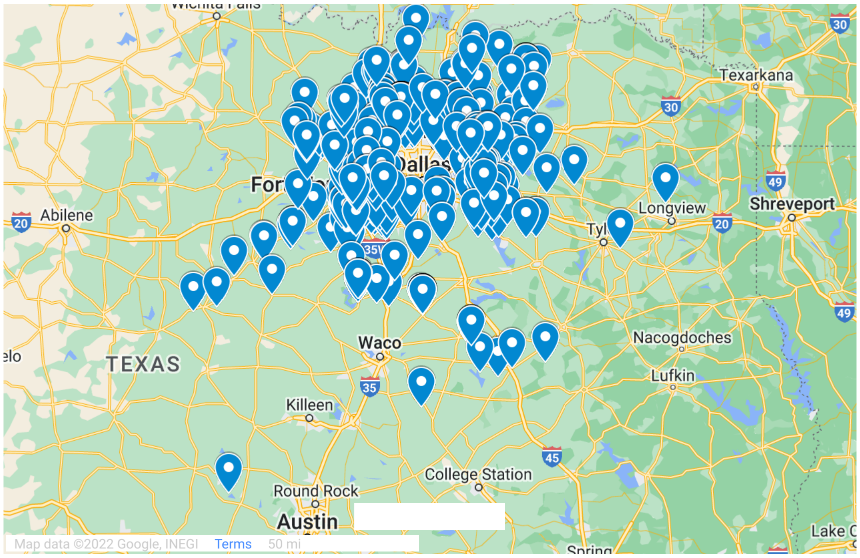
Kamy Investments owns more than 260 properties in Denton County alone.
Amber Gaudet/DRC

Khosrow Sadeghian, patriarch of the family and the person former tenants say they most often dealt with, came under fire in 2014 when an investigative series by WFAA-TV (Channel 8) highlighted tenant complaints about substandard living conditions. A trail of accusations, lawsuits and code enforcement censures have followed Kamy properties and Sadeghian himself, known widely as "Khos," since at least the early 1990s, according to public records obtained by the *Denton Record-Chronicle*. Sadeghian has claimed in texts to own more than 1,700 properties, though he told the *Record-Chronicle* he's unsure how many are owned through Kamy and that his family "has sold some since then."

Kamy Real Property Trust - Owned Properties

Amber Gaudet

This map was made with Google My Maps. Create your own.



Problem properties have led to Sadeghian being censured by city governments over the years, along with two arrests for creating a public nuisance and several misdemeanor court cases in Johnson County southwest of Dallas.

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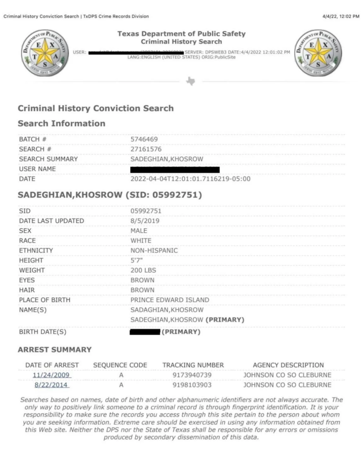

Criminal History Conviction Search | TxDPS Crime Records Division 4/4/22, 12:02 PM

Texas Department of Public Safety
Criminal History Search

USER: [redacted] SERVER: DPSWEB3 DATE:4/4/2022 12:01:02 PM
LANG:ENGLISH (UNITED STATES) ORIG:PublicSite

Criminal History Conviction Search

Search Information

BATCH #	5746469
SEARCH #	27161576
SEARCH SUMMARY	SADEGHIAN,KHOSROW
USER NAME	[redacted]
DATE	2022-04-04T12:01:01.7116219-05:00

SADEGHIAN,KHOSROW (SID: 05992751)

SID	05992751
DATE LAST UPDATED	8/5/2019
SEX	MALE
RACE	WHITE
ETHNICITY	NON-HISPANIC
HEIGHT	5'7"
WEIGHT	200 LBS
EYES	BROWN
HAIR	BROWN
PLACE OF BIRTH	PRINCE EDWARD ISLAND
NAME(S)	SADAGHIAN,KHOSROW SADEGHIAN,KHOSROW **(PRIMARY)**
BIRTH DATE(S)	[redacted] **(PRIMARY)**

ARREST SUMMARY

DATE OF ARREST	SEQUENCE CODE	TRACKING NUMBER	AGENCY DESCRIPTION
11/24/2009	A	9173940739	JOHNSON CO SO CLEBURNE
8/22/2014	A	9198103903	JOHNSON CO SO CLEBURNE

Searches based on names, date of birth and other alphanumeric identifiers are not always accurate. The only way to positively link someone to a criminal record is through fingerprint identification. It is your responsibility to make sure the records you access through this site pertain to the person about whom you are seeking information. Extreme care should be exercised in using any information obtained from this Web site. Neither the DPS nor the State of Texas shall be responsible for any errors or omissions produced by secondary dissemination of this data.

https://publicsite.dps.texas.gov/DpsWebsite/CriminalHistory/Applic...tchId=5746469&SearchId=27161576&IND_IDN=4603798&ShowPreview=False Page 1 of 4

Sadeghian's wife, Amy, often serves as his notary public, while his son, Zachary, is a licensed real estate agent with JP & Associates of Cedar Hill, posting properties on sites like Zillow. Kamy homes are also listed through the Sadeghians' websites, homeforeveryone.us and landforeveryone.us.

No active agent license for Sadeghian exists in Texas Real Estate Commission records.

In June 2014, former tenants formed a Facebook group, "Stop Khosrow Sadeghian," to crowdsource ideas on holding Sadeghian accountable for what the tenants allege has been a decadeslong scheme to take advantage of low-credit, low-income tenants and employees by trapping them in unlivable homes and evicting them when their money — all put into the home's hefty deposits and repairs — runs dry. Today, the group has more than 390 members, and though some have achieved court victories over the years, many say they remain irrevocably harmed by their dealings with Sadeghian.

Recent tenants say that, based on their experiences, nothing about Sadeghian's practices has changed.

Denton's code enforcement department has recorded 108 code violations across 27 properties owned by Kamy since 2019. Code officials have cited at least 11 Sadeghian-owned properties in Denton as dangerous since 2008, WFAA reported, with the owners demolishing seven of the homes.

In Justin, where rental inspections are required for occupancy, a city inspection in November cited damaged and exposed wiring, rotten siding and damaged plumbing among the issues at a West Seventh Street home owned by Kamy.

Melissa Vardas detailed the loss of more than $14,000 in deposits that were never returned to her in a 2017 complaint to the Texas Attorney General's Office's Consumer Complaint Division, describing the Denton home she rented as electrically "unsafe," vulnerable to weather and rife with asbestos.

Justin rental inspection

Justin rental inspection

At the time of Vardas' lease signing in 2012, Sadeghian was leasing and managing homes through PerAm Realty, according to a failed inspection report for the property at 1004 Morse St. in May 2013. Reram, Kozamesa Inc. and ZFN Realty have also appeared in public records as associated names the family bought, leased or managed homes through at one time.

Five months later, Vardas says she was told by city inspectors to move out of the home because of the code violations, which included faulty electrical wiring, a broken air-conditioning unit, and electrical and plumbing work being done without permits. At the same time, Kamy initiated eviction proceedings, with Vardas being evicted in June 2013.

"Between moving and being pregnant, I did not appeal it in time," Vardas says. "He [Sadeghian] screwed me bad on that deal."

Vardas collection

Vardas collection

The $1,795 monthly rent was supposed to be toward a lease purchase per the Craigslist ad for the property, Vardas says, but the rental agreement she signed did not mention any ownership rights. It would become a familiar story among tenants who leased homes through one of Sadeghian's companies over the years.

In another complaint to the attorney general, James Mastrofini of McKinney says he planned to rent a house from Sadeghian in 2020 but backed out after signing a lease because it did not have working air conditioning and he had an English mastiff. He received a solicitation from a local attorney Nov. 21 of that year asking if he needed representation because Kamy had filed an eviction claim against him in Denton County court. Court records show the property was the same one the McLaughlins would later occupy at 2820 Lakemont Drive.

The case was dismissed in Justice of the Peace Precinct 2 and refiled in Precinct 4 in January 2021. A sworn affidavit by the constable shows the property on Lakemont was vacant and a for-sale sign was out front; the eviction notice went unserved.

"This man is exploiting people," Mastrofini's complaint filed with the Attorney General's Office reads. "I am new to this state, there has to be something that protects residents from people like this? Please help."

In March 2021, after an initial judgment for more than $15,000 in back rent and an appeal, Judge Robert Ramirez ruled Kamy would take possession of the property — which Mastrofini says he never moved into — but did not award monetary damages.

Several members of the Facebook group share similar stories, describing having to attend eviction proceedings for properties they'd never moved into or being sued for nonpayment when they'd moved out months earlier.

"The man doesn't even see half the properties he acquires," Kelly Cates, administrator of the Facebook group, says of Sadeghian.

Court cases, too, follow Sadeghian and Kamy, with more than 480 cases in Denton County naming one or both parties dating back to the early 1990s. While many have been evictions brought through the trust, suits brought by tenants also have become common.

A complaint first filed in county court in 2015 alleged that a couple, Bryan and Leana Sanders, and their children moved into a Little Elm home at 351 Witt Road leased by Sadeghian in July of the year prior. After what they say were several verbal requests, they sent Sadeghian a written request for repairs Aug. 6, 2014. Loose wires in the attic and exposed wiring were chief among the complaints, with the couple citing concern about the fire hazard they posed. Electricity worked in half the home; hot water was available in only one shower; and the house had no sewage service, the complaint detailed.

Three days later, a fire broke out in the attic of the residence while the couple slept. The residents escaped the burning house, but their belongings were lost in the blaze, which caused over $38,000 in damage. A report from the Little Elm Fire Department confirmed electrical wiring was the source of the fire.

Sanders documents

Sanders documents

Sadeghian never responded to requests that he or Kamy Trust pay for the lost items, the complaint alleged. The case was dismissed for lack of jurisdiction, according to Denton County court records.

Perhaps the most illustrative of what many former residents of Kamy homes say they experienced is a case brought by a Denton County couple in 2016. Beau Schultz signed a 36-month lease on a Lake Dallas home in 2012 and was told he had the option to purchase the property in the future. As part of the verbal agreement with Sadeghian, Schultz and fiancee Amber Frisch, who also lived in the home with her son, Sebastian, would make extensive repairs to the house "to make it habitable and code compliant."

"He said that after you fulfill the two-year [lease] contract, he would apply a portion of what you're paying towards you purchasing the house, and he would give you an upfront purchase price whenever the lease agreement started, but he said that was going to be on some other paperwork," Schultz told the *Record-Chronicle*.

Upgrades performed by the couple included a suite of new kitchen appliances, a remodeled bathroom and new hot water heater, rewired rooms, repainting of the home and yard and tree work, totaling more than $7,500 in materials and labor, according to the complaint.

In 2014, Schultz told Sadeghian he was ready to purchase the home, but Sadeghian says he no longer had the option, the suit alleges.

"Plaintiffs were fraudulently induced into signing the lease and making the substantial repairs alleged in this petition," the claim reads in part. "As plaintiffs are unsophisticated laypersons with no knowledge of law concerning the statute of frauds and requirements that terms relating to a purchase of real estate be in writing, plaintiffs relied upon the verbal representations to his damage and detriment. The plaintiffs would not have made the improvements to the property and would not have leased the property had they known that the option to purchase was required to be in writing to be enforced, and that the verbal option could not be enforced.

"Sadeghian knew at the time that he was making those representations that the option, which he represented to the plaintiff, would not be enforceable unless it was in writing, and knew that he had no intention of allowing the plaintiff to purchase the property after he made substantial improvements to it," the complaint reads.

Schultz says he believes the practice is a common one for Kamy.

"That was the biggest hook is, hey, you have an option to buy a house, and what you're putting into it is going to go towards you purchasing it," Schultz says. "Not only what we're putting into it, physically, upgrading it, but also a portion of what we were paying him because anything maintenance-wise that we did, he was like, 'Save your receipts, and we'll put that towards the cost of the house.'"

In July 2018, Sadeghian was ordered to pay $5,370 for violating the Texas Deceptive Trade Practices Act as a result of the suit. Defendants were also ordered to pay $1,457 for breach of contract damages to the renters and to cover attorney and court fees.

For many other former tenants, though, hope for a similar legal victory remains elusive.

"Our biggest question is 'How does he get away with this?'" Cates says.

'It was a disaster'

Halle and Blake Reames had already handed over more than $20,000 for the four-bedroom home at 5419 Mill Run Drive in McKinney when they were told it was uninhabitable in November 2021. A dilapidated roof, a hornet infestation, an unresolved burst pipe in the master bathroom and extensive interior water damage were among a long list of issues identified by an insurance adjuster a week after the family put down the deposit for the home.

The Reames family had just moved back to North Texas with their three children — Lena, who was 4 at the time, 3-year-old Nora and 7-month-old Margaux — from southern Oregon to be near family. Blake had gotten a new job in construction, and the Reameses were hoping to have access to better services for Lena, who is autistic.

"We completely changed our life because we needed our oldest daughter to have the resources she needed," Halle says.

The couple knew they wouldn't be able to meet the work history requirements of a traditional home loan for at least six months after the move. The lease-to-own option advertised by Kamy Investments for the McKinney house seemed like a good option for the family, who planned to purchase it before the year was out.

Blake and Halle Reames handed over more than $20,000 for a four-bedroom home in McKinney.

Courtesy photo

The $15,000 security deposit would secure the option to purchase, the Reameses say they were told, though the 36-month lease they signed mentioned nothing about purchasing rights or future ownership shares. They also paid the first month's rent upfront and pet deposit fees for their three dogs, giving Kamy $20,163.

Reames' lease & initial deposits

+2

Reames' lease & initial deposits

Though the family knew there were some cosmetic flaws with the home on Mill Run Drive, Halle says if they'd known the extent of the home's issues, they never would have signed a lease.

"The master bathroom floor was caving in from water — it was a disaster," the insurance adjuster, who asked not to be identified by name, told the *Record-Chronicle*. The *Record-Chronicle* confirmed the adjuster's license through the Texas Department of Insurance. "There was mold growing everywhere, and they had a newborn infant — my conclusion was it was non-habitable."

Photographs from roofing company Heckadon chronicled the extent of the roof's damage, and a denial letter from local insurance company Ellis Insurance cited the home's condition — including significant cracks from a lack of maintenance, a "sinking" foundation and a roof that needed to be replaced — as making it ineligible to begin a policy. Significant interior water damage, particularly in the master bath, was noted as "severe and hazardous."

"Mold is apparent in this area. The subflooring is unsafe due to water damage. All of the flooring in the home, both upstairs and downstairs, have water damage which is showing signs of rot and mold. At this time, there are no Standard or Surplus Insurance Carriers that will offer coverage unless the above items are replaced," the letter read in part.

Inspection report and insurance denial, Mill Run Drive

The issues also prevented the water from being turned on, the Reameses say.

Blake, who had a background in construction, told Sadeghian he would fix, at his own expense, much of the damage including the doors and windows, downstairs floors and appliances. But major structural damage, including the roof and water damage to the walls, floors and bathrooms, were expenses the Reameses told their landlord they could not afford.

“These are things that were not dealt with properly and in a timely manner and have caused enormous amounts of damage,” Blake told Sadeghian in a text message. “I do not feel comfortable putting myself, my wife and my daughters in a bath that could possibly fall through the roof [ceiling].”

In text messages, Sadeghian said the mold was “not a big thing” and agreed to “fix” the mold, Sheetrock and the roof leak. When the Reameses told him the roof and much of the flooring would need to be replaced because of the mold and water damage found during the inspection, they say he hung up on them.

“I will have my roofers come take care of the roof no problem,” Sadeghian wrote. “You are nice Blake but don’t be like that customer you had that wanted to take everything apart. Lol. You are in construction and signed off [a] discount for upkeep. But we can work it all out.”

Given the condition of the home, the Reameses decided to execute the option to terminate the lease within 10 days, sending copies of termination via certified mail and email and delivering a physical copy to Kamy offices on Nov. 16. Though they had never begun to move into the home, the Reameses say they never received their $20,163 back — they never heard anything else at all from Sadeghian.

More suits follow Kamy

Billy Marquis was living in Houston and working as a long-distance trucker when he met Sadeghian in 2014. He was making between $3,000 and $5,000 per month, but he was unhappy with the time he was spending away from his two teenagers, Alexis and Anthony.

Certification of lease termination and video

+2

Certification of lease termination and video

It was a problem Sadeghian offered to help fix, according to a civil complaint first filed with the U.S. District Court for the Eastern District of Texas in August 2019. Sadeghian said he would pay Marquis $3,000 to $4,000 per month and provide free lodging for his family if Marquis moved to North Texas and took on a maintenance job working on Kamy properties. Billy would be able to spend every night home with his family, he says he was told.

Instead, the Marquis family say they began working for Kamy and were "dealt with as though they were slaves," receiving neither minimum wage nor paid overtime in the more than three years they were employed. The home at 1274 Izzy Lane in Little Elm that the family moved into had no electricity, water or septic system, the family says, with the Marquises charged "an outrageous amount" in undisclosed rent per month, taken out of Billy's salary.

The Marquises were routinely required to work as many as 80 hours per week without being paid overtime or even minimum wage, the suit alleges. The family wanted to find other work but says Sadeghian threatened to evict them if they "did not do exactly as he ordered," and they had spent all their money moving to North Texas.

"Knowing that the plaintiffs' poverty was keeping them in the house on Izzy Lane and in their employ, defendants made sure they never paid plaintiffs enough so that they could move and find other work," the complaint reads. "From the very start, it was Mr. Sadeghian's plan to lure the Marquis family to North Texas and trap them into working for him by keeping them poverty-stricken."

On Feb. 26, 2018, Sadeghian allegedly told the Marquis family to go work on a "dilapidated" house with no electricity after dark, where Billy stepped on an unsecured door threshold that gave way, plunging him into the crawl space below and breaking his ankle. The injury caused permanent damage, leaving him unable to perform physical labor — so the Marquises were evicted, the suit alleges.

Billy Marquis suit

Billy Marquis suit

The defendants denied most of the claims put forth by the Marquis family, including that they were promised free lodging, that Sadeghian ordered the family to work at the "dilapidated" home after dark, and that they had evicted the family.

The suit for $500,000 in back wages remains pending and is scheduled for jury selection in January.

Tenants say it's common for Sadeghian to hire unqualified and unlicensed repairmen to work on properties. Karen Wiggins, a 10-year tenant of a town house owned by Kamy Trust, says a repairman named Bill, who was working on the floors in her home, stole her narcotic prescriptions and disappeared before completing the job. In other instances, too, repairmen failed to complete work or perform adequate repairs, Wiggins says.

"My roof was leaking, and he [Sadeghian] sent over three guys, and all they did was throw some black paste on it, and when [that] wore out in two months, Khos refused to repair it again," Wiggins says. "Every single one of the repairmen that came to my place hated Khos and said that he was paying below minimum wage, if they even received payment."

Another former tenant describes repairmen who were "not qualified" to complete repairs on a backyard plumbing leak caused by a home's water being turned on. The repairs they completed, according to a complaint posted on Ripoff Report, resulted in an underground pipe bursting and the water heater overflowing, flooding the property's yard. Another describes, in a complaint to the Attorney General's Office, being asked to "recruit homeless people to work on his [Sadeghian's] properties."

Blake Reames and Cedric McLaughlin both say they were asked about their willingness to perform maintenance work, with Sadeghian giving Reames a list of his properties throughout Texas with which he might want help. Both men turned down the offers.

'A state that's turned its back on victims'

The problem, if you ask Sandy Rollins, is Texas law.

"There are greater protections for tenants in many other states — here, eviction laws are fast and friendly to landlords," says Rollins, executive director of nonprofit tenants' rights organization Texas Tenants Union.

In Texas, landlords are not required to have just cause to evict a renter, Rollins says, and only a three-day notice is required to ask tenants to vacate. Tenants also can sign that right away since many leases allow for only a 24-hour notice.

In rent-to-own situations where a tenant signs an executionary contract, also known as a contract-for-deed, rather than a standard lease, renters typically do not have any ownership rights until they make the final purchase payment, meaning they can be evicted at any time.

If they have paid 40% of the sales price, made 48 monthly payments or the contract is recorded with the county, the buyer has some equity protections, and property owners are required to go through the foreclosure process to oust them.

But if tenants sign standard lease agreements rather than contract-for-deed agreements — as is the case for the Kamy tenants the *Record-Chronicle* spoke with, who put down large deposits they say were for "rent to own" — they have no verifiable ownership rights or protections, even at the end of the lease. That means, legally, they would likely be treated as standard tenants under the law, without proof of verbal rent-to-own arrangements.

Some rent-to-own agreements see the tenant renting for a specific length of time and having the option to purchase the home before the end of the lease, with a percentage of rent often going toward the purchase. The contracts typically lock in the price of the home, with the renter paying a nonrefundable "option fee" upfront that can be applied to the down payment at the time of purchase.

Higher rents also may be charged, with a portion of rent set aside for a down payment.

The *Record-Chronicle* reviewed leases signed by Sadeghian and tenants who say they paid extra to secure the option to purchase between 2012 and 2021. None of the leases outlined an option to purchase, discussed a portion of rent or an option fee going toward a purchase, or established a sale price.

Historically, rent-to-own has been a last resort for would-be homeowners who don't have the credit scores or income to secure a traditional home loan. But its lack of close regulations opens the door for bad actors to make unscrupulous deals at the expense of hopeful buyers, detractors say. The Federal Trade Commission in 2016 issued a consumer alert warning renters away from the deals, which often target young would-be buyers. With housing costs soaring in 2022 amid inflation and rising interest rates, rental scams in Texas are again on the rise.

"I've seen a ton of ripoffs where people think they're buying a house, and they're putting a lot of their own money in — a lot of times, they put in a large down payment, and then somewhere down the road, often well down the road, they are a minute late with a payment and the property is taken back in an eviction," Rollins says. "I think there are a lot of unethical players in that [rent-to-own] space."

The Texas Property Code requires landlords to make reasonable efforts to repair if an issue affects a tenant's health or safety, but only if informed of the request in writing, and only if the tenant is current on rent. So when renters withhold payment in the hopes of forcing a landlord to make repairs, it often can lead to an eviction.

The timeline for eviction cases is also accelerated compared with many other states, with some tenants given only a 24-hour notice to vacate.

"It's a very short period of time for people to pack up everything they have and move," says Chris Parks, managing attorney at Legal Aid of NorthWest Texas.

A hearing and judgment typically take place within 10 days of the landlord's filing, regardless of how long it takes for a tenant to be served.

"Then tenants are victimized twice," Rollins says. "There are no counterclaims on eviction cases here, so sometimes people will say, 'I can't wait for my landlord to take me to court because when the judge hears all these horrible things the landlord said and did to me, I'm going to be the one that walks out the victor.' Of course, that's not the case."

'Riffraff'

Sadeghian says the reason for the many accusations against him is simple: They come from disgruntled former tenants and associates who want to make him look bad.

He says his company gives people a chance despite bad credit histories and prior evictions, but that sometimes requires large deposits depending on how undesirable a person's history is — and a large deposit doesn't give them ownership rights.

"If they have the down payment we need — let's say it's 30% or 40% depending on how bad their credit is — if they don't have it, we wait and tell them … you're going to rent," Sadeghian says. "Some people have criminal backgrounds — they have multiple evictions — and they have additional deposits for every crime or bad credit [situation] in order for us to approve them. If they have bad credit, that $10,000 or $15,000 goes back to them at the end of the lease or we apply it if they decide to buy."

Sadeghian says Kamy does not offer owner financing if prospective buyers do not have the total down payment required up front for a deed contract and denies making verbal agreements or promises regarding rent-to-own with tenants.

He points not to his 1½ stars on Yelp, the Facebook group or the lawsuits filed against him by former tenants but to Kamy's A+ rating on the Better Business Bureau and his decades in the property management industry as proof of Kamy's reputation.

"We have over 600 tenants, and they're decent people who have been there for years and years — they don't complain," Sadeghian says. "It's only riffraff and just a few that I evicted for their crimes or terrible credit or whatever, and they turn out to be the bad guys."

Sadeghian fashions himself a self-made man, and a successful one. Born on Prince Edward Island, Sadeghian will tell you he arrived in the U.S. at age 17 with just $900. The millions in property assets he and his family have acquired since are evidence of his entrepreneurialism, Sadeghian says, won through hard work and business savvy. That bootstrapping nature is a sharp contrast to how he would characterize tenants who have taken issue with Kamy properties.

Because Kamy often contracts with tenants who are down on their luck, the company has been the subject of slander attempts by bad actors, Sadeghian says. In the case of the McLaughlins, he points to their previous evictions and a 2017 bankruptcy filing as proof that the couple were undesirable tenants looking to live in his home rent-free.

Billy Marquis was, Sadeghian says, another former tenant who took advantage of Kamy. Sadeghian says the company spent more than $90,000 on fuel, insurance and maintenance on company vehicles it allowed Marquis to use while he was performing contract work for it. He claims Marquis asked for these expenses, in addition to rent for him and his subcontractors — mostly his family members — to be deducted from his contract wages. He also alleges Marquis left jobs unfinished and stole more than $300,000 in tools from the Sadeghians.

Marquis did not respond to requests for comment about the allegations, though court records do not include a counterclaim for the alleged theft.

Billy Marquis documents from Sadeghian

Billy Marquis documents from Sadeghian

As for the Reames family, Sadeghian points to Blake's construction background and an agreement that rent be lowered by $600 per month if the Reameses would handle home repairs. The couple say the document is forged and that they never agreed to any arrangement. There is no mention of the alleged arrangement in the lease signed by the couple.

Sadeghian says the Reameses did not give him enough time to make repairs and, whether they moved in or not, were not entitled to receive their upfront payments back because they had signed a lease.

"We give them a key, and we hold them responsible until we decide we're going to take over because we've done our part," Sadeghian says.

Landlords are required to fix problems that "materially affect the physical health or safety of an ordinary tenant" within a reasonable time — generally defined as seven days, according to the Texas Property Code.

Sadeghian also points to a handwritten inspection report he says he asked Rockwall-based independent contractor Oliver Spiller to write after working on the McKinney home. Dated Nov. 28, 2021, the report notes a few minor inside repairs performed by Spiller and says the roof was replaced.

A contract provided by Khosrow Sadeghian that he says Blake and Halle Reames signed to reduce rent on the house on Mill Run Drive in exchange for the couple handling repairs. The couple deny signing the document.

Courtesy image

Spiller, 77, is not a licensed inspector with the state but has worked in contracting for over 50 years and spent time performing inspections for the federal government, he told the *Record-Chronicle*. He has done contract work for Sadeghian for about 20 years, he says.

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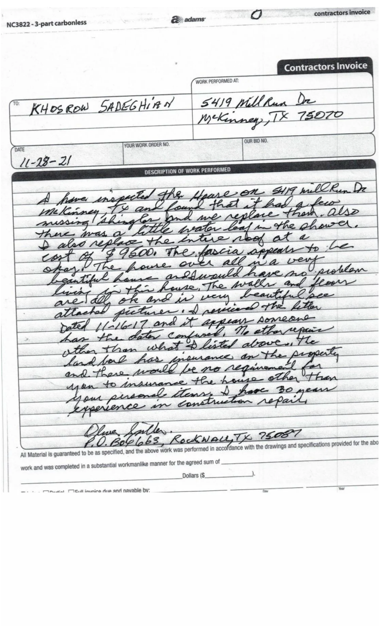
NC3822 - 3-part carbonless   adams   contractors invoice

Contractors Invoice

TO: KHOSROW SADEGHIAN

WORK PERFORMED AT: 5419 Mill Run Dr McKinney, TX 75070

DATE: 11-28-21   YOUR WORK ORDER NO.   OUR BID NO.

DESCRIPTION OF WORK PERFORMED

I have inspected the House on 5419 Mill Run Dr McKinney, Tx and found that it had a few missing shingles and we replace them. Also there was a little water leak in the shower. I also replace the entire roof at a cost of $9500. The fascia appears to be okay. The house over all is a very beautiful house and I would have no problem living in this house. The walls and floors are all ok and is very beautiful see attached pictures. I received the letter Dated 11-16-17 and it appears someone has the dates confused. No other repair other than what I listed above. The land lord has insurance on the property and there would be no requirement for you to insurance the house other than your personal items. I have 30 years experience in construction repair.

Oliver Spiller.
P.O. Box 663, Rockwall, TX 75087

All Material is guaranteed to be as specified, and the above work was performed in accordance with the drawings and specifications provided for the abo[ve] work and was completed in a substantial workmanlike manner for the agreed sum of ______ Dollars ($______).

Spiller says he and his subcontractors put a new roof on the home around the beginning of 2022, rather than in November, as the handwritten report states. A roofing permit was issued Jan. 10, 2022, McKinney city records show.

Sadeghian says Kamy plans to be more selective with tenants in the future.

"We give them a chance even though we shouldn't because they fail us again and again and end up owing us money, and their deposit goes toward what they didn't pay," Sadeghian says.

'Fear tactics'

The McLaughlins received their first three-day notice to vacate on July 4, 2021. A ledger submitted to the court by Kamy shows the family had not paid May, June or July 2021 rent, and paid just over $7,000 of the $13,178 in deposits and prorated rent charged.

The allegedly unpaid deposits and back rent were cited as reasons Kamy wasn't obligated to fix major issues in the home, the McLaughlins say. The couple deny owing further deposits but say they withheld rent when Sadeghian refused to pay for proper repairs.

The McLaughlins received another notice July 21, asking them to appear in a justice of the peace eviction hearing the following week. The day before the hearing, Cedric filed for Chapter 13 bankruptcy, hoping, he says, to forestall eviction for 30 days in the hopes the couple could save to move. They also applied for rental assistance through the Texas Rent Relief program.

What followed was a back-and-forth played out in bankruptcy and eviction courts over the coming months. In December, Cedric's bankruptcy case was dismissed with prejudice, allowing the eviction cause to move forward.

The eviction was granted Jan. 25, with the court awarding Kamy a total judgment of $20,090. The same day, the McLaughlins received a notice from Texas Rent Relief that their application had been approved and that Kamy would receive $29,645 in back rent for May 2021 through February 2022 — more than the plaintiffs claimed in the eviction suit. The McLaughlins were given five days to appeal, filing Feb. 1. They also filed a statement that they were unable to deposit the required $2,995 rent payment into the court's registry for the appeal to move forward. On Feb. 10, the appeal was denied for failure to make the payment.

In late March, the couple received notice that Kamy had filed for non-suit in the eviction case. They say they assumed it was because Kamy was set to receive the back rent from the relief program and realized it could not claim payment for the same debt twice. They had moved out of the house on Lakemont Drive in February, finding an apartment in Lewisville with a pool, which Jennifer was excited about. The couple was finally moving on, they thought.

But in May, Jennifer received another court summons, to appear in a justice of the peace eviction hearing in Flower Mound.

This time, the suit alleged the McLaughlins had not paid rent for an entire year, from April 2021 to April 2022. A ledger submitted by Kamy shows the $29,000 credit but claims more than $18,000 in back rent, late fees and "miscellaneous charges" is still owed.

Confused, the McLaughlins emailed the court clerk, submitting a copy of their current apartment lease and explaining they had surrendered the home in February. They had notified Sadeghian via text message, they say, and left the key on the kitchen counter.

Sadeghian says Kamy is still owed $8,000 in initial deposits as well as rent for the months in question since the McLaughlins failed to turn in their key.

Former tenant Karen Wiggins says she, too, was evicted after she no longer lived in the home she'd rented. After her original lease ended in 2013, Wiggins says she was month to month but was asked by Sadeghian to sign backdated leases showing annual rent increases that had never been agreed upon so he could collect government-funded rental assistance.

"His daughter brought them over, and I told her I would look them over, but I wasn't going to sign anything as backdated," Wiggins says.

Her refusal led to a verbal altercation over the phone with Sadeghian, who berated Wiggins after she asked for more time to review the leases, in a recording reviewed by the *Record-Chronicle*.

Phone call, Wiggins & Sadeghian

A phone call between Khosrow Sadeghian, Sadeghian's daughter and tenant Karen Wiggins about signing backdated leases showing incremental rent increases, according to Wiggins.

Former tenants and business associates say threats and intimidation attempts by Sadeghian are common.

"He threatened to burn the place down I moved to when I was fighting him," Vardas told the *Record-Chronicle*.

Schultz says a former office employee at Kamy, whose name and messages he shared with the *Record-Chronicle*, agreed to testify against Sadeghian in their case but backed out after saying she had received threats.

"He sent people to her house and threatened her, and then she sent me a text saying she was no longer going to offer to help because she had to worry about herself," Schultz says.

Quinn Balhorn was introduced to Sadeghian in June 2019 in his capacity overseeing business development at the Texas division of a national property management company. With Balhorn working out of the company's corporate headquarters in Utah, two of his area colleagues met Sadeghian to discuss managing Kamy properties. Sadeghian insisted on meeting at an upscale restaurant, though most meetings happen at the company offices, Balhourn says.

"This was potentially a big business deal, so we made an exception," Balhourn says. "I told him our policy to not pay for our client's meals or to accept payment for our meals, and he said that was fine. He and his son ordered the most expensive things on the menu, and several other items as take home — the bill was $140 for two people."

When the two women reminded Sadeghian of the policy during the meal, Balhourn says Sadeghian yelled that was "not how business worked" and left without paying. After the meeting, Balhourn texted Sadeghian to ask him to reimburse his colleagues and to tell him they had decided, after finding out more about Sadeghian's background, not to do business with the Sadeghians.

In response, Sadeghian called Balhorn a "pathetic bastard" and threatened sexual violence against the women in his family in text messages.

Quinn Balhorn texts

Quinn Balhorn texts

Those who have known Sadeghian say it is a threat they've heard before, too.

"He uses a lot of fear tactics," Wiggins says.

Sadeghian denies using threats and intimidation against tenants.

"I'm only mean and ugly to someone that cusses my family," Sadeghian says.

Alleged threats aside, Wiggins won her appeal. The suit filed by Kamy claimed she owed more than $45,000 in unpaid rent between 2014 and 2021, representing the difference in what Kamy said she paid versus the higher rent she was supposed to. Judge Robert Ramirez ordered in March that the plaintiffs take nothing from the suit.

Sadeghian denies asking Wiggins to sign backdated leases and says that, although he was in the right and was owed the difference in rental increases, he told his attorney to "forget about it."

As for the McLaughlins, because the couple did not appear in court, Kamy was awarded more than $7,400 for back rent and court fees May 9. The couple say they plan to pursue a small-claims case against Sadeghian.

"I thought we'd moved on — it feels like we got screwed again," Jennifer says.

The Reameses closed on a home in the Rockwall area in April and are continuing to fight for the return of the $20,000 they say was stolen from them. A small-claims case filed in justice of the peace court in February remains open. In the defendant's response, Sadeghian denies all claims put forth by the family.

Meanwhile, the house on Mill Run Drive also has been sold, Sadeghian says, and was under contract as of mid-July for $390,000.

Before its sale, the home the Reameses once dreamed of owning was relisted on Realtor.com by Zachary. It described the property as "stellar," "awe-inspiring" and "fully-renovated."

AMBER GAUDET can be reached at 940-566-6889 and via Twitter at @amb_balam.

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