

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
BROWNSVILLE DIVISION**

www.ck12.org

Chapter 12

~~~~~

com

~~~~~

1

1. The parties entered into an operating agreement involving the management and governance of the Texas Limited Liability company known as JJ DE BAJA, LLC;
2. The operating agreement contains a prohibition relating to conflicts of interest found in article 12 which specifically prohibits any member, manager, or officer of the company from engaging in or participating in business ventures of any kind or description independently without adequate notice and opportunity for the other members, managers and officers to participate;
3. Jay Humphreys failed to adequately disclose his intent to open and operate San Quintin Valley Farms, LLC and San Quintin, Mexico prior to organizing and beginning operations;
4. The failure to adequately provide notice to the other members, managers and officers of JJ DE BAJA, LLC resulted in a breach of his fiduciary duties and also violated a similar provision found in the Limited Partnership Agreement which prohibits the individual partners from taking actions which would be harmful to operations of the partnership or make it difficult or impossible for the partnership to carry out its ordinary business, and as a result of the operations of San Quintin Valley Farms, Jay Humphreys, as a member of the partnership, used assets of the partnership for himself without authority to do so.
5. All of these actions resulted in a breach of fiduciary duties under both the Company Agreement of JJ DE BAJA, LLC and the Limited Partnership Agreement of JJ SAN JOSE DE BAJA, L.P.

It is therefore ORDERED, ADJUDGED, AND DECREED that:

1. This Court has jurisdiction over the parties and subject matter of this adversary proceeding;
2. That the parties have entered into a Compromise and Settlement Agreement resolving the disputes between the parties;
3. JUAN GARCIA, JR., TRUSTEE OF THE MEU 2012 TRUST FOR J. GARCIA recover judgment of and from Jay Christopher Humphreys, for actual damages in the amount of \$730,966.65.

4. CELINA GARCIA-ANDERSON, TRUSTEE OF THE MEU 2012 TRUST FOR C. GARCIA recover judgment of and from Jay Christopher Humphreys, for actual damages in the amount of \$553,686.02.

5. MARIA ELENA USEDÁ, Individually, recover judgment of and from Jay Christopher Humphreys, for actual damages in the amount of \$520,649.00.

6. Post judgment interest on these amounts at the statutory rate of interest per year from and after the date this Judgment is rendered.

7. This Agreed Judgment is non-dischargeable based on the provisions of 11 U.S.C. section 523(a)(4).

8. The parties agree to waive the right to file any appeal of this Agreed Judgment.

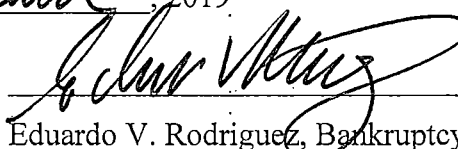
9. The parties agree to waive the right to file a motion for new trial.

It is further ordered that all writs and process for the enforcement and collection of this *Agreed Judgment* may issue as necessary. In connection with any Writ of Execution in this case, the Court directs the United States Marshals Service to use any means or force reasonably necessary to satisfy this *Agreed Judgment*.

All relief not expressly granted herein and in Agreed Judgment No. 2 is denied. This Judgment and Agreed Judgment No. 2 finally disposes of all claims and all parties.

It is so ORDERED.

SIGNED this 19 day of December, 2019


Eduardo V. Rodriguez, Bankruptcy Judge

AGREED:


JAY CHRISTOPHER HUMPHREYS

APPROVED AS TO FORM AND SUBSTANCE:

MULLIN HOARD & BROWN, L.L.P.

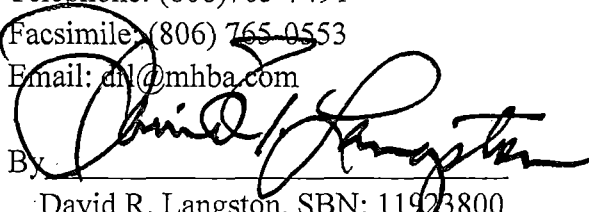
P.O. Box 2585

Lubbock, Texas 79408-2585

Telephone: (806)765-7491

Facsimile: (806) 765-0553

Email: dnl@mhba.com

By: 

David R. Langston, SBN: 11903800

Southern District Bar No. 9489

*Attorneys for Jay Humphreys , San Quintin Valley Farms, LLC,
And San Quintin Valley Farms S. de R.L. de C.V.*

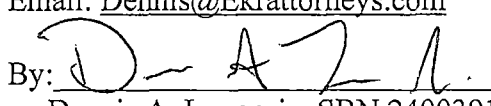
Dennis A. Longoria, Attorney at Law

1101 Chicago Avenue

Telephone: (956) 682-2440

Facsimile: (956)682-0820

Email: Dennis@Ekrattorneys.com

By: 

Dennis A. Longoria, SBN 24003915

*Attorney for Juan Garcia Jr., Individually, Juan Garcia Jr. Trustee of the MEU 2012 Trust
for J. Garcia, Celina Garcia-Anderson, Trustee of the MEU 2012 Trust for C. Garcia, Maria
Elena Useda, Individually*