

CAUSE NO. _____

**STATE OF TEXAS and HARRIS
COUNTY, TEXAS**

Plaintiffs,

v.

**ELIAS HADDAD, MONICA CHELESTE
MARCHETTI a/k/a CELESTE HADDAD
a/k/a CHELESTE HADDAD a/k/a
MONICA HADDAD, a/k/a MONICA
LAWLER a/k/a MONICA GOVENDER,
JONATHAN H. NEIL, HADAD DESIGN
AND CONSTRUCTION INC. d/b/a
KITCHEN AND BATH DECOR &
MORE**

Defendants.

IN THE DISTRICT COURT

JUDICIAL DISTRICT

HARRIS COUNTY, TEXAS

**PLAINTIFFS' ORIGINAL PETITION AND
APPLICATION FOR PERMANENT INJUNCTION**

Plaintiffs the State of Texas and Harris County, Texas, acting by and through the Harris County Attorney, Christian D. Menefee, bring this action against Defendants Hadad Design and Construction Inc. d/b/a Kitchen and Bath Decor & More, Elias Haddad, Monica Cheleste Marchetti a/k/a Celeste Haddad a/k/a Cheleste Haddad a/k/a Monica Haddad a/k/a Monica Lawler a/k/a Monica Govender, and Jonathan H. Neil for violating the Deceptive Trade Practices Consumer Protection Act, Texas Business and Commerce Code chapter 17, subchapter E ("DTPA"); and Texas Property Code Chapter 41, subchapter A.

1. Defendants Elias Haddad and Monica Cheleste Marchetti a/k/a Celeste Haddad, a/k/a Cheleste Haddad a/k/a Monica Haddad a/k/a Monica Lawler a/k/a Monica Govender operate Hadad Design and Construction Inc. ("HDC") d/b/a Kitchen and Bath Decor & More ("KBD"). Jonathan H. Neil worked as the primary project manager for KBD from April 2022 until some

time in 2024. KBD advertises home remodeling goods and services to consumers in Houston and the surrounding areas. Defendants encourage consumers on their website to “contact us today to schedule your free quote and transform your home into the space of your dreams.” When consumers contact Defendants for home remodeling goods and services, Defendants create a design plan for the space and give an estimated start and completion date for the remodel. After the plan and completion date are agreed upon, Defendants apply high pressure sales tactics to get consumers to sign contracts and pay in full up front through combinations of loans and cash. Defendants secure agreements and payments from consumers *with no intention of providing the promised goods and services.*

2. After receiving full payment, Defendants sometimes cease communication with consumers entirely, failing to provide any goods or services at all despite multiple attempts from consumers to contact them. In situations where Defendants do provide some goods and services, Defendants delay the start date by several months with little or no explanation and then deliver cheaply made goods and low-quality services that leave consumers without the result they have paid for. In some situations, the only services Defendants provide before cutting off contact with consumers is a complete demolition of kitchens and/or bathrooms, leaving consumers to live in dangerous construction sites until they can pay someone else to complete the job.

3. Many of these consumers are left with no recourse at all, as they cannot afford legal representation after spending their savings to fix the damage left by Defendants. The consumers that were fortunate enough to file lawsuits against Hadad Design and Construction Inc. were notified of Hadad Design and Construction Inc.’s Chapter 11 bankruptcy in July 2024. This bankruptcy means that these consumers will be unable to recover the full amount of their damages caused by Defendants.

4. Defendants have made this their business practice in Harris County and throughout surrounding Counties and this practice continues to harm consumers. Plaintiffs ask the Court to enjoin Defendants from continuing to engage in this illegal conduct, punish Defendants by awarding civil penalties, provide relief to customers victimized by Defendants' schemes by awarding damages and/or restoring money obtained through their wrongful conduct, and award any further relief authorized by law.

I.
DISCOVERY CONTROL PLAN

5. Plaintiffs intend to conduct discovery under Level 2 in accordance with Texas Rule of Civil Procedure 190.3. This case is not subject to the restrictions of expedited discovery under Texas Rule of Civil Procedure 169 because the relief sought includes non-monetary injunctive relief.

II.
CLAIM OF RELIEF

6. Plaintiffs seek non-monetary relief and civil penalties, damages to the victims, and/or the restoration of money and property acquired by means of unlawful acts or practices to victims, in a total amount that exceeds \$1,000,000.00. See Tex. R. Civ. P. 47(c)(4).

III.
PARTIES

7. Plaintiffs are the State of Texas and Harris County, Texas, acting by and through the Harris County Attorney, Christian D. Menefee, under the authority of the laws of the State of Texas.

8. Defendant Hadad Design and Construction Inc. is a Texas Corporation that may be served with process through its registered agent, Elias Haddad, at 1707 Durham Dr. Houston, TX 77007.

9. Defendant Elias Haddad is an individual who may be served with process at 5501 Cardinal Bay, Houston, TX 77041 or wherever he may be found.

10. Defendant Monica Cheleste Marchetti a/k/a Celeste Haddad, a/k/a Cheleste Haddad a/k/a Monica Haddad a/k/a Monica Lawler a/k/a Monica Govender is an individual who may be served with process at 5501 Cardinal Bay, Houston, TX 77041 or wherever she may be found.

11. Defendant Jonathan H. Neil is an individual who may be served with process at 6803 Hollow Hearth Drive Houston, TX 77084 or wherever he may be found.

IV.
JURISDICTION AND AUTHORITY

12. The relief sought is within the Court's subject matter jurisdiction under Article V, Section 8 of the Texas Constitution and Texas Government Code sections 24.007, 24.008, and 24.011.

13. Plaintiffs, acting by and through the Harris County Attorney, Christian D. Menefee, are authorized to bring this action under (1) DTPA sections 17.47 and 17.48, which protect consumers against false, misleading, and deceptive trade practices; and (2) Texas Property Code Chapter 41, which protects consumers from businesses that fail to provide statutorily mandated disclosures.

V.
VENUE

14. Venue is proper in Harris County pursuant to DTPA subsection 17.47(b) in that (1) Defendants reside in Harris County, (2) Defendants' principal place of business is in Harris County, (3) Defendants have done business in Harris County, and (4) transaction(s) made the basis of this suit occurred in Harris County.

VI.
PURPOSE OF SUIT

15. The purpose of this suit is to obtain a permanent injunction, collect civil penalties from Defendants, obtain an order that Defendants pay money damages and restitution of money acquired by means of unlawful acts or practices, and obtain any other further available relief resulting from Defendants' unlawful conduct as alleged in this Petition.

16. Plaintiffs have reason to believe Defendants have engaged in, and will continue to engage in, the unlawful acts and/or practices set forth in this Petition, and that Defendants adversely affected the lawful conduct of trade and commerce, thereby directly and indirectly affecting the people of Harris County and the State of Texas. Therefore, these proceedings are in the public interest.

VII.
TRADE AND COMMERCE

17. At all times described herein, Defendants have engaged in conduct that constitutes "trade" and "commerce," as those terms are defined in DTPA subsection 17.45(6).

VIII.
ACTS OF AGENTS

18. Whenever in this Petition it is alleged that Defendants did any act, it is meant that the named Defendants performed or participated in the act, or that the officers, agents, or employees of Defendants performed or participated in the act on behalf of and under the authority of Defendants.

IX.
PRESUIT NOTICES

19. Prior to filing this suit, Plaintiffs, acting through the Office of the Harris County Attorney, notified Defendants of the general nature of the violations that are the subject matter of this suit.

In addition, prior to filing this suit, the Office of the Harris County Attorney provided notice of the general nature of the violations that are the subject matter of this suit to the Consumer Protection Division of the Office of the Attorney General.

X.
BACKGROUND

20. Defendant Elias Haddad founded Hadad Design and Construction Inc. d/b/a Kitchen and Bath Decor & More (“KBD”) in 2014. He runs this business alongside Defendant Celeste Haddad, who works in daily management of KBD. Defendant Celeste Haddad also responds to consumer complaints and negative reviews about the business.

21. Celeste Haddad hired Jonathan Neil in December 2021 as the primary project manager of KBD. Mr. Neil assumed full duties in April 2022. As of the filing of this petition, Mr. Neil is no longer employed by KBD. Prior to working as primary project manager, Mr. Neil did not have significant experience as a construction project manager. At the conclusion of his training, Mr. Neil began meeting with consumers regarding home remodel projects and performing in-home consultations without assistance from Celeste and Elias Haddad.

22. The KBD website advertises their kitchen, bath, and home remodeling services as well as goods they offer such as kitchen cabinets, granite, marble, quartzite, and Cambria countertops, bathroom vanities, walk in showers, custom closets, backsplashes, outdoor kitchens, lighting, fireplaces/stairs, entertainment centers, and murphy beds. KBD offers free estimates for work done in Houston and nearby areas, as well as complimentary design services with a remodel.

23. Defendants advertise themselves as “Houzz’s Best Houston Kitchen & Bath Designer,” the “#1 choice for hard surface kitchen and bathroom remodeling,” and “Houston’s #1 Home Renovation Expert.” Their website encourages customers to “contact us today to schedule your

free quote and transform your home into the space of your dreams.” However, for dozens of consumers, Defendants never intended to complete the promised dream remodel.

24. When consumers schedule a home visit or come into the KBD store, Defendants apply high pressure sales tactics by convincing consumers that the only way to obtain a large discount on services is to sign that day and pay 75-100% of the cost of the contract up front. After consumers sign the contract and make the payment, through cash or loans, Defendants withdraw the entire amount and abscond with the money. In many cases, no work at all is completed, and consumers are unable to get into contact with Defendants to inquire about the status of their projects or request a refund.

25. If Defendants do begin the job, Mr. Neil is often the one conducting a home visit and is usually the main point of contact for consumers in managing their home remodeling projects. Mr. Neil frequently changes the scope of work and fails to appropriately manage subcontractors, resulting in delays, higher costs, and confusion for customers. Although Mr. Neil often communicates issues with the jobs to KBD and Defendants Elias Haddad and Celeste Haddad are aware of and approve of his conduct as part of KBD’s business model, Mr. Neil exhibits a pattern of managing them himself by making false and misleading representations to consumers about KBD’s willingness and ability to complete the job as promised. For KBD consumers who are lucky enough to have Defendants begin the job, frequently the only work completed afterwards is a complete demolition of kitchens and bathrooms, leaving consumers to live in construction sites while Defendants cut off communication.

26. In cases where Defendants “complete” the jobs, the work performed is poorly done and the materials provided are cheaply made and not what consumers purchased. For example, when consumers pay extra for cabinets and drawers with soft close hinges, Defendants deliver and

install cabinets and drawers that do not have soft close hinges. When consumers point out to Defendants' installers that the materials delivered are not what they ordered, the installers state that they just install what the factory sends – implying that the cheaply made goods are what the consumers paid for. Despite their representations that KBD is “Houston’s #1 Home Renovation Expert,” Defendants repeatedly perform low-quality work in consumers’ homes. In some cases, the work is of such poor quality that consumers are deprived of meaningful use of their spaces and must pay tens of thousands of dollars to redo the jobs.

27. Defendants push consumers into taking out loans with several companies, including EnterBank USA and MOMNT Finance Company, to finance their home improvement contract with KBD. In some situations, Defendants’ employees even submit loan applications on behalf of consumers, without the consumers’ knowledge or consent. After consumers are approved, Defendants immediately advance the entire amount to themselves. When consumers complain to the loan servicer that KBD failed to provide any services, the loan servicer communicates to the consumers that KBD reported that all work had been completed. Defendants then refuse to return the funds to the loan servicer, and the consumer is saddled with the entire amount of the loan.

28. Celeste Haddad has been perpetrating fraud on Harris County consumers since at least 2007. In 2007, she contracted with a Harris County consumer for home remodeling services in the amount of \$1,700. Celeste Haddad obtained the full \$1,700 up front, failed to provide any services, and refused to refund the money. Celeste Haddad was sentenced to 7 months in the Texas Department of Criminal Justice for stealing \$1,700 from this consumer. 17 years later, Celeste Haddad is continuing to defraud consumers in this exact same way. She, along with the other Defendants, are pressuring consumers to pay for their home remodel services up front, intending to never provide the promised services.

29. The contract presented to consumers by Defendants includes a statement that “each of the parties of this agreement/contract shall work amicably to resolve or dissolve any issues that may occur during or after the work has been completed.” Despite this binding promise, KBD repeatedly refuses to communicate with consumers regarding their paid-in-full remodeling services. It also states that the consumer, by signing the contract, will not “publicly criticize [] Kitchen and Bath Decor.” By attempting to stifle consumers’ right to post an honest review of their experiences, KBD lures other consumers into paying up front for goods and services that will never be delivered.

30. At the time of this petition, there have been at least 32 lawsuits filed against Defendants in Harris County District and Justice Courts as well as several police reports for fraud and theft for failing to provide home remodeling services after full payment is received. Consumers have also submitted complaints to Harris County, the Better Business Bureau, and other consumer entities such as the CFBP regarding Defendants’ fraud.

31. Hadad Design and Construction Inc. filed for Chapter 11 bankruptcy in June 2024. As of the filing of this petition, an estimated 123 consumers have filed claims in the HDC bankruptcy.

32. Defendants have exhibited a pattern of defrauding consumers by promising to remodel consumers’ homes to their satisfaction without any intention of doing so. Defendants either provide inferior goods and services or fail to provide any at all. Defendants have also engaged in fraud against consumers by misrepresenting details about the project to lenders and withdrawing entire lines of credit immediately. These acts are direct violations of Texas laws which exist to protect consumers from bad actors like Defendants.

XI.
CAUSES OF ACTION

A. Count One: Deceptive Trade Practices Act Violations

33. Plaintiffs incorporate and adopt by reference the allegations in each and every preceding paragraph of this Petition.

34. Defendants Hadad Design and Construction Inc. d/b/a Kitchen and Bath Decor & More, Elias Haddad, Celeste Haddad, and Jonathan Neil as alleged and detailed in this Petition, have, in the course of trade and commerce, engaged in false, misleading, and deceptive acts and practices declared to be unlawful in DTPA subsections 17.46(a), (b) and section 17.50, including, but not limited to:

- a. Engaging in false, misleading, or deceptive acts and practices declared to be unlawful, Tex. Bus. Com. Code §17.46(a);
- b. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which the person does not, Tex. Bus. Com Code Sec. 17.46(b)(5);
- c. Representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another, Tex. Bus. Com Code Sec. 17.46(b)(7);
- d. Advertising goods or services with the intent not to sell them as advertised, Tex. Bus. Com. Code § 17.46(b)(9);
- e. Making false or misleading statements of fact concerning the reasons for, existence of, or amount of price reductions; Tex. Bus. Com. Code § 17.46(b)(11);

- f. Representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law¹, Tex. Bus. Com. Code § 17.46(b)(12);
- g. Representing that work or services have been performed on, or parts replaced in, goods when the work or services were not performed or the parts replaced, Tex. Bus. Com. Code § 17.46(b)(22);
- h. Failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed, Tex. Bus. Com. Code § 17.46(b)(24); and
- i. Engaging in an unconscionable action or course of action, Tex. Bus. Com. Code § 17.50(a)(3).

B. Violations of Texas Property Code Sec. 41.007(a)

35. Plaintiffs incorporate and adopt by reference the allegations in each and every preceding paragraph of this Petition.

36. Defendants Hadad Design and Construction Inc. d/b/a Kitchen and Bath Decor & More, Elias Haddad, Celeste Haddad, and Jonathan Neil have in the course of operating a home remodeling business, failed to include the statutorily mandated notice in contracts for improvements to an existing residence.

¹ “A provision of a form contract is void from the inception of such contract if such provision [] prohibits or restricts the ability of an individual who is a party to the form contract to engage in a covered communication.” 15 U.S.C. § 45b(b)(1). “The term “covered communication” means a written, oral, or pictorial review, performance assessment of, or other similar analysis of, including by electronic means, the goods, services, or conduct of a person by an individual who is party to a form contract with respect to which such person is also a party.” 15 U.S.C. § 45b(a)(2).

37. Texas Property Code Section 41.007 requires that a contract for improvements to an existing residence must contain the following conspicuous warning: "IMPORTANT NOTICE: You and your contractor are responsible for meeting the terms and conditions of this contract. If you sign this contract and you fail to meet the terms and conditions of this contract, you may lose your legal ownership rights in your home. KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW." Failing to include this notice in a contract for an improvement to an existing residence is a false, misleading, or deceptive act or practice within the meaning of Section 17.46, Business & Commerce Code.

38. Defendants failed to include this statutorily required language in their contracts for improvements to existing residences. This is a per se violation of the Texas Deceptive Trade Practices Act and Defendants must be enjoined from continuing to use these contracts in the course of their business.

XII.
TRIAL BY JURY

39. Plaintiffs herein request a jury trial and tender the jury fee to the Harris County District Clerk's Office pursuant to Texas Rule of Civil Procedure 216.

XIII.
APPLICATION FOR PERMANENT INJUNCTION

40. Plaintiffs incorporate and adopt by reference the allegations in each and every preceding paragraph of this Petition.

41. Plaintiffs' application for permanent injunction is authorized by DTPA section 17.47. Plaintiffs have reason to believe that Defendants are engaging in, have engaged in, and/or are about to engage in, acts and practices declared to be unlawful under the DTPA. Plaintiffs further plead that these proceedings are in the public interest.

42. Pursuant to DTPA section 17.47, Plaintiffs request the Court grant a permanent injunction enjoining Defendants and their officers, agents, servants, employees, and attorneys as stated in Plaintiffs' Prayer

XIV.
CONDITIONS PRECEDENT

43. All conditions precedent to Plaintiffs' claims for relief have been performed or have occurred.

XV.
PRAYER

44. WHEREFORE, PREMISES CONSIDERED, Plaintiffs pray that Defendants be cited according to the law to appear and answer herein and upon final hearing, a permanent injunction be issued. Plaintiffs pray that the Court will issue an ORDER enjoining Defendants and their officers, agents, servants, employees, attorneys, and any other persons in active concert or participation with Defendants who receive actual notice of the permanent injunction, who conduct business individually or on behalf of "Hadad Design and Construction Inc.," "Kitchen and Bath Decor & More," or any other business entity or name, from the following:

- a. Engaging in any false, misleading, deceptive business practices, or unconscionable course of action involving home remodeling, improvement, or repair;
- b. Representing that home improvement goods or services have characteristics which they do not have or that Defendants or employees or agents of Defendants have status as home remodeling experts that they do not;
- c. Representing that home remodeling-related goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;

- d. Advertising home remodeling goods or services with the intent not to sell them as advertised, including but not limited to, advertising the sale of home remodeling goods and services with the intent not to provide the goods and services as advertised;
- e. Making false or misleading statements of fact concerning the reasons for, existence of, or amount of price reductions in home remodeling goods or services;
- f. Making any representation to a consumer that an agreement for home remodeling goods or services confers or involves rights, remedies, or obligations that the agreement does not actually have, or that is prohibited by law. Including but not limited to prohibiting the consumer from criticizing Kitchen and Bath Decor & More;
- g. Representing to lenders or consumers that home remodeling work or services have been performed, when the work or services were not performed;
- h. Failing to disclose information to a consumer about a home improvement-related good or service that is known by Defendants at the time of the transaction in order to induce the consumer into a transaction;
- i. Making false or misleading representations or promises in a home remodel, improvement, or repair transaction; and
- j. Entering into any contract for the improvement of existing property without a written agreement containing the statutory disclosures required by Texas Property code Chapter 41.

45. Plaintiffs further pray the Court will:

- a. Issue a permanent injunction ordering Defendants to notify all prospective consumers of their rights under the Deceptive Trade Practices Act and of the existence of this lawsuit;

- b. Order Defendants to pay civil penalties of up to \$10,000.00 per violation of the DTPA, and civil penalties of up to \$250,000.00 per violation of the DTPA when the act or practice acquired or deprived money or property from a consumer who was 65 years of age or older when the act or practice occurred;
 - c. Order Defendants to pay money damages and restore money or property acquired by means of an unlawful act or practice under the DTPA;
 - d. Award judgement and post-judgement interest on all awards of restitution, damages, or civil penalties, as provided by law; and
 - e. Decree that all of Defendants' fines, penalties or forfeitures are not dischargeable in bankruptcy to the maximum extent permitted by 11 U.S.C. § 523 and/or any other applicable law.
46. Plaintiffs further pray they receive such other and further relief to which they are justly entitled.

Unofficial Copy Office of Mairlyn Burgess District Clerk

Respectfully submitted,

CHRISTIAN D. MENEFEE
HARRIS COUNTY ATTORNEY

JONATHAN G. C. FOMBONNE
DEPUTY COUNTY ATTORNEY AND FIRST
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TIFFANY S. BINGHAM
MANAGING COUNSEL, AFFIRMATIVE &
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**ATTORNEYS FOR PLAINTIFFS THE
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Charlotte Zhang on behalf of Eleanor Matheson

Bar No. 24131490

Charlotte.Zhang@harriscountytexas.gov

Envelope ID: 97133140

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Permanent Injunction

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Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Eleanor Matheson		eleanor.matheson@harriscountytexas.gov	2/7/2025 3:22:06 PM	SENT

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