

LOVE & JOY SERVICES, LLC.  
LOVERS ESTATE, LLC  
Plaintiffs,

IN THE DISTRICT COURT  
OF HARRIS COUNTY, TEXAS

VS

UNITY NATIONAL BANK, JC WORRELL'S  
INSURANCE AGENCY aka J. CEASEAR'S  
FARMERS INSURANCE AGENCY,  
WATERSTONE LSP, LLC.  
JOSE RODRIGUEZ D/B/A A&A  
CONSTRUCTION MANAGEMENT CORP.  
Defendants.

80th JUDICIAL

#### **DECLARATION OF SHEILA SWIRCZYNSKI**

1. My name is Sheila Evette Swirczynski. I am over the age of twenty-one years, am of sound mind, have never been convicted of a felony or a crime involving moral turpitude, and am competent to make this declaration. The facts stated in this declaration are based upon my personal knowledge from personal involvement in the events described as the President of "Love and Joy LLC" and "Lovers Estate LLC", and my review of the referenced records, and all such facts are true and correct based on my personal knowledge and interactions with others involved in this case.
  2. I am the current President of Love and Joy and Lovers Estate with over 25 years of operating eight Assisted Living Facilities, Group homes and other Texas State licensed facilities. During my tenure with Love and Joy LLC as well as Lovers Estate LLC, all facilities under my supervision have demonstrated consistent
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I actively participated in securing a loan for the construction of a residential building (intended to be utilized as a residential facility for homeless and disabled individuals in Harris County), to be located at 4317 Mallow Street, Houston Texas, as well as an administration building at 4322 Mallow Street, Houston, Texas.

3. On or about early 2013 I received a call from Linda Guidry who identified herself as an employee at Unity Bank (title) stating she received a referral from Gabby (Last Name) regarding my project. Linda Guidry stated she had several years of experience with SBA loans and she offered her assistance to obtain approval to secure financing for new construction of both facilities referenced in item "2.". Ms. Guidry stated that her next step would be to obtain approval from the Board of Directors for both construction projects. Linda Guidry informed me that the BOD meets every Thursday to review all projects and decide if the BOD will agree to fund new construction projects that are identified for consideration.

Linda Guidry called me on or about late 2013 and insisted on visiting our physical office (which was located at 11626 Cullen, Houston, TX 77047) to introduce Stephanie Ellis (Waterstones LSP representative). I would come to learn that "Waterstones" is an entity that "provides comprehensive service and solutions to community banks" (per their website). Also per "Waterstones LSP" website's description, it states that "We focus on relationship banking and we work with our banks in a spirit of partnership through SBA lending". Unity Bank chose to include Waterstones LSP as their partner in the SBA loan agreement with Love and Joy and Lovers Estate. I agreed to meet with Stephanie Ellis (Waterstones LSP) and Linda Guidry (Unity Bank) per their request, so that they may explain to me the role of Waterstones LSP and how everything would proceed relating to the SBA loan.

On four different meetings, representatives from Unity Bank and Waterstones LSP assured me that they were knowledgeable, had many years of experience regarding SBA loans and they encouraged me to trust them and rely on their expertise, experience and knowledge to comply with SBA guidelines. Representatives from Unity Bank and Waterstones were aware that my knowledge and expertise was limited to administrative, supervisory, and direct

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agreement with both agencies to oversee, manage and provide pertinent and relevant information as well as education and guidance regarding the SBA "New Construction Loan" for both projects, with the expectation that both entities would ensure compliance and remain in compliance with SBA guidelines and OCC regulations. I relied on this because this was the loan they represented to me as a "7A SBA Loan" for both construction projects. A loan for both projects was secured at closing.

4. On November 18, 2014, a fire destroyed the residential building (the building for which the SBA Loan had been secured through Unity Bank with oversight provided by Waterston LSP - per Unity bank's choice, by Love and Joy LLC and Lovers Estate LLC.). The fire, which occurred on November 18, 2014 was especially traumatic to my family and me. Watching our hopes and dreams as well as our considerable financial investment burn to the ground before our eyes was devastating.

5. Prior to the fire I had never met Mr. John Scroggins, Unity Bank CEO. On 11/19/2014, during my first conversation with Mr. John Scroggins, his first words to me was "Sheila don't you have other properties you can place with us for collateral?" I looked at him with **unbearable hurt and pain** and stated "no don't you'll have insurance?" It was my understanding that Jose Rodriguez (DBA A&A Construction) had secured "builder's risk and bond" insurance (which was REQUIRED by SBA guidelines to be able to secure loan. It was also my understanding and belief that Waterstone LSP had been hired by Unity Bank to ensure that all SBA Loan best practices and compliance standards that are required in regard to SBA loans were indeed being monitored to ensure full and necessary compliance. I was stunned and further traumatized to learn that Unity Bank had discovered on 11/18/2014 that the "Builder's Risk Insurance" had lapsed, and that they had made no effort to communicate to me that indeed the lapse had incurred. In good faith, I had relied upon Unity Bank and their "partner" Waterston LSP to notify my family and I regarding ANY discoveries of noncompliance or risk regarding the SBA loan that Love and Joy LLC and Lovers Estate LLC had acquired through Unity Bank.

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told her I would not as long as Unity Bank rebuilt my building;

During several days, weeks months, years Mr. John Scroggins. promise me several times he was going to make things right for me and my family. Mr. John Scroggins asked me to trust him and not to get a lawyer for 2-years. Mr. John Scroggins asked me to work with him and trust him, explaining that his "connections" with the City of Houston will come through. I had no reason to disbelieve anything John Scroggins stated. When John Scroggins stated that the City of Houston would fund the grant, I believed him.

I felt assured that Mr. Scroggins promises and declarations were truthful as Councilman Boykins, news media, Offender news paper, Rev. Lawson all appeared at my door immediately after the fire, stating that the City of Houston was going to work with Unity Bank executives to rebuild us. A RFP was developed for our project and the COH made it available to others to ensure the discrimination was not being done. To date, the City of Houston has not provided any funding or grant monies to rebuild the Residential facility and activity center building that burned.

On May 2015 my family and I had to move out of our office (3000 square footage)

After 2-years of receiving false promises, prior to me hiring an attorney I went down to 201 Caroline , Houston TX and pulled up all Unity Banks lawsuits and each of them had successful foreclosures. This evidence showed me that they resemble "**predator**" banks that intentionally mislead their customers and prey on people whom do not have the knowledge or wealth they have.

My family and I decided to give up the office we occupied for 18-years. We had to move part of the office into my Charter school, Child care center located at 5123 Northridge, Houston, TX 77033- disallowing us to earn monies. This project has been being used for an office from May/2015-09/19/2018- This is a total loss of revenue exceeding \$300,000.00 per year.

During this transition we lost clients 25 existing clients because we were no longer able to service them in the southeast area. All clients had to relocate to 4440 Bennington, Houston, TX 77016 . This raised our transportation and fuel costs due

The Cullen office was split into 4-different locations and 18-years of records was placed in 3-large storage (an additional cost). During the years it has been difficult to conduct audits from 4-different locations and storage units. This has caused a financial and mental stress on us.

At no point in time did Unity Bank offer to aid us or support us during the 5-years. As of today's date we have not heard from any of Unity Bank BOD members that approved our project for the SBA 7A loan. No one except John Scroggins had apologized and now he has recant that by an untruthful sworn affidavit.

Robert Lancaster's primary concern was "is Sheila going to Sue"? John's focus was getting Attorney Robert Lee Brown attorney, BOD / Former City of Houston Mayor to work out connections to get the grant approve. This was done by the developing an RFP especially for our project. As of 09/19/2018 this funding has not been approved in writing, we have just received verbal promises from the previous Neal Rattleff former director and administration.

John Scroggins. Encouraged me to continue to make payments so the City and the bank will work together. Johns Scroggins. Stated if we were behind in payments it will draw a red flag. Thus, we continued to make each and every payment on a building that doesn't exist and may not ever exist due to the fact that Unity and Waterston LP did NOT ensure compliance with "Builder's Risk and bond" insurance, nor did either party notify Love and Joy LLC or Lovers Estate LLC when Unity Bank and / or Waterston LP became aware of the lapse of insurance. Unity Bank became aware of the lapse on 09/2013.

Linda Guidry, John Scroggins and Robert Lancaster did not agree to get modifications on the loan until after the COH meeting with Neal Rackleff. Neal Rackleff asked Unity Bank to "stop the bleeding" for Sheila and her family.

John Scroggins. Stated to me in his office on Blodgett if the City of Houston does not give the grant, the "worst case scenario" is that Waterstones has insurance. I asked him why we haven't not used those funds to rebuild. Mr. John Scroggins stated we will if this does not work.

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are recorded and available for public knowledge. Several councilman stated they would agree to the project only if Unity Bank was **not** involved. The councilman stated they did not want to bail the bank out. One councilman asked "what is Unity Bank doing to help Sheila and her family out?" to which the court room was silent.

Neal Rackleff asked Unity Bank representative John Scroggins. , Robert Lancaster, and Linda Guidry what is Unity Bank doing to help Sheila and her family? "Each time this question was presented it was "no one responded"

The city of Houston housing department conducted an investigation under Neal Rackleff (former housing director). The investigation revealed Unity Bank was at fault for not ensuring its collateral, failure to perform prudent lending standards, and for not informing Sheila of the invalid and fraudulent insurance giving her the opportunity to pay the insurance.

During several meetings with the City Housing department a COH representative questioned Unity Bank "why did Unity Bank not pay the Builder Risk policy from the loan monies? " Johns Scroggins, Robert Lancaster, Linda Guidry was silent. "no response as of 09/19/2018.

John Scroggins., Robert Lancaster, and Linda Guidry, and Unity Bank representatives, locked myself and my family out of the office building 2014-2017. Linda Guidry continue to demand us to pay \$11,000.00 monthly for an empty slab.



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get the grant after it was approved under A. Parker (former Mayor) being that Mayor was changing.

When Sylvester Turner became our new Mayor, new housing director Tom McCasland staff state we cannot give you a grant because you filed a law suit against the bank. We can only give you a loan/ grant.

Jeff Smith The new president begin stating Unity Bank does not have money and they will "go BANKRUPT" if this loan falls through. This was said in the presence of several City of Houston employees at several meetings.

**YOU'RE INVITED TO THE  
GRAND OPENING**  
MONDAY, MARCH 26, 2018, 10:00 a.m.

Atlanta's New African American Owned & Operated Bank

**UN**  
Unity National Bank

92 Peachtree Street, SW Atlanta, Georgia 30303  
(Downtown Atlanta at the corner of Peachtree & MLK Jr. Drive)

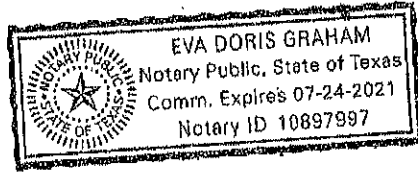
For more information, call 404-588-9611.

**GEORGE G. ANDREWS**  
Petitioner Developer

I asked Tom McCasland what happen to the RFP that was developed specifically for our project. Only three companies was to receive these funds and as of today's date the other two have received the funds and we are the only group that did not receive funding, I was told that the grant/ RFP was written for us.

Since the 11/18/2014 fire, I have restless nights and uncontrollable crying spells. I have suffered from intermittent anxiety and depression, and have spent numerous hours in negotiations with Unity, all others named in this suit as well as the City of Houston. We have lost our entire investment and have nothing to show for the \$528,000.00 in payments and \$700,000.00 in equity and cash that we have paid to Unity Bank to date.

Sworn to and subscribed before me by Sheila Swirczynski on Sept 20, 2018.



Eva Doris Graham

Notary Public in and for

the State of Texas

My commission expires: 7/24/2021