

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**SHREE VEER CORPORATION and  
CHIEF HOSPITALITY, LLC, ON  
BEHALF OF THEMSELVES AND ALL  
OTHERS SIMILARLY SITUATED,  
Plaintiffs,**

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**CIVIL ACTION NO. 3:20-cv-03268-L**

v.

**OYO HOTELS, INC.,  
Defendant.**

**DEFENDANT’S ORIGINAL COUNTERCLAIMS AGAINST PLAINTIFFS SHREE  
VEER CORPORATION AND CHIEF HOSPITALITY, LLC**

Defendant/Counter-Plaintiff OYO Hotels, Inc. asserts the following Original Counterclaims against Plaintiffs/Counter-Defendants Shree Veer Corporation and Chief Hospitality, LLC and respectfully states as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction over the counterclaims asserted herein under 28 U.S.C. § 1332(a)(1) because OYO Hotels, Inc. is citizen of the states of Texas and Delaware. Plaintiff/Counter-Defendant Shree Veer Corporation is a citizen of Oklahoma and Kansas. Plaintiff/Counter-Defendant Chief Hospitality, LLC is a citizen of the State of Illinois. The amount in controversy exceeds \$75,000.00 as to each Plaintiff/Counter-Defendant.

2. Further, the Court also has supplemental jurisdiction over the counterclaims under 28 U.S.C. § 1367(a) because the counterclaims asserted are so related to the claims originally

brought by Plaintiffs/Counter-Defendants that they form part of the same case or controversy under Article III of the United States Constitution.

3. This Court has personal jurisdiction over Plaintiffs/Counter-Defendants because, among other reasons, each entered into a contract with OYO consenting to jurisdiction before the “local courts” in Dallas, Texas, and each filed actions as plaintiffs in this state against OYO.

4. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2) and (3) because this is the district in which a substantial part of the events or omissions giving rise to OYO’s claims occurred and Plaintiffs/Counter-Defendants agreed in their contracts with OYO that the courts in Dallas County would have jurisdiction to adjudicate this matter.

### **THE PARTIES**

5. Defendant/Counter-Plaintiff OYO Hotels, Inc. is a Delaware corporation with its principal place of business in Dallas, Texas.

6. Plaintiff/Counter-Defendant Shree Veer Corporation (“Shree Veer”) is a Kansas corporation with its principal place of business in Oklahoma. Shree Veer operates a hotel in Alva, Oklahoma.

7. Plaintiff/Counter-Defendant Chief Hospitality, LLC (“Chief Hospitality”) is a Nebraska limited liability company that operates a hotel in Nebraska.

### **FACTUAL BACKGROUND**

#### **(Facts Regarding Chief Hospitality, LLC)**

8. On or about August 12, 2019, OYO and Chief Hospitality entered into the certain Marketing, Consulting and Revenue Management Agreement (the “Chief Hospitality Agreement”).

9. Under the Chief Hospitality Agreement, among other salient terms, OYO agreed to make a Capital Improvement Investment in the hotel operated by Chief Hospitality to fund both the interior and exterior improvements of the property, provide management, consulting and marketing services for the property, among other terms.

10. In return, Chief Hospitality agreed, among other salient terms, that Chief Hospitality would timely complete the required improvement work, that OYO had the exclusive right to set room rates, that all rooms at the hotel would be available on the OYO platform, that all reservations and bookings would go through the OYO platform, and that all revenue for the property would be recorded through the OYO OS system.

11. The Agreement also stated that either party may terminate the agreement without cause by giving the other party thirty (30) days' notice and that in the event such termination is made during the Initial Term by the Facility Owner (here, Chief Hospitality) or by OYO in case of the Agreement by Chief Hospitality that Chief Hospitality shall pay OYO an amount that is equal to 1.5 times the unamortized portion of the Capital Improvement Investment (the "Termination Fee").

12. On June 5, 2020, Chief Hospitality sent written correspondence to OYO terminating the Agreement with an effective date of July 5, 2020.

13. On June 24, 2020, OYO sent Chief Hospitality written correspondence acknowledging the termination, reminding Chief Hospitality of its obligation to pay the Termination Fee (here, \$265,963) and demanding payment of the same.

14. To date, Chief Hospitality has failed to pay the Termination Fee to OYO.

**(Facts Regarding Shree Veer Corporation)**

15. On or about, August 29, 2019, OYO and Shree Veer entered into the certain Marketing, Consulting and Revenue Management Agreement (the “Shree Veer Agreement”).

16. Under the Shree Veer Agreement, among other salient terms, OYO agreed to make a Capital Improvement Investment in the hotel operated by Shree Veer to fund both the interior and exterior improvements of the property, provide management, consulting and marketing services for the property, among other terms.

17. In return, Shree Veer agreed, among other salient terms, that Shree Veer would timely complete the required transformation work, that OYO had the exclusive right to set room rates, that all rooms at the hotel would be available on the OYO platform, that all reservations and bookings would go through the OYO platform, and that all revenue for the property would be recorded through the OYO OS system.

18. The Agreement also stated that either party may terminate the agreement without cause by giving the other party thirty (30) days’ notice and that in the event such termination is made during the Initial Term by the Facility Owner (here, Shree Veer) or by OYO in case of the Agreement by Shree Veer that Shree Veer shall pay OYO an amount that is equal to the unamortized portion of the Capital Improvement Investment (the “Termination Fee”).

19. On June 5, 2020, Shree Veer sent written correspondence to OYO terminating the Agreement with an effective date of July 5, 2020.

20. On June 25, 2020, OYO sent Shree Veer written correspondence acknowledging the termination, reminding Shree Veer of its obligation to pay the Termination Fee (here, \$94,379) and demanding payment of the same.

21. To date, Shree Veer has failed to pay the Termination Fee to OYO.

22. Then on October 27, 2020, Chief Hospitality and Shree Veer filed the above-captioned lawsuit against OYO asserting claims for breach of their respective Agreements.

23. Both Chief Hospitality and Shree Veer are controlled and managed by Chandrakant Shah.

**CAUSES OF ACTION**

**CLAIM ONE: BREACH OF CONTRACT**

*(Against: Chief Hospitality, LLC)*

24. OYO incorporates by reference herein the allegations set forth in the preceding paragraphs.

25. Per the Agreement, OYO and Chief Hospitality were parties to a valid and enforceable contract, here the Chief Hospitality Agreement.

26. Chief Hospitality materially breached the Chief Hospitality Agreement by failing to pay the Termination Fee when due or upon demand.

27. OYO performed, tendered performance of, or was excused from performing its obligations under the Chief Hospitality Agreement.

28. As a direct and proximate result of Chief Hospitality's breach of the Chief Hospitality Agreement, OYO has been directly damaged in the amount of the unpaid Termination Fee , plus pre-judgment interest from the date of this filing, along with OYO's reasonable and necessary attorney's fees and costs from Chief Hospitality.

**CLAIM TWO: BREACH OF CONTRACT**

*(Against: Shree Veer Corporation)*

29. OYO incorporates by reference herein the allegations set forth in the preceding paragraphs.

30. Per the Agreement, OYO and Shree Veer were parties to a valid and enforceable contract, here the Shree Veer Agreement.

31. Shree Veer materially breached the Shree Veer Agreement by failing to pay the Termination Fee when due or upon demand.

32. OYO performed, tendered performance of, or was excused from performing its obligations under the Shree Veer Agreement.

33. As a direct and proximate result of Shree Veer's breach of the Shree Veer Agreement, OYO has been directly damaged in the amount of the unpaid Termination Fee , plus pre-judgment interest from the date of this filing, along with OYO's reasonable and necessary attorney's fees and costs from Shree Veer.

**CLAIM THREE: RECOVERY OF ATTORNEYS' FEES**

*(Against: Shree Veer Corporation and Chief Hospitality, LLC)*

34. OYO incorporates by reference herein the allegations set forth in the preceding paragraphs.

35. As a result of Chief Hospitality and Shree Veer breaching their obligations to pay the Termination Fee in their respective OYO agreement, OYO has been forced to retain counsel to prosecute these counterclaims. Therefore, OYO seeks reimbursement for its reasonable and necessary attorneys' fees pursuant to the parties' written agreements and applicable law, including section 38.001, et seq. of the Texas Civil Practice & Remedies Code.

**CONDITIONS PRECEDENT**

36. All conditions precedent OYO's recovery have been performed or have occurred as required by applicable law.

**REQUEST FOR RELIEF**

WHEREFORE, PREMISES CONSIDERED, OYO respectfully requests that the Court award OYO judgment against Counter-Defendants for actual damages, OYO's reasonable attorneys fees and costs, pre-judgment interest, post-judgment interest, costs of court, and such other and further relief to which OYO may be entitled at law or in equity.

DATE: October 28, 2020

Respectfully submitted,

By: /s/ Meagan Martin Powers  
Meagan Martin Powers  
Texas State Bar No. 24050997  
M. Angelita Delgadillo  
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**ATTORNEYS FOR DEFENDANT**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of *Defendant's Original Counterclaims* was served on Plaintiff's counsel of record in the State Court Action on this the 28th day of October 2020 by the Court's electronic filing system and email.

/s/ M. Angelita Delgadillo  
M. Angelita Delgadillo