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FILED
Superior Court of California
County of San Francisco

APR 14 2015

CLERK OF THE COURT
BY *Mary Ann Moran*
Deputy Clerk
MARY ANN MORAN

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SAN FRANCISCO

12 CHANGMING LIU, an individual, and
13 AIMEI WEI, an individual,

14 Plaintiffs,

15 v.

16 CALIFORNIA LEGAL PRO'S, INC., a
17 California corporation; DEREK
18 BLUFORD, an individual;
19 QUICKLEGAL, INC., a California
20 corporation; BANK OF AMERICA, N.A.,
21 and DOES 1 through 50, inclusive,

22 Defendants.

CASE NO. **CGC 15-545296**

**COMPLAINT WITH EXHIBIT A
THROUGH I**

- 1) FRAUD
- 2) CONSTRUCTIVE TRUST
- 3) VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200
- 4) MONEY HAD AND RECEIVED
- 5) NEGLIGENT HIRING, SUPERVISION AND RETENTION
- 6) BREACH OF FIDUCIARY DUTY
- 7) BREACH OF FIDUCIARY DUTY

23 Plaintiffs Changming Liu and Aimei Wei ("Plaintiffs") allege as follows:

24 **GENERAL ALLEGATIONS**

25 1. Plaintiffs are informed and believe, and thereon allege, Defendants California
26 Legal Pro's, Derek Bluford, and Quicklegal, Inc. perpetrated an elaborate fraudulent scheme upon
27 them, complete with false court documents, signatures from a non-existent judge, and falsified
28 emails, to defraud the Plaintiffs out of over \$500,000.

1 **THE PARTIES**

2 2. Plaintiff Changming Liu is an individual who resides in Santa Clara County,
3 California.

4 3. Plaintiff Aimei Wei is an individual who resides in Santa Clara County, California.
5 Plaintiff Liu and Plaintiff Wei are married.

6 4. Plaintiffs are informed and believe, and thereon allege, that Defendant Derek
7 Bluford is an individual who currently resides in Sacramento County, California.

8 5. Plaintiffs are informed and believe, and thereon allege, that Defendant California
9 Legal Pro's Inc. ("CLP") is, and was at all times herein, a corporation organized and existing
10 under the laws of California and authorized to do business in the State of California. Plaintiffs
11 are further informed and believe, and thereon allege, that CLP maintains its principal place of
12 business in the County of San Francisco, State of California.

13 6. Plaintiffs are informed and believe, and thereon allege, that Defendant Quicklegal,
14 Inc. ("Quicklegal") is, and was as of July 18, 2014, a corporation organized and existing under
15 the laws of California and authorized to do business in the State of California. Plaintiffs are
16 further informed and believe, and thereon allege, that Quicklegal maintains its principal place of
17 business in the County of Sacramento, State of California. (CLP, Bluford and Quicklegal are
18 hereinafter referred to as the "Non-Bank Defendants").

19 7. Plaintiffs are informed and believe, and thereon allege, that Bank of America,
20 N.A., is a bank existing under the laws of the United States of America and doing business in the
21 County of San Francisco, State of California. Plaintiffs are informed and believe that CLP and
22 Quicklegal each hold one or more bank accounts at Bank of America.

23 8. The true names and capacities of the Defendants named herein as Does 1 through
24 50, inclusive, whether individual, corporate, associate or otherwise, are unknown to Plaintiffs,
25 who therefore sue such Defendants by fictitious names pursuant to Code of Civil Procedure
26 section 474. Plaintiffs will amend this Complaint to show such true names and capacities when
27 they have been determined. Plaintiffs are informed and believe, and thereon allege, that each of
28 the fictitiously named Defendants is in some way responsible for each of the occurrences as

1 herein alleged, and that the Plaintiffs' damages as herein alleged were proximately caused by the
2 conduct of each said fictitiously named Defendant. Any reference hereinafter to "Defendant" is
3 intended to include Defendants and Does 1 through 50, and each of them.

4 9. Does 1-10 were each the agent, partner, employee and/or alter ego of one or more
5 of the remaining Defendants and in doing the things herein alleged were acting within the course
6 and scope of said agency, partnership and/or employment.

7 10. Does 5-15 were each the co-conspirators and aiders and abettors of one or more of
8 the remaining Defendants and in doing the things herein alleged were acting within the course
9 and scope and in furtherance of the conspiracy and underlying wrong.

10 11. Plaintiffs are informed and believes, and thereon allege, that Defendants, except
11 for Bank of America, and each of them, are, and at all times herein mentioned were, the agents,
12 servants, employees, and representatives of each other, and further that each was an active co-
13 conspirator along with the others, acting in concert with each other in perpetrating the acts alleged
14 herein, and were at all times herein mentioned acting within the scope, purpose, and authority of
15 such agency, service, employment, representation and conspiracy, and with the permission,
16 knowledge, and the consent of their co-Defendants.

17 **FACTUAL ALLEGATIONS**

18 12. Plaintiffs purchased a residential property at 2322 Winchester Loop, Discovery
19 Bay, California, 94505 (the "Property") on or about January 15, 2010.

20 13. On or about February 10, 2012, Plaintiffs leased the Property to Ms. Cheryl
21 Atkinson Baca (the "Tenant" or "Ms. Baca") pursuant to the terms of a written lease agreement.
22 Pursuant to the lease agreement, Ms. Baca agreed to pay the Plaintiffs \$2,300 per month in
23 exchange for the right to occupy the Property.

24 14. In November 2013, Plaintiffs stopped receiving rent payments. As of February 10,
25 2014, the Tenant owed the Plaintiffs approximately \$9,200 in rent pursuant to the written lease
26 agreement between them.

27 15. After the Tenant fell approximately four months delinquent in the payment of her
28 rent, Plaintiffs decided to seek legal assistance to evict the Tenant from the Property.

1 **Plaintiffs Hire CLP To Help Them Evict the Tenant**

2 16. Plaintiff Liu saw an advertisement for CLP in a magazine he received in the mail
3 titled, "Landlord Property Management." Plaintiffs researched CLP on the Internet and found the
4 website for California Legal Pros that includes a page titled "Evictions/Unlawful Detainer - A
5 Legal team who will fight for you!" The web page states, "Our team will continue to update you
6 throughout the eviction process to keep you up to date on the happenings of your case. If, at any
7 time, you have a question or concern you can contact our legal team or your assigned attorney to
8 answer your questions and provide you with information." The web site also contained an
9 advertisement indicating that CLP's "eviction package" included preparing and serving
10 documents, and filing for default or setting the case for trial.

11 17. In reliance on the information stated in CLP's advertisements and website,
12 Plaintiffs telephoned CLP's office in San Jose to discuss their case. A woman answered the
13 telephone and said CLP could help the Plaintiffs with their case.

14 18. On or about February 5, 2014, CLP emailed Plaintiffs a packet of documents for
15 them to sign and return. Plaintiff Liu responded to the email and asked, "If the case needs to go
16 to court for a trial, should I go or one of your people (agents) go? Thanks." The person who sent
17 the email called Plaintiff Liu back and told him that CLP would appoint an attorney for him if he
18 needed one. Subsequently, defendant Derek Bluford ("Bluford") telephoned Plaintiffs. He told
19 them that he was an attorney, he was the Managing Partner and owner of CLP, and he would be
20 handling their case and would appear in court for them if necessary. In reliance on the above,
21 Plaintiffs retained CLP to evict the Tenant from the Property.

22 19. Plaintiffs are informed and believe, and thereon allege, that CLP prepared a
23 "Notice to Pay Rent or Quit" on their behalf and served it on the Tenant.

24 20. Plaintiffs are informed and believe, and thereon allege, that CLP filed an unlawful
25 detainer action against the Tenant in the Superior Court of California, County of Contra Costa,
26 Case No. PS 14-0244, on February 20, 2014.

27 21. At Bluford's recommendation, the unlawful detainer suit named the Tenant's adult
28 son, who was also named on the lease.

1 22. Plaintiffs provided CLP and/or Bluford with their credit card information in order
2 to facilitate payment of CLP's fees. Between February 7, 2014 and June 5, 2014, CLP and/or
3 Bluford charged Plaintiff's credit card \$16,774 for legal fees that CLP and/or Bluford claimed
4 Plaintiffs owed them.

5 **CLP and Bluford Falsely Represent to Plaintiffs that the Tenant Had**
6 **Asserted a Claim for Personal Injury Against Them and Demanded \$130,000**
7 **to Settle**

8 23. Plaintiffs are informed and believe, and thereon allege the Tenant became
9 extremely upset that the unlawful detainer action named her son. Plaintiffs are informed and
10 believe, and thereon allege that, on or about March 11, 2014, the Tenant sent several text
11 messages to Plaintiff Liu stating, among other things, that she demanded payment for past repairs
12 to the Property, was going to report the Plaintiffs to authorities because the house contained mold,
13 she hoped the Plaintiffs were well insured, and they could expect to be sued.

14 24. On or about March 12, 2014, Bluford telephoned Plaintiff Liu and informed him
15 that the Tenant had threatened to sue the Plaintiffs because she had experienced serious health
16 problems as a result of exposure to the supposed mold at the Property. Bluford told the Plaintiffs
17 an inspection was performed at the Property at the Tenant's request that revealed a serious mold
18 problem. Bluford also told them that "the County" fined Plaintiffs \$10,500. Bluford also told
19 Plaintiffs they were subject to liability for negligence in failing to remediate the mold problem
20 and urged them to settle with the Tenant. Bluford instructed Plaintiffs to stop communicating
21 with the Tenant and informed them he would negotiate a settlement for them.

22 25. Bluford told the Plaintiffs that CLP paid the County fine on their behalf, so they
23 needed to reimburse CLP \$10,500 by depositing the same amount into CLP's bank account at
24 Bank of America. In reliance on the representations made to them by CLP and Bluford, as well
25 as the documents that CLP and/or Bluford gave them, on or about March 12, 2014 Plaintiffs paid
26 CLP \$5,500 via credit card and, on or about March 13, 2014, Plaintiffs deposited \$5,000 into
27 CLP's account at Bank of America.

28 26. Based on Bluford's representations to them, their trust in Bluford's superior
knowledge and their belief that Bluford was acting in their best interests, Plaintiffs agreed to offer

1 to pay the Tenant \$70,000 to settle her claims. Soon thereafter, Bluford told the Plaintiffs that he
2 delivered the settlement offer to the Tenant's attorney, but the Tenant rejected the offer.
3 Following further consultation with Bluford, Plaintiffs increased their offer to \$100,000. Again,
4 Bluford told Plaintiffs he delivered the offer and the Tenant had rejected it. Bluford advised the
5 Plaintiffs that their liability could substantially exceed \$130,000 if the Tenant filed suit, and he
6 recommended that they should offer her at least \$130,000 and repair the supposed mold damage,
7 at a cost of no more than \$25,000.

8 27. On or about March 13, 2014, Bluford emailed Plaintiffs a document entitled
9 "Mutual Release and Settlement Agreement" that purported to memorialize the terms of the
10 purported settlement between Plaintiffs and the Tenant. Plaintiffs are informed and believe, and
11 thereon allege, that CLP and/or Bluford drafted the document. Bluford told Plaintiffs to forward
12 the settlement proceeds to him so he could transmit them to the Tenant.

13 28. Plaintiffs are informed and believe, and thereon allege, that on or about March 13,
14 2014, Bluford signed the "Mutual Release and Settlement Agreement" on Plaintiff Liu's behalf in
15 order to confirm the alleged settlement. Bluford's signature was affixed above the description
16 "California Legal Pros – D. Bluford Plaintiff's agent." The signature of a Doe defendant was
17 affixed above the description "Cheryl Baca Defendant" with handwriting that appears to state
18 "Signed POA John [illegible]." Bluford informed Plaintiffs that it would be notarized and filed
19 with the court.

20 29. On or about March 13, 2014, Plaintiffs requested Bluford to provide them with a
21 copy of the report that was presumably made as a result of the inspection that was done at the
22 Tenant's request, and a copy of the documents filed with the court.

23 30. Bluford responded by emailing the document attached hereto as Exhibit A,
24 indicating that a special inspection of the Property occurred on March 11, 2014 and revealed
25 mold throughout the house due to a problem with the ventilation system. He also emailed
26 Plaintiffs a document entitled "Stipulated Order – Case Settlement and Dismissal" that bore the
27 indicia of a legal document filed with or issued by Superior Court of the County of Contra Costa.
28 The document was printed on pleading paper, the names "California Legal Pros" and "Derek

1 Bluford” appear in the caption, and it sets forth the court name, party names, and alleged case
2 number. It also bears the handwritten signature of a supposed judge, “Honorable E. Newcomb,”
3 below the phrase “Dated this 14 [sic] of March, 2014.” The aforementioned “Mutual Release and
4 Settlement Agreement” was attached as Exhibit 1A. A copy of the document titled “Stipulated
5 Order- Case Settlement and Dismissal” that Bluford gave Plaintiffs is attached hereto as Exhibit
6 B and incorporated by reference.

7 31. On or about March 14, 2014, in reliance on the representations made to them by
8 CLP and Bluford, as well as the documents that CLP and/or Bluford gave them, Plaintiffs
9 deposited \$130,000 into CLP’s account at Bank of America for the purpose of settling the case
10 with the Tenant and deposited \$25,000 into CLP’s account at Bank of America for the purpose of
11 paying a contractor to perform repair the mold damage.

12 32. In several instances, Bluford impressed upon Plaintiffs that it was critical not to
13 discuss the settlement agreement with anyone because doing so would breach the agreement and
14 give the Tenant cause to sue them. Bluford’s conduct frightened the Plaintiffs into not talking to
15 anyone about the case. They were frightened of being sued and of running out of money to pay
16 the increasing costs.

17 **CLP and Bluford Falsely Represent to Plaintiffs that It Will Cost An**
18 **Additional \$26,000 to Repair the Purported Mold Damage.**

19 33. On or about March 14, 2014, Bluford telephoned Plaintiffs to report that he had
20 solicited bids on Plaintiffs’ behalf from three contractors to repair the purported mold damage to
21 the Property. He told Plaintiffs that the cheapest estimate was \$56,000, and that they needed to
22 pay him an additional \$26,000 so that he could pay the contractor for the repair work. On or
23 about March 20, 2014, in reliance on the representations made to them by CLP and Bluford, as
24 well as the documents that CLP and/or Bluford gave them, Plaintiffs deposited \$26,000 into
25 CLP’s account at Bank of America.

26 34. On or about March 21, 2014 Plaintiff Liu asked Bluford if there was a court
27 hearing that Plaintiff Liu should attend regarding dismissal of the case (following completion of
28 the repairs). Bluford told him there would be a hearing but it would not occur until after Plaintiff

1 Liu returned from a business trip. A few days later, while Plaintiff Liu was still traveling,
2 Bluford told the Plaintiff that a hearing on the settlement had occurred on March 28, 2014 and
3 that Bluford appeared in court on Plaintiffs' behalf. Bluford informed the Plaintiffs that "a few
4 problems" arose at the hearing and he planned to meet with the Tenant's attorney to take pictures
5 and get more information.

6 **CLP and Bluford Falsely Represent to Plaintiffs that They Faced \$300,000 in Fines.**

7 35. On or about April 3, 2014, Bluford telephoned Plaintiff Liu and informed him that
8 the City of Discovery Bay (the "City") fined them \$75,000 and the County of Contra Costa (the
9 "County") fined them \$225,000 for their purported negligence in failing to remedy the mold at
10 the Property. Bluford told Plaintiffs the County's decision was based on an email from the
11 Tenant in August 2013 informing Plaintiffs of the mold and a notice sent to Plaintiffs' home.

12 36. On or about April 4, 2014, Plaintiffs met with Bluford in person at CLP's San
13 Francisco office. At that meeting, Bluford gave the Plaintiffs a document entitled "Specific
14 Performance Order" that bore the indicia of a legal document filed with or issued by Superior
15 Court of the County of Contra Costa. The document was printed on pleading paper, the names
16 "California Legal Pros" and "Derek Bluford" appear in the caption, and it sets forth the court
17 name, party names, and alleged case number. It also bears the handwritten signature of a
18 purported judge, "Honorable E. Newcomb," below the phrase "Dated this 4 [sic] of April, 2014."
19 The "Specific Performance Order" states, inter alia:

20 On 4-4-2014 the court-heard [sic] arguments from County of Contra Costa Attorney in
21 regards to safety, hazard and negligence acts [sic] that have been performed by the true
22 and correct owners of the 2322 Winchester loop, Discovery Bay, California 94505
23 Changming Liu and Does 1-2. The county attorney has been in contact with City health
24 and safety officials who currently deem the property unsafe, hazardous, and a loss.
25 County attorney has verified that notices have been sent out the property address [sic] and
26 plaintiffs [sic] address of such warning but never received a response. Plaintiffs [sic]
27 counsel has requested such notices be forwarded to his office.

28 ***

At this time County attorney has estimated the fine for the county to be \$250,000 and the
fine from the City to be \$125,000. Such fines are proposed and granted based on the sole
factor of the direct negligence on behalf of the Plaintiff and health injuries caused to
tenants."

1 A copy of the document titled "Specific Performance Order" that Bluford gave Plaintiffs is
2 attached hereto as Exhibit C and incorporated by reference.

3 37. During the meeting, Bluford verbally informed Plaintiffs that if they did not pay
4 the fine, the City or the County would take the Property from the Plaintiffs. Bluford also advised
5 Plaintiffs that they should pay the fine to avoid a further legal battle with the City and County.

6 38. During the meeting, Bluford also gave Plaintiffs a document purporting to be the
7 email that the Tenant sent to Plaintiffs in August 2013 that the City and County purportedly relied
8 on in levying their fines. Bluford also showed them a copy of the type of notice that the City and
9 County allegedly sent to their home.

10 39. Bluford told the Plaintiffs, as was reflected in the "Specific Performance Order,"
11 that the court gave them a credit of \$56,000 for the money they paid to repair the mold, and that
12 the Plaintiffs needed to pay the remaining \$244,000 in fines. Bluford told them that they would
13 be able to file a motion at some point in the future to get the fine back. Bluford told Plaintiffs that
14 CLP would pay the fines for them, and that the Plaintiffs should remit the payment to CLP.

15 40. On or about April 8, 2014, Bluford sent an email to the Plaintiffs in which he
16 stated "We entered a final order and judgement [sic] with the court. Your case is now closed and I
17 have requested a copy of all documents which I will forward to you upon receiving them. We
18 should receive everything within 10 Days. The contractor will be going out to the house this
19 weekend to remove the mold, fix the water heater and complete the other work. After he is done,
20 we will receive the keys and do a walk through."

21 41. On or about April 9, 2014, Bluford emailed Plaintiff Liu: "Attached is the
22 agreement for the repayment of the fines we paid on your behalf. Please complete and then scan
23 and email back to us. If still possible please make sure funds are deposited by the end of this
24 week. And yes, once we provide evidence of our previous arguments, we can ask for a percentage
25 of the fines to be credited back to you. The county attorney has asked for a final answer by the
26 end of the week in regards to if we do or do not want to pursue Cherly [sic] for check fraud.
27 Please let me know how you would like to proceed by then." The attached "repayment
28 agreement" had all the indicia of a promissory note.

1 42. On or about April 10, 2014, Bluford emailed Plaintiffs another document entitled
2 “Final Order – Settlement Agreement CASE CLOSED.” It bore all the indicia of a legal
3 document filed with or issued by Superior Court of the County of Contra Costa. The document
4 was printed on pleading paper, the names “California Legal Pros” and “Derek Bluford” appear in
5 the caption, and it sets forth the court name, party names, and alleged case number. It also bears
6 the handwritten signature of a purported judge, “Honorable E. Newcomb,” below the phrase
7 “Dated this 9 [sic] of April, 2014

8 43. The “Final Order – Settlement Agreement CASE CLOSED” states, in part:

9 On 4-9-2014 the court accepted a settlement offer and payment from Plaintiffs’
10 counsel in the amount of \$244,000.00. This amount represented two payments
 as listed below:

11 County Fine: \$225,000.00

12 City Fine: \$75,000.00

13 Total: \$300,000.00

14 Contractor Credit: - \$56,000.00

15 Amount Paid Today: - \$244,000.00

16 Final Total Paid: \$300,000.00

17 At this time the court has found all fines to be paid in full and all rights waived
18 from both the county and city departments. The court has requested that both
19 the county and city forward all documents requested by the Plaintiffs’ counsel
20 to his office within 10 business days. Accordingly, the Plaintiff is ordered to
21 pay the attorney fees, legal and court cost incurred by both the county and city
22 attorneys. This amount shall is estimated [sic] to be \$25,000.00 and shall not
23 exceed \$35,000.000.

24 Plaintiff’s attorney had additionally requested that upon discovery of any
25 negligent acts of correspondence/notices being issued between the county
26 and/or city to the Plaintiff, that the court shall take such discovery into
27 consideration and issue a credit back to the Plaintiff. ...

28 A copy of the document titled “Final Order- Settlement Agreement CASE CLOSED” that
Bluford gave Plaintiffs is attached hereto as Exhibit D and incorporated by reference.

44. In the same email, Bluford informed Plaintiffs: “There will be two hearings in
which I will need to go and provide this order too [sic] and make sure that all issues reported or
attached to your property address are removed.”

45. On or about April 14, 2014, in reliance on the representations, advice and
documents they received from CLP and/or Bluford Plaintiffs deposited \$244,000 into CLP’s

1 account at Bank of America for the purpose of paying the purported fines.

2 46. On or about April 18, 2014, Bluford telephoned the Plaintiffs and informed them
3 that the court had finally determined the exact amount of the previously estimated costs for
4 attorneys fees. Bluford informed them the final amount was \$27,642. In reliance on Bluford's
5 statement, Plaintiffs deposited \$27,642 into CLP's Bank of America account on April 18, 2014.

6 47. On April 23, 2014, Plaintiffs asked Bluford to provide them with copies of reports
7 from the City and County inspectors and the contractor reports on the home. Bluford indicated he
8 could not get copies of the reports for them because the County "Code Enforcement Attorney"
9 would not release them due to "privacy laws." Bluford provided Plaintiffs with an email that was
10 purportedly from the County "Code Enforcement Attorney."

11 **CLP and Bluford Falsely Represent to Plaintiffs that They Must Pay \$51,750**
12 **for a Trial Against the Tenant's Email Provider**

13 48. On or about April 23, 2014, the Plaintiffs met with Bluford at CLP's San
14 Francisco office. Bluford instructed the Plaintiffs to write a letter to the court explaining their
15 mistake in failing to see the email from the Tenant or the notices from the City and County, so
16 that Bluford could file a motion for the fines to be returned to the Plaintiffs. At that meeting, the
17 Plaintiffs shared their concern that they had never received the email from the Tenant that the
18 City and County apparently relied on. Bluford offered to inquire with the Tenant's email service
19 provider to determine whether the Tenant did, in fact, send the email.

20 49. In approximately May 2014, Bluford reported to the Plaintiffs that the Tenant's
21 email service provider would not release information about the Tenant's email and that Bluford
22 needed to file a motion to request a "trial" on the matter.

23 50. On or about May 29, 2014, Plaintiff Wei requested an update from Bluford on the
24 court proceedings. Bluford responded:

25 I am doing well for the most part, just tired from the long court days. But good
26 news, tomorrow [the Tenant's] email provider plans to make their closing
27 arguments. Once they have finished, then the city and county attorney will
28 argue their case and they anticipate only a day or two of arguments, which will
follow my day of addressing the complaint, dispute and how their information
can cause relief or be the "proximate cause" of fraud [sic]. Things are going in

1 our favor and it seems as though the Judge is defiantly [sic] in favor of our
2 arguments and will most likely rule that the evidence is still to be turned over to
the court.

3 I have requested a copy of the order to forward to you and Changming. Should
4 have a copy for you tomorrow.

5 I will provide you with the completed document for you can sale the house.
How is that going by the way? We do need to let the court know once it is sold,
6 so please keep me updated.

7 Yes. I will forward you a copy of the bill charged, the bill for this week and a
[sic] outline of the prosed charges for the losing party. In regards to the prosed
charges for the challenge we should discuss this matter, as a safety net.

8 I requested to the court for us to subpoena Changmings [sic] email, and they
denied it. The claim is that we believe that [the Tenant] did not send the email
and fabricated what was provided to the court. That is the only thing the court is
9 willing hear and determine.

10 If you have anymore [sic] questions, please feel free to email me. I will call you
and Changming on Friday to give you an update. Talk to you soon."

11 51. Following his email, Bluford verbally informed Plaintiffs they needed to pay him
12 \$5,000 for the time he spent representing them at the trial. In reliance on his representations,
13 Plaintiffs paid CLP \$5,000 via credit card on June 5, 2014.

14 52. On or about June 12, 2014, Bluford informed Plaintiffs that the Court had required
15 the Tenant's email service provider to answer whether the Tenant sent the email, and that the
16 email service provider confirmed that she did in fact send the email. Bluford also informed them
17 that because the Plaintiffs had lost the trial, the court ordered them to pay \$51,750. The same
18 day, Bluford provided Plaintiffs with a copy of the alleged court order. The document bore the
19 indicia of a legal document filed with or issued by Superior Court of the County of Contra Costa,
20 titled "Subpoena Dispute/ Trial FINAL ORDER." The document was printed on pleading paper,
21 the names "California Legal Pros" and "Derek Bluford" appear in the caption, and it sets forth the
22 court name, party names, and alleged case number. It also bears the handwritten signature of a
23 supposed judge, "Honorable E. Newcomb," below the phrase "Dated this 4 [sic] of June, 2014."
24 It contains a stamp on the upper right hand corner that mimics a court clerk's stamp. The stamp
25 reads, "ENTERED Jun 04 2014 By:____" and contains handwriting on the blank line. The word
26 "CONFIDENTIAL" is stamped on both pages of the document.

27 53. The "Subpoena Dispute/Trial FINAL ORDER" states, in part, :
28

1 The attending parties in this trial were the City of Discovery Bay Attorney,
2 County of Contra Costa Attorney, Comcast Legal Counsel and the original
3 Plaintiffs Attorney California Legal Pros. On 6-3-2014 the trial concluded
4 which lead to the orders and judgment found below.

5 It was ordered that Comcast Legal Counsel divulge the answer of whether or
6 not a specific email had been sent from the defendants [sic] email account.
7 Upon Comcast Legal Counsel informing the court that the Defendant did send
8 the email, the court found ground to issue the judgment found below.

9 The court is ordering that the Plaintiff pay all legal, court, and law enforcement
10 fees incurred by this trial on behalf of all parties. The court has been provided
11 with cost breakdowns by all parties and remaining anticipated balances by all
12 parties and at this time is ordering a judgment of \$51,750.00.

13 In regards to the Plaintiffs efforts to correct their negligent acts, the court is
14 modifying the pervious order granting a refund to him of \$150,000.00 to
15 \$180,000.00, which can be redeemed by the Plaintiffs [sic] counsel on June 4,
16 2015. It is also ordered that the credit will be voided should that Plaintiff break
17 any further city, county, state and/or federal laws within the 12 months.

18 ***

19 It is ordered that all parties are bound by confidentiality and should any
20 member of or related to this case divulge such information be subject to the
21 maximum penalty court cost, reimbursements of all fees paid and be held in
22 contempt of court for 1 year and the [sic] Contra Costa County Jail.

23 A copy of the document titled "Subpoena Dispute/ Trial FINAL ORDER" that Bluford gave
24 Plaintiffs is attached hereto as Exhibit E and incorporated by reference.

25 54. Bluford also gave Plaintiffs a second document purporting to prove that Bluford
26 had paid the \$51,750 judgment on Plaintiffs' behalf. The document, entitled "Judgment Paid in
27 Full," bore all the indicia of a legal document filed with or issued by Superior Court of the
28 County of Contra Costa. The document was printed on pleading paper, the names "California
Legal Pros" and "Derek Bluford" appear in the caption, and it sets forth the court name, party
names, and alleged case number. It also bears the handwritten signature of a supposed judge,
"Honorable E. Newcomb," below the phrase "Dated this 5th [sic] of June, 2014." It contains a
stamp on the upper right hand corner that mimics a court clerk's stamp. The stamp reads,
"ENTERED Jun 05 2014 By: ____" and contains handwriting on the blank line. The word
"CONFIDENTIAL" is stamped on both pages of the document.

55. The "Judgment Paid in Full" states: "On 6-5-2014 the court received an electronic
payment from California Legal Pros for the amount [sic] of \$51,750.00 in regards to a previously

1 ordered judgment against the Plaintiff. The judgment has been paid in full.” A copy of the
2 document titled “Judgment Paid in Full” that Bluford gave Plaintiffs is attached hereto as Exhibit
3 F and incorporated by reference.

4 56. Bluford told the Plaintiffs that CLP had paid \$51,750 to the court on their behalf.
5 Plaintiffs were unhappy with the judgment against them, although somewhat relieved that the
6 court had ordered some of the money they paid to be returned to them on June 4, 2015. As an
7 accommodation, Bluford said he would require the Plaintiffs to pay just \$30,000 of the judgment.

8 57. On or about June 12, 2014, in reliance on what CLP and/or Bluford advised them
9 and pursuant to the documents that CLP and/or Bluford gave them, Plaintiffs deposited \$30,000
10 into CLP’s account at Bank of America for the purpose of paying their agreed-upon portion of the
11 purported judgment.

12 **CLP and Bluford Falsely Represent to Plaintiffs that They Must Pay a**
13 **\$40,000 Deposit Toward Legal Fees for a Trial Regarding Insurance**
Coverage.

14 58. During May 2014, Bluford told the Plaintiffs they needed to stay in contact at least
15 once a month until June 4, 2015, when they would become eligible to apply for reimbursement of
16 a portion of their fines.

17 59. In July 2014, Plaintiffs sent paperwork related to the sale of the Property to
18 Bluford. Bluford claimed he “updated the court” for the Plaintiffs and instructed them to
19 continue checking in with him once a month.

20 60. On or about August 31, 2014, Plaintiffs requested to meet with Bluford to discuss
21 the final bills, get copies of all the documents relating to their case, and discuss whether it was
22 possible that their insurance might cover part of their losses. Bluford informed them he was
23 unable to meet the following week because he was going to be “in a trial” in Los Angeles.

24 61. On or about October 17, 2014, Bluford met with Plaintiff Wei at Plaintiffs’ home.
25 Bluford insisted that Plaintiffs let him “file a motion” on the question of insurance coverage.
26 Plaintiffs gave Bluford their insurance information. Bluford instructed the Plaintiffs not to speak
27 with their insurance agent because it would hurt their chances of getting coverage and re-
28 emphasized that they were not allowed to talk about the case to anyone.

1 62. During the same time frame, Bluford told Plaintiffs that he was moving his
2 employment to a company named Quicklegal, and that he would still be able to work on their
3 case.

4 63. On or about October 20, 2014, Bluford emailed Plaintiffs a document entitled
5 "Motion to Hear and Grant a Stipulated Order and/or Credit" that bore indicia of a legal
6 document filed with or issued by Superior Court of the County of Contra Costa. The document
7 was printed on pleading paper, the names "California Legal Pros" and "Derek Bluford" appear in
8 the caption, and it sets forth the court name, party names, and alleged case number. It also bears
9 the handwritten signature of a supposed judge, "Honorable E. Newcomb," below the phrase
10 "Dated this 20th of October, 2014." It contains a stamp on the upper right hand corner that
11 mimics a court clerk's stamp. The stamp reads, "ENTERED Oct 24 2014 By: ____" and contains
12 handwriting on the blank line.

13 64. The "Motion to Hear and Grant a Stipulated Order and/or Credit" states:

14 On 10-20-2014 the court received a filing of an emergency motion for
15 consideration of granting a stipulated order and/or credit. Plaintiffs [sic] counsel
16 has further requested and stated the following:

17 -The court to step in and provide a due process for his client to recover financial
18 losses from their insurance company.

19 -That if the clients [sic] insurance company is found not to be liable for the
20 claim, that the court step i n to cover stated losses.

21 -The total requested amount to be claimed as losses is \$481,750. 00

22 -That both the city and county attorney are not in dispute of this matter and
23 agree.

24 ***

25 Based on the motion and verified consents of the city and county attorney, the
26 court will grant a hearing for such a motion. All counsel will be notified by the
27 clerk within the next 24 hours as to when the emergency hearing will be held.
28 All counsel are hereby notified and informed to be on stand by for the hearing.
This will be a private hearing as to the restraints and previous confidential
orders issued."

A copy of the document titled "Motion to Hear and Grant a Stipulated Order and/or Credit" that
Bluford gave Plaintiffs is attached hereto as Exhibit G and incorporated by reference.

65. In the same email, Bluford instructed Plaintiff to send him their credit card
information for a payment of \$7,200 for the motion. Bluford told Plaintiffs that the amount

1 would be immediately reimbursed if the motion was denied. In reliance on the representations
2 made to them by CLP and Bluford, as well as the documents that CLP and/or Bluford gave them,
3 Plaintiffs transmitted \$7,200 to Quicklegal via credit card.

4 66. CLP emailed Plaintiffs an invoice for the motion in the amount of \$3,237.50 via
5 PayPal. The merchant information reflected "Quicklegal, Inc." as the payee. The bill indicated
6 that the charge on the credit card would appear as a payment to "CALEGALPROS." The receipt
7 information states, "Please keep this receipt number for future reference. You'll need it if you
8 contact customer service at Quicklegal, Inc. or PayPal." In reliance on the representations made
9 to them by Defendants, as well as the documents that Defendants gave them Plaintiffs transmitted
10 \$3,237.50 to Quicklegal via PayPal.

11 67. On or about October 25, 2014, Bluford emailed Plaintiffs a document entitled
12 "Trial Deposit Paid in Full" that bore indicia of a legal document filed with or issued by Superior
13 Court of the County of Contra Costa. The document was printed on pleading paper, the names
14 "California Legal Pros" and "Derek Bluford" appear in the caption, and it sets forth the court
15 name, party names, and alleged case number. It also bears the handwritten signature of a
16 supposed judge, "Honorable E. Newcomb," below the phrase "Dated this 24 [sic] of October,
17 2014." It contains a stamp on the upper right hand corner that mimics a court clerk's stamp. The
18 stamp reads, "ENTERED Oct 24 2014 By: ____" and contains handwriting on the blank line.

19 68. The "Trial Deposit Paid in Full" states:

20 On 10-24-2014 the court has received an electronic payment from Quicklegal on behalf of
21 California Legal Pros (Case No.: PS 14-0244 Liu vs. Baca) in the amount of \$40,000.00.
22 The funds deposited are in reference for a private trial scheduled to take place between
October 27, 2014 - October 31, 2014."

23 A copy of the document titled "Trial Deposit Paid in Full" that Bluford gave Plaintiffs is attached
24 hereto as Exhibit H and incorporated by reference.

25 69. Bluford informed Plaintiffs they should make the payment to his new company,
26 Quicklegal, but agreed to accept \$30,000 instead of \$40,000 after the Plaintiffs expressed
27 discontent with the mounting costs of the case. On or about October 27, 2014, in reliance on the
28 representations of Bluford, Plaintiffs wired \$30,000 to Quicklegal's Bank of America account.

1 70. On or about November 30, 2014, Bluford provided Plaintiffs with a copy of
2 another document entitled "Final Order Judgment" that bore indicia of a legal document filed
3 with or issued by Superior Court of the County of Contra Costa. The document was printed on
4 pleading paper, the names "California Legal Pros" and "Derek Bluford" appear in the caption,
5 and it sets forth the court name, party names, and alleged case number. It also bears the
6 handwritten signature of a purported judge, "Honorable E. Newcomb," below the phrase "Dated
7 this 4th [sic] of November, 2014." It contains a stamp on the upper right hand corner that mimics
8 a court clerk's stamp. The stamp reads, "ENTERED Nov 4 2014 By: ____" and contains
9 handwriting on the blank line.

10 71. The "Final Order Judgment" states, in part:

11 On 11-4-2014 the court ruled on whether or not the plaintiffs [sic] insurance
12 company would be liable to cover the claimed losses in reference to the case
13 above. After several days of trial the court decided that the insurance company
14 is not liable for losses.

15 Based on a former ruling, the court will step in and cover such claimed losses in
16 the amount of \$370,000.00 plus any carry over legal fees. The court has
17 requested a due bill from plaintiffs [sic] counsel and will issue a final order
18 within 120 days. The court will issue payments to the plaintiff in minimal
19 annual payments of \$50,000 starting after June 2015. The plaintiffs [sic]
20 counsel however may file a [sic] emergency motion 90 days before this date to
21 plead a case for different payment terms.

22 A copy of the document titled "Final Order Judgment" that Bluford gave Plaintiffs is attached
23 hereto as Exhibit I and incorporated by reference.

24 72. In the same email, Bluford referred to the previous \$10,000 concession as a "loan"
25 that CLP or Quicklegal made to Plaintiffs, and offered to reduce the amount owed by \$3,000 if
26 Plaintiffs paid him that week.

27 **Plaintiffs Discover Defendants' Scheme**

28 73. The Plaintiffs were dissatisfied with the reimbursement process outlined by
Bluford, as well as his re-characterization of the \$10,000 write-off as a loan. In or about
December of 2014, Plaintiff Wei decided to research the judge who had issued the rulings in the
case. She searched the Internet for information regarding Judge E. Newcomb in Contra Costa
County Superior Court. She was naturally shocked, surprised, and humiliated to discover that no

1 such judge exists. Plaintiff Liu was similarly shocked, surprised, and humiliated at this
2 discovery. Plaintiffs drove the courthouse and spoke to a clerk, who informed the Plaintiffs that
3 their case had been closed in March; no orders had been issued and no trials had occurred.

4 74. Plaintiffs are now informed and believe, and thereon allege, that:

- 5 • the Property was never inspected by the City or County for “mold,”
- 6 • Bluford did not deliver the settlement offers of \$70,000, \$100,000 or \$130,000 to
7 the Tenant,
- 8 • Bluford never contacted an attorney representing the Tenant,
- 9 • the Tenant never demanded \$130,000 to settle alleged claims of personal injury,
- 10 • the Non-Bank Defendants did not transmit the settlement funds to the Tenant,
- 11 • the Non-Bank Defendants kept or used the \$130,000 for their own benefit;
- 12 • Plaintiffs were not required to have repair work performed on the Property;
- 13 • Bluford did not pay a contractor \$51,000 to perform work on the Property;
- 14 • the City and County never issued any fines to the Plaintiffs in connection with the
15 Property;
- 16 • Bluford never appeared in court on Plaintiffs’ behalf;
- 17 • CLP and/or Bluford did not transmit Plaintiff’s payment of \$244,000 to the City or
18 County or court, and kept or used the \$244,000 for their own benefit;
- 19 • A “specific performance order” was never issued against them;
- 20 • CLP and/or Bluford did not pay any amounts on Plaintiffs’ behalf;
- 21 • Plaintiffs were not required to pay \$27,642 in attorney fees and costs, and CLP
22 and/or Bluford kept or used that payment for their own benefit;
- 23 • CLP and/or Bluford fabricated the email from the alleged code enforcement
24 attorney for Contra Costa County;
- 25 • CLP and/or Bluford never did anything to determine whether the email
26 purportedly sent by the Tenant was authentic and never represented Plaintiffs in
27 court nor at a “trial;”
- 28 • a judgment for \$51,750 was never issued against them;

- CLP and/or Bluford did not pay the Court \$51,750 on their behalf;
- CLP and/or Bluford created false documents to induce Plaintiffs to believe their misrepresentations, did not transmit any funds to judgment creditors on their behalf and kept or used the \$51,750 for their own benefit;
- CLP and/or Bluford, never did anything to determine whether they had insurance coverage for the (fraudulent) expenses they incurred;
- CLP and/or Bluford and/or Quicklegal never represented Plaintiffs in court nor at a “trial;”
- CLP and/or Bluford and/or Quicklegal did not pay the Court \$40,000 on Plaintiffs’ behalf;
- CLP and/or Bluford and/or Quicklegal created false documents to induce Plaintiffs to believe their misrepresentations and kept or used the \$40,437.50 for their own benefit;

WHEREFORE, Plaintiffs pray for judgment against Defendants as hereinafter set forth.

FIRST CAUSE OF ACTION

(Fraud Against CLP, Bluford, Quicklegal and Does 1 through 50)

75. Plaintiffs incorporate by this reference each and every allegation contained in paragraphs 1 through 74, inclusive, of this Complaint as though separately set forth herein.

76. The Non-Bank Defendants made the material representations detailed above to Plaintiffs.

77. Plaintiffs are informed and believe, and thereon allege, that ALL of the Non-Bank Defendants’ material representations above were false.

78. Plaintiffs are informed and believe, and thereon allege, that the Non-Bank Defendants created the documents attached hereto as Exhibits A through I and none of them were issued by a court, signed by a judge, filed with or by a court, or stamped by a court clerk.

79. Plaintiffs are informed and believe, and thereon allege, Plaintiffs were never ordered by a court to pay any money. Plaintiffs are informed and believe, and thereon allege, that the Non-Bank Defendants did not pay any settlement amounts, fees, fines or judgments on their

1 behalf.

2 80. Plaintiffs are informed and believe, and thereon allege, Plaintiffs were never
3 ordered not to talk about the case with anyone or face jail time.

4 81. The Non-Bank Defendants are not attorneys. Plaintiffs are informed and believe,
5 and thereon allege, that the Non-Bank Defendants never appeared in court to represent the
6 Plaintiffs. The Non-Bank Defendants created Exhibits A through I for the express purpose of
7 inducing Plaintiffs to rely on their misrepresentations. Plaintiffs are informed and believe, and
8 thereon allege, that the Non-Bank Defendants kept or used all the money that Plaintiffs paid them
9 for their own benefit.

10 82. Plaintiffs did not begin to discover the Non-Bank Defendants' fraud until
11 December 2014.

12 83. Plaintiffs are informed and believe, and thereon allege that the Non-Bank
13 Defendants knew each and every representation was false when they made each and every
14 representation, evidenced by the falsified legal documents and email(s).

15 84. Plaintiffs are informed and believe, and thereon allege that the Non-Bank
16 Defendants intended for Plaintiffs to rely on each and every false representations. The only
17 purpose of making the false representations was to convince Plaintiffs to pay the Non-Bank
18 Defendants large sums of money.

19 85. Plaintiffs reasonably relied on each and every one of the Non-Bank Defendants'
20 representations. Bluford told them, directly, several times that: he was their attorney; he
21 performed legal services for them; he drafted legal documents for them; he appeared in court on
22 their behalf; he represented them at two "trials;" and he negotiated a settlement with the Tenant.
23 The Non-Bank Defendants gave Plaintiffs legal advice. Bluford gave Plaintiffs documents that
24 appeared by all indications to a layperson that such documents were in fact filed in court and/or
25 issued by a court, signed by a judge, and entered by a clerk. The documents confirmed that the
26 Non-Bank Defendants were Plaintiffs' attorneys and had appeared in court on their behalf.
27 Bluford provided them with emails that appeared to be written and sent by other people, including
28 a "Code Enforcement Attorney" for the County. Defendants CLP and Quicklegal accepted

1 Plaintiffs' payments and never questioned what the payments were for. Plaintiffs are not and
2 have never been attorneys. Plaintiffs have no prior experience with the legal system.

3 86. Plaintiffs were harmed by the Non-Bank Defendants' fraud and misrepresentations
4 by paying money to the Non-Bank Defendants that they never would have paid otherwise.

5 87. Plaintiffs' reliance on the Non-Bank Defendants' fraudulent conduct was a
6 substantial factor in causing their harm.

7 88. As a direct and proximate result of the Non-Bank Defendants' fraud and
8 misrepresentations, Plaintiffs' sustained damage, including, without limitation, \$16,774 paid to
9 the Non-Bank Defendants for legal advice; \$10,500 paid to the Non-Bank Defendants for the first
10 fictitious fine, \$130,000 paid to the Non-Bank Defendants for the fictitious settlement with the
11 Tenant; \$51,000 for the construction repair work that was never required; \$244,000 paid to the
12 Non-Bank Defendants for the subsequent fictitious City and County fines, \$27,642 paid to the
13 Non-Bank Defendants for the attorneys' fees and costs they were never ordered to pay; \$30,000
14 paid to the Non-Bank Defendants for the fictitious judgment against them after the "trial" against
15 the Tenant's email service provider; \$40,437.50 paid to the Non-Bank Defendants for the
16 fictitious trial on insurance coverage; and \$9,200 that Plaintiffs should have recovered in the
17 unlawful detainer matter for past due rent.

18 89. The Non-Bank Defendants' misrepresentations were willful, fraudulent, malicious,
19 and oppressive. As a result, Plaintiffs are entitled to punitive damages.

20 WHEREFORE, Plaintiffs pray for judgment as hereinafter set forth.

21 **SECOND CAUSE OF ACTION**

22 **(Constructive Trust Against All Defendants)**

23 90. Plaintiffs incorporate by this reference each and every allegation contained in
24 paragraphs 1 through 90, inclusive, of this Complaint as though separately set forth herein.

25 91. By virtue of the fraudulent and wrongful acts alleged hereinabove, CLP and/or
26 Bluford hold at least \$550,353.50 as constructive trustees for Plaintiffs' benefit, consisting of
27 (a) \$16,774 paid to CLP and/or Bluford for legal fees; (b) \$10,500 paid to CLP and/or Bluford for
28 the first fake fine; (c) \$130,000 paid to the Non-Bank Defendants for the fake settlement with the

1 Tenant; (d) \$51,000 for the construction repair work that was never required; (e) \$244,000
2 Plaintiffs paid to the Non-Bank Defendants for the fake City and County fines; (f) \$27,642
3 Plaintiffs paid to the Non-Bank Defendants for the attorneys' fees and costs they were never
4 ordered to pay; (g) \$30,000 Plaintiffs paid to the Non-Bank Defendants for the judgment that was
5 never issued against them after a "trial" against the Tenant's email service provider; and
6 (h) \$40,437.50 Plaintiffs paid to the Non-Bank Defendants for a motion and trial on insurance
7 coverage that never occurred.

8 92. Plaintiffs deposited at least \$487,642 into CLP's account at Bank of America.

9 93. Plaintiffs deposited at least \$30,000 into Quicklegal's account at Bank of America.

10 94. A constructive trust is necessary to preclude the unjust enrichment of Defendants
11 CLP, Bluford and/or Quicklegal as a result of their fraudulent and wrongful actions.

12 WHEREFORE, Plaintiff prays for judgment as hereinafter set forth.

13 **THIRD CAUSE OF ACTION**

14 **(Violation of Business & Professions Code §17200 Against CLP, Bluford, Quicklegal)**

15 95. Plaintiffs incorporate by this reference each and every allegation contained in
16 paragraphs 1 through 95, inclusive, of this Complaint as though separately set forth herein.

17 96. Plaintiffs are informed and believe, and thereon allege, that the Non-Bank
18 Defendants and each of them, purported to act as an attorney, an officer of the court, and/or a
19 judicial officer and that each of the Non-Bank Defendants is not and was not a licensed attorney,
20 an officer of the court, or a judicial officer.

21 97. Plaintiffs are informed and believe, and thereon allege that, in engaging in the
22 conduct described herein, the Non-Bank Defendants violated Business and Professions Code
23 sections 6125-6127 and 17500.

24 98. Plaintiffs are informed and believe, and thereon allege, that the Non-Bank
25 Defendants' conduct as alleged herein constitutes an unlawful and unfair business practice and is
26 unethical, substantially injurious to consumers and constitutes unfair competition pursuant to
27 Business and Professions Code §17200 because, among other things, Business and Professions
28 Code §§6125-6127 and 17500 were enacted to protect the public from the unauthorized practice

1 of law by ensuring a minimum level of professional competence for legal services.

2 99. As a result of the Non-Bank Defendants' unlawful and unfair business practices,
3 Plaintiffs have been damaged in an amount in excess of \$500,000, according to proof, and are
4 entitled to the remedies available under Business and Professions Code §17200, *et seq.*, including,
5 without limitation, restitution of money acquired by these Defendants by means of their wrongful
6 act as alleged herein.

7 WHEREFORE, Plaintiffs pray for judgment as hereinafter set forth.

8 **FOURTH CAUSE OF ACTION**

9 **(Money Had and Received Against CLP and Quicklegal)**

10 100. Plaintiffs incorporate by this reference each and every allegation contained in
11 paragraphs 1 through 100, inclusive, of this Complaint as though separately set forth herein.

12 101. CLP received at least \$509,916 that was intended to be used for the benefit of
13 Plaintiffs.

14 102. Quicklegal received at least \$40,437.50 that was intended to be used for the benefit
15 of Plaintiffs.

16 103. Plaintiffs are informed and believe, and thereon allege, CLP and Quicklegal did
17 not use the money for the benefit of the Plaintiffs.

18 104. These Defendants have not given the money back to the Plaintiffs. In equity and
19 good conscience, CLP must return at least \$509,916 to the Plaintiffs and Quicklegal must return
20 at least \$40,437.50 to the Plaintiffs.

21 WHEREFORE, Plaintiffs pray for judgment as hereinafter set forth.

22 **FIFTH CAUSE OF ACTION**

23 **(Negligent Hiring, Supervision and Retention Against CLP and Quicklegal)**

24 105. Plaintiffs incorporate by this reference each and every allegation contained in
25 paragraphs 1 through 105, inclusive, of this Complaint as though separately set forth herein.

26 106. Plaintiffs are informed and believe, and thereon allege, Bluford was unfit and/or
27 incompetent to perform the work which CLP and Quicklegal hired him to perform.

28 107. Plaintiffs are informed and believe, and thereon allege, that Bluford was convicted

1 of two counts of fraud in 2006 in Sacramento County for violating Penal Code section 532(a).

2 108. Plaintiffs are informed and believe, and thereon allege, CLP and/or Quicklegal
3 knew or should have known that Bluford was unfit and/or incompetent to be entrusted with
4 handling sensitive legal and financial issues for its clients, and that his unfitness and/or
5 incompetence created a particular risk to its clients and others. Plaintiffs are informed and
6 believe, and thereon allege, Bluford has a criminal history of fraud and that he was likely to harm
7 others in view of the work entrusted to him, namely, advising clients on legal matters, billing
8 clients and collecting money from clients particularly when he did so without supervision of an
9 attorney or any manager. Plaintiffs are informed and believe, and thereon allege, Bluford is not
10 and was not an attorney and that CLP and/or Quicklegal failed to properly supervise Bluford.

11 109. Plaintiffs are informed and believe, and thereon allege, that Sarah Morell is now
12 the President of CLP. Plaintiffs are informed and believe, and thereon allege, that Morell is not a
13 licensed attorney. Bluford told Plaintiffs that Morell is his wife and business partner. Plaintiffs
14 are informed and believe, and thereon allege, Morell was aware at all times herein that Bluford is
15 not a licensed attorney.

16 110. Plaintiffs are informed and believe, and thereon allege that CLP and/or Quicklegal
17 ratified Bluford's wrongful conduct. CLP accepted hundreds of thousands of dollars from a client
18 that had asked only for assistance filing legal documents for an unlawful detainer action.
19 Quicklegal accepted tens of thousands of dollars from a client that never signed any agreement
20 for services with Quicklegal.

21 111. Plaintiffs are informed and believe, and thereon allege, that CLP and/or Quicklegal
22 knew Bluford created false documents and made intentional misrepresentations to Plaintiffs with
23 the intent to induce Plaintiffs to make payments to CLP and Quicklegal.

24 112. Bluford's unfitness and/or incompetence harmed Plaintiffs.

25 113. CLP's and Quicklegal's negligence in hiring, supervising and retaining Bluford
26 was a substantial factor in causing Plaintiffs harm.

27 WHEREFORE, Plaintiff prays for judgment as hereinafter set forth.

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SIXTH CAUSE OF ACTION

(Breach of Fiduciary Duty Against CLP)

114. Plaintiffs incorporate by this reference each and every allegation contained in paragraphs 1 through 114, inclusive, of this Complaint as though separately set forth herein.

115. Plaintiff Liu entrusted CLP to handle legal matters on his behalf, and CLP agreed to do so. Plaintiff Liu signed a "Limited Power of Attorney" giving CLP permission to sign Liu's name and submit legal documents in the Action, schedule court dates, serve tenants, "act in [his] best legal interest," and provide an attorney for legal representation upon Liu's request.

116. CLP knowingly offered to and did enter into a special relationship with Plaintiff Liu and knowingly undertook fiduciary duties beyond mere fairness and honesty, and undertook to act in Liu's best interests at all times.

117. CLP breached its fiduciary duties to Plaintiff Liu by failing to exercise appropriate care to protect and advance Plaintiff Liu's interests.

118. Plaintiff Liu was harmed as a result of CLP's breach.

119. CLP's breach was the proximate cause of Plaintiff Liu's damages.

WHEREFORE, Plaintiff prays for judgment as hereinafter set forth.

SEVENTH CAUSE OF ACTION

(Breach of Fiduciary Duty Against Bluford)

120. Plaintiffs incorporate by this reference each and every allegation contained in paragraphs 1 through 120, inclusive, of this Complaint as though separately set forth herein.

121. Plaintiffs entrusted Bluford to handle legal matters on their behalf, and Bluford agreed to do so. Bluford represented to the Plaintiffs that he was their attorney. By doing so, he knowingly assumed duties beyond mere fairness and honesty, and undertook to act on behalf of Plaintiffs, giving priority to their best interests.

122. Bluford breached his fiduciary duties to Plaintiffs by failing to exercise appropriate care to protect and advance Plaintiffs' interests.

123. Bluford's breach was the proximate cause of Plaintiffs' damages.

WHEREFORE, Plaintiff prays for judgment as hereinafter set forth.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

3 **ON THE FIRST CAUSE OF ACTION:**

- 4 1. For damages according to proof at the time of trial in an amount in excess of the
5 minimum jurisdiction of this Court and in any event no less than \$559,553
6 2. For punitive damages, to punish Defendants for their conduct;
7 3. For prejudgment interest at 10% per annum;
8 4. For costs of suit incurred herein;
9 5. For such other and further relief as the Court deems just and proper.

10 **ON THE SECOND CAUSE OF ACTION:**

- 11 1. For a constructive trust for the benefit of Plaintiffs be imposed on all funds, assets,
12 revenues and profits derived from the fraudulent and unlawful acts described herein;
13 2. For such other and further relief as the Court deems just and proper.

14 **ON THE THIRD CAUSE OF ACTION**

- 15 1. Injunctive relief;
16 2. Restitution;
17 3. For such other and further relief as the Court deems just and proper.

18 **ON THE FOURTH CAUSE OF ACTION**

- 19 1. For the sum of \$509,916, with interest thereon at the legal rate percent per annum
20 from CLP;
21 2. For the sum of \$40,437.50, with interest thereon at the legal rate percent per
22 annum from Quicklegal;
23 3. For costs of suit herein incurred;
24 4. For such other and further relief as the court may deem proper.

25 **ON THE FIFTH CAUSE OF ACTION**

- 26 1. For damages according to proof at the time of trail in an amount in excess of the
27 minimum jurisdiction of this Court;
28 2. For prejudgment interest at 10% per annum;

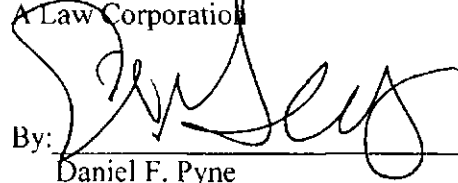
- 1 3. For costs of suit incurred herein;
- 2 4. For such other and further relief as the Court deems just and proper.

3 ON THE SIXTH AND SEVENTH CAUSES OF ACTION:

- 4 1. For damages according to proof at the time of trial in an amount in excess of the
- 5 minimum jurisdiction of this Court;
- 6 2. For prejudgment interest at 10% per annum;
- 7 3. For costs of suit incurred herein;
- 8 4. For such other and further relief as the Court deems just and proper.

9 Dated: April 13, 2015

HOPKINS & CARLEY
A Law Corporation

By: 

Daniel F. Pyne
Erika J. Gasaway
Attorneys for Plaintiffs
Changming Liu and Aimei Wei

814\1193325.15

EXHIBIT "A"

Exhibit A

Inspection Checklist

Housing Choice Voucher Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(Exp. 04/30/2014)

Public reporting burden for this collection of information is estimated to average 0.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Assurances of confidentiality are not provided under this collection.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the section 8 rental assistance program.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of the name and address of both family and the owner is mandatory. The information is used to determine if a unit meets the housing quality standards of the Section 8 rental assistance program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family participation.

Name of Family Re: Baca		Tenant ID Number 0323	Date of Request (mm/dd/yyyy) 3-5-2014
Inspector J. Borgress		Neighborhood/Census Tract 00468923487	Date of Inspection (mm/dd/yyyy) 3-11-2014
Type of Inspection Initial <input type="checkbox"/> Special <input checked="" type="checkbox"/> Reinspection <input type="checkbox"/>		Date of Last Inspection (mm/dd/yyyy) 1-15-2010	PHA n/a
A. General Information			
Inspected Unit 2322 Winchester Loop Year Constructed (yyyy) Full Address (including Street, City, County, State, Zip) 2322 Winchester Loop Discovery Bay, Ca 94505			Housing Type (check as appropriate) <input checked="" type="checkbox"/> Single Family Detached <input type="checkbox"/> Duplex or Two Family <input type="checkbox"/> Row House or Town House <input type="checkbox"/> Low Rise: 3, 4 Stories, Including Garden Apartment <input type="checkbox"/> High Rise: 5 or More Stories <input type="checkbox"/> Manufactured Home <input type="checkbox"/> Congregate <input type="checkbox"/> Cooperative <input type="checkbox"/> Independent Group Residence <input type="checkbox"/> Single Room Occupancy <input type="checkbox"/> Shared Housing <input type="checkbox"/> Other
Number of Children in Family Under 6 0			
Owner Chang Ming Liu Name of Owner or Agent Authorized to Lease Unit Inspected Chang Ming Liu Address of Owner or Agent 7409 Prospect Road Cupertino, Ca 95014			
Phone Number 408-203-6292			

B. Summary Decision On Unit (To be completed after form has been filled out)			
<input type="checkbox"/> Pass <input checked="" type="checkbox"/> Fail <input type="checkbox"/> Inconclusive	Number of Bedrooms for Purposes of the FMR or Payment Standard	Number of Sleeping Rooms 5	

Inspection Checklist						
Item No.	1. Living Room	Yes Pass	No Fail	In-Concl	Comment	Final Approval Date (mm/dd/yyyy)
1.1	Living Room Present	✓				
1.2	Electricity			✓	Not properly wired	
1.3	Electrical Hazards			✓	Not properly wired	
1.4	Security	✓				
1.5	Window Condition	✓				
1.6	Ceiling Condition	✓				
1.7	Wall Condition	✓				
1.8	Floor Condition	✓				

* Room Codes: 1 = Bedroom or Any Other Room Used for Sleeping (regardless of type of room); 2 = Dining Room or Dining Area;
3 = Second Living Room, Family Room, Den, Playroom, TV Room; 4 = Entrance Halls, Corridors, Halls, Staircases; 5 = Additional Bathroom; 6 = Other

Item No.	1. Living Room (Continued)	Yes Pas	No Fail	In- Conc.	Comment	Final Approval Date (mm/dd/yyyy)
1.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2. Kitchen						
2.1	Kitchen Area Present	✓				
2.2	Electricity		✓			
2.3	Electrical Hazards		✓			
2.4	Security			✓		
2.5	Window Condition	✓				
2.6	Ceiling Condition	✓				
2.7	Wall Condition	✓				
2.8	Floor Condition	✓				
2.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2.10	Stove or Range with Oven			✓		
2.11	Refrigerator	✓				
2.12	Sink	✓				
2.13	Space for Storage, Preparation, and Serving of Food	✓				
3. Bathroom						
3.1	Bathroom Present	✓				
3.2	Electricity	✓				
3.3	Electrical Hazards	✓				
3.4	Security	✓				
3.5	Window Condition	✓				
3.6	Ceiling Condition	✓				
3.7	Wall Condition	✓				
3.8	Floor Condition	✓				
3.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
3.10	Flush Toilet in Enclosed Room in Unit			✓		
3.11	Fixed Wash Basin or Lavatory in Unit			✓		
3.12	Tub or Shower in Unit	✓				
3.13	Ventilation		✓		Not properly ventilated - Contributing to Mold	

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In- Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear	____ Floor Level
4.2	Electricity/Illumination	✓				
4.3	Electrical Hazards		✓			
4.4	Security	✓				
4.5	Window Condition	✓				
4.6	Ceiling Condition	✓				
4.7	Wall Condition	✓				
4.8	Floor Condition	✓				
4.9	Lead-Based Paint				<input type="checkbox"/> Not Applicable	
	Are all painted surfaces free of deteriorated paint?					
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
4.10	Smoke Detectors		✓			
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear	____ Floor Level
4.2	Electricity/Illumination	✓				
4.3	Electrical Hazards		✓			
4.4	Security	✓				
4.5	Window Condition	✓				
4.6	Ceiling Condition	✓				
4.7	Wall Condition	✓				
4.8	Floor Condition	✓				
4.9	Lead-Based Paint				<input type="checkbox"/> Not Applicable	
	Are all painted surfaces free of deteriorated paint?					
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					
4.10	Smoke Detectors		✓			
4.1	Room Code* and Room Location <input type="checkbox"/>	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear	____ Floor Level
4.2	Electricity/Illumination	✓				
4.3	Electrical Hazards		✓			
4.4	Security	✓				
4.5	Window Condition	✓				
4.6	Ceiling Condition	✓				
4.7	Wall Condition	✓				
4.8	Floor Condition	✓				
4.9	Lead-Based Paint				<input type="checkbox"/> Not Applicable	
	Are all painted surfaces free of deteriorated paint?					
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?					

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In- Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code * and Room Location	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear Floor Level		
4.2	Electricity/Illumination	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.3	Electrical Hazards	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4.4	Security	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.5	Window Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.6	Ceiling Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.7	Wall Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.8	Floor Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.9	Lead-Based Paint				Not Applicable	
	Are all painted surfaces free of deteriorated paint?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.10	Smoke Detectors	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4.1	Room Code* and Room Location	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear Floor Level		
4.2	Electricity/Illumination	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.3	Electrical Hazards	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4.4	Security	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.5	Window Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.6	Ceiling Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.7	Wall Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.8	Floor Condition	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4.9	Lead-Based Paint				Not Applicable	
	Are all painted surfaces free of deteriorated paint?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.10	Smoke Detectors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5. All Secondary Rooms (Rooms not used for living)						
5.1	None Go to Part 6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5.2	Security	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5.3	Electrical Hazards	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
5.4	Other Potentially Hazardous Features in these Rooms	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

Item No.	6. Building Exterior	Yes Pass	No Fail	In - Conc.	Comment	Final Approval Date (mm/dd/yyyy)
6.1	Condition of Foundation			✓		
6.2	Condition of Stairs, Rails, and Porches	✓				
6.3	Condition of Roof/Gutters			✓		
6.4	Condition of Exterior Surfaces	✓				
6.5	Condition of Chimney			✓		
6.6	Lead Paint: Exterior Surfaces Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed 20 square feet of total exterior surface area?				Not Applicable	
6.7	Manufactured Home: Tie Downs	✓				
7. Heating and Plumbing						
7.1	Adequacy of Heating Equipment		✓			
7.2	Safety of Heating Equipment		✓			
7.3	Ventilation/Cooling		✓		Mold found throughout the premises	
7.4	Water Heater		✓		Not properly secured	
7.5	Approvable Water Supply		✓			
7.6	Plumbing			✓	Needs to be reviewed	
7.7	Sewer Connection			✓	Needs to be reviewed	
8. General Health and Safety						
8.1	Access to Unit	✓				
8.2	Fire Exits	✓				
8.3	Evidence of Infestation			✓		
8.4	Garbage and Debris			✓		
8.5	Refuse Disposal		✓			
8.6	Interior Stairs and Common Halls	✓				
8.7	Other Interior Hazards			✓		
8.8	Elevators					
8.9	Interior Air Quality		✓		Mold.	
8.10	Site and Neighborhood Conditions	✓				
8.11	Lead-Based Paint: Owner's Certification				✓ Not Applicable	

If the owner is required to correct any lead-based paint hazards at the property including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead -Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

1. Does the owner make repairs when asked? Yes ☐ No ☒
2. How many people live there?
3. How much money do you pay to the owner/agent for rent? \$ 2300
4. Do you pay for anything else? (specify) n/a
5. Who owns the range and refrigerator? (insert O = Owner or T = Tenant) Range _____ Refrigerator _____ Microwave ☐
6. Is there anything else you want to tell us? (specify) Yes ☒ No ☐

E. Inspection Summary/Comments (Optional)

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Tenant ID Number	Inspector	Date of Inspection (mm/dd/yyyy)	Address of Inspected Unit
0323	J. Borgress	3-11-2014	2322 Winchester Loop
Type of Inspection	Initial	Special <input checked="" type="checkbox"/>	Reinspection
Item Number	Reason for "Fail" or "Pass with Comments" Rating		

Inspection was requested by Superior Court County of Contra Costa.

Upon inspection of noted home found numerous mold spots throughout the home causing potential severe health risk. Home is uninhabitable and is recommended that tenants immediately vacate property until home is brought up to city, health and state code.

Estimated home repair Level 2; 15k-25k

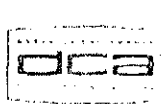
Continued on additional page

Yes

☐

No

☒



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Dealing With Problems



Most landlord-tenant relationships go smoothly. However, problems sometimes do arise. For example, what if the rental unit's furnace goes out in the middle of the winter? What happens if the landlord sells the building or decides to convert it into condominiums? This section discusses these and other possible issues and problems in the landlord-tenant relationship.

REPAIRS AND HABITABILITY

A rental unit must be fit to live in; that is, it must be habitable. In legal terms, "habitable" means that the rental unit is fit for occupation by human beings and that it substantially complies with state and local building and health codes that materially affect tenants' health and safety.¹²⁹

California law makes landlords and tenants each responsible for certain kinds of repairs, although landlords ultimately are legally responsible for assuring that their rental units are habitable.

Landlord's responsibility for repairs

Before renting a rental unit to a tenant, a landlord must make the unit fit to live in, or habitable. Additionally, while the unit is being rented, the landlord must repair problems that make the rental unit unfit to live in, or uninhabitable.

The landlord has this duty to repair because of a California Supreme Court case, called *Green v. Superior Court*,¹³⁰ which held that all residential leases and rental agreements contain an implied warranty of habitability. Under the "implied warranty of habitability," the landlord is legally responsible for repairing conditions that seriously affect the rental unit's habitability.¹³¹ That is, the landlord must repair substantial defects in the rental unit and substantial failures to comply with state and local building and health codes.¹³² However, the landlord is not responsible under the implied warranty of habitability for repairing damages that were caused by the tenant or the tenant's family, guests, or pets.¹³³

Generally, the landlord also must do maintenance work which is necessary to keep the rental unit livable.¹³⁴ Whether the landlord or the tenant is responsible for making less serious repairs is usually determined by the rental agreement.

The law is very specific as to what kinds of conditions make a rental uninhabitable. These are discussed below.

Tenant's responsibility for repairs

Tenants are required by law to take reasonable care of their rental units, as well as common areas such as hallways and outside areas. Tenants must act to keep those areas clean and undamaged. Tenants also are responsible for repair of all damage that results from their neglect or abuse, and for repair of damage caused by anyone for whom they are responsible, such as family, guests, or pets.¹³⁵ Tenants' responsibilities for care and repair of the rental unit are discussed in detail below.

Conditions that make a rental unit legally uninhabitable

There are many kinds of defects that could make a rental unit unlivable. The implied warranty of habitability requires landlords to maintain their rental units in a condition fit for the "occupation of human beings."¹³⁶ In addition, the rental unit must "substantially comply" with building and housing code standards that materially affect tenants' health and safety.¹³⁷

A rental unit may be considered uninhabitable (unlivable) if it contains a lead hazard that endangers the occupants or the public, or is a substandard building because, for example, a structural hazard, inadequate sanitation, or a nuisance endangers the health, life, safety, property, or welfare of the occupants or the public.¹³⁸

A dwelling also may be considered uninhabitable (unlivable) if it substantially lacks any of the following:¹³⁹

- Effective waterproofing and weather protection of roof and exterior walls, including unbroken windows and doors.
- Plumbing facilities in good working order, including hot and cold running water, connected to a sewage disposal system.
- Gas facilities in good working order.
- Heating facilities in good working order.
- An electric system, including lighting, wiring, and equipment, in good working order.
- Clean and sanitary buildings, grounds, and appurtenances (for example, a garden or a detached garage), free from debris, filth, rubbish, garbage, rodents, and vermin.
- Adequate trash receptacles in good repair.
- Floors, stairways, and railings in good repair.

In addition to these requirements, each rental unit must have all of the following:

- A working toilet, wash basin, and bathtub or shower. The toilet and bathtub or shower must be in a room which is ventilated and allows privacy.
- A kitchen with a sink that cannot be made of an absorbent material such as wood.
- Natural lighting in every room through windows or skylights. Windows in each room must be able to open at least halfway for ventilation, unless a fan provides mechanical ventilation.
- Safe fire or emergency exits leading to a street or hallway. Stairs, hallways, and exits must be kept litter-free. Storage areas, garages, and basements must be kept free of combustible materials.¹⁴⁰
- Operable dead bolt locks on the main entry doors of rental units, and operable locking or security devices on windows.¹⁴¹

Working smoke detectors in all units of multi-unit buildings, such as duplexes and apartment complexes. Apartment complexes also must have smoke detectors in common stairwells.¹⁴²

A locking mail box for each unit. The mail box must be consistent with the United States Postal Service standards for apartment housing mail boxes.¹⁴³

Ground fault circuit interrupters for swimming pools and antisuction protections for wading pools in apartment complexes and other residential settings (but not single family residences).¹⁴⁴

The implied warranty of habitability is *not* violated merely because the rental unit is not in perfect, aesthetically pleasing condition. Nor is the implied warranty of habitability violated if there are minor housing code violations, which, standing alone, do not affect habitability.¹⁴⁵

While it is the landlord's responsibility to install and maintain the inside wiring for one telephone jack, it is unclear whether the landlord's failure to do so is a breach of the implied warranty of habitability.¹⁴⁶

An authoritative reference book suggests two additional ways in which the implied warranty of habitability may be violated. The first is the presence of mold conditions in the rental unit that affect the livability of the unit or the health and safety of tenants. The second follows from a new law that imposes obligations on a property owner who is notified by a local health officer that the property is contaminated by methamphetamine. (See *When You Have Decided to Rent, Methamphetamine Contamination*.) This reference book suggests that a tenant who is damaged by this kind of documented contamination may be able to claim a breach of the implied warranty of habitability.¹⁴⁷

Limitations on landlord's duty to keep the rental unit habitable

Even if a rental unit is unlivable because of one of the conditions listed above, a landlord may not be legally required to repair the condition if the tenant has not fulfilled the tenant's own responsibilities.

In addition to generally requiring a tenant to take reasonable care of the rental unit and common areas (see above), the law lists specific things that a tenant must do to keep the rental unit livable.

Tenants must do all of the following

Keep the premises "as clean and sanitary as the condition of the premises permits."

Use and operate gas, electrical, and plumbing fixtures properly. (Examples of improper use include overloading electrical outlets; flushing large, foreign objects down the toilet; and allowing any gas, electrical, or plumbing fixture to become filthy.)

Dispose of trash and garbage in a clean and sanitary manner.

Not destroy, damage, or deface the premises, or allow anyone else to do so.

Not remove any part of the structure, dwelling unit, facilities, equipment, or appurtenances, or allow anyone else to do so.

Use the premises as a place to live, and use the rooms for their intended purposes. For example, the bedroom must be used as a bedroom, and not as a kitchen.¹⁴⁸

Notify the landlord when dead bolt locks and window locks or security devices don't operate properly.¹⁴⁹

However, a landlord may agree in writing to clean the rental unit and dispose of the trash.¹⁵⁰

If a tenant violates these requirements in some minor way, the landlord is still responsible for providing a habitable dwelling, and may be prosecuted for violating housing code standards. If the tenant fails to do one of these required things, and the tenant's failure has either substantially caused an unlivable condition to occur or has substantially interfered with the landlord's ability to repair the condition, the landlord does not have to repair the condition.¹⁵¹ However, a tenant cannot withhold rent or has no action against the landlord for violating the implied warranty of habitability if the tenant has failed to meet these requirements.¹⁵²

Responsibility for other kinds of repairs

As for less serious repairs, the rental agreement or lease may require either the tenant or the landlord to fix a particular item. Items covered by such an agreement might include refrigerators, washing machines, parking places, or swimming pools. These items are usually considered "amenities," and their absence does not make a dwelling unit unfit for living.

These agreements to repair are usually enforceable in accordance with the intent of the parties to the rental agreement or lease.¹⁵³

Tenant's agreement to make repairs

The landlord and the tenant may agree in the rental agreement or lease that the tenant will perform all repairs and maintenance in exchange for lower rent.¹⁵⁴ Such an agreement must be made in good faith; there must be a real reduction in the rent, and the tenant must intend and be able to make all the necessary repairs. When negotiating the agreement, the tenant should consider whether he or she wants to try to negotiate a cap on the amount that he or she can be required to spend making repairs. Regardless of any such agreement, the landlord is responsible for maintaining the property as required by state and local housing codes.¹⁵⁵

¹²⁹ *Green v. Superior Court* (1974) 10 Cal.3d 616, 637-638 [111 Cal.Rptr. 704, 719]; Civil Code Sections 1941, 1941.1.

¹³⁰ *Green v. Superior Court* (1974) 10 Cal.3d 616 [111 Cal.Rptr. 704].

¹³¹ *Green v. Superior Court* (1974) 10 Cal.3d 616 [111 Cal.Rptr. 704]; *Hinson v. Dells* (1972) 26 Cal.App.3d 62 [102 Cal.Rptr. 661].

¹³² *Green v. Superior Court* (1974) 10 Cal.3d 616, 637-638 [111 Cal.Rptr. 704, 718-719].

¹³³ Civil Code Sections 1929, 1941.2.

¹³⁴ *Green v. Superior Court* (1974) 10 Cal.3d 616 [111 Cal.Rptr. 704].

¹³⁵ Civil Code Sections 1929, 1941.2.

¹³⁶ Civil Code Section 1941.

¹³⁷ *Green v. Superior Court* (1974) 10 Cal.3d 616 [111 Cal.Rptr. 704].

¹³⁸ Code Section 1941.1 paragraph 1, Health and Safety Code Sections 17920.3, 17920.10.

¹³⁹ Civil Code Section 1941.1.

¹⁴⁰ Health and Safety Code Sections 17900-17995; California Landlord's Law Book: Rights and Responsibilities, page 186 (Nolo Press 2011).

¹⁴¹ Civil Code Section 1941.3. See this section for additional details and exemptions. Remedies for violation of these requirements are listed at Civil Code Section 1941.3(c). See California Practice Guide, Landlord-Tenant, Paragraphs 3:21.5-3:21.10 (Rutter Group 2011).

¹⁴² Health and Safety Code 13113.7.

¹⁴³ Health and Safety Code Section 17958.3; Civil Code Section 1941.1(f).

¹⁴⁴ Health and Safety Code Sections 116049.1, 11606-1.

¹⁴⁵ *Green v. Superior Court* (1974) 10 Cal.3d 616, 637-638 [111 Cal.Rptr. 704, 718-719]; *Hinson v. Dells* (1972) 26 Cal.App.3d 62, 70 [102 Cal.Rptr. 661, 666].

¹⁴⁶ Civil Code Section 1941.4; Public Utilities Code Section 788. See California Practice Guide, Landlord-Tenant, Paragraph 3:21.10 (Rutter Group 2011).

¹⁴⁷ Moskowitz et al., California Landlord-Tenant Practice, Section 3.11B (Cal. Cont. Ed. Bar 2009); see Health and Safety Code Sections 25400, 10-25400.46, effective January 1, 2008.

¹⁴⁶ Civil Code Section 1941.2(a)(5).

¹⁴⁷ Civil Code Section 1941.3(b).

¹⁵⁰ Civil Code Section 1941.2(b).

¹⁵¹ Civil Code Section 1941.2(a).

¹⁵² Civil Code Section 1929, 1942(c); see Brown, Warner and Portman, *The California Landlord's Law Book, Vol. I: Rights & Responsibilities*, pages 188-189 (NOLLO Press 2011).

¹⁵³ Portman and Brown, *California Tenants' Rights*, page 30 (NOLLO Press 2010).

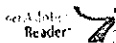
¹⁵⁴ Civil Code Section 1942.1.

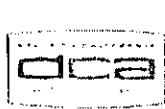
¹⁵⁵ Portman and Brown, *California Tenants' Rights*, page 20 (NOLLO Press 2010).

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Having Repairs Made



If a tenant believes that his or her rental unit needs repairs, and that the landlord is responsible for the repairs under the implied warranty of habitability, the tenant should notify the landlord. Since rental units typically are business investments for landlords, most landlords want to keep them safe, clean, attractive, and in good repair.

It's best for the tenant to notify the landlord of damage or defects by *both* a telephone call *and* a letter. The tenant should specifically describe the damage or defects and the required repairs in both the phone call and the letter. The tenant should date the letter and keep a copy to show that notice was given and what it said. If the tenant gives notice to the landlord by e-mail or fax, the tenant should follow up with a letter. (See "Giving the landlord notice".)

The tenant should send the letter to the landlord, manager, or agent by certified mail with return receipt requested. Sending the notice by certified mail is not required by law, but is a very good idea. Or, the tenant (or a friend) may personally deliver the notice to the landlord, manager, or agent and ask for a receipt to show that the notice was received. The tenant should keep a copy of the notice and the receipt, or some other evidence that the notice was delivered. (See "Giving the landlord notice".)

If the landlord doesn't make the requested repairs, and doesn't have a good reason for not doing so, the tenant may have one of several remedies, depending on the seriousness of the repairs. These remedies are discussed in the rest of this section. *Each of these remedies has its own risks and requirements, so the tenant should use them carefully.*

The "repair and deduct" remedy

The "repair and deduct" remedy allows a tenant to deduct money from the rent, up to the amount of one month's rent, to pay for repair of defects in the rental unit.¹⁵⁶ This remedy covers substandard conditions that affect the tenant's health and safety, and that substantially breach the implied warranty of habitability.¹⁵⁷ (See discussion of the implied warranty of habitability.) Examples might include a leak in the roof during the rainy season, no hot running water, or a gas leak.

As a practical matter, the repair and deduct remedy allows a tenant to make needed repairs of serious conditions without filing a lawsuit against the landlord. Because this remedy involves legal technicalities, it's a good idea for the tenant to talk to a lawyer, legal aid organization, or tenants' association before proceeding.

The basic requirements and steps for using the repair and deduct remedy are as follows:

1. The defects must be serious and directly related to the tenant's health and safety.¹⁵⁸
2. The repairs cannot cost more than one month's rent.
3. The tenant cannot use the repair and deduct remedy more than twice in any 12-month period.
4. The tenant or the tenant's family, guests, or pets must not have caused the defects that require repair.
5. The tenant must inform the landlord, either orally or in writing, of the repairs that are needed. (See "Giving the landlord notice".)
6. The tenant must give the landlord a reasonable period of time to make the needed repairs.

What is a reasonable period of time? This depends on the defects and the types of repairs that are needed. The law usually considers 30 days to be reasonable, but a shorter period may be considered reasonable, depending on the situation. For example, if the furnace is broken and it's very cold outdoors, two days may be considered reasonable (assuming that a qualified repair person is available within that time period).

7. If the landlord doesn't make the repairs within a reasonable period of time, the tenant may either make the repairs or hire someone to do them. The tenant may then deduct the cost of the repairs from the rent when it is due. The tenant should keep all receipts for the repairs.

It's a good idea, but not a legal requirement, for the tenant to give the landlord a written notice that explains why the tenant hasn't paid the full amount of the rent. The tenant should keep a copy of this notice.

Risks: The defects may not be serious enough to justify using the repair and deduct remedy. In that event, the landlord can sue the tenant to recover the money deducted from the rent, or can file an eviction action based on the nonpayment of rent. If the tenant deducted money for repairs not covered by the remedy, or didn't give the landlord proper advance notice or a reasonable time to make repairs, the court can order the tenant to pay the full rent even though the tenant paid for the repairs, or can order that the eviction proceed.

The landlord may try to evict the tenant or raise the rent because the tenant used the repair and deduct remedy. This kind of action is known as a "retaliatory eviction" (see section on Retaliatory Eviction). The law prohibits this type of eviction, with some limitations.¹⁵⁹

The "abandonment" remedy

Instead of using the repair and deduct remedy, a tenant can abandon (move out of) a defective rental unit. This remedy is called the "abandonment" remedy. A tenant might use the abandonment remedy where the defects would cost more than one month's rent to repair,¹⁶⁰ but this is not a requirement of the remedy. The abandonment remedy has most of the same requirements and basic steps as the repair and deduct remedy.¹⁶¹

In order to use the abandonment remedy, the rental unit must have substandard conditions that affect the tenant's health and safety, and that substantially breach the implied warranty of habitability.¹⁶² (See discussion of the implied warranty of habitability.) If the tenant uses this remedy properly, the tenant is not responsible for paying further rent once he or she has abandoned the rental unit.¹⁶³

The basic requirements and steps for lawfully abandoning a rental unit are:

1. The defects must be serious and directly related to the tenant's health and safety.¹⁶⁴
2. The tenant or the tenant's family, guests, or pets must not have caused the defects that require repair.
3. The tenant must inform the landlord, either orally or in writing, of the repairs that are needed. (See "Giving the landlord notice," below.)
4. The tenant must give the landlord a reasonable period of time to make the needed repairs.

What is a reasonable period of time? This depends on the defects and the types of repairs that are needed. The law usually considers 30 days to be reasonable, but a shorter period may be considered reasonable, depending on the circumstances. For example, if tree roots block the main sewer drain and none of the toilets or drains work, a reasonable period might be as little as one or two days.

5. If the landlord doesn't make the repairs within a reasonable period of time, the tenant should notify the landlord in writing of the tenant's reasons for moving and then actually move out. The tenant should return all the rental unit's keys to the landlord. The notice should be mailed or delivered as explained in "Giving the landlord notice" below. The tenant should keep a copy of the notice.

It's a good idea, but not a legal requirement, for the tenant to give the landlord written notice of the tenant's reasons for moving out. The tenant's letter may discourage the landlord from suing the tenant to collect additional rent or other damages. A written notice also documents the tenant's reasons for moving, which may be helpful in the event of a later lawsuit. If possible, the tenant should take photographs or a video of the defective conditions or have local health or building officials inspect the rental unit before moving. The tenant should keep a copy of the written notice and any inspection reports and photographs or videos.

Risks: The defects may not affect the tenant's health and safety seriously enough to justify using the remedy. The landlord may sue the tenant to collect additional rent or damages.

The "rent withholding" remedy

A tenant may have another option for getting repairs made - the "rent withholding" remedy.

By law, a tenant is allowed to withhold (stop paying) some or all of the rent if the landlord does not fix serious defects that violate the implied warranty of habitability.¹⁶⁵ (See discussion of the implied warranty of habitability.) In order for the tenant to withhold rent, the defects or repairs that are needed must be more serious than would justify use of the repair and deduct and abandonment remedies. The defects must be substantial - they must be serious ones that threaten the tenant's health or safety.¹⁶⁶

The defects that were serious enough to justify withholding rent in Green v. Superior Court¹⁶⁷ are listed below as examples:

- Collapse and nonrepair of the bathroom ceiling.
- Continued presence of rats, mice, and cockroaches.
- Lack of any heat in four of the apartment's rooms.
- Plumbing blockages.
- Exposed and faulty wiring.
- An illegally installed and dangerous stove.

In the Green case, all of these defects were present, and there also were many violations of the local housing and building codes. In other situations, the defects that would justify rent withholding may be different, but the defects would still have to be serious ones that threaten the tenant's health or safety.

In order to prove a violation of the implied warranty of habitability, the tenant will need evidence of the defects that require repair. In the event of a court action, it is helpful to have photographs or videos, witnesses, and copies of letters informing the landlord of the problem.

Before the tenant withholds rent, it is a good idea to check with a legal aid organization, lawyer, housing clinic, or tenant program to help determine if rent withholding is the appropriate remedy.

The basic requirements and steps for using the rent withholding remedy are:

1. The defects or the repairs that are needed must threaten the tenant's health or safety.¹⁶⁸

The defects must be serious enough to make the rental unit uninhabitable. For example, see the defects described in the discussion of the Green case above.

2. The tenant, or the tenant's family, guests, or pets must not have caused the defects that require repair.
3. The tenant must inform the landlord either orally or in writing of the repairs that are needed. (See "Giving the landlord notice" below.)
4. The tenant must give the landlord a reasonable period of time to make the repairs.

What is a reasonable period of time? This depends on the defects and the type of repairs that are needed.

5. If the landlord doesn't make the repairs within a reasonable period of time, the tenant can withhold some or all of the rent. The tenant can continue to withhold the rent until the landlord makes the repairs.

How much rent can the tenant withhold? While the law does not provide a clear test for determining how much rent is reasonable for the tenant to withhold, judges in rent withholding cases often use one of the following methods. These methods are offered as examples.

Percentage reduction in rent: The percentage of the rental unit that is uninhabitable is determined, and the rent is reduced by that amount. For example, if one of a rental unit's four rooms is uninhabitable, the tenant could withhold 25 percent of the rent. The tenant would have to pay the remaining 75 percent of the rent. Most courts use this method.

Reasonable value of rental unit: The value of the rental unit in its defective state is determined, and the tenant withholds that amount. The tenant would have to pay the difference between the rental unit's fair market value (usually the rent stated in the rental agreement or lease) and the rental unit's value in its defective state.¹⁶⁹

6. The tenant should save the withheld rent money and not spend it. The tenant should expect to have to pay the landlord some or all of the withheld rent.

If the tenant withholds rent, the tenant should put the withheld rent money into a special bank account (called an escrow account). The tenant should notify the landlord in writing that the withheld rent money has been deposited in the escrow account, and explain why.

Depositing the withheld rent money in an escrow account is not required by law, but is a very good thing to do for three reasons.

First, as explained under "Risks" below, rent withholding cases often wind up in court. The judge usually will require the tenant to pay the landlord some reduced rent based on the value of the rental unit with all of its defects. Judges rarely excuse payment of all rent. Depositing the withheld rent money in an escrow account assures that the tenant will have the money to pay any "reasonable rent" that the court orders. The tenant will have to pay the rent ordered by the court five days (or less) from the date of the court's judgment.

Second, putting the withheld rent money in an escrow account proves to the court that the tenant didn't withhold rent just to avoid paying rent. If there is a court hearing, the tenant should bring rental receipts or other evidence to show that he or she has been reliable in paying rent in the past.

Third, most legal aid organizations and lawyers will not represent a tenant who has not deposited the withheld rent money in an escrow account.

Sometimes, the tenant and the landlord will be able to agree on the amount of rent that is reasonable for the time when the rental unit needed repairs. If the tenant and the landlord can't agree on a reasonable amount, the dispute will have to be decided in court, or resolved in an arbitration or mediation proceeding (see section on Arbitration and Mediation).

Risks: The defects may not be serious enough to threaten the tenant's health or safety. If the tenant withholds rent, the landlord may give the tenant an eviction notice (a three-day notice to pay the rent or leave). If the tenant refuses to pay, the landlord will probably go to court to evict the tenant. In the court action, the tenant will have to prove that the landlord violated the implied warranty of habitability.¹⁷⁰

If the tenant wins the case, the landlord will be ordered to make the repairs, and the tenant will be ordered to pay a reasonable rent. The rent ordinarily must be paid five days or less from the date of the court's judgment. If the tenant wins, but doesn't pay the amount of rent ordered when it is due, the judge will enter a judgment for the landlord, and the tenant probably will be evicted. If the tenant loses, he or she will have to pay the rent, probably will be evicted, and may be ordered to pay the landlord's attorney's fees.

There is another risk of using rent withholding: if the tenant doesn't have a lease, the landlord may ignore the tenant's notice of defective conditions and seek to remove the tenant by giving him or her a 30-day or 60-day notice to move. This may amount to a "retaliatory eviction" (see section on Retaliatory Actions, Evictions and Discrimination).¹⁷¹ The law prohibits retaliatory evictions, with some limitations.¹⁷²

Giving the landlord notice

Whenever a tenant gives the landlord notice of the tenant's intention to repair and deduct, withhold rent, or abandon the rental unit, it's best to put the notice in writing. The notice should be in the form of a letter, and can be typed or handwritten. The letter should describe in detail the problem and the repairs that are required. The tenant should sign and date the letter and keep a copy.¹⁷³

The tenant might be tempted to send the notice to the landlord by e-mail or fax. The laws on repairs specify that the tenant may give the landlord notice orally or in writing, but do not mention e-mail or fax. To be certain that the notice complies with the law, the tenant should follow up any e-mailed or faxed notice with a letter describing the damage or defects and the required repairs.

The letter should be sent to the landlord, manager, or agent by certified mail (return receipt requested). Sending the letter by certified mail is not required by law, but is a very good idea. Or, the tenant (or a friend) may personally deliver the notice to the landlord, manager, or agent. The tenant should ask for a signed and dated receipt showing that the notice was received, or ask the landlord to date and sign (or initial) the tenant's copy of the letter to show that the landlord received the notice. Whatever the method of delivery, it's important that the tenant have proof that the landlord, or the landlord's manager or agent, received the notice.

The copy of the letter and the receipt will be proof that the tenant notified the landlord, and also proof of what the notice said. Keep the copy of the letter and the receipt in case of a dispute with the landlord.

The landlord or agent may call the tenant to discuss the request for repairs or to schedule a time to make them. It's a good idea for the tenant to keep notes of any conversations and phone calls about the request for repairs. During each conversation or immediately after it, the tenant should write down the date and time of the conversation, what both parties said, and the date and time that the tenant made the notes. Important: Neither the tenant nor the landlord can tape record a telephone conversation without the other party's permission.¹⁷⁴

Tenant information

An occupant of residential property can invite another person onto the property during reasonable hours, or because of emergency circumstances, to provide information about tenants' rights or to participate in a tenants' association or an association that advocates tenants' rights. The invited person cannot be held liable for trespass.¹⁷⁵

Lawsuit for damages as a remedy

The remedies of repair and deduct, abandonment, and rent withholding allow a tenant in a rental unit with serious habitability defects to take action against the landlord without filing a lawsuit. Arbitration and mediation are other methods of resolving disputes about the condition of a rental unit (see section on Arbitration and Mediation).

A tenant has another option, filing a lawsuit against the landlord to recover money damages if the landlord does not repair serious defects in the rental unit in a timely manner.¹⁷⁶ This kind of lawsuit can be filed in small claims court or Superior Court, depending on the amount demanded in the suit.¹⁷⁷ The tenant can file this kind of lawsuit without first trying another remedy, such as the repair and deduct remedy.

If the tenant wins the lawsuit, the court may award the tenant his or her actual damages, plus "special damages" in an amount ranging from \$100 to \$5,000.¹⁷⁸ "Special damages" are costs that the tenant incurs, such as the cost of a motel room, because the landlord did not repair defects in the rental unit. The party who wins the lawsuit is entitled to recover his or her costs of bringing the suit (for example, court costs), plus reasonable attorney's fees as awarded by the court.¹⁷⁹

The court also may order the landlord to abate (stop or eliminate) a nuisance and to repair any substandard condition that significantly affects the health and safety of the tenant.¹⁸⁰ For example, a court could order the landlord to repair a leaky roof, and could retain jurisdiction over the case until the roof is fixed.

In order for a tenant to win such a lawsuit against the landlord, all of the following conditions must be met.¹⁸¹

The rental unit has a serious habitability defect. That is, the rental unit contains a lead hazard that endangers the occupants or the public; or substantially lacks any of the a nuisance endangers the health, life, safety, property, or welfare of the occupants or the public; and

A housing inspector has inspected the the minimum requirements for habitability listed in the eight categories (see Conditions that make a rental unit legally uninhabitable); or has been declared substandard because, for example, a structural hazard, inadequate sanitation, or premises and has given the landlord or the landlord's agent written notice of the landlord's obligation to repair the substandard conditions or abate the nuisance; and

The nuisance or substandard conditions continue to exist 35 days after the housing inspector mailed the notice to the landlord or agent, and the landlord does not have good cause for failing to make the repairs; and

The nuisance or substandard conditions were not caused by the tenant or the tenant's family, guests, or pets; and

The landlord collects or demands rent, issues a notice of rent increase, or issues a three-day notice to pay rent or quit (see Written Notices of Terminations) after all of the above conditions have been met.

To prepare for filing this kind of lawsuit, the tenant should take all of these basic steps:

The tenant should notify the landlord in writing about the conditions that require repair. (See "Giving the landlord notice.") The rental unit must have serious habitability defects that were not caused by the tenant's family, guests, or pets.

The notice should specifically describe the defects and the repairs that are required.

The notice should give the landlord a reasonable period of time to make the repairs

If the landlord doesn't make the repairs within a reasonable time, the tenant should contact the local city or county building department, health department, or local housing agency and request an inspection.

The housing inspector must inspect the rental unit.

The housing inspector must give the landlord or the landlord's agent written notice of the repairs that are required.

The substandard conditions must continue to exist 35 days after the housing inspector mailed the notice to the landlord or landlord's agent. The landlord then must collect or demand rent, raise the rent, or serve a three-day notice to pay rent or quit.

The tenant should gather evidence of the substandard conditions (for example, photographs or videos, statements of witnesses, inspection reports) so that the tenant can prove his or her case in court.

The tenant should discuss the case with a lawyer, legal aid organization, tenant program, or housing clinic in order to understand what the lawsuit is likely to accomplish, and also the risks involved.¹⁵²

Resolving complaints out of court

Before filing suit, the tenant should try to resolve the dispute out of court, either through personal negotiation or a dispute resolution program that offers mediation or arbitration of landlord-tenant disputes. If the tenant and the landlord agree, a neutral person can work with both of them to reach a solution. Informal dispute resolution can be inexpensive and fast. (See "Arbitration and Mediation".) See "Giving the landlord notice" regarding legal requirements for notices.

LANDLORD'S SALE OF THE RENTAL UNIT

If your landlord voluntarily sells the rental unit that you live in, your legal rights as a tenant are not changed. Tenants who have a lease have the right to remain through the end of the lease under the same terms and conditions. The new landlord can end a periodic tenancy (for example, a month-to-month tenancy), but only after giving the tenant the required advance notice. (See "Landlord's notice to end a periodic tenancy".)

The sale of the building doesn't change the rights of the tenants to have their security deposits refunded when they move. The section on Refund of Security Deposits discusses the landlord's responsibility for the tenants' security deposits after the rental unit has been sold.

When property is sold in foreclosure

State law provides that a tenant in possession of a rental housing unit at the time a property is sold in foreclosure shall be given 60 days' written notice to quit before the tenant may be removed from the property.¹⁵³ However, if your lease was signed before the deed of trust or mortgage was recorded, your lease will not be set aside by the foreclosure.¹⁵⁴

Federal law now requires that you be given 90 days' written notice to quit (leave the property) under the 2009 "protecting tenants at Foreclosure Act," a buyer of foreclosed property must honor your lease until the end of the lease term, unless the buyer will be moving in and using the property as the buyer's home.¹⁵¹ In that case, you are entitled to 90 days' notice to quit.^{154, 155} This is also true if you are a month-to-month tenant; the Act creates similar protections for tenants with section 8 vouchers; this rule does not apply to rental agreements that were not the result of arm's length transactions or where the rent is much less than fair market rent for that property.^{154, 155}

California recognizes that tenants of units sold in foreclosure now have a right to this 90-day notice under federal law; specifically, any notice to quit served within one year after a foreclosure sale must also inform renters that they may stay in the unit for at least 90 days.^{154, 155}

CONDOMINIUM CONVERSIONS

A landlord who wishes to convert rental property into condominiums must obtain approval from the local city or county planning agency. The landlord also must receive final approval in the form of a public report issued by the State Department of Real Estate. Affected tenants must receive notices at various stages of the application and approval process.¹⁵⁶ These notices are designed to allow affected tenants and the public to have a voice in the approval process.¹⁵⁷ Tenants can check with local elected officials or housing agencies about the approval process and opportunities for public input.

Perhaps most important, affected tenants must be given written notice of the conversion to condominiums at least 180 days before their tenancies end due to the conversion.¹⁵⁸ Affected tenants also must be given a first option to buy the rental unit on the same terms that are being offered to the general public (or better terms). The tenants must be able to exercise this right for at least 90 days following issuance of the Department of Real Estate's public report.¹⁵⁹

DEMOLITION OF DWELLING

The owner of a dwelling must give written notice to current tenants before applying for a permit to demolish the dwelling. The owner also must give this notice to tenants who have signed rental agreements but who have not yet moved in. (See "When You Have Decided to Rent, Condominium Conversion Project" section.) The notice must include the earliest approximate dates that the owner expects the demolition to occur and the tenancy to end.¹⁶⁰

INFLUENCING THE TENANT TO MOVE

California law protects a tenant from retaliation by the landlord because the tenant has lawfully exercised a tenant right (see Retaliatory Actions). California law also makes it unlawful for a landlord to attempt to influence a tenant to move by doing any of the following:

Engaging in conduct that constitutes theft or extortion

Using threats, force, or menacing conduct that interferes with the tenant's quiet enjoyment of the rental unit. (The conduct must be of a nature that would create the fear of harm in a reasonable person.)

Committing a significant and intentional violation of the rules limiting the landlord's right to enter the rental unit (see When Can the Landlord Enter the Rental Unit?).¹⁶¹

A landlord does not violate the law by giving a tenant a warning notice, in good faith, that the tenant's or a guest's conduct may violate the lease, rental agreement, rules or laws. The notice may be oral or in writing. The law also allows a landlord to give a tenant an oral or written explanation of the lease, rental agreement, rules or laws in the normal course of business.¹⁶¹

If a landlord engages in unlawful behavior as described above, the tenant may sue the landlord in small claims court or Superior Court. If the tenant prevails, the court may award him or her a civil penalty of up to \$2,000 for each violation.¹⁶² Keep in mind, however, that a lawsuit is not always a good solution. If you are faced with actions such as described above, try to assess the situation realistically. You may want to discuss the situation with a trusted friend, a tenant advisor, or a lawyer who represents tenants. If you are convinced that you cannot work things out with the landlord, then consider your legal remedies.

¹⁵⁶ Civil Code Section 1942.

¹⁵⁷ California Practice Guide, Landlord-Tenant, Paragraphs 3:115-3:116 (Rutter Group 2011).

¹⁵⁸ Brown, Warner and Portman, The California landlord's Law Book, Vol. I: Rights & Responsibilities, pages 189-190 (NOLLO Press 2011).

¹⁵⁹ Civil Code Section 1942.5(a).

¹⁶⁰ California Practice Guide, Landlord-Tenant, Paragraph 3:127 (Rutter Group 2011).

¹⁶¹ Civil Code Section 1942.

¹⁶² California Practice Guide, Landlord-Tenant, Paragraph 3:115-3:116, 3:126 (Rutter Group 2011).

¹⁶³ Civil Code Section 1942.

¹⁶⁴ Warner and Portman, The California landlord's Law Book, Vol. I: Rights & Responsibilities, page 189 (NOLLO Press 2011).

¹⁶⁵ *Green v. Superior Court* (1974) 10 Cal.3d 616 [111 Cal.Rptr. 704].

¹⁶⁶ Brown, Warner and Portman, The California landlord's Law Book, Vol. I: Rights & Responsibilities, pages 190-191 (NOLLO Press 2011).

¹⁶⁷ *Green v. Superior Court* (1974) 10 Cal.3d 616 [111 Cal.Rptr. 704]. See *Hyatt v. Tedesco* (2002) 96 Cal.App.4th Supp. 62 [117 Cal.Rptr.2d 921] for additional examples of substantial defects that violated the implied warranty of habitability.

¹⁶⁸ Brown, Warner and Portman, The California landlord's Law Book, Vol. I: Rights & Responsibilities, page 190 (NOLLO Press 2011).

¹⁸² See discussion in Brown, Warner and Portman, *The California landlord's Law Book, Vol. 1: Rights & Responsibilities*, page 191 (NOLLO Press 2011), Portman and Brown, *California Tenants' Rights*, pages 137-138 (NOLLO Press 2010), and *California Practice Guide, Landlord-Tenant*, Paragraph 3:140-3:142 (Rutter Group 2011).

¹⁷⁰ Depending on the facts, the tenant may be entitled to a rebuttable presumption that the landlord has breached the implied warranty of habitability. (Civil Code Section 1942.3.) This presumption affects the burden of producing evidence.

¹⁷¹ Moskowitz, *California Eviction Defense Manual*, Section 16.19 (Cal. Cont. Ed. Bar 2011).

¹⁷² Civil Code Section 1942.5(a).

¹⁷³ Moskowitz, *California Landlord-Tenant Practice*, Section 3.13 (Cal. Cont. Ed. Bar 2011). See Civil Code Section 1942(a).

¹⁷⁴ Penal Code Section 632.

¹⁷⁵ Civil Code Section 1942.6. A tenants' association does not have a right under the California Constitution's free speech clause to distribute its newsletter in a privately owned apartment complex. (*Golden Gateway Center v. Golden Gateway Tenants Assoc.* (2001) 28 Cal. 4th 1013 [111 Cal. Rptr. 2d 336]).

¹⁷⁶ Civil Code Section 1942.4

¹⁷⁷ One reference book cautions against a tenant litigating implied warranty of habitability issues in small claims court because collateral estoppel precludes an issue decided there from being relitigated. Moskowitz et al., *California Landlord-Tenant Practice*, Sections 5.16, 5.39 (Cal. Cont. Ed. Bar 2006), citing *Pitzen v. Superior Court* (2004) 120 Cal. App. 4th 1374 (16 Cal. Rptr. 3d 628).

¹⁷⁸ Civil Code Section 1942.4(b)(1).

¹⁷⁹ Civil Code Section 1942.4(b)(2), Code of Civil Procedure Section 1174.2.

¹⁸⁰ Civil Code Section 1942.4(a), (c).

¹⁸¹ Civil Code Section 1942.4(a). See Health & Safety Code Sections 17920.3, 17920.10.

¹⁸² Civil Code Section 1942.4, which gives the tenant the right to sue the landlord as described in this section, also can be used defensively. If the landlord brings an unlawful detainer action against the tenant based on nonpayment of rent, and the court finds that the landlord has violated all of the five conditions listed in the bullets on this page, the landlord is liable for the tenant's attorneys fees and costs of suit, as determined by the court. (Code of Civil Procedure Section 1174.21).

¹⁸³ Code of Civil Procedure 1161b(a) This notice requirement shall remain in effect only until January 1, 2013, and as of that date will be repealed unless a later enacted statute that is enacted before January 1, 2013, deletes or extends that date.

¹⁸⁴ Portman and Brown, *California Tenants Rights*, pages 4-5 (NOLLO Press 2010).

¹⁸¹ Public Law 111-22, 2009 S896, Title VII, Section 702.

¹⁸² Public Law 111-22, 2009 S896, Title VII, Section 702.

¹⁸³ Public Law 111-22, 2009 S896, Title VII, Section 702.

¹⁸⁴ California Code of Civil Procedure Section 1161c.

¹⁸⁵ Government Code Section 66427.1(a), (b).

¹⁸⁶ Government Code Sections 66451.3, 65000, 65001.

¹⁸⁷ Government Code Section 66427.1(c).

¹⁸⁸ Government Code Section 66427.1, 66427.1(a)2F. See *Business and Professions Code* Sections 11018, 11018.2, *California Practice Guide, Landlord-Tenant*, Paragraph 5:306 and following (Rutter Group 2011).

¹⁸⁹ Civil Code Section 1940.6.

¹⁹⁰ Civil Code Section 1940.2(a).

¹⁹¹ Civil Code Section 1940.2(c).

¹⁹² Code Section 1940.2(b).

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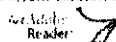


EXHIBIT "B"

Exhibit B

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Changming Liu 7409 Prospect Rd., Cupertino, CA 95014 TELEPHONE NO.: 408-203-6292 FAX NO. (Optional): E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name): In Pro Per	FOR COURT USE ONLY <div style="font-size: 2em; font-weight: bold; letter-spacing: 0.5em;">FILED</div> <div style="font-size: 1.2em; font-weight: bold;">MAR 14 2014</div> <small>STEPHEN L. DASH, CLERK OF THE COURT SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF CONTRA COSTA</small> By _____ Deputy Clerk <div style="font-size: 1.5em; font-weight: bold;">J. MONROY</div>
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Contra Costa STREET ADDRESS: 1000 Center Dr. MAILING ADDRESS: CITY AND ZIP CODE: Pittsburg 94565 BRANCH NAME: Amazon Justice Center	
PLAINTIFF/PETITIONER: Changming Liu DEFENDANT/RESPONDENT: Cheryl Atkinson Baca, Andre Baca and Does 1-5	
REQUEST FOR DISMISSAL	CASE NUMBER: PS14-0244
A conformed copy will not be returned by the clerk unless a method of return is provided with the document.	
This form may not be used for dismissal of a derivative action or a class action or of any party or cause of action in a class action. (Cal. Rules of Court, rules 3.760 and 3.770.)	

1. TO THE CLERK: Please dismiss this action as follows:

- a. (1) ☐ With prejudice (2) ☒ Without prejudice
- b. (1) ☒ Complaint (2) ☐ Petition
- (3) ☐ Cross-complaint filed by (name):
- (4) ☐ Cross-complaint filed by (name):
- (5) ☒ Entire action of all parties and all causes of action
- (6) ☐ Other (specify):*

on (date):

on (date):

2. (Complete in all cases except family law cases.)

The court ☐ did ☒ did not waive court fees and costs for a party in this case. (This information may be obtained from the clerk. If court fees and costs were waived, the declaration on the back of this form must be completed).

Date: 3/14/14

Changming Liu

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☒ PARTY WITHOUT ATTORNEY)

*If dismissal requested is of specified parties only of specified causes of action only, or of specified cross-complaints only, so state and identify the parties, causes of action, or cross-complaints to be dismissed.

Attorney or party without attorney for:

- ☒ Plaintiff/Petitioner ☐ Defendant/Respondent
- ☐ Cross-Complainant

3. TO THE CLERK: Consent to the above dismissal is hereby given.**

Date: 3/14/14

Changming Liu

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☒ PARTY WITHOUT ATTORNEY)

** If a cross-complaint - or Response (Family Law) seeking affirmative relief - is on file, the attorney for cross-complainant (respondent) must sign this consent if required by Code of Civil Procedure section 581 (i) or (j).

Attorney or party without attorney for:

- ☒ Plaintiff/Petitioner ☐ Defendant/Respondent
- ☐ Cross-Complainant

(To be completed by clerk)

- 4.
- ☒
- Dismissal entered as requested on (date):

MAR 14 2014

- 5.
- ☐
- Dismissal entered on (date):

as to only (name):

- 6.
- ☐
- Dismissal not entered as requested for the following reasons (specify):

7. a.
- ☐
- Attorney or party without attorney notified on (date):

- b. ☐ Attorney or party without attorney not notified. Filing party failed to provide
- ☐ a copy to be conformed ☐ means to return conformed copy

J. MONROY

Date:

MAR 14 2014

Clerk, by

, Deputy

PLAINTIFF/PETITIONER: Changming Liu
 DEFENDANT/RESPONDENT: Cheryl Atkinson Baca, Andre Baca and Does 1-5

CASE NUMBER:
 PS14-0244

COURT'S RECOVERY OF WAIVED COURT FEES AND COSTS

If a party whose court fees and costs were initially waived has recovered or will recover \$10,000 or more in value by way of settlement, compromise, arbitration award, mediation settlement, or other means, the court has a statutory lien on that recovery. The court may refuse to dismiss the case until the lien is satisfied. (Gov. Code, § 68637.)

Declaration Concerning Waived Court Fees

1. The court waived court fees and costs in this action for (name):
2. The person named in item 1 is (check one below):
 - a. ☐ not recovering anything of value by this action.
 - b. ☐ recovering less than \$10,000 in value by this action.
 - c. ☐ recovering \$10,000 or more in value by this action. (If item 2c is checked, item 3 must be completed.)
3. ☐ All court fees and court costs that were waived in this action have been paid to the court (check one): ☐ Yes ☐ No

I declare under penalty of perjury under the laws of the State of California that the information above is true and correct.

Date: _____

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☐ PARTY MAKING DECLARATION)

(SIGNATURE)

1 California Legal Pros
Derek Bluford
2 ChangMing Liu
50 California Street, 16th Floor
3 San Francisco, Ca

4
5 SUPERIOR COURT OF THE STATE OF CALIFORNIA
6 COUNTY OF CONTRA COSTA

7 Changming Liu,) Case No.: PS 14-0244
8)
Plaintiff,) Stipulated Order - Case Settlement
9) and Dismissal
vs.)
10)
Cheryl Baca, Andre Baca)
11)
Defendant)
12)

13
14 On 3-13-2014 parties of this case have reached a settlement. The
15 agreement is attached as Exhibit 1A. The agreement provides full directions,
16 terms and recitals. However, Plaintiffs have requested special actions on
17 behalf of the Defendant in which the Defendants have agreed to. Those are:

- 18 1) Defendants shall vacate the property by 4-1-2014; by turning house
19 access keys over to her attorney who will then forward to Plaintiffs
20 attorney. Plaintiffs' attorney must first verify repairs and file a
21 motion with the court providing proof of repairs by inspection
22 report. Upon satisfactory repairs proven to the court, Plaintiffs
23 attorney can then release the keys and property back over to the
24 Plaintiffs.
25 2) Defendants shall not contact Plaintiffs.
26 3) Defendants shall keep this agreement confidential and waives all
27 rights to any previous, current or future suits against Plaintiffs.
28 4) Defendants shall not damage any property.

1 5) Defendants shall select 4 Licensed & Insured General Contractors to
2 get estimates for repairs to the house. Once obtained, Plaintiffs
3 attorney will select a general contractor.

4 The record reflects that the estimated repair cost is \$15,000 -
5 \$25,000. Shall the repairs cost less; the difference shall be returned
6 to the Plaintiffs. Shall the repairs cost more, the Plaintiffs must
7 still pay the balance.

8 Shall this reflect all obligations of both parties, including the
9 attachment.

10
11
12 Dated this 14 of March, 2014

13
14 
15 Honorable E. Newcomb
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Exhibit 1A

CONFIDENTIAL

E-MAILED
-10 02 Signer Card

MUTUAL RELEASE AND SETTLEMENT AGREEMENT

This Mutual Release and Settlement Agreement ("Agreement") is entered into between the following parties ("the Parties"): Plaintiff **Chang Ming Liu** ("Plaintiff"), and defendant **Cheryl Baca** ("Defendant").

RECITALS

Plaintiff filed a civil action against Defendant, at **Contra Costa** County Superior Court (the "Civil Case") Case # PS 14-0244. On 3/13/14 all parties involved in this case mediated the issue and came to a reasonable resolution.

To avoid the time and expense of litigation, the Parties want to resolve their differences and have reached an end, compromise, and settlement for all disputes existing and potentially existing between them from the incident.

All parties agree to hold each other harmless from any and all claims and further release one another from all claims.

AGREEMENT

In consideration of the mutual execution of this Agreement and the releases and promises made in the Agreement by the Parties, the Parties agree as follows:

1. In exchange for complete resolution of this matter, Plaintiff shall pay to Defendant \$130,000.00. Additionally, Plaintiff will pay \$25,000.00 to Client trust Account which will be used by Plaintiffs legal agent to pay general contractors to bring the property mentioned in the above referenced case up to city code. This payment (the "Settlement Funds") will be paid in one payment by the Plaintiffs agent, who will then pay either the court/or Defendants attorney immediately.
2. CLP ("Plaintiff's Legal Agent") shall provide a copy of this Agreement, executed on behalf of the Plaintiff, to Defendant. Defendant will then review, sign and forward back to the Plaintiffs agent via email or fax. Plaintiff will then mail a cashier's check to as mentioned in paragraph one to Defendant.
3. Plaintiff and Defendant further agree that upon receipt and execution of this agreement both Plaintiff and Defendant will indemnify and defend each other shall any arising injuries and claims referenced in the Civil Case or the original Unlawful Detainer Case be brought. Plaintiff and Defendant will release and hold each other's insurers free and harmless from any and all such liens.
4. It is further understood and agreed by the Parties that all rights under section 1542 of the California Civil Code, and any similar law of any state or territory of the United States, are hereby waived as to claims which those parties released do not know or suspect to exist at the time they execute this release.

CONFIDENTIAL

5. This Agreement constitutes a compromise, settlement, and release of disputed claims and is being entered into solely to avoid the burden, inconvenience, and expense of litigating those claims. No Party to this Agreement admits any liability to the other Party with respect to any such claim or any other matter. Each Party expressly denies liability as to every claim, which may be asserted by the other Party. Therefore, this Agreement is not to be and shall never be construed or deemed an admission or concession by any of the Parties hereto of liability or culpability at any time for any purpose concerning any claim being compromised, settled, and released, or any other matter.
6. The Parties agree to act in good faith and to cooperate fully with each other in carrying out the intent of this Agreement, and for that purpose agree to execute all additional documents as may prove reasonably necessary to accomplish that intent.
7. The failure of any Party at any time to require performance of any provision of this Agreement shall not limit that Party's right to enforce the provision, nor shall any waiver of any breach of any provision constitute a waiver of that provision itself.
8. This Agreement shall inure to the benefit of and shall be binding upon each of the Parties here and their respective agents, representatives, executors, administrators, trustees, personal representatives, partners, directors, officers, shareholders, agents, attorneys, insurers, employees, representatives, predecessors, successors, heirs and assigns.
9. The Parties agree that the laws of the State of California shall be utilized in construing this Agreement and in enforcing the rights and remedies of the Parties. Any litigation arising out of a dispute concerning the Agreement shall be litigated in San Francisco, California. The Parties agree to venue in that jurisdiction for all such disputes concerning this Agreement.
10. If any suit or action or other proceeding is commenced to enforce or interpret any of the terms or provisions of this Agreement, the prevailing Party in such suit or action or other proceeding shall be entitled to an award against the other Party for the prevailing Party's reasonable attorney's fees and costs incurred both at trial and on any appeal.
11. The provisions here are not intended for the benefit of any third party, but solely for the parties to this Agreement.

12. The undersigned Parties each further expressly warrant and represent to one another as follows:

- a. They have read this Agreement and have consulted with their respective attorneys concerning its contents and legal consequences and have requested any change in language necessary or desirable to effectuate their intent and expectations so that the rule of construction of contracts construing ambiguities against the drafting party shall be inapplicable;
- b. They have investigated the facts to the extent that they have deemed necessary in their sole discretion and have assumed any risk of mistake of fact and any facts proven to be other than or different from the facts now known to any of the Parties and therefore intend this Agreement to be binding without regard to any mistake of fact or law relating to the subject matter of this Agreement;
- c. The Agreement is being executed solely in reliance on their own respective judgment, belief and knowledge of the matters set forth here and on the advice of their respective attorneys following an independent investigation of all relevant matters to the extent they deem necessary and reasonable;
- d. They have taken all actions and obtained all authorizations, consents and approvals as are conditions precedent to their authority to execute this Agreement and thus warrant that they are fully authorized to bind the Party for which they execute this Agreement; and,
- e. There has been and will be no assignment or other transfer of any claim released here, or any part thereof, and each Party agrees to defend, indemnify and hold harmless the other party from any claims, obligations, or other liabilities, including specifically attorney's fees and costs incurred, which result from the assertion by any third party of a right to any claim which is released by this Agreement.

13. The foregoing warranties and representations shall survive the execution and delivery of this Agreement.
14. The Parties hereby incorporate the Recitals set forth above as an integral part of this Agreement and acknowledge the truth and accuracy of those Recitals.
15. This Agreement is the entire, final, and complete agreement of the Parties relating to the subject of this Agreement, and supersedes and replaces all prior or existing written and oral agreements between the Parties or their representatives relating thereto. No amendment or modification of this Agreement shall be effective unless in a writing executed by all Parties whose interests are affected by the modification.

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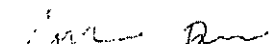
16. If any provision of this Agreement is held to be invalid or unenforceable, all remaining provisions will continue in full force and effect.
17. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals, and with the same effect as if all Parties had signed the same document. All of such counterparts shall be construed together with and shall constitute one Agreement, but in making proof, it shall only be necessary to produce one such counterpart. A facsimile transmission shall be as valid and enforceable as an original.

THE PARTIES, BY THEIR SIGNATURES BELOW, HAVE EXECUTED THIS AGREEMENT AND AGREE TO BE BOUND BY IT.

DATED: March 13, 2014

By: 
California Legal Pros – D. Bluford
Plaintiffs Agent

DATED: March 14, 2014

By: 
Cheryl Baca
Defendant

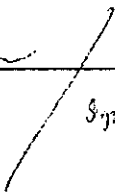
 Signed POA
Erika Munson

EXHIBIT "C"

Exhibit C

1 California Legal Pros
Derek Bluford
2 ChangMing Liu
50 California Street, 15th Floor
3 San Francisco, Ca 94111
415-800-5748

5 SUPERIOR COURT OF THE STATE OF CALIFORNIA
6 COUNTY OF CONTRA COSTA

8 Changming Liu,) Case No.: PS 14-0244
9 Plaintiff,) Specific Performance Order
10 vs.)
11 Cheryl Baca, Andre Baca)
12 Defendant)

13
14 On 4-4-2014 the court-heard arguments from County of Contra Costa
15 Attorney in regards to safety, hazard and negligence acts that have been
16 performed by the true and correct owners of 2322 Winchester Loop, Discovery
17 Bay, California 94505 Changming Liu and DOES 1-2. The county attorney has
18 been in contact with City health and safety officials who currently deem the
19 property unsafe, hazardous, and a loss. County attorney has verified that
20 notices have been sent out the property address and plaintiffs address of
21 such warning but never received a response. Plaintiffs counsel has requested
22 such notices be forwarded to his office.

23 It is the courts order that the Plaintiff and true owners of the
24 referenced property choose one of the following options:

- 25 1) Take possession of property as is, and then be held to pay the
26 city and county fine immediately. City and county fine should
27 not exceed the value of the home.


- 1 2) Sale the home by Owner. In which the court will hold
2 plaintiffs counsel responsible to alert potential buyer of the
3 real hazards and condition of the property. Plaintiffs counsel
4 would be required to get an appraisal of the home and then
5 submit it to the court for the court to decide a final sale
6 price. Upon a buyer being found, buyer must come to court and
7 sign an Order of Acknowledgement. Plaintiff would then only be
8 liable to pay a reduced county fine.
9 3) Sale home by Realtor. Pay both city and county fine
10 immediately.

400K
- 50K
350

11
12 At this time County attorney has estimated the fine for the county to
13 be \$250,000.00 and the fine from the City to be \$125,000.00. Such fines
14 are proposed and granted based of the sole factor of the direct
15 negligence on behalf of the Plaintiff and health injuries caused to
16 tenants.

17
18 Plaintiff shall choose one of the above options and have it submitted
19 to court by 4-8-2014. This shall be the final order and no further
20 continuances or stipulations will be granted.

21
22
23 Dated this 4 of April, 2014

24 
25 Honorable E. Newcomb



CALIFORNIA
ASSOCIATION
OF REALTORS®

RESIDENTIAL LEASE OR MONTH-TO-MONTH RENTAL AGREEMENT

(C.A.R. Form LR, Revised 4/11)

"EXHIBIT 1"

Date 02/04/2012, Changming Liu, ("Landlord") and Cheryl Atkinson-Baca, ("Tenant") agree as follows:

1. PROPERTY:

- A. Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: 2322 Winchester Loop, Discovery Bay, Ca. 94505 ("Premises")
- B. The Premises are for the sole use as a personal residence by the following named person(s) only: Cheryl Atkinson-Baca, Andre Baca (son)
- C. The following personal property, maintained pursuant to paragraph 11, is included: _____ or ☐ (if checked) the personal property on the attached addendum.
- D. The Premises may be subject to a local rent control ordinance _____

2. TERM: The term begins on (date) February 10, 2012 ("Commencement Date"). (Check A or B):

- ☐ A. Month-to-Month: and continues as a month-to-month tenancy. Tenant may terminate the tenancy by giving written notice at least 30 days prior to the intended termination date. Landlord may terminate the tenancy by giving written notice as provided by law. Such notices may be given on any date.
- ☒ B. Lease: and shall terminate on (date) February 10, 2013 at 12:00 am ☐ AM/ ☒ PM. Tenant shall vacate the Premises upon termination of the Agreement, unless: (i) Landlord and Tenant have extended this Agreement in writing or signed a new agreement; (ii) mandated by local rent control law; or (iii) Landlord accepts Rent from Tenant (other than past due Rent), in which case a month-to-month tenancy shall be created which either party may terminate as specified in paragraph 2A. Rent shall be at a rate agreed to by Landlord and Tenant, or as allowed by law. All other terms and conditions of this Agreement shall remain in full force and effect.

3. RENT: "Rent" shall mean all monetary obligations of Tenant to Landlord under the terms of the Agreement, except security deposit.

- A. Tenant agrees to pay \$ 2,300.00 per month for the term of the Agreement.
- B. Rent is payable in advance on the 1st (or ☐) day of each calendar month, and is delinquent on the next day.
- C. If Commencement Date falls on any day other than the day Rent is payable under paragraph 3B, and Tenant has paid one full month's Rent in advance of Commencement Date, Rent for the second calendar month shall be prorated based on a 30-day period.
- D. PAYMENT: Rent shall be paid by ☒ personal check, ☒ money order, ☒ cashier's check, or ☐ other _____, to (name) Changming Liu, (phone) (408) 203-6292 at (address) 7402 Prospect Rd, Cupertino, Ca. 95014 (or at any other location subsequently specified by Landlord in writing to Tenant) (and ☐ if checked, rent may be paid personally, between the hours of _____ and _____ on the following days _____). If any payment is returned for non-sufficient funds ("NSF") or because tenant stops payment, then, after that: (i) Landlord may, in writing, require Tenant to pay Rent in cash for three months and (ii) all future Rent shall be paid by ☒ money order, or ☒ cashier's check.

4. SECURITY DEPOSIT:

- A. Tenant agrees to pay \$ 2,500.00 as a security deposit. Security deposit will be ☒ transferred to and held by the Owner of the Premises, or ☐ held in Owner's Broker's trust account.
- B. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent (which includes Late Charges, NSF fees or other sums due); (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest or licensee of Tenant; (iii) clean Premises, if necessary, upon termination of the tenancy; and (iv) replace or return personal property or appurtenances. SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT. If all or any portion of the security deposit is used during the tenancy, Tenant agrees to reinstate the total security deposit within five days after written notice is delivered to Tenant. Within 21 days after Tenant vacates the Premises, Landlord shall: (1) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition and supporting documentation as required by California Civil Code § 1950.6(g); and (2) return any remaining portion of the security deposit to Tenant.
- C. Security deposit will not be returned until all Tenants have vacated the Premises and all keys returned. Any security deposit returned by check shall be made out to all Tenants named on this Agreement, or as subsequently modified.
- D. No interest will be paid on security deposit unless required by local law.
- E. If the security deposit is held by Owner, Tenant agrees not to hold Broker responsible for its return. If the security deposit is held in Owner's Broker's trust account, and Broker's authority is terminated before expiration of this Agreement, and security deposit is released to someone other than Tenant then Broker shall notify Tenant, in writing, where and to whom security deposit has been released. Once Tenant has been provided such notice, Tenant agrees not to hold Broker responsible for the security deposit.

5. MOVE-IN COSTS RECEIVED/DUE: Move-in funds made payable to Changming Liu shall be paid by ☐ personal check, ☐ money order, or ☒ cashier's check.

Category	Total Due	Payment Received	Balance Due	Date Due
Rent from <u>02/10/2012</u> to <u>08/10/2012</u> (date)	\$12,000.00	\$4,000.00	\$8,000.00	02/10/2012
*Security Deposit	\$2,500.00	2,500.00	\$2,500.00	02/10/2012
Other				
Other				
Total	\$14,500.00	\$4,000.00	\$10,500.00	02/10/2012

*The maximum amount Landlord may receive as security deposit, however designated, cannot exceed two months' Rent for unfurnished premises, or three months' Rent for furnished premises.

Tenant's Initials () ()

Landlord's Initials () ()

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LR REVISED 4/11 (PAGE 1 OF 6)

RESIDENTIAL LEASE OR MONTH-TO-MONTH RENTAL AGREEMENT (LR PAGE 1 OF 6)

Agent: Charles Baham

Phone: 925.634.8502

Fax: 925.634.9490

Prepared using zipForm® software

Broker: Realty World Delta Country 13530 Byron Hwy. Byron, CA 94514

Reviewed by _____ Date _____



6. LATE CHARGE; RETURNED CHECK.

- A. Tenant acknowledges either late payment of Rent or issuance of a returned check may cause Landlord to incur costs and expenses, the exact amounts of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within 5 (or) calendar days after the date due, or if a check is returned, Tenant shall pay to Landlord, respectively, an additional sum of \$ 150.00 or % of the Rent due as a Late Charge and \$25.00 as a NSF fee for the first returned check and \$35.00 as a NSF fee for each additional returned check, either or both of which shall be deemed additional Rent.
- B. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any Late Charge or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any Late Charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 3 or prevent Landlord from exercising any other rights and remedies under this Agreement and as provided by law.

7. PARKING: (Check A or B)

- ☒ A. Parking is permitted as follows: Driveway, Garage and street where permitted.

The right to parking ☐ is ☐ is not included in the Rent charged pursuant to paragraph 3. If not included in the Rent, the parking rental fee shall be an additional \$ per month. Parking space(s) are to be used for parking properly licensed and operable motor vehicles, except for trailers, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked on the Premises. Mechanical work or storage of inoperable vehicles is not permitted in parking space(s) or elsewhere on the Premises.

- OR ☐ B. Parking is not permitted on the Premises.

8. STORAGE: (Check A or B)

- ☐ A. Storage is permitted as follows:

The right to separate storage space ☐ is, ☐ is not, included in the Rent charged pursuant to paragraph 3. If not included in the Rent, storage space fee shall be an additional \$ per month. Tenant shall store only personal property Tenant owns, and shall not store property claimed by another or in which another has any right, title or interest. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, hazardous waste or other inherently dangerous material, or illegal substances.

- OR ☐ B. Except for Tenant's personal property, contained entirely within the Premises, storage is not permitted on the Premises.

9. UTILITIES: Tenant agrees to pay for all utilities and services, and the following charges: garbage, cable etc. except , which shall be paid for by Landlord. If any utilities are not separately metered, Tenant shall pay Tenant's proportional share, as reasonably determined and directed by Landlord. If utilities are separately metered, Tenant shall place utilities in Tenant's name as of the Commencement Date. Landlord is only responsible for installing and maintaining one usable telephone jack and one telephone line to the Premises. Tenant shall pay any cost for conversion from existing utilities service provider.

10. CONDITION OF PREMISES: Tenant has examined Premises and, if any, all furniture, furnishings, appliances, landscaping and fixtures, including smoke detector(s).

(Check all that apply:)

- ☐ A. Tenant acknowledges these items are clean and in operable condition, with the following exceptions:
- ☒ B. Tenant's acknowledgment of the condition of these items is contained in an attached statement of condition (C.A.R. Form MIMO).
- ☐ C. (i) Landlord will Deliver to Tenant a statement of condition (C.A.R. Form MIMO) ☐ within 3 days after execution of this Agreement; ☐ prior to the Commencement Date; ☐ within 3 days after the Commencement Date.
(ii) Tenant shall complete and return the MIMO to Landlord within 3 (or) days after Delivery. Tenant's failure to return the MIMO within that time shall conclusively be deemed Tenant's Acknowledgement of the condition as stated in the MIMO.
- ☐ D. Tenant will provide Landlord a list of items that are damaged or not in operable condition within 3 (or) days after Commencement Date, not as a contingency of this Agreement but rather as an acknowledgment of the condition of the Premises.
- ☐ E. Other:

11. MAINTENANCE:

- A. Tenant shall properly use, operate and safeguard Premises, including if applicable, any landscaping, furniture, furnishings and appliances, and all mechanical, electrical, gas and plumbing fixtures, and keep them and the Premises clean, sanitary and well ventilated. Tenant shall be responsible for checking and maintaining all carbon monoxide and smoke detectors and any additional phone lines beyond the one line and jack that Landlord shall provide and maintain. Tenant shall immediately notify Landlord, in writing, of any problem, malfunction or damage. Tenant shall be charged for all repairs or replacements caused by Tenant, pets, guests or licensees of Tenant, excluding ordinary wear and tear. Tenant shall be charged for all damage to Premises as a result of failure to report a problem in a timely manner. Tenant shall be charged for repair of drain blockages or stoppages, unless caused by defective plumbing parts or tree roots invading sewer lines.
- B. ☐ Landlord ☒ Tenant shall water the garden, landscaping, trees and shrubs, except:
- C. ☐ Landlord ☒ Tenant shall maintain the garden, landscaping, trees and shrubs, except:
- D. ☐ Landlord ☒ Tenant shall maintain All landscaping.
- E. Tenant's failure to maintain any item for which Tenant is responsible shall give Landlord the right to hire someone to perform such maintenance and charge Tenant to cover the cost of such maintenance.
- F. The following items of personal property are included in the Premises without warranty and Landlord will not maintain, repair or replace them:

Tenant's Initials () ()

Landlord's Initials () ()



12. **NEIGHBORHOOD CONDITIONS:** Tenant is advised to satisfy him or herself as to neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, proximity of registered felons or offenders, fire protection, other governmental services, availability, adequacy and cost of any wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, cemeteries, facilities and condition of common areas, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Tenant.
13. **PETS:** Unless otherwise provided in California Civil Code § 54.2, no animal or pet shall be kept on or about the Premises without Landlord's prior written consent, except: none
14. ☒ (If checked) **NO SMOKING:** No smoking of any substance is allowed on the Premises or common areas. If smoking does occur on the Premises or common areas, (i) Tenant is responsible for all damage caused by the smoking including, but not limited to stains, burns, odors and removal of debris; (ii) Tenant is in breach of this Agreement; (iii) Tenant, guests, and all others may be required to leave the Premises; and (iv) Tenant acknowledges that in order to remove odor caused by smoking, Landlord may need to replace carpet and drapes and paint the entire premises regardless of when these items were last cleaned, replaced, or repainted. Such actions and other necessary steps will impact the return of any security deposit. The Premises or common areas may be subject to a local non-smoking ordinance.
15. **RULES/REGULATIONS:**
- A. Tenant agrees to comply with all Landlord rules and regulations that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant shall not, disturb, annoy, endanger or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing or transporting illicit drugs or other contraband, or violate any law or ordinance, or commit a waste or nuisance on or about the Premises.
- B. (If applicable, check one)
- ☒ 1. Landlord shall provide Tenant with a copy of the rules and regulations within 14 days or _____.
- OR ☐ 2. Tenant has been provided with, and acknowledges receipt of, a copy of the rules and regulations.
16. ☐ (If checked) **CONDOMINIUM; PLANNED UNIT DEVELOPMENT:**
- A. The Premises are a unit in a condominium, planned unit development, common interest subdivision or other development governed by a homeowners' association ("HOA"). The name of the HOA is _____.
- Tenant agrees to comply with all HOA covenants, conditions and restrictions, bylaws, rules and regulations and decisions ("HOA Rules"). Landlord shall provide Tenant copies of HOA Rules, if any. Tenant shall reimburse Landlord for any fines or charges imposed by HOA or other authorities, due to any violation by Tenant, or the guests or licensees of Tenant.
- B. (Check one)
- ☐ 1. Landlord shall provide Tenant with a copy of the HOA Rules within _____ days or _____.
- OR ☐ 2. Tenant has been provided with, and acknowledges receipt of, a copy of the HOA Rules.
17. **ALTERATIONS; REPAIRS:** Unless otherwise specified by law or paragraph 29C, without Landlord's prior written consent, (i) Tenant shall not make any repairs, alterations or improvements in or about the Premises including: painting, wallpapering, adding or changing locks, installing antenna or satellite dish(es), placing signs, displays or exhibits, or using screws, fastening devices, large nails or adhesive materials; (ii) Landlord shall not be responsible for the costs of alterations or repairs made by Tenant; (iii) Tenant shall not deduct from Rent the costs of any repairs, alterations or improvements; and (iv) any deduction made by Tenant shall be considered unpaid Rent.
18. **KEYS; LOCKS:**
- A. Tenant acknowledges receipt of (or Tenant will receive ☒ prior to the Commencement Date, or ☐ _____):
- ☒ 2 key(s) to Premises, ☒ 2 remote control device(s) for garage door/gate opener(s),
- ☐ _____ key(s) to mailbox, ☒ 2 Gate remotes
- ☐ _____ key(s) to common area(s).
- B. Tenant acknowledges that locks to the Premises ☐ have, ☒ have not, been re-keyed.
- C. If Tenant re-keys existing locks or opening devices, Tenant shall immediately deliver copies of all keys to Landlord. Tenant shall pay all costs and charges related to loss of any keys or opening devices. Tenant may not remove locks, even if installed by Tenant.
19. **ENTRY:**
- A. Tenant shall make Premises available to Landlord or Landlord's representative for the purpose of entering to make necessary or agreed repairs, (including, but not limited to, installing, repairing, testing, and maintaining smoke detectors and carbon monoxide devices and bracing, anchoring or strapping water heaters), decorations, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors.
- B. Landlord and Tenant agree that 24-hour written notice shall be reasonable and sufficient notice, except as follows. 48-hour written notice is required to conduct an inspection of the Premises prior to the Tenant moving out, unless the Tenant waives the right to such notice. Notice may be given orally to show the Premises to actual or prospective purchasers provided Tenant has been notified in writing within 120 days preceding the oral notice, that the Premises are for sale and that oral notice may be given to show the Premises. No notice is required: (i) to enter in case of an emergency; (ii) if the Tenant is present and consents at the time of entry or (iii) if the Tenant has abandoned or surrendered the Premises. No written notice is required if Landlord and Tenant orally agree to an entry for agreed services or repairs if the date and time of entry are within one week of the oral agreement.
- C. ☐ (If checked) Tenant authorizes the use of a keysafe/lockbox to allow entry into the Premises and agrees to sign a keysafe/lockbox addendum (C.A.R. Form KLA).
20. **SIGNS:** Tenant authorizes Landlord to place FOR SALE/LEASE signs on the Premises.
21. **ASSIGNMENT; SUBLETTING:** Tenant shall not sublet all or any part of Premises, or assign or transfer this Agreement or any interest in it, without Landlord's prior written consent. Unless such consent is obtained, any assignment, transfer or subletting of Premises or this Agreement or tenancy, by voluntary act of Tenant, operation of law or otherwise, shall, at the option of Landlord, terminate this Agreement. Any proposed assignee, transferee or sublessee shall submit to Landlord an application and credit information for Landlord's approval and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one assignment, transfer or sublease, shall not be construed as consent to any subsequent assignment, transfer or sublease and does not release Tenant of Tenant's obligations under this Agreement.

Tenant's Initials (_____) (_____)

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LR REVISED 4/11 (PAGE 3 OF 6)

Landlord's Initials (Ben) (_____)

Reviewed by _____ Date _____



22. **JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this Agreement, jointly with every other Tenant, and individually, whether or not in possession.
23. ☐ **LEAD-BASED PAINT (if checked):** Premises were constructed prior to 1978. In accordance with federal law, Landlord gives and Tenant acknowledges receipt of the disclosures on the attached form (C.A.R. Form FLD) and a federally approved lead pamphlet.
24. ☐ **MILITARY ORDNANCE DISCLOSURE:** (If applicable and known to Landlord) Premises are located within one mile of an area once used for military training, and may contain potentially explosive munitions.
25. ☐ **PERIODIC PEST CONTROL:** Landlord has entered into a contract for periodic pest control treatment of the Premises and shall give Tenant a copy of the notice originally given to Landlord by the pest control company.
26. ☐ **METHAMPHETAMINE CONTAMINATION:** Prior to signing this Agreement, Landlord has given Tenant a notice that a health official has issued an order prohibiting occupancy of the property because of methamphetamine contamination. A copy of the notice and order are attached.
27. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.48 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Landlord nor Brokers, if any, are required to check this website. If Tenant wants further information, Tenant should obtain information directly from this website.)
28. **POSSESSION:**
- A. Tenant is not in possession of the Premises. If Landlord is unable to deliver possession of Premises on Commencement Date, such Date shall be extended to the date on which possession is made available to Tenant. If Landlord is unable to deliver possession within 5 (or ☐) calendar days after agreed Commencement Date, Tenant may terminate this Agreement by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid. Possession is deemed terminated when Tenant has returned all keys to the Premises to Landlord.
- B. ☐ Tenant is already in possession of the Premises.
29. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:**
- A. Upon termination of this Agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate and surrender Premises to Landlord, empty of all persons; (iii) vacate any/all parking and/or storage space; (iv) clean and deliver Premises, as specified in paragraph C below, to Landlord in the same condition as referenced in paragraph 10; (v) remove all debris; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) Tenant to give in writing a 30 day notice of intention to move to Landlord.
- B. All alterations/improvements made by or caused to be made by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may charge Tenant for restoration of the Premises to the condition it was in prior to any alterations/improvements.
- C. **Right to Pre-Move-Out Inspection and Repairs:** (i) After giving or receiving notice of termination of a tenancy (C.A.R. Form NTT), or before the end of a lease, Tenant has the right to request that an inspection of the Premises take place prior to termination of the lease or rental (C.A.R. Form NRT). If Tenant requests such an inspection, Tenant shall be given an opportunity to remedy identified deficiencies prior to termination, consistent with the terms of this Agreement. (ii) Any repairs or alterations made to the Premises as a result of this inspection (collectively, "Repairs") shall be made at Tenant's expense. Repairs may be performed by Tenant or through others, who have adequate insurance and licenses and are approved by Landlord. The work shall comply with applicable law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. (iii) Tenant shall: (a) obtain receipts for Repairs performed by others; (b) prepare a written statement indicating the Repairs performed by Tenant and the date of such Repairs; and (c) provide copies of receipts and statements to Landlord prior to termination. Paragraph 29C does not apply when the tenancy is terminated pursuant to California Code of Civil Procedure § 1181(2), (3) or (4).
30. **BREACH OF CONTRACT; EARLY TERMINATION:** In addition to any obligations established by paragraph 29, in the event of termination by Tenant prior to completion of the original term of the Agreement, Tenant shall also be responsible for lost Rent, rental commissions, advertising expenses and painting costs necessary to ready Premises for re-rental. Landlord may withhold any such amounts from Tenant's security deposit.
31. **TEMPORARY RELOCATION:** Subject to local law, Tenant agrees, upon demand of Landlord, to temporarily vacate Premises for a reasonable period, to allow for fumigation (or other methods) to control wood destroying pests or organisms, or other repairs to Premises. Tenant agrees to comply with all instructions and requirements necessary to prepare Premises to accommodate pest control, fumigation or other work, including bagging or storage of food and medicine, and removal of perishables and valuables. Tenant shall only be entitled to a credit of Rent equal to the per diem Rent for the period of time Tenant is required to vacate Premises.
32. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty that render Premises totally or partially uninhabitable, either Landlord or Tenant may terminate this Agreement by giving the other written notice. Rent shall be abated as of the date Premises become totally or partially uninhabitable. The abated amount shall be the current monthly Rent prorated on a 30-day period. If the Agreement is not terminated, Landlord shall promptly repair the damage, and Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of Premises. If damage occurs as a result of an act of Tenant or Tenant's guests, only Landlord shall have the right of termination, and no reduction in Rent shall be made.
33. **INSURANCE:** Tenant's or guest's personal property and vehicles are not insured by Landlord, manager or, if applicable, HOA, against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is advised to carry Tenant's own insurance (renter's insurance) to protect Tenant from any such loss or damage. Tenant shall comply with any requirement imposed on Tenant by Landlord's insurer to avoid: (i) an increase in Landlord's insurance premium (or Tenant shall pay for the increase in premium); or (ii) loss of insurance.
34. **WATERBEDS:** Tenant shall not use or have waterbeds on the Premises unless: (i) Tenant obtains a valid waterbed insurance policy; (ii) Tenant increases the security deposit in an amount equal to one-half of one month's Rent; and (iii) the bed conforms to the floor load capacity of Premises.

Tenant's Initials () ()

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Landlord's Initials () ()Reviewed by Date 

2322 Winchester Loop

Premises: Discovery Bay, Ca. 94505

Date: February 4, 2012

35. **WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same or any subsequent breach.

36. **NOTICE:** Notices may be served at the following address, or at any other location subsequently designated:

Landlord: Changming Liu

Tenant: Cheryl Atkinson-Baca

7409 Prospect Rd.

2322 Winchester Loop

Quetzino, Ca

Discovery Bay, Ca.

95014

94505

37. **TENANT ESTOPPEL CERTIFICATE:** Tenant shall execute and return a tenant estoppel certificate delivered to Tenant by Landlord or Landlord's agent within 3 days after its receipt. Failure to comply with this requirement shall be deemed Tenant's acknowledgment that the tenant estoppel certificate is true and correct, and may be relied upon by a lender or purchaser.

38. **REPRESENTATIONS:**

A. **TENANT REPRESENTATIONS; OBLIGATIONS REGARDING OCCUPANTS; CREDIT:** Tenant warrants that all statements in Tenant's rental application are accurate. Landlord requires all occupants 18 years of age or older and all emancipated minors to complete a lease rental application. Tenant acknowledges this requirement and agrees to notify Landlord when any occupant of the Premises reaches the age of 18 or becomes an emancipated minor. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report periodically during the tenancy in connection with the modification or enforcement of this Agreement. Landlord may cancel this Agreement: (i) before occupancy begins; (ii) upon disapproval of the credit report(s); or (iii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency if Tenant fails to fulfill the terms of payment and other obligations under this Agreement.

B. **LANDLORD REPRESENTATIONS:** Landlord warrants, that unless otherwise specified in writing, Landlord is unaware of (i) any recorded Notices of Default affecting the Premises; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

39. **MEDIATION:**

A. Consistent with paragraphs B and C below, Landlord and Tenant agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action.

B. The following matters are excluded from mediation: (i) an unlawful detainer action; (ii) the filing or enforcement of a mechanic's lien; and (iii) any matter within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation provision.

C. Landlord and Tenant agree to mediate disputes or claims involving Listing Agent, Leasing Agent or property manager ("Broker"), provided Broker shall have agreed to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to such Broker. Any election by Broker to participate in mediation shall not result in Broker being deemed a party to this Agreement.

40. **ATTORNEY FEES:** In any action or proceeding arising out of this Agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs, except as provided in paragraph 39A.

41. **C.A.R. FORM:** C.A.R. Form means the specific form referenced or another comparable form agreed to by the parties.

42. **OTHER TERMS AND CONDITIONS; SUPPLEMENTS:** ☐ Interpreter/Translator Agreement (C.A.R. Form ITA);

☐ Keysafe/Lockbox Addendum (C.A.R. Form KLA); ☐ Lead-Based Paint and Lead-Based Paint Hazards Disclosure (C.A.R. Form FLD)

Tenant to pay in advance 6 months rent at \$2,000.00 a month (\$12,000.00) and then \$2,300.00 per month for remainder of the 1 year lease contract.

The following ATTACHED supplements are incorporated in this Agreement: _____

43. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement is subject to California landlord-tenant law and shall incorporate all changes required by amendment or successors to such law. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

44. **AGENCY:**

A. **CONFIRMATION:** The following agency relationship(s) are hereby confirmed for this transaction:

Listing Agent: (Print firm name) _____

Realty World Delta Country

is the agent of (check one): ☒ the Landlord exclusively; or ☐ both the Landlord and Tenant.

Leasing Agent: (Print firm name) _____

MR Properties

(If not same as Listing Agent) is the agent of (check one): ☒ the Tenant exclusively; or ☐ the Landlord exclusively; or ☐ both the Tenant and Landlord.

B. **DISCLOSURE:** ☐ (If checked): The term of this lease exceeds one year. A disclosure regarding real estate agency relationships (C.A.R. Form AD) has been provided to Landlord and Tenant, who each acknowledge its receipt.

45. ☐ **TENANT COMPENSATION TO BROKER:** Upon execution of this Agreement, Tenant agrees to pay compensation to Broker as specified in a separate written agreement between Tenant and Broker.

Tenant's Initials () ()

Landlord's Initials () ()

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LR REVISED 4/11 (PAGE 5 OF 6)

Reviewed by _____ Date _____



2322 Winchester Loop

Premises: Discovery Bay, Ca. 945

Date: February 4, 2012

46. ☐ **INTERPRETER/TRANSLATOR:** The terms of this Agreement have been interpreted for Tenant into the following language: _____ Landlord and Tenant acknowledge receipt of the attached interpreter/translator agreement (C.A.R. Form ITA).
47. **FOREIGN LANGUAGE NEGOTIATION:** If this Agreement has been negotiated by Landlord and Tenant primarily in Spanish, Chinese, Tagalog, Korean or Vietnamese, pursuant to the California Civil Code, Tenant shall be provided a translation of this Agreement in the language used for the negotiation.
48. **OWNER COMPENSATION TO BROKER:** Upon execution of this Agreement, Owner agrees to pay compensation to Broker as specified in a separate written agreement between Owner and Broker (C.A.R. Form LCA).
49. **RECEIPT:** If specified in paragraph 5, Landlord or Broker, acknowledges receipt of move-in funds.

Landlord and Tenant acknowledge and agree Brokers: (a) do not guarantee the condition of the Premises; (b) cannot verify representations made by others; (c) cannot provide legal or tax advice; (d) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this Agreement, Brokers: (e) do not decide what rental rate a Tenant should pay or Landlord should accept; and (f) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance and other desired assistance from appropriate professionals.

Tenant agrees to rent the Premises on the above terms and conditions.

Tenant _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

Tenant _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

- ☐ **GUARANTEE:** In consideration of the execution of this Agreement by and between Landlord and Tenant and for valuable consideration, receipt of which is hereby acknowledged, the undersigned ("Guarantor") does hereby: (i) guarantee unconditionally to Landlord and Landlord's agents, successors and assigns, the prompt payment of Rent or other sums that become due pursuant to this Agreement, including any and all court costs and attorney fees included in enforcing the Agreement; (ii) consent to any changes, modifications or alterations of any term in this Agreement agreed to by Landlord and Tenant; and (iii) waive any right to require Landlord and/or Landlord's agents to proceed against Tenant for any default occurring under this Agreement before seeking to enforce this Guarantee.

Guarantor (Print Name) _____
 Guarantor _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

Landlord agrees to rent the Premises on the above terms and conditions.

Landlord Changming Liu Landlord _____
 Address 7409 Prospect Rd., Cupertino, Ca. 95014
 Telephone (408) 203-6282 Fax _____ E-mail changmingliu@gmail.com

REAL ESTATE BROKERS:

- A. Real estate brokers who are not also Landlord under this Agreement are not parties to the Agreement between Landlord and Tenant.
- B. Agency relationships are confirmed in paragraph 44.
- C. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Leasing Firm) and Cooperating Broker agrees to accept: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii) ☐ (if checked) the amount specified in a separate written agreement between Listing Broker and Cooperating Broker.

Real Estate Broker (Listing Firm) Realty World Delta Country DRE Lic. # 00573742
 By (Agent) Chuck Baham DRE Lic. # 02258449 Date 02/04/2012
 Address 13530 Byron Hwy. City Byron State Ca. Zip 94514
 Telephone (925) 634-6502 Fax (925) 634-9490 E-mail chuckb.rvdc@gmail.com

Real Estate Broker (Leasing Firm) HR Properties DRE Lic. # _____
 By (Agent) Sheri Tejada DRE Lic. # _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone (925) 783-1102 Fax _____ E-mail sheritejada@comcast.net

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.
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 525 South Virgil Avenue, Los Angeles, California 90070

Reviewed by _____ Date _____



NOTICE TO PAY RENT OR QUIT

To: CHERYL ATKINSON BACA AND ANDRE BACA ("Tenant")

And any other occupant(s) in possession of the premises located at: 2322 WINCHESTER LOOP (Street Address)

_____(Unit/Apartment#)

DISCOVERY BAY (City) CA (State) 94505 (Zip Code) ("Premises").

Other notice address if different from Premises above: _____

Notice to the above named person(s) and any other occupants of the above-referenced Premises:

WITHIN 3 (BUT NOT LESS THAN 3) DAYS from service of this Notice you are required to either:

1. Pay rent for the Premises in the following amount, which is past due, BY CERTIFIED CHECK OR CASHIER'S CHECK ONLY, TO: CHANG MING LIU (Name) 408-203- 6292(Phone)

At 7409 PROSPECT RD. CUPERTINO, CA. 95014(Address)

Between the hours of 9AM-9PM on the following days: MONDAY THROUGH SUNDAY.

Past Due Rent: \$ 2,300.00 for the period NOVEMBER 1ST to NOVEMBER 30TH, 2013

\$ 2,300 .00 for the period DECEMBER 1ST to DECEMBER 31ST, 2013

\$ 2,300.00 for the period JANUARY 1ST to JANUARY 31ST, 2014

\$2,300.00 for the period FEBRUARY 1ST to FEBRUARY 28TH, 2014

Total Due: \$ 9,200.00 .

OR 2. Vacate the Premises and surrender possession.

If you do not pay the past due amount or give up possession by the required time, a legal action will be filed seeking not only damages, legal fees incurred and possession, but also a statutory damage penalty of up to \$600.00 (California Code of Civil Procedure § 1174). Landlord declares a forfeiture of the lease if past due rent is not paid and you continue to occupy the Premises. As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to pay your rent. California Legal Pros is a registered 1505 Corporation and this notice is being served in accordance with the Business and Professions Code section 22350 (b).

Landlord Chang Ming Liu Date 2/10/14
(Owner or Agent)
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ Email _____

Liu

EXHIBIT 31

PROOF OF SERVICE

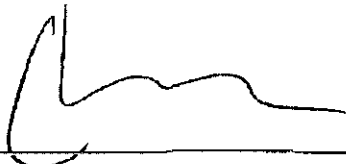
I, the undersigned, being at least 18 years of age, served this notice, of which this is a true copy, on _____
one of the occupants listed above as follows:

☐ On _____, I delivered the notice to the occupant personally.

☐ On _____, I delivered the notice to a person of suitable age and discretion at the occupant's residence/business after having attempted personal service at the occupant's residence, and business, if known. On _____, I mailed a second copy to the occupant at his or her residence.

☐ On 2/10/14 ^{2:29 PM}, I posted the notice in a conspicuous place on the property, after having attempted personal service at the occupant's residence, and business, if known, and after having been unable to find there a person of suitable age and discretion. 2/11/14 ^{10:15 AM}, I mailed a second copy to the occupant at the property.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.



Signature

Date:

2/10/14

EXHIBIT "D"

Exhibit D

ENTERED

APR 09 2014

BY: 

1 California Legal Pros
2 Derek Bluford
3 Changming Liu
4 50 California Street, 15th Floor
5 San Francisco, Ca 94111
6 415-800-5748

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF CONTRA COSTA

10 Changming Liu,) Case No.: PS 14-0244
11)
12 Plaintiff,) Final Order - Settlement Agreement
13) CASE CLOSED
14 vs.)
15)
16 Cheryl Baca, Andre Baca)
17)
18 Defendant)
19)

20 On 4-9-2014 the court accepted a settlement offer and payment from
21 Plaintiffs counsel in the amount of \$244,000.00. This amount represented two
22 payments as listed below:

23 County Fine: \$225,000.00

24 City Fine: \$75,000.00

25 Total: \$300,000.00

26 Contractor Credit: -\$56,000.00

27 Amount Paid Today: -\$244,000.00

28 Final Total Paid: \$300,000.00

At this time the court has found all fines to be paid in full and all
rights waived from both the county and city departments. The court has
requested that both the county and city forward all documents requested by
the Plaintiffs counsel to his office within 10 business days. Accordingly,
the Plaintiff is ordered to pay the attorney fees, legal and court cost

Final Order - Settlement Agreement

CASE CLOSED - 1

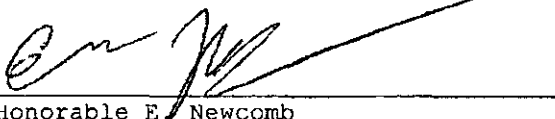
1 incurred by both the county and city attorneys. This amount shall is
2 estimated to be \$25,0000.00 and shall not exceed \$35,000.00

3 Plaintiff's attorney has additionally requested that upon discovery of
4 any negligent acts of correspondence/notices being issued between the county
5 and/or city to the Plaintiff, that the court shall take such discovery into
6 consideration and issue a credit back to the Plaintiff. No amount will be set
7 at this time.

8 A final order is issued returning 2322 Winchester Loop, Discovery Bay,
9 California 94505 to the Plaintiff. Plaintiffs' counsel is ordered to go to
10 the county and city office and update all contact information of the true and
11 correct owners of the property. The county and city attorney are ordered to
12 provide Plaintiffs counsel with all requested discovery within 10 days. The
13 property issues brought to this court shall be heard in both city and county
14 boards. Plaintiffs' counsel shall provide a true and correct copy of this
15 order to the boards and all records are ordered to be removed from the
16 property record.

17 Shall any party violate any agreement or terms of this case they shall
18 be penalized a minimum of \$100,000.00 plus all fees paid in this case. All
19 parties agree to maintain the confidentiality of these settlement terms set
20 fourth.

21
22 Dated this 9 of April, 2014

23 
24 _____
25 Honorable E. Newcomb
26
27
28

Final Order - Settlement Agreement

CASE CLOSED - 2

EXHIBIT "E"

Exhibit E

ENTERED

JUN 04 2014

EY:

1 California Legal Pros
Derek Bluford
2 ChangMing Liu
50 California Street, 15th Floor
3 San Francisco, Ca 94111
415-800-5748
4

5
6 SUPERIOR COURT OF THE STATE OF CALIFORNIA
7 COUNTY OF CONTRA COSTA

8 Changming Liu,) Case No.: PS 14-0244
9)
Plaintiff,) Subpoena Dispute / Trial
10) FINAL ORDER
vs.)
11)
Cheryl Baca, Andre Baca)
12)
Defendant)
13

14
15 On 5-27-2014 the court heard arguments in regards to a
16 challenged motion for the release of private information from the Defendants
17 email account. The attending parties in this trial were the City of Discovery
18 Bay Attorney, County of Contra Costa Attorney, Comcast Legal Counsel and the
19 original Plaintiffs Attorney California Legal Pros. On 6-3-2014 the trial
20 concluded which lead to the orders and judgment found below.

21 It was ordered that Comcast Legal Counsel divulge the answer of whether
22 or not a specific email had been sent from the defendants email account. Upon
23 Comcast Legal Counsel informing the court that the Defendant did send the
24 email, the court found ground to issue the judgment found below.

25 The court is ordering that the Plaintiff pay all legal, court and law
26 enforcement fees incurred by this trial on behalf of all parties. The court
27 has been provided with cost breakdowns by all parties and remaining
28

Subpoena Dispute / Trial

FINAL ORDER - 1

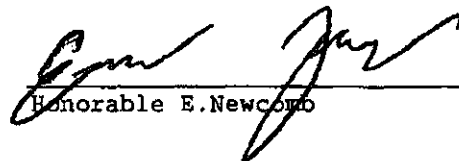
1 anticipated balances by all parties and at this time is ordering a judgment
2 of \$51,750.00

3 In regards to the Plaintiffs efforts to correct their negligent acts,
4 the court is modifying the pervious order granting a refund to him of
5 \$150,000.00 to \$180,000.00, which can be redeemed by the plaintiffs counsel
6 on June 4, 2015. It is also ordered that the credit will be voided should
7 that Plaintiff break any further city, county, state and/or federal laws
8 within the 12 months. Plaintiffs counsel has ask that this not include
9 infractions, such as traffic violations.

10 In regards to the Plaintiffs request to sale the property originally
11 identified in the Unlawful Detainer, it is granted. The court has reviewed
12 the documents provided by the Plaintiffs counsel and have approved such
13 documents to be completed allowing Plaintiffs to not divulge the conditions
14 in which once occurred at their property.

15 It is ordered that all parties are bound by confidentiality and should
16 any member of or related to this case divulge such information be subject to
17 the maximum penalty, court cost, reimbursements of all fees paid and be held
18 in contempt of court for 1 year and the Contra Costa County Jail.

19
20
21
22 Dated this 4 of June, 2014

23
24 
25 Honorable E. Newcomb
26
27
28

Subpoena Dispute / Trial

FINAL ORDER - 2

EXHIBIT "F"

Exhibit F

EXHIBIT "G"

Exhibit G

1 California Legal Pros
Derek Bluford
2 ChangMing Liu
980 9th Street, 16th Floor
3 Sacramento, Ca 95814

ENTERED
001 20 2014

BY: 

4 SUPERIOR COURT OF THE STATE OF CALIFORNIA

5 COUNTY OF CONTRA COSTA

6
7 ChangMing Liu,

8 Plaintiff,

9 vs.

10 Cheryl Baca, Andre Baca

11 Defendant

) Case No.: PS 14-0244

) Motion To Hear and Grant a Stipulated
) Order and/or Credit

12
13 On 10-20-2014 the court received a filing of an emergency motion for
14 consideration of granting a stipulated order and/or credit. Plaintiffs
15 counsel has further requested and stated the following:

16 -The court to step in and provide a due process for his client to
17 recover financial losses from their insurance company.

18 -That if the clients insurance company is found not to be liable for
19 the claim, that the court step in to cover stated losses.

20 -The total requested amount to be claimed as losses is \$481,750.00

21 -That both the city and county attorney are not in dispute of this
22 matter and agree.

23 -To date, his client has not violated any city, county, state or
24 federal laws.

25 Based on the motion and verified consents of the city and county
26 attorney, the court will grant a hearing for such a motion. All counsel will
27 be notified by the clerk within the next 24 hours as to when the emergency
28

1 hearing will be held. All counsel are hereby notified and informed to be on
2 stand by for the hearing. This will be a private hearing as to the restraints
3 and previous confidential orders issued.

4
5
6 Dated this 20th of October, 2014

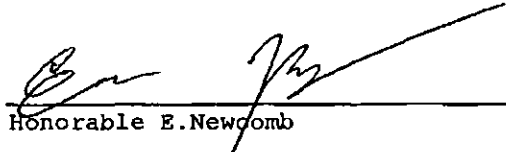
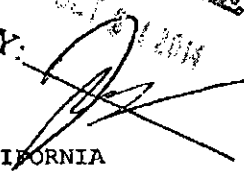
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9 _____
10 Honorable E. Newcomb
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EXHIBIT "H"

Exhibit H

1 California Legal Pros
Derek Bluford
2 ChangMing Liu
980 9th Street, 16th Floor
3 Sacramento, Ca 95814

ENTERED
OCT 21 2014
BY: 

4
5 SUPERIOR COURT OF THE STATE OF CALIFORNIA
6 COUNTY OF CONTRA COSTA

7 ChangMing Liu,) Case No.: PS 14-0244
8)
9 Plaintiff,) Trial Deposit Paid In Full
10 vs.)
11 Cheryl Baca, Andre Baca)
12 Defendant)

13 On 10-24-2014 the court has received an electronic payment from
14 Quicklegal on behalf of California Legal Pros (Case No.: PS 14-0244 Liu vs.
15 Baca) in the amount of \$40,000.00. The funds deposited are in reference for a
16 private trial scheduled to take place between October 27, 2014 - October 31,
17 2014.

18 Dated this 24 of October, 2014

19
20 
21 Honorable E. Newcomb
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23
24
25
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27
28

EXHIBIT "I"

Exhibit I

1 California Legal Pros
Derek Bluford
2 ChangMing Liu
980 9th Street, 16th Floor
3 Sacramento, Ca 95814

ENTERED
NOV 04 2014
BY: 

4
5 SUPERIOR COURT OF THE STATE OF CALIFORNIA
6 COUNTY OF CONTRA COSTA

7 ChangMing Liu,) Case No.: PS 14-0244
8)
Plaintiff,) Final Order Judgment
9)
vs.)
10)
Cheryl Baca, Andrea Baca,)
11)
Defendant)
12)

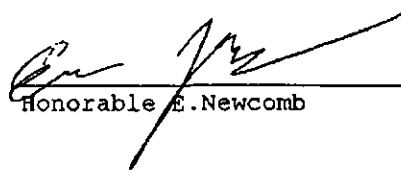
13
14 On 11-4-2014 the court ruled on whether or not the plaintiffs insurance
15 company would be liable to cover the claimed losses in reference to the case
16 above. After several days of trial the court decided that the insurance
company is not liable for losses.

17 Based on a former ruling, the court will step in and cover such claimed
18 losses in the amount of \$370,000.00 plus any carry over legal fees. The court
19 has requested a due bill from plaintiffs counsel and will issue a final order
20 within 120 days. The court will issue payments to the plaintiff in minimal
21 annual payments of \$50,000 starting after June 2015. The plaintiffs counsel
22 however may file a emergency motion 90 days before this date to plead a case
23 for different payment terms.

24 Should the Plaintiff violate any city, county, state and/or federal law
25 Plaintiff will lose the right to the monetary credits. This also includes
26 violating any rules, regulations or ordinances of the city, county, state and
27 federal government as well.
28

1 This judgment will not be issued until receiving proper filing and
2 confirmation from the state restitution department.

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5 Dated this 4th of November, 2014

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7 
8 _____
9 Honorable E. Newcomb