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Clerk of the Superior Court
By Trinity Mai, Deputy Clerk

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Attorney for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

CENTRAL JUSTICE CENTER

CAROL CURTIS, an individual; CHRISTOPHER
GRIEVES, an individual; ANA ROSA
CASTANEDA, an individual; GUMERSINDO
CASTANEDA, an individual; IRMA CASTILLO,
an individual, PEDRO CASTILLO, an individual;
JOHN LAFLEUR, an individual, DIANA
LAFLEUR, an individual,

Plaintiffs,

vs.

MTC FINANCIAL INC. dba TRUSTEE CORPS,
JPMORGAN CHASE BANK, N.A., and DOES 1-
10,

Defendants.

Case No.: 30-2016-00841019-CU-OR-CJC
Judge Martha K. Gooding

COMPLAINT FOR:

- 1. INTENTIONAL
MISREPRESENTATION**
- 2. NEGLIGENT
MISREPRESENTATION**
- 3. VIOLATION OF
CALIFORNIA HOMEOWNER
BILL OF RIGHTS
CALIFORNIA CIVIL CODE
§2924.17**
- 4. VIOLATION OF
CALIFORNIA HOMEOWNER
BILL OF RIGHTS
CALIFORNIA CIVIL CODE
§2923.55**
- 5. UNFAIR, UNLAWFUL, AND
FRAUDULENT BUSINESS
PRACTICES (VIOLATION OF
CALIFORNIA BUS & PROF.
CODE §17200, ET. SEQ.)**
- 6. WRONGFUL FORECLOSURE**

JURY TRIAL DEMANDED

1 **TO THE COURT AND ALL PARTIES HERETO AND THEIR COUNSEL:**

2 Plaintiffs CAROL CURTIS, CHRISTOPHER GRIEVES, ANA ROSA CASTANEDA,
3 GUMERSINDO CASTANEDA, IRMA CASTILLO, PEDRO CASTILLO, JOHN LAFLEUR, and
4 DIANA LAFLEUR (hereinafter “Plaintiffs”) bring this action against MTC FINANCIAL, INC. dba
5 TRUSTEE CORPS, JPMORGAN CHASE BANK, N.A., and DOES 1-10 for Intentional
6 Misrepresentation, Negligent Misrepresentation, Violation of California Civil Code § 2924.17,
7 Violation of Cal. Civil Code Section 2923.55, Unfair, Unlawful, And Fraudulent Business Practices
8 (Violation Of California Bus & Prof. Code §17200, *et. seq.*), and Wrongful Foreclosure.

9 Plaintiffs reserve his right to join necessary parties to this action under California Civil
10 Procedure § 378 as those unknown parties become known to Plaintiffs. Plaintiffs shall request leave of
11 Court for such joinder matters.

12 **I. PARTIES**

13 1. Plaintiff, Carol Curtis is a resident of California. The property she previously owned and
14 had equitable possession of is located at: 1722 Mitchell Ave Apt 11 Tustin, CA 92780 (The subject
15 property). The property has since been foreclosed on. All acts complained of herein occurred within the
16 territorial jurisdiction of this court lying in Orange County, California.

17 2. Plaintiff, Christopher Grieves is a resident of California. The property he previously
18 owned and had equitable possession of is located at: 2618 Estates Dr. Aptos, CA 95003 (The subject
19 property). The property has since been foreclosed on.

20 3. Plaintiffs, Gumersindo and Rosa Castaneda are residents of California. The property
21 they previously owned and had equitable possession of is located at: 22621 Susana Avenue Torrance,
22 CA 90505 (The subject property). The property has since been foreclosed on.

23 4. Plaintiff, Irma Castillo is a resident of California. The property she previously owned
24 and had equitable possession of is located at: 6587 Hunstman St. Riverside, CA 92509 (The subject
25 property). The property has since been foreclosed on.

26 5. Plaintiff, John and Diana Lafleur are residents of California. The property they
27 previously had owned and had equitable possession of is located at: 15120 Alicante Rd La Mirada, CA
28 90638 (The subject property). The property has since been foreclosed on.

1 6. Defendant MTC Financial, Inc. dba Trustee Corps (“MTC”) is a California Domestic
2 Corporation filed on January 3, 2005. The company's filing status is listed as Suspended and its File
3 Number is C2587356. The Registered Agent on file for this company is Michael T. Condon and is
4 located at 9368 Riverview Avenue, Lakeside CA 92040. The company’s principal address is 9368
5 Riverview Avenue, Lakeside, CA 92040. The company has one principal on record. The principal is
6 Michael T. Condon in Lakeside, CA. Defendant MTC has been doing business in the territorial
7 jurisdiction of this court and all acts complained of herein were within those same boundaries.

8 7. Defendant JPMorgan Chase Bank, N.A. (“CHASE”) is a California Foreign Corporation
9 filed on June 17, 2010. The company's filing status is listed as Surrendered and its File Number is
10 C3297309. The Registered Agent on file for this company is CT Corporation System and is located at
11 818 W Seventh St. Ste. 930, Los Angeles, CA 90017. The company's principal address is 10 South
12 Dearborn, Floor 19, Chicago, IL 60603. The company has one principal on record. The principal is
13 William Wulkan from Chicago, IL. CHASE was a business operating under the laws of the state of
14 California at all times relevant to this action.

15 **II. JURISDICTION**

16 8. The predicate acts complained of herein did occur within the territorial boundaries of
17 this court, and the corpus of the complaint centers on state law questions. Thus, jurisdiction is proper in
18 this court.

19 **III. VENUE**

20 9. Venue of this action is proper in this County because one of the five residential real
21 properties that is the subject of this action is situated in Orange County and the Defendants’ acts
22 complained of occurred in California.

23 **IV. FACTUAL BACKGROUND**

24 **A. General**

25 10. Defendants, MTC and CHASE, acting as the trustee and the servicer for various
26 mortgages and mortgage-back securities, have filed countless foreclosure actions in state and federal
27 courts in California, including against the Plaintiffs, under false pretenses, alleging to be the owner or
28 the holder of the underlying notes and mortgages when in fact it is not, and without complying with

1 California law governing its activities. These filings represent a pattern of corrupt and illegal activity as
2 defined by California law through which the Defendants have charged thousands in fees, court costs,
3 and other expenses against the Plaintiffs.

4 11. Defendants are lacking possession of requisite legally enforceable, recorded
5 assignments, and Defendants are unable to verify and demonstrate the chain of ownership and
6 assignment of the mortgages from the actual mortgagee. Further, Defendants are lacking sufficient
7 evidence to support the claims of a default. Thus, Defendants' pattern and practice of filing foreclosure
8 actions in state and federal courts while clearly lacking the right to do so is a clear violation of
9 Plaintiffs' rights.

10 **B. Carol Curtis**

11 **a. Deed of Trust**

12 12. On April 17, 2007, Plaintiff signed a deed of trust (the "deed of trust") for the subject
13 property located at 1722 Mitchell Ave Apt 11 Tustin, CA 92780. (Exhibit 1.) According to the deed of
14 trust, Plaintiff was the "borrower," and Washington Mutual Bank was the "lender" and named the
15 "beneficiary," and California Reconveyance Company was the "trustee." (*Id.* at 2) The loan was an
16 adjustable rate mortgage in the amount of \$236,200.

17 13. Paragraph twenty-two of the deed of trust explains the procedures required for the lender
18 to accelerate Plaintiff's amount due under the loan and the lender's other remedies. This section states
19 that, in the event of Plaintiff's default, *the lender* must give Plaintiffs notice of Plaintiff's default and
20 the lender's intent to accelerate, *prior to acceleration.* (*Id.* at 13).

21 The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a
22 date, not less than 30 days from the date the notice is given to Borrower, by which the
23 default must be cured; and (d) that failure to cure the default on or before the date
24 specified in the notice may result in acceleration of the sums secured by this Security
25 Instrument and sale of the Property. *The notice shall further inform Borrower of the*
right to reinstate after acceleration and the right to bring a court action to assert the
non-existence of a default or any other defense of Borrower to acceleration and sale.
26 (emphasis added).

27 14. Only after such notice is given, does the deed of trust entitle the lender to accelerate
28 Plaintiff's amount due and invoke the lender's power of sale.

1 15. Paragraph fifteen of the deed of trust requires that, “[a]ll notices given by Borrower or
2 Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in
3 connection with this Security Instrument shall be deemed to have been given to Borrower when mailed
4 by first class mail or when actually delivered to Borrower’s notice address if sent by other means.” (*Id.*
5 at 10).

6 16. Additionally, paragraph twenty-four of the deed of trust allows the lender to appoint a
7 successor trustee only “by an instrument executed and acknowledged by Lender and recorded in the
8 office of the Recorder of the county in which the Property is located. The instrument shall contain the
9 name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument
10 is recorded and the name and address of the successor trustee.” (*Id.* at 13).

11 **b. Proceeding Events**

12 17. Plaintiff alleges that a loan contract and real property has been falsely encumbered by an
13 unlawful lien through the use of an alleged void assignment of Plaintiff’s deed of trust by both
14 Defendants.

15 18. Plaintiff alleges that Defendants are claiming to be agents, purchasers and assignees of a
16 fictitious payee of the subject debt obligation.

17 19. The Lawyers Title Company recorded a Notice of Default (“NOD”) which was signed
18 and executed by MTC Financial under the Deed of Trust on April 23, 2015.

19 20. The NOD indicated that JPMorgan Chase Bank, N.A. was the servicer of the loan. MTC
20 stated that, Plaintiff only has the “legal right to bring [the] account in good standing by paying all of
21 [the] past due payments plus permitted costs and expenses within the time permitted by law for
22 reinstatement of [the] account.”

23 21. Nowhere in MTC’s NOD did MTC state that Plaintiff had the right to bring a court
24 action to dispute the default as required by paragraph twenty-two of the deed of trust.

25 22. Plaintiff alleges that Defendants unlawfully, and with full knowledge and intent,
26 intentionally interfered with the subject contract promissory note and deed of trust for their own gain
27 and at the expense and detriment of Plaintiff. Plaintiff denies and refutes that Defendants are a valid
28 beneficiary or agent for beneficiary, a lawful assignee or entitled in any way under the contract deed of

1 trust and further alleges that both Defendants claim to be entitled in some way under the contract
2 without lawful or contractual authority.

3 23. Defendants both are experienced and sophisticated real estate professionals and
4 investors who have a duty of due diligence to investigate title issues prior to sale.

5 24. Plaintiff alleges that all Defendants worked together in a scheme to convert a personal
6 Instrument (Promissory Note) and subsequently real property to their own possession without lawful
7 authority.

8 25. A NOS was then signed by MTC Financial and recorded by the Lawyer's Title
9 Company.

10 26. Plaintiff alleges that any and all recorded instruments, including Notice of Default and
11 Notice of Trustee Sale are void because their purported authority flows from the void assignment
12 instruments as fully examined and alleged above.

13 27. Plaintiff's home was foreclosed upon, and the Deed Upon Sale, executed by MTC, was
14 recorded on October 26, 2015. Plaintiff brings the present claim disputing Defendants' rights to
15 Plaintiff's deed of trust and property.

16 28. Plaintiff alleges that a controversy exists as to whether or not all Defendants acquired
17 any rights to the loan contract. Defendants claim a beneficial or purchase interest in the contract and
18 real property at this time.

19 29. Plaintiff alleges that all Defendants willfully, negligently and with malice aforethought,
20 filed, negligently relied upon or caused to be filed, a series of public documents known by both
21 Defendants to be false at the time of the execution and filing of the instruments in the public record
22 against public policy and against Plaintiffs' contract and property interests.

23 30. Defendants claim an interest that is adverse to Plaintiff's by intentionally interfering
24 with a contract without such authority, and by failing to evidence, after notice by Plaintiff and request
25 for such evidence, any document executed by the true beneficiary of the debt obligation, which
26 authenticates Defendant's assertions that they are acting as bona fide agents and/or assignees for an
27 authenticated beneficiary to Plaintiff's debt obligation.

28 //

1 31. Plaintiff alleges that he has rights to disclosures under Cal. Civ. Code §§ 2924.17(a),
2 2924.17(b). Plaintiff alleges that Defendants MTC and CHASE, as purported agent for the beneficiary
3 and loan servicer, had a duty to provide Plaintiff: "... the mortgage servicer will ensure that the
4 document is accurate and complete and supported by competent and reliable evidence." 2924.17(a),
5 "the mortgage servicer shall ensure that it has reviewed competent and reliable evidence to substantiate
6 the borrowers default and the right to foreclose." 2924.17(b), "A beneficiary, or his or her authorized
7 agent, shall, within 21 days of the receipt of a written demand by an entitled person or his or her
8 authorized agent, prepare and deliver to the person demanding it a true, correct, and complete copy of
9 the note or other evidence of indebtedness with any modification thereto, and a beneficiary statement."
10 Civil Code § 2943(b)(1).

11 32. Plaintiff alleges that neither Defendant performed any of the above described duties.
12 Plaintiff alleges that because of Defendants' acts and omissions has been harmed and prejudiced.

13 33. As a direct and proximate result of Defendants acts and omissions, Plaintiff's loan
14 obligation has been accelerated by an unlawful means, forcing her to pay the entirety of his debt at one
15 time. Her credit has been damaged along with her ability to seek alternative financing. His loan
16 obligation has not been verified as to whom the payments are actually due and what exact amounts are
17 due, thus exposing her to duplicative payments. He is at immediate risk of losing possession to
18 Defendants due to an illegal and oppressive sale by Defendant's acts and omissions; the property is
19 encumbered by who have no lawful interest in the loan contract or real property. He has suffered
20 emotional damages due to constant worry about whether or not the wrong party is going to dispossess
21 her of her home. He cannot negotiate the contract with a party that has been authenticated as the lawful
22 beneficiary to the debt obligation; he has been subjected to a wrongful foreclosure sale at the direction
23 and execution of all Defendants named herein.

24 34. On January 28, 2016, an Assignment of Deed of Trust was requested by the FDIC,
25 which stated that made the decision to "grant, sell, assign, and transfer to all liens, and any other rights
26 due or become due thereon to JPMorgan Chase Bank, National Association." The assignment of rights
27 occurred after the home had already been foreclosed on. The lien was no longer in Plaintiff's name, and
28 there is no validity to an assignment that cites a Deed of Trust to a property that has been foreclosed on.

1 35. Plaintiff alleges that he is not seeking a “free house”, as will undoubtedly be claimed by
2 the Defendants in the typical foreclosure mill style that has plagued this, and all California courts, for
3 eight years now.

4 **C. Christopher Grieves**

5 **a. Deed of Trust**

6 36. On May 9, 2006, Plaintiff signed a deed of trust (the “deed of trust”) for the subject
7 property located at 2618 Estates Dr. Aptos, CA 95003. (Exhibit 2.) According to the deed of trust,
8 Plaintiff was the “borrower,” and Washington Mutual Bank was the “lender.” Washington Mutual
9 Bank (WaMu) is named the “beneficiary,” and California Reconveyance Company (CRC) was the
10 “trustee.” (*Id.* at 2) The loan was an adjustable rate mortgage in the amount of \$656,000.

11 37. Paragraph twenty-two of the deed of trust explains the procedures required for the lender
12 to accelerate Plaintiff’s amount due under the loan and the lender’s other remedies. This section states
13 that, in the event of Plaintiff’s default, *the lender* must give Plaintiffs notice of Plaintiff’s default and
14 the lender’s intent to accelerate, *prior to acceleration.* (*Id.* at 13).

15 The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date,
16 not less than 30 days from the date the notice is given to Borrower, by which the default must
17 be cured; and (d) that failure to cure the default on or before the date specified in the notice may
18 result in acceleration of the sums secured by this Security Instrument and sale of the Property.
19 *The notice shall further inform Borrower of the right to reinstate after acceleration and the*
20 *right to bring a court action to assert the non-existence of a default or any other defense of*
21 *Borrower to acceleration and sale.* (emphasis added).

22 38. Only after such notice is given, does the deed of trust entitle the lender to accelerate
23 Plaintiff’s amount due and invoke the lender’s power of sale.

24 39. Paragraph fifteen of the deed of trust requires that, “[a]ll notices given by Borrower or
25 Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in
26 connection with this Security Instrument shall be deemed to have been given to Borrower when mailed
27 by first class mail or when actually delivered to Borrower’s notice address if sent by other means.” (*Id.*
28 at 10).

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1 40. Additionally, paragraph twenty-four of the deed of trust allows the lender to appoint a
2 successor trustee only “by an instrument executed and acknowledged by Lender and recorded in the
3 office of the Recorder of the county in which the Property is located. The instrument shall contain the
4 name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument
5 is recorded and the name and address of the successor trustee.” (*Id.* at 13).

6 **b. Proceeding Events**

7 41. On June 16, 2011, an Assignment of Deed of Trust was requested by CRC, which stated
8 that JP Morgan Chase “grant[ed], assign[ed], transfer[ed] to U.S. Bank National Association... all
9 beneficial interest under that certain Deed of Trust dated 05-09-2006”

10 42. Plaintiff alleges that a loan contract and real property has been falsely encumbered by an
11 unlawful lien through the use of an alleged void assignment of Plaintiff’s deed of trust by both
12 Defendants.

13 43. Plaintiff alleges that Defendants are claiming to be agents, purchasers and assignees of a
14 fictitious payee of the subject debt obligation.

15 44. First American Title Insurance Company then recorded a Notice of Default (“NOD”)
16 and Election to Sell under the Deed of Trust on April 23, 2011.

17 45. The NOD, signed by MTC, indicated that U.S. Bank National Association was the
18 servicer of the loan. MTC stated that, Plaintiff only has the “legal right to bring [the] account in good
19 standing by paying all of [the] past due payments plus permitted costs and expenses within the time
20 permitted by law for reinstatement of [the] account.”

21 46. Nowhere in MTC’s NOD did MTC state that Plaintiff had the right to bring a court
22 action to dispute the default as required by paragraph twenty-two of the deed of trust.

23 47. Plaintiff alleges that Defendants unlawfully, and with full knowledge and intent,
24 intentionally interfered with the subject contract promissory note and deed of trust for their own gain
25 and at the expense and detriment of Plaintiff. Plaintiff denies and refutes that Defendants are a valid
26 beneficiary or agent for beneficiary, a lawful assignee or entitled in any way under the contract deed of
27 trust and further alleges that both Defendants claim to be entitled in some way under the contract
28 without lawful or contractual authority.

1 48. Defendants both are experienced and sophisticated real estate professionals and
2 investors who have a duty of due diligence to investigate title issues prior to sale.

3 49. Plaintiff alleges that all Defendants worked together in a scheme to convert a personal
4 Instrument (Promissory Note) and subsequently real property to their own possession without lawful
5 authority.

6 50. Plaintiff alleges that any and all recorded instruments, including Notice of Default and
7 Notice of Trustee Sale are void because their purported authority flows from the void assignment
8 instruments as fully examined and alleged above.

9 51. MTC executed and recorded two Notice of Sale. The first was recorded on July 30, 2015,
10 and the second was recorded on December 3, 2015.

11 52. Plaintiff's home was foreclosed upon, and the Deed Upon Sale, executed by MTC, was
12 recorded on January 20, 2016. Consequently, Plaintiff brings the present claim disputing Defendants'
13 rights to Plaintiff's deed of trust and property.

14 53. Plaintiff alleges that a controversy exists as to whether or not all Defendants acquired
15 any rights to the loan contract. Defendants claim a beneficial or purchase interest in the contract and
16 real property.

17 54. Plaintiff alleges that all Defendants willfully, negligently and with malice aforethought,
18 filed, negligently relied upon or caused to be filed, a series of public documents known by both
19 Defendants to be false at the time of the execution and filing of the instruments in the public record
20 against Public policy and against Plaintiffs' contract and property interests.

21 55. Defendants claim an interest that is adverse to Plaintiff's by intentionally interfering
22 with a contract without such authority, and by failing to evidence, after notice by Plaintiff and request
23 for such evidence, any document executed by the true beneficiary of the debt obligation, which
24 authenticates Defendant's assertions that they are acting as bona fide agents and/or assignees for an
25 authenticated beneficiary to Plaintiff's debt obligation.

26 56. Plaintiff alleges that he has rights to disclosures under Cal. Civ. Code §§ 2924.17(a),
27 2924.17(b). Plaintiff alleges that Defendants MTC and CHASE, as purported agent for the beneficiary
28 and loan servicer, had a duty to provide Plaintiff: "... the mortgage servicer will ensure that the

1 document is accurate and complete and supported by competent and reliable evidence.” 2924.17(a),
2 “the mortgage servicer shall ensure that it has reviewed competent and reliable evidence to substantiate
3 the borrowers default and the right to foreclose.” 2924.17(b), “A beneficiary, or his or her authorized
4 agent, shall, within 21 days of the receipt of a written demand by an entitled person or his or her
5 authorized agent, prepare and deliver to the person demanding it a true, correct, and complete copy of
6 the note or other evidence of indebtedness with any modification thereto, and a beneficiary statement.”
7 Civil Code § 2943(b)(1).

8 57. Plaintiff alleges that neither Defendant performed any of the above described duties.
9 Plaintiff alleges that because of Defendants' acts and omissions has been harmed and prejudiced.

10 58. As a direct and proximate result of Defendants acts and omissions, Plaintiff’s loan
11 obligation has been accelerated by an unlawful means, forcing her to pay the entirety of his debt at one
12 time. Her credit has been damaged along with her ability to seek alternative financing. His loan
13 obligation has not been verified as to whom the payments are actually due and what exact amounts are
14 due, thus exposing her to duplicative payments. He is at immediate risk of losing possession to
15 Defendants due to an illegal and oppressive sale by Defendant’s acts and omissions; the property is
16 encumbered by who have no lawful interest in the loan contract or real property. He has suffered
17 emotional damages due to constant worry about whether or not the wrong party is going to dispossess
18 her of her home. He cannot negotiate the contract with a party that has been authenticated as the lawful
19 beneficiary to the debt obligation; he has been subjected to a wrongful foreclosure sale at the direction
20 and execution of all Defendants named herein.

21 59. Plaintiff alleges that he is not seeking a “free house”, as will undoubtedly be claimed by
22 the Defendants in the typical foreclosure mill style that has plagued this, and all California courts, for
23 eight years now.

24 **D. Gumersindo and Rosa Ana Castaneda**

25 **a. Deed of Trust**

26 60. On July 17, 2007, Plaintiff signed a deed of trust (the “deed of trust”) for the subject
27 property located at 22621 Susana Avenue Torrance, CA 90505. (Exhibit 3.) According to the deed of
28 trust, Plaintiff was the “borrower,” and First Magnus Financial Corporation was the “lender.” MERS is

1 named the “beneficiary,” and First American Title was the “trustee.” (*Id.* at 2). The loan was an
2 adjustable rate mortgage in the amount of \$521,600.

3 61. Paragraph twenty-two of the deed of trust explains the procedures required for the lender
4 to accelerate Plaintiff’s amount due under the loan and the lender’s other remedies. This section states
5 that, in the event of Plaintiff’s default, *the lender* must give Plaintiffs notice of Plaintiff’s default and
6 the lender’s intent to accelerate, *prior to* acceleration. (*Id.* at 13).

7 The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a
8 date, not less than 30 days from the date the notice is given to Borrower, by which the
9 default must be cured; and (d) that failure to cure the default on or before the date
10 specified in the notice may result in acceleration of the sums secured by this Security
11 Instrument and sale of the Property. *The notice shall further inform Borrower of the*
12 *right to reinstate after acceleration and the right to bring a court action to assert the*
13 *non-existence of a default or any other defense of Borrower to acceleration and sale.*
14 (emphasis added).

15 62. Only after such notice is given, does the deed of trust entitle the lender to accelerate
16 Plaintiff’s amount due and invoke the lender’s power of sale.

17 63. Paragraph fifteen of the deed of trust requires that, “[a]ll notices given by Borrower or
18 Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in
19 connection with this Security Instrument shall be deemed to have been given to Borrower when mailed
20 by first class mail or when actually delivered to Borrower’s notice address if sent by other means.” (*Id.*
21 at 10).

22 64. Additionally, paragraph twenty-four of the deed of trust allows the lender to appoint a
23 successor trustee only “by an instrument executed and acknowledged by Lender and recorded in the
24 office of the Recorder of the county in which the Property is located. The instrument shall contain the
25 name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument
26 is recorded and the name and address of the successor trustee.” (*Id.* at 13).

27 **b. Proceeding Events**

28 65. On March 9, 2011, an Assignment of Deed of Trust was requested by CRC, which stated
that MERS made the decision to “grant, sell, assign, and transfer to JPMorgan Chase Bank, National
Association all beneficial interest under that certain Deed of Trust dated 7-16-2007.”

1 66. Plaintiff alleges that a loan contract and real property has been falsely encumbered by an
2 unlawful lien through the use of an alleged void assignment of Plaintiff's deed of trust by both
3 Defendants.

4 67. Plaintiff alleges that Defendants are claiming to be agents, purchasers and assignees of a
5 fictitious payee of the subject debt obligation.

6 68. CRC recorded a Notice of Default ("NOD") under the Deed of Trust on March 9, 2011.

7 69. CRC's NOD indicated that JPMorgan Chase Bank, N.A. was the servicer of the loan.
8 CRC stated that, Plaintiff only has the "legal right to bring [the] account in good standing by paying all
9 of [the] past due payments plus permitted costs and expenses within the time permitted by law for
10 reinstatement of [the] account."

11 70. Nowhere in CRC's NOD did CRC state that Plaintiff had the right to bring a court action
12 to dispute the default as required by paragraph twenty-two of the deed of trust.

13 71. Plaintiff alleges that Defendants unlawfully, and with full knowledge and intent,
14 intentionally interfered with the subject contract promissory note and deed of trust for their own gain
15 and at the expense and detriment of Plaintiff. Plaintiff denies and refutes that Defendants are a valid
16 beneficiary or agent for beneficiary, a lawful assignee or entitled in any way under the contract deed of
17 trust and further alleges that both Defendants claim to be entitled in some way under the contract
18 without lawful or contractual authority.

19 72. Defendants both are experienced and sophisticated real estate professionals and
20 investors who have a duty of due diligence to investigate title issues prior to sale.

21 73. Plaintiff alleges that all Defendants worked together in a scheme to convert a personal
22 Instrument (Promissory Note) and subsequently real property to their own possession without lawful
23 authority.

24 74. In the course of 4 months, three additional assignments were recorded. The first
25 assignment transferred the Deed from MERS to Chase. The second assignment transferred the Deed
26 from Chase to U.S. Bank Trust, and the final assignment transferred the Deed from U.S. Bank to
27 Chase.

28 //

1 75. Plaintiffs allege that any and all recorded instruments, including Notice of Default and
2 Notice of Trustee Sale are void because their purported authority flows from the void assignment
3 instruments as fully examined and alleged above.

4 76. Plaintiff's home was foreclosed upon, and the Deed Upon Sale, executed by MTC, was
5 recorded on December 18, 2015. Plaintiffs bring the present claim disputing Defendants' rights to
6 Plaintiff's deed of trust and property.

7 77. Plaintiffs allege that a controversy exists as to whether or not all Defendants acquired
8 any rights to the loan contract. Defendants claim a beneficial or purchase interest in the contract and
9 real property at this time.

10 78. Plaintiffs allege that all Defendants willfully, negligently and with malice aforethought,
11 filed, negligently relied upon or caused to be filed, a series of public documents known by both
12 Defendants to be false at the time of the execution and filing of the instruments in the public record
13 against Public policy and against Plaintiffs' contract and property interests.

14 79. Defendants claim an interest that is adverse to Plaintiff's by intentionally interfering
15 with a contract without such authority, and by failing to evidence, after notice by Plaintiffs and request
16 for such evidence, any document executed by the true beneficiary of the debt obligation, which
17 authenticates Defendant's assertions that they are acting as bona fide agents and/or assignees for an
18 authenticated beneficiary to Plaintiff's debt obligation.

19 80. Plaintiffs allege that they have rights to disclosures under Cal. Civ. Code §§ 2924.17(a),
20 2924.17(b). Plaintiffs allege that Defendants MTC and CHASE, as purported agent for the beneficiary
21 and loan servicer, had a duty to provide Plaintiffs: "... the mortgage servicer will ensure that the
22 document is accurate and complete and supported by competent and reliable evidence." 2924.17(a),
23 "the mortgage servicer shall ensure that it has reviewed competent and reliable evidence to substantiate
24 the borrowers default and the right to foreclose." 2924.17(b), "A beneficiary, or his or her authorized
25 agent, shall, within 21 days of the receipt of a written demand by an entitled person or his or her
26 authorized agent, prepare and deliver to the person demanding it a true, correct, and complete copy of
27 the note or other evidence of indebtedness with any modification thereto, and a beneficiary statement."
28 Civil Code § 2943(b)(1).

1 81. Plaintiffs allege that neither Defendant performed any of the above described duties.
2 Plaintiffs allege that because of Defendants' acts and omissions has been harmed and prejudiced.

3 82. As a direct and proximate result of Defendants acts and omissions, Plaintiff's loan
4 obligation has been accelerated by an unlawful means, forcing her to pay the entirety of his debt at one
5 time. Their credit has been damaged along with their ability to seek alternative financing. His loan
6 obligation has not been verified as to whom the payments are actually due and what exact amounts are
7 due, thus exposing her to duplicative payments. He is at immediate risk of losing possession to
8 Defendants due to an illegal and oppressive sale by Defendant's acts and omissions; the property is
9 encumbered by who have no lawful interest in the loan contract or real property. They have suffered
10 emotional damages due to constant worry about whether or not the wrong party is going to dispossess
11 her of her home. They cannot negotiate the contract with a party that has been authenticated as the
12 lawful beneficiary to the debt obligation; he has been subjected to a wrongful foreclosure sale at the
13 direction and execution of all Defendants named herein.

14 83. Plaintiffs allege that he is not seeking a "free house", as will undoubtedly be claimed by
15 the Defendants in the typical foreclosure mill style that has plagued this, and all California courts, for
16 eight years now.

17 **E. Irma and Pedro Castillo**

18 **a. Deed of Trust**

19 84. On September 25, 2006, Plaintiffs signed a deed of trust (the "deed of trust") for the
20 subject property located at 6587 Hunstman St. Riverside, CA 92509. (Exhibit 4.) According to the
21 deed of trust, Plaintiffs were the "borrower," and Washington Mutual Bank was the "lender" and the
22 "beneficiary," and California Reconveyance Company was the "trustee." (*Id.* at 2)

23 85. Paragraph twenty-two of the deed of trust explains the procedures required for the lender
24 to accelerate Plaintiffs' amount due under the loan and the lender's other remedies. This section states
25 that, in the event of Plaintiffs' default, *the lender* must give Plaintiffs notice of Plaintiffs' default and
26 the lender's intent to accelerate, *prior to* acceleration. (*Id.* at 13)

27 The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a
28 date, not less than 30 days from the date the notice is given to Borrower, by which the

1 default must be cured; and (d) that failure to cure the default on or before the date
2 specified in the notice may result in acceleration of the sums secured by this Security
3 Instrument and sale of the Property. *The notice shall further inform Borrower of the*
4 *right to reinstate after acceleration and the right to bring a court action to assert the*
non-existence of a default or any other defense of Borrower to acceleration and sale.
(emphasis added).

5 86. Only after such notice is given, does the deed of trust entitle the lender to accelerate
6 Plaintiffs' amount due and invoke the lender's power of sale.

7 87. Paragraph fifteen of the deed of trust requires that, "[a]ll notices given by Borrower or
8 Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in
9 connection with this Security Instrument shall be deemed to have been given to Borrower when mailed
10 by first class mail or when actually delivered to Borrower's notice address if sent by other means." (*Id.*
11 at 10).

12 88. Additionally, paragraph twenty-four of the deed of trust allows the lender to appoint a
13 successor trustee only "by an instrument executed and acknowledged by Lender and recorded in the
14 office of the Recorder of the county in which the Property is located. The instrument shall contain the
15 name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument
16 is recorded and the name and address of the successor trustee." (*Id.* at 13).

17 **b. Proceeding Events**

18 89. On September 28, 2004, an Assignment of Deed of Trust was requested by Argent
19 Mortgage Company. Argent Mortgage Company made the decision to "grant, sell, assign, and transfer
20 to Ameriquest Mortgage Company... all beneficial interest under that certain Deed of Trust dated 9-23-
21 2004."

22 90. Plaintiffs allege that a loan contract and real property has been falsely encumbered by an
23 unlawful lien through the use of an alleged void assignment of Plaintiff's deed of trust by both
24 Defendants.

25 91. Plaintiffs allege that Defendants are claiming to be agents, purchasers and assignees of a
26 fictitious payee of the subject debt obligation.

27 //

1 92. Pacific Coast Title recorded a Notice of Default (“NOD”) signed and executed by MTC
2 under the Deed of Trust on May 22, 2015.

3 93. The NOD indicated that JPMorgan Chase Bank, N.A. was the servicer of the loan. MTC
4 stated that, Plaintiffs only have the “legal right to bring [the] account in good standing by paying all of
5 [the] past due payments plus permitted costs and expenses within the time permitted by law for
6 reinstatement of [the] account.”

7 94. Nowhere in MTC’s NOD did MTC state that Plaintiffs had the right to bring a court
8 action to dispute the default as required by paragraph twenty-two of the deed of trust.

9 95. Plaintiffs allege that Defendants unlawfully, and with full knowledge and intent,
10 intentionally interfered with the subject contract promissory note and deed of trust for their own gain
11 and at the expense and detriment of Plaintiffs. Plaintiffs deny and refute that Defendants are a valid
12 beneficiary or agent for beneficiary, a lawful assignee or entitled in any way under the contract deed of
13 trust and further alleges that both Defendants claim to be entitled in some way under the contract
14 without lawful or contractual authority.

15 96. Defendants both are experienced and sophisticated real estate professionals and
16 investors who have a duty of due diligence to investigate title issues prior to sale.

17 97. Plaintiffs allege that all Defendants worked together in a scheme to convert a personal
18 Instrument (Promissory Note) and subsequently real property to their own possession without lawful
19 authority.

20 98. Plaintiffs allege that any and all recorded instruments, including Notice of Default and
21 Notice of Trustee Sale are void because their purported authority flows from the void assignment
22 instruments as fully examined and alleged above.

23 99. Plaintiffs’ home was foreclosed upon, and the Deed Upon Sale, executed by MTC, was
24 recorded on November 17, 2015. Plaintiffs bring the present claim disputing Defendants’ rights to
25 Plaintiff’s deed of trust and property.

26 100. Plaintiffs allege that a controversy exists as to whether or not all Defendants acquired
27 any rights to the loan contract. Defendants claim a beneficial or purchase interest in the contract and
28 real property at this time.

1 101. Plaintiffs allege that all Defendants willfully, negligently and with malice aforethought,
2 filed, negligently relied upon or caused to be filed, a series of public documents known by both
3 Defendants to be false at the time of the execution and filing of the instruments in the public record
4 against public policy and against Plaintiffs' contract and property interests.

5 102. Defendants claim an interest that is adverse to Plaintiffs' by intentionally interfering
6 with a contract without such authority, and by failing to evidence, after notice by Plaintiffs and request
7 for such evidence, any document executed by the true beneficiary of the debt obligation, which
8 authenticates Defendant's assertions that they are acting as bona fide agents and/or assignees for an
9 authenticated beneficiary to Plaintiffs' debt obligation.

10 103. Plaintiffs allege that he has rights to disclosures under Cal. Civ. Code §§ 2924.17(a),
11 2924.17(b). Plaintiffs allege that Defendants MTC and CHASE, as purported agent for the beneficiary
12 and loan servicer, had a duty to provide Plaintiffs: "... the mortgage servicer will ensure that the
13 document is accurate and complete and supported by competent and reliable evidence." 2924.17(a),
14 "the mortgage servicer shall ensure that it has reviewed competent and reliable evidence to substantiate
15 the borrowers default and the right to foreclose." 2924.17(b), "A beneficiary, or his or her authorized
16 agent, shall, within 21 days of the receipt of a written demand by an entitled person or his or her
17 authorized agent, prepare and deliver to the person demanding it a true, correct, and complete copy of
18 the note or other evidence of indebtedness with any modification thereto, and a beneficiary statement."
19 Civil Code § 2943(b)(1).

20 104. Plaintiffs allege that neither Defendant performed any of the above described duties.
21 Plaintiff alleges that because of Defendants' acts and omissions has been harmed and prejudiced.

22 105. As a direct and proximate result of Defendants acts and omissions, Plaintiffs' loan
23 obligation has been accelerated by an unlawful means, forcing her to pay the entirety of his debt at one
24 time. Her credit has been damaged along with her ability to seek alternative financing. Her loan
25 obligation has not been verified as to whom the payments are actually due and what exact amounts are
26 due, thus exposing her to duplicative payments. She is at immediate risk of losing possession to
27 Defendants due to an illegal and oppressive sale by Defendant's acts and omissions; the property is
28 encumbered by who have no lawful interest in the loan contract or real property. She has suffered

1 emotional damages due to constant worry about whether or not the wrong party is going to dispossess
2 her of her home. She cannot negotiate the contract with a party that has been authenticated as the lawful
3 beneficiary to the debt obligation; he has been subjected to a wrongful foreclosure sale at the direction
4 and execution of all Defendants named herein.

5 106. Plaintiffs allege that they are not seeking a “free house”, as will undoubtedly be claimed
6 by the Defendants in the typical foreclosure mill style that has plagued this, and all California courts,
7 for eight years now.

8 **F. John and Diana Lafleur**

9 **a. Deed of Trust**

10 107. On December 24, 2007, Plaintiffs signed a deed of trust (the “deed of trust”) for the
11 subject property located at 15120 Alicante Rd La Mirada, CA 90638. (Exhibit 5.) According to the
12 deed of trust, Plaintiffs were the “borrower,” and GreenPoint Mortgage Funding, Inc. was the “lender.”
13 MERS is named the “beneficiary,” and Marin Conveyancing Corporation was the “trustee.” (*Id.* at 2)

14 108. Paragraph twenty-two of the deed of trust explains the procedures required for the lender
15 to accelerate Plaintiffs’ amount due under the loan and the lender’s other remedies. This section states
16 that, in the event of Plaintiffs’ default, *the lender* must give Plaintiffs notice of Plaintiff’s default and
17 the lender’s intent to accelerate, *prior to acceleration.* (*Id.* at 13).

18 The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a
19 date, not less than 30 days from the date the notice is given to Borrower, by which the
20 default must be cured; and (d) that failure to cure the default on or before the date
21 specified in the notice may result in acceleration of the sums secured by this Security
22 Instrument and sale of the Property. *The notice shall further inform Borrower of the*
23 *right to reinstate after acceleration and the right to bring a court action to assert the*
non-existence of a default or any other defense of Borrower to acceleration and sale.
(emphasis added).

24 109. Only after such notice is given, does the deed of trust entitle the lender to accelerate
25 Plaintiffs’ amount due and invoke the lender’s power of sale.

26 110. Paragraph fifteen of the deed of trust requires that, “[a]ll notices given by Borrower or
27 Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in
28 connection with this Security Instrument shall be deemed to have been given to Borrower when mailed

1 by first class mail or when actually delivered to Borrower's notice address if sent by other means." (*Id.*
2 at 10).

3 111. Additionally, paragraph twenty-four of the deed of trust allows the lender to appoint a
4 successor trustee only "by an instrument executed and acknowledged by Lender and recorded in the
5 office of the Recorder of the county in which the Property is located. The instrument shall contain the
6 name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument
7 is recorded and the name and address of the successor trustee." (*Id.* at 13).

8 **b. Proceeding Events**

9 112. On October 1, 2013, an Assignment of Deed of Trust was requested by Nationwide Title
10 Clearing, which stated that MERS made the decision to "grant, assign, transfer... all rights, title, and
11 interest secured thereby, all liens, and any rights due or become due thereon to Wells Fargo."

12 113. Plaintiffs allege that a loan contract and real property has been falsely encumbered by an
13 unlawful lien through the use of an alleged void assignment of Plaintiffs' deed of trust by both
14 Defendants.

15 114. Plaintiffs allege that Defendants are claiming to be agents, purchasers and assignees of a
16 fictitious payee of the subject debt obligation.

17 115. ALAW recorded a Notice of Default ("NOD") signed and executed by ALAW under the
18 Deed of Trust on March 5, 2015.

19 116. ALAW's NOD indicated that JPMorgan Chase Bank, N.A. was the servicer of the loan.
20 ALAW stated that, Plaintiffs only have the "legal right to bring [the] account in good standing by
21 paying all of [the] past due payments plus permitted costs and expenses within the time permitted by
22 law for reinstatement of [the] account."

23 117. Nowhere in ALAW's NOD did ALAW state that Plaintiffs had the right to bring a court
24 action to dispute the default as required by paragraph twenty-two of the deed of trust.

25 118. Plaintiffs allege that Defendants unlawfully, and with full knowledge and intent,
26 intentionally interfered with the subject contract promissory note and deed of trust for their own gain
27 and at the expense and detriment of Plaintiffs. Plaintiffs deny and refutes that Defendants are a valid
28 beneficiary or agent for beneficiary, a lawful assignee or entitled in any way under the contract deed of

1 trust and further alleges that both Defendants claim to be entitled in some way under the contract
2 without lawful or contractual authority.

3 119. Defendants both are experienced and sophisticated real estate professionals and
4 investors who have a duty of due diligence to investigate title issues prior to sale.

5 120. Plaintiffs allege that all Defendants worked together in a scheme to convert a personal
6 Instrument (Promissory Note) and subsequently real property to their own possession without lawful
7 authority.

8 121. On June 13, 2014, ALAW signed and recorded a Notice of Sale.

9 122. Subsequently, the Trustee was substituted from ALAW to MTC. The Plaintiffs never
10 received a notice of this substitution of Trustee. MTC then began sending documents to Plaintiffs, as if
11 they were the valid Trustee.

12 123. On April 10, 2015, MTC signed and executed a Notice of Sale on Plaintiff's property.

13 124. Plaintiffs allege that any and all recorded instruments, including Notice of Default and
14 Notice of Trustee Sale are void because their purported authority flows from the void assignment
15 instruments as fully examined and alleged above.

16 125. Plaintiffs' home was foreclosed upon, and the Deed Upon Sale, executed by MTC, was
17 recorded on March 22, 2015. Plaintiff brings the present claim disputing Defendants' rights to
18 Plaintiff's deed of trust and property.

19 126. Plaintiff alleges that a controversy exists as to whether or not all Defendants acquired
20 any rights to the loan contract. Defendants claim a beneficial or purchase interest in the contract and
21 real property at this time.

22 127. Plaintiffs allege that all Defendants willfully, negligently and with malice aforethought,
23 filed, negligently relied upon or caused to be filed, a series of public documents known by both
24 Defendants to be false at the time of the execution and filing of the instruments in the public record
25 against public policy and against Plaintiffs' contract and property interests.

26 128. Defendants claim an interest that is adverse to Plaintiffs' by intentionally interfering
27 with a contract without such authority, and by failing to evidence, after notice by Plaintiffs and request
28 for such evidence, any document executed by the true beneficiary of the debt obligation, which

1 authenticates Defendant's assertions that they are acting as bona fide agents and/or assignees for an
2 authenticated beneficiary to Plaintiffs' debt obligation.

3 129. Plaintiffs allege that he has rights to disclosures under Cal. Civ. Code §§ 2924.17(a),
4 2924.17(b). Plaintiffs allege that Defendants MTC and CHASE, as purported agent for the beneficiary
5 and loan servicer, had a duty to provide Plaintiff: "... the mortgage servicer will ensure that the
6 document is accurate and complete and supported by competent and reliable evidence." 2924.17(a),
7 "the mortgage servicer shall ensure that it has reviewed competent and reliable evidence to substantiate
8 the borrowers default and the right to foreclose." 2924.17(b), "A beneficiary, or his or her authorized
9 agent, shall, within 21 days of the receipt of a written demand by an entitled person or his or her
10 authorized agent, prepare and deliver to the person demanding it a true, correct, and complete copy of
11 the note or other evidence of indebtedness with any modification thereto, and a beneficiary statement."
12 Civil Code § 2943(b)(1).

13 130. Plaintiffs allege that neither Defendant performed any of the above described duties.
14 Plaintiffs allege that because of Defendants' acts and omissions has been harmed and prejudiced.

15 131. As a direct and proximate result of Defendants acts and omissions, Plaintiffs' loan
16 obligation has been accelerated by an unlawful means, forcing them to pay the entirety of his debt at
17 one time. Their credit has been damaged along with her ability to seek alternative financing. Their loan
18 obligation has not been verified as to whom the payments are actually due and what exact amounts are
19 due, thus exposing them to duplicative payments. They have already lost possession of their property to
20 Defendants due to an illegal and oppressive sale by Defendants' acts and omissions; the property is
21 encumbered by who have no lawful interest in the loan contract or real property. They have suffered
22 emotional damages due to constant worry about whether or not the wrong party is going to dispossess
23 them of their home. They cannot negotiate the contract with a party that has been authenticated as the
24 lawful beneficiary to the debt obligation; he has been subjected to a wrongful foreclosure sale at the
25 direction and execution of all Defendants named herein.

26 Plaintiff alleges that he is not seeking a "free house", as will undoubtedly be claimed by the Defendants
27 in the typical foreclosure mill style that has plagued this, and all California courts, for eight years now.

28 //

1 **V. CAUSES OF ACTION**

2 **FIRST CAUSE OF ACTION**
3 **INTENTIONAL MISREPRESENTATION**
4 (Against All Defendants)

5 132. Plaintiffs incorporate all preceding paragraphs of the Complaint and the paragraphs of
6 the subsequent causes of action as though fully set forth herein.

7 133. Defendants, their principals, agents, and/or employees, and each of them acted to
8 deceive Plaintiffs in the manner and by the misrepresentations and statements identified and set forth
9 herein.

10 134. Plaintiffs are informed and believe, and based thereon allege, that Defendants 1) made
11 representations of facts as true, 2) the representations were not true, 3) Defendants knew the
12 statements were false, or made recklessly without regard for their truth, 4) with the intent that
13 Plaintiffs rely on these representations, 5) that Plaintiffs were ignorant of the falsity of the
14 Defendants' representations and reasonably relied on the representations, 6) Plaintiffs were
15 harmed, and 7) Plaintiffs' reliance on Defendants' representations was a substantial factor, if not a
16 "but for" cause, in causing Plaintiffs' harm.

17 135. Defendants made numerous misrepresentations orally, verbally, written, and/or by their
18 nonverbal conduct, including but not limited to publicly recorded documents, written and oral
19 communications to Plaintiffs, website postings, and other affirmative actions taken by Defendants.

20 136. Defendants' statements were not mere opinions under the conditions and should be
21 treated as a statement of fact. A statement will be considered a statement of fact when (1) the Defendant
22 held himself out to be specifically qualified and the Plaintiffs were in a position to reasonably rely upon
23 the Defendant's knowledge; (2) the Defendants who made the statements were typically in fiduciary
24 and/or trusted positions; and (3) depending on the circumstance, Defendants either made the statements
25 as an existing fact or implied the facts in such a manner that justified a belief in the truth of the opinion.

26 137. Plaintiffs are informed and believe, and based thereon allege, that Defendants made
27 numerous misrepresentations as alleged herein.

28 138. Plaintiffs specifically allege that Defendants represented they were indeed valid
servicers and/or trustees with valid authority to foreclose.

1 139. Plaintiffs are informed and believe, and based thereon allege, Defendants represented
2 they had valid authority to foreclose based on information and instructions from the beneficiary.
3 However, despite numerous requests for the beneficiary statements, Defendants have refused to provide
4 the requested information. Instead, if and when information is provided, the information is from the
5 servicer and/or trustee records, not the beneficiary.

6 140. Defendants represented they are the holders of the notes and deeds of trust and that they
7 were operating under a valid power from the current holders of the notes and deeds of trust and
8 therefore had the right to proceed with the foregoing foreclosures.

9 141. Plaintiffs are informed and believe, and based thereon allege, Defendants knew these
10 representations to be false, or made the representations without regard for their truth.

11 142. Defendants knew these representations were false as they knew they were no longer the
12 note holders and/or made the representations recklessly without regard to the truth because they do not
13 know who actually owns the notes and deeds and do not know who holds or held the valid power to
14 foreclose on Plaintiffs. Defendants represented that they were the owners despite recording assignments
15 and transfers in public records that were to the contrary, inaccurate, and/or incomplete.

16 143. Plaintiffs based thereon allege Defendants do not have the information and/or
17 instructions from the current beneficiary and/or did not have the information, documentation, or
18 otherwise at the time they represented to be the valid trustees and/or servicers with authority to
19 foreclose.

20 144. Plaintiffs, based on the information herein, allege that Defendants did not have the
21 information, instructions, documentations, or otherwise from the actual beneficiary at the time
22 Defendants filed publicly recorded documents, including the Notice of Trustee Sale.

23 145. Plaintiffs allege that Defendants, without this information, filed false, misleading, and/or
24 inaccurate public documents in violation of California law.

25 146. Plaintiffs are informed and believe, and based thereon allege Defendants, each
26 individually and/or collectively, cannot determine the actual beneficiary, both presently and/or at the
27 time of the public filings referenced herein.

28 //

1 147. Plaintiffs are informed and believe, and based thereon allege, Defendants knowingly
2 relied on information they knew was false to file publicly recorded documents and/or filed the
3 documents recklessly without regard to the truth or willfully acted blindly in filing the documents.
4 Defendants did not act reasonably in determining the validity of the information they relied on to file
5 the publicly recorded documents.

6 148. Defendants made the misrepresentations with the intent of inducing Plaintiffs to rely
7 upon the misrepresentations alleged herein.

8 149. Defendants intended for Plaintiffs and the general public to rely upon any and all
9 instruments by placing it into the records of the respective County's Recorder's Office.

10 150. Defendants intended for Plaintiffs and the general public to rely upon the false
11 utterances in the public record for all person to rely.

12 151. Plaintiffs reasonably relied upon those statements as true and had cause to rely on those
13 statements by virtue of the sanctity of public records and the presumption that no party would
14 knowingly make and publish such false representations intentionally.

15 152. Plaintiffs reasonably relied on Defendants' statements, oral, written, conduct, or
16 otherwise, in regards to Defendants' authority, status, and relationship or partnership as to the other
17 Defendants and Plaintiff as referenced herein.

18 153. Plaintiffs were harmed by the misrepresentations made by Defendants.

19 154. Plaintiffs made substantial monthly payments to a party who had no authority to accept
20 those payments on behalf of a *bona fide* beneficiary to her loan contract.

21 155. Plaintiffs allege that the supposed beneficiary has received payments, whether from the
22 Plaintiffs themselves or another entity. Plaintiffs were harmed by Defendants' false utterances by
23 enduring the unlawful acceleration of their debt and by a party not authorized under her contract
24 publishing false statements leading Plaintiffs to an unlawful invocation of California's non-judicial
25 foreclosure statute.

26 156. Plaintiffs were wrongfully foreclosed upon based on Defendants' misrepresentations.

27 157. Plaintiffs' reliance on Defendants' representation was a substantial factor in causing
28 their harm.

1 158. As a result of such intentional misrepresentations Plaintiffs were damaged as described
2 herein. Without limiting the damages as described herein, Plaintiffs' damages arose directly from the
3 misrepresentations, or at the very least, the misrepresentations were a substantial factor in causing the
4 damages alleged herein, including but not limited to the loss of equity in their house, loan payments
5 falsely represented to be much lower than what they truly were, growth in their loan balances which
6 Defendants represented would not occur, costs and expenses related to protecting themselves, reduced
7 credit scores, unavailability of credit, increased costs of credit, reduced availability of goods and
8 services tied to credit ratings, increased costs of those services, as well as fees and costs, including,
9 without limitation, attorneys' fees and costs.

10 159. Defendants' intentional, wide-scale, fraudulent conduct merits the imposition of punitive
11 damages.

12 **SECOND CAUSE OF ACTION**
13 **NEGLIGENT MISREPRESENTATION**
14 **(Against All Defendants)**

15 160. Plaintiffs incorporate all preceding paragraphs of the Complaint and the paragraphs of
16 the subsequent causes of action as though fully set forth herein.

17 161. Plaintiffs again allege, that Defendants made representations of facts as true there were
18 not true, and now states that although Defendants may have honestly believed the representation
19 was true, Defendants had not reasonable grounds for believing the representation was true when
20 the representations were made. Plaintiffs allege Defendants made the representations with the
21 intent that Plaintiffs rely on these representations, that Plaintiffs were ignorant of the falsity of the
22 Defendants' representations and reasonably relied on the representations, Plaintiffs were harmed,
23 and Plaintiffs' reliance on Defendants' representations was a substantial factor in causing
24 Plaintiffs' harm.

25 162. Plaintiffs are informed and believe, and based thereon allege Defendants made
26 representations described herein, and more fully set forth in First Cause of Action, without exercising
27 reasonable care.

28 163. Defendants are required to exercise reasonable care when filing publicly recorded
documents and knowing the information utilized to file the documents.

1 164. Defendants, and each of them, have an independent duty to exercise reasonable care and
2 may not eliminate this duty by relying upon others.

3 165. Defendants had a duty of care to know and understand the laws regarding transfers of
4 interests in real property as sophisticated professionals.

5 166. Defendants then made, or negligently relied upon, false statements that are admitted
6 (also by silence where Defendants had a duty to speak) as being false and executed by persons without
7 personal, first-hand knowledge of the facts contained within the instruments at issue here or by failing
8 to record necessary instruments.

9 167. Defendants are responsible for knowing the false representations contained in
10 communications, oral and written, publicly recorded instruments, and otherwise, known to be false by
11 Defendants, which led to the unlawful acceleration of debt instrument securing Plaintiffs' real property,
12 and inevitably willfully oppressive sale of Plaintiffs' real property by use of known and intentionally
13 false and omitted information contained within those recorded instruments.

14 168. Defendants knowingly and with willful intent prepared, negligently relied upon,
15 executed and published the instruments without lawful authority.

16 169. Defendants intended for Plaintiffs and the general public to rely on the recorded
17 instruments and notices filed, relied upon and executed by Defendants.

18 170. Plaintiffs did in fact rely on the representations, and did so in a reasonable manner.

19 171. Plaintiffs were harmed by the unauthorized acceleration of the debt and loss of their real
20 property interest. Defendants all were unjustly enriched by previously accepting payments from
21 Plaintiffs. Defendants were unjustly enriched by garnering profits, real property and fees from Plaintiffs
22 to their detriment. Plaintiffs have suffered legal costs incurred due to Defendants' acts and omissions,
23 loss of wages from personal time spent defending her real property under her contractual duties and
24 emotional distress and humiliation.

25 172. Plaintiffs' justifiable reliance on Defendants' predicate acts or material representations
26 and omissions was a substantial factor in causing the harms herein. Public records are considered as
27 sacred and Defendants, as the authors, or in negligent reliance upon the instruments at issue, bear the
28 burden of proof over real property records sanctity.

1 173. Defendants' actions were a substantial factor, if not the direct cause, of the harms
2 alleged and suffered herein as a result of Plaintiffs' reliance.

3 **THIRD CAUSE OF ACTION**
4 **VIOLATION OF CALIFORNIA HOMEOWNER BILL OF RIGHTS**
5 **CALIFORNIA CIVIL CODE §2924.17**
6 **(Against All Defendants)**

7 174. Plaintiffs incorporate all preceding paragraphs of the Complaint and the paragraphs of
8 the subsequent causes of action as though fully set forth herein.

9 175. Section 2924.17(a) imposes a duty on all mortgage servicers and those acting on their
10 behalf to ensure that all documents, including a notice of default, notice of sale, assignment of the deed
11 of trust, or substitution of trustee, filed in connection with a foreclosure subject to the requirements of
12 section 2924 "shall be accurate and complete and supported by competent and reliable evidence."

13 176. As such, Defendants MTC and CHASE each had an independent duty to ensure that all
14 of the documents referenced herein and filed on their behalf were "accurate and complete and
15 supported by competent and reliable evidence."

16 177. Plaintiffs are informed and believe, and thereon allege Defendant MTC and CHASE,
17 their principals, agents, and/or employees, and each of them willfully or negligently violated California
18 Civil Code section 2924.17 in each and every document they publicly recorded herein by filing publicly
19 recorded instruments related to a foreclosure proceeding without being "accurate and complete and
20 supported by competent and reliable evidence."

21 178. Plaintiffs are informed and believe, and thereon allege Defendants breached this duty in
22 each and every document publicly recorded herein and subject to section 2924.17.

23 179. Plaintiffs bring this action pursuant to Cal. Civ. Code section 2924.12(a)-(b) to enjoin
24 material violations under section 2924.17.

25 180. Plaintiffs are informed and believe, and thereon allege Defendants has filed inaccurate
26 and/or incomplete documents, with falsities and alleges the documents are void as forgeries.

27 181. Plaintiffs are informed and believe, and thereon allege the documents filed by
28 Defendants were not supported by competent and reliable evidence, and instead filed by individuals
with no personal knowledge of Plaintiff's property, loan status, and/or alleged default.

1 182. Plaintiffs are informed and believe, and thereon allege Defendants filed documents
2 electronically, commonly called “Robo-signing,” with no review of whether the evidence is competent
3 and/or reliable. Plaintiffs allege Defendants’ standard business practice is to record public documents
4 without competent and reliable evidence in violation of Cal Civ. Code § 2924.17(b).

5 183. Section 2924.17(b) places the burden directly on mortgage servicers as follows:

6 “(b) Before recording or filing any of the documents described in subdivision (a), a
7 mortgage servicer shall ensure that it has reviewed competent and reliable evidence to
8 substantiate the borrower's default and the right to foreclose, including the borrower's
9 loan status and loan information.”

10 184. Plaintiffs are informed and believe, and thereon allege that Defendants did not review
11 their own right to foreclose and acted without regard to the truth they had no authority from the
12 beneficiary to foreclose.

13 185. Assignees and their agents of the original debt obligation and the security instrument are
14 necessarily required to provide a competent evidentiary foundation that the note and deed were lawfully
15 sold, transferred and accepted by the assignee.

16 186. As alleged previously, Plaintiffs allege that Defendants hold no beneficial interest in the
17 property and have no valid authority or right to foreclose on Plaintiff’s property. Plaintiffs allege
18 Defendants did not act on behalf of the beneficiary and do not have evidence to support such claim.

19 187. Plaintiffs have repeatedly notified Defendants they lack the authority to foreclose, lack
20 the authority to file publicly recorded documents against his property interest, and that the presently
21 recorded documents need to be rescinded.

22 188. However, Defendants continue to file publicly recorded documents in violation of
23 section 2924(a)(6), which states as follows:

24 “No entity shall record or cause a notice of default to be recorded or otherwise initiate
25 the foreclosure process unless it is the holder of the beneficial interest under the
26 mortgage or deed of trust, the original trustee or the substituted trustee under the deed of
27 trust, or the designated agent of the holder of the beneficial interest. No agent of the
28 holder of the beneficial interest under the mortgage or deed of trust, original trustee or
substituted trustee under the deed of trust may record a notice of default or otherwise
commence the foreclosure process except when **acting within the scope of authority
designated by the holder of the beneficial interest.**” [emphasis added].

1 189. Plaintiffs again allege that Defendants do not have the authority to commence the
2 foreclosure process as they have not yet been able to prove they have the authority from the beneficial
3 interest to foreclose.

4 190. Defendants are legally obligated to ensure that all facts contained within all material
5 instruments in the chain of title are true, correct and are verifiable by competent and reliable evidence
6 to support those facts. Plaintiffs are informed and believe, and thereon allege that Defendants have
7 willfully or at the least negligently breached their duty.

8 191. All assignments and all recorded instruments must contain truthful statements and facts
9 that are authenticated or verified by evidence and by a person with personal first-hand knowledge, or
10 the instrument is void.

11 192. Substantial competent and reliable evidence must be offered upon a challenge by the
12 borrower to support the recitals contained within all instruments that affect their title. The Plaintiffs
13 have invoked such a right under statute and deed of trust contract wherein it states that the borrower has
14 a duty to defend title against all others.

15 193. Plaintiffs allege that Defendant CHASE had a duty which it has violated by failing to
16 ensure that documents (NOD, Sub. of Trustee, Notice of Trustee Sale, and Assignments of Deed) were
17 complete and supported by admissible, reliable evidence by persons with personal first-hand
18 knowledge of the facts contained within. CHASE's violation of Section 2924.17 is willful.

19 194. Defendants failed to produce evidence, upon request by the borrower, that a *bona fide*
20 beneficiary has directed the *valid* trustee to execute the acceleration of debt and that the *bona fide*,
21 authenticated beneficiary has executed and delivered a written "Declaration of Default and Demand for
22 Sale," as stated in the NOD.

23 195. Defendant CHASE also failed to record a valid substitution of trustee granting MTC the
24 power of sale contained as a clause in Plaintiff's loan contract.

25 196. Defendant CHASE also failed to produce competent and reliable evidence, upon request
26 by Plaintiffs, that all assignments of the deed of trust were executed by valid parties and that valuable
27 consideration was paid for each "grant" of interest (assignment) in the debt obligation. *See* Cal. Civ.
28 Code § 1066.

1 197. All documents executed and recorded by Defendants MTC and CHASE are alleged as
2 being void and as being forgeries by Plaintiffs.

3 198. Plaintiffs repudiate and refute the validity, truthfulness and accuracy of all statements
4 made by Defendants within the four corners of all instruments recorded and/or discussed herein.

5 199. Plaintiffs allege that Defendants have made, or negligently relied upon, false and
6 misleading statements within assignment instruments, notice of default, substitutions of trustee and
7 notice of sale documents exhibited by Plaintiffs. The falsity of those statements is alleged above in
8 Plaintiffs' opening statement of facts.

9 200. Plaintiffs allege that Defendant CHASE caused his loan obligation to be unlawfully
10 accelerated.

11 201. Plaintiffs allege that Defendant MTC has placed known false, forged instruments into
12 the permanent records of the respective counties.

13 202. Plaintiffs have been damaged as a result of Defendant's violations in that their credit has
14 been destroyed, have suffered emotional distress and humiliation, and lost ownership and equitable
15 possession of Plaintiffs' real property due to the actions of Defendants.

16 203. Plaintiffs allege Defendants have made multiple and repeated uncorrected violations of
17 section 2924.17(b) and are subject to civil penalties in an action by the government under section
18 2924.17(c).

19 204. Plaintiffs allege that Defendant CHASE directed the sale of the respective properties.
20 Defendant MTC substantially relied upon, and directed, Notice of Trustee Sale without being
21 substituted as trustee and recording such authoritative instrument.

22 **FOURTH CAUSE OF ACTION**
23 **VIOLATION OF CALIFORNIA CIVIL CODE § 2923.55**
24 **(Against All Defendants)**

25 205. Plaintiffs incorporate all preceding paragraphs of the Complaint and the paragraphs of
26 the subsequent causes of action as though fully set forth herein.

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1 206. Pursuant to Cal. Civil Code section 2923.55 a mortgage servicer, mortgagee, trustee,
2 beneficiary, or authorized agent may not record a notice of default until it satisfies the requirements of
3 section 2924 and sends the required information detailed in section 2923.55 (a)-(b).

4 207. Section 2923.55 (b)(1)(B)(iii) states a borrower may request “[a] copy of any
5 assignment, if applicable, of the borrower’s mortgage or deed of trust required to demonstrate the right
6 of the mortgage servicer to foreclose.”

7 208. Plaintiffs are informed and believe, and thereon allege Defendants, their principals,
8 agents, and/or employees, and each of them acted in violation of California Civil Code section 2923.55
9 by filing publicly recorded documents without the required information. Additionally, the documents
10 should never have been filed because Defendants did not have the required information at the time of
11 filing due to the fact Defendants were never in possession of the assignments required to demonstrate
12 the right of the servicer to foreclose.

13 209. Plaintiffs have requested the documents repeatedly from Defendants and are informed
14 and believe, and thereon allege that Defendants do not presently have the required documents to
15 demonstrate the right of the servicer to foreclose.

16 210. Additionally, Cal. Civil Code section 2924(a)(1) requires the trustee, mortgagee, or
17 beneficiary, or any of their authorized agents to file a notice of default within the county of the
18 property. Pursuant to Cal. Civil Code section 2924(a)(1)(C) notice of default shall include all of the
19 following:

20 “(C) A statement setting forth the nature of each breach *actually known to the*
21 *beneficiary* and of his or her election to sell or cause to be sold the property to satisfy
22 that obligation and any other obligation secured by the deed of trust or mortgage that is
in default.” (*Id.*) (emphasis added).

23 211. Plaintiffs are informed and believe, and thereon allege that Defendants never had this
24 statement as required. Plaintiffs believe that any statement alleged to satisfy the above requirements
25 was a forgery and/or made by someone without personal knowledge of the “breach known to the
26 beneficiary.”

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1 212. Plaintiffs are informed and believe, and thereon allege that Defendants conduct in
2 violating the requirements of sections 2923.55 and 2924 was willful and material. Defendants were
3 placed on notice numerous times and did not provide the requested documentation, the “statement
4 setting forth the nature of each breach actually known to the beneficiary” and/or the documents proving
5 the right of the Defendants to foreclose on Plaintiff’s property. Defendants continued to record other
6 public documents in addition to the Notice of Deed, including assignments and Notices of Sale.
7 Defendants willfully relied on false information, even after repeated notice of the falsity, to file
8 documents in furtherance of the foreclosure process.

9 213. As alleged above, Defendants continued to file publicly recorded documents in violation
10 of the California Homeowners Bill of Rights despite being placed on notice of the violations and in
11 direct conflict with section 2924(a)(6). Defendants had no authority to foreclose as alleged herein.

12 214. It bears repeating that after the Notice of Default, Defendants continued to file publicly
13 recorded documents in violation of the California Homeowners Bill of Rights despite being placed on
14 notice of the violations. Pursuant to section 2924(a)(6):

15 “No entity shall record or cause a notice of default to be recorded or otherwise initiate
16 the foreclosure process unless it is the holder of the beneficial interest under the
17 mortgage or deed of trust, the original trustee or the substituted trustee under the deed of
18 trust, or the designated agent of the holder of the beneficial interest. No agent of the
19 holder of the beneficial interest under the mortgage or deed of trust, original trustee or
20 substituted trustee under the deed of trust may record a notice of default or otherwise
commence the foreclosure process except when acting within the scope of authority
designated by the holder of the beneficial interest.”

21 215. Plaintiffs again allege that Defendants do not have the authority to commence the
22 foreclosure process as they have not yet been able to prove they have the authority from the beneficial
23 interest to foreclose.

24 216. Plaintiffs are informed and believe, and thereon allege Defendants continue to willfully
25 and blindly act in their own self-interest to foreclose on Plaintiff’s property without proper authority.
26 Instead, Defendants look to each other as servicer and trustee to instruct each other in the process,
27 acting in complete disregard for the law and the necessity of authority from the beneficial interest.

28 //

1 217. Even when Plaintiffs contact Defendants, and each of them, refer to the other entity for
2 information, skirting the law and attempting to put Plaintiffs in limbo as to whom must answer
3 questions relating to his foreclosure. Meanwhile. Defendants proceed with the foreclosure process
4 without the necessary information, statements, and/or documentation required proving both the default
5 and the right to foreclose, both of which Plaintiffs contend Defendants do not hold.

6 218. Defendants’ violations of the sections herein has been willful, material, repeated, and
7 with malice to Plaintiffs. Defendants have acted in self-interest without regard to the law and/or
8 Plaintiff’s rights.

9 219. Defendants and each of them are not entitled to immunity from liability under Cal. Civil
10 Code section 2924(b) because Defendants have not acted in good faith. Defendants have not relied on
11 information “provided in good faith by the beneficiary regarding the nature and the amount of the
12 default under the secured obligation, deed of trust, or mortgage.” Instead, Defendants have relied on
13 information from one another, relied on patently false information, filed false information in publicly
14 recorded documents, and/or simply do not have information or instructions from the beneficiary as
15 required.

16 220. Plaintiffs pursue this action under Cal. Civil Code section 2924.12(a)-(b) for an
17 injunction for Defendants to remedy the violations and damages resulting from Defendants’ actions in
18 pursuing foreclosure without the required statements and authority to foreclose.

19 221. Defendants have improperly collected payments, fees, fines, principal, and Plaintiffs
20 have incurred loss of credit, equity, increased expenses for credit, loss of availability of credit, and loss
21 of his property due to Defendants’ actions. Defendants ignored Plaintiffs’ numerous requests for
22 information and acted in complete disregard for the law.

23 222. Plaintiffs are entitled to an injunction for Defendants to remedy and/or rescind the
24 improperly filed documents, damages, statutory or treble damages pursuant to section 2924.12 (b) and
25 for attorney’s fees and costs pursuant to section 2924.12(i).

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FIFTH CAUSE OF ACTION
VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE § 17200, ET. SEQ.
UNFAIR COMPETITION LAW
(Against All Defendants)

223. Plaintiffs incorporate all preceding paragraphs of the Complaint and the paragraphs of the subsequent causes of action as though fully set forth herein.

224. California’s Unfair Competition Law (UCL) prohibits any unfair competition defined as any “unlawful, unfair, or fraudulent business act or practice.” Bus. & Prof. Code § 17200.

225. Defendants have engaged in unlawful business practices as described above and herein, by conducting business practices that are unlawful. *See Olszewski v. Scripps Health* (2003) 30 Cal.4th 798, 135 Cal. Rptr.2d 1 (“A business practice is unlawful ‘if it is forbidden by any law’”)

226. Defendants violated various state and federal laws, including but not limited to those alleged herein. Defendants provided false and/or misleading information in response to Plaintiffs’ complaints, providing false or misleading information, and failing to honor proper state law mandated foreclosure proceedings. These violations are standard practice for Defendants and are intended to deceive and harm Plaintiffs and the general public.

227. Defendants have *clearly* violated the unfair business practices prong of the UCL as set forth in the Complaint and herein.

228. Courts have defined “unfair” as a practice that offends public policy or is immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers or required courts to weigh the utility of Defendants’ conduct against the gravity of the harm to the alleged victim. *Graham v. Bank of America* (2014) 226 Cal.App.4th 594, 612. Plaintiffs alleging an unfair business practice must show Defendants’ conduct is tethered to an underlying constitutional, statutory, or regulatory provision or that it threatens an incipient violation of an antitrust law, or violates the policy or spirit of an antitrust law. *Id.* at 613.

229. Defendants’ acts alleged herein are unfair insofar as they intentionally failed to properly notify Plaintiffs of their rights to dispute an alleged default per the signed Deed of Trust, California law, and California public policy, cure the alleged default in a timely manner, notify and allow Plaintiffs to seek legally permissible alternatives to foreclosure, and wrongful foreclosure. Plaintiffs

1 were forced to watch as Defendants claimed rights to issue Notices of Default, Notices of Sale, and
2 authority to sell Plaintiff's respective property.

3 230. Defendants' acts are unfair insofar as they failed to record Substitutions of Trustee, not
4 only for Plaintiffs, but for a large part of the general public, as required by the Deed of Trust, California
5 law, and California public policy. This failure deceives both Plaintiffs and the general public as to the
6 identity of the true Trustee and/or true holder of the note.

7 231. Defendants' acts are unfair insofar as they failed to notify Plaintiffs of the acceleration
8 of Plaintiff's debt as required by the Deed of Trust, California law, and California public policy, not
9 only for Plaintiffs, but for many individuals in the general public, as this is standard practice for
10 Defendants.

11 232. Defendants unfairly held themselves out as having proper authority to file publicly
12 recorded documents and foreclose on Plaintiff's property. Although Plaintiffs relied on this apparent
13 authority, Plaintiffs and the general public were ignorant of the fact that Defendants did not own the
14 notes and were not lawful agents, beneficiaries, or trustees for the true and legal owner of the note.
15 Consequently, Plaintiffs unfortunately relied on this improper authority.

16 233. Defendants continuously engaged in fraudulent business practices pursuant to section
17 17200. In order to show fraudulent business practices, Plaintiffs "need only show that members of the
18 public are *likely* to be deceived." *Bank of the West v. Sup. Ct.* (1992) 2 Cal.4th 1254, 1267.

19 234. Defendants acted fraudulently in a manner that was likely to not only deceive Plaintiffs,
20 but was likely to deceive the general public, including but not limited to making material
21 misrepresentations or omissions, knowingly filing false instruments for the general public to view,
22 knowingly filing false instruments without required declarations, failing to properly notify Plaintiffs of
23 their rights to dispute alleged defaults and wrongful foreclosure in a manner that constitutes fraudulent
24 business acts and practices as prohibited by Cal. Bus. & Prof. Code § 17200, *et. seq.*

25 235. Defendants unlawfully filed public documents including Notices of Default and Notices
26 of Trustee's Sale without the authority to do so as the Defendants were not owners of the note or lawful
27 trustees, beneficiaries, or agents for the true and legal owner of the note at the time of filing.

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1 236. Defendants fraudulently continued this scheme of filing false documents and attempting
2 to sell property in order to profit, knowing their actions were illegal, unfair, and fraudulent but acting
3 with complete disregard to Plaintiffs, along with numerous homeowners throughout California.

4 237. Defendants’ unlawful, unfair, and fraudulent business practices are alleged throughout
5 this complaint and it is plainly clear that at the very least, Plaintiffs and the public was likely to be
6 deceived by Defendants’ practices.

7 238. Business & Professions Code Section 17204 provides a private right of action for a
8 person who is injured and lost money or property as a result of the unfair competition.

9 239. Plaintiffs “may pursue representative claims or relief on behalf of others” according to
10 Business & Professions Code Section 17203.

11 240. Business & Professions Code Section 17205 provides that “the remedies or penalties
12 provided by this chapter are cumulative to each other and to the remedies or penalties available under
13 all other laws of this state.”

14 241. Plaintiffs request that this Court enter such orders or judgments as may be necessary to
15 enjoin Defendants from continuing its “unlawful, unfair, and/or fraudulent business act or practices”
16 and to restore Plaintiffs any money or property which Defendants acquired by such unfair competition
17 under California Business & Professions Code Section 17200, *et. seq.*

18
19 **SIXTH CAUSE OF ACTION**
20 **WRONGFUL FORECLOSURE**
(Against All Defendants)

21 242. Plaintiffs incorporate all preceding and subsequent paragraphs of the Complaint as
22 though fully set forth herein.

23 243. Defendants and DOES (unknown beneficiary) have claimed an interest in Plaintiffs’
24 contract note and deed of trust.

25 244. Plaintiffs are informed and believe, and based thereon allege Defendants are not the
26 holders of the notes and deeds of trust and are not operating under a valid power from the current
27 holders of the notes and deeds of trust, Defendants did not have the right to proceed with the foregoing
28 foreclosures.

1 245. Plaintiffs allege that Defendants have no right, title, or interest in his deed of trust or his
2 real property; thus, a controversy exists.

3 246. Defendants are alleged to have used false statements contained within recorded
4 instruments as fully alleged herein.

5 247. Plaintiffs are informed and believe, and based thereon allege Defendants' Instruments as
6 being forgeries.

7 248. The burden of proving an assignment falls upon the party asserting rights thereunder. In
8 an action by an assignee to enforce an assigned right the evidence must not only be sufficient to
9 establish the fact of assignment when that fact is in issue, but the measure of sufficiency requires that
10 the evidence of assignment be clear and positive to protect an obligor from any further claim by the
11 primary obligee. *See Cockerell v. Title Ins. & Trust Co.*, 42 Cal. 2d 284, 292, 267 P.2d 16, 21 (1954).

12 249. Defendants have unlawfully invoked Cal. Civ. Code § 2924 for non-judicial foreclosure
13 by using or relying upon known forgeries in recorded instruments and without contractual or lawful
14 authority.

15 250. Under the Uniform Commercial Code, a negotiable instrument, such as a promissory
16 note secured by a mortgage, may only be enforced by the holder or a person with the rights of a holder.
17 Com. Code §3-301. For instruments payable to an identified person, such as a lender, a holder is
18 generally recognized as the payee or one to whom the negotiable instrument has been negotiated. This
19 requires transfer of possession and endorsement by the prior holder. Com. Code §3-201. Unless the
20 parties otherwise provide, the mortgage follows the note. Cal. Civ. Code §2936.

21 251. Though in California, the assignment of a note generally carries with it an assignment of
22 the mortgage, it is still required in California that the holder of the note or a person operating with
23 authority from that holder be the foreclosing party and that the mortgage not have been assigned away
24 from that note.

25 252. Defendants no longer own the notes it originated and there is just no way of knowing
26 who now owns the Plaintiffs' mortgages because the Defendants do not know who owns these
27 mortgages. Indeed, the Defendants do not know where it is that they obtained their alleged rights to
28 collect money from Plaintiffs thereunder.

1 253. Once separated from the note, the trust deed is unenforceable and of no legal value. For
2 negotiable instruments payable to an identified person, such as a lender, a holder is generally
3 recognized as the payee or one to whom the negotiable instrument has been negotiated. This requires
4 transfer of possession and endorsement by the prior holder. (Com. Code §3-201). Unless the parties
5 otherwise provide, the mortgage follows the note. (Civ. Code §2936; *see also Carpenter v. Longan*
6 (1872) 83 U.S. 271, 275).

7 254. Cal. Civil Code §2936 provides: “the assignment of a debt secured by mortgage carries
8 with it the security.” Defendants have no evidence that they own the notes or have any power to
9 enforce them from the rightful owners

10 255. Plaintiffs have sufficiently alleged and incorporated herein that the recorded Assignment
11 of Deed of Trust, Substitution of Trustee, Notice of Trustee Sale, Notice of Default, and any other
12 recorded documents contain false statements that were memorialized by Defendants against the
13 interests of Plaintiffs.

14 256. Plaintiffs allege Defendant had a duty of care to verify all facts contained in those
15 instruments but failed to fulfill those duties.

16 257. Defendants acted repeatedly to violate Plaintiffs’ rights under California law as alleged
17 herein, despite repeated attempts by Plaintiffs to request legally required documentation from
18 Defendants and Defendants repeatedly refuse to provide documentation, affidavits, and/or otherwise to
19 prove authority, status, and/or rights to foreclose on Plaintiffs.

20 258. Defendants acted outrageously and persistently with actual malice in performing the acts
21 alleged in this cause of action. Accordingly, Plaintiffs are entitled to exemplary and punitive damages
22 in a sum according to proof and to such other relief as is set forth below in the section captioned Prayer
23 for Relief which is by this reference incorporated herein.

24 259. Plaintiffs allege that he has been harmed as a direct and proximate result of Defendants’
25 acts and omissions and Plaintiffs substantially relied on Defendants’ acts and omissions to his
26 detriment.

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1 **PRAYER FOR RELIEF**

2 **WHEREFORE**, Plaintiffs pray for judgment against the Defendants and each of them as set
3 forth below:

4 First Cause of Action: Intentional Misrepresentation

- 5 1. For general and special damages in an amount according to proof at trial.
6 2. For punitive and exemplary damages in an amount appropriate to punish Defendants and
7 deter others from engaging in similar conduct.

8 Second Cause of Action: Negligent Misrepresentation

- 9 3. For general and special damages in an amount according to proof at trial.
10 4. For punitive and exemplary damages in an amount appropriate to punish Defendants and
11 deter others from engaging in similar conduct.

12 Third Cause of Action: Violation of California Homeowner Bill of Rights, California Civil

13 Code section 2924.17

- 14 5. For general and special damages in an amount according to proof at trial.
15 6. For a finding and determination that Plaintiffs are the rightful holders of the title to their
16 respective properties and that Defendants herein, and each of them, have no estate, right, title, lien or
17 interest in said properties.
18 7. For immediate rescission of all instruments exhibited herein and injunctive relief
19 enjoining Defendants from any act in furtherance of rights under Plaintiffs' contract deed of trust and
20 real property.
21 8. For cancellation/rescission of the Assignments of Deed of Trust, Notices of Trustee Sale
22 and/or Notices of Default.
23 9. For the maximum penalties allowed per false filing of publicly recorded documents.
24 10. For a judgment that not one of the Defendants has any unencumbered legal interest in
25 the notes and/or deeds of trust.
26 11. For Court Order and Decree cancelling Defendants' recordings and for the court to
27 execute full deed of reconveyance of the deed of trust in favor Plaintiffs.

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1 12. For reasonable attorney's fees and costs pursuant to section 2924.12(i) upon injunction
2 and/or damages.

3 13. For punitive and exemplary damages in an amount appropriate to punish Defendants and
4 deter others from engaging in similar conduct.

5 Fourth Cause of Action: Violation of California Civil Code section 2923.55

6 14. For general and special damages in an amount according to proof at trial.

7 15. For a finding and determination that Plaintiffs are the rightful holder of the title to their
8 respective properties and that Defendants herein, and each of them, have no estate, right, title, lien or
9 interest in said properties.

10 16. For a judgment that not one of the Defendants has any unencumbered legal interest in
11 the notes and/or deeds of trust.

12 17. For Court Order and Decree cancelling Defendants' recordings and for the court to
13 execute full deed of reconveyance of the deed of trust in favor Plaintiffs.

14 18. Enjoining any trustee sale contemplated against Plaintiffs' respective properties until a
15 determination is made that the violations of the statute have been remedied.

16 19. For statutory damages to the fullest extent of the law if any of the Defendants records a
17 Trustee's Deed Upon Sale against Plaintiffs' interests without correcting the violations described
18 herein.

19 20. For reasonable attorney's fees and costs pursuant to section 2924.12(i) upon injunction
20 and/or damages.

21 21. For punitive and exemplary damages in an amount appropriate to punish Defendants and
22 deter others from engaging in similar conduct.

23 Fifth Cause of Action: Unfair, Unlawful, And Fraudulent Business Practices (Violation Of
24 California Bus & Prof. Code §17200, et. Seq.)

25 22. For general and special damages in an amount according to proof at trial.

26 23. For restitution to restore to Plaintiffs any, and all, monies and property acquired by
27 means of Defendants' unlawful/unfair/fraudulent conduct.

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1 24. For a permanent injunction pursuant to Business and Professions Code section 1703
2 restraining and enjoining Defendants from conducting or attempting to conduct foreclosure
3 proceedings, foreclosure attempts, communications regarding foreclosure, and/or publicly recording
4 Notices of Default and/or Notices of Trustee Sale.

5 25. During the pendency of this action, a preliminary injunction issued pursuant to Business
6 and Professions Code section 17203 to enjoin and restrain Defendants from the acts of unfair
7 competition set forth above.

8 26. For restitution to restore other victims any, and all, monies and properties acquired by
9 means of Defendants' conduct.

10 27. For such orders or judgment as may be necessary to prevent the
11 unlawful/unfair/fraudulent practices which constitute unfair competition.

12 28. For punitive and exemplary damages in an amount appropriate to punish Defendants and
13 deter others from engaging in similar conduct.

14 Sixth Cause of Action: Wrongful Foreclosure

15 29. For general and special damages in an amount according to proof at trial.

16 30. For restitution to restore to Plaintiffs any, and all, monies and property acquired by
17 means of Defendants conduct.

18 31.