

Industry Wide Frauds - Part 2

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Letter to the Court

3/20/2024

RE : Industry Wide Frauds - Part 2

Dear Court:

This letter includes a deeper dive into the Industry Wide Frauds.

Five Tiers of Hoax Exposed

Defendant's "non-bonafide" report and gross omissions led to exposure

This complaint exposes the Defendant, a Licensed Termite Inspector, engaging in a "non-bonafide" reporting process that was startling in its transparency. Buyers / Plaintiffs sought to settle quietly with individuals who should have realized a failure to settle would result in public Legal Complaints that would reveal everything. None settled, and no Attorneys stepped in to encourage proper settlement to keep the legal lobby's involvement in this a private matter.

NOTE: the use of the term "non-bonafide" was chosen because doing a "bonafide" report is a requirement of the California Structural Pest Control Act.

Five Tiers of Hoax - Pyramid

The FIVE TIERS OF HOAX revealed as a result of the Termite Inspector's actions are as follows:

- 1) Attorneys Created Fraudulent Real Estate Contracts
- 2) CAR* took ownership of fraudulent contracts and distributed them
- 3) California Real Estate Brokers Accepted them for use and foisted them on Agents
- 4) California Real Estate Agents accept them for use an foisted them on Sellers and Buyers
- 5) Termite Inspectors, Home Inspectors and others provided fully corrupt services to support fraud

*CAR - California Association of Realtors

Five Tiers of Hoax - from Bottom Up

A written summary of the FIVE TIERS OF HOAX, from bottom up is as follows:

California Termite Inspector and Home Inspector Hoaxes

California Licensed Termite Inspectors and unregulated Home Inspectors have been engaging in commercial hoaxes.

1. When hired to do “pre-sale” inspections for Sellers, they have been trained to believe, or chosen to believe, the propriety of the content in their reports is not relevant under California Law and/or not pursuable for one reason or another.
2. As a result and for selfish commercial reasons, the inspectors have been willfully producing reports for Real Estate Brokers, Agents and Home Sellers that grossly under report material facts, material defects and concealment related issues while knowing those reports would be given to Buyers who would have no logical reason to assume the reports were NOT “bonafide reports”.
3. Buyers relied on reports. They overbid for properties. They were surprised by report omissions before or after close of escrow. If found before, they were told by Attorneys, Brokers and Agents the omissions were part of the game, they could “take it or leave it”, while pointing to “illegal” contract clauses to make this all seem “legal”.
- 4.
5. Given Professionals practicing these trades (Attorneys, Brokers, Agents and Inspectors) are the MOST CRITICAL PROFESSIONALS in Real Estate Transactions, and they MUST BE TRUSTED IMPLICITLY by Buyers to protect their personal fortunes, these BREACHES OF LEGAL, FIDUCIARY and SOCIAL DUTY to fellow community members has no equal in an organized “Civil” system..

Question: Who, What, How, and/or Why did the “adults” currently acting as California Termite and Home Inspectors get led so far off the path ? Answer: the Attorneys did it.

Attorneys - CAR - Real Estate Broker - Real Estate Agents

1. Attorneys created contract document templates for real estate purchase transactions with inverted instructions for disclosure statements. They also included clauses that suggest contract clauses could dismiss acts of fraud used to induce contract entry, which violates the very ethos of all Contract and Common Law.
2. CAR (the California Association of Realtors) took possession of the contracts. They published them. They mandated their use by the Real Estate Brokers in California. The Real Estate Brokers foisted them on Agents and Agents foisted them on Buyers and Sellers.
3. The Documents CAR has been publishing, distributing and mandating (1) are fully fraudulent and (2) should have been seen by all Attorneys, Real Estate Brokers and Real Estate Agents as having been fraudulent via a cursory review of the clauses and CA 1102 with very minor legal training.
4. Those dealing in them were engaged in “Fraud” via CA 1572 and/or 1573
5. Those dealing in them provide the basis for Class Actions for Fraudulent Dealings and RICO violations against every Brokerage, Broker, Agent and Real Estate Attorney that engaged in transactions and disputes since 1985.

The CAR Contract Clauses

The CAR Contract that Plaintiffs/Buyers were required to use was 10 pages. It was marked as an RPA (Residential Purchase Agreement) . It contained numerous inverted and illegal clauses.

Clause 14A Fraud

1. Clause 14 is titled "TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS"
2. Clause 14A has no subtitle.
3. Clause 14A states - "SELLER HAS 7 Days After Acceptance to Deliver to Buyer all Reports, disclosures, and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C and F, 11A and 13A."
4. This clause states / suggests / intimates that "representation statements" for Sellers can be delivered AFTER Agreement Acceptance (aka Contract Acceptance aka Contract Ratification), when in fact, representation statements of material fact that might alter a buyers perception of value must be delivered BEFORE Agreement Acceptance to (1) provide Buyers with the information needed for Bid Consideration and negotiations in good faith and (2) to provide Sellers protection from "fraudulent misrepresentation" .
5. This suggested inversion of procedure is a violation of the very foundations of "contract law ethos" that need not be stated in any transaction, but applies to all universally and unequivocally
6. This is also an inversion of procedure that is stated in CA 1102, which was created in 1985 to "codify" the disclosure process.
 - a. CA 1102.3 states Statutory Disclosure documents, which contain representation statements, are due to a Buyer "as soon as practicable before transfer of title"
 - b. Contract Clause 13B states the buyer takes Title to the Property at time of Agreement Acceptance, as is logical and appropriate. (this is not intuitive,. Confusion has been fabricated around this by the Legal Lobby and Real Estate Broker industry to execute their Hoax)
 - c. THUS, CA 1102.3 and Contract Clause 13B properly define representation statement delivery timing in a way that is mutually exclusive from 14A, and 14A is the one the Brokers and Agents have been claiming to be legitimate and telling Sellers and Buyers to follow, giving rise to a Cause of Action for FRAUD (CA 1572 / 1573) with RICO adders for all who knew better.

Clause 14F Fraud

1. Clause 14 is titled "TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS".
2. Clause 14F is subtitled "Effect of Buyer's Removal of Contingencies" .
3. Clause 14F states "If Buyer removes in writing , any contingency or cancellation right.... Buyer shall conclusively be deemed to have:... (iii) assumed all liability, responsibility and expenses for Repairs or corrections pertaining to that contingency".
4. The fraud and danger with this clause is with its OMISSIONS.
5. This clause, by omission, declares, suggests and/or intimates that the liability for "non-disclosed defects found during escrow" transfers to the Buyer at time of Condition Contingency removal. .
6. This clause violates the foundations of Common Law Representation Statement Requirements and Fraudulent Misrepresentation claims.

7. No Contract clause can be used to excuse acts of Fraudulent Misrepresentation or Fraudulent Concealment that were used to induce entry into a Contract.
8. "Bait and Switch" is the act of deceiving someone to enter a contract, and no clause in a contract entered into can be used to release someone of liability for fraudulently enticing entry into the Contract.
9. There are dozens of case precedents in multiple industries that can be used to validate this fact of "Common Law".
10. You must understand omitted information that is covered by the clause to understand the full and fraudulent nature of the clause.

The California Termite Inspector and Home Inspector Hoax INTERSECTS with the Legal Lobby - Real Estate Brokerage Hoax via 14A and 14F

1. Clause 14A creates a false suggestion that no representations about Condition are due to a Buyer prior to entering an Contract. Thus, per the Contract and those that believe in inversion, if a buyer happens to be given a pre-sale report, that report was "strictly for courtesy with no binding requirements for proprietary". To them it's viewed like a fake smile. A cordiality with no inherent expectation for anything more even though more was provided.
2. Clause 14F creates a false suggestion that all material facts and defects known at time of condition contingency removal become the liability of the Buyer, no matter if they were disclosed before bid creation, as is proper, or if they are found during escrow, as was the case with the "thinly veiled frauds" that constitute this complaint.
3. They view clause 14F as a "universal release of liability clause" that releases the seller and/or anyone else from liability AND/OR they do not believe Fraud can be pursued outside of a contract (they also errantly believe privity of contract is required to be pursued for fraud)

OR

1. They view the law exactly as we do. They've just been acting like they didn't know it, because feigned ignorance is a learned power that many master to the point where it becomes impossible to tell what they do and do not know.

When this level of detail was exposed to Attorneys, they would NOT engage in dialogue for representation. It exposes their own Legal Lobby in the creation of the Documents at the top level of Fraud as well as the suppression of support for harmed buyers to protect the fraud (speaking from very personal and direct experiences).

1. When lesser versions of detail were exposed to Attorneys, they would NOT engage either, as they knew where the dialogue would end up.

2. When NO level of detail was exposed to Attorneys, and naivety was used to engage, dialogue would transpire for 20-45 minutes until they backed themselves into corners and sought exits from the dialogue.

Termite Inspector Failure that exposed the Commercial Conditions

Non-bonafide Report Defined as “with intention to deceive”

This case revolves around a “non-bonafide” termite inspection report done as a “pre-sale” report for a property seller in 2021.

1. As mentioned prior, a “bonafide report” is a requirement for reports by the Structural Pest Control Board, which is the Agency that issued the inspector’s license and the one that is supposed to regulate him.
2. An internet definition of “bonafide” returns “genuine, real, sincere, and without intention to deceive.”
3. Thus, a “non-bonafide” report is “with intention to deceive”. The connection to deceit and fraud is straightforward.
4. The elements used to declare his reporting as “non-bonafide” are many and clearly stated below.
5. However, absent connections to his industry’s hoax and the larger hoaxes, little would have made sense about any aspect of his report and his behavior. A door for his defense related to contract law confusion may have been tried that has no business in proper legal dialogue. Thus this introduction serves multiple purposes.

Reliance on Non Bonafide Report

The Defendant / Inspector who created the “non-bonafide” report had been Licensed since 2008. If he was employed 20 hours a week doing reporting from 2008 to 2021, he would have completed 4000 to 6000 reports before doing the report that was given to the Buyers / Plaintiffs.

1. The Defendant / Inspector’s report was given to the Plaintiffs/Buyers by the Seller’s Agent prior to making an offer, as appropriate.
2. The Defendant / Inspector’s report was provided for Seller Disclosure / Representation purposes and Buyer Consideration, as appropriate.
 - a. The report was with pricing for suggested pest treatments, as appropriate.
 - b. The report was withOUT line item pricing for repair estimates for items marked. There was no way to know if the current damage noted required remediation or not. If so, was each mark in need of \$2, \$20, \$200, \$2,000, or \$20,000 in work?
 - i. The incomplete nature of the document made it a very odd document for Seller and Inspector representation statement purposes.
 - ii. As it turns out, per state statutes, Termite Inspectors are not “required” to fill in repair amounts to consider their reports “complete”. (a problem to be fixed).
 - iii. However, a Seller or Seller’s Agent who delivers one in this manner does not then obtain protection against torts for fraudulent misrepresentation that the report was intended to provide for any person involved in its creation or presentation.
 - c. The report was relied upon by the Plaintiffs / Buyers to have properly represented “As Is” Conditions that were outside the view or understanding of Buyers / Plaintiffs during their

pre-offer walk-throughs, to the greatest extent possible, given the level of information provided, as appropriate.

- d. A Contract was ratified for purchase with (1) this Defendant / Inspectors report (2), another home inspection report (3) the MLS ad (4) one additional photo delivered by email (4) "some" individual representation statements delivered by email (5) and two walkthroughs of the home completed.

NOTE: This is what the buyer views as the totality of information that comprised the "As Is" condition of the home at time of Offer Submission, Agreement Acceptance and Transfer of Title per clause 13B.

Discovery of Fraud

During escrow, THREE gross termite inspection omissions related to \$23,000 in defects were found that can be best described as "thinly veiled fraud" attempts.

1. The entire scenario was fully illogical.
2. Any layman who peered into the 2nd floor attic or crawl space below the first floor could realize the Inspectors report was a "non-bonafide report".
3. No professional skills related to structural pest control knowledge were required to see massive omissions with large repairs costs, and realize the Termite Inspector's report was wildly incomplete.
4. Gross and Costly defects that were appropriate for the Defendant / Inspector to call out were simply "absent" from his report.
 - a. The report was marked as a "complete" report.
 - b. There were no notes in the report summary or report details indicating these important parts of the home had NOT been inspected
5. The report content for the non visible spaces simply didn't match the home.
 - a. The sketch of the exterior of the home was "generally correct".
 - b. The markings on the sketch for exterior defects could be generally aligned with exterior issues.
 - c. However, the gross and costly defects in the spaces that were not visible on a pre-sale walk through were simply absent from the report.
6. Those VERY ODD and VERY ILLOGICAL and VERY EXPENSIVE report omissions led to the questions that led to the exposure of the multi tiered hoaxes

Shortcut to "why" Defendant may have created non-bonafide report

For a shortcut to the answer as to why the Defendant / Inspector might have felt his non-bonafide report would have been free of liability, which was presented in another way already, it's because the Contract that Buyers/Plaintiffs were required to use by National Brokers contained two clauses that suggest all representations made were only required after they were due, making them "courtesy only" and there was a clause indicating liability releases for fraudulent misrepresentation had to be agreed to to get to close of escrow. Both clauses are illegal and/or invalid under the law, but they provided the basis for beliefs or feigned ignorance that allowed for the creation of non-bonafide reports and the execution of disclosure fraud schemes to benefit sellers.

No layman or untrained professional would know the problems with the contract clauses unless they knew “fraudulent misrepresentation ethos” and Tort law in ways that was not explained in the contract, and need not be explicitly stated in any contract, but applies to all of them unequivocally.

The information below should add clarity that was / is missing in the contract and layman understanding:

1. The contract contained a “release of liability clause” for all known conditions at time of “condition contingency release”. In this contract the default for that event was 17 days into escrow. The release clause suggested a buyer had to free a seller of liability for all defects known at time of condition contingency release, be they disclosed or not disclosed by the Seller or those he had hired, to get to the close of escrow

No contract clause can be used to waive liability for fraudulent misrepresentation or concealment used to induce the contract, yet this clause in this contract shows Attorneys and Brokers were using a contract that suggests such a clause can have that power, when it can not. ALL OF THE ATTORNEYS AND BROKERS would have or should have known they were misleading Buyers and Sellers with those documents.

2. The contract contained a requirement to do one's own inspection or lose rights to claim fraud.

As stated above, no contract clause can be used to waive liability for fraudulent misrepresentation or concealment used to induce the contract, yet this is the second clause that can be identified doing this in the Standard Contracts in use at this time. ALL OF THE ATTORNEYS AND BROKERS would have or should have known they were misleading others with those documents.

For full clarity, not even the lack of an investigation as part of “due diligence” frees anyone of fraud to induce a contract. A recent case in Southern CA in 2022, Jiminez v Capero, was about a Buyer who got duped into the purchase of a home without doing due diligence inspections. After moving in, he found attic defects valued at \$100,000. The jury ignored this clause, found for the Buyer for \$100,000 in compensatory damages, and then applied \$500,000 in punitive damages for the Fraud.

These two false clauses qualify as “fraudulent” for all involved, yet they are being actively used by Attorneys, Brokers, Agents, Seller’s, Bond Companies, state oversight agency employees and others to create and support “false beliefs” that are clouding all aspects of the Buyer-Seller Transaction process in a way that is harming all Buyers, and seemingly has been since 1985 or prior.

The logic that all Attorneys, Brokers and Agents were trying to present, based on the two false clauses, is as follows:

- (1) If a Buyer does inspections, and omissions in the Seller’s Pre-sale Inspections are found (OR false statements made by the seller are found and known to have been false) , if the buyer wanted to

complete the transaction, the buyer had to free the seller of liability for all known conditions , no matter if they had been properly disclosed or found during inspections with clear attempts at fraud associated.

Per these contracts and the views of the Agents and Brokers in our transaction, and several Attorneys we spoke to personally during and after, there is absolutely no penalty for attempting fraud and getting caught during escrow. They want others to believe the contract is not “executed” until close to escrow, and thus it can be a “no-holds-barred” fraud circus until that time, not realizing that is fully flawed logic OR realizing it is but just feigning ignorance to run the schemes.

Thus, Inspector(s) who offer services that offer the opportunity to “try to slip one by the buyer” are desirable. In fact, Inspectors that do NOT do that when it is wanted or needed will likely be removed from Agent and Broker referral lists.

The inspector(s) also possibly felt the release of the seller liability clause applied to them and/or that fraud without privity of contract was not pursuable for one reason or another.

If an inspector wants to participate in the current Marketplace, it seems clear (1) they may be asked to execute these “try to slip it by” services (2) they need to be willing to act like they are incompetent if/when they get questioned about gross omissions OR they need to try to gas-light their way out of it and (3) they need to do this to maintain a referral network with Agents and Brokers who are presenting all this as “legal” to Buyers, Sellers and any others who will fall for it.

(2) If no inspection was done and the omissions were found AFTER close of escrow, too bad for the Buyer

According to those who profess the contract to be legitimate at face value, the Buyer is without recourse in that situation, and those who ran the frauds snub their nose at those who trusted them. (NOTE: The Jimenez v Capero case precedent mentioned prior shows this not to be true if/when the matter can be elevated to the courts)

These two contract clauses and others in the Broker provided contracts are NOT Legal, Legitimate, nor Enforceable. Loughrin v. Superior Court (1993) 15 Cal.App.4th 1188, 1192, 19 Cal. Rptr. 2d 161 and many other cases precedents prove that.

However, that has not and does NOT prevent the clauses from being used by Attorneys and Real Estate Licensees to plant thoughts of fear, uncertainty, and doubt (FUD) in the minds of Buyers and Sellers. It's clear they have been and are being used to instill faulty beliefs across masses of people for various nefarious reasons.

We personally experienced Attorneys and Real Estate Licensees wielding them like light sabers seeking to chop in half any who try to talk rationally about law or ethics.

When Buyers / Plaintiffs asked the Defendant / Inspector about the 2nd floor attic omission in a naive way two years after Close of Escrow, the Defendant / Inspector calmly pointed to his “incompetence” for the 2nd story attic omission. Challenges on the other frauds were then withheld to keep the dialogue open to gain more facts in an attempt to understand why he presented his carelessness in such a carefree manner.

The prior explanation in the Summary is the outcome of a three year investigation

Termite Inspector Failure Details that led to no Legal Representation Options

Seven People Caught Obfuscating One Omitted Defect

As mentioned prior, the Defendant / Inspector’s report contained THREE GROSS OMISSIONS valued at approximately \$23,000 in defects.

1. Two of those, valued at \$15,000 in damages, were visible to any layman that happened to enter the 2nd floor attic or crawl spaces themselves AND those defects had also been omitted in a “pre-sale” Home Inspection report done by two individuals from an unrelated company a week prior. That was indicative of THREE PEOPLE in some level of coordination in omissions.
2. Then, when the 2nd floor attic defect omissions were discovered by Buyers/Plaintiffs in the presence of the Seller’s Agent, he provided full details of the cause of damage, making it readily known he and the Seller were fully aware of that defect, yet they had disclosed nothing on their disclosure documents? These people obviously thought about Representation Law completely differently or they just wanted us to believe it was something it was not. That was indicative that FIVE PEOPLE coordinated omissions.
3. Then, when all facts came out, a General Contractor and his Painting Subcontractor were also involved in knowledge and cover up of the 2nd floor attic defects as well. That was indicative that SEVEN PEOPLE were involved in coordinated omissions and concealment work, on a singular defect worth about \$10,000 to the seller, and none of them seemed overly worried about the fact we “found it and figured it out” during escrow. They seemed to feel that’s how the game was supposed to work.

Uncovering these frauds was like finding the “JENGA” of real estate industry corruption.

The Termite Inspector’s non-Bonafide Report - The Disqualifying Details

The following are the report defects that qualify this Termite Inspector’s report as a “non-bonafide” report.

1. There were THREE GROSS OMISSIONS that totaled \$23,000 in defects
2. The report was marked “complete” when in fact the two most critical spaces fully out of view of sellers and buyers were not entered into at all OR all defects seen were fully ignored. There was ZERO way for anyone looking at the report to realize the spaces were uninspected or inclusive of costly defects.
3. The report had a fully faulty foundation sketch. He just blew it off.
4. The report had a total of 10 or more violations of reporting requirements when compared to the Structural Pest Control Act, including a total omission of the Seller’s name or contact information.

5. The report had been given to the Seller's Agent, not the Seller, and it was seemingly paid for by the Agent which is a large breach of Brokerage Protocol.
6. The report could be thought of in a manner similar to a Doctor handing a blank prescription to a drug addict.

Fraudulent Misrepresentation & Concealment - The Torts for Bait and Switch

"Fraudulent Misrepresentation" is a Tort for inducing a contract via "bait and switch" tactics. There are two case precedents most relevant for discussing the options of a Buyer when they find fraud transpired as part of the induction of a contract while still in escrow.

(Bagdasarian v. Gragnon (1948) 31 Cal. 2d 744, 750 [192 P.2d 935].)

"When a party learns that he has been defrauded, he may, instead of rescinding, elect to stand on the contract and sue for damages, and, in such case his continued performance of the agreement does not constitute a waiver of his action for damages."

(Jue vs Smiser (1994) 23 Cal. App. 4th 312, 313, 316, 28 Cal. Rptr 2d 242)

"The plaintiffs discovery of the true facts after signing a real property purchase agreement but before the close of escrow does not preclude a finding of justifiable reliance with respect to false representations made by the defendant before the purchase agreement was signed. The plaintiffs reliance at the inception of the agreement is sufficient to support recovery for fraud".

When no adjustments are made prior to closing escrow for the non-disclosed defect(s) discovered in escrow, the Buyer has a right to close escrow and sue, and that makes sense even though NO ATTORNEYS OR BROKERS OR AGENTS told us this.

But none of this still explains the Defendant's' fully fraudulent behavior.

Questions about Termite Inspector Behavior that gave rise to Investigation

Given the Experience of the Defendant and the ease with which major defects were discoverable if a laymen explored the attic or crawl space, the first questions everyone asks are:

1. What was the defendant thinking?
2. Was he of sound mind?
3. How could an inspector with 15 years experience make those types of gross omissions and/or why would he do that?
4. Did he know the other inspector was going to make the exact same omissions in the same way too?
5. How were they all going to explain away their individual and collective behavior if, by some chance, all the pieces related to the joint frauds were ever put together?

The Attorney - Real Estate Broker Hoax: Suppressed Case Precedents, Privity of Contract Confusion, and Transaction Document Fraud

This is when the Attorney and Broker Hoax has to be exposed for things to make full sense

It starts by imaging a total and complete suppression of the Bagdasarian v. Gragnon and Jue v Smiser Case Precedents by the Attorneys and Brokers. These should be on every contract and on the tip of the tongue of every agent, all act as if they have no clue, and they profess the opposite.

Then, everyone needs to believe that Torts for Fraud require “privity of contract” (aka they require a contraction relationship). In full context, this thought/belief is actually inverted as well. If someone breaches a duty in a contract the claim is for “breach of contract” not fraud. Fraud, by nature, is in fact related to acts done outside of contracts and those done to induce contracts.

THEN the Buyer / Seller Transaction Documents became relevant.

1. The Transaction Documents published by CAR (the California Association of Realtors) are mandated for use by the Brokers and Agents. They don't clearly explain how fraudulent misrepresentation works, nor that it is a Tort related to deceit to induce a contract as opposed to part of a Contract Dispute.
2. The Transaction documents also clearly and fraudulently suggest presentation of representation statements AFTER Agreement Acceptance is the proper order for process, when BEFORE is proper process. This makes the representation statements (seem) irrelevant for inducing a contract to start with.
3. The Transaction Documents suggest all defects found during escrow, disclosed or otherwise, must be accepted with liability waivers for the buyer to complete the transaction, as mentioned prior. This runs contrary to common law requirements that say no contract clauses can be used to dismiss a Tort for Fraudulent Misrepresentation to induce a contract.
4. 440,000 Real Estate Professionals in California don't seem to have gotten any of the simple training exposed above, nor the most basic training in Fraudulent Misrepresentation, nor the Bagdasarian v. Gragnon case precedent, nor the Jue v Smiser case precedent, nor do they understand that no contract clause can dismiss claims for fraudulent misrepresentation -- OR -- some/all are feigning ignorance.
5. A subset of 260,000 Real Estate Attorneys who should have learned all this on day one in Real Estate Contract Law got severely misled - OR - they too are “feigning ignorance” and the hoax seems to have started in 1985 with the introduction of CA 1102. It seems those in control of the marketplace then, who were likely the reason that statute was introduced, decided to thwart the introduction with inversion and that inversion is still persisting today.
6. All this confusion and indifference led Inspectors to feel they could under-report with no concern for blowback AND under-reporting has commercial value to Inspectors that needs to be taken into account to fully understand his behavior.

Real Estate Professionals on both sides of the transaction prefer under-reporting as long as the transaction is not for themselves or someone they care deeply about. They will refer more

business to inspectors willing to under report, at the expense of all clients. Inspectors who blow even one deal due to honesty or overstatement of defect concern can be banned-for-life from some agent and broker referral lists.

7. The commercial rot, deception, nuance and ethical complexity involved in all of this is all just piled on top of itself, speaking from 26 years of swimming around the edge of it while trying not to fall in.

Summary of Reasons why a non-Bonafide report was created

When all this is compiled, there then becomes an extremely simple explanation for the non-bonafide report. The non-bonafide report was done because

1. The Inspector had been trained by Attorneys, Realtors and others in his industry to believe the content in his report didn't matter because of very confusing Transaction Documents in play that suggested any seller that completed a transaction where he had under reported had released everyone from liabilities
2. The Inspector felt no "ethical obligation" to do it "right"
3. Doing it "wrong" has commercial benefits in the form of regular referrals from Brokers and Agents that he would not have gotten otherwise.

Unfortunately, this IS the status of the current Real Estate Industry landscape in California. The problems start with the Transaction Documents in use by the Real Estate Brokers and Agents. One of the key words in the definition of a "hoax" is "preposterous", and this has "preposterous" splattered up and down a conspiracy pyramid.

Document Review - Transaction Documents, CA 1102, and Case Precedents

This paragraph details the order in which the Transaction Documents and other Documents should be reviewed to gain a clear understanding of the problems. California Real Estate Attorneys, Real Estate Brokers. and Real Estate Agents have been dealing in vague and confusing transaction documents that create false beliefs about Seller Representation Statement Relevance and Timing Requirements. This seems to have been transpiring since at least 1985. That scenario can be summarily explained in 10 minutes with support from the following documents:

1. First, start with Real estate transaction documents provided by California Brokers to Sellers and Buyers, starting with one paragraph on the front page of the TDS and then clause 14A of the RPA.
2. Then use a written copy of CA 1102, with an initial focus on 1102.6, 1102.7 and 1102.3, in that order, combined with a review of RPA Contract Clause 13B.
3. This information creates the proper delivery instructions for representation statements and disclosure documents.

4. It also creates a mutually exclusive procedure as compared to that provided in RPA 14A, which is what the Real Estate Brokers are using as the default for transaction execution.
5. Next, review Two Case precedents (Bagdasarian v. Gragnon and Jue v Smiser). These detail Buyer's rights to "stand on a contract" and then sue for fraudulent misrepresentation found during escrow. These represent options juxtaposition to a lack of options if the procedure in 14A is followed.
6. Next, review Numerous case precedents related to representation statement requirements in "As Is" sales (all used home sales). These support common law requirements for required disclosure, and they indirectly indicate timing by rulings and judiciary comments declaring no contract clause can nullify rights to pursue fraudulent misrepresentation nor require release of liability for the same. These comments also directly expose concerns related to "professionals" who don't understand representation basics.
7. Then review the 2019 document presented to CA State Bar Members in San Francisco that details the proper strategy to sue when fraudulent misrepresentation is discovered during escrow.

NOTE: 100's of Attorneys told us this could not be done, either directly or indirectly, over a 2.5 year period, prior to finding reference to Bagdasarian v. Gragnon and Jue v Smiser ourselves in the Salinas Law Library, followed by this 2019 document.

8. That's how deeply confusing and suppressed the most basic aspects of understanding fraudulent misrepresentation and the case precedents have become.
9. Then review written correspondence with the Seller's Attorney that exposes deceit-filled, predatory, and errant belief system manipulation. ~ "The home was sold 'As Is' and my client made no representations about condition" ~ as if his client had the option to choose that as an option.
10. Then review followup emails with Attorneys who were misrepresenting fraudulent misrepresentation facts by phone.

Alternate Position - A Contract was not created at Agreement Acceptance?

The only way fraudulent misrepresentation would not apply to defects found during escrow is if the "purchase agreement" did NOT become a "contract" at time of Agreement Acceptance. That is EXACTLY what the Brokers, Agents and many Attorneys wanted Buyers/Plaintiffs to believe during and after the close of escrow.

1. They wanted Buyers/Plaintiffs to believe Escrow was not initiated as the result of a Contract. They wanted Buyers/Plaintiffs to believe "The Purchase Agreement" and Agreement Acceptance was an entry into some type of "non-contract" situation, like a "letter of intent".

2. They wanted everyone to believe the contract was executed at some point later in escrow and/or only at the close of escrow, with no executory period for weeks prior as is actually the case.

The number of problems with these positions from the simplest of legal perspectives is astounding. The way to challenge those opposing the positions presented by Buyers/Plaintiffs in this section is with very simple questions.

1. Did a purchase contract exist in this transaction? YES or NO
 - a. If yes, when was it “executed”?
 - b. If yes, when were representation statements due?
 - c. If yes, was there an “executory period” involved between contract execution and consummation of the contract?
 - d. If no, how is there ever a case for “specific performance” in California?

2/14/2024 - Discovery of Case Precedents for Fraud found during Escrow -- still not enough for representation

On 2/14/2024, just a month ago, at wits end, with CA 1102 to prove fraud, but without Case Precedents, and still no Attorney representation offers after almost 3 years in search of, the Plaintiffs/Buyers went to the Salinas Law Library and discovered the Bagdasarian v. Gragnon and the Jue v Smiser case precedents.

They were found in the large books that teach about CAUSES OF ACTION for ALL FRAUD (not just real estate). They just happened to be an example in that text. Thus, no specific digital search even had to be run, and how many attorneys should have or would have known this just by reading up on Causes of Action for any type of Fraud?.

A google search that evening revealed the 2019 document presented at the CA State Bar meeting that was inclusive of the newly found precedents. Two of the 2019 Document Authors were contacted and asked for legal representation. They live 150 and 400 miles from Monterey County. One failed to reply to numerous inquiries. The other indicated he was booked and not interested in taking the case due to travel time, while offering no referral service.

Numerous local attorneys were then notified of the 2019 case strategy document with clear reference to Jue vs Smiser and Bagdasarian v. Gragnon. They were asked again for support. Silence was returned yet again, and that's why Buyers/Plaintiffs are without representation. It seems extremely clear that no Attorneys want their names associated with this unraveling.

Courts of Equity and Summary Commentary

It seems logical if “Courts of Equity” and/or “Attorneys at Equity” were still part of the legal system, none would have to re-establish these details for each complaint related to Fraud and the CAR Contracts would have been called out when they were first put into play.

When all of this information is viewed together,

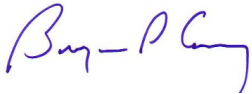
1. It provides insight into why an Experienced Termite Inspector may have learned to become “errantly indifferent” towards the content he included in a “pre-sale” inspection report. That doesn’t explain his lack of Ethics and a sense of social duty to fellow citizens, but that can be explained by the need to under report to remain in good standing with Brokers and Agents.
2. It exposes the Real Estate Lobby, the Legal Lobby, the Termite Inspection Industry, the Home Inspection industry and the Contracting Industry for numerous systemic frauds.

Damages Due -- Harsh Penalties Due

No additional information outside of this complaint content should be material to awarding compensatory and punitive damages for this complaint for Fraud.

This Defendant / Inspector should be subjected to the harshest of penalties under the Law for Fraud, given the position of Trust he was in, and the nature of the blasphemous breaches of duty to others in his community that he committed for fully selfish reasons. Only he knows just how many times he’s done this before, how many people may have been harmed and how much damage he has overlooked, for self serving reasons.

Thank for your consideration in advance,



Bryan Canary