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Attorneys for Plaintiffs and the Proposed Class

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **COUNTY OF SAN FRANCISCO**

13 **UNISON AGREEMENT CONTRACT**
14 **CASES**

15 THIS DOCUMENT RELATES TO ALL
16 ACTIONS

JCCP No. 5432

Coord. Trial Judge: Ethan P. Schulman
Department: 304

CLASS ACTION

**CONSOLIDATED AMENDED CLASS
ACTION COMPLAINT FOR:**

1. VIOLATION OF THE UNFAIR
COMPETITION LAW (Bus. & Prof.
Code §§ 17200, *et seq.*);
2. USURY;
3. ELDER FINANCIAL ABUSE;
4. QUIET TITLE;
5. DECLARATORY RELIEF;
6. UNJUST ENRICHMENT

(UNLIMITED MATTER-Amount demanded
exceeds \$25,000)

DEMAND FOR JURY TRIAL

1 **INTRODUCTION**

2 1. A home is often a person or family’s most valuable and important asset. For some
3 Californians, living with dignity in old age is only possible with the proceeds from the sale of a
4 home. For others, passing a home on to their children is essential to build intergenerational
5 wealth. For still others, the proceeds from the sale of a first home make it possible to buy a
6 second home large enough to accommodate a growing family or provide access to better schools.

7 2. A relatively new financial product, known as a home equity sharing agreement,
8 threatens all that by stripping the equity Californians built up in their homes through disguised
9 mortgage loans with predatory terms.

10 3. Unison Agreement Corporation, and its web of related entities, has issued these
11 disguised mortgage loans covering more than 17,000 American homeowners.

12 4. Unison offers a financial product that operates as a residential mortgage: Unison
13 pays the homeowner an initial sum in exchange for a future payment obligation secured by a
14 mortgage on the home. Indeed, this product operates as a reverse mortgage, a particularly risky
15 form of mortgage lending, because payment will come in the form of a large, deferred balloon
16 payment that homeowners will be unable to pay without selling their homes.

17 5. When the homeowner sells the house, dies, or at the end of a 30-year term,
18 Unison collects its payment from the proceeds of a sale, including by forcing a sale if necessary.

19 6. Homeowners may end up owing Unison as much as twice what Unison originally
20 loaned them just a few years after signing Unison’s form contracts.

21 7. While Unison’s product functions as a residential mortgage, Unison’s business
22 model only works if Unison can operate outside of all lending and mortgage laws.

23 8. California law creates strong protections for homeowners in the field of mortgage
24 lending. The Legislature strengthened those protections after predatory mortgage lending created
25 a disaster in the state during the 2008 crisis. These include disclosure rules to ensure
26 homeowners understand the cost of credit, caps on interest rates to prevent lenders from charging
27

1 usurious returns, and licensing requirements to ensure that home loans are being made lawfully
2 by legitimate companies.

3 9. Unison attempts to sidestep these safeguards by calling its product an “option”
4 contract rather than a loan.

5 10. As the Ninth Circuit recognized, however, what determines whether Unison’s
6 product is a mortgage loan isn’t the label Unison uses, but the substance of the product. *See*
7 *Olson v. Unison Agreement Corp.*, 2025 WL 2254522 (9th Cir. Aug. 2, 2025). And what Unison
8 offers is an advance of funds in exchange for a future payment obligation that is secured by a
9 home. In other words, it is a residential mortgage loan.

10 11. Plaintiffs Pat Gout and Albert Scroggins are both retired Californians with deeds
11 of trust on their homes that secure payment obligations to Unison. If either Ms. Gout or Mr.
12 Scroggins were to sell their home today, they would be forced to repay Unison the full amount of
13 its initial payment to them plus a balloon payment amounting to an effective rate of annual
14 interest above 30%. Plaintiffs bring this action on behalf of themselves and other Californians
15 who also signed Unison’s form HomeOwner Agreements designed to strip the homeowners of
16 the equity in their homes.

17 **JURISDICTION AND VENUE**

18 12. This Court has jurisdiction under Article VI, Section 10 of the California
19 Constitution, and Code of Civil Procedure § 410.10.

20 13. This Court has personal jurisdiction over Defendants because Defendants are
21 headquartered in California and have marketed, promoted, originated, assigned, serviced, and
22 enforced the HomeOwner Agreements at issue in California.

23 14. Venue is proper in the Superior Court for the County of San Francisco under
24 Code of Civil Procedure §§ 395(a) and 395.5 because Defendants maintain their principal place
25 of business in this County.

26 15. Venue is also proper in this County because a substantial portion of the acts and
27 omissions giving rise to the claims and liability arose and occurred here, and Defendants transact

1 business in this County. And venue is further proper in this County pursuant to Code of Civil
2 Procedure §§ 404 and 1048 because the Judicial Council has coordinated and assigned these
3 actions to this Court.

4 **PARTIES**

5 16. **Plaintiff Patricia Gout** is a resident of San Diego, California.

6 17. **Plaintiff Albert L. Scroggins Sr.** is a resident of San Bernardino County,
7 California.

8 18. **Defendant Unison Agreement Corporation (“Unison Agreement”)** is a
9 Delaware corporation with its principal place of business at 4 Embarcadero Center, Suite 710,
10 San Francisco, California 94111.

11 19. Unison Agreement is a wholly owned subsidiary of Defendant Real Estate Equity
12 Exchange, Inc. (“Equity Exchange”).

13 20. **Defendant Unison Investment Management, LLC (“Unison Management”)** is
14 a Delaware limited liability company with its principal place of business at 4 Embarcadero
15 Center, Suite 710, San Francisco, California 94111.

16 21. Unison Management is a wholly owned subsidiary of Equity Exchange.

17 22. Unison Management operates under the trade name “Odin Investment
18 Management.”

19 23. **Defendant Real Estate Equity Exchange, Inc. d/b/a Unison (“Equity
20 Exchange”)** is a Delaware corporation with its principal place of business located at 4
21 Embarcadero Center, Suite 710, San Francisco, California 94111.

22 24. Equity Exchange is the corporate parent of Unison Agreement and Unison
23 Investment Management, LLC (“Unison Management”), and the sole member of Odin New
24 Horizon General Partner LLC (“Odin GP”).

25 25. **Defendant Odin New Horizon Real Estate Fund LP (“Odin Fund”)** is a
26 Delaware limited partnership with its principal place of business at 4 Embarcadero Center, Suite
27 710, San Francisco, California 94111.

1 26. Odin Fund has one general partner and one limited partner.

2 27. The general partner of Odin Fund is Odin New Horizon General Partner LLC
3 (“Odin GP”), a Delaware LLC, registered to do business in California and with its principal
4 place of business at 650 California Street, Suite 1800, San Francisco, California 94108.

5 28. Unison Management is the sole member of Odin GP.

6 29. Equity Exchange is the parent corporation and sole member of Unison
7 Management.

8 30. The limited partner of Odin Fund is Rexington Holdings, Inc., a Delaware
9 corporation with its principal place of business in Delaware and a mailing address of Phillips
10 Point, East Tower, 777 S. Flagler Drive, Suite 1000, West Palm Beach, FL 33401.

11 31. **Defendant Odin New Horizon General Partner, LLC (“Odin GP”)** is a
12 Delaware limited liability company, with its principal place of business located at 4 Embarcadero
13 Center, Suite 710, San Francisco, California 94111.

14 32. Odin GP is the sole general partner of Odin Fund.

15 33. Plaintiffs are informed and believe, and based thereon allege, that additional
16 affiliated entities participated in the marketing, origination, assignment, servicing,
17 administration, enforcement or monetization of HomeOwner Agreements, including entities
18 identified in offering and securitization materials. Plaintiffs will seek discovery regarding these
19 entities’ roles and will amend this Complaint to add additional Defendants as appropriate.

20 34. Plaintiffs are unaware of the true names and capacities of the Defendants sued
21 herein as **DOES 1 through 10**, inclusive, and therefore sues these Defendants by such fictitious
22 names pursuant to California Civil Procedure Code § 474. Plaintiffs are informed and believe,
23 and based thereon, allege that Defendants designated herein are legally responsible in some
24 manner for the unlawful acts and occurrences complained of herein, whether such acts were
25 committed intentionally, negligently, recklessly, or otherwise, and Defendants thereby
26 proximately caused the injuries and damages to Plaintiffs and the Class members as herein
27

1 alleged. Plaintiffs will amend this complaint to reflect the true names and capacities of
2 Defendants when they have been ascertained and become known.

3 35. **Alter Ego and Integrated Enterprise.** Together, Defendants are joined in
4 common enterprise and are referred to collectively herein as “Unison.”

5 36. Upon information and belief, Unison Agreement, Unison Management, Equity
6 Exchange, Odin Fund, and Odin GP operate as a single enterprise with substantial
7 interrelationship and unified control.

8 37. In practice, their operations follow a closed loop designed to originate, assign,
9 service, and profit from the same HomeOwner Agreements:

- 10 a. Unison Agreement originates the HomeOwner Agreements directly with
11 homeowners and immediately assigns them to Odin Fund;
12 b. Odin Fund receives assignments of the originated HomeOwner
13 Agreements and becomes the creditor of record and holder of the lien;
14 c. Unison Management acts as asset administrator and servicer of the pooled,
15 securitized HomeOwner Agreements for Odin Fund, managing payoff
16 demands, accounting, and enforcement;
17 d. Odin GP, as general partner for Odin Fund, manages and controls Odin
18 Fund’s operations and collects fees for doing so; and
19 e. Equity Exchange sits at the top, owning and directing all subsidiaries,
20 overseeing and capturing profits at every stage of the entire equity-
21 stripping loan scheme.

22 38. Upon information and belief, at all relevant times, there has existed a unity of
23 interest and ownership between Defendants such that there is no individuality or true
24 separateness between them and they are the mere instrumentalities, agents, conduits, or adjuncts
25 of one another.

1 39. Defendants have combined their property, skill, resources, and knowledge for the
2 purpose of carrying out a single business enterprise: originating, acquiring, servicing, enforcing,
3 and profiting from the home-secured loan products described herein.

4 40. Defendants share in the profits and losses from their joint business enterprise,
5 including through origination fees, servicing and administrative fees, fund management fees, and
6 equity-based returns demanded from homeowners at payoff.

7 41. Defendants use the same offices and employees, including offices located at 4
8 Embarcadero Center, Ste. 710, San Francisco, CA 94111.

9 42. Defendants are dominated, controlled, and managed by the same persons, namely
10 Thomas Sponholz (CEO of Unison entities), Scott Case (CFO of Unison entities), and Matthew
11 O'Hara (CIO of Unison entities).

12 43. Defendants each share ownership and control over this joint enterprise, and each
13 participates in, benefits from, and is responsible for the conduct alleged herein.

14 44. As a result, Defendants are properly treated as participants in a joint venture or
15 common enterprise and are referred to collectively herein as "Unison" except where otherwise
16 specified.

17 45. Defendants were, and are, the alter egos of one other, and adherence to the fiction
18 of the separate corporate existence of Defendants would permit an abuse of the corporate
19 privilege, sanction fraud, promote injustice, and result in inequitable consequences, such that any
20 liability incurred by one Defendant in connection with the HomeOwner Agreement program is
21 chargeable against the other.

22 46. Because of their agreement and cooperation in the wrongful acts set forth herein,
23 Defendants are also co-conspirators and responsible for the acts of one another. Defendants are
24 referred to collectively as "Unison" in this complaint.

25 47. Unison operates in thirty states and Washington D.C., including over 240 metro
26 areas.

27

1 **FACTS**

2 **A. The structure of the HomeOwner Agreement.**

3 48. Unison drafted and presented to Plaintiffs and Class members a standardized set
4 of four transaction documents on a take-it-or-leave-it basis.

5 49. The four documents Unison presents to California homeowners as part of its
6 “Unison HomeOwner Agreement” are: (1) the Unison HomeOwner Covenant Agreement, (2) the
7 Unison HomeOwner Option Agreement, (3) the Unison HomeOwner Deed of Trust and Security
8 Agreement, and (4) the Unison HomeOwner Recorded Memorandum.

9 50. Stripped of deliberately complex accounting, lengthy contracts, and opaque
10 terminology, Unison’s product is a loan and puts homeowners in debt. Unison provides
11 homeowners an advance in exchange for a large payment in the future, secured by a mortgage on
12 the home.

13 51. The operative features of the HomeOwner Agreement have the same features as a
14 traditional loan:

15 52. **Advance of Funds:** Unison provides an advance called a “Unison Investment
16 Payment,” which is a small percentage of the “Original Agreed Value” of the home.

17 53. The “Unison Investment Payment” is the lump sum amount Unison pays the
18 homeowner at origination.

19 54. **Origination Fees:** Unison charges a “transaction fee,” appraisal fee, inspection
20 fee, settlement costs, and a fee to cover mortgage and deed recording costs. These reduce the
21 actual amount disbursed to the homeowner. These fees exceed five percent of the Unison
22 Investment Payment—far higher than customary origination costs for HELOCs or reverse
23 mortgages.

24 55. **Secured Interest:** Unison records a deed of trust on the home, which secures all
25 the homeowner’s payment obligations under the contracts—on pain of foreclosure.

26 56. **Repayment Obligation:** The homeowner is required to pay Unison an amount of
27 money based on the value of her home when an “Exercise Event” occurs.

1 57. The Exercise Events that trigger the end of the contract and payment are the
2 expiration of the 30-year term of the Agreement; the sale of the property; the owner’s death; or
3 the owner’s default.

4 58. When an Exercise Event occurs, the homeowner’s payment to Unison is
5 calculated as follows: Unison takes its “Investor Percentage” of the present total value of the
6 home (often as much as 70% of the value) and then subtracts the “Unison Purchase Price
7 Balance,” to calculate how much money Unison will receive.

8 59. The Unison Purchase Price Balance is the difference between the Unison
9 Investment Payment advanced at origination and the value of the Investor Percentage at the time
10 of origination.

11 60. Stripped of the complex mathematical formulas, the practical result is that, to
12 satisfy Unison’s secured claim, in 30 years or less, the homeowner (or her estate) will be forced
13 to pay Unison far more than she received—and far more than the law allows.

14 61. For example, in Mr. Scroggin’s case, Unison informed him in December 2024
15 that to remove the mortgage on his home, he would need to pay Unison \$184,537. Unison
16 reached this amount through the following steps: First, it took the value of his home in December
17 2024, which it estimated at \$465,000. Second, it multiplied that estimated value by 70%,
18 resulting in \$325,500. Third, Unison subtracted the “Purchase Price Balance” of \$140,963,
19 resulting in a payment obligation of \$184,537.

20 62. This meant that, after around 7 years, Mr. Scroggins would have needed to repay
21 Unison’s \$46,987 advance along with an additional \$137,550 dollars. That is equivalent to an
22 annual simple interest rate of approximately 42% and an annualized return exceeding 21%.

23 63. As Mr. Scroggins’ situation also illustrates, the Purchase Price Balance is not
24 actually a sum of money that Unison pays to the homeowner. It is simply an offset from the total
25 amount that the homeowner must pay Unison.

1 64. **Default:** Upon default, the deed of trust authorizes Unison to accelerate
2 repayment, tack on “protective advances” that are treated as additional secured debt, impose
3 liquidated damages, and exercise foreclosure and “orderly sale” remedies.

4 65. These remedies are indistinguishable from those of a conventional mortgage
5 lender.

6 **B. Unison’s repayment protections.**

7 66. On top of this, the HomeOwner Agreements include additional provisions to
8 ensure Unison’s future payment even in adverse scenarios.

9 67. There are several scenarios where Unison is expressly guaranteed repayment of
10 its advance (plus fees) at a minimum.

11 68. If a homeowner sells her home during the first three years of the contract, she will
12 have to pay Unison what amounts to a pre-payment penalty, requiring payment of *the greater* of:
13 (a) her initial advance (plus fees); or (b) the amount Unison would receive if she sold her home.
14 *See* Ex. A (Covenant Agreement) § 10.4(b).

15 69. After three years, if a homeowner wants to remove the deed of trust on her home
16 and get out from under this onerous contract without leaving her home, she will have to pay
17 Unison *the greater* of: (a) the Unison Investment Payment plus additional fees; or (b) the amount
18 Unison would receive if she sold her home. *See* Ex. B (Option Agreement) § 7; Ex. A (Covenant
19 Agreement) § 6.2.

20 70. If a homeowner defaults on any of her obligations under the HomeOwner
21 Agreement, Unison can foreclose and force the sale of the home and is expressly guaranteed
22 repayment of its advance at a minimum. *See* Ex. A (Covenant Agreement) § 10.4(f), (j). Unison
23 can also make advances that accrue fees and interest at a usurious rate or seek additional
24 liquidated damages. *Id.* §§ 7.3(e)-7.4(b), 8.9(e), 8.10-8.11.

25 71. Even outside of the scenarios where Unison is expressly guaranteed repayment,
26 there are several features of Unison’s product that ensure it will be repaid in practice.

27

1 72. Unison uses a “very sophisticated data infrastructure and pricing structure” to
2 target specific regions, areas, neighborhoods, and even specific houses to ensure that it picks
3 homes that will rise significantly in value, maximizing its return. *Podcast Transcription Session*
4 *No. 103—Thomas Sponholtz & Jim Riccitelli*, Lend Academy (hereinafter “Unison Podcast”)
5 (2017), <https://perma.cc/5RZ4-TP2K>.

6 73. The company touts that: “We have a 10-year forecast on every house in America
7 so we have a very sophisticated data infrastructure and pricing structure [for] what we call
8 turning a house into a security.” *Unison Podcast*.

9 74. To ensure that nothing will decrease the value of the home or jeopardize Unison’s
10 future payment, the HomeOwner Agreements require the homeowner to pay for all of the taxes,
11 insurance, maintenance, and repairs on the home.

12 75. If the homeowner fails to do so, Unison can foreclose on the home to get its
13 payment or make “protective advances,” which themselves accrue fees and interest and are
14 added to the principal that the homeowner will have to pay Unison, and/or liquidated damages.
15 *See* Ex. A (Covenant Agreement) §§ 8.1-8.2, 8.4-8.5, 8.9(e), 8.10, 8.11, 8.16(c), (f), 46; *see also*
16 *id.* at Exhibit C (the “Asset Administration Fee Schedule”).

17 76. Upon sale, the homeowner must pay 100% of the closing costs and fees, even
18 though Unison takes much of the proceeds from the sale. *Id.* § 3.3(e).

19 77. Unison also has the right to adjust the “Ending Agreed Value” of the home, or
20 sale price, by requiring the homeowner to pay more to Unison if Unison determines that the
21 homeowner failed to properly maintain or repair the property. *See* Ex. B (Option Agreement) § 4.

22 78. The length of Unison’s contract further ensures repayment. As Unison says,
23 “home equity tends to increase with the years of homeownership.” *2022 Unison Home Equity*
24 *Report*, Unison (2022), <https://perma.cc/2EWT-6Q4H/>. The maximum term of the contract is
25 thirty years, and Unison reports that the average length in practice is ten years. *Unison Podcast*.
26 Over the course of this “longer term holding period[,]” Unison itself states, “real estate tends to
27 perform fairly consistently.” *Id.*

1 79. Indeed, the HomeOwner Agreement explicitly sets forth that the homeowner must
2 intend to live in the home for more than three years, or otherwise be considered in breach. *See*
3 Ex. A (Covenant Agreement) § 2.1(e).

4 80. Another way in which Unison is protected is that homeowners will have the least
5 incentive to sell their homes during a drop in housing prices.

6 81. To further prevent a homeowner from selling when prices are low, Unison gives
7 itself significant power over the sale of the home and can effectively scuttle a sale.

8 82. If Unison determines that the sale price is too low, Unison can in its “discretion”
9 take steps that will significantly delay the sale, which could effectively prevent it from going
10 through. *See* Ex. A (Covenant Agreement) § 3.5.

11 83. Unison disclaims liability to the homeowner related to its delay of the sale. *Id.*
12 § 3.6.

13 84. Unison also requires properties to be owner-occupied, since other properties
14 “carry additional risk.” FAQ, Unison, <https://www.unison.com/faq> (answering question “What is
15 the Owner Occupancy Requirement?”); *see* Ex. A (Covenant Agreement) §§ 2.1(b), 8.8.

16 85. This requirement restrains homeowners from moving, renting out their property,
17 or using their property as an investment to support themselves rather than Unison.

18 86. Unison further restricts homeowners from accessing the equity in their property
19 by imposing a “maximum authorized debt” and forbidding additional loans over that amount
20 secured by the property, or other loans that “materially impair Investor’s Rights” such as
21 “reverse mortgage loans, shared appreciation mortgage loans, mortgage loans with negative
22 amortization or prepayment penalties,” and others. *See* Ex. B (Option Agreement) § 8; Ex. A
23 (Covenant Agreement) § 8.9.

24 87. Unison discounts the original appraised value of the home to reach what Unison
25 calls a lower “Original Agreed Value.” By lowering the original value of the home, Unison
26 increases the effective percentage of the home’s value the homeowner must forfeit to Unison.
27

1 88. In substance, the HomeOwner Agreements operate as high-cost, nonrecourse
2 mortgage loans that provide for repayment of principal plus substantial deferred interest.

3 **C. Unison’s deceptive marketing scheme.**

4 89. Because Unison’s product is so harmful to homeowners, Unison systematically
5 misrepresents how the product works, the substantial costs involved, and Unison’s relationship to
6 the homeowner.

7 90. Unison’s HomeOwner Agreement misleadingly describes itself as paying the
8 homeowner a large “Unison Purchase Price,” often several hundred thousand dollars. As
9 explained, Unison only gives the homeowner a smaller fraction of that amount up front. The
10 majority of the “Unison Purchase Price” to the homeowner is illusory, as Unison never pays that
11 amount of money to the homeowner. As explained above, it merely represents a percentage of
12 sale proceeds that the homeowner would have received from the sale of the home
13 notwithstanding Unison’s involvement.

14 91. Unison markets the HomeOwner Agreement as a “co-investment” or “equity
15 sharing agreement,” advertising that it involves “no debt,” “no interest,” and “no monthly
16 payments.”¹ Those representations appear on Unison’s website, in promotional brochures, in
17 mailers, and through sales representatives.

18 92. Unison tells homeowners that its product is “not a loan.”

19 93. Unison claims the product “offers possibilities, not payments,” is “easy to
20 understand,” and “gives you the freedom to achieve your goals without adding to your monthly
21 expense burden.” Unison’s mailer told homeowners: “**Congratulations! ... Do you wish you
22 could access the equity locked in your home? With Unison, you can receive [\$___] and use
23 that money for any purpose you choose—with no monthly payments and no interest” and
24 emphasized in bold text “NO ADDED DEBT...REALLY.”**²

25
26 ¹ See, e.g., **Exhibit D** (compilation of Unison HomeOwner Program Guides dated October 2017
27 Unison “Mailers”).

² See BeatTheBush, *Access Home Equity with No Payments Unison Review*, Youtube (Mar. 6,

1 94. Unison consistently markets the arrangement as a “partnership” with
2 homeowners. Unison’s website states that “Unison is your partner, here when you need us.”
3 *Equity Sharing Agreement*, Unison, <https://www.unison.com/equity-sharing-agreement>.

4 95. Its advertisements similarly state: “This is a partnership, fair and square.” *How it*
5 *Works - Unison Equity Sharing – Homeowner*, YouTube,
6 https://youtu.be/KG7ygY6_sWM?feature=shared&t=42.

7 96. But buried in dozens of pages of contracts, Unison’s HomeOwner Agreement
8 itself says the opposite: “[Unison] shall not be deemed a partner . . . with, or of, Owner.” *See* Ex.
9 A (Covenant Agreement) § 9.3.

10 97. Nor does Unison act like a partner. An essential element of partnership is the
11 sharing of losses or expenses. *See, e.g.*, 68 C.J.S. Partnership § 131.

12 98. Unison, however, has structured this transaction so the homeowner bears all the
13 expenses, and Unison will rarely, if ever, share any losses.

14 99. Partners also owe each other a fiduciary duty. *See, e.g.*, 59A Am. Jur. 2d
15 Partnership § 270 (“One of the paramount duties of partners among themselves, if not the
16 primary duty, is their fiduciary duty, universally recognized as including a duty to exercise good
17 faith and maintain the highest integrity in dealing with other partners.”); 68 C.J.S. Partnership
18 § 569 (“General partners owe their limited partners the duty of utmost good faith or honesty and
19 loyalty or obedience, as well as candor, due care, and fair dealing.”).

20 100. However, Unison’s contract expressly disclaims any fiduciary obligations to the
21 homeowner. Ex. A (Covenant Agreement) § 9.3.

22 101. And as an SEC-registered investment advisor, Unison Investment Management is
23 legally required to act in the best interest of its own investors, not in partnership with
24 homeowners. *2023 Responsible Investing Report*, Unison, at 19 (2023), <https://contentimages.o->

25 _____
26 2019), at 0:30–2:00, <https://www.youtube.com/watch?v=YtlpO8gljsE> (last visited September 16,
27 2025) (video showing and reading from the Unison direct-mail solicitation); *see also* **Exhibit E**
(composite image of Unison’s “Mailer” compiled from publicly available footage of the Unison
mailer displayed in the *BeatTheBush* YouTube video cited in this footnote).

1 prod.unison.com/pdf/Unison_ESG_report_2023.pdf?utm_content=esg-page-hero (“Unison
2 Investment Management maintains a fiduciary responsibility to our investors.”).

3 102. Unison advertises its product as an “equity sharing agreement.” Unison tells
4 homeowners that using its product is a “smarter, better way to . . . own homes” and “helps
5 unlock your home’s equity” with “[n]o extra debt, no interest, no monthly payments.” How to
6 Access Home Equity Without Debt, Unison, [https://www.unison.com/blog/homeownership/how-](https://www.unison.com/blog/homeownership/how-to-access-home-equity-without-debt)
7 [to-access-home-equity-without-debt](https://www.unison.com/blog/homeownership/how-to-access-home-equity-without-debt) (last visited Aug. 29, 2025); Mail Offer, Unison,
8 <https://www.unison.com/mail-offer> (last visited Aug. 29, 2025).

9 103. Unison’s claim that homeowners do not take on debt is false. Debt is a future
10 payment obligation, which Unison’s contract requires. *See, e.g., Debt, Merriam-Webster*
11 *Dictionary*, <https://www.merriam-webster.com/dictionary/debt> (“something owed” or
12 “obligation to pay or repay someone or something in return for something received”).

13 104. Unison’s claim that there is no interest is also false.

14 105. Interest is merely the amount of money owed by a borrower to a lender for the
15 advance of money—that is, the cost of the loan. *See, e.g., Interest, Black’s Law Dictionary* (12th
16 ed. 2024) (“The compensation fixed by agreement or allowed by law for the use or detention of
17 money, or for the loss of money by one who is entitled to its use; esp., the amount owed to a
18 lender in return for the use of borrowed money.”).

19 106. The future payment homeowners make to Unison includes money that
20 homeowners owe in exchange for the advance payment. Calling that return a “share of
21 appreciation” does not change its function as the cost of the advance. The amount is deferred, but
22 it is still compensation for the money Unison provided.

23 107. Unison’s representations that the product is not a loan are material and designed
24 to hide what its financial product is—extremely expensive credit.

25 108. Unison also tells homeowners that the company will share in the homeowner’s
26 ups and downs. However, in practice, Unison’s product is structured to ensure that it will
27

1 disproportionately benefit from rising home values and will rarely, if ever, share in any loss in
2 home values.

3 109. In written materials provided to homeowners and on its website, Unison gives
4 homeowners the impression that there is an equal chance of their home value increasing and
5 decreasing over the term of the loan, such that Unison shares in the risk of loss or gain.

6 110. For example, in its “offer” marketing materials, Unison provides “Examples of
7 the Payment to Unison” that share two scenarios of the home value increasing, two scenarios
8 with the home value decreasing, and one scenario of the home value staying unchanged.

9 111. These materials also provide “estimated annualized percentage costs” for several
10 hypothetical scenarios using figures that do not align with the actual loan amounts, and do not
11 include fees in the calculations (as a typical APR calculation would). These estimates range from
12 -4% depreciation to 6% appreciation.

13 112. These purported disclosures obscure the magnitude of the repayment obligation
14 rather than clarify the cost of the loan.

15 113. In contrast to these representations to homeowners, Unison tells its own investors
16 that it has ensured—including through its modeling and home value forecasts, as well as
17 manipulation of appraisal values—that the homes on which it has mortgages are nearly
18 guaranteed to increase in value over the course of the contract, such that the result of the contract
19 is that Unison will gain money and the homeowner will lose money. Indeed, Unison touts to its
20 institutional investors its portfolio’s extraordinary 20.7% annualized net return.

21 114. Unison’s misleading, deceptive, and confusing assertions to homeowners are
22 compounded by the lengthy and opaque nature of Unison’s documents. The “contract” consists
23 of several different documents totaling up to 100 pages.

24 115. And the contract documents contain terms that are insufficiently defined or
25 defined only in some other document, and are thick with legalese and fine print. The
26 HomeOwner Agreement documents are extremely confusing to understand for professionals—let
27 alone regular homeowners.

1 **D. Even though its product is a mortgage, Unison claims it is exempt from lending laws**

2 116. Even though Unison’s product is a residential mortgage loan, the company claims
3 that it is exempt from lending laws because its product is structured as an “option” and not a
4 loan.

5 117. For example, Unison states on its website that “Equity sharing agreements issued
6 by Unison Agreement Corp. are not offered under mortgage lending licenses” and “Where
7 offered, equity sharing agreements are not currently required to be licensed.” *See, e.g., License,*
8 *Unison, unison.com/licenses* (last visited Aug. 12, 2025); *see also Unison, unison.com/equity-*
9 *sharing-agreement* (last visited Aug. 12, 2025) (referring to the product as a “loan-alternative”).

10 118. The HomeOwner Option Agreement similarly states that “[t]he Unison
11 Investment Payment is not a loan.” *See Ex. B (Option Agreement) § 6.*

12 119. Unison’s representations are false and misleading.

13 120. No matter how Unison labels its product, it is a mortgage loan. Unison provides
14 homeowners with an advance of money, secures repayment of that advance through a recorded
15 deed of trust on the home, and defers repayment until specified maturity events. That is a
16 mortgage loan, just with worse terms for borrowers than the ordinary mortgage loan.

17 121. While Unison claims that its product is not a loan because it could lose money if
18 the housing market falls, that does not distinguish its product from more traditional mortgage
19 loans or reverse mortgages.

20 122. During the 2008 crash, for example, many mortgages defaulted, mortgage lenders
21 and associated companies incurred huge losses, and government bailouts were necessary.

22 123. California law likewise expressly recognizes and regulates “shared appreciation
23 loans,” in which lender repayment depends on home appreciation and may decline if property
24 values fall.

25
26
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1 124. Every lender faces a risk they won't be paid back. For example, in nonrecourse
2 mortgage lending—where the lender cannot recover more than the value of the collateral—a
3 lender's recovery will depend on the value of the collateral at maturity. The possibility that the
4 collateral's value may decline does not convert a secured advance of money into something other
5 than a loan.

6 125. After the loan is originated and the lien is recorded, Unison bundles it with other
7 loans and places it into an asset-backed security.

8 126. That's exactly how other mortgage lenders securitize home-secured loans to
9 reduce risk to the lender.

10 127. Investors analyze Unison's loan pools using the same analytics that they use for
11 other mortgage-backed securities.

12 128. Unison's CEO himself has described this kind of product as "similar to any home
13 financing transaction." Jim Wood, *Equity Access*, Marin Magazine (Apr. 10, 2007),
14 <https://marinmagazine.com/community/local-business/equity-access/>.

15 129. Despite Unison's efforts to conceal the nature of its product, various documents
16 involved in the process state expressly that its product is a loan.

17 130. Title and closing documents repeatedly refer to the Plaintiffs and Class members
18 as the "borrower." Ex. C (Settlement Statement).

19 131. These documents also refer to Unison as the lender. *Id.*

20 132. And they refer to Unison's advance payment as a "loan." *Id.*

21 133. The "offer" marketing documents show that the homeowner will be required to
22 pay the loan at or before the end of the thirty-year term: "If you have not sold your Property or
23 otherwise terminated the Unison HomeOwner Agreement by the end of the thirty (30) year
24 Term, you will need to sell the Property or otherwise settle the Unison HomeOwner Agreement
25 by paying Unison an amount equal to the value of its investment interest in the Property at that
26 time." This language is not conditional on a purported exercise of an option.

1 134. Because Unison claims its product is not a mortgage loan, it fails to comply with
2 numerous California laws protecting homeowners.

3 135. Unison originates and enforces mortgage loans without the licenses required by
4 California law. *See* Cal. Fin. Code §§ 22009, 22100(a), 22109.4, 22109.6, 22100(f); Cal. Bus. &
5 Prof. Code §§ 10166.01, 10166.02.

6 136. Unison charges interest that is far above the 10% permitted under the California
7 Constitution, Article XV § 1.

8 137. Unison does not make the required disclosures or ensure that homeowners receive
9 independent counseling that would explain the risks of Unison’s product. Instead, Unison’s
10 contracts and purported “disclosures” themselves actually obscure the nature of the transaction.
11 Nowhere does Unison disclose the potential cost of the transaction by using traditional means,
12 such as interest rates or real numbers reflecting what its internal calculations demonstrate that the
13 homeowner will likely have to pay. Unison does not tell borrowers how much they will have to
14 repay. Instead, Unison uses obscure and confusing terminology, complicated equations and
15 defined terms that are embedded within each other, and which homeowners have to find in
16 different places in the nearly 100 pages of contract documents, to purportedly explain the cost of
17 its product.

18 **E. Unison’s business model is structured to ensure its profits at homeowners’ expense.**

19 138. Unison’s business model and practices in securitizing its loans further confirm
20 that Unison’s HomeOwner Agreement functions as a mortgage loan, ensures its own future
21 profits, and demonstrate that Unison is not partnering with homeowners. While Unison touts its
22 product as an innovative “investment,” rather than a loan, its model is the same as other
23 mortgage lenders’. Like many other mortgage lenders, Unison originates loans to homeowners
24 secured by their homes. It then immediately bundles these loans into securitized trusts. Unison
25 markets these securitized trusts to institutional investors, promising large rates of return. Like
26 with other mortgage loans, Unison turns pools of mortgages into investments for hedge funds
27 and institutional investors—but they remain mortgage loans to the homeowners.

1 139. Unison was founded by Thomas Sponholtz, who is currently the Chief Executive
2 Officer of Equity Exchange, Unison Agreement and Unison Management.

3 140. Sponholtz worked at Bear Stearns and then at Barclays Global Investors. At
4 Barclays, he got the “big idea” for Unison’s business model, when he was “looking around for
5 large asset classes [he] could add to [Barclays] client’s portfolio.” *Unison Podcast*.

6 141. Sponholtz identified residential property as an untapped source of profits for a
7 financial technology company.

8 142. Residential real estate is lucrative because, as Sponholtz explained, over the
9 medium term, it tends to increase in value. *Id.*; *see also* Unison Investment Management,
10 <https://perma.cc/X53U-FMZR> (touting strong performance of residential real estate over time).

11 143. Residential real estate is also a huge potential market, as it is the “largest asset
12 class both globally and in the US.” *Unison Podcast*.

13 144. The typical way to profit off residential real estate is to purchase homes and rent
14 or resell them. However, Sponholtz explained, this method is inefficient because it requires
15 “tremendous administrative cost in maintaining and being a property manager of [] homes.” *Id.*
16 The Unison model is thus built to extract the home’s value and increases in that value, without
17 the costs or burdens of actually purchasing, owning, or maintaining the homes themselves. *Id.*

18 145. That’s why Unison’s business model requires homeowners to bear all the costs
19 and burdens of home purchase and ownership, including property taxes, insurance, maintenance,
20 and management, while Unison can sit back and receive large payments for its loans.

21 146. Once Unison locks a homeowner into its mortgage loan, it places a lien on the
22 home to protect its interest, and then pools the loans into a securitized trust, which it sells to
23 private investors such as hedge funds.

24 147. Unison has issued securitizations of hundreds of millions of dollars of its
25 HomeOwner Agreements. *Unison issues \$443 million residential equity agreement*
26 *securitization*, Unison (Aug. 20, 2025),

27 https://www.unison.com/press/national_mortgage_news_unison-issues-443-million-residential-

1 equity-agreement-securitization; *Unison Announces DBRS Rated Securitization of \$215 Million*
2 *of Unison Home Equity Sharing Agreements*, Unison (June 6, 2024),
3 <https://www.unison.com/press/unison-second-dbrs-rated-securitization>; *Unison Announces*
4 *Securitization of \$165 Million Unison Home Equity Agreements*, Unison (Sept. 20, 2023),
5 <https://www.unison.com/press/unison-securitization-165-million-home-equity-agreements>.

6 148. As the result of a product design that ensures future payments at the expense of
7 homeowners, Unison’s portfolio has “achiev[ed] a 20.7% annualized net return since 2012,”
8 more than two-fold the stock market’s average annualized net return. *Residential Real Estate*
9 *Generates Strong Returns!*, Unison Investment Management, <https://perma.cc/X53U-FMZR>.

10 149. In its marketing to its own investors, Unison explains that its products have
11 “unlimited upside and limited downside” as well as “low volatility and high risk-adjusted net
12 returns compared to other major asset classes,” including traditional home secured loans. *About*
13 *Us*, Unison Investment Management, <https://www.unisonim.com/about-us>.

14 150. Thus, while Unison invokes the risk that it may lose money to justify its evasion
15 of laws protecting homeowners, Unison’s statements to its own private investors tell the real
16 story: Unison’s products are structured to ensure its future payments with substantial profits—at
17 the homeowner’s expense.

18 151. Unison’s business model has allowed the company to expand rapidly. Unison
19 touts that it has contracts with more than 17,000 homeowners on homes worth approximately
20 \$8.8 billion.

21 **F. Ms. Gout is locked into a predatory Unison mortgage.**

22 152. Since 2000, Ms. Gout has lived in her current home in San Diego.

23 153. By the time she entered the Unison contract, Ms. Gout was widowed and living
24 alone.

25 154. Her husband, a veteran of the Korean War, became ill in the 1990s. She served as
26 his caregiver up until his passing in 1996.

1 155. Ms. Gout worked for three decades as the property and evidence clerk for the La
2 Mesa police department. She retired in 2006.

3 156. At around this same time, Ms. Gout spent much of her retirement savings helping
4 a struggling family member.

5 157. By 2017, Ms. Gout was facing increased costs of maintaining her home. Her
6 father had taught her how to take care of things herself, but as she aged there were fewer things
7 she could do on her own. This meant increased costs, especially as her home aged.

8 158. Yet as a retiree, she was facing a diminished income to cover these costs.

9 159. Ms. Gout also wanted to save money in light of her worsening health. In the
10 2000s, she was diagnosed with kidney failure, and she wanted to have money saved away for
11 when she will need to receive dialysis and other more expensive care.

12 160. Ms. Gout was also paying off a first home equity line of credit.

13 161. In 2017, Ms. Gout learned about Unison from Unison's marketing materials.

14 162. After seeing Unison's marketing materials, including the website at
15 www.unison.com, Ms. Gout had a telephone conversation with a Unison representative.

16 163. Ms. Gout had been considering taking out a traditional home equity line of credit.
17 But based on Unison's representations, she believed that a contract with Unison would offer
18 more favorable terms than a traditional home equity line of credit.

19 164. On or about July 7, 2017, Ms. Gout met with a notary to sign Unison's thick stack
20 of form documents.

21 165. She never met in person with anyone from Unison.

22 166. At no point did Unison or its agents explain the true cost or impact of the
23 transaction to Ms. Gout.

24 167. Unison required Ms. Gout to sign at least nine separate documents totaling nearly
25 100 pages comprising her contractual agreement with Unison: the Unison HomeOwner Option
26 Agreement, Unison HomeOwner Covenant Agreement, Memorandum of Unison HomeOwner
27 Agreement, Unison HomeOwner Security Instrument and Riders, Subordinated Deed of Trust

1 and Security Agreement, Assignment of Unison HomeOwner Agreement, Requests for Notice of
2 Default, Signature and Name Affidavit, and the Certification of Trust.

3 168. Under these contracts, Ms. Gout granted Unison a mortgage on her home, which
4 secured her obligations under the contract on penalty of foreclosure. Subordinated Deed of Trust
5 and Security Agreement at 2–3 § 2(b).

6 169. The terms of Unison’s contract were presented on a take-it-or-leave-it basis.

7 170. The positions of the parties were highly unequal. Ms. Gout was an elderly retiree
8 and widow without a college degree and limited experience in complex financial transactions.

9 171. Unison is a multi-million-dollar financial technology company, it drafted the
10 contracts, and it has complex methods of market and financial analysis that give it far superior
11 knowledge of how the contracts will actually work in practice.

12 172. Unison did not provide required lending disclosures or counseling required for
13 mortgage lending transactions (including reverse mortgages) to Ms. Gout.

14 173. Instead, Unison provided “disclosures” that did not comply with lending laws and
15 were designed to be confusing and misleading.

16 174. As a result, Unison obscured the finance charges and cost of the credit.

17 175. Ms. Gout did not, and could not, understand the true nature of the agreement and
18 her future payment obligation to Unison, which Unison designed to obscure how much
19 homeowners will have to pay the company.

20 176. Just like all its loans, Unison paid Ms. Gout an initial advance, received security
21 through a mortgage on her home, and required a future payment. And just like all its loans,
22 Unison’s contracts with Ms. Gout have ensured that her future payment to the company will far
23 exceed the advance she received.

24 177. Unison purported to offer Ms. Gout an advance payment called a “Unison
25 Investment Payment” of \$99,750. This amounted to 17.5% of the “Original Agreed Value” of
26 her home at the time, set at \$570,000. But before paying this amount to Ms. Gout, Unison
27 subtracted its “transaction fee” of \$2,494. Combined Closing Statement at 1.

1 178. Ms. Gout's payment was also reduced by hundreds of dollars in other fees,
2 including fees for the appraisal, home inspection, title, recording fees, and mortgage tax, many of
3 which were also paid to or through Unison. *Id.* After paying \$34,993.95 to Ms. Gout's second
4 mortgage, the proceeds paid to Ms. Gout were \$59,967.28.

5 179. In exchange for this advance, in 30 years or less, Ms. Gout (or her estate) will be
6 forced to pay Unison far more than she received and far more than the law allows.

7 **G. Ms. Gout discovers the true nature of Unison's hidden mortgage loan.**

8 180. In early 2025, Ms. Gout spoke to a realtor who was a member of her church. He
9 advised Ms. Gout that she may have fallen victim to predatory lending, and encouraged Ms.
10 Gout to call Unison for details about the terms of her agreement.

11 181. In February 2025, Ms. Gout called Unison to obtain information about paying off
12 her loan.

13 182. Unison told Ms. Gout that she would have to pay Unison approximately \$375,000
14 if she wanted to buy her way out of the contract. This was the first time Ms. Gout learned that
15 she would owe so much money.

16 183. In other words, after around seven-and-a-half years, Ms. Gout would be required
17 to repay Unison's \$99,750 advance along with an additional \$275,250 dollars. That is equivalent
18 to an annual simple interest rate exceeding 36% and an effective annualized return exceeding
19 19%.

20 184. That is far higher than the applicable maximum rate permitted under California
21 law. It is also far higher than the interest rate for other mortgage or home equity loans.

22 185. Ms. Gout had no idea that the loan would obligate her to pay this much or more.

23 186. Had Ms. Gout understood the true cost of her transaction with Unison at the time
24 she entered into the contracts, she would not have agreed to it.

25 187. On or about February 21, 2025, Ms. Gout reached out to Unison requesting a
26 copy of her contract documents.

27

1 188. Shortly thereafter, Unison sent Ms. Gout a copy of her “Unison Funding
2 Package.”

3 189. At the suggestion of the realtor she met through her church, Ms. Gout sought legal
4 advice in March of 2025.

5 **H. Mr. Scroggins is locked into a predatory Unison mortgage.**

6 190. On December 18, 2017, Mr. Scroggins and his wife, Johnny Kay Scroggins,
7 executed the standardized Unison HomeOwner Agreement encumbering their family home.

8 191. At the time, Mr. Scroggins was 71 years old and his wife was 69.

9 192. Mr. and Mrs. Scroggins were both retired, living on fixed social security and
10 pension income, and had limited savings. Mrs. Scroggins subsequently passed away.

11 193. As part of the required, uniform HomeOwner Agreement Application, Unison
12 collected detailed personal and financial information, including dates of birth, professions, years
13 of education, retirement savings, brokerage account balances, other assets, ownership of any
14 additional real estate, the mortgage balance on the primary home, and amounts of monthly
15 mortgage payments, HOA fees, property taxes, and homeowners’ insurance. This information
16 revealed that the Scrogginses had less than \$3,200 in liquid bank accounts, no retirement
17 savings, no other real estate, and a substantial first mortgage with nearly \$1,000 in monthly
18 payments. Thus, Unison was fully aware of Mr. Scroggins’s and his wife’s advanced age,
19 financial vulnerability, and reliance on their home equity before executing the Agreement.

20 194. Unison set the “Original Agreed Value” of the Scroggins home at \$268,500.

21 195. Unison set a “Unison Purchase Price” of \$187,950, which was equivalent to 70%
22 of the Original Agreed Value of the home.

23 196. Of that amount, Unison actually advanced only \$46,987 (the “Unison Investment
24 Payment”).

25 197. The balance of \$140,963 is the amount Unison would purportedly “pay” to
26 exercise its option upon termination.

27

1 198. After subtracting from the Unison Investment Payment Unison’s fees and closing
2 costs—including a \$1,175 “transaction fee,” \$625 “inspection fee,” \$550 “appraisal fee,” and
3 \$850 “settlement fee”—Mr. and Mrs. Scroggins received just \$44,124 in proceeds.

4 199. In other words, Unison stripped thousands of dollars (equaling approximately 7%
5 of payment) from its Unison Investment Payment of \$46,987 at closing through origination and
6 settlement charges.

7 200. The closing package for Mr. Scroggins’s transaction included a “Final ALTA
8 Settlement Statement,” a standardized form created by the American Land Title Association and
9 ordinarily used in mortgage refinances and home-equity loans.

10 201. Escrow used that form to itemize lender disbursements, title and recording
11 charges, and other settlement costs—mirroring the procedures of a conventional mortgage
12 closing.

13 202. Unison’s use of a mortgage-lending settlement form underscores that the
14 transaction was structured and administered as a secured loan.

15 203. Mr. Scroggins’s HomeOwner Agreement was secured by a recorded “Unison
16 HomeOwner Deed of Trust and Security Agreement.”

17 204. That Unison Deed of Trust expressly authorized foreclosure, acceleration,
18 assignment of rents, and other remedies typical of a traditional mortgage loan.

19 205. In late 2024, when Mr. Scroggins sought to terminate the HomeOwner
20 Agreement, Odin Fund issued a written payoff demand for \$184,537.

21 206. The payoff demand was signed by Odin GP, the general partner of the Odin Fund.

22 207. The payoff demand required that payment be wired by January 3, 2025, and
23 conditioned reconveyance of the lien on payment in full.

24 208. From an initial loan of \$46,987, Unison demanded \$184,537, nearly four times
25 the amount originally lent, representing a simple interest rate exceeding 40% per year and an
26 effective annualized return exceeding 20 percent.

27

1 218. Plaintiffs seek certification of the following Elder Subclass:

2 All Class members who were at least sixty-five years old when
3 they entered into a Unison HomeOwner Agreement or exited a
4 Unison HomeOwner Agreement.

5 219. The Class is so numerous that joinder of all members is impractical. While the
6 exact number and identity of Class members is unknown to Plaintiffs at this time and can only be
7 determined through appropriate discovery, Plaintiffs believe that there are thousands of Class
8 members based on publicly available information. Unison's own records will contain
9 information about the number and identities of the Class members.

10 220. There are questions of law and fact common to all members of the Class. Those
11 common questions include, but are not limited to, the following:

- 12 a. whether the HomeOwner Agreements constitute loans within the meaning
13 of California's lending statutes;
- 14 b. whether Unison engaged in unlicensed lending in violation of the
15 California Financing Law, the California Residential Mortgage Lending
16 Act, or the Reverse Mortgage Law;
- 17 c. whether Unison misrepresented the nature of the HomeOwner Agreements
18 as "not loans," "not debt," or "partnerships;"
- 19 d. whether the deeds of trust recorded in connection with the HomeOwner
20 Agreements are void or unenforceable;
- 21 e. whether Unison failed to provide required counseling, notices, disclosures,
22 and deed labeling;
- 23 f. whether Unison's HomeOwner Agreements are unlawful, unfair, or
24 deceptive practices under the Cal. Bus. & Prof. Code § 17200, *et seq.*;
- 25 g. whether Unison's conduct constitutes financial abuse of elders under Cal.
26 Welf. & Inst. Code § 15610.30;
- 27 h. whether Unison's HomeOwner Agreements are usurious under the
 California Constitution;

- 1 i. whether Unison's HomeOwner Agreements are unconscionable under
- 2 California law;
- 3 j. whether Plaintiffs and Class members have been injured, including by loss
- 4 of equity or impairment of title to their homes, and the proper measure of
- 5 restitution or damages;
- 6 k. whether Plaintiffs and Class members are entitled to declaratory and
- 7 injunctive relief; and
- 8 l. whether Plaintiffs and Class members are entitled to attorneys' fees, costs,
- 9 and interest.

10 221. Plaintiffs' claims are typical of the Class claims because they, like the Class
11 members, entered into HomeOwner Agreements with Unison. Plaintiffs' and the Class members'
12 claims arise from Unison's standardized contracts; Unison's use of substantially the same terms
13 with respect to the structure of its advance payments; Unison's purported "option" mechanism
14 for ensuring its future payment; the homeowner's obligations secured by a security interest in a
15 residence; and deceptive characterizations of the product.

16 222. Plaintiffs will fairly and adequately protect the interests of the Class because they
17 share the same interest in challenging Unison's practices as the rest of the Class, their interests
18 do not conflict with the interests of the Class, and they have obtained counsel experienced in
19 litigating class actions and matters involving similar or the same questions of law.

20 223. The questions of law or fact common to the members of the Class predominate
21 over any questions affecting only individual members, and a class action is superior to other
22 available methods for fairly and efficiently adjudicating Class members' claims. There will be no
23 difficulty in the management of this action as a class action.

24 224. Unison has acted or refused to act on grounds generally applicable to the Class,
25 making declaratory and injunctive relief appropriate with respect to the Class as a whole.

1 **COUNT 1**

2 **Violation of the California Unfair Competition Law (“UCL”)**

3 **Business & Professions Code §§ 17200, *et seq.***

4 225. Plaintiffs incorporate by reference each allegation set forth above as if set forth at
5 length herein.

6 226. Plaintiffs bring this claim individually and on behalf of the Class.

7 227. Plaintiffs and Defendants are “persons” within the meaning of the UCL. Cal. Bus.
8 & Prof. Code § 17201.

9 228. The UCL defines unfair competition to include any “unlawful, unfair or
10 fraudulent business act or practice,” as well as any “unfair, deceptive, untrue or misleading
11 advertising.” Cal. Bus. Prof. Code § 17200.

12 229. **UCL Unlawful Conduct:** Unison has violated Section 17200’s prohibition
13 against engaging in “unlawful” business acts and practices. As alleged herein, Unison’s conduct
14 violates, among other laws, the following statutes and legal provisions:

- 15 a. California Financing Law (“CFL”) (Cal. Fin. Code § 22000, *et seq.*),
16 which prohibits making consumer loans without a finance lender license;
- 17 b. California Residential Mortgage Lending Act (“CRMLA”) (Cal. Fin. Code
18 § 50000, *et seq.*), which prohibits making or servicing residential
19 mortgage loans without a license;
- 20 c. California Reverse Mortgage Law (“RML”) (Civ. Code § 1923, *et seq.*),
21 which governs nonrecourse cash-advance loans secured by homes,
22 requiring licensure, counseling, bold deed disclosures, plain-language
23 notices, and limits on insurance obligations;
- 24 d. Elder Financial Abuse statute (Welf. & Inst. Code § 15610.30), which
25 prohibits taking or retaining property of elders through wrongful use,
26 fraud, or undue influence;
- 27

- 1 e. California Civil Code §§ 1572, 1573, 1709, and 1711, which prohibit
2 deceit, misrepresentation, and fraudulent concealment;
- 3 f. California’s laws on real property loans, including but not limited to by
4 charging a fee for an appraisal but failing to provide Plaintiffs and Class
5 members a copy of that appraisal at or before closing. Cal. Bus. & Prof.
6 Code § 10241.3;
- 7 g. California Constitution, Article XV, Section 1, which prohibits usury. *See*
8 Count 2; and
- 9 h. California Civil Code §§ 1670.5, 22302, which prohibits unconscionable
10 conduct.

11 230. These violations have caused and continue to cause harm to Plaintiffs and the
12 Class, including unlawful encumbrances placed on their homes, fees incurred in connection with
13 unlawful transactions, and payments of principal and interest made pursuant to contracts that
14 Unison had no legal authority to offer.

15 ***California Financing Law (“CFL”)***

16 231. Under the CFL, no person may engage in the business of making consumer loans
17 without first obtaining a California Finance Lender license from the Department of Financial
18 Protection and Innovation. Cal. Fin. Code § 22100(a). Defendant Unison Agreement Corp.—the
19 named counterparty in the HomeOwner Agreements—has never obtained a CFL license.

20 232. The HomeOwner Agreement between Plaintiffs and Unison involved Unison
21 advancing funds to Plaintiffs primarily for personal, family or household purposes, secured by a
22 deed of trust on Plaintiffs’ residences, with future payment due upon specified maturity events
23 such as sale, transfer, or death. This arrangement constitutes a “loan” within the meaning of the
24 California Financing Law, Cal. Fin. Code § 22203.

25 233. Unison’s HomeOwner Agreement product is a consumer loan, Cal. Fin. Code §
26 22203, but Unison was not and is not a licensed lender and, therefore, is unlawfully “engaged in
27 the business of making consumer loans.” Cal. Fin. Code §§ 22009, 22100(a).

1 234. Unison violated Cal. Fin. Code § 22161 by: (1) making materially false or
2 misleading statements or representations to a borrower about the terms or conditions of the loan,
3 as described herein, including but not limited to that the HomeOwner Agreement product was
4 not a loan, that the borrower might not have to pay the loan back, that the loan had no interest,
5 and that Unison and the homeowner shared in the risks and rewards of the product,
6 § 22161(a)(1); (2) making statements and representations in advertising about the rates, terms,
7 and conditions of its loan that were false, misleading, deceptive, or omitted material information,
8 including information revealing the true cost and risks of the transaction, § 22161(a)(3); (3)
9 knowingly misrepresenting, circumventing, or concealing material aspects or information
10 regarding the transaction as described herein, § 22161(a)(6); and (4) engaging in dishonest
11 dealings, § 22161(a)(7).

12 235. Unison failed to provide full and clear disclosure of interest rates, charges, and
13 loan costs, in violation of Cal. Fin. Code § 22164.

14 236. Unison's HomeOwner Agreement contract is unconscionable under Cal. Fin.
15 Code § 22302 and Cal. Civil Code § 1670.5. As described above and set forth herein, the
16 agreement is substantively and procedurally unconscionable, including but not limited to the
17 following:

- 18 a. Unison is a large financial company engaged in the business of soliciting
19 homeowners and placing them in agreements like the ones entered by
20 Plaintiffs;
- 21 b. Unison and Plaintiffs, and other similarly situated consumers, occupied
22 and occupy significantly unequal bargaining positions, including in that
23 Unison has complex methods of market and financial analysis whereas
24 consumers do not;
- 25 c. Unison drafted all documents, amounting to nearly 100 pages in the
26 funding package, and presented them as contracts of adhesion;

- 1 d. Unison provided no meaningful explanation of the true costs of the
2 contracts;
- 3 e. Unison failed to provide accurate disclosures related to the transaction and
4 cost of credit as required by law, and instead provided purported
5 disclosures that were misleading, misstated the risks and costs of the
6 transaction, and were confusing;
- 7 f. Unison drafted the documents to be confusing and embedded the terms in
8 fine print, some of which could only be located on the website, others of
9 which were never disclosed, and the contracts themselves are written in
10 small print, are extremely lengthy, contain legalese, repeatedly cross
11 reference other documents, and include extremely difficult to understand
12 terms;
- 13 g. Unison drafted and presented the documents in a manner that exploited the
14 unequal bargaining power of the parties such that consumers like Plaintiffs
15 would not and could not understand the full nature and consequences of
16 the transaction;
- 17 h. Upon information and belief, Unison has artificially decreased the
18 purported “original value” of consumers’ homes to increase Unison’s
19 future profits, which will be based on a valuation of the house that won’t
20 be artificially decreased;
- 21 i. Unison drafted the contract to limit the ability of homeowners to pay off
22 the obligation before three years elapsed, thereby further guaranteeing
23 Unison’s high rate of return and the homeowner’s increased loss;
- 24 j. Unison required that homeowners, such as Plaintiffs, transfer wealth from
25 themselves to Unison by requiring the homeowners to bear all costs in
26 order to protect and increase Unison’s profit, including costs associated
27 with the purchase of the property, the costs of maintenance of the

1 property, payment of taxes and insurance, payment of all seller's costs,
2 and payment of additional fees;

3 k. The terms of the transaction further benefit Unison at the cost of
4 consumers like Plaintiffs because the majority of Unison's purported
5 "purchase price" that it pays homeowners is only paid out of funds from
6 the sale of the home that the homeowner would receive without having
7 entered the contract, such that it is illusory;

8 l. The actual cost of the transaction to Plaintiffs and similarly situated
9 consumers is extremely high; and

10 m. The terms of the transaction are substantially one-sided in favor of Unison,
11 which drafted the documents and their terms, and guarantee a substantial
12 rate of return to Unison at very limited cost or risk, while placing an
13 outsized burden of the costs and risks on Plaintiffs, and similarly situated
14 consumers, as described above.

15 237. For these and other reasons, the transactions are procedurally unconscionable, in
16 that Unison uses its unequal bargaining power with respect to their targeted borrowers to allow
17 them to insert oppressive terms that would come as a surprise to borrowers, once discovered.

18 238. For these and other reasons, the transactions are substantively unconscionable, in
19 that Unison traps borrowers in contracts that yield overly harsh and one-sided results in Unison's
20 favor.

21 239. Unison violated Cal. Fin. Code § 22332 by failing to accurately disclose the
22 amount of the loan and the interest rate on the loan.

23 240. Unison Agreement acted as a mortgage loan originator, Cal. Fin. Code § 22013;
24 Cal. Bus. & Prof. Code § 10166.01, while not being so licensed as required by California law,
25 Cal. Fin. Code §§ 22109.4, 22109.6, 22100(f), 22755; Cal. Bus. & Prof. Code §§ 10166.01,
26 10166.02.

1 241. Unison Management, Equity Exchange, Odin Fund, and Odin GP assist and aid
2 and abet Unison Agreement’s unlicensed origination of mortgages in violation of Cal. Fin. Code
3 § 22755(f).

4 242. Unison violated Cal. Fin. Code § 22755 by engaging in unlawful conduct as a
5 mortgage originator, including but not limited to the following conduct alleged herein and below:
6 (1) directly or indirectly employing any scheme, device, or artifice to defraud or mislead
7 borrowers; (2) engaging in unfair and deceptive practices; (3) failing to disclose financing terms;
8 (4) failing to make disclosures required by law; (5) failing to comply with other requirements of
9 the Financial Code; and (6) making false or deceptive statement or representations as to rates and
10 financing terms, and engaging in bait-and-switch advertising.

11 243. Each of Unison’s violations of California’s Financial Code was willful. The loan
12 is therefore void under Cal. Fin. Code § 22750(b). Unison has unlawfully charged, contracted
13 for, collected, or received principal, charges, or recompense in connection with its transactions.

14 244. In the alternative, if these violations were not willful, all interest and charges on
15 Unison’s loans are uncollectable. Cal. Fin. Code § 22752(a). In making or collecting on its loans,
16 Unison has unlawfully collected or received charges or interest in connection with its
17 transactions.

18 ***California Residential Mortgage Lending Act (“CRMLA”)***

19 245. Separately, California’s Residential Mortgage Lending Act (“CRMLA”), Cal. Fin.
20 Code § 50000, *et seq.*, prohibits any person from engaging in the business of making or servicing
21 “residential mortgage loans” without a license. Cal. Fin. Code § 50002(a).

22 246. The HomeOwner Agreements offered and executed by Unison Agreement Corp.
23 are secured by deeds of trust on borrowers’ primary residences and therefore constitute
24 “residential mortgage loans” under California law. Cal. Fin. Code § 50003(p). Immediately upon
25 execution, Unison Agreement Corp. assigns all rights and liens to Odin Fund with Odin GP as its
26 general partner, and Odin Fund thereafter enforces repayment obligations, including by issuing
27 payoff demands.

1 247. Because neither Unison Agreement Corp. nor Odin Fund holds a CRMLA license,
2 these transactions were unlawful. In the alternative, to the extent these HomeOwner Agreements
3 are not deemed residential mortgage loans within the meaning of the CRMLA, they constitute
4 consumer loans under the California Financing Law, Cal. Fin. Code § 22000 et seq., which
5 Unison Agreement Corp. also lacked the license to issue.

6 ***California’s Reverse Mortgage Law (“RML”)***

7 248. California’s Reverse Mortgage Law (“RML”), Civ. Code § 1923, *et seq.*, regulates
8 “reverse mortgage loans.” A reverse mortgage is defined as “a nonrecourse loan secured by real
9 property” that: (a) provides cash advances to a borrower based on home equity; (b) requires no
10 payment of principal or interest until maturity; and (c) is made only by a licensed lender. Civ.
11 Code § 1923.

12 249. Unison’s HomeOwner Agreements fall squarely within California’s definition of a
13 reverse mortgage loan. They provide borrowers with a lump-sum “Unison Investment Payment”
14 secured by a deed of trust, require no payment of principal or interest until maturity events, and
15 are nonrecourse.

16 250. Unison nonetheless disclaims the true nature of the transaction. As detailed above,
17 Unison disclaims that its product is a loan, labeling it “not a loan” and “not debt.” These false
18 and misleading disclaimers are designed to mislead consumers and evade the RML’s licensing,
19 counseling, deed-labeling, and disclosure requirements.

20 251. In addition, Unison fails to comply with the Reverse Mortgage Law’s substantive
21 consumer protections, including:

- 22 a. Deed labeling (§ 1923.2(h)): A deed of trust securing a reverse mortgage
23 must state in bold 10-point type, “This deed of trust secures a reverse
24 mortgage loan.” Unison’s deeds omit this language, instead describing the
25 lien as securing an “option,” “investment,” or “Unison Investment
26 Payment.”
27

- 1 b. Counseling (§ 1923.2(j)–(k)): Lenders must provide borrowers with a list
2 of HUD-approved counseling agencies and may not accept an application
3 until seven days after counseling, with a signed certification. Unison
4 provided no list, required no counseling, and obtained no certification.
- 5 c. Language compliance (§ 1923.2(l)): Lenders must comply with Civ. Code
6 § 1632 by providing translated contracts when negotiations are conducted
7 in Spanish, Chinese, Tagalog, Vietnamese, or Korean. To the extent
8 Unison solicited borrowers in non-English languages, it failed to provide
9 translations.
- 10 d. Pre-application notices (§ 1923.5): Lenders must provide a plain-language
11 “Important Notice to Reverse Mortgage Loan Applicant” in 16-point type
12 and a “Reverse Mortgage Worksheet Guide” in 14-point type, signed by
13 the borrower and counselor before approval. Unison provided neither.
- 14 e. Insurance obligations (§ 1923.2(i)(2)): Lenders may require only hazard,
15 flood, or peril insurance customary under a reverse mortgage. Unison went
16 far beyond this, requiring borrowers to maintain liability insurance, to
17 name Unison as an additional insured, to deliver copies of all policies, and
18 to bear the costs of any insurance Unison purchased as “Protective
19 Advances.”

20 252. By disguising reverse mortgage loans as “investments,” failing to obtain a
21 lender’s license, and ignoring mandatory protections concerning lien disclosure, counseling,
22 notices, translations, and insurance, Unison’s HomeOwner Agreements violate California Civil
23 Code § 1923, *et seq.* These violations constitute “unlawful” business practices under the UCL,
24 Bus. & Prof. Code § 17200.

25 ***California Consumer Financial Protection Law***

26 253. The California Consumer Financial Protection Law (CCFPL) makes it unlawful
27 for a covered person to engage, have engaged, or propose to engage in any unlawful, unfair,

1 deceptive, or abusive act or practice with respect to consumer financial products or services. Cal.
2 Fin. Code § 90003(a)(2). The CCFPL also makes it unlawful for a covered person to offer or
3 provide to a consumer any financial product or service not in conformity with any consumer
4 financial law or otherwise commit any act or omission in violation of a consumer financial law.
5 *Id.* § 90003(a)(2). And the CCFPL also makes it unlawful to knowingly or recklessly provide
6 substantial assistance to a covered entity that has violated these requirements. *Id.* § 90003(b).

7 254. The Defendants are covered persons under the CCFPL, including because they
8 either offer or provide a consumer financial product or service to a resident of this state, or are an
9 affiliate and service provider to a covered person. *Id.* § 90005(f). The financial products or
10 services that Unison offers, delivers, or provides include products or services for use by
11 consumers primarily for personal, family, or household purposes. *Id.* § 90005(e). Unison extends
12 credit or services extensions of credit and collects debts related to consumer financial products or
13 services. *Id.* § 90005(g), (h), (k)(1), (10).

14 255. For the reasons set out above, Unison has violated section 90003 as to unlawful
15 practices.

16 256. For the reasons set out below, Unison has violated section 90003 as to unfair and
17 deceptive acts or practices.

18 257. Unison has violated section 90003 as to abusive acts or practices by:

- 19 a. materially interfering with the ability of homeowners to understand a term
20 or condition of a consumer financial product or service; and
- 21 b. taking unreasonable advantage of (i) a lack of understanding on the part of
22 the consumer of the material risks, costs, or conditions of the product or
23 service; or (ii) the inability of the consumer to protect the interests of the
24 consumer in selecting or using a consumer financial product or service.

25 ***Elder Financial Abuse***

26 258. California’s Elder Abuse and Dependent Adult Civil Protection Act, Welf. & Inst.
27 Code § 15600, *et seq.*, prohibits “financial abuse” of an elder or dependent adult. “Financial

1 abuse” occurs when a person or entity (1) takes, appropriates, obtains, or retains real or personal
2 property of an elder or dependent adult for a wrongful use or with intent to defraud, or both;
3 (2) assists in such conduct; or (3) does so by undue influence. Welf. & Inst. Code § 15610.30(a).

4 259. A person or entity is deemed to have taken property for a wrongful use if the
5 entity knew or should have known that its conduct was likely to be harmful to the elder or
6 dependent adult. Welf. & Inst. Code § 15610.30(b). Financial abuse includes depriving an elder
7 of any property right “by means of an agreement” regardless of whether the property is held
8 directly or by a representative. *Id.* § 15610.30(c).

9 260. Plaintiffs and many Class members are “elders” within the meaning of the statute
10 because they are aged 65 years or older.

11 261. Unison’s HomeOwner Agreements constitute financial abuse of elders. By
12 recording deeds of trust against elders’ homes, Unison obtained and retained real property
13 interests belonging to elders for a wrongful use:

- 14 a. Unison advanced funds in exchange for a lien on the elder’s residence and
15 a future payment obligation, while misrepresenting the transaction as “not
16 a loan” and “not debt”;
- 17 b. Unison failed to comply with California’s Reverse Mortgage Law,
18 stripping away statutory safeguards designed to protect seniors from
19 losing home equity; and
- 20 c. Unison marketed its agreements as “partnerships” or “investments,” and
21 “not a loan,” exerting undue influence on elders by concealing the true
22 debtor–creditor relationship.

23 262. Unison knew or should have known that its conduct was likely to be harmful to
24 elders, because California law expressly imposes strict counseling, notice, disclosure, and deed-
25 labeling requirements on reverse mortgages to protect seniors’ home equity.

1 263. By obtaining liens on elders' homes through deceptive and unlawful contracts,
2 Unison deprived elders of property rights within the meaning of Welf. & Inst. Code
3 § 15610.30(c).

4 264. Accordingly, Unison's conduct constitutes "financial abuse" of elders under Welf.
5 & Inst. Code § 15610.30 and is independently "unlawful" within the meaning of the UCL.

6 265. **UCL Unfair Conduct:** Unison engaged in immoral, unethical, oppressive, and
7 unscrupulous activities that are substantially injurious to consumers as the gravity of Unison's
8 conduct outweighs any alleged benefits attributable thereto, including but not limited to the
9 following ways:

- 10 a. Homeowners provide highly disproportionate returns to Unison in
11 comparison to the advances they receive;
- 12 b. Unison charged opaque and inflated origination fees;
- 13 c. Even though Unison receives a disproportionate payout from the value of
14 the home, it requires that homeowners like Plaintiffs bear all costs in order
15 to protect and increase Unison's profits, including the costs of
16 maintenance of the property, payment of taxes and insurance, payment of
17 all seller's costs, and payment of additional fees;
- 18 d. These products can destroy intergenerational transmission of wealth,
19 especially for working-class families;
- 20 e. Homeowners can lose their homes, which are often their financial anchor
21 and largest asset, or get virtually nothing for homes they have spent
22 decades working hard to pay off;
- 23 f. Unison offers these products without sufficient independent counseling
24 about their lengthy contracts, which contain complex and convoluted
25 terms that are difficult for ordinary homeowners to understand;
- 26 g. Unison includes these highly one-sided terms in order to increase its
27 profits and returns to its own investors; and

1 h. There are other viable methods for homeowners to access equity in their
2 homes that do not involve these predatory features and are far less
3 dangerous to homeowners, including but not limited to the California
4 Dream for All program and Home Equity Lines of Credit.

5 266. Unison’s conduct is also unfair because it violates established public policy,
6 including but not limited to the following ways:

7 a. The California Legislature has recognized the risks posed by appreciation-
8 sharing home finance products marketed as “partnerships” rather than
9 loans and enacted regulations governing shared appreciation loan
10 transactions, Civil Code § 1917 et seq., to promote transparency and
11 clarify that such arrangements are debtor-creditor relationships, not joint
12 ventures or equity investments. Unison violates these provisions by
13 marketing its HomeOwner Agreement product as an investment or
14 partnership and representing that it is “not a loan” that does not create any
15 additional debt. Unison also obscures other traditional loan features and its
16 product’s long-term cost. Unison also fails to comply with various
17 protections that the Legislature determined were necessary to protect
18 homeowners from shared appreciation loan products. These practices
19 offend established public policy.

20 b. The California Legislature imposed a host of protections for seniors
21 considering reverse mortgages, including but not limited to mandatory
22 counseling and waiting periods, boldface deed disclosures, and restrictions
23 on ancillary insurance obligations. *See* Civil Code § 1923, *et seq.* Unison’s
24 HomeOwner Agreements pose the same—if not greater—risks as more
25 traditional reverse mortgages, but fail to comply with the protections that
26 the Legislature determined were necessary to protect against these risks.
27 By structuring their agreements to avoid these safeguards, Unison

1 frustrates the Legislature’s consumer-protection purposes, places
2 homeowners at risk of losing substantial equity, and thereby engages in
3 “unfair” business practices within the meaning of the UCL.

4 c. For the reasons above and herein, Unison’s conduct offends established
5 public policy embodied in California’s California Financing Law (Cal.
6 Fin. Code § 22000 et seq.), the CRMLA (Cal. Fin. Code § 50000 et seq.),
7 and the Elder Financial Abuse statute (Welf. & Inst. Code § 15610.30).

8 d. Unison’s conduct violates declared policy reflected in laws limiting
9 interest rates in consumer loans; requiring significant disclosures and
10 independent counseling when homeowners are using their homes as
11 security; and limiting disproportionate returns on shared-appreciation
12 products. Cal. Civ. Code §§ 1917.006(a), 1917.006(a)(1), 1917.006(c),
13 1923, 1923.2(k).

14 267. There is also no societal benefit from Unison’s misrepresentations, predatory
15 terms, and failures to ensure protections that the Legislature determined are necessary when
16 individuals use their homes as collateral securing complex financial transactions. Plaintiffs and
17 other Class members were harmed by paying fees, equity shares, and other charges tied to the
18 “Unison Investment Payment” and failing to receive the disclosures, counseling, protections, and
19 transparency mandated by California’s mortgage and lending laws.

20 268. Plaintiffs and the Class could not have reasonably avoided these unfair terms
21 because Unison’s contract is misleading, complex, confusing, and presented as a contract of
22 adhesion on a take-it-or-leave-it basis.

23 269. Plaintiffs and the Class cannot reasonably avoid their future payment obligations
24 to Unison, since each outcome of the contract requires payment to Unison. The only scenario in
25 which Unison will not “exercise” its purported option to require payment is one in which the
26 housing market experiences a catastrophic collapse, which is not an outcome in the control of
27 Plaintiffs or the Class.

1 270. There were reasonably available alternatives to further Unison’s legitimate
2 business interests, other than the conduct described herein.

3 271. **UCL Fraudulent Conduct:** In the course of conducting business, Unison
4 engages in fraudulent business acts or practices by, among other things, making false and
5 misleading representations and omissions of material fact about the nature and benefits of the
6 HomeOwner Agreements. Unison made the false and misleading representations that the
7 agreements were “not loans,” “not debt,” and a form of “equity sharing” or “partnership,” while
8 omitting that the agreements are, in substance, mortgage loans generally and reverse mortgage
9 loans specifically under California’s mortgage and lending laws.

10 272. The contracts Unison provided to Plaintiffs and the Class repeatedly state that
11 Unison will pay the homeowner a “Unison Purchase Price” that is typically hundreds of
12 thousands of dollars (for example, in Ms. Gout’s case, \$399,000). This is likely to deceive
13 reasonable consumers into believing that they would be receiving this sum of money from
14 Unison. But most of that amount (in Ms. Gout’s case, \$299,250) is simply money that the
15 homeowner would have received from the sale of their home anyway, even if they had never
16 entered a contract with Unison. This payment is therefore illusory. This deceptive statement is
17 material, since a reasonable consumer would attach significant importance to the amount of
18 money they will receive by contracting with Unison.

19 273. Unison’s offers and contract conceal the true cost of its loan. The amount a
20 homeowner will have to pay Unison is material to their decision of whether to enter into this
21 contract.

22 274. This omission is particularly misleading in light of other statements in Unison’s
23 contracts. For example, Unison’s contract states that the payment it will receive “may be greater
24 than, equal to, or less than the Unison Investment Payment, or zero, depending upon the change
25 in value of the Property.” Ex. B (Option Agreement) § 6. This is likely to deceive a reasonable
26 consumer, as it gives the impression that Unison has similar likelihoods of losing money as
27 making money. Based on its superior access to information, experienced analysts, sophisticated

1 models, and access to data on its past performance, Unison knows that it has structured its
2 product to ensure that it is far more likely to receive a large sum of money from the homeowner.
3 A reasonable consumer would attach significant importance to whether Unison shares any risk as
4 a practical matter, or has effectively ensured its future payout.

5 275. Like other reasonable consumers, Plaintiffs would not have entered into these
6 contracts with Unison if Unison had accurately disclosed the true cost of the transaction and not
7 engaged in deception regarding the risks and costs of the transaction.

8 276. Unison’s contracts also omitted the fact that Unison is not licensed to engage in
9 lending, mortgage lending, or mortgage origination through its purported equity sharing
10 agreements. A reasonable consumer is likely to be deceived by this omission, since they would
11 not suspect that Unison’s products are illegal, unlicensed loans. This omission is also material,
12 since a reasonable consumer would attach importance to the fact that the company placing a
13 mortgage on her home and lending her money is doing so illegally.

14 277. Upon information and belief, Unison’s representations regarding the fees assessed
15 for the origination of the contract are false and/or misleading, in that Unison profits from certain
16 fees while indicating that they are bona fide fees reflecting the costs of the transaction.

17 278. Unison also asserts that the arrangement is a “partnership” with homeowners.
18 That is misleading and false. Unison does not share in ownership or risk like a true partner, nor
19 does it assume the responsibilities or obligations of a partner. *See, e.g.*, 68 C.J.S. Partnership §
20 131. In fact, the HomeOwner Agreement says explicitly that: “[Unison] shall not be deemed a
21 partner . . . with, or of, Owner.” *See Ex. A (Covenant Agreement) § 9.3.*

22 279. **Injuries and Remedies.** Unison’s conduct caused and continues to cause
23 substantial injury to Plaintiffs and other Class members. Plaintiffs and Class members have
24 suffered injury in fact and lost money or property as a result of Unison’s unlawful, unfair, and
25 fraudulent conduct, including the loss of home equity, the imposition of undisclosed fees and
26 insurance obligations, and the encumbrance of their homes with unlawful liens.

1 297. Elder financial abuse occurs when a person “[t]akes, secretes, appropriates,
2 obtains, or retains real or personal property of an elder . . . for a wrongful use or with intent to
3 defraud.” Welf. & Inst. Code § 15610.30(a)(1). A taking occurs whenever an elder “is deprived
4 of any property right, including by means of an agreement.” *Id.* § 15610.30. Such a taking is “for
5 a wrongful use” when the party enacting the taking “knew or should have known that [its]
6 conduct is likely to be harmful to the . . . elder.” *Id.* § 15610.30(b).

7 298. Unison took Plaintiffs’ property by securing a deed of trust against their property
8 and entering into its mortgage contracts with each Plaintiff. The deeds of trust and these
9 contracts impair Plaintiffs’ property rights by, for example, depriving them of the right to freely
10 alienate their property.

11 299. Unison knew or should have known its conduct would likely harm Plaintiffs. This
12 conduct includes:

- 13 a. Requiring Plaintiffs to pay Unison far more money than they received
14 under loan contracts that are illegal under California law and at a rate that
15 is usurious under California law;
- 16 b. Requiring Plaintiffs to handle all maintenance, insurance, and taxes on
17 their homes, with Unison paying none of these costs despite the fact that it
18 will receive a large portion of the home’s value;
- 19 c. Requiring Plaintiffs to cover all the closing costs on the sale of the homes,
20 with Unison paying none of these costs despite the fact that it will receive
21 a large portion of the home’s value;
- 22 d. Requiring opaque and unjustifiable fees in service of an unlawful, unfair,
23 and deceptive transaction;
- 24 e. Causing Plaintiffs to enter into procedurally and substantively
25 unconscionable contracts; and
- 26 f. Using the deed of trust and other contracts to redirect fees to an entity
27 owned or otherwise controlled by Unison.

1 300. Unison knew or should have known that its conduct was likely to be harmful to
2 elders because California law expressly requires lenders offering reverse mortgage or shared
3 appreciation loans to provide counseling, plain-language notices, deed labeling, and restrictions
4 on insurance obligations, for the protection of senior homeowners.

5 301. Unison's financial abuse caused Plaintiffs to suffer damages, including
6 encumbrance of their primary residences, a loss of rights over their property, severe emotional
7 distress, unjustified fees, and the loss of a substantial portion of their home equity.

8 302. Plaintiffs and the Elder Subclass therefore seek equitable relief, compensatory
9 damages, attorney fees, and costs, and all other available relief pursuant to Welf. & Inst. Code §
10 15657.5(a).

11 303. Unison acted with oppression, fraud, or malice and manifested a conscious
12 disregard for the rights of Plaintiffs and the Elder Subclass. Plaintiffs and the Elder Subclass can
13 thus recover exemplary and punitive damages under Cal. Civ. Code § 3294.

14 304. Plaintiffs and the Elder Subclass are also entitled to treble damages under Cal.
15 Civ. Code § 3345.

16 a. At all relevant times, Plaintiffs and the Elder Subclass were over 65 years
17 of age and thus qualified as senior citizens within the definition of Cal.
18 Civ. Code § 1761(f).

19 b. Unison knew or should have known that Plaintiffs and other Elder
20 Subclass members were senior citizens because it knew their dates of
21 birth.

22 c. Unison caused losses to Plaintiffs and the Elder Subclass, including
23 encumbrance of a primary residence, unjustified fees, and a substantial
24 loss of property set aside for retirement, or for personal or family care and
25 maintenance.

1 d. Plaintiffs and the Elder Subclass were particularly vulnerable because of
2 their age and actually suffered substantial emotional and economic
3 damage resulting from Unison's conduct.

4 **COUNT 4**

5 **Quiet Title**

6 305. Plaintiffs incorporate by reference each allegation set forth above as if set forth at
7 length herein.

8 306. Plaintiffs bring this claim individually and on behalf of the Class.

9 307. Plaintiffs are the fee simple owners of residential real property located in
10 California. Plaintiffs bring this claim individually with respect to their own property and, on
11 behalf of the Class, seek parallel quiet title relief as to all properties encumbered by Unison's
12 deeds of trust securing the HomeOwner Agreements.

13 308. Plaintiffs and Class members hold legal title to their homes, which are their
14 principal residences.

15 309. Defendants Unison Agreement Corp. and Odin New Horizon Real Estate Fund LP
16 claim adverse interests in the homes of Plaintiffs and Class members by virtue of deeds of trust
17 recorded to secure obligations allegedly arising under the HomeOwner Agreements. Odin Fund
18 purports to hold assignments of rights from Unison and asserts repayment demands based on
19 those instruments.

20 310. The deeds of trust and Unison's purported interests are invalid and unenforceable
21 because the underlying HomeOwner Agreements are unlawful, void, or voidable, including as:
22 (a) unlicensed consumer loans under the California Financing Law, Fin. Code § 22000, *et seq.*;
23 (b) unlicensed residential mortgage loans under the CRMLA, Fin. Code § 50000, *et seq.*; and
24 (c) disguised reverse mortgage loans under the Reverse Mortgage Law, Civ. Code § 1923, *et seq.*

25 311. Plaintiffs and Class members are entitled to rescission of the HomeOwner
26 Agreements. Rescission requires cancellation of the deeds of trust and restoration of
27 unencumbered title.

1 318. These contracts and written instruments impose ongoing and future obligations
2 upon Plaintiffs, and also encumber Plaintiffs' property.

3 319. Plaintiffs seek a declaration of the validity of their contracts with Unison, as well
4 as their rights and duties under those contracts and as to their properties. Specifically, Plaintiffs
5 seek a declaration that their contracts with Unison are void, voidable, invalid, or otherwise
6 unenforceable in whole or in part.

7 320. Plaintiffs seek declarations including:

- 8 a. That Unison's contracts are void under Cal. Fin. Code § 22750(b);
9 b. That the contracts are unconscionable and unenforceable under Cal. Civ.
10 Code § 1670.5 and/or common law; or
11 c. In the alternative, that all interest under the contracts is uncollectable
12 under Cal. Fin. Code § 22752(a).

13 **COUNT 6**

14 **Unjust Enrichment**

15 321. Plaintiffs incorporate the preceding paragraphs as if fully set forth herein.

16 322. Plaintiffs bring this claim individually and on behalf of the Class.

17 323. Unison has been unjustly enriched through its unlawful and deceptive conduct
18 described above. Specifically, Unison obtained from Plaintiffs and Class members:

- 19 a. valuable liens recorded against their homes;
20 b. a future payment obligation;
21 c. fees, charges, and insurance obligations imposed under the HomeOwner
22 Agreements; and
23 d. payments made upon payoff or termination of the agreements.

24 324. Unison acquired these benefits by misrepresenting the HomeOwner Agreements
25 as "not loans," "not debt," and "equity sharing" arrangements, while concealing that they were,
26 in substance, mortgage loans subject to licensing, disclosure, and consumer-protection
27 requirements.

1 E. Declaring the rights and obligations of the parties under California law, including
2 that the HomeOwner Agreements are unlawful loans subject to California's lending statutes, that
3 Defendants' claimed liens are void and unenforceable, that Defendants may not continue to
4 enforce or market such agreements, and that Defendants' ongoing enforcement, assignment, and
5 collection activities under the HomeOwner Agreements are unlawful and void;

6 F. Ordering injunctive and equitable relief the Court deems appropriate, including
7 but not limited to declaring void, rescinding, terminating, voiding, or reformulating the contracts,
8 and enjoining Defendants from continuing to market, originate, assign, or enforce HomeOwner
9 Agreements or similar unlawful lending products in California;

10 G. Ordering disgorgement of all money, equity interests, profits, and other benefits
11 wrongfully obtained from Plaintiffs and Class members as a result of Defendants' unlawful,
12 unfair, and fraudulent business practices;

13 H. Awarding monetary damages, including but not limited to any compensatory,
14 incidental, or consequential damages in an amount to be determined by the Court or jury;

15 I. Awarding treble damages;

16 J. Awarding punitive damages in an amount to be determined by the Court or jury,
17 including under Cal. Civ. Code § 3294 and Welf. & Inst. Code § 15657.5;

18 K. Awarding pre- and post-judgment interest at the maximum allowable legal rate on
19 the foregoing sums;

20 L. Awarding reasonable attorneys' fees, costs, and expenses, including under Cal.
21 Civ. Pro. § 1021.5; and

22 M. Ordering such further relief as this Court may deem just and proper.

23 **JURY DEMAND**

24 Plaintiffs hereby demand trial by jury as to all issues so triable in the above matter.
25
26
27

1 RESPECTFULLY SUBMITTED AND DATED this 22nd day of May, 2026.

2 TERRELL MARSHALL LAW GROUP PLLC

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10 6. Parties also may access this filing through the Court's website.

11 I declare under penalty of perjury under the laws of the State of Washington and the
12 United States that the foregoing is true and correct.

13 DATED this 22nd day of May, 2026.

14 By: /s/ Beth E. Terrell
15 Beth E. Terrell, CSB #178181