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San Francisco County Superior Court

OCT 08 2026

CLERK OF THE COURT

BY: Edmund J. Lee
Deputy Clerk

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO
DEPARTMENT 304

COORDINATION PROCEEDING SPECIAL
TITLE
[RULE 3.550(c)]

Case No. CJC-26-005432

UNISON CONTRACT CASES

ORDER OVERRULING DEFENDANTS'
DEMURRER TO PLAINTIFFS'
CONSOLIDATED AMENDED CLASS
ACTION COMPLAINT

The above-entitled matter came on regularly for hearing on October 8, 2026. Counsel for the parties were present. The appearances are as stated in the record. The Court circulated a tentative ruling prior to the hearing. Having considered the argument and written submissions of all parties and being fully advised, the Court overrules Defendants' demurrer to Plaintiffs' Consolidated Amended Class Action Complaint.

BACKGROUND

Plaintiffs Gout and Scroggins ("Plaintiffs") in this consolidated action filed their individual claims against Defendants Unison Agreement Corporation, Unison Investment Management, LLC, Real Estate Equity Exchange, Inc. d/b/a Unison, Odin New Horizon Real Estate Equity Fund LP, and Odin Horizon General Partner, LLC ("Defendants" or "Unison") on September 11, 2025 in San Francisco County and November 14, 2025 in San Bernadino County, respectively. Defendants filed a petition to coordinate the actions, to which Plaintiffs stipulated. The petition was granted on February 20, 2026, and assigned to this Court. Plaintiffs filed their Consolidated Amended Class Action Complaint ("CAC"), on August 3,

2026. Plaintiffs seek to represent a class of California homeowners subject to HomeOwner Agreements, and a subclass of the same who are over the age of sixty-five. (CAC ¶¶ 216–218.) Plaintiffs allege six causes of action on behalf of the putative classes: (1) violation of the Unfair Competition Law (“UCL”); (2) usury; (3) elder abuse; (4) quiet title; (5) declaratory relief; and (6) unjust enrichment. (*Id.* ¶¶ 225–327.) The CAC alleges as follows.

In 2017, Plaintiffs separately entered into financial transactions with Defendant, called “HomeOwner Agreements.” (*Id.* ¶¶ 48–51; 164, 167, 190.) Pursuant to these agreements, Plaintiffs and other homeowners receive an up-front payment from Unison (an advance or “Unison Investment Payment”) in exchange for granting Unison the right to receive its “Investor Percentage” of the present total value of the home minus the “Unison Purchase Price Balance,” which reflects the difference between the amount of the advance and the value of the Investor Percentage at the time of origination, as calculated by Defendants. (*Id.* ¶¶ 57–59.) “Unison advertises its product as an ‘equity sharing agreement’ that helps homeowners ‘unlock’ their home’s equity with “[n]o extra debt, no interest, no monthly payments.” (*Id.* ¶ 102.) The contracts between Defendant and homeowners do not require periodic repayment or charge interest that accrues at set, calculable rate over time. (*Id.* Ex. B, 3.) Instead, when the signatory homeowner sells the property, defaults on another debt, or dies, or at the end of 30 years, Defendants exercise their option to acquire a predetermined percentage of the homeowner’s equity in the home at the predetermined price, thus profiting in the amount of the difference between the current and former value of their interest in the home. (*Id.* ¶¶ 57–59.) Plaintiffs allege that the HomeOwner Agreements, which consist of four separate documents “totaling up to 100 pages,” are “misleading, deceptive, and confusing” to homeowners, as they insufficiently define terms or require cross-referencing between documents to fully understand, and “are thick with legalese and fine print.” (*Id.* ¶ 114–115.) These obfuscatory features, combined with what Plaintiffs allege are affirmatively false or misleading terms and descriptions, act to induce homeowners to enter into “disguised mortgage loans with predatory terms.” (*Id.* ¶ 2.)

Defendant represents its product to potential customers as one in which it and the homeowner bear equal risk. (*Id.* ¶¶ 108–112.) It does this by, for instance, offering forecasts of potential outcomes that are evenly split between a modest increase and modest decrease in a home’s value over time, and by

1 telling customers that they are entering “a partnership, fair and square” with Unison. (*Id.* ¶¶ 95, 110.)
2 But, Plaintiffs allege, the risks are anything but equally borne, as Unison “uses a ‘very sophisticated data
3 infrastructure and pricing structure’ to target specific regions, areas, neighborhoods, and even specific
4 houses to ensure that it picks homes that will rise significantly in value.” (*Id.* ¶¶ 72; 66–88 [“Unison’s
5 repayment protections”].) The agreements also require homeowners to bear all the costs associated with
6 maintenance, tax, and sale of the home, and Unison maintains the right to foreclose on the home if the
7 homeowner fails to keep up with their obligations under the agreement. (*Id.* ¶¶ 74–76.) Unison can
8 further delay and functionally preclude sale of the home when market prices are low. (*Id.* ¶ 80–83.)

9 Defendants also tell homeowners that their product is not a loan, involves no interest, and does not
10 add to homeowners’ debt. (*Id.* ¶¶ 91–93.) However, Plaintiffs allege that like a loan, it involves the
11 advance of funds, minus origination fees, that creates a repayment obligation and is secured by a deed of
12 trust on customers’ homes. (*Id.* ¶¶ 52–65.) Plaintiffs allege that Defendants did not comply with state
13 lending laws when providing Plaintiffs these loans by, *inter alia*, failing to provide the required
14 counseling and disclosures, interfering with consumers’ ability to understand terms or conditions of their
15 product, and including unlawful predatory terms. (*Id.* ¶¶ 229–257.)

16 Plaintiffs allege that they believed and relied on Unison’s representations about the nature and
17 extent of their Agreements until 2025, when Ms. Gout had an impromptu conversation with a real estate
18 agent at church who said she may have been a victim of predatory lending, and Mr. Scroggins sought to
19 terminate his HomeOwner Agreement. (*Id.* ¶¶ 180–182, 205.) Plaintiffs allege that because Defendants
20 “affirmatively disguised and concealed” the true nature and likely outcomes of their HomeOwner
21 Agreements, Plaintiffs “could not have discovered through the exercise of reasonable diligence that the
22 Unison Homeowner Agreements were actually high-cost mortgage loans subject to California’s lending
23 laws.” (*Id.* ¶¶ 209–211.)

24 Defendants now demur to each cause of action in the consolidated amended class action complaint
25 for failure to state a claim, on statute of limitations grounds, and laches.¹ They additionally demur to the
26 second cause of action for usury on the grounds that Defendant Unison was and is a licenses real estate

27
28 ¹ Defendants’ unopposed requests for judicial notice are granted. Exhibits A and B, Plaintiffs’
HomeOwner Agreements, are incorporated into the CAC by reference, and Exhibits C and D are
judicially noticeable pursuant to Evidence Code section 452, subdivision (c).

broker, and to the sixth cause of action for unjust enrichment as barred by the parties' enforceable express contracts. Plaintiffs oppose the demurrer in its entirety.

LEGAL STANDARD

A demurrer lies where "the pleading does not state facts sufficient to constitute a cause of action." (Code Civ. Proc. § 430.10(e).) A demurrer admits "all material facts properly pleaded, but not contentions, deductions, or conclusions of fact or law." (*Blank v. Kirwan* (1985) 39 Cal.3d 311, 318.) The complaint is given a reasonable interpretation, reading it as a whole and its parts in their context. (*Id.*) The Court accepts as true, and liberally construes, all properly pleaded allegations of material fact, as well as those facts which may be implied or reasonably inferred from those allegations; its sole consideration is whether the plaintiff's complaint is sufficient to state a cause of action under any legal theory. (*O'Grady v. Merchant Exchange Prods., Inc.* (2019) 41 Cal.App.5th 771, 776-777.) "A demurrer may be sustained not only when the complaint fails to plead facts sufficient to state a cause of action, but also when the complaint includes allegations that clearly disclose some defense or bar to recovery." (*Rossi v. Sequoia Union Elementary School* (2023) 94 Cal.App.5th 974, 985 (cleaned up).) However, "[a] demurrer based on a statute of limitations will not lie where the action may be, but is not necessarily, barred. In order for the bar to be raised by demurrer, the defect must clearly and affirmatively appear on the face of the complaint." (*Lee v. Hanley* (2015) 61 Cal.4th 1225, 1232 (cleaned up).)

DISCUSSION

I. Plaintiffs' Claims Are Not Barred By The Statute Of Limitations At The Pleading Stage.

Defendants do not challenge Plaintiffs' pleading of the elements of each of their claims. (Opening Brief, 9.) Instead, Defendants demur on statute of limitations grounds, arguing that all of Plaintiffs' alleged claims accrued eight years ago in 2017, and are thus barred by the applicable three- and four-year statutes of limitations on their causes of action. (*Id.* at 15.) Defendants argue that the CAC alleges that "all elements were accrued and known in 2017" and no tolling doctrines apply. (*Id.*) In particular, Defendants argue that the delayed discovery rule does not apply because Plaintiffs have not alleged facts showing their "inability to have made earlier discovery [of their claims] despite reasonable diligence" due to the clarity of the disclosures they received in 2017. (*Id.* at 19; Reply, 7-12.) Defendants further argue that Plaintiffs have not pleaded fraudulent concealment with particularity sufficient to save their time-

1 barred claims in part because the facts supporting concealment cannot be the same facts forming the basis
2 of their claims. (Opening Brief, 22–23; Reply, 12–13.) Finally, Defendants argue that the continuous
3 accrual doctrine does not apply, as the CAC challenges only the “stand-alone 2017 originations, the
4 disclosures that accompanied, and the liens recorded at closing,” and that and subsequent events “are
5 consequences of that 2017 transaction, not new recurring breaches that restart the clock.” (Opening Brief,
6 18–19.)

7 Plaintiffs assert that the delayed discovery doctrine tolled their UCL, usury, elder abuse, and
8 unjust enrichment claims until 2025, when they discovered that their HomeOwner Agreements with
9 Unison may have been “unlawful, usurious, and unlicensed residential mortgage loans.” (Opposition, 6–
10 7.) Plaintiffs argue that they were not on inquiry notice of the true nature of their contracts until their
11 respective encounters in 2025 because they relied on statements and documents from Defendants which
12 “misabeled its product, misrepresented and understated its costs, and reinforced rather than dispelled
13 consumers’ impressions that Plaintiffs had not incurred debt or agreed to pay interest.” (*Id.* at 7–9.)
14 Plaintiffs further argue that the CAC alleges fraudulent concealment with particularity as a basis for
15 tolling their claims and that the federal common law bar on using the same facts to support fraudulent
16 concealment as substantive claims does not apply in California state court. (*Id.* at 11.) Separate from
17 their other tolling grounds, Plaintiffs argue that their UCL and usury claims are timely because they relate
18 to “future unlawful and unfair payments, as well as other future legal violations.” (*Id.* at 12–13.)²
19 Finally, Plaintiffs argue their claims for declaratory relief are timely because they seek relief from
20 ongoing and future conduct, and their quiet title claims are timely because they are still in possession of
21 their homes. (*Id.* at 14.)

22 The discovery rule, or delayed discovery doctrine, is an exception to the general rule that a cause
23 of action accrues “when the cause of action is complete with all of its elements.” (*Fox v. Ethicon Endo-*

24
25 ² Defendants’ contention that Plaintiffs’ usury claim “accrued at formation” when Plaintiffs entered into
26 the agreements in 2017 (Opening Brief, 18) is mistaken. A usury claim for treble damages must be filed
27 within one year of payment of the usurious amount. (Civ. Code § 1916-3(a).) In contrast, a usury claim
28 for recovery of interest paid is subject to a two-year statute of limitations. (*Hardwick v. Wilson* (2017) 11
Cal.App.5th 975, 991 & fn.3.) But in either case, the claim accrues, and the statute of limitations starts
running, only when the debtor pays any amount exceeding the principal. (*Id.* at 991; accord, *Westman v.*
Dye (1931) 214 Cal. 28 [limitations period “begins to run only after the lawful debt has been actually
paid, and not from the time of the agreement to pay usury”].)

1 *Surgery, Inc.* (2005) 35 Cal.4th 797, 806.) Under the discovery rule, the cause of action does not accrue
2 “until the plaintiff discovers, or has reason to discover, the cause of action.” (*Id.* at 807; see also *id.*
3 [accrual delayed until a plaintiff is on inquiry notice].) Under the discovery rule, a plaintiff’s claim
4 accrues once they have reason “at least to suspect a factual basis for” the “‘generic’ elements of
5 wrongdoing, causation, and harm” of their claim. (*Id.* at 807; see *Jolly v. Eli Lilly & Co.* (1988) 44
6 Cal.3d 1103, 1110 “[I]gnorance of the legal significance of known facts or the identity of the defendant”
7 do not delay accrual].) Stated differently, a plaintiff has inquiry notice “when the plaintiff suspects or
8 should suspect that her injury was caused by wrongdoing, that someone has done something wrong to
9 her.” (*Jolly*, 44 Cal.3d at 110.) Thereafter, “plaintiffs are required to conduct a reasonable investigation
10 after becoming aware of an injury, and are charged with knowledge of the information that would have
11 been revealed by such an investigation.” (*Fox*, 35 Cal.4th at 808.)

12 At the pleading stage, to invoke the discovery rule, a plaintiff must plead facts to show “(1) the
13 time and manner of discovery and (2) the inability to have made earlier discovery despite reasonable
14 diligence.” (*Fox*, 35 Cal. 4th at 808; *Aryeh v. Canon Bus. Solutions, Inc.* (2013) 55 Cal.4th 1185, 1197.)
15 Application of this doctrine “is generally a question of fact, properly decided as a matter of law only if the
16 [allegations and judicially noticeable facts] can support only one reasonable conclusion.” (*People ex rel.*
17 *Allstate Ins. Co. v. Discovery Radiology Physicians, P.C.* (2023) 94 Cal.App.5th 521, 552; see also *Lee*,
18 61 Cal.4th at 1240 [concluding that “based solely on the allegations in the relevant complaint, Lee’s
19 lawsuit is not necessarily barred”].)

20 *Broberg v. The Guardian Life Ins. Co. of America* (2009) 171 Cal.App.4th 912 is instructive. In
21 *Broberg*, the insured under a whole life insurance policy brought an action against the insurer and its
22 agent for fraud, negligent misrepresentation, and related statutory violations, alleging that the agent
23 falsely promised that earnings from the policy would be sufficient to pay the premium costs after the 11th
24 year and provided misleading marketing materials that contained similar representations (a so-called
25 “vanishing premium” policy). (*Id.* at 915–916.) Plaintiffs alleged they did not discover that had been
26 deceived until the insurer billed them for additional out-of-pocket premium payments 11 years after
27 purchasing the policy. (*Id.*) The trial court concluded the claims accrued when plaintiff purchased the
28 policy and were time-barred, and also found that plaintiff would be unable to establish justifiable reliance

1 on the alleged misrepresentations because of inconsistent language in the policy itself and in footnote
2 disclosures to the marketing materials. (*Id.*) The Court of Appeal reversed, holding that at the demurrer
3 stage, “we cannot agree with the trial court the disclaimers in the policy illustration are so clear and so
4 obvious that, as a matter of law, [plaintiff’s] claims of delayed discovery and reasonable reliance must be
5 rejected.” (*Id.* at 921.) The court explained that “the placement of the disclaimers (buried in a sea of
6 same-sized, capitalized print), coupled with the absence of any cautionary language on the first page of
7 the policy illustration, which contains the deceptive language and figures indicating [plaintiff’s] out-of-
8 pocket payments will ‘vanish,’ precludes a determination the disclaimers are adequate as a matter of law.”
9 (*Id.* at 922.) Further, the court concluded, “even though [the purchaser] may be charged with knowledge
10 of the terms of the policy he received, nothing in the policy itself was inconsistent with the
11 misrepresentations on which the lawsuit is based.” (*Id.* at 923.) Because the disclaimers were not so clear
12 and obvious as to trigger notice or preclude reliance as a matter of law, they presented a question of fact
13 that could not be decided on demurrer. (*Id.* at 921.)³

14 Here, similarly, reading the facts alleged in the light most favorable to Plaintiff, the Court cannot
15 conclude as a matter of law that the delayed discovery rule does not apply. Defendants attempt to
16 analogize the case to several other cases by arguing that the formula for calculating Defendant’s potential
17 return on investment was available to Plaintiffs at all times, as was the disclaimer that the investment
18 might exceed the exemplars provided or interest they may paid on a loan, and that the agreement advised
19 Plaintiffs to discuss the HomeOwner Agreement with advisors or family. (Opening Brief, 21–22; Reply,
20 10.) In those cases, however, the plaintiffs could have determined what portion of their purchase went
21 toward the investment or to fees at the time of purchase, and the “highly speculative” or risky nature of
22 the product was clearly stated. (*Stella v. Asset Management Consultants, Inc.* (2017) 8 Cal.App.5th 181,
23 193; *WA Southwest 2, LLC v. First American Title Ins. Co.* (2015) 240 Cal.App.4th 148, 158.) In *Calvi v.*
24 *Prudential Securities, Inc.* (C.D. Cal. 1994) 861 F.Supp. 69, similarly, the widow received a prospectus
25 that directly contradicted her broker’s statements at the time she purchased an investment, and was thus
26 on notice to investigate the inconsistency, even if she failed to read it. (*Id.* at 72.) Therefore, the express
27 terms of the policy negated the alleged effect of the misleading statement on the purchaser.

28 ³ One justice dissented. (*Id.* at 925-30 (dissenting op. of Zelon, J.).

1 Plaintiffs’ allegations here are distinguishable because, as in *Broberg*, the written materials the
2 Plaintiffs received are not “inconsistent with the misrepresentations on which the lawsuit is based.”
3 (*Broberg*, 171 Cal.App.4th at 923.) Plaintiffs plead that Defendants advertised their product as “not a
4 loan,” with “no interest” and “NO ADDED DEBT ... REALLY,” but that the transactions were actually
5 “high-cost, nonrecourse mortgage loans that provide for repayment of principal plus substantial deferred
6 interest” without the statutorily required counseling and disclosures. (See, e.g., CAC ¶¶ 88, 91–93, 137.)
7 Nothing in the agreements directly contradicts the statements “not a loan,” “no interest” and “no . . . debt”
8 in such a way to put Plaintiffs on inquiry notice to investigate an inconsistency as a potential
9 misrepresentation, or otherwise put them on notice that they may have suffered a legal injury by entering
10 into a HomeOwner Agreement. (See *Turrey v. Vervent, Inc.* (9th Cir. 2026) 186 F.4th 1088, *6 [students
11 sold fraudulent student loans were not on inquiry notice of their harm “merely because they experienced
12 an otherwise ordinary financial transaction,” as “millions . . . regularly make student loan payments
13 without experiencing legal injury.”].) Plaintiffs allege that the chart of potential outcomes was misleading
14 because it implied equal risk sharing between the parties, but Defendants knowingly understated the
15 expected future value of Plaintiffs’ homes and obscured how Defendants structured the transaction to
16 maximize their gain, much like the *Broberg* purchaser was presented with a policy illustration the
17 defendant knew was misleading. (*Id.* ¶¶ 109–113; *Broberg*, 171 Cal.App.4th at 916–917.) Unlike the
18 *Stella* and *WA Southwest* plaintiffs, who could determine the exact amount of payments they had made to
19 the defendants at any time, Plaintiffs here could not be sure of the future value of their homes and instead
20 relied on the information provided to them by Defendants to determine the likely range of future values.
21 And, like the footnote explaining the uncertainty of the projections in *Broberg*, the Court cannot on
22 demurrer weigh the effect of the disclaimers beneath the charts. (Def.’s RJN Ex. A, 11, 13; Ex. B, 14,
23 16.) By extension, the Court cannot weigh the relative significance and effect of the allegedly
24 affirmatively misleading statements against the disclosed formula and disclaimers to decide at the
25 pleading stage that Plaintiffs’ reliance was “manifest[ly] unreasonable[.]” (*Broberg*, 171 Cal.App.4th at
26 921–922.)⁴

27
28 ⁴ Significantly, “[t]he adequacy of a disclaimer in the context of an action for fraud is judged by reference
to the plaintiff’s knowledge and experience: Only if the conduct of the plaintiff in relying upon a
misrepresentation in the light of his own intelligence and information was manifestly unreasonable will he

1 This conclusion is consistent with that reached in closely similar cases against Unison, which
2 Defendants conspicuously neglect to address. In *Olson v. Unison Agreement Corporation* (W.D. Wash.
3 Aug. 30, 2023) 2023 WL 5609251, plaintiffs, like Plaintiffs here, entered into a HomeOwner Agreement
4 with Unison, pursuant to which they received a monetary payment from Unison and Unison received an
5 option to acquire equity in their homes. Plaintiffs brought a putative class action in state court, alleging
6 that Unison's agreement was subject to regulation as a reverse mortgage loan under Washington law and
7 that Unison had engaged in unfair and fraudulent practices. (*Id.* at *2.) The district court granted
8 Unison's motion to dismiss, holding that the agreement was not a loan within the meaning of the
9 Washington Consumer Loan Act. (*Id.*) The district court also found that plaintiffs had failed to allege
10 any deceptive or unfair acts, reasoning that "allegations of deceptive conduct appear to be belied by the
11 plain text of the HomeOwner Agreement and accompanying documents, which encourage potential
12 customers to seek counsel on the financial product." (*Id.*) The Ninth Circuit reversed. (*Olson v. Unison*
13 *Agreement Corporation* (9th Cir. Aug. 7, 2025) 2025 WL 225422.)⁵ It held first that the Unison
14 agreement "effectively creates the substance of a shared-appreciation reverse mortgage" and therefore
15 gave rise to a "consumer credit obligation." (*Id.* at *2-*4.) Thus, the court held, the arrangement
16 constitutes a "reverse mortgage loan" and a "loan" within the meaning of the statute. (*Id.* at *5.) Second,
17 and of particular import here, the court held that plaintiffs had adequately alleged it was deceptive for
18 Unison to market the arrangement as involving no "debt," no "loan," and "no interest," statements that the
19 court found "have the capacity to deceive." (*Id.* at *5; see also *In re Stone* (Bankr. D. Colo. 2025) 671
20 B.R. 752, 756-757 [denying motion to dismiss similar Colorado state law claims, including allegation that
21 Unison's statements that the agreement was a loan was misleading]; *Singhal v. Unison Agreement Corp.*
22 (S.D. Fla. Mar. 31, 2023) 2023 WL 2734230, at *5 [denying motion to dismiss claims under Florida
23 law].) The same conclusion follows here, where Plaintiffs make closely similar claims. (See, e.g.,
24 Opposition, 1 ["Unison misleads homeowners by stating that the transaction is not a loan, does not create
25 a debt, and does not involve any interest"]; CAC ¶¶ 91-93, 102 ["no debt," "no interest," and "no monthly
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27 or she be denied recovery." (*Broberg*, 171 Cal.App.4th at 921 (cleaned up).) Such an inquiry typically
28 poses "a question for the trier of fact." (*Id.* at 922.)

⁵ California courts may cite and rely on unpublished federal decisions as persuasive authority. (*Allen v. City of Sacramento* (2015) 235 Cal.App.4th 41, 64 fn. 4.)

1 payments”].)

2 Accordingly, the Court finds that Plaintiffs have pleaded facts that could show that, despite
3 reasonable diligence, they were not put on inquiry notice of the fact that, contrary to Defendants’
4 representations in 2017, their HomeOwner Agreements “[were] a loan, [did] create debt, and [do] involve
5 interest.” (Opposition, 7.) Plaintiffs allege the time and manner each of them discovered that they were
6 allegedly harmed by Defendants’ conduct, and brought their claims against Defendants well within the
7 statute of limitations thereafter. (CAC ¶¶ 180–208.) Accordingly, at the pleading stage, Plaintiffs have
8 alleged facts sufficient to invoke the discovery rule. “At this stage, . . . , without any development of the
9 facts, we cannot conclude that [the statute of limitations] necessarily bars [Plaintiffs’] claim.” (*Lee*, 61
10 Cal.4th at 1240.)⁶

11 Although Plaintiffs argues delayed discovery as to their UCL, usury, elder abuse, and unjust
12 enrichment claims only, Defendants advance the same basis for their statute of limitations defense—that
13 the gravamen of Plaintiffs’ claims accrued in 2017 and no tolling doctrine applies—against the
14 declaratory relief and quiet title claims. (Reply, 14–15; Opposition, 6.) The same conduct underlies
15 Plaintiffs’ six causes of action and their inability to discover their injury despite reasonable diligence, and
16 the same facts leading to Plaintiffs’ discovery of their alleged injuries and Defendants’ wrongdoing apply
17 to each. Therefore, the successful pleading of delayed discovery applies to each of Plaintiffs’ claims. For
18 the same reason, the Court need not address the parties’ remaining tolling arguments. Defendants’
19 demurrers to Plaintiffs’ UCL, elder abuse, quiet title, and declaratory relief are overruled. The Court
20 addresses Defendants’ alternative grounds for demurrer as to the usury and unjust enrichment claims
21 below.

22 **II. The CAC And Judicially Noticeable Facts Do Not Establish A Defense To Usury.**

23 Defendants also demur to Plaintiffs’ second cause of action for usury on the ground that
24 Defendants Unison Agreement Corporation and Real Estate Equity Exchange, Inc. were both licensed real
25

26 ⁶ Defendants’ laches argument—that Plaintiffs unreasonably delayed bringing their equitable claims
27 against Defendants—is inherently incompatible with successfully pleading the discovery rule or
28 fraudulent concealment. (Opening Brief, 23–25; *California School Employees Assn. v. Tustin Unified
School Dist.* (2007) 148 Cal.App.4th 510, 521.) The Court, having found that Plaintiffs have adequately
alleged the statute of limitations has been tolled, also finds that laches does not bar Plaintiffs’ equitable
claims at the pleading stage.

1 estate brokers at the time Plaintiffs entered into their agreements with Defendants and are thus exempt
2 from usury laws. (Opening Brief, 25; Def's RJN Ex. C, D.) The California Constitution contains an
3 exemption from the prohibition on usury for "any loans made or arranged by any person licensed as a real
4 estate broker by the State of California and secured in whole or in part by liens on real property." (Cal.
5 Const., art. XV, § 1; Civ. Code § 1916.1; *Bock v. California Capital Loans, Inc.* (2013) 216 Cal.App.4th
6 264, 268.) Defendants argue that the usury exemption applies because Unison "made or arranged" the
7 transactions under several potential applications of the term, including as the source of funding, the entity
8 that presented documents and structured the transaction, and because it acted under expectation of
9 compensation. (*Id.* at 25–27.) Plaintiffs argue in opposition that the broker exemption does not apply
10 because neither the CAC nor the judicially noticeable documents establish "that the entity that made or
11 arranged each transaction was a licensed real estate broker at the relevant time." (Opposition, 17.)
12 Plaintiffs also argue that the CAC's allegations of obfuscation and wrongdoing create a factual dispute as
13 to whether the transactions were "made or arranged" by a licensed broker. (*Id.*)

14 The CAC and judicially noticeable facts do not establish, as a matter of law, that Defendants were
15 protected by the real estate broker exemption from usury laws when Plaintiffs signed their HomeOwner
16 Agreements. While the Court takes notice of the undisputed facts that Unison has held a corporate real
17 estate license since 2016, and Real Estate Equity Exchange held one from 2009 to 2019, this does not
18 conclusively show that either company possessed an active license at the time Plaintiffs signed their
19 agreements. (Def's RJN Ex. C, D.) The license information provided shows only the current license
20 status as of the date of the retrieval and does not reflect whether the license entitled Defendants to perform
21 licensed activities at the relevant time. (*Id.*) In particular, Plaintiffs point out that Unison's listed status
22 as "Licensed NBA" refers to a license that is in a "non-working status. The licensee may not perform acts
23 for which a real estate license is required in California."⁷ Therefore, on the limited record before the
24 Court, the demurrer to Plaintiffs' second cause of action for usury must be overruled.⁸

25 ⁷ Cal. Dept. of Real Estate, "Public License Status Codes," <https://www2.dre.ca.gov/static/licstatus.htm>.

26 ⁸ The Court rejects Plaintiffs' argument that a licensee's alleged mischaracterization of a financial
27 transaction as "not a loan" and general noncompliance with, e.g., counseling and disclosure requirements
28 renders a loan neither "made" nor "arranged" by a licensed broker. Borrowers of loans exempt from the
usury law are still protected by the regulations and duties imposed upon licensed brokers, and other
lending and consumer protection laws. (See, e.g., *Del Mar v. Caspe* (1990) 222 Cal.App.1316, 1325–
1326 [reasoning that constitutional amendment exempting real estate brokers from usury laws assumed

1 **III. Plaintiffs Have Stated A Claim For Unjust Enrichment.**

2 Defendants demur to Plaintiffs' sixth cause of action on the ground that the existence of an
3 "enforceable express contract" bars an unjust enrichment claim, and Plaintiffs have not pleaded it "in the
4 alternative." (Opening Brief, 27.) Plaintiffs argue that they did not need to use "in the alternative" in
5 their pleadings, but instead allege facts suggesting that the contract may be unenforceable to state their
6 claim. (Opposition, 18.) They argue that they did so by incorporating the preceding paragraphs of the
7 CAC by reference into the unjust enrichment claim, including allegations that the HomeOwner
8 Agreements are illegal and therefore "void, unenforceable, or voidable." (*Id.* at 19.)

9 Modern rules of pleading allow a plaintiff to plead inconsistent causes of action. (*Klein v.*
10 *Chevron U.S.A., Inc.* (2012) 202 Cal.App.4th 1342, 1388 ["if a plaintiff was uncertain as to whether the
11 parties had entered into an enforceable agreement, the plaintiff would be entitled to plead inconsistent
12 claims predicated on both the existence and absence of such an agreement."].) No pleading rules require
13 them to use the words "in the alternative" to accomplish alternative pleading. To support their quasi-
14 contract unjust enrichment claim, Plaintiffs allege that violations of various lending laws render the
15 agreements unenforceable. (CAC ¶¶ 310–311, 319–320; see *Klein*, 202 Cal.App.4th at 1389–1390
16 [plaintiffs did not deny the existence of enforceable agreement in their pleadings and therefore could not
17 pursue quasi-contract recovery].) Thus, the claim is adequately pled in the alternative and Defendant's
18 demurrer to the sixth cause of action is overruled.

19 **CONCLUSION**

20 For the foregoing reasons, Defendants' demurrer to the consolidated amended class action
21 complaint is overruled in its entirety.

22 IT IS SO ORDERED.

23
24 Dated: October 8, 2026



Ethan P. Schulman
Judge of the Superior Court

25
26
27
28 _____
protective effect of licensing requirements].)

CERTIFICATE OF ELECTRONIC SERVICE
(CCP 1010.6, and CRC 2.251)

I, Edward Santos, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am not a party to the within action.

On October 8, 2026, I electronically served:

ORDER OVERRULING DEFENDANTS' DEMURRER TO PLAINTIFFS'
CONSOLIDATED AMENDED CLASS ACTION COMPLAINT

via File & ServeXpress on the recipients designated on the Transaction Receipt located on the File & ServeXpress website.

Date:

OCT 08 2026

Brandon E. Riley, Court Executive Officer

By: Edward J. Santos

Edward Santos, Deputy Clerk