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FOURTH JUDICIAL DISTRICT COURT IN AND FOR WASATCH COUNTY, STATE OF UTAH

MARCUS JACKSON WILLIAMS and GLORY CURTIS WILLIAMS f/k/a GLORY BEIJAR, Plaintiffs, v. KENNETH FARLEY and SARAH DESCHENES, Defendants.	**FOREIGN JUDGMENT** (Superior Court for the State of California, County of Los Angeles, Northeast District, Case No. 26STCP02138) Civil No.: Judge:

In the Superior Court for the State of California in and for Los Angeles County, Northeast District, a judgment was entered in Case No. 26STCP02138 on or about October 5, 2026, in favor of Defendants Kenneth Farley and Sarah Deschenes and against Plaintiffs Marcus Jackson Williams and Glory Curtis Williams f/k/a Glory Beijar in the amount of $1,755,036.12, plus $19,678.00 in pre-judgment interest. An exemplified copy of the Judgment is attached hereto as **Exhibit 1.**

// Signature block on next page. //

DATED the 23rd day of November 2026.

SKOUBYE NIELSON
JOHANSEN & BAXTER, LLC

By: */s/ Kevin M. Bischoff*
Kevin M. Bischoff
Attorneys for Judgment Creditors
Kenneth Farley and Sarah Deschenes

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EXHIBIT PAGE ONLY

EXHIBIT 1

EXEMPLIFICATION

CASE TITLE:	CASE NUMBER:
MARCUS JACKSON WILLIAMS, et al vs KENNETH FARLEY, et al	26STCP02138

SUPERIOR COURT FOR THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

Seal of the
Superior Court, County of Los Angeles

An original seal is embossed within this area and may or may not be affixed with a gold seal.

I, DAVID W. SLAYTON, Executive Officer/Clerk of Court of the Superior Court of the State of California for the County of Los Angeles do hereby certify and attest that I am the custodian of records of the said Court, and that the foregoing document is a full, true and correct copy of the original

JUDGEMENT - 09/24/2026

on file or of record in my office, and that I have carefully compared the same with the original.

Executed and Seal of said Court affixed in the County of Los Angeles, California on

November 4, 2026
(DATE)

EXECUTIVE OFFICER/CLERK OF COURT OF THE SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES

SUPERIOR COURT FOR THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I, **SERGIO C. TAPIA II**, Presiding Judge of the Superior Court of the State of California for the County of Los Angeles do hereby certify that DAVID W. SLAYTON is Executive Officer/Clerk of Court of the Superior Court of the State of California for the County of Los Angeles (which is a court of record having by law a seal); that the signature to the foregoing certificate and attestation is the genuine signature of the said DAVID W. SLAYTON as such officer, that the seal annexed thereto is the seal of said Superior Court, that said DAVID W. SLAYTON as such officer is the legal custodian of the original records or documents described and referred to in the foregoing certificate; is the proper officer having the authority to execute said certificate and attestation, and that said attestation is in due and proper form according to the laws of the State of California. I further certify that my oath of office as a Judge of the Superior Court of California and handwritten signature, or a true and correct copy thereof, is on file or of record with the Secretary of State for the State of California for the purposes of authentication.

Executed at Los Angeles, California on

November 4, 2026
(DATE)

PRESIDING JUDGE OF THE SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES

EXEMPLIFICATION

Electronically Received 09/02/2026 10:33 AM

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FILED
Superior Court of California
County of Los Angeles
09/24/2026 ~~10~~ 10/05/26 CH
David W. Slayton, Executive Officer / Clerk of Court
By: C. Ho Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES, NORTHEAST DISTRICT

MARCUS JACKSON WILLIAMS and GLORY CURTIS WILLIAMS,

Petitioners,

v.

KENNETH FARLEY and SARAH DESCHENES,

Respondents.

Case No. 26STCP02138

[PROPOSED] JUDGMENT

Judge: William A. Crowfoot
Dept. 3

Action Filed: June 9, 2026
Trial Date: NA

The Court enters this Judgment on the Petition to Vacate Contractual Arbitration Award ("Petition to Vacate") filed by Marcus Jackson Williams and Glory Curtis Williams (collectively, "Sellers") and on the Response to Petition to Vacate ("Response to Petition to Vacate") and Motion to Confirm Arbitration Award, to Enter Judgment Pursuant to Award, and to Deny Petition to Vacate ("Motion") filed by Kenneth Farley and Sarah Deschenes (collectively "Buyers").

The Petition to Vacate sought to vacate the final arbitration award ("Award") issued on May 25, 2026, by the Arbitrator, Hon. Terry B. Friedman (Ret.), in an arbitration proceeding administered by JAMS (Reference No. 5220007796) initiated by Buyers against Sellers. The Award is attached hereto as Exhibit A. The Response to Petition to Vacate and Motion sought (1) an order confirming the Award as made and denying the Petition to Vacate, and (2) an order to enter judgment in favor of Buyers and against Sellers in conformity with the Award for $1,755,036.12 plus post-award prejudgment interest that has continued to accrue since the Award was issued.

The Petition to Vacate and Motion came for hearing before the Court on August 20, 2026, at 8:30 a.m. in Department 3 of the Alhambra Courthouse. At the hearing, Sellers were represented by Stephen Tomasulo and Jeffrey Bell, and Respondents were represented by Marc S. Williams. The Court DENIED the Petition to Vacate and GRANTED Buyers' Motion, proof having been made to the satisfaction of the Court.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Award is confirmed and judgment is entered in favor of Buyers and against Sellers in conformity with the Award as follows:

- Buyers Kenneth Farley and Sarah Deschenes shall have and recover from Sellers Marcus Jackson Williams and Glory Curtis Williams, jointly and severally, the total Award amount of $1,755,036.12.

NOW, THEREFORE, IT IS FURTHER ORDERED, ADJUDGED, AND DECREED as follows:

- Buyers Kenneth Farley and Sarah Deschenes shall have and recover from Sellers Marcus Jackson Williams and Glory Curtis Williams, jointly and severally, the following additional amounts:

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- $ 19,678.00 in post-award prejudgment interest which has continued to accrue at the rate of 10% per annum, Cal. Civ. Code § 3289(b), since the Award was issued on May 25, 2026, and which the Court has calculated according to this formula: $1,479,548.95[1] x 0.10 x (N ÷ 360), where N is equal to the number of days from May 25, 2026, to the date of entry of this Judgment;
- $ tbd by motion for costs of suit; and
- $ tbd by motion in attorney's fees.

Dated: 10/05/2026

William A. Crowfoot / Judge
Honorable William A. Crowfoot
Los Angeles Superior Court Judge

[1] Certain portions of the total Award amount are not subject to post-Award prejudgment interest: $1,479,548.95 is the total Award amount, less the Award's noneconomic damages portion of $150,000 and less the prejudgment interest portion of $125,487.17. *See* Exhibit A, at 31.

COHEN WILLIAMS LLP

EXHIBIT A

JAMS ARBITRATION
Reference No. 5220007796

Kenneth Farley and Sarah Deschenes,
Claimants,

v.

Marcus Jackson Williams and Glory Curtis Williams,
Respondents.

FINAL AWARD

Date of Final Award: May 25, 2026

Place of Arbitration: Los Angeles, California

Counsel:

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Arbitrator:

Judge Terry Friedman (Ret.)
JAMS
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Los Angeles, CA 90071
Tel: (213) 620-1133
tfriedman@jamsadr.com

This matter came to arbitration in accordance with Section 31.A of a form California Residential Purchase Agreement ("Agreement"), electronically executed on October 23, 2023 by each Claimant and each Respondent. The Agreement contains an arbitration governing this action, which provides that "any dispute or claim in Law or equity arising between them out of this Agreement, or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration." The undersigned Arbitrator is a retired judge, as required by §31.A.

Having read and considered the submissions, documentary and testimonial proof, arguments and allegations of the parties, the undersigned Arbitrator finds and concludes and issues this Interim Award, as follows:

I. INTRODUCTION AND RELEVANT PROCEDURAL HISTORY

Claimants Kenneth Farley and Sarah Deschenes are a married couple who purchased a house (the "Property") in Altadena, California from Respondents Marcus and Glory Williams, also a married couple. Claimants allege that Respondents failed to fully and honestly disclose that a former owner of the house had made violent threats against them and others and had trespassed on the property.

The Arbitrator issued Scheduling Order ("SO") No. 1 (February 25, 2025), SO No. 2 (April 14, 2025), SO No. 3 (July 7, 2025), SO No. 4 (August 22, 2025) and SO No. 5 (October 13, 2025), establishing procedures for this arbitration.

The Arbitrator also issued these Orders:

- Order Re: Respondents' Motion to Dismiss or Stay the Pending Arbitration (July 28, 2025), which denied the Motion
- Order Re: Respondents' Request for Leave to File Dispositive Motion (April 22, 2025), which denied the Request
- Order Re: Claimants' Request for Punitive and Other Damages (February 24, 2026), which denied the request for punitive damages and for attorneys' fees to obtain a restraining order, and awarded damages for enhanced security and loan overpayment
- Order Re: Claimants' Motion for Fees and Costs (May 13, 2026), which awarded Claimants reasonable attorneys' fees, attorneys' expenses and JAMS fees, as well as an increased amount of non-economic damages.

A Final Status Conference ("FSC") was held on August 21, 2025.

The plenary arbitration hearing ("Hearing") was conducted at the JAMS Century City Resolution Center on September 26–30, 2025. The Parties submitted pre-arbitration briefs. Court Reporter Nadia Newhart, CSR No. 8714, transcribed the Hearing. Exhibits ("Exhs") Nos. 1-96, 79A, 200-211, 300-327, 400-416, 500-502, 510-512, 520-521, 530-532, 540-542, 550-556, 560-561, 580-595, 600-614, 620-621 and 701-716 were admitted into evidence without objection at the commencement of the Hearing. By agreement of the Parties, in preparing the Award the Arbitrator only may consider these Exhs. referred to at the Hearing or referenced in an arbitration brief: Exhs. 2, 4-6, 8-13, 15, 17-21, 23, 25-28, 31-32, 34, 36-39, 41-43, 45-46, 49, 53, 56, 65-66, 70-71, 77, 79-80, 79A, 84, 86, 88-89, 91, 93-95, 97-100, 203, 206, 210-211, 300-301, 304, 321-324, 327, 400-401, 405, 413, 500-502, 504, 510-512, 520-521 and 700.

Four percipient witnesses and two expert witnesses were called to testify and each Party had the opportunity to directly examine and cross examine them. The percipient witnesses were: Sarah Deschenes, Kenneth Farley, Glory Williams and Marcus Williams. The expert witnesses were Peter Miller for Respondents and Laurence Sommer for Claimants.

At the conclusion of the presentation of evidence on September 30th, the Parties stated they had no further witnesses to call to testify or documentary evidence to offer, whereupon the Arbitrator declared the evidentiary portion of the Hearing closed. Counsel for the Parties agreed to file Post-Hearing Briefs on October 24, 2025 and Reply Briefs on October 31, 2025. JAMS issued the Arbitrator's Interim Award on November 11, 2025.

Among other things, the Interim Award found Claimants to be the prevailing parties and ordered a further evidentiary proceeding regarding Claimants' entitlement to damages due to their overpayment of loan interest, their legal fees for seeking and obtaining a Restraining Order, their expenditures to enhance security at the Property, and their entitlement to punitive damages. That proceeding was held on February 23, 2026. A further proceeding was held on April 27, 2026 regarding Claimants' Request for Pre-Judgment Interest. The Parties submitted final Pre-Judgment Interest calculations on May 22, 2026 that assumed that this Final Award would be issued on May 25, 2026.

II. FACTS

The following is a presentation of those facts the Arbitrator found to be true, considered and relied on, and deemed material to the Award. Facts not pertinent, material or necessary to the Award are omitted. Citations to Exhibits are noted where the factual findings are based solely or primarily on documentary evidence. Citations to the transcript are noted where the Arbitrator quoted or relied on the transcript rather than the Arbitrator's contemporaneous Hearing notes. In preparing this summary of facts, the Arbitrator considered all testimony and admitted documentary evidence. To the extent that this recitation differs from either side's position, that is the result of the Arbitrator's determinations as to credibility, relevance, burden of proof, and the weighing of the evidence, both oral and written.

A. THE PROPERTY

The Property at issue contains a single-family, two-story, three bedroom, two and one-half

bath, 2,595 square foot house with a detached garage situated on a 19,470 sq. ft. lot on a bluff overlooking Eaton Canyon, at the base of the Angeles National Forest foothills. Exh. 502. It is located at 2436 No. Altadena Dr. in the Central Historic Area of Altadena, California, an unincorporated area of Los Angeles County north of Pasadena. *Id.*

The Williamses purchased the Property on August 3, 2016 from a developer who "flipped" the house after purchasing it at a foreclosure sale.

B. EDDIE TURNER

Eddie Turner previously owned the Property until he was convicted of mortgage fraud and foreclosed upon in 2016. Turner was sentenced to state prison, where he remained from 2016 until his release in 2021. The Williamses first learned about Turner from a neighbor who told them, among other things, that Turner had "a collection of firearms that included a small canon [sic], from which [he] would discharge blank rounds during his many extremely loud parties." Exh. 79.1 (Mr. Williams' February 3, 2024 Declaration under penalty of perjury offered in support of the State of California in a sentencing proceeding against Turner.) The Williamses' nearest neighbor, who Mr. Williams described as a healthy and fit man, told the Williamses "he was seriously afraid of Turner." *Id.* Once, when that neighbor asked Turner to turn down music, Turner "threatened the neighbor with violence and suggested that he would shoot the neighbor if he didn't leave." *Id.* The neighbor was afraid to testify at the Williamses' restraining order hearing in May 2022. *Id.*

More concerning to Mr. Williams, in September 2021, the Williamses' gardener reported that twice he saw a man parked across the street from the Property "peering up our driveway." Exh. 79.1-2. Shortly thereafter, while taking their children to school, Ms. Williams saw Turner parked in the same spot, again peering up their driveway. Exh. 79.2.

According to Mr. Williams' February 3, 2024 Declaration, "Turner began trespassing on our property on two occasions on February 11 and February 22, 2022." *Id.* On the first occasion, "Turner walked uninvited through an open gate, pushed open the front door, and entered [the] house, accosting two contractors who were working there." Exh. 321 (Declaration of Daniel Coffman). Mr. Williams considered Turner's action to be "frightening and astonishing." Exh. 79.2. When the Williamses reported the incident to the Sheriff's Office, a representative told them there was nothing they could do once Turner left the premises. *Id.*

Ms. Williams filed an Request for Civil Harassment Restraining Orders ("TRO Request") against Turner on February 17, 2022. Exh. 301. Mr. Williams signed as her lawyer. *Id.* The TRO Request named the Williams' five children as additional persons to be protected. *Id.* Ms. Williams stated that "As a result of Mr. Turner's repeated surveillance of my home, entry onto our property, and interference into my affairs, I am in fear for my own and my family's safety." Exh. 79.2. That same day, Mr. Williams reached out to L.A. Sheriff Detective Christopher Derry to request help because Turner "poses a danger to my wife and children." Exh. 2.

On February 21, 2022, while the Williams' real estate agent Kate Barnett was conducting a "broker's open house, an invitation-only event," Turner approached the front door. *Id.* Barnett tried to close the door but Turner "began shouting, threatening and menacing [her], telling her among

other things that he was 'the legal owner of this house' and that he would 'put your fucking ass on this fucking ground.'" *Id.* Barnett provided the Williamses videos of this incident. Exh. 4. An unredacted version of Mr. Williams' Declaration contained the following language redacted on the version the Williamses produced in discovery[1]: "Mr. Turner's entry and exit from our home were captured on our security cameras, and at that time he also strolled around our property nonchalantly. We do not have video of Mr. Turner's actions while he was inside our home, but they're described in the declaration of the contractor whom Mr. Turner accosted." Exh. 79A.

On February 23, 2022, Mr. Williams wrote to prosecutor William Frank that "[g]iven his history, I believe Mr. Turner to be quite dangerous." Exh. 6. Also that day, Mr. Williams warned Barnett that she should start carrying pepper spray in case Turner ever confronted her again and not to put up a for sale sign which would be "like a giant neon invitation for him to come around and do crazy shit." Exh. 211.8. On February 28th Barnett executed a Declaration in support of the Williamses RO application, in which she stated at ¶5 that she believed Turner was a danger to herself and her family and if not restrained "he poses a material threat of serious bodily harm to the individuals." Exh. 12. Ultimately, the Williamses did not submit Barnett's Declaration.

The restraining order hearing convened on May 12, 2022. Exh. 79.2. Often, Turner interrupted and engaged in diatribes, including stating "that's my house," "I'm the dude that's on the title to that house." *Id.*, Exh. 79.3. As the judge started to rule that the TRO would become a permanent injunction, Turner "stormed out of the courtroom." *Id.* Though never filed, Barnett swore in her Declaration that she found "Mr. Turner's behavior bizarre and frightening, and I feared and continue to fear for my safety. I believe Mr. Turner is dangerous to me and to the Complainant and her (Glory Williams) family, and . . . poses a material threat of serious bodily harm" to the Williams family. Exh. 12. The Los Angeles Superior Court issued a final, two year Civil Harassment Restraining Order ("RO") against Turner on May 12, 2022. Exh. 304. Among other things, the RO prohibited Turner from parking within 100 yards of the Williamses' home. *Id.* Even after obtaining the RO, Ms. Williams and her children once stayed in a hotel when Mr. Williams was out of town. Exh. 203.2.

According to Mr. Williams, Turner violated the court order by continuing to park directly across the street from the Property and peering up the driveway on August 24, 2023 and two or three weeks later. Exh. 79.3. Mr. Williams' expressed his greatest concern that Turner had not learned from his previous convictions and sentencing. *Id.* "[H]e seems to have no regard for the law. . . he's willing to threaten, menace and, presumably, harm people even while he's under criminal prosecution." *Id.* Mr. Williams concluded his declaration by stating: "My concerns about Mr. Turner run so deep that he represents a significant part of the reason my wife and I are moving to another state with our children. I believe him to be a dangerous felon and I believe that, if he is not sentenced to the maximum period allowable by law, he will immediately resume his frightening conduct." *Id.*

Sometime before October 2023, Mr. Williams spoke with Turner's former attorney in his mortgage fraud prosecution, Winston McKesson, who informed Mr. Williams that Turner was being

[1] According to Claimants' counsel, they had to make a Public Records Act request to obtain the unredacted version.

prosecuted for making violent criminal and terrorist threats against him and his wife. Exh. 700.

C. SALE OF THE PROPERTY

In February 2022, the Williams family, including their five children, began to pursue a plan to move to Utah, where they had owned a second home since 2020. The Williamses considered Utah a safer and less stressful place for the family to reside. The Williamses listed the Property that month and received four offers between $2.48 and $2.75 million. Ms. Deschenes recalled that, coincidentally, she attended an open house at the Property. Due to shared child custody arrangements, however, the Williams decided they were not yet ready to make the move.

On October 13, 2023, the Williamses re-listed the Property for sale after the school that employed Ms. Williams closed and she found a new job in Utah. Mr. Williams testified that, at that time, he had "zero" concern about Turner and that Ms. Williams, who was "more vigilant," would have reported if he had been around. Hrg. Tr., Day 2, 478:18-25.

Beginning around May 2023, Claimants began looking for a house in Altadena, Pasadena and La Canada. There were few on the market. They visited 25-30 open houses, including one at the Property. Ms. Deschenes recognized the Property as the house she looked at in 2022. The Williamses listed it on October 13, 2023 for $2,395,000. Exh. 25. Claimants were interested and decided to offer $2,625,000 in the hope that would be high enough to avoid prompting a bidding war. Exh. 27. They retained George Penner and Denise Therieau of Compass Realty to represent them. Mr. Farley was pleased that an appraisal came in at exactly the same amount as their offer. Exh. 45. The Williamses accepted Claimants' offer and executed the California Residential Purchase Agreement and Joint Escrow Instructions ("Purchase Agreement") on October 24, 2023. Paragraph 11.A.(3) provided that the Seller provide Supplemental Disclosures – a TDS and an SPQ. The Purchase Agreement provided that Claimants complete all investigations and approve disclosures by October 31st and that escrow would close November 29th. Exh. 34.

Paragraph 30.A provided that "The Parties agree to mediate any dispute or claim arising between them out of this Agreement . . . before resorting to arbitration or court action. . . Mediation fees, if any, shall be divided equally among the Parties involved, and shall be recoverable under the prevailing party attorney fees clause. . . If . . . any Party . . . refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action." Exh. 27.

D. DISCLOSURES

Mr. and Ms. Williams signed the Seller's Advisory on October 14, 2023. Exh. 26. Mr. Williams testified that he understood the general disclosure duties of a seller of real estate in California, including that he and his wife "must affirmatively disclose to the buyer, in writing, any and all known facts that materially affect the value or desirability of your Property." *Id.* In addition, the Williams signed a Disclosure Information Advisory (for sellers) on October 24, 2023. Exh. 31. It provides, in pertinent part:

1. "Sellers have an affirmative duty to disclose to buyers all material conditions . . . and/or

issues known to them that might impact the value or desirability of the Property.

2.C. Use any known and available documentation to refresh your memory of past and current issue, condition and/or problems and then provide a copy of that paperwork with your fully completed Disclosure Forms.

2.F. If you are unsure about whether something is important enough to be disclosed, you should probably disclose it. If you don't want to disclose a piece of information about the Property, think about your reasoning for why you do not want to disclose this information. If the answer is because you think a buyer will not want to buy the Property or will want to purchase at a lower price, that is exactly the reason why the fact ought to be disclosed; it materially affects the value or desirability of the Property.

3.C. "It is important to address each aspect of each question and provide precise details so that Buyers will understand the 'who, what, where, when and how.'"

3.E. "Be specific and provide facts for each response; you should not let subjective beliefs limit, qualify or downplay your disclosures."

5. Disclose any lawsuits, whether filed in the past, presently filed or that will be filed regarding the property . . . even if you believe that the case has been resolved. Provide as much detail as possible about any lawsuit, including the name of the case and the County where the case was filed.

Mr. Williams testified that he provided no disclosure-related documents to Claimants.

The Williamses filled out and signed two disclosure documents as part of the sale – the Real Estate Transfer Disclosure Statement ("TDS"), pursuant to CC §1102.6 and a Seller Property Questionnaire ("SPQ"). The California Association of Realtors ("CAR") has adopted the TDS and SPQ as standard forms and periodically revises them.

1. TDS

Section II of the TDS is entitled "Seller's Information." Exh. 37.1. It states, in pertinent part, "[t]he Seller discloses the following information with the knowledge that . . . prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property." *Id.* Section II.C asks whether the Seller is aware of a variety of issues, including question 11 "Neighborhood noise problems or other nuisances" and question 16 "Any lawsuits by or against Seller threatening to or affecting this real property." *Id.* The Williamses checked the "No" box for each.

At the Hearing, Mr. Williams initially testified that he "suppose[d] you can characterize" his restraining order action as a lawsuit, but "[t]hat's not how I took it at the time." Hrg. Tr., Day 1, 141:15-19. He then answered "yes" to whether it is a lawsuit by the seller that affected this Property. *Id.*, 141:20-25. However, when asked if he should have checked question 16 "yes," he responded: "I left it "no." I'm looking at the rest of these statutory references and things that it's - -

you know, what kind of litigation are we talking about? That seems to me to be a "no." *Id.*, 142:4-10. When pressed on cross-examination, Mr. Williams testified he was sticking with the "no" even though he admitted a restraining order action is a lawsuit by the seller affecting this real property. *Id.*, 142:11-17; 142:25-143:4.

2. SPQ

A Note to Seller is set forth at the top of the SPQ, stating: "YOU ARE STRONGLY ADVISED TO CAREFULLY REVIEW THE DISCLOSURE INFORMATION ADVISORY (C.A.R. form DIA) BEFORE YOU COMPLETE THIS SELLER PROPERTY QUESTIONNAIRE. ALL SELLERS OF CALIFORNIA REAL PROPERTY ARE REQUIRED TO PROVIDE VARIOUS DISCLOSURES, EITHER BY CONTRACT, OR BY STATUTE OR CASE LAW." Exh. 41 (capitalization in original).

These are the full paragraphs or their excerpts in the SPQ pertinent to this dispute:

2. Note to Seller, PURPOSE: To tell the Buyer about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.

- Answer based on actual knowledge and recollection at this time.
- Something that you do not consider material or significant may be perceived differently by a Buyer.
- Think about what you would want to know if you were buying the Property today.

3. Note to Buyer, PURPOSE: To give you more information about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.

- Something that may be material or significant to you may not be perceived the same way by the Seller.
- If something is important to you, be sure to put your concerns and questions in writing.
- Sellers can only disclose what they actually know. Seller may not know about all material or significant items.
- Seller's disclosures are not a substitute for your own investigations, personal judgments or common sense.

4. SELLER AWARENESS: For each statement below, answer the question "Are you (Seller) aware of . . . " by checking either "Yes" or "No." **A "yes" answer is appropriate no matter how long ago the item being asked about happened or was documented unless otherwise specified.** Explain any "Yes" answers in the space provided or attach additional comments and check **paragraph 19.**

6. STATUTORILY OR CONTRACTUALLY REQUIRED OR RELATED:

I. Matters affecting title of the Property. Sellers checked the "No" box.

K. Material facts or defects affecting the Property not otherwise disclosed to Buyer. Sellers checked the "No" box.

(below the last of the ten alphabetical items):
Explanation, or [] (if checked) see attached: Restraining order against previous owner who was foreclosed and convicted of mortgage fraud in approx. 2013 and who was observed loitering near the home in 2022.

15. TITLE, OWNERSHIP, LIENS, AND LEGAL CLAIMS:

C. Past, present, pending or threatened lawsuits, . . . or other court filings . . . affecting or relating to the Property . . .

Mr. Williams disagreed that what he knew about Turner when he filled out the SPQ was a "known, material or significant item affecting the value or desirability of the Property." Mr. Williams agreed that he was "concerned enough about Eddie Turner that [he] wanted to move out of state, but [he] didn't believe that [his] concerns about Mr. Turner are a known material or significant item affecting the value or desirability of the property." Hrg. Tr., Day 1, 146:2-8.

Mr. Williams explained his "no" answer to question 6.I that asked whether the Williams were aware of matters affecting title, by stating "Turner had filed a lawsuit to which we were not a party. Without my knowledge, he had filed a lis pendens on the property that had been removed on a 15-minute phone call from one of our paralegals that I didn't even know about beforehand. Honestly, that did not even remotely come to my mind. He was suing somebody else in a lawsuit that's demonstrably frivolous." Hrg. Tr., Day 1, 151:9-19. Mr. Williams also testified that he was aware of Turner's quiet title lawsuit against U.S. Bank that was attached to Ms. Williams' Declaration in support of the TRO application, but did not think that should be disclosed because it "was dismissed repeatedly as being frivolous. *Id.*, 152:14-20; 155:4-10.

Regarding the explanation fragment, Mr. Williams thought the words "restraining order" were sufficient to put a potential buyer on notice and that he used "loitering" because the Sheriff said Turner did not trespass.

Mr. Williams testified that "In hindsight, [15.C] should have been checked "yes" because of the U.S. Bank lawsuit, but again, I completely forgot about that. It was like the most absurd, ludicrous thing you'd ever seen. ¶ The court repeatedly dismissed it. The appellate court affirmed the dismissal, I think on more than one occasion. I forgot about it." *Id.*, 172:14-21. Mr. Williams acknowledged that he did not forget about the U.S. Bank lawsuit when he filed the TRO application or when he had it removed from the title report, but explained that those instances preceded by one-and-one-half to two years his completing the SPQ. *Id.*, 172:22-173:4. Similarly, he considered Turner's quiet title action to be years in the past and so obviously frivolous that he did not think about it.

Mr. Williams testified that he did not identify Turner by name in any document he provided to Claimants. *Id.*, 160:3-24. Nor did he provide in his 6.K explanation the case number of the restraining order case that was accessible to him. *Id.*, 162:13-20. In addition, Mr. Williams' 6.K

explanation did not say that the restraining order was obtained by his family, that it was still in effect at the time of sale to Claimants or that Turner still claims to own the property, that he filed a quiet title action and that the RO sought to prevent Turner from representing that he is the rightful owner of the Property.. *Id.*, 163:2-6, 165:23-1-166:11.

Mr. Farley and Ms. Deschenes testified that they recalled reviewing the TDS and SPQ separately at the same time in the dining room of their rental house because it was the day they got engaged. Neither noticed the explanation in Section 6 of the SPQ. They pointed to its location on the form and spacing that did not extend beyond the text above, but instead returned to the second line rather than reach the row of boxes (as displayed above). Each commented that they had no reason to notice the explanation because all of the Seller's answers were "no" for which there was no need for an explanation. Nor did their broker Penner notice the explanation. Mr. Farley and Ms. Deschenes insisted that had either SPQ items 6.I or 6.K been checked "yes," they would questioned why and upon learning about Turner never would have purchased the Property at any price. Ms. Deschenes testified she also would have followed up had TDS items 11 or 16 been checked "yes," and, again, the reasons would have convinced her not to buy the Property.

E. POST-SALE EVENTS

On December 27, 2023, as Mr. Farley searched for remodel plans the Williamses included in the disclosures, he noticed for the first time the explanation in the SPQ regarding a restraining order. Hrg. Tr., Day 1, 228:12-25. Mr. Farley wanted more information about it so he emailed his real estate agents George Penner and Denise Therieau to ask for "the name of this individual and details on the restraining order." Exh. 65. Therieau immediately emailed the Williamses' agent Barnett to ask for this information. Exh. 63. Barnett contacted Mr. Williams, who on December 28th sent her a copy of the restraining order to forward to the buyers. Mr. Williams also reported a call the previous day from Turner's prosecutor who described Turner's violent outburst in court in the unrelated McKesson matter, which resulted in Turner's remand to jail. Exh. 66. Mr. Williams noted that Turner possibly could make bail and forwarded a link to track him. *Id.* Mr. Williams offered that he doubted Turner posed a threat to the buyers, but "he's clearly quite crazy, so out of an abundance of caution" he suggested the buyers contact San Marino Security to arrange transfer of the Williamses' security system and cameras. *Id.*

Also, on December 27th, Ms. Deschenes emailed Therieau: "We found the original case against Eddie Turner for mortgage fraud and a restraining order against his former attorney. I couldn't find anything about a restraining order in 2022. ¶ The way the sellers filled out the disclosures is a bit disturbing. They didn't check Yes on the line where they typed that info, which made it easy to miss." *Id.*

At around the same time in late December 2023, Mr. Williams was informed by Bill Frank, the state Deputy Attorney General who was prosecuting Turner for felony criminal threats against McKesson, that Turner sent an email to the prosecutors overtly threatening the prosecutor and the Williamses, who he referred to as "the fucking squatters in my house." Hrg. Tr., Day 2, 511:21-512:8. Mr. Williams testified that this was the first time he learned of a direct threat against himself and his wife, which "dramatically escalated" his concern. *Id.*, 512:9-19.

Although the Claimants took legal possession of the Property on January 5, 2024, they did not move in then because Ms. Deschenes was extremely nervous, especially after learning that Turner had previously escaped custody. She testified that she and Mr. Farley had not tried to sell the house because they would make a full disclosure about Turner, which they expected would drastically reduce the price, causing them an extraordinary financial burden.

III. PLEADINGS

Claimants' Arbitration Demand ("Demand") pled claims for concealment, intentional misrepresentation, negligent misrepresentation and negligence. Claimants prayed for actual, compensatory and consequential damages, or, in the alternative, rescission; economic and non-economic damages, disgorgement of profits; other general and special damages, punitive damages, prejudgment interest, costs of suit, and attorneys' fees and costs. Respondents orally denied the claims.

IV. APPLICABLE LAW

The laws of California apply in this arbitration along with JAMS Comprehensive Arbitration Rules and Procedures ("JAMS Rules"). ¶5, SO No. 1. The California Arbitration Act also applies.

This section cites the applicable statutory and common law that is necessary for determination of disputed issues. Some cases and statutes may be cited to confirm that the Arbitrator read and considered them before deciding they do not apply. Relevant law that was not dispositive is omitted.

"A real estate seller has both a common law and statutory duty of disclosure." *Calemine v. Samuelson* (2009) 171 CA4th 153, 161. Settled law in California imposes that duty "where the seller knows of facts materially affecting the value or desirability of the property . . . and also knows that such facts are not known to, or within the reach of the diligent attention and observation of the buyer." *Id.* (internal citation omitted). "Undisclosed facts are material if they would have a significant and measurable effect on market value." *Id.* "[O]nce the essential facts are disclosed a seller is not under a duty to provide details that would merely serve to elaborate on the disclosed facts." *Id.* Nondisclosure of a material fact "*amounts to a representation of the nonexistence of the facts which he has failed to disclose.*" *Id.* (italics in original).

Conclusions regarding the ramifications of disclosed facts, such as their impact on value, are opinions, not facts subject to disclosure. *Assilzadeh v. California Federal Bank* (2000) 82 CA4th 399, 411-12. In *Assilzadeh*, the court found a broker's disclosure of everything the broker knew about a defects lawsuit to be adequate. *Id.*, at 411. Another court found the forwarding of a legal notice letter informing the buyer of a lawsuit affecting the property at issue to be sufficient. *Pagano v. Krohn* (1997) 60 CA4th 1, 8.

Since January 1, 1987, article 1.5 of the California Civil Code has specified the information a residential real property seller must disclose in a sale. For example, CC §1102.6 mandates use of the TDS.

The elements of fraud are: 1) false misrepresentation, concealment or nondisclosure 2) knowledge of falsity, 3) intent to defraud, i.e., to induce reliance, 4) justifiable reliance and 5) resulting damage. *Lazar v. Superior Court* (1996) 12 C4th 631, 638. "[T]he telling of a half-truth calculated to deceive is fraud." *Pavicich v. Santucci* (2000) 85 CA4th 382, 398. Claims for negligent misrepresentation do not require intent to defraud. *OCM Principal Opportunities Fund v. CIBC World Markets Corp.* (2007) 157 CA4th 835, 845. Instead, the elements are: 1) misrepresentation of a past or existing material fact, 2) without reasonable ground for believing it to be true, 3) with intent to induce another to rely on the misrepresented fact, 4) justifiable reliance and 5) resulting damage. *Apollo Capital Fund, LLC v. Roth Capital Partners, LLC* (2007) 158 CA4th 226, 243.

To establish reliance a plaintiff not only must show "he acted in reliance upon a misrepresentation, but whether he was justified in his reliance." *Kahn v. Lishner* (1954) 128 CA2d 480, 489. The plaintiff's negligence in failing to discover falsity is no defense to intentional misrepresentation. *Alliance Mortgage Co. v. Rothwell* (1995) 10 C4th 1226, 1239-40. While a plaintiff is not held to a standard of precaution of a reasonable person, if the plaintiff's conduct "in light of his own intelligence and information was manifestly unreasonable, however, he will be denied a recovery." *Id.* (quoting *Seeger v. Odell* (1941) 18 C.2d 409, 414); *see also Hoffman v. 162 North Wolfe LLC* (2014) 228 CA4th 1178, 1194.

Concealment is a form of deceit. CC §1710(3) – the suppression of a fact, by one who is bound to disclose it, or who gives information of other facts which are likely to mislead or want of communication of that fact. "The required elements for fraudulent concealment are 1) concealment or suppression of a material fact 2) by a defendant with a duty to disclose the fact 3) the defendant intended to defraud the plaintiff by intentionally concealing or suppressing the fact 4) the plaintiff was unaware of the fact and would have acted differently if the concealed or suppressed fact was known and 5) the plaintiff sustained damage as a result of the concealment or suppression of the material fact." *Rattagan v. Uber Technologies, Inc.* (2024) 17 C.5th 1, 40.

"In transactions which do not involve fiduciary or confidential relations, a cause of action for non-disclosure of material facts may arise in at least three instances: 1) the defendant makes representations but does not disclose facts which materially qualify the facts disclosed, or which render his disclosure likely to mislead, 2) the facts are known or accessible only to defendant, and defendant knows they are not known to or reasonably discoverable by the plaintiff and 3) the defendant actively conceals discovery from the plaintiff." *Warner Construction Corp. v. City of Los Angeles* (1970) 2 C3d 285, 294. One element of fraudulent concealment is that the plaintiff was unaware of the material fact. *Hambrick v. Healthcare Partners Medical Group, Inc.* (2015) 238 CA4th 124, 162.

To prove negligence, a plaintiff must show 1) the defendant owed a duty of care to the plaintiff, 2) the defendant breached that duty and 3) the defendant's breach was the proximate cause of the resulting injury to the plaintiff. *Vasilenko v. Grace Family Church* (2017) 3 C.5th 1077, 1083.

V. DISCUSSION

This discussion addresses the issues pertinent and material to the Award. The Arbitrator considered other issues which were not decisive and thus they are omitted.

A. WITNESSES

Evaluation of witness credibility is a significant factor in deciding this case, particularly regarding Claimants' claims for concealment and intentional misrepresentation, which require proof of intent and the Williams' defense that Claimants acted negligently in failing to notice the explanation fragment in the SPQ.

1. Marcus Williams

Mr. Williams was, by far, the most important witness. His lengthy testimony covered the central issue whether he and Ms. Williams concealed or misrepresented Turner's threat to Claimants.

Mr. Williams is an accomplished, 28 year transactional attorney who has been a partner or shareholder at two large, national law firms – initially, Davis Wright Tremaine and, since 2020, at Buchalter. His specialty is corporate securities. Mr. Williams is licensed to practice law in California, Oregon, Washington and Utah. Before attending law school, he served in the United States Navy.

Mr. Williams presented as an intelligent, careful, polite, self-confident, well prepared witness who displayed a detailed memory of the key events in the case. Unfortunately for him, however, his testimony did not add up. Mr. Williams' justification for disclosing only a cautiously worded and vague single sentence related to Turner simply was not credible. Nor was it plausible that a lawyer, who testified he knew what the term "materiality" means, would testify that the overwhelming evidence of the threat Turner posed to him and his family was not material to the value and desirability of the Property. Likewise, his pronouncements that a restraining order court action is not a lawsuit or that Turner's quiet title action was too frivolous to disclose did not ring true.

2. Glory Williams

At the time the Williamses purchased the Property, Ms. Williams was a teacher and administrator at Holy Family High School in Glendale, California. The school closed in 2022.

Ms. Williams was a hostile witness who appeared annoyed that she had to testify. Yet the main takeaway from her testimony was that Turner terrified her. Notably, she explained that she understood the importance of making disclosures in the sale of a house because previously she had been sued for failure to disclose in connection with the sale of a house in Dana Point, California. Like her husband, Ms. Williams' credibility suffered when she tried to justify answering "no" to SPQ question 6.K whether she was aware of any material facts or defects affecting the Property not otherwise disclosed. She was so scared of Turner after applying for the RO that she stayed in a hotel with her children when Mr. Williams was away, yet she considered their explanation fragment not at all misleading. Her credibility crumbled at the end of her testimony when she said Turner's conduct and threats "doesn't affect the house. It – and was he after me or was after the house? I don't know." Hrg. Tr., Day 2, 357:20-23.

3. Kenneth Farley

Mr. Farley has been a geochemistry professor at Caltech for 32 years, his entire professional career. He married Ms. Deschenes in summer 2024. Previously he owned another house in Altadena, which he sold in June or July 2023. He recalled completing the TDS and SPQ for that sale, so he was familiar with the forms.

Mr. Farley seemed to be a nervous, but earnest, responsive witness. Though clearly dismayed by what he considered to be the Williams' misconduct, he testified calmly without emotion, with one exception. Mr. Williams was emphatic when he testified that had 6.K of the SPQ been checked "yes" he and Ms. Deschenes never would have purchased the house at any price because neither of them want to be associated with danger. He described in detail his and Ms. Deschenes' review of the TDS and SPQ disclosures, saying that he did not see the explanation fragment below 6.K of the SPQ because he only looked for explanations where a "yes" box was checked.

Eventually, Mr. Farley and Ms. Deschenes moved into the house, but feared Turner even though he was incarcerated. They continue to worry because he had escaped custody in the past and wonder whether he has associates.

Overall Mr. Farley was a credible, sincere, responsive witness.

4. Sarah Deschenes

Ms. Deschenes has lived in Southern California for 13 years. She has three adult sons from a previous marriage. Having worked in education policy research at Stanford and Harvard regarding underserved areas, she now serves on the board of the Pasadena Education Foundation and American Women for International Understanding.

Ms. Deschenes was a soft-spoken, uncomfortable witness. Her eye twitched frequently, which she testified was due to this matter exacerbating PTSD she suffers from due to incidents earlier in her life. She has experienced insomnia and nightmares since she and Mr. Farley learned about Turner.

Ms. Deschenes' testimony corroborated Mr. Farley regarding their review of the TDS and SPQ disclosure forms. She described herself and Mr. Farley as careful people, yet she acknowledged that each of them missed the explanation fragment. There was no reason to look for it because all the boxes were checked "no." She considered the explanation to be deceptive due to its spacing of text that returned to the second line before reaching the row of boxes. Furthermore, the explanation does not even state that it was the Williamses who obtained the restraining order.

The undersigned found Mr. Deschenes to be entirely credible.

5. Expert Witnesses

Peter Miller testified as the Williamses' expert and Laurence Sommer testified as Claimants' expert. The undersigned deems both to be qualified experts.

a. Peter Miller

Miller has been a real estate agent for 26 years. Exh. 500. He sells high end homes throughout Southern California and estimates he was completed over 1,000 such transactions. As a result, he testified that he is familiar with industry standards regarding disclosures.

Miller considered the Property to be spectacular and unique, especially due to its great canyon view and location in an excellent school district. He found it unsurprising that it immediately generated multiple offers both times it was listed for sale and that Claimants made an offer above the asking price.

Miller proffered two main opinions. Exh. 503.[2] First, the Williamses' disclosure was sufficient to put a reasonable buyer on notice. *Id.* A buyer who misses the explanation fragment is at fault. Second, the Turner situation would not have had any appreciable impact on the value of the Property. *Id.* His essential observation was that the Turner situation had no material effect on the value of the Property. Though the Turner disclosure might impact some buyers, it would not affect all. Plus, the RO did not concern the Property, but rather a person. Miller also testified that he is familiar with unusual circumstances involving high end properties such as the house in Encino, California, where actor Phil Hartman was shot to death by his wife. Within one week, potential buyers made 80 offers. He also mentioned two other houses where a suicide occurred that quickly elicited multiple offers or sold.

In cross-examination, Miller initially testified that in his experience the listing agent works with the seller to fill out the disclosures. Hrg. Tr., Day 3, 591:2-12. When corrected that in this case, Mr. Williams filled out the disclosures by himself and sent them to his agent, Miller backtracked and testified "[t]he seller completes – fills out the document, gives it to the listing agent." In his further cross-examination, Miller's testimony veered from expert opinion into advocacy. For example, when asked if a person reading the SPQ could miss the text in the explanation box, he answered "[a]bsolutely not." *Id.*, 594:16-20. Later he testified that the disclosure was "very clear and states 'restraining order.' You're not going to miss that." *Id.*, 594:2-4. At another point, in reference to the explanation fragment, Miller testified that something can be inherently significant but not material. He minimized the significance of Turner's prior battery conviction because it did not affect the home. He asserted that a restraining order is not a lawsuit. These comments, and more, evidenced biased advocacy, rather than neutral expert opinion.

Most troubling, while Miller was answering a question on cross-examination whether he was aware that Mr. Williams testified why he did not provide a copy of the restraining order with the disclosures, the Arbitrator noticed that Miller looked at Mr. Williams who appeared to slightly nod his head. *Id.*, 612:19-22. The Arbitrator stated: "I took that as nonverbal communication between them, which is entirely improper."

Overall, the Arbitrator finds that Miller's real estate broker experience was only marginally

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[2] The Williamses were unable to make Miller available for deposition before his testimony on September 30th. They did produce his one-page, two paragraph report on Sunday, September 28th. Exh. 504.

relevant and that he acted more like an advocate for the Williamses than an expert witness offering informed opinions.

b. Laurence Sommer

Sommer is a real estate appraiser, certified by the state of California, but is not a Member, Appraisal Institute ("MAI") appraiser. He has been the President and chief appraiser of his own company, Sommer Appraisal, since 1982. Exh. 501. Over the last ten years he has appraised approximately one to two properties in Altadena every year. During that time, 50-70% of his business has been litigation-related. He has testified as an expert hundreds of times and each time he qualified. In his career he has been hired by both buyers and sellers, sometimes jointly, and as a court-appointed neutral. Sommer estimated that in the last ten years, 60% of his expert work has been in behalf of defendants. Among the cases he has handled are ones involving odd ball diminution matters. He has never before been hired by Claimants' law firm, but worked adverse to the firm in several cases.

Sommer inspected the Property, inside and out. He reviewed neighborhood data. His review followed the Uniform Standards of Professional Appraisal Practice.

As to the explanation fragment, Sommer assumed it not to be a material condition because the line item was marked "no."

Sommer's primary opinion was that Claimants overpaid for a Property with diminished value due to Turner's connection. He found the $2,625,000 purchase price to be within the reasonable range were it not for Turner. By contrast, he opined that, according to a paired data analysis, the materiality of the RO, the severity of Turner's threats, his criminal background and his claims of ownership, that value was diminished by at least $650,000. He considered properties in the Los Angeles area where an external adverse condition impacted the residence's value as well as comparable properties listed for sale in Altadena. Exh. 510.

Sommer reviewed the CAR and Multiple Listing Service ("MLS") for Altadena and found over the past ten years no sale or listing by Miller in Altadena.

Overall, the Arbitrator gives vastly more weight to Sommer's opinions than Miller's. Sommers is an appraiser, Miller is not. Sommers viewed comparable properties. Miller did not. Most important, Sommers' opinions were supported by objective facts while Miller simply parroted the Williamses' position.

B. SUMMARY OF PARTIES' POSITIONS

1. Claimants

Claimants accuse the Williamses of deceiving them by providing only a cleverly crafted, but uninformative sentence obscured by its location and spacing on the SPQ that was intended not to alert them to the threat that Turner presented to occupants of the Property. Nowhere in any of the disclosures that the Williamses signed did they name Turner, identify the restraining order case they

brought, much less describe their fear of Turner or their knowledge of his violent, criminal conduct and threats.

2. Williamses

The Williamses pin their entire defense on Claimants' negligent failure to read the explanation fragment, which they contend to have been sufficient notice of Turner's impact on the value and desirability of the Property.

C. SUMMARY OF FINDINGS AND RULINGS

This is not a close case. The Williamses, particularly Mr. Williams, knowingly and intentionally concealed the vast litany of facts describing the years' long history of Turner's obsession with the Property and the violent threats he repeatedly made to virtually everyone who had anything to do with his dispossession from it. They knew, as common sense would dictate to any reasonable person, that every potential buyer of the Property would want to know about Turner before deciding whether to purchase the Property, or how much to offer for it. Mr. Williams misused his lawyer skills to craft an explanation that two highly intelligent, cautious individuals and two professional real estate agents did not notice and was designed to obscure rather than reveal.

As discussed below, Claimants proved their case and are entitled to substantial damages. Their legal claims overlap to a considerable extent, particularly the three misrepresentation/fraud-based claims, as well as the negligent misrepresentation and negligence claims. Accordingly, the Arbitrator will analyze the claims separately and will reference prior findings where there is overlap.

1. Concealment

The Williamses concealed numerous material facts. At a minimum, these facts were material to a reasonable buyer's decision to purchase the Property, as well as material, specifically, to the Claimant's decision:

1. Many neighbors were "seriously afraid" of Turner, including the Williams' nearest neighbor, who Turner threatened to shoot. That neighbor was afraid to testify against Turner at the RO hearing. Exh. 79.1, *supra*.

2. After Turner was released from prison in 2021, he stalked and trespassed on the Property. The Williamses' gardener twice saw a man parked across the street from the Property peering up the driveway. The man pushed his way into the house on February 11, 2022, which frightened Mr. Williams. Exh. 79.1-2.

3. On numerous occasions, Turner insisted he owned the house, including in litigation to confirm his ownership of the Property.

4. Frightened by facts Mr. Williams learned from his in-depth research about Turner, the Williamses successfully obtained a TRO and a permanent RO against Turner to prevent his stalking, trespassing and false claims of ownership. Exhs. 79.2 and 301.4. Ms. Williams's

Declaration stated she was "in fear for my own and my family's safety." Exhs. 2, 79.2-3 and 304.

5. Turner again entered the Williamses' residence on February 21, 2022 and threatened Barnett with physical violence, resulting in Barnett signing a declaration that he posed a material threat of serious bodily harm to the Williamses. Exhs. 4, 12, 79A and 300.

6. Out of fear of Turner even after issuance of the TRO, while Mr. Williams was away from home, Ms. Williams and her children stayed in a hotel one night. Exh. 203.2

7. The Williamses knew in early 2022 that Turner had been charged with new violent crimes against his former attorney and wife, including threatening rape and murder. Exh. 700.

8. The Williamses were so worried about Turner that he was a significant factor in their decision to move to Utah. Exh. 79.3

The Williamses did not disclose any of these facts to Claimants. They are not mere details; rather they are material facts that build on one another to tell prospective buyers to beware of Turner. *Calemine, supra.* Perhaps, had the Williamses disclosed some, but not all of these facts, that would have been sufficient. But they disclosed none of them. That satisfies the first prong of concealment. The CAR Sellers Advisory form, as well as the TDS and SPQ form, expressly imposed a duty on the Williamses as the sellers to affirmatively disclose to Claimants, "in writing, any and all known facts that materially affect the value or desirability of your Property." Exhs. 26 and 31, *supra.* That meets the second prong of concealment. Mr. Williams filled out the TDS and SPQ forms with knowledge and intent to conceal or suppress these facts, particularly as evidenced by the sneaky way he spaced the three lines of the fragment. His explanation omitted who obtained the restraining order against the previous owner (the Williamses), the name of the previous owner (Turner), and the fact that the previous owner had actually entered the house and threatened a real estate agent inside. These facts establish the third prong of concealment. As to the fourth prong, Claimants testified that they did not notice the buried explanation fragment, but had they read it they would have asked the Williamses questions that would have led to answers that would have convinced them not to purchase the Property. Lastly, as delineated *infra*, Claimants were damaged as a result of the concealment, the fifth element of concealment.

2. Intentional Misrepresentation

By establishing concealment, Claimants meet the first element of fraud or intentional misrepresentation. The second element – knowledge of falsity – was plainly established by Mr. Williams admissions in his Declaration. Claimants' proof of concealment also provides the factual basis for intent to defraud, the third element of intentional misrepresentation. The fourth element is justifiable reliance. The Arbitrator believed Claimants' testimony that even though they made a reasonable effort to read the TDS and SPQ they did not see or read the explanation fragment because all of the Williamses' answers to the pertinent section of the SPQ were "no," and the fragment was spaced in a way to make it hard to see. Again, as delineated *infra*, Claimants sustained damages as a result of the concealment, the fifth element of concealment.

3. Negligent Misrepresentation

Negligent misrepresentation differs from intentional misrepresentation primarily in only requiring a showing that there is no reasonable ground for believing a misrepresentation of fact to be true, rather than knowing it is false. The Arbitrator finds it to be entirely unreasonable for the Williamses to have checked "no" on 6.K of the SPQ, meaning they believed there were no other material facts or defects affecting the Property that they had not disclosed, when they, if fact, disclosed none of the above eight material facts.

4. Negligence

By establishing concealment, Claimants met their burden to prove the Williamses owed them a duty of care. Otherwise, proof of negligent misrepresentation is sufficient to prove plain negligence.

5. Compensable and Related Damages

Claimants clearly suffered damages as a result of the above four torts and their justifiable reliance on the Williamses' concealment and misrepresentations was a substantial factor in causing that harm. Sommer's valued the Property based on his specific observations and estimates, not to mention his extensive experience as an appraiser, including in Altadena. Miller disagreed, but referred to no evidence to back up his position. Besides, he is not even an appraiser. Furthermore, the Arbitrator found his testimony to be more akin to advocacy than expert opinion, an indication of bias. Consequently, the Arbitrator accepts Sommers' opinion that the Claimants overpaid the Williams by at least $650,000, which the Arbitrator adopts as Claimants' actual, compensatory damages.

Claimants initially sought $50,000 for lost use and enjoyment damages, which they characterized as minimal but appropriate assuming they will be able to obtain punitive damages. This sum reflects the personal anguish and physical manifestations Ms. Deschenes has suffered as a result of this ordeal. The Arbitrator tentatively found that $50,000 was a reasonable amount of damages for lost use and enjoyment, but revisited this finding after deciding against awarding punitive damages. *See* §§V.C.6, 7, *infra*.

Claimants paid $15,272.40 in property taxes for tax years 2024 and 2025. However, they concede that they will seek an adjustment in those taxes due to the overall diminution in value of the Property. Inherent in Claimants' concession is the recognition that Claimants have not yet been able to mitigate this loss. Nevertheless, the Williams do not contest awarding Claimants damages in the amount of property taxes Claimants paid attributable to the Property's inflated sales price due to its diminished value.

Claimants calculated they overpaid $220,523.67 in loan interest due to the diminution in value of the Property for five years. Claimants are surely entitled to damages for overpayment on their loan, but they did not explain why they believe they are entitled to such damages for five years rather than two years or some other time frame. Therefore, loan interest damages were determined

in a post-Hearing proceeding. *see infra.* §V.C.7.

Claimants seek $30,000 for legal fees for seeking and obtaining the RO. However, before the Arbitrator renders an award for legal fees, they must itemize these fees, which most likely did not add up to such a round number. Similarly, Claimants did not itemize any of the $20,000 they sought in security costs to date. To substantiate these costs, they cited Exhs. 402-404 and 407-412, however, none of those Exhs. were used in the Hearing and thus, pursuant to the Parties' agreement, the Arbitrator did not consider them.

6. Punitive Damages

Given the Arbitrator's finding of fraud, it is statutorily possible for Claimants to obtain an award of punitive damages. Yet the propriety of such an award, at least in the arbitral experience of the undersigned Arbitrator, is unusual and extreme, and certainly warranted full briefing by the Parties before a finding of entitlement could be made.

Claimants believed the Interim Award already made findings about Respondents, and particularly against Mr. Williams, which are necessary and sufficient to justify an award of punitive damages. Respondents drew a distinction between an affirmative misrepresentation and what the Arbitrator actually found which was an insufficient disclosure. Respondents reasoned that Claimants admitted that had they read the Williams' disclosure, as it was made, they would not have completed the purchase. Mr. Williams already is especially vulnerable to profound professional and reputational consequences, such as potential disbarment, arising from his having being found to have defrauded Claimants. Thus, according to Respondents, the objective of punitive damages to punish a wrongdoer and deter similar behavior in the future has been accomplished by the Arbitrator finding that the Williams' engaged in fraud.

These two evidentiary findings are pertinent to punitive damages:

1. Mr. Williams' testimony did not add up. Mr. Williams' justification for disclosing only a cautiously worded and vague single sentence related to Turner simply was not credible. Nor was it plausible that a lawyer, who testified he knew what the term 'materiality' means, would testify that the overwhelming evidence of the threat Turner posed to him and his family was not material to the value and desirability of the Property. Likewise, his pronouncements that a restraining order court action is not a lawsuit or that Turner's quiet title action was too frivolous to disclose did not ring true. *Supra,* p. 13.

2. This is not a close case. The Williamses, particularly Mr. Williams, knowingly and intentionally concealed the vast litany of facts describing the years' long history of Turner's obsession with the Property and the violent threats he repeatedly made to virtually everyone who had anything to do with his dispossession from it. They knew, as common sense would dictate to any reasonable person, that every potential buyer of the Property would want to know about Turner before deciding whether to purchase the Property, or how much to offer for it. Mr. Williams misused his lawyer skills to craft an explanation that two highly intelligent, cautious individuals and two professional real estate agents did not notice and was designed to obscure rather than reveal. *Id.,* p.17.

Applicable Law

A JAMS Arbitrator "may grant any remedy or relief that is just and equitable and within the scope of the Parties' Agreement." JAMS Rule 24(c).

Punitive or exemplary damages may be imposed on a tort claim "where it is proven by clear and convincing evidence that the defendant has been guilty of oppression, fraud or malice." Civil Code §3294(a). For purposes of this statute, "'[o]ppression' means despicable conduct that subjects a person to cruel and unjust hardship in conscious disregard of that person's rights; [f]raud means an intentional misrepresentation, deceit, or concealment of a material fact known to the defendant with the intention on the part of the defendant of thereby depriving a person of property or legal rights or otherwise causing injury; and [m]alice means conduct which is intended by the defendant to cause injury to the plaintiff or despicable conduct which is carried on by the defendant with a willful and conscious disregard of the rights or safety of others." CC §3294(c). The fraud standard for purposes of CC §3294(c) is linked to the conduct giving rise to liability rather than the cause of action for fraud. *Notrica v. State Compensation Insurance Fund* (1999) 70 CA4th 911, 947-48.

"'Clear and convincing' evidence requires a finding of high probability" of truth. *Shade Foods, Inc. v. Innovative Products Sales & Marketing, Inc.* (2000) 78 Cal. App.4th 847, 891.

"Punitive damages are extraordinary and are meant to punish the defendant." *McGee v. Tucoemas Federal Credit Union* (2007) 153 CA4th 1351, 1359. A trial court has discretion to determine the propriety of punitive damages. *Institute of Veterinary Pathology, Inc. v. California Health Laboratories, Inc.* (1981) 116 CA3d 111, 125.

"The commission of any act involving moral turpitude, dishonesty or corruption, whether the act is committed in the course of his relations as an attorney or otherwise, and whether the act is a felony or misdemeanor or not, constitutes a cause for disbarment or suspension." Business & Professions Code §6106. An attorney has a duty to report to the State Bar an "entry of judgment . . . in a civil action for fraud, misrepresentation . . . committed in a professional capacity." B&P §6068(o)(2).

"A person who is entitled to recover damages certain, or capable of being made certain by calculation, and the right to recover which is vested in the person upon a particular day, is entitled also to recover interest thereon from that day . . ." Civil Code §3287(a); *Collins v. City of Los Angeles* (2012) 205 CA4th 140, 150; *Moreno v. Jessup Buena Vista Dairy* (1975) 50 CA3d 438, 448 ("Interest is recoverable from the time of breach.") In the absence of a contractually stipulated rate, prejudgment interest is calculated at the rate of 10 percent per annum. CC §3289(b). Such prejudgment interest is calculated from the date of a final arbitration award until it is confirmed and judgment entered. *Tenzera, Inc. v. Osterman* (2012) 205 CA4th 16, 21. "One purpose of CC §3287, and of prejudgment interest in general, is to provide just compensation to the injured party for loss of use of the award during the prejudgment period—in other words, to make the plaintiff whole as of the date of the injury." *Lakin v. Watkins Associated Indus.* (1993) 6 Cal.4th 644, 663.

Discussion

Just because the Arbitrator has found that Respondents defrauded Claimants, does not automatically mean that Respondents should be subject to punitive damages. Rather, the Arbitrator must consider that the purpose of punitive damages is to punish a wrongdoer. *McGee, supra.* Moreover, the "clear and convincing" evidentiary standard to establish punitive damages is much more demanding than the "preponderance of the evidence" standard to prove fraud in the first place. *Shade Foods, supra.* Finally, the Arbitrator may exercise discretion in deciding whether it would be "just and equitable" to impose punitive damages. *Institute* and JAMS Rule 24(c), *supra.*

These considerations lead the Arbitrator to deny Claimants' Request. As for punishment, the Arbitrator is well aware of the potential professional and reputational punishment that Mr. Williams may suffer simply due to the Interim Award (and forthcoming Final Award) finding that he defrauded Claimants. Entry of judgment affirming the Final Award in this matter is not reportable to the State Bar pursuant to B&P §6068(o)(2) because Mr. Williams did not commit fraud in his professional capacity. However, his conduct may have involved moral turpitude[3], which could be "cause for disbarment or suspension." B&P §6106, *supra.* The undersigned's harsh determination was deserved in light of the overwhelming evidence of his concealment and misuse of his legal skills. Yet, as Respondents pointed out, Mr. Williams' wrongdoing also should be viewed in light of Claimants' testimony that had they actually seen the "sneakily" hidden disclosure on the SPQ form, they would have backed out of the transaction.

The elevated bar to a punitive damages award also is too high to establish requisite oppression or malice. Mr. Williams' conduct may have been despicable and did harm Claimants, but it did not subject them to "cruel hardship" as must be established to prove oppression. Rather, their loss was primarily, though not exclusively, economic. Though they, and particularly Ms. Deschenes, suffered considerable anxiety, stress and disappointment, those injuries are not comparable to "cruel hardship." Nor did the evidence show that the Williams willfully and consciously disregarded Claimants' rights or safety.

These findings[4] are not meant to minimize the severity of this Final Award. They simply reflect the intentional distinction in the law between ruling on the merits of this matter and taking an extraordinary further step to decide by clear and convincing evidence that the Williams carried out their despicable conduct with a willful and conscious disregard of the safety of others. *Johnson & Johnson Talcum Powder Cases* (2019) 37 Cal.App.5th 292, 332.

7. Other Damages

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[3] "Moral turpitude is a concept that 'defies exact description' and 'cannot be defined with precise definition.'" *In re Grant* (2014) 58 C.4th 469, 475-76. "[I]n attorney discipline cases, moral turpitude should be defined with the aim of protecting the public, promoting confidence in the legal system, and maintaining high professional standards." *Id.*, at 476.

[4] The Arbitrator gave no weight to the Williamses' contention that Claimants refused to accept their settlement offers.

Claimants sought compensation for their overpayment of loan interest in the approximate amount of $3,600 per month since the close of escrow, the $30,000 in legal fees they anticipate incurring to obtain a restraining order against Mr. Turner whenever he is released from prison, and $20-25,000 to enhance security at the property.

Respondents opposed the additional damages sought by Claimants. Respondents believed Claimants' request for loan interest would constitute double recovery in light of an award of pre-judgment interest. At a minimum, Respondents insisted that compensation for Claimants' loan interest payments should be cutoff at the time judgment is entered in their favor. They also opposed Claimants' speculative request for legal fees to obtain a restraining order in the future against Mr. Turner. Claimants are entitled to damages for their overpayment of interest on their mortgage loan due to the $650,000 diminution in value of the property. At the charged 6.875% interest rate they have paid to date, that totals $220,523.67 in damages. This loss is separate from Claimants' $650,000 compensatory damages.

Insofar as non-economic damages for lost use and enjoyment, the Arbitrator tentatively found in the Interim Award that $50,000 was a reasonable amount but would revisit the finding in the event punitive damages are not awarded. After the Arbitrator denied Claimants' request for punitive damages, the Arbitrator considered further briefing regarding the proper amount of non-economic damages. At the Hearing, Ms. Deschenes testified that her fear that Mr. Turner might stalk and threaten her caused her enormous terror. As a result, she experienced physical manifestations of a prior unrelated episode of post-traumatic stress disorder, panic attacks, sleeplessness and involuntary eye twitching. Initial Award, p. 14. Upon reflection, and in the absence of a punitive damages award, the Arbitrator will award Claimants $150,000 to compensate them for their diminished use and enjoyment of the Property due to Respondents' wrongful conduct.

Respondents corrected the undersigned's error in the Interim Award in assuming Claimants already incurred $30,000 in attorneys' fees to pursue a restraining order against Mr. Turner when he is released from state prison. Although that figure appears reasonable, it is, as Respondents note, speculative not only in amount. It also is uncertain whether Claimants will still live at the property when Mr. Turner leaves prison, much less whether he will outlive his sentence or if he is re-sentenced. Additionally, it is unknown whether Mr. Turner even would oppose imposition of a restraining order. An unopposed request likely would cost less in attorneys' fees.

Claimants produced evidence that they paid $13,405 on enhanced security measures at the property, not including patrols. Mr. Farley estimated that in total they spent $20,000 to $25,000 on these measures. The low-end of Mr. Farley's estimate reasonably takes into account additional, undocumented charges for enhanced security.

8. Pre-Judgment Interest

Claimants seek prejudgment interest in the amount of $150,570.50, based on their calculation of $1,055,795.81 in total damages.

"A person who is entitled to recover damages certain, or capable of being made certain by calculation, and the right to recover which is vested in the person upon a particular day, is entitled also to recover interest thereon from that day . . ." Civil Code §3287(a); *Collins v. City of Los Angeles* (2012) 205 CA4th 140, 150; *Moreno v. Jessup Buena Vista Dairy* (1975) 50 CA3d 438, 448 ("Interest is recoverable from the time of breach.") In the absence of a contractually stipulated rate, prejudgment interest is calculated at the rate of 10 percent per annum. CC §3289(b). Such prejudgment interest is calculated from the date of a final arbitration award until it is confirmed and judgment entered. *Tenzera, Inc. v. Osterman* (2012) 205 CA4th 16, 21. "One purpose of CC §3287, and of prejudgment interest in general, is to provide just compensation to the injured party for loss of use of the award during the prejudgment period—in other words, to make the plaintiff whole as of the date of the injury." *Lakin v. Watkins Associated Indus.* (1993) 6 Cal.4th 644, 663.

Under CC §3287(a), "prejudgment interest is allowable – as of right – where the amount due plaintiff is fixed by the terms of a contract . . . On the other hand, interest is not allowable where the amount of the damages depends upon a judicial determination based on conflicting evidence." *Thompson v. Asimos* (2016) 6 CA5th 970, 991. CC §3287(a) allows the trial court no discretion; "it must award prejudgment interest from the first day there exists both a breach and a liquidated claim." *North Oakland Medical Clinic v. Rogers* (1998) 65 CA4th 824, 828. A longstanding purpose of prejudgment interest is to compensate a prevailing plaintiff for the loss of use of awarded damages during the prejudgment period. *Lakin v. Watkins Associated Industries* (1993) 6 C.4th 644, 663.

Damages that are "certain" or "capable of being made certain" arise "when the exact sum due to the plaintiff is made known to the defendant." *Levy-Zentner Co. v. Southern Pacific Transportation Co.* (1977) 74 CA3d 762, 798. Courts "focus on the *defendant's* knowledge about the amount of the plaintiff's claim" which allows an award of prejudgment interest only if the defendant "actually kn[e]w the amount owed or from reasonably available information could . . . have computed that amount." *Chesapeake Industries, Inc. v. Togova Enterprises, Inc.* (1983) 149 CA3d 901, 907. Prejudgment interest may be awarded on special or economic damages attributable to a property's ascertainable economic value. *Harsany v. Cessna Aircraft Co.* (1983) 148 CA3d 1139, 1143. Prejudgment interest may be awarded to a plaintiff who has sustained damages due to tortious conduct by the defendant. CC §3291. "However, when the loss is intangible and 'inherently nonpecuniary,' as it is with mental and emotional injuries, prejudgment interest in not appropriate. The amount of such damages is necessarily left to the subjective discretion of the trier of fact. Retroactive interest on such damages adds uncertain conjecture to speculation." *Harsany, supra.* [internal citations omitted] Courts reject the idea that damages are limited to what a plaintiff gave up as of the date of the initial transaction; rather the out-of-pocket Civil Code §3343 rule does not preclude finding accrued interest may be included to compensate for loss of use and enjoyment of property to the extent that any such loss was proximately caused by the fraud. *Glendale Federal Savings & Loan Assn. v. Marina View Heights Development Co.* (1977) 66 CA3d 101, 147.

Respondents do not question Claimants' right to prejudgment interest but do resist Claimants' request for such interest on the $650,000 the Arbitrator awarded in diminution damages and the additional mortgage interest attributable to that amount. Respondents characterize the $650,000 as the portion of the amount of their mortgage financing they had to borrow that exceeded the true value of the Property due to threat posed by Mr. Turner. Thus, according to Respondents, Claimants' only harm was the cost of borrowing the additional $650,000, which the Arbitrator already

compensated by awarding the amount of increased mortgage interest payments.

Claimants disagree with Respondents' contention that awarding prejudgment interest on the amount their mortgage exceeded the true value of the Property would constitute a "double recovery." They argue instead that, as of the date of escrow, they spent $650,000 more than they should have, which was a tangible out-of-pocket loss not only on that date but every future date on which they overpaid interest on the excess $650,000 in principal.

The Arbitrator finds that not only are Claimants entitled to prejudgment interest on their $650,000 overpayment. They suffered an additional loss to the extent their mortgage payments included interest payments pegged to the excess $650,000 in principal. Therefore, they also are entitled to prejudgment interest on those excessive interest payments.

Claimants seek additional prejudgment interest on the award of $150,000 in non-economic damages. In their final submission regarding prejudgment interest, the Williamses objected to awarding prejudgment interest on non-economic damages. Claimants justify an award of prejudgment interest on these damages because the Interim Award deemed these damages to be for "lost use and enjoyment" of property. The Arbitrator's characterization of these damages in the Interim Award was incorrect. As stated above, the Arbitrator awarded $150,000 to Claimants due to the "personal anguish and physical manifestations" Ms. Deschenes has suffered as a result of this ordeal. V.C.5, *supra*. Hence, the Arbitrator will not award prejudgment interest on the award of $150,000 in non-economic interest.

Based on the above analysis, the Arbitrator will award Claimants $125,487.17 in prejudgment interest.[5]

9. Attorneys' Fees and Costs

Claimants' Motion for Fees and Costs sought $1,015,896 in attorneys' fees, $27,048.48 in attorneys' expenses, $95,000 in JAMS retainers and $2,500 in expert fees. According to a May 18, 2026 Declaration of Claimants' counsel Marc Williams, CW billed Claimants $313,533.85 for attorney and paralegal work performed and $5,185.55 in expenses incurred in connection with this arbitration. Marc Williams attested that those amounts did not cover all of the work CW performed and expenses paid in connection with the arbitration. Marc Williams affirmed that Claimants had paid CW $366,256.59 for its legal work and expenses plus $97,500 in costs they paid directly.

In support of their request for attorneys' fees, Claimants submitted a Declaration by Reuven Cohen with attached time-keeping entries for: 1) the pre-litigation legal work performed by Claimants' attorneys at the Cohen Williams ("CW") law firm from January 2024 through June 30, 2024 and 2) the litigation work those CW attorneys and paralegals performed from July 1, 2024 to March 22, 2026. Cohen Declaration and Exhibits 1-6, filed in support of the Motion. The entries tracked time for three CW partners (Cohen, Marc Williams and Roya Ladan), one counsel (Talia Nissimyan), one associate (Yusuf Saei) and two paralegals (Jessica Rodriguez and Anthony Wong).

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[5] This figure is consistent with Claimants' final submission in which they requested $150,570.50 in prejudgment interest, of which they attributed $25,083.33 to the award of $150,000 in non-economic damages.

These are the hourly rates for each of these CW attorneys and paralegals:

Timekeeper	2024 Rate	2025 Rate
Cohen	$825/hr	$925/hr
Williams	$825/hr	$925/hr
Ladan	$825/hr	$925/hr
Nissimyan	$750/hr	$850/hr
Saei	$675/hr	$750/hr
Rodriguez	$285/hr	$325/hr
Wong	$285/hr	$325/hr

Claimants submitted comprehensive, detailed and almost entirely unredacted daily time entries for all the work CW's legal team performed in behalf of Claimants. However, Claimants did not break down or summarize the total time billed by each attorney, nor did they categorize the entries by task or issue. Rather, Claimants merely provided monthly totals for the timekeepers' pre-litigation work on the case and the grand total of hours of all their litigation activity. The pre-litigation work totaled: $162,748 and the litigation work totaled $853,148.

Cohen was responsible for CW's representation and, along with Williams, acted as lead counsel at the Hearing. Cohen obtained his J.D. at USC in 1998. Exh. 7. Following a clerkship with Ninth Circuit Judge Kim Wardlaw he has practiced as a civil and criminal litigation attorney. *Id.* Williams also received his J.D. at USC in 1998 and clerked for Judge Wardlaw. He has been a civil litigation attorney since then. Exh. 8. Ladan acted as lead partner on day-to-day work in consultation with Cohen until she took parental leave in August 2024. She graduated from U.C. Davis School of Law in 2012 and clerked for federal Judge Gail Standish of the Central District of California. Exh. 9. Nissimyan replaced Ladan. She graduated from U.C. Berkeley Law in 2015 and then clerked for Judge Robert Sweet of the Southern District of New York. Exh. 10. Saei received his J.D. at Yale in 2018. He clerked for Judge Jacqueline Nguyen of the Ninth Circuit and Judge Jesus Bernal of the Central District of California. Exh. 11.

This breaks down attorney expenses claimed by Claimants, which were not embedded with their counsels' timekeeping records:

- Appraisal service	$4,767.00
- Copying Hearing exhibits	$1,304.28
- Download court records	9.50
- FedEx	$42.00
- Hearing transcripts	$15,079.20
- JAMS Arbitration Demand filing	$3,604.65
- Online legal research	$1,479.00
- Parking at Hearing	$42.00
- Public records request	$72.00
- Service of Process	$441.25
- Superior Court and Court of Appeal document copies	$199.40

Total: $27,040.28

Exhs. 2, 3, 5 and 6.

Respondents opposed Claimants' Request. They called it "shocking" in the volume of fees requested, which they considered to be untethered to the modest damages at stake and the straightforward nature of a non-disclosure case that involved limited documents, no depositions, no substantive motions and where the evidentiary hearing was concluded in just two and one-half days. Respondents compared the nearly $150,000 in fees Claimants sought for work performed even before Claimants conveyed their concerns about the Property to Respondents. Respondents criticized the manner in which the Motion presented Claimants' billings in a single 40 page exhibit that provided no monthly subtotals or task-related organization. In addition, Claimants offered no declaration or other evidence such as invoices to confirm that the requested fees were ever billed to or paid by Claimants. Respondents' expert Kevin Stack found excessive block billing, internal conferencing, inclusion of work on other albeit related matters and time spent on routine tasks. Finally, Respondents questioned why Claimants' counsel billed two or three times the time Respondents' counsel billed on similar work.

Legal Standard

Civil Code Section 1717 provides that, where a contract so allows, attorney's fees and costs "shall be awarded" to the party prevailing on the contract. This provision applies only "where the theory of the case is breach of contract." *Childers v. Edwards* (1996) 48 CA4th 1544, 1548. "Tort-based misrepresentation is not within §1717's domain." *Id.* The Parties' agreement governs awards of fees and costs except as "attorneys' fees are specifically provided by statute." Code of Civil Procedure §1921. Attorneys' fees are awardable in a misrepresentation action alleging a "failure to disclose in a real estate transfer disclosure statement" where that disclosure statement was referenced in the underlying contract. *Adam v. DeCharon* (1995) 31 CA4th 708, 712. Attorneys' fees, when authorized by contract, statute or law, are allowable as costs. CCP §§1032(b) and 1033.5(a)(10).

The amount to be awarded in reasonable attorney's fees is left to the sound discretion of the trial court, which is best position to evaluate the legal services rendered. *Vella v. Hudgins* (1984) 151 CA3d 515, 522; *Nemecek & Cole v. Horn* (2012) 208 CA4th 641, 651. Equitable principles govern the court's evaluation. To determine what is a reasonable attorney's fee, the court "begins with the 'lodestar,' the number of hours reasonably expended multiplied by a reasonable hourly rate." *PLCM Group v. Drexler* (2000) 22 C4th 1084, 1095. The reasonable hourly rate is that prevailing in the community for similar work by attorneys of like skill. *Ketchum v. Moses* (2001) 24 C4th 1122, 1133. Once a fee applicant presents satisfactory evidence of the prevailing market rate, the opposing party has the burden to rebut the accuracy of that evidence. *Chaudhry v. City of Los Angeles*, 751 F.3d 1096, 1110 (9th Cir. 2014). The moving party has the burden of showing that the fees incurred "were reasonably necessary to the conduct of the litigation." *Levy v. Toyota Motor Sales USA, Inc.* (1992) 4 CA4th 807, 816. The lodestar figure may then be adjusted, based on consideration of factors specific to the case, in order to fix the fee at the fair market value for the legal services provided. *Serrano v. Priest* (1977) 20 C3d 25, 49. Once the lodestar calculation is made, the court may consider other factors, including the nature of the litigation, its difficulty, the amount involved, the skill required in its handling, the skill employed, the attention given, the success or failure, and other circumstances in

the case. *PLCM, supra*, at 1096. Courts retain discretion to reduce individual billing entries. *Christian Research Institute v. Alnor* (2008) 165 CA4th 1315, 1328-29. "It is appropriate for a trial court to reduce a fee award based on its reasonable determination that a routine, noncomplex case was overstaffed to a degree that significant inefficiencies and inflated fees resulted." *Morris v. Hyundai Motor America* (2019) 41 CA5th 24, 39.

The party seeking attorney fees bears the burden to prove that the fees are reasonable and necessary. *Gorman v. Tassajara Development Corp.* (2009) 178 CA4th 44, 98; *Concepcion v. Amscan Holdings, Inc.* (2014) 223 CA4th 1309, 1319-1320. All time reasonably spent litigating a case to a successful conclusion should be compensated. *Ketchum, supra*, at 1132. Billing records provide prima facie evidence that the legal services rendered were necessarily and reasonably incurred. *Hadley v. Krepel* (1985) 167 CA3d 677, 682. Detailed time records are not required if the attorneys submit declarations describing their work. *Syers Properties III, Inc. v. Rankin* (2014) 226 CA4th 691, 698.

In ruling on requests for attorneys' fees, courts may rely on the declaration of an expert on attorney fees. *Church of Scientology of California v. Wollersheim* (1996) 42 Cal.App.4th 628, 659. "[A]ttorney declarations that fail to explain whether the rates sought are comparable to the declarant's rates, or whether the rate might be different depending on the type of case, provide little support for a fee application." *Cotton v. City of Eureka, Cal.*, 889 F.Supp.2d 1154, 1167 (N.D. Cal. Aug. 24, 2012). Courts may consider whether an attorney declarant indicates that a requested hourly rate is true for the particular marketplace in which attorneys' fees are sought. *Id.*, at 1168. Attorney declarants should provide the bases for their opinions, and explain when they last tried a case in the district, how many and the types cases tried there. *Id.*, at 1169.

A prevailing party is entitled to costs expressly set forth as allowable in Code of Civil Procedure §1033.5. CCP §1032(b). Permissive costs must be "reasonably necessary to the conduct of the litigation" and "reasonable in amount." CCP §1033.5(c)(2)-(3); *Doe v. Los Angeles County Department of Children & Family Services* (2019) 37 CA5th 675, 693. Costs that are "merely convenient or beneficial to its preparation" are disallowed. CCP §1033.5(c)(2). *Id.* That a cost item appears proper on its face is prima facie evidence it is proper and necessarily incurred. *Doe, supra.* "The burden then shifts to the objecting party to show [costs] to be unnecessary or unreasonable." *Id.* A prevailing party is not entitled to recover expert fees not ordered by the court, investigation expenses in preparing the case for trial or photocopying charges except for exhibits. CCP §1033.5(b)(1), (2), (3).

Discussion

Both sides devoted an inordinate portion of their briefs to reiterating the merits of the matter and to maligning their adversary. The Arbitrator instead focused mostly on their evidence, authorities and arguments that directly pertained to Claimants' pursuit of attorneys' fees, costs and pre-judgment interest.

As the Arbitrator previously found, this was not a close case. On the merits, Claimants won a slam-dunk victory. Of course, every applicant for prevailing party attorneys' fees won their case. Accordingly, finding that Claimants prevailed by itself does not entitle them to recover more

than their "reasonable" attorneys' fees. *Levy* and *Morris, supra.* Like all prevailing parties, Claimants bear the burden to prove that. After reviewing Claimants' evidence, considering each side's analysis and arguments, and examining Respondents' expert Stark's Declaration, the Arbitrator determined that Claimants' request was excessive for several reasons and must be reduced. Furthermore, the Arbitrator conditions the award of attorneys' fees on Claimants verifying the amount they have been billed and actually paid their attorneys.

Respondents correctly pointed out that the legal issues in the case were straightforward and secondary. Instead, factual issues were decisive. Claimants' counsel won the case thanks to the skill they displayed in gathering and presenting the evidence and, especially, their effective cross-examination that exposed Respondents' reprehensible and knowing non-disclosure. Yet, their attorneys' exceptional trial skills did not entitle Claimants to a blank check. The bills revealed that excessive and duplicative work led to a disproportionate amount of claimed fees, especially in light of the limited legal tasks necessary to present Claimants' case. The core of the case required interpretation and analysis of just a few documents, particularly Respondents' disclosures.

Determining whether Claimants' attorneys "padded" their billings is an unknowable diversion. What matters is whether their billings were reasonably necessary. The undifferentiated way Claimants amalgamated all their litigation fees posed a difficult challenge for the Arbitrator to decipher and understand. Stark helpfully managed to uncover numerous entries that were not reasonably necessary.

Claimants' attorneys billed over 250% more hours than Respondents' counsel and nearly 300% more in fees. This lopsided comparison highlights why Claimants' fees request is so unreasonable. Both sides' lead attorneys are partners in well-regarded, small to mid-sized Los Angeles law firms. Their experience and academic credentials are comparable. What explains the vast difference? Even taking into account that Claimants bore the evidentiary burden of proof, the Arbitrator cannot divine a justification.

The flaws in Claimants' evidence convinced the Arbitrator that the reasonable amount of attorneys' fees in this matter is substantially less than what Claimant seeks. To set the appropriate amount, the Arbitrator follows the lodestar approach. Based on the Arbitrator's knowledge and experience gained from presiding over hundreds of civil matters in the Los Angeles Superior Court and as a JAMS arbitrator, the Arbitrator found Claimants' attorneys' billing rates to be consistent with, if not slightly lower, than rates charged by lawyers with similar experience and skills who practice civil litigation in Los Angeles. However, Claimants' submission never tied those rates to the hours each attorney expended. The best the undersigned could figure was that Claimants' attorneys altogether billed 238.1 hours in pre-litigation legal services (Exhs 1-5) and 1,125.7 hours in litigation legal services (Exh. 6). Claimants argued that it would have cost more in legal fees had they categorized their billed fees. But that is not the standard. The standard is the amount of *reasonable* attorneys' fees, which requires the applicant to present their requested fees in a manner that the trier of fact can understand how they spent their time. Claimants did not do that.

Claimants' attorneys' pre-litigation billings were particularly excessive. One example proves this point. Claimants' counsel began working on a demand letter on February 22, 2024. Exh. 2. After billing an astonishing nearly 70 hours drafting the demand letter, counsel sent it sometime

in early May 2024. Exhs. 2-5. Notably, until Respondents received the demand letter they did not know whether Claimants would bring an action, which explains their paltry attorneys' fees in early 2024.

The Arbitrator finds that 100 hours would be the top end of the "reasonable" amount of Claimants' attorneys' pre-litigation work. Similarly, the Arbitrator finds that 500 hours would be the maximum "reasonable" time for their litigation work. Using the same undifferentiated average hourly rate for each category of work (computed by dividing Claimants' billing by the number of hours claimed for each), the Arbitrator establishes that Claimants' attorneys' reasonable fees and costs are as follows:

-	Pre-litigation:	100 hours	x	$683.53	=	$68,353
-	Litigation:	500 hours	x	$757.88	=	$378,940
					Total:	$447,293

This figure exceeds the $313,533.85 that CW actually billed Claimants for attorney and paralegal work. Claimants actually paid CW $366,256.59 for legal work and expenses, plus $97,500 in costs they paid directly. Thus, Claimants' out-of-pocket payments totaled $463,756.59.

Respondents lodged no objection to $27,040.28 in attorney expenses that Claimants specifically set forth in their billings. However, Claimants ask for $2,500 for expert fees that the Arbitrator did not order and $199.40 to photocopy court records that do not appear to have been admitted exhibits, and hence are barred. CCP §1033.5(b)(1), (3). The Arbitrator approves $24,340.88 in attorney expenses and costs.

Respondents did not object to Claimants' Motion requesting allocation to Respondents the amount Claimants incurred in JAMS fees, which totaled $102,119.

VI. CONCLUSION

The evidence in this case was disappointing. Not only have Claimants suffered a significant financial loss, so long as they reside at the Property, they face a frightening risk of harm at the hands of a violent criminal once he is released from prison. In addition, the Arbitrator is disheartened by the conduct of a talented attorney who misused his vital legal skills to serve his and his family's self-interest. Unquestionably caring for one's family is a worthy objective, but not when striving to do so is built on concealment and misrepresentation that causes serious harm to unwary others.

There was only one way out for the Williamses, and their attorneys zealously and properly pounced on Claimants for overlooking the SPQ explanation fragment. Yet that argument against liability could not overcome the overwhelming evidence that the Williamses concealed multiple material facts about Turner's threats and violence that the Williamses acknowledged under oath they knew about before completing the TDS and SPQ.

As discussed and for the reasons set forth above, the Arbitrator makes these findings and orders:

1. Claimants met their burden to establish all four of their arbitral claims – concealment, intentional misrepresentation, negligent misrepresentation and negligence.
2. Claimants are entitled to $650,000 in actual compensatory damages, $220,523.67 in loan overpayment damages, $20,000 in damages related to their enhanced security expenditures at the Property, $150,000 in non-economic compensatory damages, and $15,272.40 in excessive property taxes paid. These damages total $1,055,796.07.
3. Claimants' requests for punitive damages and legal fees regarding a possible future restraining order against Mr. Turner are denied.
4. Claimants are the prevailing parties.
5. As the prevailing parties, Claimants are entitled to prejudgment interest on their economic damages, which total $905,796.07. As of the date of this Final Award, such pre-judgment interest amounts to $125,487.17.
6. In addition, as the prevailing parties, Claimants are awarded $447,293 in reasonable attorneys' fees, $24,340.88 in attorneys' expenses and $102,119 in JAMS fees allocated to Respondents.
7. The total award to Claimants is $1,755,036.12
8. This Final Award fully disposes of this arbitration.

Dated: May 25, 2026

/s/ Terry Friedman
Judge Terry Friedman (Ret.)
Arbitrator

PROOF OF SERVICE

Marcus Jackson Williams, et al. v. Kenneth Farley, et al.
Case No. 26STCP02138

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Los Angeles, State of California. My business address is 724 South Spring Street, 9th Floor, Los Angeles, CA 90014.

On August 25, 2026, I served true copies of the following document(s) described as **[PROPOSED] JUDGMENT** on the interested parties in this action as follows:

Stephen J. Tomasulo
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BY EMAIL OR ELECTRONIC TRANSMISSION: I caused a copy of the document(s) to be sent from email address wcarpenter@cohen-williams.com to the persons at the email addresses listed in the Service List. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

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

Executed on August 25, 2026, at San Dimas, California.

Wendy M. Carpenter

COHEN WILLIAMS LLP