

CASE NUMBER: 23CV427370

Complaint (Unlimited) (Fee Applies) - Complaint

Document prepared for:

CASE NAME

Boris lofis vs David Lawver et al

DOCUMENT FILED DATE

Dec. 5th, 2023

CASE FILING DATE

Dec. 5th, 2023

COUNTY

Santa clara county, CA

CATEGORY

Breach of Contract/Warranty Unlimited(06)

STATUS

Active

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**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA**

BORIS IOFIS,

Plaintiff,

vs.

**DAVID LAWVER, AN INDIVIDUAL,
PALLADIUM DEVELOPMENT, LLC,
A DELAWARE LIMITED LIABILITY
COMPANY, 284 W. SHAW, L.L.C., A
CALIFORNIA LIMITED LIABILITY
COMPANY, TURNKEY VENTURES,
L.L.C., A CALIFORNIA LIMITED
LIABILITY COMPANY, TURNKEY
RETAIL I, L.L.C., A CALIFORNIA
LIMITED LIABILITY COMPANY,
AND DOES 1-59 INCLUSIVE,
Defendants.**

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: VERIFIED COMPLAINT FOR:
:
: 1. BREACH OF CONTRACT
: 2. BREACH OF COVENANT OF GOOD
: FAITH AND FAIR DEALING
: 3. UNJUST ENRICHMENT
: 4. FRAUD AND DECEIT
: 5. BREACH OF FIDUCIARY DUTY
: 6. FRAUDULENT TRANSFER
: 7. CONVERSION
: 8. INTENTIONAL INFLICTION OF
: EMOTIONAL DISTRESS
: 9. SECURITIES FRAUD
: 10. FINANCIAL ELDER ABUSE
: 11. NEGLIGENT MISREPRESENTATION
: 12. INTENTIONAL MISREPRESENTATION
: 13.. NON-PAYMENT**

COMPLAINT AT LAW AND IN EQUITY

COME NOW, Boris Iofis, by and through himself, *pro se*, to file the instant complaint and in support thereof aver as follows:

1. The Plaintiff hereby initiates the instant action against the Defendants by way of fraudulent inducement, breach of contract, security fraud, unjust enrichment, and various other relevant and pertinent causes of action thereby giving rise to the instant matter resulting from the Defendants' false and fraudulent inducement of the Plaintiffs into various investment agreements and

transactions involving real estate the material terms of which were entirely false and fraudulent resulting in substantial losses for the Plaintiffs thereby giving rise to the instant matter.

2. As a direct and proximate result of the misconduct of the Defendants individually and collectively described herein, Plaintiff suffered economic and non-economic damages in an amount to be fully determined in a trial by jury.

3. The Plaintiff is seeking compensatory and punitive damages against each of the Defendants named in the instant matter individually and collectively in an amount to be determined in a trial by jury as well as any and all other Relief deemed necessary and applicable.

JURISDICTION AND VENUE

4. This Court has jurisdiction over the entire action by virtue of the fact that this is a civil action in which the acts and omissions complained of in this action took place, in whole or in part, in the State of California.

5. Jurisdiction is conferred on this court because the Defendant's names herein maintain a principal place of business in the State of California and/or conduct business in the State of California. This Court has jurisdiction over the corporate Defendant because it is registered to do business in the state of California and has its principal place of doing business in California. Jurisdiction is conferred on this Court as to all causes of action because they arise under statutory law. Defendants entered into business agreements governing activities in the State of California and in the County of Santa Clara and the real estate property subject to this matter.

6. Venue is proper in this Court because Defendant conducts business herein and maintains records relevant to Plaintiff(s) claims herein, and because a substantial part of the events giving rise to Plaintiff(s) claims occurred in Santa Clara County, including the Straight Note (hereinafter the "Note), which was signed and executed in Santa Clara County.

PARTIES

7. Boris Iofis was a senior citizen at the time of filing this complaint and at all times material to this lawsuit is a resident of the city of San Jose, Santa Clara County, California.

8. Defendant, David Lawver (hereafter "Lawver"), is an individual purportedly engaging in professional activities within Santa Clara County, California, and Travis County, Texas, with a suspected domicile in Travis County, Texas.

9. Plaintiff is informed and believe and thereon allege that Palladium Development, LLC, a Delaware limited liability company (hereinafter "Palladium") organized and existing under the laws of the State of Delaware, authorized to do business, and has been doing business in the State of California since February 9, 2018. Palladium has its principal place of business at 2542 S. Bascom Ave., Suite 130, Campbell, CA 95008 in Santa Clara County.

10. Defendant, 284 W Shaw LLC (hereafter "284 Shaw") is, upon information and belief, a duly registered limited liability company in the State of California, with its principal places of operation situated at 2542 S Bascom Ave, Suite 130, Campbell CA 95008 and 1719 Hillsdale Ave, San Jose CA 95124.

11. Defendant, Turnkey Ventures LLC (hereafter "Turnkey Ventures") is, to Plaintiff's best knowledge, a California limited liability company, maintaining its primary business establishments at 2542 S Bascom Ave, Suite 130, Campbell CA 95008, 1719 Hillsdale Ave, San Jose CA 95124. It is further averred by Plaintiff that Turnkey Ventures exercises managerial or controlling influence over 284 W Shaw LLC.

12. Defendant, Turnkey Ventures Retail I LLC, (hereafter "Turnkey Ventures Retail"), is posited to be a California limited liability company, with its primary operational bases located at 2542 S Bascom Ave, Suite 130, Campbell CA 95008 and 1719 Hillsdale Ave, San Jose CA 95124.

13. Based on information available to Plaintiff, it is averred that Lawver is the controlling individual of 284 W. Shaw LLC and acts in the capacity of manager and primary controller for both Turnkey Ventures LLC and Turnkey Ventures Retail I LLC in addition to Palladium Development, LLC.

14. Plaintiff contends, upon information and belief, that during pertinent times herein, each Defendant was, and is, acting as an agent, servant, affiliate, employee, or in some cooperative capacity with the other named Defendants, and that each Defendant's actions were undertaken within the purview of said affiliation or relationship.

ALTER EGO OF DEFENDANTS

15. Plaintiff incorporates the allegations of Paragraphs 1 through 14 herein into this Paragraph as if fully set forth herein.

16. The Plaintiff is duly informed and, based upon such information and belief, hereby asserts that throughout the pertinent period, the Defendants occupied and continue to occupy positions as officers, directors, managers, and/or shareholders of the entities identified as Defendants, namely 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail.

17. The Plaintiff is duly informed, maintain a belief in the veracity of such information, and accordingly allege that the individual named as "Lawver" exercised complete dominion and control over Palladium Development, LLC, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail, encompassing various facets including, but not limited to, the subsequent delineated aspects:

- a) Commingled funds and other assets of Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail with their own funds and assets for their own convenience by placing Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail's assets in their names and/or the names of other parties to evade payments of their obligations owed to Plaintiff and to assist in evading payment of said obligations.
- b) Diverted funds and other assets of Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail for purposes other than corporate uses.
- c) Concealed and misrepresented the identity of the responsible ownership, management, and financial interest of Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail.
- d) Treated the assets of Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail as their own.
- e) Diverted assets from Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail to themselves, to the detriment of creditors.
- f) Caused Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail not to have sufficient corporate capital.
- g) Undercapitalized Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail.
- h) Used Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail as mere shells, instrumentalities, or conduits for their fraudulent activities.

i) Conceived, intended, and used Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail as devices to avoid personal liability and for the purpose of substituting a financially insolvent entity in place of themselves, jointly and separately.

j) Used the corporate identity of Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail to conceal or misrepresent personal business activities.

k) Disregarded the legal formalities of Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail.

18. The Plaintiff is duly informed, hold a belief grounded in such information, and Consequently, Lawver serves as the alter ego for the entities known as Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail.

19. The Plaintiff is duly informed, maintains a belief in the veracity of such information, and, on the basis of these beliefs, hereby alleges that Lawver bears liability for the actions attributed to Palladium Development, 284 Shaw, Turnkey Ventures, and Turnkey Ventures Retail as articulated in this Complaint, on the grounds of being their alter ego. Further, it is alleged that upholding the doctrine of separate corporate existence in this instance would foster an unjust outcome.

STATEMENT OF FACTS

20. Plaintiff incorporates the allegations of Paragraphs 1 through 19 herein into this paragraph as if fully set forth herein.

I. The Palladium Development Scheme

21. In 2018, the Plaintiff were solicited by the Defendant and a "Licensed Mortgage Broker," Mr. Lawver, who presented them with an "Investment Opportunity," also known as the "Cook

Street Property Project," for properties located at 46 Cook Street and 48 Cook Street, San Francisco, California, 94118.

22. On or about March 7, 2018, Mr. Lawver presented the Plaintiff with a promissory note (hereinafter referred to as the "Note"). Pursuant to the terms of the Note, the Plaintiff loaned \$130,000.00 to Palladium Development, LLC, a Delaware limited liability company, at an interest rate of 12% per annum. This loan was secured by a First Deed of Trust on both properties. Refer to the Note attached as Exhibit "A."

23. On or about March 8, 2018, the Defendant presented the Plaintiff with a Memorandum of Agreement (hereinafter referred to as the "Agreement"), wherein the Defendant promised to use the proceeds from the sale of the "Cook Street Project" to satisfy the loan. The Defendant also promised to deliver a signed Deed of Trust to secure the Plaintiff's investment. Refer to the Memorandum of Agreement attached as Exhibit "B."

24. In January 2023, the Plaintiff discovered that the Defendant had neither signed nor recorded a Deed of Trust to secure their interest in the Cook Street Property Project. The property at 46 Cook Street was sold on December 3, 2020, without disclosing the loan to the Title Company, the new buyer. Refer to the Deed attached as Exhibit "C."

25. The property at 48 Cook Street was sold on December 11, 2020, without the consent or knowledge of the Plaintiff and without disclosing the loan to the Title Company, the new buyer, or the Plaintiff.

26. Upon this discovery, it became apparent that Mr. Lawver had not complied with the "Agreement," nor had he signed and recorded a Deed of Trust to secure the Plaintiff's interest in the properties, resulting in the Plaintiff's being defrauded.

27. Mr. Lawver intentionally failed to sign and record the Deed of Trust, which was necessary to secure the Plaintiff's interest in the subject properties. As a "Licensed Real Estate Mortgage Broker," he knew or should have known that by not recording the Deed of Trust, he could sell 46 Cook Street without protecting the Plaintiff's interests. Defendant has acted fraudulently and negligently, transferring the Cook Street properties without informing the title agents of the Plaintiff's legal interest.

28. Due to the Plaintiff's advanced age and limited knowledge of real estate, Mr. Lawver was able to execute the unlawful transaction. He neglected to sign and record a Deed of Trust for the properties, an action that would have disclosed the Plaintiff's legal interest in the properties.

29. Furthermore, the Plaintiff has not received any evidence that the \$130,000.00 was allocated for the designated Cook Street Project or any other authorized purpose. It remains unclear whether the Defendant appropriated the funds for personal use.

30. The Defendant has only made 12% annual interest payments on the Plaintiffs' loan of \$130,000.00.

II. The 284 Shaw and Turnkey Schemes

31. The Defendant, identified as Lawver, actively solicited the Plaintiff's investment in a real estate project associated with 284 Shaw Investment LLC.

32. On or about June 28, 2019, the Plaintiff executed an Amended Memorandum of Agreement (hereinafter referred to as the "Memorandum") with 284 Shaw. Pursuant to the terms of this Memorandum, the Plaintiff agreed to provide a loan in the amount of \$150,000 (the "Loan") to 284 Shaw, carrying an annual interest rate of 12%. It was stipulated that 284 Shaw would fully repay the Loan, including both the principal and interest, on or before April 15, 2020. The document is attached as "Exhibit D" and is incorporated herein by reference.

33. On the same date mentioned above, the Plaintiff executed the Memorandum which expressly stated that the \$150,000 loan was designated for the acquisition, rehabilitation, and modification of tangible real property located at 284 West Shaw Avenue, Clovis, CA, with Assessor's Parcel Numbers 449-230-23 and 499-230-49 (hereinafter referred to as the "Shaw Property"). In this agreement, 284 Shaw pledged to use the proceeds from the eventual sale of the Shaw Property to repay the Loan's interest and principal and also agreed to distribute a profit to the Plaintiff, amounting to 15% of the Plaintiff's invested capital. See the document attached as "Exhibits E , F" which is incorporated herein by reference.

34. According to the document, the Defendant was obligated to execute and deliver a Promissory Note and a Deed of Trust, to record it, and to provide Title Insurance in the amount of \$450,000 to secure the Plaintiff's interest in the Shaw Project.

35. In April 2023, the Plaintiff discovered that the Defendant had not executed a Deed of Trust nor recorded one to secure his interest in the Shaw Project. This revelation indicated that Mr. Lawver had failed to adhere to the terms of the "Agreement" by not signing and recording a Deed of Trust to protect the Plaintiff's interest in the properties, thereby defrauding the Plaintiff.

36. In exchange for the Loan, the Plaintiff was to receive not only a 12% interest rate on the Loan and a profit share equivalent to 15% of their investment by April 15, 2020, but also 150,000 membership units in 284 Shaw, representing a 6.82% equity interest. To date, Defendant has only made 12% annual interest payments.

37. As of April 15, 2020, the Defendants did not honor their obligation to repay the Loan as stipulated in the Memorandum. They failed to distribute any profits due to the lack of a property sale and consequent net proceeds, and they also did not return the full amount of the Plaintiff's

investment as per the agreement. There are grounds to suspect that the Defendants did not engage in the marketing of the Shaw Property as they had represented to the Plaintiff.

38. As of the date this Complaint was filed, the Defendants have distributed a total of \$53,118 to the Plaintiff. This amount represents the earnings from rental income for the years 2020, totaling \$17,013; for 2021, totaling \$18,000; and for 2022, totaling \$18,105. These payments were made to the Plaintiff in accordance with their 6.82% equity interest in 284 Shaw.

39. Throughout this period, the Defendants have consistently refused to reimburse the principal balance outstanding under the Loan. As of the date of this Complaint, the Defendants are indebted to the Plaintiff in the amount of \$214,293. This aggregate amount comprises the principal balance of \$150,000 and accrued interest totaling \$64,293 (computed as 12% annual interest rate multiplied by the number of days elapsed, 1565, divided by 365). Additionally, the Defendants owe the Plaintiffs a sum equal to 15% of the net profits stemming from the sale of the Shaw Property. It is critical to highlight the egregious fraud present in this case. Initially, it was expressly stated that "At the time of funding, 284 W Shaw, LLC, a California limited liability company, will execute and deliver to the Funder their promissory note and Deed of Trust to be recorded, and provide title insurance in the exact principal amount of four hundred fifty thousand dollars (U.S. \$450,000) upon the said real property, securing performance of such note and deed of trust." Despite this clear stipulation, Defendant knowingly transferred the property without fulfilling these obligations. None of the agreed-upon documents were delivered as promised.

III. Damages and Losses

40. The Plaintiffs, Boris Iofis and his spouse, Svetlana Iofis, initially entrusted their investment to the Defendant, David Lawver, who represented himself as a knowledgeable and skilled entrepreneur with expertise in the real estate sector.

41. The Defendant successfully convinced the Plaintiff to invest funds in various projects, promising timely repayment of the principal and associated profits. However, it became apparent that Defendant habitually engaged in enticing investors and subsequently failed to fulfill his financial obligations, especially regarding the repayment of the principal amounts loaned.

42. Through his mortgage brokerage, KAL Financial, Defendant facilitated Plaintiff's acquisition of an interest-only Home Equity Line of Credit (HELOC). Plaintiff depended on Defendant's promises of refinancing and/or a prompt property sale to satisfy the HELOC balance. Defendant breached the contract by failing to return Plaintiff's principal investment and by not disclosing the property's refinancing details, contrary to his written commitment to return Plaintiff's principal and increase equity payments following the refinancing. Furthermore, Defendant has not provided Plaintiff with updates on the property sale, appraisals, or the total value derived from rental income, nor has he furnished Plaintiff with the LLC's tax returns.

43. The Defendant deliberately sets unrealistic and prohibitive sales prices for the property in an attempt to feign a willingness to sell and to evade legal action for breaching this provision of the contract.

44. The Defendant, who was perceived as unreliable and often inaccessible, had pledged to return the Plaintiff's principal amount of \$150,000, along with the agreed-upon interest and equity payments. However, the Plaintiff insisted that, as per the contract, these payments should continue only until the principal was repaid. With the apparent intention of not refunding the principal, the Defendant has been accused of manipulating the Plaintiff, fully aware that his

Home Equity Line of Credit (HELOC) and the retention of their primary residence hinge on the Defendant's payments. This tactic of withholding the principal, coupled with the implicit threat of halting payments to deter legal action, reflects the Defendant's unethical and unlawful strategy against the Plaintiff.

45. The Plaintiff harbored apprehensions about initiating legal proceedings due to concerns that such actions might incite the Defendant to discontinue payments or to declare bankruptcy, actions which could potentially jeopardize the security of the Plaintiff's home.

46. Plaintiff's spouse, Svetlana Iofis, at the age of 71, found it necessary to re-enter the workforce in an effort to mitigate financial difficulties resulting from Defendant's actions. After a period of eighteen months, her declining physical capacity rendered her unable to maintain employment, culminating in her resignation.

47. Plaintiff Boris Iofis encountered significant difficulties in obtaining employment because of his advanced age and physical disabilities, which aggravated the Plaintiffs' financial difficulties.

48. The Plaintiffs' personal and familial lives were significantly impacted by these distressing circumstances.

49. Boris Iofis, who had previously maintained a relatively stable level of physical and mental health after a stroke, suffered a marked decline in his health. This deterioration was ascribed to prolonged stress and persistent headaches, causing severe sleep disruptions and cognitive fatigue. Medical consultations with physicians and neurologists ascertained that his worsened health conditions were predominantly induced by stress, manifesting in symptoms such as memory loss, reduced cognitive abilities, excessive daytime drowsiness, and lowered vigilance during the day. Boris Iofis also dealt with irritability, sporadic anxiety, and challenges in balance and coordination, leading to a reduction in physical activity. Although no additional post-stroke brain

damage was identified, the physicians linked these intensified health problems to stress and severe mental distress. Furthermore, the Plaintiff's major depressive disorder contributed to dental complications, culminating in the loss of six dental implants between 2021 and 2022.

50. The Plaintiff's incapacity to offer extensive support to their grandchildren, spanning financial, educational, and emotional aspects, significantly impacted their family relationships. This included providing physical and financial aid, educational mentorship, emotional care, and help with various facets of their lives. As a result, the Plaintiff's two children and four grandchildren faced heightened estrangement from the Plaintiff's family unit, altering what was meant to be a tranquil retirement into a time of family strife and anguish.

51. The Plaintiff's monthly payments on their Home Equity Line of Credit (HELOC) have significantly increased due to rising interest rates, escalating from approximately \$800 to nearly \$1,200 since 2020. Despite numerous attempts to refinance the HELOC, including enlisting the services of KAL Financial, all efforts have been unsuccessful due to the Plaintiff's substantial outstanding HELOC balance. In an effort to alleviate financial stress and overall life pressures, the Plaintiff considered relocating to areas with lower property taxes and living costs. However, with an outstanding HELOC balance approaching \$200,000, the Plaintiff has been unable to secure a market price for his home.

52. In September 2021, the Plaintiff identified an overseas property with a purchase price of \$126,000, which closely matched their outstanding principal. They approached the Defendant, requesting the return of the principal to facilitate the purchase, with the intention to subsequently sell their current residence to repay the HELOC. The Defendant declined, stating in written correspondence, 'There won't be a way to reconcile the investment in just a couple of days.'

53. The Defendant's most recent promise, made in March 2023, involved initiating a principal repayment schedule. Unfortunately, like previous assurances, this commitment remained unfulfilled, as Defendant failed to provide the necessary documentation.

54. As a direct and proximate result of the misconduct of the Defendants individually and collectively described herein, Plaintiff suffered economic and non-economic damages in an amount to be fully determined in a trial by jury.

54. The Plaintiff is seeking compensatory and punitive damages against each of the Defendants named in the instant matter individually and collectively in an amount to be determined in a trial by jury as well as any and all other Relief deemed necessary and applicable.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

BREACH OF CONTRACT

(AGAINST ALL DEFENDANTS)

55. Plaintiff incorporates paragraphs 1-54 as though fully set forth herein.

56. On or about March 8, 2018, both parties executed the "Note" and "Agreement" pertaining to Palladium Development, and in the year 2019, Defendants and Plaintiff executed multiple agreements, including the Memorandum and various other investment documents pertaining to 284 Shaw, collectively referred to as the Investment Agreements.

57. Plaintiff, in compliance with their obligations as delineated in the Investment Agreements have duly fulfilled their responsibilities by transferring investment funds to the Defendants.

58. Notwithstanding the provisions outlined in the Memorandum, which entitle Plaintiff to receive both loan interest/principal and investment returns, the Defendants have breached the

Investment Agreements. Specifically, the Defendants have failed to completely repay the principal amount and interest associated with the Loan, and they have also fallen short of delivering the promised investment return to Plaintiff in relation to the sale of the Shaw Property. Furthermore, Defendant is in Breach of the "Note" and "Agreement", by failing to sign and record the Deed of Trust and by failing to perform the terms of the "Note" and "Agreement".

59. The Defendant is in breach of the "Note" and Deed of Trust by failing to repay the \$130,000.00 principal balance when it became due and payable on February 28, 2019.

60. As a direct and proximate consequence of the Defendants' breach of contract, Plaintiff has sustained quantifiable damages amounting to \$214,293, excluding the profit anticipated from the sale of the Shaw Property, in addition to interest accrued due to Defendants' unwarranted retention of said funds.

61. WHEREFORE, Plaintiff respectfully requests judgment against the Defendants, in the manner more comprehensively delineated hereinafter.

SECOND CAUSE OF ACTION

BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

(AGAINST ALL DEFENDANTS)

62. Plaintiff incorporates paragraphs 1-61 as though fully set forth herein.

63. The "Note" and "Agreement" (hereinafter collectively the "Loan Agreement") obligated the Defendants to perform under the terms and conditions of the "Loan Agreement" in good faith and to refrain from doing any act that would prevent or impede Plaintiff from performing any or all the conditions of the "Loan Agreement", or any act that would deprive Plaintiff of the benefits of the "Loan Agreement".

64. The "Loan Agreement" with Defendants contained an implied covenant of good faith and

fair dealing.

65. As a direct and proximate result of the Defendant's breach of the "Loan Agreement", Plaintiff has been damaged in an amount no less than \$130,000.00, for the principal balance and other charges due together with accrued and accruing pre-judgment interest.

THIRD CAUSE OF ACTION

UNJUST ENRICHMENT

(AGAINST ALL DEFENDANTS)

66. Plaintiff incorporates paragraphs 1-65 as though fully set forth herein.

67. By their wrongful dealings, acts, and omissions, the Defendants were unjustly enriched at the expense of and to the detriment of the Plaintiff.

68. Defendants, because of their fraudulent acts and omissions, were unjustly enriched by the sale of the properties and at the time the loan was received by Defendants.

69. As a direct and proximate result of the Defendant's breach of the "Loan Agreement", Plaintiff has been damaged in an amount no less than \$130,000.00, for the principal balance and other charges due together with accrued and accruing pre-judgment interest.

FOURTH CAUSE OF ACTION

FRAUD AND DECEIT - CIV. CODE § 1572 AND § 1709

(AGAINST ALL DEFENDANTS)

70. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-69 supra as though fully set forth herein.

71. Defendants secured the Plaintiff's investment through Fraud and Deceit.

72. As a direct and proximate result of the Defendant's breach of the "Loan Agreement",

Plaintiff has been damaged in an amount no less than \$130,000.00, for the principal balance and other charges due together with accrued and accruing pre-judgment interest.

FIFTH CAUSE OF ACTION

BREACH OF FIDUCIARY DUTY

(AGAINST ALL DEFENDANTS)

73. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-72 supra as though fully set forth herein.

74. California Civil Jury instruction, CAC 4100, provides in relevant part: "A real estate agent, a real estate broker, or a corporate officer or partner in an LLC owes what is known as a fiduciary duty to his or her clients, his corporation, his LLC, and/or partner. A fiduciary duty imposes on a real estate agent or real estate broker, or corporate partner a fiduciary relationship, a duty to act with the utmost good faith in the best interests of his clients."

75. Defendant Lawver purportedly is a licensed real estate agent licensed to do business in California.

76. The elements of a cause of action for breach of fiduciary duty are (1) the existence of a fiduciary relationship; (2) breach of fiduciary duty; and (3) damages. *McMillin v. Eare*, 285 Cal.Rptr.3d 737

77. Defendant Lawver breached his fiduciary duty by fraudulently transferring the Cook Street Properties without the Plaintiff's knowledge, deceptively failing and refusing to sign and record a Deed of Trust in favor of the Plaintiff as agreed, and intentionally failing to disclose Plaintiff's interest in the Cook Street Properties to Fidelity National Title Company before the properties were sold.

78. Defendant Lawver intentionally concealed material facts known to him with the intention

of depriving Plaintiff of his property and legal rights and knowingly causing Plaintiff to suffer injuries and damages.

79. Defendant Lawver's conduct was despicable in that Defendant Lawver subjected Plaintiff to unjust hardship in conscious disregard of Plaintiff's rights, and their age so as to justify an award of exemplary and punitive damages.

80. As a direct and proximate result of the Defendant's breach of the "Agreement", Plaintiff has been damaged in an amount no less than \$130,000.00, for the principal balance and other charges due together with accrued and accruing pre-judgment interest.

SIXTH CAUSE OF ACTION

COMMON LAW FRAUDULENT TRANSFER

(AGAINST ALL DEFENDANTS)

81. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-80 supra as though fully set forth herein.

82. Plaintiff on information and belief alleges that Defendant sold the Cook Street property located at 46 Cook Street, San Francisco, California with the intent to hinder, delay or defraud Plaintiff as creditors of Lawver and Palladium Development.

83. Defendants' conduct has injured Plaintiff by putting the Cook Street property beyond the Plaintiff's reach when the property could satisfy their claim. It is a fraudulent conveyance at common law, which is void, for which Plaintiffs seek damages against the Defendants in the amount to be determined by the Court.

84. At all times herein mentioned, said Defendants' conduct is, and was, willful, wanton, malicious, and despicable and, therefore, justify an award of exemplary and punitive damages according to proof.

85. As a direct and proximate result of the Defendant's breach of the "Agreement", Plaintiff has been damaged in an amount no less than \$130,000.00, for the principal balance and other charges due together with accrued and accruing pre-judgment interest.

SEVENTH CAUSE OF ACTION

CONVERSION

(AGAINST ALL DEFENDANTS)

86. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-85 supra as though fully set forth herein.

87. Plaintiff, on information and belief, and upon such information and belief alleges that Defendant has misappropriated and converted money belonging to the Plaintiff from the Cook Street Project for his own personal use, and used the money for unauthorized purposes, or diverted it to friends, family, officers, members, or employees of affiliate entities.

88. Plaintiff paid an investment of \$130,000.00 in exchange for the Deed of Trust on the Cook Street property and Plaintiff was guaranteed a Deed of Trust and were entitled to the Deed of Trust as evidence of the loan secured on the Cook Street Property.

89. Plaintiff never received a Deed of Trust nor proof that their investment was applied to the property located at 46 Cook Street, San Francisco, CA.

90. Defendants' cashing and depositing of the \$130,000.00 and subsequent refusal to return the said amount intentionally and substantially interfered with the Plaintiff's ownership and possession of their money.

91. Defendant Lawver authorized, directed, and/or participated in Defendants' tortious conduct as alleged herein, and as such, is personally liable along with Defendant Palladium Development for the tort of conversion.

92. As a proximate result of the Defendants' multiple acts of conversion, the Plaintiff has suffered, and will suffer, direct and consequential damages which exceed \$130,000.00, the exact amount, which is unknown, but will be proven at trial. The Plaintiff also continues to incur and make monthly payments to service the Loan and Line of Credit.

EIGHTH CAUSE OF ACTION

INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

(AGAINST ALL DEFENDANTS)

93. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-92 supra as though fully set forth herein.

94. The fraudulent and intentional misconduct of Defendants, and each of them, as alleged above, caused Plaintiffs severe distress and emotional damage in that Plaintiff obtained a loan on his home to invest with Defendants and that this money had been fraudulently and deceptively taken by Defendants.

95. As a proximate result of the aforementioned acts, the Plaintiff suffered mental anguish, humiliation, and emotional distress. Plaintiff, therefore, is entitled to general and special damages according to proof of intentional infliction of emotional distress.

96. As a direct and proximate result of the Defendant's breach of the "Loan Agreement", Plaintiff has been damaged in an amount no less than \$280,000.00, for the principal balance and other charges due together with accrued and accruing pre-judgment interest.

NINTH CAUSE OF ACTION

SECURITIES FRAUD

(AGAINST ALL DEFENDANTS)

97. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-96 supra as

though fully set forth herein.

98. Pursuant to Corporations Code § 25401, it is unlawful for any person to offer or sell in California any securities by means of any written or oral communication which includes an untrue statement of fact or omits to state a material fact necessary to make the statement not misleading.

99. Defendants offered capital investment opportunities to Plaintiff under the false representation that Defendants would use the investment to acquire, and resell the San Francisco Project and distribute loan interest/principal and investment return to Plaintiff, Defendants had the knowledge that the above-mentioned statements were false.

100. Defendants intended to induce the Plaintiff to invest in the above-mentioned projects because these representations were contained in the "Loan Agreement" signed and offered to the Plaintiff to sign.

101. As a direct and proximate result of the Defendant's breach of the "Loan Agreement", Plaintiff has been damaged in an amount no less than \$280,000.00, for the principal balance and other charges due together with accrued and accruing pre-judgment interest.

TENTH CAUSE OF ACTION

FINANCIAL ELDER ABUSE

(AGAINST ALL DEFENDANTS)

102. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-101 supra as though fully set forth herein.

103. At all times relevant herein, the Plaintiff was an elder as defined in Section 15610.27 of the Welfare and Institutions Code, at the time, said fraud and financial abuse began.

104. Plaintiff is informed and believes and thereon alleges that the acts of Defendants

complained of herein constitute financial abuse of an elder as defined in Welfare and Institutions Code §15610.32, et seq. Specifically, Defendants committed financial abuse of Plaintiff as defined in Welfare and Institutions Code §15610.30 by inducing Plaintiff to invest \$280,000.00, a substantial sum of money for Plaintiff who were in poor health and living on a fixed income.

ELEVENTH CAUSE OF ACTION

NEGLIGENT MISREPRESENTATION

(AGAINST ALL DEFENDANTS)

105. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-104 supra as though fully set forth herein.

106. Plaintiff is informed and believe and thereon allege, Defendants represented to Plaintiff in writing that the real property subject to the "Loan Agreement" would be deeded in Plaintiff's names and sold pursuant to the terms of the "Agreement".

107. Defendants made these representations and then failed to do so.

108. As a proximate result of Defendants' actions, Plaintiff was harmed in an amount not less than \$130,000.00, or as according to proof at the time of trial and/or entry of judgment.

TWELFTH CAUSE OF ACTION

FRAUD - INTENTIONAL MISREPRESENTATION

(AGAINST ALL DEFENDANTS)

109. Plaintiff incorporates by reference the allegations set forth in paragraphs 1-108 supra as though fully set forth herein.

110. Plaintiff is informed and believe and thereon allege Defendants represented to Plaintiff, in writing, that the real property subject to the "Loan Agreement" would be deeded in the Plaintiff's names and sold pursuant to the terms of the agreement.

111. Plaintiff is informed and believe thereon allege Defendants made these assertions with no intention of honoring them.

112. Plaintiff is informed and believe and thereon allege when Defendants made these representations, they knew them to be false, yet they intended for Plaintiff to rely on them, and Plaintiff did rely on them.

113. But for Defendants' representations, Plaintiff would not have invested \$130,000.00.

114. As a proximate result of Defendants' actions, Plaintiff was harmed in an amount not less than \$130,000.00, or as according to proof at the time of trial and/or entry of judgment.

115. Plaintiff is informed and believe that, by the above-described conduct, Defendants intended to deprive Plaintiff of his investment, that they intentionally took the Plaintiff's money knowing the devastation the Plaintiff would suffer and did suffer from the loss of his investment.

116. Moreover, the Defendants' behavior was particularly atrocious in that they took advantage of senior citizens for their own personal gain and to Plaintiff's detriment. For all reasons stated herein, Defendants' conduct was malicious and despicable, subjecting Plaintiff to a cruel and unjust hardship in conscious disregard of their rights, so as to justify an award of exemplary and punitive damages.

THIRTEENTH CAUSE OF ACTION

NON-PAYMENT

126. Plaintiff incorporates paragraphs 1 through 125 as though fully set forth herein.

127. Defendants have failed to adhere to a specified payment schedule as is typical in contractual arrangements, instead opting to make monthly payments characterized by delays and irregularities. This payment structure is incompatible with Plaintiff's financial obligations, which necessitate strict adherence to payment schedules.

128. Defendant, a Mortgage Broker at KAL Financial, induced Plaintiff into this financial arrangement by misleading Plaintiff to believe the expectation of timely and consistent payments.

129. To date, Defendants have exhibited an inconsistent failure to adhere to stipulated timelines for the punctual remittance of monthly interest and equity payments. However, such lapses generally occur on an almost monthly basis. This has engendered a state of perpetual uncertainty for Plaintiff, who remains unable to ascertain as to whether these failures represent temporary delays or a purposeful and calculated refusal or evasion to fulfill their financial obligations.

130. Plaintiff's uncertainty regarding the nature of these payment lapses has precluded them from pursuing legal action for non-payment. Defendants, aware of this predicament, possess the ability to rectify non-payment issues promptly upon notice of potential legal action, rendering it futile for Plaintiff to initiate a non-payment claim separately.

131. To date, the monthly payment has not been made.

132. WHEREFORE, Plaintiff respectfully requests judgment against Defendants based on this additional cause of action and in accordance with the relief specified in the subsequent portions of this Complaint.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendants, as follows:

AS TO THE FIRST CAUSE OF ACTION:

1. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE SECOND CAUSE OF ACTION:

2. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE THIRD CAUSE OF ACTION:

3. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE FOURTH CAUSE OF ACTION:

4. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE FIFTH CAUSE OF ACTION:

5. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE SIXTH CAUSE OF ACTION:

6. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE SEVENTH CAUSE OF ACTION:

7. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE EIGHTH CAUSE OF ACTION:

8. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE NINTH CAUSE OF ACTION:

9. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE TENTH CAUSE OF ACTION:

10. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE ELEVENTH CAUSE OF ACTION:

11. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE TWELFTH CAUSE OF ACTION:

12. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE THIRTEENTH CAUSE OF ACTION:

13. For actual damages in an amount not less than \$334,293.00, plus pre-judgment interest, or as according to proof at the time of trial.

AS TO THE FOURTEENTH CAUSE OF ACTION:

14. For judgment ordering that in the event of late payment, Defendant will pay Plaintiff a penalty fee of 10% per day late. Should payment become more than 7 days late, the total amount will become due in full within 10 days.

ON ALL CAUSES OF ACTION

15. That Plaintiffs recover special damages from Defendants, and each of them, in a sum to proven at time of trial;

16. That Plaintiffs recover punitive damages from Defendants, and each of them, be proven at time of trial;

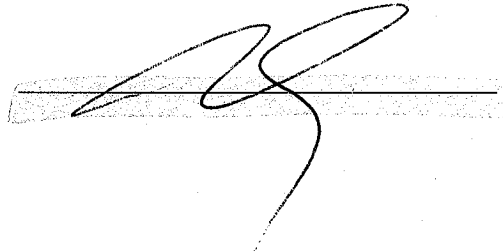
17. That Plaintiffs recover their expenses of litigation, including court fees, from Defendants.

18. That all costs of this action be assessed against the Defendants.

19. That Plaintiff receives trial jury on all issues; and
20. That Plaintiff receives pre-judgment and post-judgment interest
21. that this Court grant such other and further relief as the Court deems just and proper.

DATED: December 1, 2023

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Boris Iofis', is written over a horizontal line. The signature is stylized with loops and a long tail that extends downwards.

VERIFICATION OF BORIS IOFIS

I, Boris Iofis, the undersigned, am the Plaintiffs in the above-entitled action. I have read the foregoing Complaint and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein alleged on information and belief, and as those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct and that this verification was executed in San Jose, California.

DATED: December 1, 2023

Respectfully Submitted,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end, positioned above a horizontal line.

EXHIBIT A

STRAIGHT NOTE (46 – 48 Cook st)

\$130,000

Santa Clara, California

Date 3/06/2018

On or before February 28th 2019 for value received, Palladium Development Llc, A Delaware limited liability company, ("Maker") promises to pay to Boris Iofis as to an undivided 130,000/130,000. ("Payee") at Santa Clara, California, the sum of one hundred thirty thousand (U.S. \$130,000) with interest from 3/07/2018, or actual date funded whichever is later, until paid at the rate of twelve (12%) per annum, interest is prepaid from date of funding until September 7th 2018 at time of escrow closing.

1. **Additional Terms:**

A. All payments shall be credited first against interest then accrued and the remainder against principal, and interest shall thereupon cease upon the principal so credited. Should interest not be paid when due, it shall thereafter bear like interest as the principal, but such unpaid interest so compounded shall not exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law.

B. Should default be made in the payment of any installment of principal or interest when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holders of this note.

C. If default is made on any payment of principal or interest due under the terms of this note or if Maker defaults in the performance of any obligation of Maker required by the terms of any instrument which secures this note, Maker agrees to pay the following costs, expenses, and attorneys' fees paid or incurred by the holders of this note, or adjudged by a court: (1) Reasonable costs of collection, costs, and expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this note, whether or not suit is filed; and (2) costs of suit and such sum as the court may adjudge as attorneys' fees in any action to enforce payment of this note or any part of it.

D. Maker hereby acknowledges that late payment by Maker to Payee of the sums due hereunder will cause Payee to incur costs not contemplated by Payee, the exact amount of which would be impractical and extremely difficult, if not impossible, to ascertain at this time. Such costs include, but are not limited to, bank charges, late charges which may be imposed on Payee by the terms of any other mortgage or deed of trust or other agreements requiring periodic payments, accounting fees and processing costs. Accordingly, it is hereby agreed that if any installment of principal or interest, or any other sum due hereunder, shall not be received by Payee within ten (10) days after the date such payment is due, then Maker shall pay to Payee a late charge equal to Five Percent (5%) of such overdue amount. The parties hereto agree that such late charge represents a fair and reasonable estimate of the costs Payee will incur by reason of late payment by Maker, considering all of the circumstances existing on the date of execution of this note. The parties further agree that proof of actual damages would be costly or inconvenient. Acceptance of any such late charge by Payee shall in no event constitute a waiver of any default with respect to

such overdue amount, nor shall it prevent Payee from exercising any other legal rights they may have hereunder.

E. Presentments, notices of dishonor and protest are waived by Makers.

F. Upon a sale of said real property, the net proceeds shall be distributed first to Funder in an amount equal to the loan amount, interest, plus an amount equal to one and thirty sixth percent (1.36%) of net profit after:

- a. Acquisition and/or borrowing fees of: title, escrow, recording fees, doc prep, loan fees. Funder to be provided copy of final closing statement for acquisition and/or any loans.
- b. Sale fees of: title, escrow, doc prep, recording fees, transfer tax, commission expense. Funder to be provided copy of final closing statement for any sale.
- c. Property fix up costs: estimated cost breakdown to be provided to and approved by Funder prior to funding. If costs are to exceed 15% of such provided approved breakdown Borrower to get Funder approval for additional expenses.
- d. Holding interest, property taxes and insurance.
- e. In no event will the annual rate of return to lender be less than 12% per annum regardless of profit.

G. The Deed of Trust securing this note contains the following provisions for acceleration of maturity: "If the Maker shall sell, enter into a contract of sale, lease for a term of more than 10 years (including options to renew), lease with an option to purchase for any term, or transfer all or part of the Property or an interest therein (or if a beneficial interest in Maker is sold or transferred and Maker is a natural person), excluding (a) the creation of a lien or encumbrance subordinate to the Deed of Trust securing this Note, or (b) a transfer by devise, descent, or by operation of law upon the death of a joint tenant, the Payee may, at its option, declare the Note and any other obligations secured by this Deed of Trust, together with accrued interest thereon, immediately due and payable, in full. No waiver of the Payee's right to accelerate shall be effective unless it is in writing. However, this option shall not be exercised by Payee if exercise is prohibited by federal law as of the date of this Security Instrument."

"If Payee exercises this option, Payee shall give Maker notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Maker must pay all sums secured by this Security Instrument. If Maker fails to pay these sums prior to the expiration of this period, Payee may invoke any remedies permitted by this Security Instrument without further notice or demand on Maker."

H. Advance Fee: Payee will be authorized (but not obligated) to advance any funds Payee deems reasonably necessary to protect the collateral securing payment of this Note, including without limitation advances to holders of debts secured by senior liens on all or any portion of the collateral securing payment of this Note. In the event of any such advance,

provided that Payee has given Maker prior written notice of the intent to make the advance and Maker has not itself paid the subject item within 5 days after the date on which written notice is provided to Maker, then Maker agrees to pay Payee a fee of 2% of any such advance in addition to repayment of the advance itself. Maker will be obligated immediately to repay any such advances and fees, which will be added to the principal of this Note. Such advances and fees will bear interest at the same rate as the original principal balance of this Note. Maker hereby acknowledges that the agreed 2% fee is reasonable compensation to Payee for the additional risk and other business losses incurred by Payee as the result of such advances and for the benefit conferred upon the Maker from making such advances.

J. The following provisions may result in the compounding of interest on your loan. At the option of the beneficiary, if any payment should be insufficient to pay the interest then due, the balance of interest remaining shall be added to principal and will bear interest at the same note rate as the principal.

At the option of the beneficiary, if any principal and/or interest installments, late charges, advances, and/or costs should be repaid through or by any forbearance, bankruptcy plan or similar repayment plan, the total sum of these amounts will bear interest at the note rate from the date due or advanced until the date repaid.

K. The parties hereby acknowledge that this Note was made and/or arranged by David Lawver acting in his capacity as a licensed real estate broker for purposes of compliance with California's usury laws as set forth in Article 15, Section 1 of the California Constitution.

L. This note is secured by a first Deed of Trust in Santa Clara County, AP#1067-033 & AP#1067-032, which property is more particularly described in the Deed of Trust to be recorded in Santa Clara County, California.

Executed this 7th day of March, 2018, at Santa Clara, California.

Palladium Development Llc
A Delaware Limited liability company

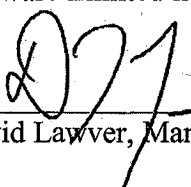
By  _____
David Lawver, Managing Member

EXHIBIT B

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (this "Memorandum") is made this 7th day of March, by and between Boris Iofis as to an undivided 130,000/130,000 collectively referred to herein as "Funder", and Palladium Development LLC, a Delaware limited liability company hereinafter referred to as "Borrower", to reflect the following:

1. The real property described in herein below is subject to an agreement of the parties hereto which provides for, among other things, an arrangement whereby Funder will provide funds in an amount one hundred thirty thousand exactly (U.S. \$130,000) for the acquisition and rehabilitation for sale of the real property described as **46 & 48 Cook St San Francisco, CA, AP#1067-033 & AP#1067-032**. Said funds shall be used by Palladium Development, LLC, A Delaware limited liability company solely for the acquisition and rehabilitation of said property.

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

2. The said real property shall be placed on the market for sale at a price to be determined by Palladium Development LLC, A Delaware limited liability company by listing the property for sale with a licensed real estate agent/broker. In the event of a sale to any of the parties to this agreement (or to a party related to any of the parties of this agreement) then a certified appraisal to be obtained at the sole cost of the party acquiring and such cost of appraisal not to be deducted from net profit.
3. Upon a sale of said real property, the net proceeds shall be distributed first to Funder in an amount equal to the loan amount described in Paragraph 1 above, interest per promissory note, plus an amount equal to one and thirty-six percent (1.36%) of net profit after:
 - a. Acquisition and/or borrowing fees of: title, escrow, recording fees, doc prep, loan fees. Funder to be provided copy of final closing statement for acquisition and/or any loans.
 - b. Sale fees of: title, escrow, doc prep, recording fees, transfer tax, commission expense. Funder to be provided copy of final closing statement for any sale.
 - c. Property fix up costs: estimated cost breakdown to be provided to and approved by Funder prior to funding. If costs are to exceed 15% of such provided approved breakdown Borrower to get Funder approval for additional expenses.
 - d. Holding interest, property taxes and insurance.
 - e. In no event will the annual rate of return to lender be less than 12% per annum regardless of profit.

4. Palladium Development, LLC, a Delaware limited liability company shall provide casualty insurance for the said property for full replacement value or an amount not less than the amount set forth in Paragraph 1 above. Lenders above will be named as additional insured.
5. At the time of funding, Palladium Development, LLC, a Delaware limited liability company will execute and deliver to Funder their promissory note and Deed of Trust to be recorded and title insurance provided in the principal amount of one hundred thirty thousand exactly (U.S. \$130,000 upon the said real property securing performance of such note and deed of trust.
6. In the event that any party hereto shall bring an action to enforce or interpret the terms of this agreement the prevailing party shall be entitled to recover reasonable attorney fees and costs incurred including any such fees and costs incurred on appeal.

IN WITNESS WHEREOF, this Memorandum has been executed this 7th day of March 2018.

Boris Iofis as to an undivided 130,000/130,000 interest.

BY: _____
BORIS IOFIS

PALLADIUM DEVELOPMENT, LLC
A DELAWARE LIMITED LIABILITY COMPANY

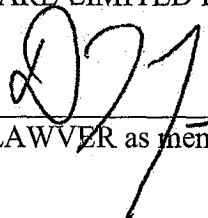
BY:  _____
DAVID LAWVER as member of Palladium Development

EXHIBIT C

EXHIBIT "C"

RECORDING REQUESTED BY:

First American Title Company

WHEN RECORDED MAIL DOCUMENT TO:

Aaron W. Tong and Cheng Huan Hsia
46 Cook Street
San Francisco, CA 94118



City and County of San Francisco
Carmen Chu, Assessor-Recorder

Doc #	2020066576	Fees	\$30.00
12/11/2020	12:02:45 PM	Taxes	\$17,625.00
YY	Electronic	Other	\$0.00
Pages 3	Title 001	SB2 Fees	\$0.00
Customer	5068	Paid	\$17,655.00

Space Above This Line for Recorder's Use Only

Assessor Parcel Number (APN): LOT: 033, BLOCK: 1067 Lot: 033 Block: 1067
Street Address: 46 Cook Street, San Francisco, CA 94118

File No.: 3809-6423428

Grant Deed

(Please fill in Document Title(s) above this line)

This document is exempt from the \$75 Building Homes and Jobs Act Fee (per Government Code §27388.1) because:

- Document is a transfer of real property subject to the imposition of transfer tax
- Document is a transfer of real property that is a residential dwelling to an owner-occupier
- Document is recorded in connection with an exempt transfer of real property (i.e., subject to transfer tax or owner-occupied). If not recorded concurrently, provide recording date and document number of related transfer document:
Recording date _____ Document Number _____
- The \$225 per transaction cap is reached
- Document is not related to real property

**This page added to provide adequate space for recording information
(additional recording fee applies)**

RECORDING REQUESTED BY:
First American Title Company

**MAIL TAX STATEMENT
AND WHEN RECORDED MAIL DOCUMENT TO:**
Aaron W. Tong and Cheng Huan Hsia
46 Cook Street
San Francisco, CA 94118

Space Above This Line for Recorder's Use Only

A.P.N.: LOT: 033, BLOCK: 1067

File No.: 3809-6423428 (MS)

Situs Address: 46 Cook Street, San Francisco, CA 94118

Property Address: **46 Cook Street, San Francisco, CA 94118**

Lot Number: **033**

Block Number: **1067**

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$**17,625.00**; CITY TRANSFER TAX \$;
SURVEY MONUMENT FEE \$

[] computed on the consideration or full value of property conveyed, OR
[] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
[] unincorporated area; [] City of **San Francisco**, and

EXEMPT FROM BUILDING HOMES AND JOBS ACTS FEE PER GOVERNMENT CODE 27388.1(a)(2)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **PALLADIUM DEVELOPMENT, LLC, A DELAWARE LIMITED LIABILITY COMPANY**

hereby GRANTS to **Aaron W. Tong and Cheng Huan Hsia, who are married to each other, as community property with right of survivorship**

the following described property in the City of **San Francisco**, County of **San Francisco**, State of **California**:

**LOT 33 IN BLOCK 641 OF THE MAP OF THE LANDS OF THE POINT LOBOS AVENUE
HOMESTEAD ASSOCIATION, FILED JUNE 28, 1871 IN BOOK A & B OF MAPS, AT PAGE 119 IN
THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.**

Mail Tax Statements To: **SAME AS ABOVE**

Date: 12/03/2020

A.P.N.: LOT: 033, BLOCK: 1067

File No.: 3809-6423428 (MS)

Dated: December 03, 2020

PALLADIUM DEVELOPMENT, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By: THE DAVID JAMES LAWVER LIVING TRUST, ITS MANAGING MEMBER

By: [Signature]
Name: DAVID JAMES LAWVER
Title: TRUSTEE

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF Texas)SS

COUNTY OF TRAVIS)

On December 3, 2020 before me, Leticia Tapia-Ojeda, Notary Public, personally appeared David James Lawver Trustee

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

This area for official notarial seal.

[Signature]
Notary Signature

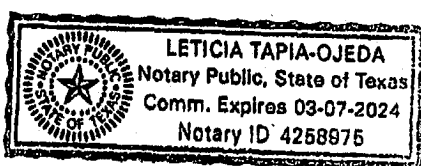


EXHIBIT D

EXHIBIT "D"

RECORDING REQUESTED BY:
First American Title Company

WHEN RECORDED MAIL DOCUMENT TO:
Haxa LLC
73 6th Avenue
San Francisco, CA 94118



San Francisco Assessor-Recorder
Carmen Chu, Assessor-Recorder
DOC- 2019-K796016-00
Check Number 842
Friday, JUL 19, 2019 15:13:54
Ttl Pd\$11,842.50 Rcpt # 0006032549
ear/AB/1-3

Space Above This Line for Recorder's Use Only

03

Assessor Parcel Number (APN): Lot: 032 Block: 1067
Street Address: 48 Cook Street, San Francisco, CA 94118

File No.: 3809-5970670

Grant Deed

(Please fill in Document Title(s) above this line)

This document is exempt from the \$75 Building Homes and Jobs Act Fee (per Government Code §27388.1) because:

- Document is a transfer of real property subject to the imposition of transfer tax
- Document is a transfer of real property that is a residential dwelling to an owner-occupier
- Document is recorded in connection with an exempt transfer of real property (i.e., subject to transfer tax or owner-occupied). If not recorded concurrently, provide recording date and document number of related transfer document:
Recording date _____ Document Number _____
- The \$225 per transaction cap is reached
- Document is not related to real property

**This page added to provide adequate space for recording information
(additional recording fee applies)**

RECORDING REQUESTED BY:
First American Title Company

**MAIL TAX STATEMENT
AND WHEN RECORDED MAIL DOCUMENT TO:**
Haxa LLC
73 6th Avenue
San Francisco, CA 94118

Space Above This Line for Recorder's Use Only

A.P.N.: Lot 032; Block 1067

File No.: 3809-5970670 (NS)

Situs Address: 48 Cook Street, San Francisco, CA 94118

Property Address: **48 Cook Street, San Francisco, CA 94118**

Lot Number: **032**

Block Number: **1067**

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX **\$11,812.50**; CITY TRANSFER TAX **\$0**;
SURVEY MONUMENT FEE **\$10.00**

- computed on the consideration or full value of property conveyed, OR
 computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
 unincorporated area; City of **San Francisco**, and

EXEMPT FROM BUILDING HOMES AND JOBS ACTS FEE PER GOVERNMENT CODE 27388.1(a)(2)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Palladium Development LLC, a Delaware limited liability company**

hereby GRANTS to **Haxa LLC, a California limited liability company**

the following described property in the City of **San Francisco**, County of **San Francisco**, State of **California**:

**LOT 32 IN BLOCK 641 OF THE MAP OF THE LANDS OF THE POINT LOBES AVENUE
HOMESTEAD ASSOCIATION, FILED JUNE 28, 1871 IN BOOK A AND B OF MAPS, AT PAGE 119
IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.**

Date: 07/15/2019

A.P.N.: Lot 032; Block 1067

File No.: 3809-5970670 (NS)

Dated: July 15, 2019

Palladium Development LLC, a Delaware limited liability company

By: David James Lawver, Trustee of The David James Lawver Living Trust, U/A dated September 2, 2015

By: [Signature]
Name: David James Lawver
Title: Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF Kentucky)SS
COUNTY OF Jefferson)

On July 16, 2019 before me, Mark Allen Roy, Notary Public, personally appeared David James Lawver

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (S) are subscribed to the within instrument and acknowledged to me that (S) he/she/they executed the same in (S) his/her/their authorized capacity(ies), and that by (S) his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

This area for official notarial seal.

[Signature]
Notary Signature

MARK ALLEN ROY
Notary Public - State at Large
State of Kentucky
Notary ID # 585232
My Commission Expires Sep. 9, 2021

EXHIBIT E

AMENDED MEMORANDUM OF AGREEMENT (SHAW)

\$150,000 County of Fresno, State of California June 28, 2019

THIS MEMORANDUM OF AGREEMENT is made this 28th day of June, 2019, by and between Boris Iofis, a California individual ("Funder"), and 284 W Shaw LLC, a California limited liability company ("Shaw") (collectively, "Parties"), for the purchase of ownership interest in Shaw and specifically, for an interest in the sale of its real property asset located at **284 West Shaw Avenue, Clovis, CA County APN# 449-230-23 and 499-230-49** ("Asset") ("Agreement").

WHEREAS, the Asset described herein is the subject of the agreement between these Parties;

WHEREAS, Shaw is the owner of the Asset and shall market the Asset for sale, at a price to be determined by Shaw, by listing the Asset with a California-licensed real estate agent/broker;

WHEREAS, Funder desires to purchase ownership interest in Shaw, and thereby, an interest in the net proceeds obtained from the sale of the Asset, after repayment of all loans, outstanding debt, fees, costs, and expenses, consistent with the terms of Shaw's Operating Agreement, which shall be incorporated herein by reference ("Operating Agreement").



NOW, THEREFORE, for and in consideration of the mutual covenants and terms herein contained and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties shall agree as follows:

1. **Purchase.** Funder delivered to Shaw one hundred thousand fifty dollars (\$150,000US) ("Funds") as consideration for the purchase of one hundred fifty thousand (150,000 / 150,000) undivided interest shares in Shaw, which shall be equal to (6.82%) percent member ownership interest, and thereby (6.82%) interest in the Sale's Net Proceeds, as defined herein ("Shares"). Shaw shall be entitled to use the funds at its discretion, as consistent with the Operating Agreement.
2. **Buyback.** On or before April 15, 2020, Shaw shall purchase back the Shares from Funder for an amount equal to the Funds plus interest, at the rate of twelve percent (12%) per

Funder DS
Bl / Shaw DocuSigned by:
David Laurer
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annum, where the minimum interest amount is equal to six (6) months interest (“Buyback”).

3. **Net Proceeds.** The net proceeds to be distributed to Shaw for the Sale of the Asset shall be equal to fifteen percent (15%) of the net profit from the Sale of the Asset, after all Applicable Deductions, as defined herein (“Net Proceeds”). If the Parties, or any of the Party’s affiliates, desire to purchase the Asset itself, it must first obtain, at its own cost, a certified appraisal, for use in the Sale, which may not be deducted from the Sale. Shaw shall distribute the Net Proceeds to its Members in a manner consistent with the Operating Agreement, and Funder shall be entitled to receive (6.82%) of the Net Proceeds when distributed. Applicable Deductions, as they relate to Net Proceeds, shall include, but not be limited to, fees related to the acquisition, borrowing, and sale of Asset, specifically as it pertains to the title, escrow, recording, document preparation, and loans, as well as the transfer tax and commission expense; costs and expenses associated to the remodeling or rehabilitation of the Asset; and any holding interest, property taxes, and/or insurance.
4. **Term.** The term of this Agreement shall be retroactive from the date the Amendment to the Operating Agreement was first signed (“Effective Date”) until the Sale of the Asset, the Buyback, and Shaw’s delivery to Funder an amount equal to (6.82%) of the Net Proceeds received from the Sale of the Asset (“Term”).
5. **Insurance.** Shaw shall be required to provide casualty insurance for the Asset, in an amount equal to cover the capital contributed by its Members.
6. **Amendment.** As consideration for Funder delivering Funds to Shaw, Shaw shall execute and deliver to Funder the Operating Agreement and its accompanying Amendment evidencing Funder’s purchase of Shares.
7. **General.** If any Party hereto shall bring action to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys’ fees and

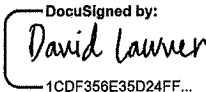
Funder  / Shaw 

other costs incurred. This Agreement shall be governed by the laws of the state of California, without reference to conflict of law principles.

SIGNATURE PAGE.

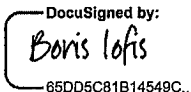
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on this 28th day of June 2019.

284 W SHAW, LLC.

By:  _____
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David Lawver, as Manager.

FUNDER.

By:  _____
85DD5C81B14549C...

Boris Iofis, as an individual.



Funder  / Shaw 

EXHIBIT F

MEMORANDUM OF AGREEMENT (SHAW)

\$450,000

County of Fresno, State of California

Date 3/06/2019

THIS MEMORANDUM OF AGREEMENT (this "Memorandum") is made this 6th day of March, by and between Brendan Neff-Hall as to an undivided 300,000/450,000 interest, Boris Iofis as to an undivided 150,000/450,000 interest, collectively referred to herein as "Funder", and 284 W Shaw LLC, A California limited liability company hereinafter referred to as "Borrower", to reflect the following:

1. The real property described in herein below is subject to an agreement of the parties hereto which provides for, among other things, an arrangement whereby Funder will provide funds in an amount four hundred fifty thousand dollars exactly (U.S. \$450,000) for the acquisition and rehabilitation for sale of the real property described as **284 West Shaw Avenue, Clovis, CA County APN# 449-230-23 and 499-230-49**. Said funds shall be used 284 W Shaw LLC, A California limited liability company solely for the acquisition and rehabilitation of said property.
2. On or before March 6th, 2020 for value received, 284 W Shaw LLC, A California limited liability company, ("Maker") promises to pay to Brendan Neff-Hall as to an undivided 300,000/450,000 interest, Boris Iofis as to an undivided 150,000/450,000 interest. ("Payee") at Santa Clara, California, the sum of four hundred (U.S. \$450,000) with interest from 3/06/2019, or actual date funded whichever is later, until paid at the rate of twelve (12%) per annum, interest is prepaid from date of funding until September 6th, 2019 (6 months of prepaid interest).

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

3. The said real property shall be placed on the market for sale at a price to be determined by 284 W Shaw LLC, A California limited liability company by listing the property for sale with a licensed real estate agent/broker. In the event of a sale to any of the parties to this agreement (or to a party related to any of the parties of this agreement) then a certified appraisal to be obtained at the sole cost of the party acquiring and such cost of appraisal not to be deducted from net profit.
4. Upon a sale of said real property, the net proceeds shall be distributed first to Funder in an amount equal to the loan amount described in Paragraph 1 above, interest per paragraph 2 in this agreement, plus an amount equal to fifteen (15%) of net profit after:
 - a. Acquisition and/or borrowing fees of: title, escrow, recording fees, doc prep, loan fees. Funder to be provided copy of final closing statement for acquisition and/or any loans.
 - b. Sale fees of: title, escrow, doc prep, recording fees, transfer tax, commission expense. Funder to be provided copy of final closing statement for any sale.

- c. Property fix up costs: estimated cost breakdown to be provided to and approved by Funder prior to funding. If costs are to exceed 10% of such provided approved breakdown Borrower to get Funder approval for additional expenses.
 - d. Holding interest, property taxes and insurance.
 - e. In no event will the annual rate of return to lender be less than 12% per annum regardless of profit.
5. 284 W Shaw, LLC, a California limited liability company shall provide casualty insurance for the said property for full replacement value or an amount not less than the amount set forth in Paragraph 1 above. Lenders above will be named as additional insured.
 6. At the time of funding, 284 W Shaw, LLC, a California limited liability company will execute and deliver to Funder their promissory note and Deed of Trust to be recorded and title insurance provided in the principal amount of four hundred fifty thousand dollars exactly (U.S. \$450,000 upon the said real property securing performance of such note and deed of trust.
 7. In the event that any party hereto shall bring an action to enforce or interpret the terms of this agreement the prevailing party shall be entitled to recover reasonable attorney fees and costs incurred including any such fees and costs incurred on appeal.

IN WITNESS WHEREOF, this Memorandum has been executed this 6th day of March 2019.

Brendan Neff-Hall as to an undivided 300,000/450,000 interest, Boris Iofis as to an undivided 150,000/450,000 interest.

BY: _____
BRENDAN NEFF-HALL

BY: _____
BORIS IOFIS

284 W SHAW, LLC
A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____
David Lawver as Member of Palladium Development, LLC
Member of 284 W Shaw LLC