

Court of Appeal Case No.: F068393

IN THE COURT OF APPEAL
OF THE STATE OF CALIFORNIA
IN AND FOR THE FIFTH APPELLATE DISTRICT

WT CAPITAL LENDER SERVICES, a California Corporation

Defendant and Appellant,

vs.

ANDRE TORIGIAN and TAKOOHI TORIGIAN,

Plaintiffs and Respondents.

**On Appeal from the Judgment of the Fresno County Superior Court
Hon. Donald Black, Judge Presiding
Superior Court Case No. 10 CE CG 03800 DSB**

Respondents' Answer to Amicus Brief

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Introduction

WT Capital makes two claims in its appeal: that the Torigians should not have received an attorney's fee award under Civil Code section 1717 because WT Capital was the prevailing party under the contract and should have received the attorney's fee award; and, that WT Capital should have received an award of attorney's fees under the contract and Code of Civil Procedure section 1021 because it prevailed on the torts.¹ The amicus disclaims any interest in the latter of these,² and asserts that that its interest is driven only by the role of the declaration of non-monetary status:

For purposes of this Amicus Brief, the only relevant issue on appeal is simply whether a trustee who timely files a proper declaration of monetary status should be held liable for attorneys' fees and costs where the objecting plaintiff fails to prevail on *any* of the monetary claims that plaintiff claimed to have against the trustee and the trustee has not actively taken sides in the dispute over the equitable claims.³

The amicus curiae's position is founded on two significant errors. First, the amicus accepts the facts as the appellant states them, but the appellant misstates the facts and ignores the inferences the trial court drew in the Torigians' favor. Second, the amicus

¹ See generally Appellant's Opening Brief ("AOB").

² Amicus Brief ("AB") at p. 14.

³ AB at p. 1.

conflates the contract—equitable claims—which are subject to attorney’s fees under section 1717, with the tort claims, which are not subject to fees under section 1717. In doing this, the amicus also conflates the immunities—which apply only to torts—and the malice required to avoid the immunities with the purely contractual claims to which immunities do not apply.

And, critically, the amicus—misled by the factual errors—misperceives the standard of review. The Torigians address the standard of review first.

I. The standard of review is not de novo—it is abuse of discretion.

The amicus contends the standard of review is de novo, expressing that the “legal basis for—and right to recover—fees at all” is the issue.⁴ No. WT Capital asserts it was the prevailing party, not the Torigians. The trial court’s determination of a “prevailing party” under Civil Code section 1717 is reviewed for abuse of discretion. (*Kachlon v. Markowitz* (2008) 168 Cal.App.4th 316, 348-349; see also *Hunt v. Fahnestock* (1990) 220 Cal.App.3d 628, 633; *Harvard Inv. Co. v. Gap Stores, Inc.* (1984) 156 Cal.App. 3d 704, 715, fn.8.)

The amicus also contends “the crux of the appeal is the legal effect” of Civil Code section 2924l “on the right to recover fees here.”⁵ Again, no. There is no disagreement about what 2924l says,

⁴ AB at p. 1.

⁵ AB at p. 1, emphasis added.

or what it means, in general. It relieves a trustee of any liability for fees when the trustee files an unopposed declaration of nonmonetary status and the trustee is truly neutral. (*Kachlon v. Markowitz, supra*, 168 Cal.App.4th at 350.) The amicus is only correct that the crux of the appeal is “*here*” – it is factual.

The question on appeal is whether the trial court correctly concluded the Torigians prevailed as that is defined under Civil Code section 1717 and the cases interpreting it. That matter is a question of the court’s discretion. The cases the amicus cites are inapposite. (*Conservatorship of Whitley* (2010) 50 Cal.4th 1206, 1213-14 [explaining that evaluating whether the litigation satisfied the standards for fees under the private attorney general act required de novo review because the inquiry “amounts to statutory construction” and as such is a question of law]; *Carver v. Chevron USA, Inc.* (2002) 97 Cal.App.4th 132, 142 [propriety of award of attorney’s fees is question of law if there is no dispute of fact].)

II. The amicus makes factual errors that result in its arguing a point of law that is irrelevant.

The amicus specifically explains that the declaration of nonmonetary status is the critical inquiry when “it is later determined that the plaintiff lacked a proper factual basis for that objection” in which case, “the protections of § 2924l(d) should still apply to preclude an award of attorneys’ fees on the equitable claims.”⁶ Even if true in the abstract, the factual premise does not

⁶ AB at p. 12, fn. 5.

exist here. The amicus' failure to recognize the actual facts is the crux of its problem. *The Torigians did have a proper factual basis for their objection.* The Torigians' objection was founded on facts demonstrating that WT Capital was pursuing the foreclosure and planning the litigation to secure the property all while it was asserting nonmonetary status.⁷ In the hearing on attorney's fees, below, the trial court indicated, "Well, I'm not sure about that," when WT Capital asserted the facts in the objection were found to have been false.⁸ The court recognized the objection was *not false*; but rather to the extent the facts formed the backbone of the tort claims, the court had granted summary adjudication because the acts were subject to a qualified privilege.⁹ Additionally, WT Capital waived any claim it might have had that there was no proper factual basis for the objection – it failed to oppose the Torigians' motion for leave to file an objection to the declaration of nonmonetary status.

The evidence presented after the fact (at the attorney's fee motion) demonstrated that WT Capital was actively litigating the matter before filing its declaration of nonmonetary status and continued to actively litigate while it had an unobjected-to declaration of nonmonetary status on file.¹⁰

In seeking to distinguish the Torigians' case from *Kachlon v. Markowitz, supra*, 168 Cal.App.4th 316, the amicus further claims that

⁷ 2 CT 211-212

⁸ 1 RT 27-28

⁹ 12 CT 2803-2804

¹⁰ 3 CT 501; 17 CT 3950-3963; 17 CT 4019-4028

WT Capital repeatedly asserted it was neutral.¹¹ Other than citing WT Capital's 15th Affirmative Defense, the amicus cites no evidence – nothing in the record – to support its factual assertion that WT Capital “repeated” that it “would remain neutral” and that the Torigians and the trial court failed to pay attention.¹² In fact, the court listened, and pointed out to WT Capital that the trial court viewed those claims as wrong.¹³ The trial judge, who watched and witnessed the litigation behavior of WT Capital, concluded WT Capital had not comported itself as a neutral.¹⁴

The amicus criticizes the court's holding in this regard, asserting that the court had “forgotten” that WT Capital was required to defend itself, and asserting that “WT consistently asserted that it took no position [on the equitable claims].”¹⁵ In failing to cite any evidence in the record that the court had forgotten a thing or that WT Capital was entirely neutral (and citing only WT Capital's assertion of its 15th Affirmative Defense and referring generally to pages 42 through 47 of the Appellant's Opening Brief), the amicus is ignoring the factual resolutions by the trial court and the evidence supporting them:

In resolving the issue of the sufficiency of
the evidence, we are bound by the
established rules of appellate review that

¹¹ AB at p. 13-14.

¹² AB at p. 13-14.

¹³ 20 CT 4949-4950

¹⁴ 20 CT 4949-4950

¹⁵ AB at p. 5, fn 2.

all factual matters will be viewed most favorably to the prevailing party [citations] and in support of the judgment [citation]. All issues of credibility are likewise within the province of the trier of fact. [Citation.] In brief, the appellate court ordinarily looks only at the evidence supporting the successful party, and disregards the contrary showing. [Citation.] All conflicts, therefore, must be resolved in favor of the respondent. [Citation.]

(*Nestle v. City of Santa Monica* (1972) 6 Cal.3d 920, 925-26.)

The Respondents' Brief identifies a litany of facts (including citations to the record) where the Torigians demonstrated that WT Capital litigated the equitable claims.¹⁶ But in contrast, the amicus relies on WT Capital's assertion of facts at pages 42 through 47, that are either unaccompanied by citations to the record or are suggested as alternative inferences to those that support the judgment. (*Nestle v. City of Santa Monica, supra*, 6 Cal.3d at 925-26; *In re Marriage of Arceneaux* (1990) 51 Cal.3d 1130, 1133 [A judgment or order of a lower court is presumed to be correct on appeal; "all intendments and presumptions" are in favor of the judgment.])

The amicus is ignoring the inferences and factual resolutions, including credibility, made by the trial court in concluding the Torigians were the prevailing parties and entitled to attorney's fees.

¹⁶ Respondents' Brief at p. 35-38

A. *The Torigians pointed out that while WT Capital was saying the words, its actions were significantly different.*

WT Capital's billing statements demonstrated that it incurred \$62,051.00 in attorney's fees *before* the Torigians motion regarding the declaration of nonmonetary status was heard on April 15, 2011.¹⁷ The order granting the objection was not filed until May 15, 2011, and so if Civil Code section 2924l applied – if WT Capital seriously believed its declaration of nonmonetary status – it was not required to participate in the litigation until May 15.¹⁸ (Civ. Code 2924l, subd. (d) and (f).)

WT Capital's first appearance was a demurrer and motion to strike,¹⁹ even though these pleadings were unnecessary to invoke the protection of Civil Code section 2924l [“Upon the filing of the declaration of nonmonetary status, the time within which the trustee is required to file an answer or other responsive pleading shall be tolled for the period of time within which the opposing parties may respond to the declaration. Upon the timely service of an objection to the declaration on nonmonetary status, the trustee shall have 30 days from the date of service within which to file an answer or other responsive pleading to the complaint or cross-complaint.”] This is a far cry from only “responding to complaints”²⁰ or “merely put[ting] into issue allegations about which the trustee had no personal

¹⁷ 3 CT 501; 17 CT 3950-3963; 17 CT 4019-4028

¹⁸ 2 CT 469

¹⁹ 1 CT 101 et seq., 146 et seq.

²⁰ AOB at p. 42

knowledge.”²¹ In fact, WT Capital demurred – not only to the tort claims – but to the quiet title and declaratory relief claims.²² Why demurrer to those causes of action if its intent was “to remain neutral” “from the very beginning”?²³

WT Capital refused to stipulate to a preliminary injunction to enjoin the sale, yet inexplicably failed to respond.²⁴ WT Capital cites its failure to respond as evidence of its neutrality – but instead, its refusal to stipulate and therefore require the Torigians establish their right to a preliminary injunction against it as well as against the beneficiary, is evidence of no interest in remaining neutral, at all.²⁵

WT Capital engaged in discovery on the key issue for the equitable claims of whether the Torigians paid off the \$80,000 note Shmavonian secured against the Torigians’ property.²⁶ In addition to written discovery, WT Capital deposed the Torigians²⁷ and the initial trustee²⁸ on the deed of trust. The only purpose of deposing the initial trustee would be to discover facts pertaining to the Torigians’ claim the debt had been paid. WT Capital suggests that it was “compelled” to “participate in the litigation”²⁹ and litigate whether the note had been paid, explaining that fact was “highly

²¹ AOB at p. 42

²² 20 CT 117

²³ AOB at p. 44-45

²⁴ 18 CT 4391-4392: ¶ 8; see AOB at p. 42

²⁵ AOB at p. 42

²⁶ 18 CT 4392: ¶ 13

²⁷ 18 CT 4392: ¶ 13

²⁸ 18 CT 4392: ¶ 13

²⁹ AOB at p. 42

relevant” to the tort claims against it.³⁰ But defending the tort claims did not require WT Capital to prove the Torigians were wrong about the paid note – defending the tort claims required WT Capital demonstrate only that it was governed by a conditional privilege and that the Torigians could not prove WT Capital had acted with malice. (Civ. Code, § 47, subd. (c).)

When WT Capital responded to the operative complaint by verified answer, it asserted its 15th affirmative defense,³¹ but that was not all it did. WT Capital asserts that its answer and prayer constituted only “putting in issue those matters about which WT had little to no knowledge or which were contrary to the apparent interests of record.”³² In contrast:

- WT Capital disputed the Torigians’ claim for quiet title and denied that the Torigians’ were the 100% legal and equitable owners of the real property at issue.³³
- WT Capital denied that Shmavonian’s enforcement of the deed of trust was wrongful.³⁴
- WT Capital denied the Torigians’ rights to declaratory relief.³⁵
- In its prayer, WT Capital prayed that the Torigians receive no relief by their complaint.³⁶

³⁰ AOB at p. 45

³¹ AB at p. 13-14.

³² AOB at p. 43

³³ 4 CT 738:¶37, 822:¶37

³⁴ 4 CT 738-740:¶38, 822:¶38

³⁵ 4 CT 740-742:¶47, 823:¶47

- WT Capital also raised affirmative defenses to the Torigians’ equitable claims including, failure to state a cause of action, estoppel, laches, unclean hands, waiver and unjust enrichment.³⁷

After the Torigians’ prevailed on the first phase of the bifurcated trial on the Torigians’ legal claims, the Torigians suggested during a case management conference that the equitable claims be submitted on the record, to avoid the delay associated with an unnecessary second-phase trial, but WT Capital did not agree.³⁸ Thereafter, the Torigians asked if WT Capital would to stipulate to the equitable claims, but WT Capital refused – it insisted on a trial.³⁹ In its brief, WT Capital revises history and suggests that it appeared at the second phase trial only “reluctantly.”⁴⁰ Insisting on a trial on the equitable claims is not “remain[ing] neutral” or “agree[ing] to be bound by the court’s disposition of the non-monetary claims.”⁴¹ No wonder that – in the amicus’ words – “[n]either the lower court nor Respondents paid any attention.”⁴²

WT Capital asserts other points as evidence of its neutrality:

³⁶ 4 CT 829

³⁷ 4 CT 825-826

³⁸ 18 CT 4393: ¶15

³⁹ 18 CT 4393: ¶s 17 - 18

⁴⁰ AOB at p. 43

⁴¹ AB at p. 13-14.

⁴² AB at p. 14.

- WT Capital did not oppose the motion for relief under 473, subdivision (b).⁴³ No, it did not. It made no effort to submit evidence to disabuse the trial court or the Torigians of its litigation tactics or efforts.
- WT Capital's summary adjudication motion was limited to the monetary causes of action.⁴⁴ True, but as trustee, it would not have been successful in adjudication of the equitable claims in its favor, so no reasonable attorney would have include the equitable claims in that motion.
- WT Capital did not appear on the trial on the monetary causes of action.⁴⁵ Again, true, but it no longer had monetary claims pending against it, so why should it appear?
- The trial court found that WT Capital "did nothing wrong".⁴⁶ That is a misstatement. The trial court found that WT Capital's actions were protected by a qualified privilege, and that the Torigians did not have sufficient evidence to prove malice to avoid the privilege. ⁴⁷ In fact, the trial court found that WT Capital had aggressively, and in a non-neutral manner, litigated against the Torigians.⁴⁸

⁴³ AOB at p. 43

⁴⁴ AOB at p. 43

⁴⁵ AOB at p. 43

⁴⁶ AOB at p. 44

⁴⁷ 12 CT 2803-2804

⁴⁸ 20 CT 4949-4950

One might ask, “Why? Why would WT Capital expose itself to attorney’s fees by aggressive litigation tactics?” There is no clear answer in the record, except this: Shmavonian was in pro per.⁴⁹ If anybody was going to litigate the matter, WT Capital was the one – it had lawyers and Shmavonian did not. WT Capital certainly could have remained entirely neutral, and without inserting itself, allowed the Torigians to prove the case against Shmavonian. There is certainly no clear answer in the record as to why WT Capital did not remain neutral, or indeed, why it “bought” this litigation by substituting in as trustee when it knew the Torigians were defending the nonjudicial foreclosure.⁵⁰

Based on this record, WT Capital did not merely defend the Torigians tort claims but aggressively pursued the equitable claims, taking the position that the Torigians did not pay the underlying loan and therefore WT Capital had the right to foreclose under the power of sale clause in the deed of trust. WT Capital continuously resisted the Torigians’ rights to equitable relief. Civil Code section 2924*l* does not apply because (1) the Torigians objected to WT Capital’s declaration of nonmonetary status, and (2) WT Capital was not a neutral party in this action.

⁴⁹ See, e.g., 2 CT 398

⁵⁰ 1 CT 69 et seq.

B. *The trial court exercised its discretion and concluded the WT Capital was not neutral in its conduct of this litigation.*

The trial court, via direct calendar judge, observed WT Capital's behavior throughout the case,⁵¹ and it was within the trial court's discretion draw inferences and conclude WT Capital was not acting as a neutral, but rather was actively litigating against the Torigians. Accordingly, the court correctly awarded the Torigians' attorney's fees as prevailing parties under Civil Code section 1717. Where inferences drawn by the trial court were reasonable, it is irrelevant whether the evidence might also have supported the losing party's version of the facts. (*Nestle v. City of Santa Monica*, *supra*, 6 Cal.3d at 925-26; *In re Marriage of Arceneaux*, *supra*, 51 Cal.3d at 1133; *In re Cheryl E.* (1984) 161 Cal.App.3d 587, 598.)

III. *The attorney's fees awarded here did not arise from the tort claims (from which WT Capital was protected by conditional privilege). The fees arose from the contract—the deed of trust—and the privilege does not protect WT Capital from its failures under the contract.*

The trial court awarded the Torigians attorney's fees under Civil Code section 1717.⁵² The right to fees under section 1717 arose from the language of the deed of trust itself – the very document upon which WT Capital was resting its power to foreclose. Fees for tort claims are not subject to Civil Code section 1717. (See, e.g., *Maynard v. BTI Group* (2013) 216 Cal.App.4th 984, 993.) In fact, when the trial court evaluates a claim for fees under section 1717, the

⁵¹ 20 CT 4949-4950

⁵² 20 CT 4949-4950

statute expressly requires that the court consider the liability on the contract claims only. (*Hsu v. Abbata* (1995) 9 Cal.4th 863, 876.)

Accordingly, the tort claims against WT Capital have no bearing on the fees issue articulated by the amicus, regardless of who had won the tort claim battle. (*Ibid.* [fees awarded to the prevailing party on the contract regardless of the other, non-contract claims asserted].)

A. *The Torigians prevailed on the contract claims and as such were entitled to attorney's fees under the reciprocity provisions of section 1717. Nothing about the trustee's role suggests any different result.*

There is no question that had WT Capital prevailed on the equitable claims – if there were an outstanding debt or if the trustee sale had been proper – WT Capital would have been entitled to attorney's fees. (*Valley Bible Center v. Western Title Ins. Co.* (1983) 138 Cal.App.3d 931, 933.) The deed of trust provides for fees to the trustee or beneficiary:

To protect the security of this Deed of Trust, Trustor agrees: ...

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any action or proceeding in which Beneficiary or Trustee may appear, and in

any suit brought by Beneficiary to foreclose this Deed.⁵³

This provision has been in deeds of trust for many years. (See, e.g., *Johns v. Moore* (1959) 168 Cal.App.2d 709, 715 [language appeared in a deed of trust dated 1951].) Because of the reciprocity provision of section 1717, the Torigians were entitled to fees when they prevailed. As this court explained in *Valley Bible Center v. Western Title Ins. Co.*, *supra*, 138 Cal.App.3d at 933, “what is sauce for the goose is sauce for the gander.”

Other than as expressly provided in section 2924l, there is no recognized exception to Civil Code section 1717 for trustees:

(d) In the event that no objection is served within the 15-day objection period, the trustee shall not be required to participate any further in the action or proceeding, shall not be subject to any monetary awards as and for damages, attorney’s fees or costs, shall be required to respond to any discovery requests as a nonparty, and shall be bound by any court order relating to the subject deed of trust that is the subject of the action or proceeding.

(e) In the event of a timely objection to the declaration of nonmonetary status, the trustee shall thereafter be required to participate in the action or proceeding.

(Civ. Code, § 2924l.)

⁵³ 4 CT 773

The statute cannot be interpreted as suggesting a trustee may both actively participate in litigation and be insulated from a monetary award. Nothing in the statute suggests that trustees are immune to the reciprocal policy of Civil Code section 1717. The court must reconcile statutes and seek to avoid interpretations which would require the court to ignore one statute or the other. (*Roberts v. County of Los Angeles* (2009) 175 Cal.App.4th 474, 481 - 482.)

And nothing about immunities from *tort claims* should result in an exception to section 1717, either. The trustee in *Kachlon v. Markowitz, supra*, 168 Cal.App.4th at 351-52, attempted this argument, which was dismissed by the court there explaining:

- There is “no relationship” between section 47 privileges and attorney’s fees under section 1717 because section 47 privileges limit tort liability, and attorney’s fees are not damages, but costs of litigation;
- There is “nothing in the in the statutory scheme regulating nonjudicial foreclosure suggest[ing] a policy of immunizing trustees from liability for attorney fees,” rather, there is only a limited procedure for trustees to avoid attorney’s fee liability; and,
- The legislature created privilege from tort liability for trustees before it adopted section 2924l a mere year later. In adopting 2924l, it did not create a procedure to immunize trustees from attorney’s fee liability – it instituted only a limited procedure.

If trustees are so concerned about their liability for attorney's fees – and so fearful that enforcement of attorney's fees provisions will cause “the non-judicial foreclosure process [to] jam up, if not grind to a halt” – trustees have an easy remedy. They control the language of the deed of trust – not beneficiaries or trustors – so they could simply take the attorney's fee provision out of the deed of trust. But until they do, trustees cannot take the benefits of the contract without the burdens.

B. The trial court did not misunderstand WT Capital's role.

The amicus continues the argument asserted by WT Capital, without authority or citation to the record, that the trial court erred by failing to understand the limited role of WT Capital as the substituted trustee on the deed of trust. Generally, WT Capital's role as a trustee is irrelevant to its liability for attorney's fees under the deed of trust except as it relates to the declaration of nonmonetary status. The Torigians objected to WT Capital's declaration of nonmonetary status. WT Capital aggressively litigated even the equitable claims. WT Capital did not prevail on the equitable claims. As the losing party under the contract at issue – regardless of its role as a trustee – WT Capital was liable for attorney's fees.

While the amicus may be correct that a trustee is not the arbiter of the dispute,⁵⁴ the trustee certainly must remain neutral to avail itself of section 2924l because to do otherwise demonstrates

⁵⁴ AB at p. 5

“that its objectives were not limited to defending against the damage claims.” (*Kachlon v. Markowitz, supra*, 168 Cal.App.4th at 350.) The amicus does not seem to disagree with that notion – its argument is premised on the notion that WT Capital was neutral, but as demonstrated above, the amicus is mistaken. But, further, the amicus’ claim that the trustee had no right and was not equipped to investigate is misplaced for three reasons.

First, WT Capital was not the trustee at the time it was informed of the dispute – Chicago Title was the trustee.⁵⁵ WT Capital was merely Shmavonian’s agent until the substitution of trustee was recorded. The substitution was recorded after Debra Berg (the Senior Vice President of WT Capital) met with Andre Torigian and understood his claims, and after she had received correspondence from Mr. Torigian’s counsel further explaining his claims.⁵⁶ Berg and WT Capital certainly could have refused to do business with Shmavonian under the circumstances, and direct him to the current trustee, but they did not. Instead Berg substituted her firm in as trustee after hearing of the dispute.⁵⁷

Second, the agent certainly had opportunities to, and a right to, investigate before it took on a disputed claim and substituted into a matter that it could be reasonably certain would result in litigation. The amicus’ claims that requiring investigation in this factual scenario would result in the “non-judicial foreclosure process []

⁵⁵ 1 CT 52; 5 CT 1114

⁵⁶ 1 CT 69 et seq.

⁵⁷ 1 CT 69 et seq.; 5 CT 1114

jam[ming] up, if not grind[ing] to a halt” but that is not true. Again, the amicus assumes facts. No agent is forced to serve as a trustee. And an agent refusing to serve as a trustee when the facts suggest the agent would be buying litigation will not bring nonjudicial foreclosures to a halt.

Third, even if WT Capital had been the trustee at the time, there were things it could do. The amicus cites no authority that a trustee can lawfully pursue a foreclosure on a paid note, even if instructed to do so by the beneficiary. (See, *Munger v. Moore* (1970) 11 Cal.App.3d 1, 8 [trustee liable for refusing to accept trustor’s tender and pursuing wrongful foreclosure on advice of beneficiary].)

Understanding there was a bona fide dispute regarding payment on the underlying loan, WT Capital could have suspended the nonjudicial foreclosure proceedings under Civil Code section 2924g, subdivision (c)(1)(D). Alternatively, WT Capital could have commenced an action for declaratory relief, to determine its rights to foreclose under the deed of trust. Instead, WT Capital took further steps to align itself with the beneficiary, notice a trustee sale,⁵⁸ and execute and record a substitution of trustee.⁵⁹

Conclusion

The amicus curiae’s brief offers little to assist the court because it fails to recognize that, when considering issues of fact, this court must view facts most favorably to the prevailing party,

⁵⁸ 4 CT 801

⁵⁹ 1 CT 130

accept those findings of the trial court based on credibility, and resolve all inferences and conflicts in favor of the Torigians. The factual predicate of the amicus' position simply does not exist.

Additionally, there is no basis for the claim that trustees should be treated differently than other parties to a contract for the purposes of section 1717.

Dated: January 20, 2015

Respectfully submitted,

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Certificate of Word Count

I hereby certify that this brief contains 4,493 words as counted by the Microsoft Word word-processing software. This word count is exclusive of the Table of Contents, Table of Authorities, and this certificate, but inclusive of all footnotes.

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Connie M. Parker
Connie M. Parker

Case No. F068393

PROOF OF SERVICE

I am employed in the County of Fresno, State of California. I am over the age of eighteen years and not a party to the within action; my business address is 5260 N. Palm Avenue, Suite 201, Fresno, CA 93704. My email address is kcass@kleinlaw.com.

On January 20, 2015, I served the following document(s) described as:

Respondents' Answer to Amicus Brief

on the interested parties in this action by placing a copy thereof enclosed in sealed envelopes addressed as follows:

See Attached Service List

BY MAIL I enclosed such document in sealed envelope(s) with the name(s) and address(s) of the person(s) served as shown on the envelope(s) and caused such envelope(s) to be deposited in the mail at Fresno, California. The envelope(s) was/were mailed with postage thereon fully prepaid. I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion of party, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

BY ELECTRONIC SUBMISSION Pursuant to the Court's e-submission page <http://www.courts.ca.gov/17037.htm>.

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on **January 20, 2015**, at Fresno, California.



Kelley Cass

SERVICE LIST

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<p>Superior Court of California County of Fresno 1100 Van Ness Avenue Fresno, CA 93724-0002</p>	<p>California Supreme Court via the Court's eSubmission website</p>