1 Debby S. Doitch, Esq. (SBN 266731) DDoitch@kjmlaw.com 2 Andrew D. Nutbrown, Esq. (SBN 343702) ANutbrown@kjmlaw.com 3 **KJMLAW PARTNERS** A Professional Law Corporation 301 East Colorado Boulevard, Suite 600 Pasadena, CA 91101 5 626-568-9300 Tel: 626-568-9374 Fax: 6 Attorneys for Defendants, 7 GEORGE BUSHALA, SR. and SYLVIA BUSHALA 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 FOR THE COUNTY OF ORANGE 10 ALBERT BUSHALA, an individual, CASE NO. 30-2024-01430906-CU-NP-CJC 11 Plaintiff, NOTICE OF DEMURRER AND 12 **DEMURRER OF DEFENDANTS** ٧. GEORGE BUSHALA, SR. AND 13 SALMA BUSHALA-HAMUD, et. al. SYLVIA BUSHALA TO FIRST AMENDED COMPLAINT 14 Defendants. [Filed concurrently with Request for 15 Judicial Notice and Declaration of Andrew D. Nutbrown] 16 Date: September 15, 2025 17 Time: 9:00 A.M. Dept: C11 18 Reservation ID: 74539562 19 20 TO THIS HONORABLE COURT, PLAINTIFF, AND HIS ATTORNEYS OF RECORD 21 HEREIN: 22 PLEASE TAKE NOTICE THAT on September 15, 2025 at 9 a.m. or soon thereafter 23 as this matter may be heard, in Dept C11 of the above-entitled court, located at 700 West 24 Civic Center Drive, Santa Ana, California 92701, Defendants GEORGE BUSHALA, SR. 25 and SYLVIA BUSHALA ("Defendants") will, and hereby do demurrer to the First Amended 26 Complaint ("Complaint") filed on February 5, 2025 by Plaintiff ALBERT BUSHALA KJMILAW 27 ("Plaintiff"). 28 This Demurrer is made pursuant to California Code of Civil Procedure Section - 1 -NOTICE OF DEMURRER AND DEMURRER OF DEFENDANTS GEORGE BUSHALA,

SR. AND SYLVIA BUSHALA TO FIRST AMENDED COMPLAINT

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430.10(e) and (f) on the grounds that the Complaint does not state facts sufficient to 1 2 constitute causes of action against Defendants, as is uncertain as it is ambiguous and 3 unintelligible. 4 This Demurrer will be based on this Notice of Demurrer and Demurrer, the 5 accompanying memorandum of points and authorities, the records and pleadings on file in 6 this matter, and upon such oral and documentary evidence as may be presented at the 7 hearing on this Demurrer. 8 9 Dated: April 17, 2025 10 11 By: 12 13 SYLVIA BUSHALA 14 15 16 17 18 19 20 21 22 23 24 25 26 KJM|LAW 27 28

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KJMLAW PARTNERS, PLC

Debby S. Doitch, Esq. Andrew D. Nutbrown, Esq. Attorneys for Defendants, GEORGE BUSHALA, SR. and

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DEMURRER

Defendants GEORGE BUSHALA, SR. and SYLVIA BUSHALA ("Defendants") demurrer to the Complaint for (1) Failure to Pay on Promissory Note; (2) Fraud; and, (3) Negligent Representation (the "Complaint") of Plaintiff Cyndi Langendoen ("Plaintiff") and all causes of actions set forth therein. Specifically, Defendant demurrers to the First, Second, and Third causes of action set forth in the Complaint on the following grounds:

DEMURRER TO COMPLAINT IN ITS ENTIRETY

 The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous.
 Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO FIRST CAUSE OF ACTION

2. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO SECOND CAUSE OF ACTION

3. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO THIRD CAUSE OF ACTION

4. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO FOURTH CAUSE OF ACTION

5. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO FIFTH CAUSE OF ACTION

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6. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO SIXTH CAUSE OF ACTION

7. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO SEVENTH CAUSE OF ACTION

8. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO EIGHTH CAUSE OF ACTION

9. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO NINTH CAUSE OF ACTION

10. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

DEMURRER TO TENTH CAUSE OF ACTION

11. The Complaint fails to state facts sufficient to constitute a cause of action against Defendant, and the Complaint is uncertain as it is unintelligible and ambiguous. Cal. Code Civ. Proc. §§ 430.10 (e), and (f).

WHEREFORE, Defendants respectfully request:

- 1. That the Demurrer to the Complaint in its entirety be sustained without leave to amend;
- 2. That the Demurrer to the first cause of action be sustained without leave to amend;

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION.

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This action commenced by Plaintiff Albert Bushala ("Plaintiff") is a blatant attempt to prematurely contest his parents' estate plan while they remain alive. Rather than commencing proper proceedings under California Probate Code Section 17200 et seq. to dispute the trusts established by his parents, Plaintiff has manufactured claims based on a

standing in such proceedings. Both Plaintiff's original complaint filed on October 2, 2024 (the "Complaint") and the First Amended Complaint filed on February 5, 2025 (the "FAC")

purported oral partnership agreement in a clear effort to circumvent his current lack of

allege a series of objectively frivolous claims against:

- Plaintiff's parents and Moving Parties, George Bushala Sr. ("George Sr.") and Sylvia Bushala ("Sylvia") (collectively the "Bushala Parents");
- b. Plaintiff's siblings, Salma Bushala-Hamud ("Salma"), George Bushala Jr. ("George Jr."), and Anthony Bushala ("Anthony");
- c. The trust defendants which are the various trusts established by the Bushala Parents pursuant to their estate planning, and under which Plaintiff does not have any beneficial interest; and,
- d. Various corporations and limited liability companies established as part of the Bushala Parents' estate plan by Plaintiff's family members (collectively the "Defendants").

In the FAC, Plaintiff alleged that the assets held by the above defendants are actually the property of a partnership (the "Family Partnership") established by an oral agreement between George Sr., and his sons, George Jr, Anthony, and Plaintiff (the "Partnership Agreement"). *FAC* ¶¶ 2, 31. The purported Partnership Agreement provides that upon George Sr.'s passing, the assets would be divided evenly between his three sons, to the exclusion of his wife and daughter. Plaintiff asserts that George Sr. breached and repudiated the Partnership Agreement, and, although George Sr. is very much alive, Plaintiff seeks one-third (1/3rd) of the partnership assets. *FAC*, Prayer For Relief. Conveniently absent from Plaintiff's list of partnership assets, are the real properties the Bushala Parents gifted Plaintiff in trust. In commencing this proceeding, Plaintiff has

breached their trust under all definitions of such terms.

The Family Partnership is a work of fiction aimed at usurping the autonomy of Plaintiff's parents and overriding their wishes in how their assets are to be distributed following their passing. The Partnership Agreement is entirely inconsistent with each and every iteration of the Bushala Parents' estate plan throughout the entirety of their lifetimes. This blatant inconsistency is depicted in numerous property records subject to judicial notice depicting that the purported partnership assets were the Bushala Parents' community property during the relevant period and were subject to disposition inconsistent with the terms of the alleged contract.

The flagrant disregard for the truth is depicted in Plaintiff's allegation in the original Complaint that the Partnership Agreement was entered into "50+ years ago", at which time Plaintiff would be, at most, *fourteen (14) years old.* See Complaint. The notion that George Sr. entered into a binding oral contract with a minor child governing the disposition of nearly the entirety of his (and his wife's) assets is not only objectively absurd, but also any such contact would be invalid as Plaintiff lacked contractual capacity at such age. *Cal. Fam. Code* §6701. In the FAC, Plaintiff updates the timing such that the oral Partnership Agreement was entered into "45 plus years" ago, in or around 1980. *FAC* ¶¶ 31, 65, 74. The allegations pertaining to the Family Partnership Agreement purportedly entered into in 1980, or some time more than 50 years ago depending on which complaint is reviewed, are precisely the kind of fraudulent allegations of a contract the Legislature was seeking to bar under the statute of frauds.

There are clear and incurable defects on the face of the Complaint. First and foremost, even if Plaintiff's allegations were true, the limitation period for each cause of action has long since expired as evidenced by recorded documents subject to judicial notice. In addition, the alleged terms of the Partnership Agreement explicitly violates the statute of frauds. As these defects are evident on the face of the FAC, and cannot be cured by amendment, the Court must sustain the demurrer in its entirety without leave to amend.

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II. ALLEGATIONS OF THE COMPLAINT.

Plaintiff includes the following ten (10) causes of action in the FAC against each defendant; namely: (1) Declaratory Relief; (2) Breach of Partnership Agreement; (3) Breach of Implied Covenant of Good Faith and Fair Dealing; (4) Breach of Fiduciary Duty; (5) Aiding and Abetting Breach of Fiduciary Duty; (6) Conversion; (7) Violation of Penal Code (8) Accounting; (9) Constructive Trust; and (10) Dissolution of Partnership. Each and every cause of action in the FAC is predicated on an allegation that there was an oral partnership agreement between Plaintiff, his brothers, and his father. *FAC*, ¶¶ 61, 65, 70, 75, 80, 86, 94, 97, 100, 104. Plaintiff alleged that the Partnership Agreement has the following terms:

- The father and the three sons are partners in business;
- Each son would devote substantial time and energy to the business of the Family Partnership;
- On paper, the assets of the Family Partnership real estate, bank accounts, and investment portfolios ("Partnership Assets") – could be held for convenience in the names of any of the individual partners or companies they owned;
- Regardless of the individual name or company on title, those assets belonged to the Family Partnership, which was and is, in turn, owned by the three sons, one third each;
- Regardless of the individual name or company on title, during the father's lifetime, the father would control all of the Partnership Assets for the benefit of the Family Partnership;
- The Family Partnership could be wound up at any time upon the agreement of all of the partners;
- The Family Partnership would cease to exist upon the death of the father, George, Sr.; and
- Upon the father's death, the Partnership Assets would be divided evenly between the three sons, George Jr., Anthony, and Plaintiff. FAC ¶2,31.

According to Plaintiff, George Sr. has no property interest in the assets of the Family Partnership, as the partnership "was and is, in turn, owned by the three sons, one third each." FAC ¶2, 31.

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The alleged Partnership Agreement violates the explicit provisions of the statute of frauds. In particular, it is impossible for the Partnership Agreement to be performed within the lifetime of George Sr., the promissor, and therefore there is a requirement that any such contract be in writing under California Civil Code Section 1624(a)(5). Cal Civ. Code §1624(a)(5). Furthermore, the Partnership Agreement involves an agreement for the interest of real property. Cal. Civ. Code §1624(a)(3). If the Partnership Agreement is invalid, there is no contractual breach, no interest requiring declaratory relief, no implied covenant of good faith, no fiduciary duties owed, no aiding and abetting, no property to convert, and not assets to account for. Based on the above, and as will be discussed further, the allegations of the FAC are insufficient and fail to set forth any cause of action. As such, the Court should sustain the demurrer in its entirety.

III. STANDARD OF REVIEW.

A demurrer lies where the pleading does not allege facts sufficient to constitute a cause of action. Cal. Code Civ. Proc. §430.109(e). In a demurrer, the Court evaluates whether there are defects that appear on the face of the pleading or from matters that are judicially noticeable. Blank v. Kirwan (1985) 39 Cal. 3d 311, 318. The face of the pleading includes matters shown in exhibits attached to the pleading and incorporated by reference. Frants v. Blackwell (1987) 189 Cal. App. 3d 91, 94.

A demurrer should be sustained if the allegations of a pleading are not factual and specific, but are instead vague or conclusory. Cooper v. Equity Gen. Insurance (1990) 219 Cal. App. 3d 1252. Although the Court must assume the truth of all well-pleaded facts, it does not assume the truth of contentions, deductions or conclusions. Blank v. Kirwan (1985) 39 Cal. 3d 311, 318. A plaintiff should not be granted leave to amend unless there is a reasonable probability that the defect can be cured by amendment. The burden of establishing that probability is on the plaintiff. *Id.*

Furthermore, a demurrer to a pleading may also be based on the grounds that the pleading is uncertain, in that the pleading is ambiguous and unintelligible. Cal Code Civ.

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As discussed further below, the FAC fails to state a cause of action for any of the claims in the FAC. In particular, there are explicit allegations establishing that the purported oral Partnership Agreement includes provisions that violate both the statute of limitations and the statute of frauds. Plaintiff cannot meet his burden to establish a reasonable probability to cure this patent defect as the violations of the Statute of Frauds and Statute of Limitations are present on the face of both the Complaint and the FAC.

Moreover, even if the Statute of Frauds or Statute of Limitations, Plaintiff still fails to state any cause of action because the FAC is uncertain.

Therefore, the Court should sustain the demurrer to each cause of action without leave to amend.

IV. ALL CAUSES OF ACTION IN THE OPERATIVE COMPLAINT ARE BARRED BY THE STATUTE OF LIMITATIONS.

The applicable statute of limitations for each and every cause of action has long since expired. The defects in this regard are incapable of cure. The applicable limitation periods for each of Plaintiff's causes of action are identified below:

- 1. Breach of Contract: A two (2) year limitation period applies for a cause of action for breach of an oral contract. Cal. Code Civ. Proc § 339.
- 2. Breach of Implied Covenant of Good Faith and Fair Dealing. As a claim for the breach of a covenant of good faith and fair dealing rests on an implied contractual promise, the same two (2) year limitation period applicable to the underlying breach of contract claim applies.

Cal. Code Civ. Proc. §339; see also Love v. Fire ins. Exchange (1990) 221 Cal.App.3d 1136.

- 3. <u>Conversion.</u> The statute of limitations for a claim of conversion is three (3) years from the act of conversion. *Cal. Code Civ. Proc.* §338 (c)(1) see also *Pearce v. Briggs* (2021) 68 Cal.App.5th 466.
- 4. <u>Breach of Fiduciary Duty.</u> The statute of limitations for breach of fiduciary duty is three (3) years or four (4) years, depending on whether the breach is fraudulent or not. *American Master Lease LLC v. Idanta Partners, Ltd.* (2014) 225 Cal.App.4th 1451, 1479.
- 5. <u>Violation of Penal Code §496(c)</u>. The applicable statute of limitations for a violation of *California Penal Code* Section 496 *et seq.* is three (3) years. *Cal. Penal Code* §801.

An action for declaratory relief is subject to the same statute of limitations as the underlying claim to which it relates. *Mangini v. Aerojet-General Corp.* (1991) 230 Cal.App.3d 1125; see also *Bank of New York Mellon v. Citibank, N.A.* (2017) 8 Cal. App. 5th 935. Similarly, proceedings seeking the imposition of a constructive trust or for an accounting from a fiduciary are subject to the statute of limitations governing the nature of the underlying wrong. *Glue-Fold, Inc. v. Slautterback Corp.* (2000) 82 Cal. App. 4th 1018. As, such, those causes of action are subject to the same statute of limitations as the causes of action identified above.

A properly recorded conveyance of real property serves as constructive notice of its contents to all subsequent pruchasers and encumbrances. Civ. Code § 1213.

Based on the allegations in the FAC and documents and information subject to judicial notice, it is evident that even if Plaintiff's absurd allegations in the FAC were true, all statute of limitation periods for each cause of action have long since expired.

Plaintiff alleges that George, Sr. and his three sons were the sole partners in the Family Partnership, and that,

"on paper, the assets of the Family Partnership - real estate, bank accounts, and investment portfolios (the "Partnership Assets") - could be held for convenience in the names of any of the individual partners or companies they owned." FAC,¶2, 31.

Moreover, Plaintiff alleges that Sylvia, George, Sr.'s wife of over seventy (70) years, was never a part of the Family Partnership. FAC, ¶ 32. Plaintiff further alleges that George

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KJM|LAW 27 **PARTNERS** 28 Jr. repudiated the Family Partnership through transferring the assets of the partnership in violation of the Partnership Agreement, FAC, ¶ 43. These inconsistent or, as Plaintiff puts it, "secret," transfers form the basis for the purported breach of the Partnership Agreement and repudiation of the Family Partnership. Each and every cause of action against the Bushala Parents are predicated on the violation of the Partnership Agreement. As further explained below, the documents subject to judicial notice establish that any cause of action based on the repudiation of the Partnership Agreement and the "secret" transfers have long since been barred by the applicable statute of limitations.

For instance, Plaintiff puts particular emphasis on the property commonly known as 3535 Cahuenga Boulevard, Los Angeles, California 90068 (the "Cahuenga Property"). Plaintiff describes the property as a "trophy property" as an asset of the Family Partnership, FAC, ¶43 and 61. In this regard, the Cahuenga Property is the only property in which Plaintiff filed and recorded a notice of pendency of action. The recorded property records for this property establish the following history of transactions contradicting the existence of the Family Partnership, and establish that any statute of limitations has long since expired:

- 1. On November 21, 1991, the Cahuenga Property was originally purchased by George Sr. and Sylvia as joint tenants on November 21, 1991 by grant deed recorded as instrument number 911848600. See Request for Judicial Notice, Exhibit A.
- 2. On April 1, 2003 the Cahuenga Property was then transferred to the Trust, with **George Sr. and Sylvia** as trustees, by grant deed recorded as instrument number 031957950. See Request for Judicial Notice, Exhibit B.
- 3. On June 16, 2006 George Sr. and Sylvia, as trustees, transferred the Cahuenga Property from the Trust to G & S Bushala, LLC by grant deed recorded as instrument number 061572470. See Request for Judicial Notice. Exhibit C.
- On October 18, 2006 G & S Bushala, LLC transfers the Cahuenga 4. Property to the Trust by deed recorded as instrument number 20070062250. The deed identifies both *George Jr. and Sylvia* signing

as managers of G & S Bushala, LLC. See Request for Judicial Notice, Exhibit D.

- 5. On October 18, 2006 the Trust transfers the Cahuenga Property to ACB II, LLC by grant deed recorded as instrument number 062863152. See Request for Judicial Notice, Exhibit E.
- On June 6, 2008 ACB II, LLC transfers the Cahuenga Property to the Trust by grant deed recorded as instrument number 20081888555.
 Again, both <u>George Sr. and Sylvia</u> are identified as managers of the entity. See Request for Judicial Notice, Exhibit F.
- 7. On December 30, 2012 the Trust then conveyed the Cahuenga Property to *George Sr. and Sylvia as community property, with right of survivorship* by grant deed recorded as instrument number 20130135883. See Request for Judicial Notice, Exhibit G.
- 8. On December 30, 2012 George Sr. and Sylvia convey the Cahuenga Property to Defendant SBH Cahuenga, LLC by grant deed recorded as instrument number 20130170987. See Request for Judicial Notice, Exhibit H.

The recorded instruments, subject to judicial notice, establish that the Cahuenga Property has been held, managed and transferred in a manner entirely inconsistent with the terms of the purported Partnership Agreement for well over thirty (30) years. Apart from depicting the clear falsity and fraudulent nature of Plaintiff's allegations in the FAC, the property records demonstrate that George Sr. engaged in acts that breached and repudiated the terms of the Partnership Agreement decades ago, and that Albert had constructive notice of all such activity through the public recordation of the deeds.

In particular, the Partnership Agreement provides that the Partnership Assets could be held in the names of any of the individual partners or companies they owned. *FAC*, ¶¶ 2 and 31. Sylvia is not a partner to the Family Partnership. *FAC*, ¶ 32. Moreover, the Partnership Agreement provides that upon George Sr.'s death, the Partnership Assets, including the Cahuenga Property, would be divided evenly between Plaintiff, George, Jr. and Anthony. *FAC*, ¶¶ 2, 31, 43. All of these terms are violated through the recordation of the deeds.

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First, the property records establish that the Cahuenga Property was purchased with Sylvia on title with right of survivorship in violation of (1) the term requiring one of the partners or their companies to hold title, and (2) the term that following George Sr.'s passing, the property was to be divided evenly among the sons.

Second, each and every entity depicted in the recorded deeds identified Sylvia as a manager, which is inconsistent with the allegations in the FAC.

Third, the deeds, particularly the deeds dated December 30, 2012, established that Sylvia acquired a community property interest in the Cahuenga Property in violation of the Partnership Agreement. Moreover, the deed conveying the Cahuenga Property to SBH Cahuenga, LLC provided as follows: "this conveyance changes the manner in which title is held, grantor(s) and grantee(s) remain the same and continue to hold the same proportionate interest, R&T 11911." Request for Judicial Notice, Exhibit H. As such, both George Sr. and Sylvia recorded an instrument explicitly stating that the Cahuenga Property was being transferred into a limited liability company in which both George Sr. and Sylvia had a proportional interest in. This deed is a notarized public instrument incorporating statements that explicitly violate the terms of the supposed oral contract that claim Sylvia was not a partner to the purported Partnership Agreement. Similarly, Plaintiff's allegation that Salma acquired title to the Bushala Parents' principal residence conflicts with the deed recorded in 2012 establishing that the Bushala Parents' conveyed their principal residence to irrevocable trusts as a gift over twelve (12) years ago. Request for Judicial Notice, Exhibit I. As the relevant transactions involving these properties took place well over a decade ago, all applicable limitation periods pertaining to any claim by Plaintiff in challenging the validity of the deeds have long since expired.

According to the FAC, Plaintiff was fully involved in the business of the Partnership including but not limited to managing tenant relations and leases, maintaining records related to the partnership properties, and marketed properties. See FAC, ¶ 34. Due to this purported extensive involvement, the purported repudiation of the Partnership Agreement

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through the real property transactions was reasonably discoverable. In this regard, reviewing any one of the Cahuenga Property deeds at any point since it was acquired in 1991 would have revealed the purported repudiation of the Partnership Agreement. In any event, Plaintiff had constructive notice due to the public recording of such deeds. Plaintiff cannot now, over thirty (30) years later, seek to enforce claims based on the repudiation of the Partnership Agreement. Therefore, all of Plaintiff's claims are barred by the applicable statute of limitations and the Court should sustain the demurrer in its entirety.

V. PLAINTIFF FAILS TO STATE ANY CAUSE OF ACTION.

Each and every cause of action asserted by Plaintiff is predicated on the existence of a contract establishing the purported Family Partnership between George Sr. and his sons. Absent a valid contract, all of Plaintiff's claims fail.

A. <u>The Alleged Oral Partnership Agreement Is Invalid As It Violates The Statute of Frauds</u>

A contract subject to the statute of frauds is invalid unless it is memorialized by a writing subscribed by the party to be charged or by the party's agent. Secrest v. Security Nat'l Mortgage Loan Trust 2002-2 (2008) 167 Cal. App. 4th 544, 552. A demurrer may be sustained when the alleged contract falls within the statute of frauds and does not comply with its requirements. Westside Estate Agency, Inc. v. Randall (2016) 6 Cal.App.5th 317. California Civil Code Section 1624 provides in pertinent part as follows:

"The following contracts are invalid, unless they, or some note or memorandum thereof, are in writing and subscribed by the party to be charged or by the party's agent:....

- (3) An agreement for the leasing for a longer period than one year, or for the sale of real property, or of an interest therein; such an agreement, if made by an agent of the party sought to be charged, is invalid, unless the authority of the agent is in writing, subscribed by the party sought to be charged.....
- (5) An agreement that by its terms is not to be performed during the lifetime of the promisor [emphasis added]. *Cal. Civ. Code* §1624(a).

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An oral agreement to will property is unenforceable and conflicts with the statute of frauds. *Morton v. Angst* (1918) 36 Cal. App. 644; see also *Halloran v. Greene* (1931) 114 Cal. App. 685.

Plaintiff alleges George Sr. promised that "during the father's lifetime, the father would control all of the Partnership Assets" and "upon the father's death, the Partnership Assets would be divided evenly between the three sons." *FAC*, ¶ 2, 61. This necessarily requires that performance must occur after the lifetime of the promisor, George Sr. Therefore, the contract is invalid under the unambiguous provisions of *California Civil Code* Section 1624.

An agreement for the interest in a real property is squarely within the statute of frauds. *Reeder v. Specialized Loan Servicing, LLC* (2020) 52 Cal. App. 5th 795. An agreement to devise real property in consideration for the advancement of funds and making improvements to such real property is subject to the written requirements under *California Civil Code* Section 1624(a). Here, Plaintiff alleges that the Partnership Assets include several real properties identified in the FAC. *See FAC*, ¶ 61. As part of the terms of the Partnership Agreement, the partnership assets, including the real properties identified, "would be divided evenly between the three sons." This necessarily involves an agreement to transfer the real properties forming the partnership assets.

Moreover, Plaintiff alleges that he, through the Partnership Agreement, has an interest in multiple real estate regardless of the individual name or company on title of the property. FAC ¶ 2, 31. Plaintiff has not alleged any facts showing that there is some writing, even outside the oral agreement, memorializing this. Therefore, the Partnership Agreement violates the statute of frauds by its terms and therefore is void. Following meet and confer efforts, Plaintiff included amended allegations in an attempt to evade the explicit violation of the statute of frauds. As discussed below, irrespective of sham pleading rules, none of the amendments change the application of the statute of frauds. As such, the demurrers should be sustained without leave to amend.

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B. The Amendments Do Not Cure The Patent Violation Of The Statute Of Frauds

Plaintiff, in recognizing his manufacturing of a claim blatantly violated the Statute of Frauds in the original complaint, seeks to cure such defect by including two new terms to the purported oral agreement; namely:

- "The Family Partnership could be wound up at any time upon the agreement of all the partners;" and
- 2. "The Family Partnership would cease to exist upon the death of the father, George, Sr." See FAC, ¶2 and 31.

Even if true, none of these changes to the FAC have any impact on the application of statute of frauds, and therefore the Partnership Agreement is void.

1. <u>An Agreement To Agree Has No Impact On The Application Of The Statute Of Frauds.</u>

The allegation that a term of the Partnership Agreement included "The Family Partnership could be wound up at any time upon the agreement of all the partners" is not an enforceable contractual obligation and does not modify the existing terms of the purported contract.

An agreement to agree is not a contract. Such a provision is unenforceable under California law. *Bustamante v. Inuit, Inc.* (2006) 141 Cal. App. 4th 199. This is well established both statutorily in California and at common law. The consent of the parties to a contract must be free, mutual and communicated by each to the other. *Cal. Civ. Code* §1565. Consent is not mutual, unless the parties all agree upon the same thing in the same sense. *Cal. Civ. Code* §1580. Mutual consent is determined under an objective standard. *Alexander v. Codemasters Group Limited* (2002) 104 Cal.App.4th 129. Where a contract is so uncertain and indefinite that the intention of the parties cannot be ascertained, the contract is void and unenforceable. *Cal. Lettuce Growers v. Union* Sugar Co. (1955) 45 Cal.2d 474, 481. A contract is only enforceable if it is sufficiently definite for the court to ascertain the parties' obligations and to determine whether those obligations have been

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performed or breached. Bustamante v. Inuit, Inc. (2006) 141 Cal. App. 4th 199; see also Weddington Productions, Inc. v. Flick (1998) 60 Cal. App. 4th 811. "There is no contract where the objective manifestations of intent demonstrate that the parties chose not to bind themselves until a subsequent agreement was made." Rennick v. O.P.T.O.N. Care, Inc. (1996) 77 F.3d 309, 316; see also Bustamante v. Intuit, Inc. (2006) 141 Cal.App.4th 199.

2. A Term That The Family Partnership Ceases To Exist Following George Sr.'s Passing Does Not Impact The Application Of The Statute Of Frauds.

The allegation that the Family Partnership ceases to exist following George Sr's passing does nothing to cure the defect. First, it requires George Sr.--through his estate, entities, and trusts holding title to the assets--to cause his sons to receive all assets held in the purported Family Partnership following his passing. This postmortem performance is necessary because under the terms, "during the father's lifetime, the father would control all of the Partnership Assets." As it is impossible to divide the assets following death during George Sr.'s life given that he is controlling all of the partnership assets during that period, the promissor necessarily cannot perform during his lifetime and the contract is therefore void. As such, the Court should sustain the demurrer without leave to amend given the impossibility of curing this defect.

C. Plaintiff Fails To Allege An Exchange Of Valuable Consideration Based On The Purported Terms Of The Contract

In addition to the statute of frauds, there is no enforceable contract due to the lack of valuable consideration under the purported terms of the Partnership Agreement. It is essential tot he existence of a contract that there be a sufficient cause or consideration. Cal. Civ. Code §1550.

Good consideration is defined under California Civil Code Section 1605 as "any benefit conferred, or agreed to be conferred, upon the promissor, by any other person, to which the promissor is not lawfully entitled, or any prejudice suffered, or agreed to be suffered, by such person, other than such as he is at the time of

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consent lawfully bound to suffer, as an inducement tot he promissor, is a good consideration for a promise." Cal. Civ. Code §1605.

When promises are exchanged as consideration, the promises must be mutual in obligation. *Mattei v. Hopper* (1958) 51 Cal. 2d 119. Therefore, an agreement where only one party provides valuable consideration, the agreement is not an enforceable contract.

Plaintiff fails to proffer valuable consideration in exchange for George Sr.'s performance under the Partnership Agreement. According to Plaintiff's allegations, regardless of how title to the Partnership assets are held, the assets are "owned by the three sons, one third each." *FAC*, ¶ 2. Notably, George Sr., according to Plaintiff, has no ownership interest in the assets and therefore no benefit from the contract. Therefore, there is no valuable consideration provided to George Sr. in exchange for his services in managing the assets during his lifetime. The contract is vague and ambiguous such that it is left to the Court and Defendants to surmise what valuable consideration is being provided to George Sr. In this regard, the Court should sustain the demurrer based on this uncertainty.

D. <u>The Partnership Agreement Is Unenforceable As The Assets Are George</u> <u>Sr. And Sylvia's Community Property.</u>

In addition, all property, real or personal, wherever situated, acquired during the marriage is community property. *Cal. Fam. Code* §760. Nothing in the FAC is alleged to alter this general presumption. As such, George Sr. was not at liberty to hold the Partnership assets pursuant to the purported Partnership Agreement that excludes Sylvia, as she has a community property interest in such assets. A transmutation of real or personal property is not valid unless made in writing. *Cal. Fam. Code* §852. Thus, George Sr. was incapable through an oral contract of unilaterally terminating Sylvia's property rights. As such, the contract is unenforceable and the demurrer should be sustained in its entirety.

E. According To Plaintiff's Allegations, He Has No Ability To Unilaterally Dissolve The Partnership Or Receive Distributions.

Plaintiff alleges that the Partnership assets are to be controlled by George Sr. during his lifetime regardless of what entity holds title to the assets of the Family Partnership. Although the Family Partnership could be wound up at any time upon the agreement of all partners, there is no allegation that such agreement was entered into. Moreover, Plaintiff's right to receive the assets of the Family Partnership is not until George Sr.'s passing, who remains alive. It is therefore entirely unclear on what basis Plaintiff is entitled to receive any portion of the Partnership Assets in question. The Court should therefore sustain the demurrer on that basis.

VI. PLAINTIFF HAS NOT STATED SUFFICIENT FACTS AS TO ALL CAUSES OF ACTION IN THE FAC.

Even if the Court were to not consider the statute of frauds issue, there are still many other issues with the FAC. These issues include 1) the terms of the partnership agreement are uncertain, 2) the lack of specificity of facts to put Defendants on notice of the claims, 3) the request for dissolution of partnership is unripe.

A. All Causes Of Action Are Uncertain.

A demurrer for uncertainty, Code of Civil Procedure section 430.10(f), is disfavored and will only be sustained where the pleading is so bad that defendant cannot reasonably respond—i.e., cannot reasonably determine what issues must be admitted or denied, or what counts or claims are directed against him/her. *Khoury v. Maly's of Calif., Inc.* (1993) 14 Cal.App.4th 612, 616.

Here, Defendants cannot determine what issues must be admitted or denied, nor what counts and claims are directed against them.

The FAC states that the terms of the alleged Partnership Agreement included:

The father and the three sons are partners in business;

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 Each son would devote substantial time and energy to the business of the Family Partnership;

- On paper, the assets of the Family Partnership real estate, bank accounts, and investment portfolios ("Partnership Assets") – could be held for convenience in the names of any of the individual partners or companies they owned;
- Regardless of the individual name or company on title, those assets would belong to the Family Partnership, which was and is, in turn, owned by the three sons, one third each;
- Regardless of the individual name or company on title, during the father's lifetime, the father would control all of the Partnership Assets for the benefit of the Family Partnership;
- The Family Partnership could be wound up at any time upon the agreement of all of the partners;
- The Family Partnership would cease to exist upon the death of the father, George, Sr.;
- Upon the father's death, the Partnership Assets would be divided evenly between the three sons, George Jr., Anthony, and Albert. FAC ¶¶ 2, 31.

Plaintiff does not define what devoting "substantial time and energy to the business" means. Nor does Plaintiff explain how the assets of the Partnership could be held in the names of any individual parts or companies they owned. What would distinguish such supposed Partnership property from each individual brother's separate property? Without certainty as to the terms of the Partnership Agreement, the court cannot issue any declaratory relief as to the existence of the Partnership Agreement. Wilson & Wilson v. City Council of Redwood City (2011) 191 Cal. App. 4th 1559, 1582. (the court may sustain a demurrer to a declaratory relief claim if the controversy is not "justiciable"). Without the existence of an enforceable agreement, all the other causes of action fail.

Thus, the Court should sustain the demurrers based on uncertainty.

B. Fraud Claims Need To Be Pled With Specificity, Which The FAC Fails To Do

Fraud actions are subject to strict requirements of particularity in pleading. *Goldrich v. National Y Surgical Specialties, Inc.* (1994) 25 Cal. App. 4th 772, 782. Fraud must be

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pled with specificity rather than with general and conclusory allegations. Small v. Fritz Companies, Inc. (2003) 30 Cal. 4th 167,184. The specificity requirement means a plaintiff must allege facts showing how, when, where, to whom, and by what means the representations were made, and, in the case of a corporate defendant, the plaintiff must allege the names of the person who made the representations, their authority to speak on behalf of the corporation, to whom they spoke, what they said or wrote, and when the representation was made. Lazar v. Superior Court (1996) 12 Cal. 4th 631, 645. Here, Plaintiff's FAC attempts to circumvent this specificity requirement by couching his claims as a mere Breach of Partnership Agreement (i.e., breach of contract) claim. However, based on the facts alleged, the underlying allegations are actually those of fraud. See FAC ¶¶ 37-57. It also seems that Plaintiff's counsel is aware of this because he facetiously argues that breach of contract claims are not subject to a stricter pleading standard. Declaration of Andrew Nutbrown, ¶ XXX. In California, the cause of action a lawsuit is based on is determined by the facts alleged in the complaint, not the specific legal labels the plaintiff uses. See Kapner v. Meadowlark Ranch Assn. (2004) 116 Cal. App. 4th 1182. Thus, the FAC is subject to a stricter pleading requirement and must show specificity.

The present FAC fails to state sufficient facts to determine what, how, when, and where the alleged harm to him occurred. *Lazar v. Superior Court* (1996) 12 Cal. 4th 631, 645 (holding that fraud actions are subject to strict requirements of particularity in pleading). Instead, Plaintiff uses vague terms such as "recently" and at no point gives a specific time for when the alleged wrongful transfers occurred. FAC ¶¶ 40-47. Plaintiff also does not specify what supposed assets held in the partnership he supposedly had rights to. Instead, Plaintiff merely alleges that the assets totaled over \$400 million in value. FAC ¶ 3. And while Plaintiff states certain assets were allegedly transferred, he never states that he had rights to these assets. This is especially true given that Plaintiff also alleges that regardless of the individual name or company on title for the assets, those assets would

belong to the Family Partnership. See FAC ¶¶ 2, 31. Thus, without further specificity, the FAC fails to put Defendants on notice as to the claims alleged against them. Because the second through ninth causes of action all rely on a fraud theory of harm to Plaintiff, the demurrer for these causes of action should be sustained.

C. Plaintiff's Claim For Dissolution of Partnership Is Unripe

While Plaintiff complains that he has not been provided his "pro rata share of those assets" (FAC ¶¶ 67, 71, 76), and that others wrongfully took assets that rightfully belonged to him (FAC ¶¶ 68, 72, 77, 83, 89, 100). As stated above, however, Plaintiff has not demonstrated any enforceable agreement nor the existence of a partnership. Without the existence of a partnership agreement, there is no partnership for the Court to dissolve.

Thus, Plaintiff's claims are unripe, and the court should sustain the demurrers on that basis.

VII. CONCLUSION

The FAC fails to state a cause of action on any of the claims Plaintiff raises. All claims have long been barred by the statute of limitations and/or statute of fraud. Moreover, all causes of action fail because the claims are dependent upon an invalid oral contract. As such, the Bushala Parents respectfully request the Court sustain the demurrer to the FAC in its entirety without leave to amend.

Dated: April 17, 2025 KJMLAW PARTNERS, PLC

By:

Debby S. Doitch, Esq. Andrew D. Nutbrown, Esq. Attorneys for Defendants, GEORGE BUSHALA, SR. and

SYLVIA BUSHALA

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