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FILED
Superior Court of California
County of Los Angeles

APR 03 2025

David W. Slayton, Executive Officer/Clerk of Court
By: P. Boyadzhyan, Deputy

NO FEE PURSUANT TO
GOVERNMENT CODE § 6103

10 *(Additional counsel listed on the following page)*

11 Attorneys for Plaintiff, the People of the State of
12 California

13
14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 COUNTY OF LOS ANGELES

25STCV09697

17 **THE PEOPLE OF THE STATE OF
18 CALIFORNIA,**

Plaintiff,

19 v.
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21 **HOMEOPTIONS, INC., HOMEOPTIONS
22 CALIFORNIA REAL ESTATE, INC.,
HOMEOPTIONS REAL ESTATE, LLC,
23 AND KEVIN LI,**

Defendants.
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Case No. *9*

**[PROPOSED] FINAL JUDGMENT AND
PERMANENT INJUNCTION**

04/07/2025

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21 *HomeOptions Real Estate, LLC, and Kevin Li:*

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[PROCEED TO NEXT PAGE]

1 The People of the State of California (“People”), appearing through their attorneys, Rob
2 Bonta, Attorney General of the State of California, John T. Savrnach, District Attorney of Santa
3 Barbara County, and Allison Haley, District Attorney of Napa County, and Defendants,
4 HomeOptions, Inc., HomeOptions California Real Estate, Inc., HomeOptions Real Estate, LLC
5 (collectively, “HomeOptions”), and Kevin Li, appearing through their attorneys, Chris R. Osborn
6 and Andrew L. Mathews of Stoel Rives LLP, have stipulated to the entry of this Final Judgment
7 and Permanent Injunction (“Judgment”) by the Court without the taking of proof and without trial
8 or adjudication of any issue of fact or law, and without Defendants admitting or denying any
9 liability or wrongdoing regarding any issue of law or fact alleged in the Complaint, and with all
10 parties having waived their right to appeal any issue of fact or law arising from the allegations
11 addressed by this Judgment. The Court, having considered the matter and good cause appearing:

12 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

13 1. This Court has jurisdiction over the allegations and subject matter of the People’s
14 Complaint filed in this action, and the parties to this action; venue is proper in this County; and
15 this Court has jurisdiction to enter this Judgment.

16 **DEFINITIONS**

- 17 2. The following definitions shall apply for purposes of this Judgment:
- 18 a. “ERLS AGREEMENT” shall mean the Exclusive Right to List and Sell
19 Agreement marketed and used by HomeOptions in California.
- 20 b. “AFFECTED CONSUMER” shall mean any person who entered into an ERLS
21 AGREEMENT.
- 22 c. “RESTITUTION ACCOUNT” shall mean a separate account that
23 HomeOptions shall create, maintain, and operate at its own additional cost for
24 the sole purpose of distributing restitution to AFFECTED CONSUMERS.
- 25 d. “POST-JUDGMENT NOTICE” shall mean the notice attached hereto as
26 Exhibit 1.

INJUNCTION

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2 3. Nothing in this Judgment alters the requirements of federal or California state law
3 to the extent they offer greater protection to consumers.

4 4. Unless otherwise stated, the injunctive provisions of this Judgment shall become
5 effective immediately upon entry of this Judgment and shall apply to Defendants and their
6 employees, agents, and independent contractors, as well as to the directors, officers, subsidiaries,
7 affiliates, and successors of defendants HomeOptions, Inc., HomeOptions California Real Estate,
8 Inc., and HomeOptions Real Estate, LLC.

9 5. Defendants shall comply with all federal, state, and local consumer protection
10 laws, including but not limited to:

- 11 a. Business and Professions Code sections 10000 et seq. (Real Estate Law);
- 12 17200 et seq. (Unfair Competition Law); 17500 et seq. (False Advertising
- 13 Law); and 17590 et seq. (“Do Not Call” Law);
- 14 b. Civil Code section 1670.12 (Residential Exclusive Listing Agreements Act);
- 15 c. Civil Code section 1671;
- 16 d. Government Code section 27280.6;
- 17 e. United States Code, title 47, section 227, and Code of Federal Regulations,
- 18 title 47, section 64.1200 (Telephone Consumer Protection Act);
- 19 f. Code of Federal Regulations, title 16, section 310 et seq. (Telemarketing Sales
- 20 Rule); and
- 21 g. United States Code, title 15, section 1601 et seq., and Code of Federal
- 22 Regulations, title 12, section 1026 et seq. (Truth in Lending Act).

23 6. All ERLS AGREEMENTS are void and unenforceable. Defendants shall
24 permanently cease any enforcement or collection efforts, and shall not accept any payment from
25 AFFECTED CONSUMERS concerning or related to any ERLS AGREEMENT.

26 7. Within 5 days of the date of entry of this Judgment, Defendants shall record
27 terminations of any and all recordings concerning or related to any ERLS AGREEMENT,
28 including but not limited to recordings titled or referred to as a “memorandum” of ERLS

1 AGREEMENT. Within 10 days of the date of entry of this Judgment, defendant Kevin Li shall
2 provide to Plaintiff's counsel (a) a declaration, signed by him under penalty of perjury,
3 confirming that all documents required by this paragraph to be recorded have been recorded; and
4 (b) copies of all proofs of recording. The declaration shall list all terminations recorded, including
5 the title of the termination document, the place of recording, the date of recording, and the
6 address of the property to which the recording relates.

7 8. Within 10 days of the date of entry of this Judgment, Defendants shall send by
8 mail and electronic mail the POST-JUDGMENT NOTICE to all AFFECTED CONSUMERS.
9 Within 15 days of the date of entry of this Judgment, Kevin Li shall provide to Plaintiff's counsel
10 a declaration, signed by him under penalty of perjury, confirming that the POST-JUDGMENT
11 NOTICE has been sent by mail and electronic mail to all AFFECTED CONSUMERS. The
12 declaration shall list all persons to whom the POST-JUDGMENT NOTICE was sent, including
13 their full names and the mailing addresses and electronic mail addresses to which the POST-
14 JUDGMENT NOTICE was sent.

15 9. Upon notification from an AFFECTED CONSUMER, their successor or agent, or
16 a lender or real estate licensee working on their behalf, Defendants shall take all necessary steps
17 to ensure that the ERLS AGREEMENT or any document Defendants recorded relating to the
18 ERLS AGREEMENT does not prevent or impede the completion of a transaction regarding the
19 AFFECTED CONSUMER's home.

20 10. Nothing in this Judgment prevents an AFFECTED CONSUMER from agreeing to
21 have HomeOptions refer them to a listing agent, as long as all the following conditions are met:

- 22 a. The referral agreement shall terminate within two years from the date of
23 agreement;
- 24 b. If an AFFECTED CONSUMER chooses to sell their home with the agent
25 referred by HomeOptions, the AFFECTED CONSUMER will not owe any
26 monetary or other obligation to HomeOptions; the listing agent shall bear sole
27 responsibility for paying any commission to HomeOptions;

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- 1 c. If an AFFECTED CONSUMER chooses not to sell their home with the agent
- 2 referred by HomeOptions, the AFFECTED CONSUMER will not owe any
- 3 monetary or other obligation to HomeOptions; and
- 4 d. The AFFECTED CONSUMER shall not be required to make any payment to
- 5 HomeOptions.

6 **MONETARY PROVISIONS**

7 11. Pursuant to Business and Professions Code sections 17206 and 17536,
8 HomeOptions shall pay \$171,610.74 in civil penalties. Payment shall be made within 14 calendar
9 days of the date of entry of this Judgment, pursuant to instructions provided by the California
10 Attorney General's Office, the Santa Barbara District Attorney's Office, and the Napa County
11 District Attorney's Office. Defendants shall be responsible for any fees associated with initiating
12 the wire transfers, issuing checks, or establishing and maintaining escrow and other accounts,
13 including the RESTITUTION ACCOUNT.

14 12. Pursuant to Government Code section 26506, the civil penalties shall be paid as
15 follows:

- 16 a. \$57,203.58 to the California Attorney General's Office;
- 17 b. \$57,203.58 to the Santa Barbara County District Attorney's Office; and
- 18 c. \$57,203.58 to the Napa County District Attorney's Office.

19 Pursuant to Business and Professions Code section 17206, subdivision (c)(4), the Attorney
20 General, Santa Barbara County District Attorney, and Napa County District Attorney shall use
21 these funds exclusively for the enforcement of consumer protection laws.

22 13. Pursuant to Business and Professions Code section 17203, within 21 days of the
23 date of entry of this Judgment, HomeOptions shall pay restitution in the amount of \$403,389.26
24 to the 51 AFFECTED CONSUMERS who paid HomeOptions fees that were not due to selling
25 their homes with an agent under contract with HomeOptions. HomeOptions shall establish,
26 maintain, and operate a RESTITUTION ACCOUNT solely for the benefit of the People to
27 effectuate restitution to the 51 AFFECTED CONSUMERS. HomeOptions shall deposit
28 \$403,389.26 into the RESTITUTION ACCOUNT and use those funds solely for the purpose of

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1 paying restitution to the 51 AFFECTED CONSUMERS. HomeOptions shall hold those funds as
2 a bailee and shall hold those funds only until it has disbursed restitution pursuant to Paragraph 14.
3 If additional AFFECTED CONSUMERS make or have made payment to HomeOptions for fees
4 that were not due to selling their homes with an agent under contract with HomeOptions,
5 HomeOptions shall pay additional restitution by refunding all amounts paid by those AFFECTED
6 CONSUMERS within 21 days of the date of entry of this Judgment.

7 14. HomeOptions shall use all reasonable methods to locate AFFECTED
8 CONSUMERS receiving restitution and shall cooperate with the People to do so and to disburse
9 restitution. HomeOptions shall disburse restitution as follows and pursuant to instructions the
10 Attorney General will provide to HomeOptions:

- 11 a. Within 7 days of the date of entry of this Judgment, HomeOptions shall
12 provide to Plaintiff's counsel, for review and revision, a list of each
13 AFFECTED CONSUMER who made payment to HomeOptions, including for
14 each their property address, current mailing address, last known contact
15 information, and amount paid.
- 16 b. Within 21 days of the date of entry of this Judgment, HomeOptions shall
17 disburse restitution, by check, to all AFFECTED CONSUMERS who made
18 payment to HomeOptions for fees that were not due to selling their homes with
19 an agent under contract with HomeOptions. The checks shall be sent in a
20 manner that has delivery tracking and confirmation of delivery.
- 21 c. Within 28 days of the date of entry of this Judgment, an officer of
22 HomeOptions shall provide to Plaintiff's counsel a declaration, signed under
23 penalty of perjury, confirming that restitution has been distributed in
24 compliance with this paragraph. The declaration shall (i) list all persons,
25 including their full names and mailing addresses, to whom a restitution check
26 was mailed; and (ii) attach copies of proofs of mailing to each restitution
27 recipient.

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d. Within 120 days of the date of entry of this Judgment, Defendants shall provide a report to Plaintiff’s counsel that includes (i) identification of the restitution recipients who have deposited their restitution checks; (ii) identification of the restitution recipients who have not deposited their restitution checks; (iii) the amount of unclaimed restitution; and (iv) confirmation that Defendants have not received additional payment from AFFECTED CONSUMERS.

e. All funds remaining in the RESTITUTION ACCOUNT as of six months from the date of entry of this Judgment or the RESTITUTION ACCOUNT’S closure, whichever comes first, shall be remitted to the Attorney General, pursuant to instructions to be provided by the Attorney General.

15. Restitution funds remitted to the Attorney General may, at the sole discretion of the Attorney General, be used to pay restitution to AFFECTED CONSUMERS in this matter. Undistributed restitution shall, at the sole discretion of the Attorney General, be deposited in the Victims of Consumer Fraud Restitution Fund or transferred to the California State Controller’s Office in accordance with California’s Unclaimed Property Law (Code of Civil Procedure section 1500 et seq.).

EFFECT OF JUDGMENT

16. Except as expressly provided herein, nothing in this Judgment is intended, nor shall it be construed, to preclude the People, or any state, county, city or local agency, department, or board, from otherwise exercising its authority under any law, statute, or regulation.

RETENTION OF JURISDICTION

17. This Court retains jurisdiction over this Judgment and the parties hereto for the purpose of enabling either party to the Judgment to apply to the Court at any time for such further orders or directions as may be necessary or appropriate for the construction or the carrying out of this Judgment, for the modification of any of the injunctive provisions of this Judgment, for enforcement of this Judgment, and for any other purpose authorized by law.

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1 **NOTICES**

2 18. Any notices required to be sent to the People or to Defendants under this Judgment
3 shall be sent by email and certified mail to the following. Any party may update its designee or
4 address by sending written notice to the other party informing them of the change.

5 a. For the People of the State of California:

6 Gabriel Schaeffer, Deputy Attorney General
7 Office of the Attorney General
8 Consumer Protection Section
9 300 South Spring Street, Suite 1702
10 Los Angeles, CA 90013
11 Gabriel.Schaeffer@doj.ca.gov
12 Tina.Charoenpong@doj.ca.gov

13 Patrick Collins, Deputy District Attorney
14 Napa County District Attorney's Office
15 1127 1st Street, Suite C
16 Napa, CA 94559
17 Patrick.Collins@countyofnapa.org

18 Christopher Dalbey, Sr. Deputy District Attorney
19 Santa Barbara County District Attorney's Office
20 1112 Santa Barbara, CA 93101
21 cdalbey@countyofsb.org

22 b. For Defendants:

23 Kevin Li, CEO
24 HomeOptions, Inc.
25 3527 Mount Diablo Blvd, Suite 210
26 Lafayette, CA 94549

27 *With a copy to:*

28 Christopher R. Osborn, Esq.
Andrew L. Mathews, Esq.
Stoel Rives LLP
600 University Street, Suite 3600
Seattle, WA 98101
chris.osborn@stoel.com
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1 John Pavolotsky
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3 1 Montgomery Street, Suite 3230
4 San Francisco, CA 94104
5 Telephone: 415.617.8900
6 Fax: 415.617.8907
7 Email: john.pavolotsky@stoel.com

8 **NO WAIVER OF RIGHT TO ENFORCE**

9 19. The failure of the People to enforce any provision of this Judgment shall neither be
10 deemed a waiver of such provision nor in any way affect the validity of this Judgment. The
11 failure of the People to enforce any such provision shall not preclude them from later enforcing
12 the same or any other provision of this Judgment. Except as expressly provided in this Judgment,
13 Defendants retain all defenses allowed by law to any such later enforcement.

14 **CHANGES IN THE LAW**

15 20. Nothing in this Judgment shall excuse Defendants from meeting any more
16 stringent requirement that may be imposed by applicable existing law or by any change in the
17 applicable law.

18 **LITIGATION EXPENSES AND FEES**

19 21. Except as set forth herein, the parties shall each pay their own filing fees and all
20 other costs of investigation incurred to date.

21 **MODIFICATION OF JUDGMENT**

22 22. This Judgment may be modified only on noticed motion by a party with approval
23 of the Court, or upon written consent of the parties and the approval of the Court.

24 **ENTRY OF JUDGMENT**

25 23. The clerk is ordered to enter this Judgment forthwith.

26 ORDERED AND ADJUDGED at Los Angeles, California.

27 DATED: 4/3/25

28 **VIRGINIA KEENY**


JUDGE OF THE SUPERIOR COURT

1 **POST-JUDGMENT NOTICE (Exhibit 1)**

2 The Los Angeles Superior Court has entered a Judgment in [Case Name and Number] to
3 resolve claims brought by the California Attorney General’s Office, the Santa Barbara District
4 Attorney’s Office, and the Napa County District Attorney’s Office that HomeOptions violated
5 state and federal consumer protection laws in the marketing and use of its “Exclusive Right to
6 List and Sell Agreement” in California. The parties entered into a settlement agreement, which
7 the Court issued as a Judgment.

8 You are receiving this notice because HomeOptions’ records show that you entered into an
9 Exclusive Right to List and Sell Agreement in California. Although the settlement is a law-
10 enforcement action, not a class action lawsuit, please be aware that under the Judgment:

- 11 1. Your previous agreement with HomeOptions is void and is no longer in effect. This
12 means that you do not need to use HomeOptions as a listing agent if you wish to sell
13 your home now or in the future, and you do not need to pay them if you use a
14 different real estate agent.
- 15 2. HomeOptions is required to terminate any documents that it recorded on your home
16 within 5 days of [date of entry of Judgment].
- 17 3. You do not owe HomeOptions any money. You do not need to return any payment
18 HomeOptions made to you under the Exclusive Right to List and Sell Agreement.
- 19 4. The Judgment prohibits HomeOptions from collecting or accepting payment from
20 homeowners relating to the Exclusive Right to List and Sell Agreement.

21 You are under no obligation to enter into a new agreement with HomeOptions. However, if
22 you desire to do so, you may enter into a new agreement through which HomeOptions may refer
23 you to a listing agent if you decide to sell your home. The commission that you may pay from the
24 sale of your home is not set by law and may be negotiated between you and the listing agent.

25 If you have questions about this Judgment, you may contact the Attorney General’s Office
26 at <https://oag.ca.gov/contact/general-contact-form> and include the term “HomeOptions
27 settlement” in your submission.
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