

Judicial Notice Exhibit 30

Appeal No. G055075

In the California Court of Appeal
Fourth Appellate District, Division Three

Adam Bereki
Defendant Below and Appellant

v

Karen and Gary Humphreys
Plaintiffs Below and Respondents

Appeal from the Superior Court County of Orange
Case No. 30-2015-00805807
Hon. David Chaffee

APPELLANTS OPENING BRIEF

Adam Bereki
In Propria Persona
818 Spirit
Costa Mesa, California
949.241.6693
abereki@gmail.com

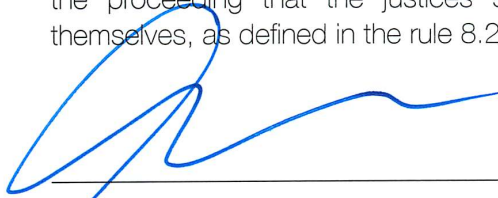
CERTIFICATE OF INTERESTED ENTITIES OR PERSONS
(CRC 8.208)

Bereki v Humphreys
App. Case No. G055075

Interested Entities or Persons are listed below:

<u>Full Name</u>	<u>Party/Non Party</u>	<u>Nature of Interest</u>
Adam Bereki	Party	Financial Interest in Outcome of Proceeding
Gary Humphreys	Party	Financial Interest in Outcome of Proceeding
Karen Humphreys	Party	Financial Interest in Outcome of Proceeding
Humphreys & Associates Inc.	Non-Party	Financial Interest in Outcome of Proceeding
The Spartan Associates Inc.	Party	Financial Interest in Outcome of Proceeding
California Attny. Gen.	Non-Party	Regulation
Contractors State License Board	Non-Party	Regulation/ Financial Interest in Outcome of Proceeding

I certify that the above listed persons or entities have either (1) an ownership interest of 10 percent or more in the party if it is an entity; or (2) a financial or other interest in the outcome of the proceeding that the justices should consider in determining whether to disqualify themselves, as defined in the rule 8.208(e)(2).



Adam Bereki, In Propria Persona
All Rights Reserved
Without Prejudice

Date: 1/10/18

TABLE OF CONTENTS

CERTIFICATE OF INTERESTED ENTITIES OR PERSONS.....	2
TABLE OF CONTENTS.....	3
TABLE OF AUTHORITIES.....	6
STATEMENT OF APPEALABILITY.....	9
STANDARDS OF REVIEW.....	9
INTRODUCTION.....	11
STATEMENT OF FACTS AND PROCEDURAL HISTORY.....	13
STATEMENT OF ISSUES ON APPEAL.....	13

LEGAL DISCUSSION

I. RESPONDENTS COMMITTED FRAUD ON THE COURT BY MAKING FALSE OR MISLEADING STATEMENTS TO GAIN A CIVIL ADVANTAGE.....	1
II. THE COURT ERRED IN DETERMINING PAYMENTS MADE TO LICENSED CONTRACTORS ARE UNLAWFUL.....	21
§7031 ONLY EXTENDS JURISDICTION TO PAYMENTS MADE TO UNLICENSED CONTRACTORS.....	21
WHO DID THE WORK?.....	25
ANY ACT OR CONTRACT.....	27
RETURN ALL COMPENSATION PAID.....	29
III. THE COURT ERRED IN AWARDING DISGORGEMENT OF COMPENSATION PAID BY RESPONDENTS CORPORATION WHO WAS NEVER A PARTY TO THE ACTION.....	32
IV. THE COURT ERRED BY NOT DISMISSING RESPONDENTS CASE FOR FAILING TO STATE A CONSTITUTIONALLY MANDATED CAUSE OF ACTION RESULTING IN A BILL OF ATTAINDER.....	36
V. §7031 IS UNCONSTITUTIONAL AS APPLIED IN THIS CASE BECAUSE IT VIOLATES DUE PROCESS, AND THE REQUIREMENTS FOR PUNITIVE DAMAGE AWARDS AND JUSTICIABILITY.....	41

§7031 VIOLATES THE PROVISIONS OF PUNITIVE DAMAGE AWARDS.....	42
§7031 VIOLATES DUE PROCESS AS APPLIED.....	46
§7031 VIOLATES JUSTICIABILITY.....	36
§7031 IS PURELY PUNITIVE AND THEREFORE A PENAL ACTION REQUIRING RIGHTS GUARANTEED TO A CRIMINAL DEFENDANT.....	47
 VI. THE COURT ERRED IN DETERMING ADAM BEREKI, A HUMAN BEING, WAS A FICTITIOUS PERSON.....	48
THE TRIAL COURT VIOLATED DUE PROCESS.....	53
THE TRIAL COURT DIRECTED A VERDICT.....	54
THE TRIAL COURT DENIED ADAM A HEARING.....	54
 VII. THE TRIAL COURT ERRED, CREATING A BILL OF ATTAINDER WHEN IT REFUSED TO PRODUCE A REQUIRED FINDINGS OF FACTS AND CONCLUSIONS OF LAW.....	56
 VIII. THE TRIAL COURT ERRED COMMITTING FRAUD AND OTHER DUE PROCESS VIOLATIONS SUBSEQUENT TO TRIAL.....	59
 IX. THE TRIAL COURT LACKED SUBJECT MATTER JURISDICTION TO RENDER ANY JUDGMENT DUE TO FRAUD, DUE PROCESS VIOLATIONS, AND RESPONDENTS FAILURE TO PROVE THE FACTUAL SUFFICIENCY OF THEIR CLAIM.....	64
 X. THE TRIAL COURT ERRED IN VIOLATING THE PRIVILEGES AND IMMUNITIES CLAUSE, ARTICLE 4, §2, OF THE CONSTITUTION FOR THE UNITED STATES.....	66
 XI. IT IS UNCONSTITUTIONAL TO REQUIRE THE SURRENDER OF CONSTITUTIONALLY RECOGNIZED RIGHTS IN EXCHANGE FOR A PRIVELEGE.....	69
APPLICATION FOR CONTRACTORS LICENSE IS AN UNCONSCIONABLE CONTRACT OF ADHESION.....	74
 XII. IT IS UNCONSTITUTIONAL TO REQUIRE SUBMISSION TO MULPTIPLE LICENSES	78

TABLE OF AUTHORITIES

<u>Page</u>	<u>Authority</u>
[9]	<u>Adams v Aerojet-General Corp.</u> (2001) 86 Cal. App. 4th 1324, 1330
[40]	<u>Allen v Wainright</u> , 468 US 737
[9]	<u>Aryeh v. Cannon Business Solutions, Inc.</u> (2013) 55 Cal.4th 1185, 1191.
[38]	<u>Bailey v Alabama</u> , 219 US 219
[54]	<u>Bass v US</u> , 784 F.2d 1282
[65]	<u>Buis v State</u> , 1990 OK CR 28
[66]	<u>Chromy v Lawrance</u> , 233 CA3d 1521, 1527
[36]	<u>Cohens v Virginia</u> , 19 US 264, 404 (1821)
[60]	<u>Common Cause v. Board of Supervisors</u> , 49 Cal. 3d 432
[39,64]	<u>County of Ventura v Tillett</u> , 133 Cal. App. 3d 105
[36]	<u>Cummings v Missouri</u> , 71 US 277
[63]	<u>Davis v Wechsler</u> , 263 US 22, 24
[38,54]	<u>Estate of Buchman</u> , 123 Cal. App. 2d 546
[9]	<u>Estate of Teed</u> (1952) 112 Cal. App. 2d 638, 644
[78]	<u>Ex parte Davis</u> 72 Okla. Crim. 152
[32]	<u>Gantman v United Pacific Insurance Co.</u> , 232 Cal. App. 3d 1560.
[60]	<u>Haines v Kerner</u> , 404 US 459
[73]	<u>Hale v Henkel</u> , 201 US 43
[57]	<u>Hirsch v. Hancock</u> , 173 Cal. App. 2d 745, (1959)
[46]	<u>Honda Motor Co. Ltd v Oberg</u> , 512 US 415
[77]	<u>Hurtado v People of Calif.</u> , 110 US 516
[57]	<u>In re Sullivan</u> , 139 Cal. 257, (1903)
[39]	<u>In re Lambert</u> , 134 Cal. 626
[75]	<u>In re Meador</u> , 16 Fed. Cas. 1294
[45]	<u>Jet Source Charter, Inc. v Doherty</u> , 148 Cal. App. 4th (2007)
[32]	<u>Jones v H.F. Ahmanson & Co.</u> (1969) 1 C3d 93
[74]	<u>Johnson v Zerbst</u> , 304 US 458

- [71] Kaiser Aetna v US, 444 US 164 (1979)
- [65] Marriage of Jensen, 114 CA 4th 587
- [59] McNutt v General Motors Acceptance Corp. 298 U.S. 178 (1936)
- [56,63] Miranda v Arizona, 384 US 436
- [27] MW Erectors, Inc. v Niederhauser O&M Co. Inc., 36 Cal. 4th 412
- [70] Murdock v Pennsylvania, 319 US 105
- [71] Nollan v. California Coastal Comm'n, 483 U.S. 825 (1987)
- [46] Pacific Mutual Life v Haslip, 499 US 1
- [66] Parrott v Mooring Townhomes Ass'n Inc., 112 CA 4th 876
- [10] Paterno V. State of California (1999) 74 Cal. App.
- [60] Platsky v Cia, 953 F.2d 25
- [63] People v. Perez (1979) 23 Cal.3d 545, 55
- [63] Portillo v. Superior Court, 10 Cal. App. 4th 1829
- [61] Price v. Wyeth Holdings Corp., 505 F.3d 624
- [78] Priddy v City of Tulsa, 1994 OK CR 63
- [53] Reno v Condon, 528 US 141
- [66] Reynolds v Stockton, 140 US 254 (1891)
- [66] Saffer v Jp Morgan Chase, 225 CA4th 1239, 1246 (2104)
- [73] State v Wiggerjost, 130 Neb. 450
- [29] State v Wilkinson, 202 Ariz. 27
- [13,42] State Farm Mutual Auto Insurance Co. v Campbell, 538 US 408 (2003)
- [36] Steel Co. v Citizens For Better Environment, 523 US 83, 103 (1998)
- [53] Thompson v City of Louisville, 362 US 199, 204 (1960)
- [29] Town of Gilbert Prosecutor's Office v Downie, 218 Ariz. 466 (2008)
- [53] US v Lopez, 514 US 549
- [61] USA v Smith, 776 F.2d 1104 (1985)
- [65] Varian Med Systems, Inc. v Delfino, 35 Cal. 4th 180
- [54,57] Windsor v McVeigh, 93 US 274 (1876)

[69] Yick Wo v Hopkins, 118 US 356, 370

Constitution for the united States

[70] Declaration of Independence

[17] Article 1, §2, Cl 3

[37] Article 1, §9 and 10

[36] Article 3, §2

[67] Article 4, §2

[17] Article 4, §4

[71] 5th Amendment

[53] 13th Amendment

[70] 14th Amendment

[67] Federalist Papers No. 42

[80] Federalist Papers No. 80

[80] Articles of Confederation March 1, 1871

[72] James Madison National Gazette March 29, 1792

Constitution of the State of California

[37] Article 1, §9

Statutes

Business & Professions Codes §7025, §7026, §7028,

[51] §7026.1

- [49] 7068.1(c)(2),
- [77] §7085
- [29] §7096
- [52] §7150
- [42] Civil Code §3294
- [9] CCP §904.1(a)(2)
- [9] CCP §904.1(b)
- [56] CCP §632
- [56] CRC 3.1590(d)
- [30] Mandatory Victims Restitution Act 18 USCS 3363
- [37] Probate Code §810
- [37] Probate Code §811

- [65] Federal Rules of Civil Procedure 12(b) (6)
- [57] Federal Rules of Civil Procedure 52

STATEMENT OF APPEALABILITY

CCP §904.1(a)(2) makes appealable an order after judgment. §904.1(b) Makes appealable orders or judgments of \$5000 or less against a party after entry of final judgment in the main action. Adam is appealing the judgment dated 20th, 2017 (CT 1019) and the order for sanctions dated October 04, 2017 (CT 1507)

STANDARDS OF REVIEW

Matters presenting pure questions of law, not involving the resolution of disputed facts, are subject to the Appellate Court's, Independent ("de novo") review, where the trial court's ruling or the reasons for its ruling but instead decides the matter anew. See Aryeh v. Cannon Business Solutions, Inc. (2013) 55 Cal.4th 1185, 1191.

Regarding matters of fact, the issue becomes whether the trial court's decision was supported by substantial evidence. "To preclude a review in court from disturbing a verdict, it is essential that the supporting evidence be such as will convince reasonable man who will not reasonably differ as to whether evidence establishes plaintiffs case." Estate of Teed (1952) 112 Cal. App. 2d 638, 644 (Citations omitted). [I]f the word 'substantial' means anything at all, it clearly implies that such evidence must to be of ponderable legal significance. Obviously the word cannot be deemed synonymous with 'an'y evidence. It must be reasonable in nature, credible, and of solid value; it must be "substantial' proof of the essentials which the law requires in a particular case." *Id.*

When substantial evidence supports the trial court's factual findings, the appellate court reviews the conclusions based on those findings for abuse of discretion. Adams v Aerojet-General Corp. (2001) 86 Cal. App. 4th 1324, 1330 (citation omitted). The trial

court's discretion is limited by the applicable legal principles. *Id.* (citation omitted). Where there are no material disputed factual issues, the appellate court reviews the trial court's determination as a question of law. *Id.* at 1331 (citation omitted). "A trial court abuses its discretion when it applies the wrong legal standards applicable to the issue at hand. [Citations.]" *Id.* at 1341, citing Paterno v. State of California (1999) 74 Cal. App.

INTRODUCTION

This case involves a dispute over whether payments were made to an unlicensed contractor.

Payments were made to a licensed contractor who completed the work which is not unlawful.

In August 2015, The Spartan Associates, Inc. a California general contractor filed a lawsuit against Respondents Karen and Gary Humphreys to recover the reasonable value of its construction services amounting to \$82,821.53 (CT 49).

Respondents filed a counterclaim against Spartan and Adam Bereki, Spartan's sole shareholder for fraud, negligence, alter ego, etc. (CT 73)

Trial occurred on March 27-28, 2017.

At trial, Respondents testified to a set of facts with resounding clarity and contradiction to those they had ever presented before. They testified they had never had an agreement or contracted with Spartan (RT 86-25).

Now, if this were really true, we would reasonably expect to find a Motion For Summary Judgment early on in the case where they emphatically denied ever contracting with Spartan.

But that's not what happened.

Respondents did file a Motion for Summary Judgment, but it was based on the undisputed facts they HAD contracted with Spartan and that Spartan was the general contractor on the project.

"In April of 2012 The Spartan Associates entered into an agreement with the Humphreys [Respondents] for the performance of home improvement work on the Humphreys condominium unit." (CT 232)

"The action was commenced by The Spartan Associates, Inc. (Spartan), the general contractor on the project..." (CT 237-8)

The trial court however awarded judgment in Respondents favor on the grounds they had contracted with Adam Bereki who was not licensed and allegedly required to be.

Respondents are not victims of a deprivation of the Contractors State License Laws, "CSLL's" Rather, they are abusing them.

STATEMENT OF FACTS AND PROCEDURAL HISTORY

The facts and elements of procedural history have been incorporated into the legal arguments portion of the brief.

STATEMENT OF ISSUES ON APPEAL

Does §7028 of the B&P Code apply to natural persons? What is the level of proof on this area, especially considering this issue goes directly to the jurisdiction of the trial court?

What is the definition of a natural person applicable to Chapter 9. Contractors of the B&P Code?

Is the Application For Original Contractors License an unconscionable contract of adhesion?

What is the definition of an individual applicable to Chapter 9. Contractors of the B& P Code?

Was there substantial evidence for the court to determine Adam Bereki, a human being, was a 'person' pursuant §7025 B&P?

Did the court deny Adam Bereki a hearing on his status and standing at law?

Did the court violate due process in determining Adam Bereki, a human being, was a 'person' pursuant to §7025 B&P?

Are judgement awards pursuant to §7031 B&P required to meet the qualifications of punitive damage awards as established by the US Supreme Court in State Farm Mutual Auto Insurance Co. v Campbell, infra ?

What jurisdiction of law is §7031 B&P– criminal? quasi-criminal? civil? martial law?

Does a claim against a human being pursuant to violations of §7028 or §7031 B&P meet the requirements of justiciability as a cause of action in a judicial court?

Did Respondents state a justiciable cause of action pursuant to cases and controversies of Article 3, §2 of the Constitution for the united States?

Was the trial court a judicial court within the meaning of Article 3, §2 of the Constitution for the united States?

Were Respondents barred by judicial estoppel from testifying at trial contrary to their pleadings in their Motion For Summary Judgement regarding their agreement(s) with Spartan?

Did Respondents commit fraud by providing contradictory, false, or misleading facts to the court to obtain a civil advantage?

How has a consumer been deprived of the CSLL protections if a natural person qualifies for a contractors license for a corporation but then contracts with the consumer as a human being?

Is §7031 B&P void for vagueness because the phrase “return all compensation paid” is vague, misleading and/ or ambiguous?

Is §7031 B&P unconstitutional when applied to natural persons or persons because it fails to comply with the Mandatory Victims Restitution Act and case law requiring offsets for benefits conferred?

Did Respondents meet the factual sufficiency of proving every element of their claim against Adam Bereki? If yes, please state which witness provided competent sworn testimony for each element of the offense and what each element of the offense is/was.

Did Respondents have standing to collect damages incurred on behalf of their corporation, Humphreys & Associates, Inc.?

Did the court violate due process in denying Adam a hearing pursuant to Humphreys & Associates, Inc.?

Can a human being in one state have an inferior set of rights or privileges to a human being in another state?

Does a judgment against Adam pursuant to §7031 B&P violate Article 4, §2?

How is a qualifying individual separate from a contractors license? In other words if a license can't exist without a natural person as the qualifying individual, how can be it be said that qualifying individual isn't licensed?

Does a human being have a creator endowed inalienable Right to his time and labor?

Can a human being lawfully be compelled to surrender Rights secured by the Constitution for the United States to obtain a contractors license?

Is the Application For Original Contractors License an unconscionable contract of adhesion?

Do Congress' Interstate Commerce Clause powers extend to the regulations of Chapter 9. of the Business & Professions Code?

Did the trial of this case take place in interstate commerce?

What constitutes "consent of the governed" [see the Declaration of Independence 1776] for any members of the de sure body politic to be regulated other than by the common law?

What form of payment is accepted to pay the judgment, or more accurately, to discharge the obligation in this case?

What jurisdiction does the payment for the the judgment circulate in?

What is the definition of "dollar"?

Is an attorney an officer of the court? A judicial officer?

Was the trial court's ruling a Bill of Attainder resulting from a violation of the separation of powers doctrine in that the Governor of California, Jerry Brown, as well as Kevin J Albanese (CSLB Board), William Bissell, and Judge David Chaffee are all members of the California State Bar?

Did the trial court presume Adam Bereki was incompetent as a contractor? What level of proof is required for this determination?

Did the trial court deny Adam Bereki a hearing as to his competency as a contractor?

Did the court have subject matter jurisdiction to render judgment against Adam Bereki in this case?

Did David Chaffee's behavior in this case violate the good behavior standard of Article 3, Section 1 of the Constitution for the United States?

Did Respondents commit fraud on the court in their allegations Adam Bereki was a 'person' pursuant to §7025 B&P?

Did the trial court and/or Respondents violate due process by failing to respond to Adam Bereki's challenges to jurisdiction as a Writ of Error or Demands for Bill of Particulars?

According to the California Secretary of State pursuant to a FOIA request, the Constitution of California of 1849 has NOT been repealed. Is this Constitution still in full force and effect?

Is Adam Bereki a "person" as referred to in the 14th Amendment subject to the jurisdiction of the "United States" meaning "the district of Columbia"?

I. RESPONDENTS COMMITTED FRAUD ON THE COURT BY MAKING FALSE OR MISLEADING STATEMENTS TO GAIN A CIVIL ADVANTAGE

In February 2016 Respondents filed a Motion For Summary Judgment (CT 231). Their principal argument was on the grounds they had contracted with Spartan and Spartan had failed to comply with the letter of the B&P Code pertaining to the requirements of Home Improvement Contracts as stated in §7159.

The court denied their Motion (CT 477-478).

Respondents Motion stated (CT 232):

“This motion is made on the grounds that the undisputed facts establish each element necessary for [Respondents] to prevail upon each cause of action asserted by [Spartan (Plaintiff)] in its complaint filed herein. Those material facts which are undisputed are:

6. In April of 2012 The Spartan Associates entered into an agreement with the Humphreys [Respondents] for the performance of home improvement work on the Humphreys condominium unit.

7. The home improvement work to be performed by The Spartan Associates, Inc. on the Humphreys condominium unit had a value in excess of \$500.”

* * *

One year later at trial in March of 2017, before the *same* judge, Respondents testified to the following when questioned by their counsel:

Respondent Karen Humphreys

Q: Did you ever enter into any agreement with Spartan Associates on this project?

A: No

(RT 42– 26, 46-2, 66-8)

Q: Who did you believe you were contracting with?

A: Adam Bereki and his partner Glenn Overley.

(RT 40– 4)

Respondent Gary Humphreys

Q: Was there any point during Mr. Bereki's involvement in this project in which you thought that you had contracted with Spartan Construction?

A: No.

(RT 86– 25)

Q: Who did you believe you were contracting with as of April 5, 2012, for this particular project?

A: Adam Bereki and his partner Glenn Overley.

(RT 86– 6)

Respondents testified at trial for the first time they had entered into an agreement with Adam Bereki and his partner Glenn Overlay.

* * *

Subsequent to “trial”, and based on Respondents testimony, Judge Chaffee issued a minute order where he concluded:

Spartan was **not** the purported general contractor and although it may have been substituted, it was certainly not with the permission or agreement of [Respondents] (CT 930).

Referring back to Respondents Motion For Summary Judgment, their Memorandum of Points and Authorities (CT 237-8):

“The action was commenced by The Spartan Associates, Inc. (Spartan), the general contractor on the project..”

This evidence of Respondents fraudulent testimony was discovered after trial. It is raised here as a violation of due process effecting jurisdiction.

II. THE COURT ERRED IN DETERMINING PAYMENTS MADE TO *LICENSED* CONTRACTORS ARE UNLAWFUL

The trial court erred in ordering disgorgement against Adam Bereki. Not only was he not required to be licensed as will be evidence below, his company, Spartan (a class B general contractor), worked on the project in connection with multiple other contractors and minimally received \$758,000 in direct payments.

It was undisputed in this case Spartan was a licensed contractor (CT 232, Line 6) [also to whom §7031 does not apply].

§7031 ONLY EXTENDS JURISDICTION TO PAYMENTS MADE TO UNLICENSED CONTRACTORS.

If this were otherwise it would make contracting *with* a license unlawful. The court's ruling has done just that.

On a project involving multiple entities acting as "contractors" where it is alleged one or more were operating without a license (and were required to be), Plaintiffs must prove:

- 1) What work was done by whom;
- 2) That the work done was required to be licensed; and,
- 3) How much compensation was paid for the work required to be licensed by that specific entity.

The reason for this differentiation of work required to be licensed is that:

- 1) jurisdiction only extends to work required to be licensed; and,

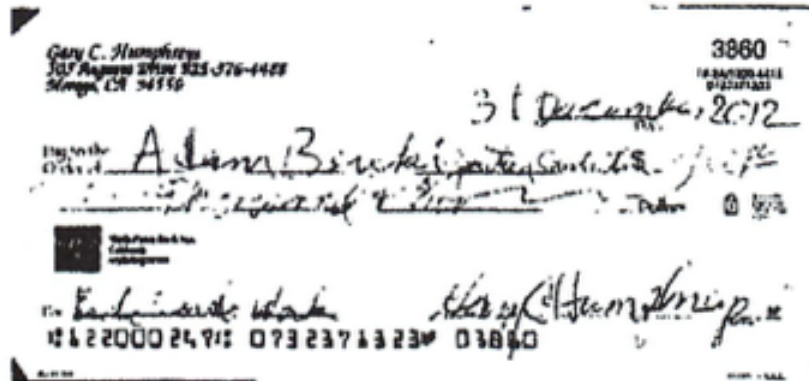
- 2) there are many services (such as those performed on this project) that don't require licensing including interior design; packing, moving, and storage; equipment rental; material purchase and resale; and cleaning to name a few.

Respondents produced EXHIBIT [32-2] concerning compensation paid:

Extract of Checks/Wire Transfers from Humphreys to Bereki/Spartan

Check#/Wire Transfer	Date	Amount	Payee	Running Total
1. 1077	Apr. 13, 2012	\$15,000	Adam Bereki	\$15,000
2. 101	May 17, 2012	\$15,000	Adam Bereki	\$30,000
3. Wells WT	June 8, 2012	\$40,000	Adam Bereki	\$70,000
4. Wells WT	June 22, 2012	\$30,000	Adam Bereki	\$100,000
5. Wells WT	July 19, 2012	\$45,000	Spartan Const.	\$145,000
6. 3815	Aug. 31, 2012	\$30,000	Spartan Const.	\$175,000
7. 140	Nov. 15, 2012	\$50,000	Spartan Const.	\$225,000
8. 3853	Dec. 8, 2012	\$30,000	Adam Bereki	\$255,000
9. 3856	Dec. 14, 2012	\$30,000	Adam Bereki	\$285,000
10. 3860	Dec. 31, 2012	\$28,000	Adam Bereki	\$313,000
11. 16657	Jan. 21, 2013	\$80,000	Spartan Associates	\$393,000
12. 16693	Feb. 14, 2013	\$60,000	Spartan Associates	\$453,000
13. 16747	Mar. 18, 2013	\$75,000	Spartan Associates	\$528,000
14. 16784	Apr. 15, 2013	\$95,000	Spartan Associates	\$623,000
15. 16819	May 24, 2013	\$95,000	Spartan Associates	\$718,000
16. 3942	June 8, 2013	\$40,000	Spartan	\$758,000
17. 16904	July 31, 2013	\$90,000	Spartan Associates	\$848,000

It should be noted that check #10 was misrepresented. The payee is listed as only being "Adam Bereki" when in fact it was "Adam Bereki Spartan Construction" as seen here in EXHIBIT [32-9]:



The facts stated on EXHIBIT [32-2] and relative thereto are simple and appear undisputed by all parties:

- 1) There were 17 fund transfers.
- 2) Adam initially requested Respondents make their checks payable to him. They complied and transferred a total of \$100,000 to Adam Bereki. (RT 125-19)
- 3) \$10,000 of the above monies was transferred to Spartan's corporate account. (RT 142-1)
- 4) On or about July 19, 2012, Adam requested Respondents make their checks payable to Spartan. Respondents initially complied then reverted to making two payments to "Adam Bereki", one to "Adam Bereki Spartan Construction" and the final seven to either The Spartan Associates or Spartan. (Several of these payments were from Respondents Corporation as discussed below.)
- 5) The three payments made to Adam Bereki referenced in "4)" were directly deposited in Spartan's checking account (RT 125-23–126).

[As an aside, it is common in small businesses that the owners develop more personal relationships with their clients. Checks are often written to the owners themselves rather than the businesses. And sometimes, due to financial strains, checks don't always make it into the corporate account. This might not be the letter of the law. But surely is not what the spirit or letter of §7031 was meant to apply to.]

SPARTAN RECEIVED COMPENSATION FOR \$758,000 (RT 141-20. 142-6)

THERE IS NO LEGISLATIVE ENACTMENT EXTENDING JURISDICTION TO DISGORG
COMPENSATION PAID TO LICENSED CONTRACTORS.

A de novo standard of review should be applied to the court's ruling.

WHO DID THE WORK?

Who did the work is an element of the offense of §7031. (RT 22, 15 & 032817 12-26–13-7)

Spartan's Counsel asked Spartan and Adam the following questions:

Q: Who performed the work at the Via Lido Nord Project?

A: The Spartan Associates

Q: Were you ever doing any of the work in your personal capacity as opposed to on behalf of Spartan Associates?

A: No

[RT 125-2]

It's prudent here to again refer back to Respondents Motion For Summary Judgment, where they stated:

“The action was commenced by The Spartan Associates, Inc. (Spartan), the general contractor on the project...(CT 237-8)

In April of 2012 The Spartan Associates entered into an agreement with the Humphreys [Respondents] for the performance of home improvement work on the Humphreys condominium unit. (CT 232-17)

Spartan produced the following evidence:

- 1) Building permits exclusively in Spartan's name with the City of Newport Beach for the scope of work on the project required to be licensed for EXHIBIT 34, (RT 133-3)

- 2) A sampling of Spartan's multiple contracts with subcontractors, an engineer and a material supplier (RT 103-14–105, 141-8)
- 3) A Spartan time card example from an employee working on the project EXHIBIT [33].
- 4) Spartan's contract with ADP/Guard insurance to provide payroll services and workers compensation insurance EXHIBIT [35], (RT134-22)
- 5) A picture showing Spartan's construction sign prominently displayed on the building.
- 6) Invoices to Respondents with the heading "The Spartan Associates, Inc." (RT 139-17) EXHIBIT [18]-not admitted
- 7) a "NOTICE OF CESSATION OF LABOR" addressed to: The Spartan Associates, Inc. EXHIBIT [38]. Spartan is the only entity that received such a notice, not Adam Bereki. In Respondents Motion for Summary Judgment the court concluded Respondents had in fact terminated Spartan (RT 476- last sentence).
- 8) Interior and Exterior Design Presentation with Spartan Construction or Logo on every page... 60 Pages [RT 67-2–14, EXHIBIT [31] not admitted)
- 9) Spartan Previous Contracts with Humphreys & Associates, Inc. and family (RT 150-11, 137), EXHIBIT [39]-not admitted by court, Respondents objection.

See especially RT (126-8–141) (032817 13, 7-23) Regarding Spartan's testimony for the work it performed and the work not required to be licensed.

Spartan performed the work on the project.

A de novo standard of review should be applied to the court's ruling.

ANY ACT OR CONTRACT

§7031 extends jurisdiction to 'any act OR contract'.

In MW Erectors, Inc. v Niederhauser O&M Co. Inc., 36 Cal. 4th 412, the California supreme Court clearly addressed this issue:

They [licensing laws] simply seek to deter them [contractors] from offering or performing services for pay.

“The disjunctive prohibition against compensation for an ‘act’ exists to deny any sort of recovery on a theory other than breach of contract. It’s purpose is to broaden the bar of §7031 beyond a contract to any unlicensed ‘act’ with or without a contract.”

Therefore:

1) if a licensed contractor performs the work and receives compensation they cannot be subject to the penalties §7031 was enacted to establish. Otherwise contracting with a license would be unlawful.

2) §7031 only applies to payments made to unlicensed contractors regardless of whether there was a contract or not.

Respondents failed to introduce any evidence as to what actual work was required to be licensed on their project and who did that work.

Respondents testified they wanted licensed work with permits (RT 48, 18-20) and thats what they received.

Spartan testified it obtained the permits and did the work which was not rebutted.

Respondents paid \$20,762 (CT 1014) for a construction expert who was tasked with analyzing the work done on the project whom they could have called to *competently* testify to these matters, but failed to.

Respondents produced EXHIBIT [303] a series of emails between them and Adam discussing the initial scope of work on the project (RT 30, 33-18). The emails contained a discussion of a roof deck they decided not to pursue as well as a cosmetic facelift to one unit which was also abandoned. Respondents ultimately purchased a second adjacent condo unit and commenced a structural remodel of combining the two units which is not mentioned anywhere in EXHIBIT [303] and was governed by the building plans approved by the City of Newport Beach (EXHIBIT 34) under Spartan's license.

Not one item of work on that initial agreement was completed because the project changed resulting in the whole second story of the building remodel.

Even if an agreement with Adam would have violated the CSL's (§7159) Respondents would have still had to prove Adam Bereki did the work and in doing so, somehow acted independently of Spartan which the evidence does not reflect.

Adam was Spartan's Responsible Managing Officer and Qualifying Individual, a "licensee" as defined by §7096.

Furthermore §7159 is purely administrative and a violation thereof does not extend jurisdiction to §7031.

A de novo standard of review should be applied to the court's ruling.

RETURN ALL COMPENSATION PAID

The final element of §7031 involves the return of all compensation paid.

The agreement in this case involved compensation in the form of an exchange of labor and materials – construction services – for money.

Spartans work returned all compensation paid to Respondents in the form of labor and materials for the payments they received.

In fact Spartan's claim was that it had provided approx. \$80k in labor and materials which Respondents had failed to compensate it for.

The State of Arizona appears to have a similar statutory scheme regarding contractor licensing laws to California. The exception being Arizona does NOT have a disgorgement law like §7130.

In the Town of Gilbert Prosecutor's Office v Downie, 218 Ariz. 466 (2008), "Gilbert"; the Prosecutors Office filed a criminal case against Mitchell Matykiewicz for operating as a contractor without a license. The municipal court found him guilty and awarded Plaintiffs disgorgement of all consideration paid to Matykiewicz without any offset of benefit conferred on the victim. The case was ultimately heard by Arizona's Supreme Court.

The AZ supreme Court heard the Gilbert case to clarify complete disgorgement was NOT it's finding in State v Wilkinson, 202 Ariz. 27 stating "...a rule of total disgorgement regardless of any benefit conferred on the victim – would unnecessarily strain Arizona's restitution scheme and may lead to absurd and troubling results."

One of the absurd and troubling results the court cautioned was the broad combination of civil liability with criminal sentencing.

The central theme in Gilbert was that disgorgement is not a means of avoiding the due and judicial process requirements of proving damages and that any benefit conferred on the 'victim' must offset those damages. See especially the Mandatory Victims Restitution Act 18 USCS 3363.

The, court said: "we find no significant difference between returning cash, one form of value, and returning other forms of value, such as permits, chattels, services, or other property."

Here, the court brings up a point so obvious it seems unconscionable to have escaped the rulings found in the countless California disgorgement cases pursuant to §7031.

If Respondents compensated Spartan \$200 for a garbage disposal and Spartan provided them with that \$200 garbage disposal, has compensation not been returned to them?

It most certainly has.

Nowhere in §7031 does it indicate what specific form of compensation must be returned. However the compensation Spartan returned was commensurate with it's agreement with Respondents.

Respondents had hired a construction expert to analyze the benefit conferred in services rendered. Or, in other words, compensation that had been returned to them. But they failed to call this witness or provide any testimony that any work had been done on their project whatsoever.

AZ Supreme Court Justice Hurwitz in his concurring opinion in Gilbert added:

The term "economic loss" in [...] should be given its commonsense meaning when the case involves contracting without a license. Thus, the victim should receive the difference between what he paid the unlicensed contractor and the value of what he received in return. If the restitution statutes are read to require that the amount paid is invariably the measure of restitution, an untenable result would obtain -- a homeowner who received flawless work from an unlicensed contractor would be refunded the full amount paid but would nonetheless also retain the work performed. **It is impossible for me to view such a victim as having suffered any loss, economic or otherwise, and I therefore concur in PP 1-18 of the majority opinion.** (emphasis added)

§7031(b) reads: ... "to recover all compensation paid to the unlicensed contractor for performance of any act or contract."

WHAT §7031 DOES NOT SAY IS THAT ALL COMPENSATION MUST BE RETURNED TWICE!

Spartan's work returned compensation in the form of permits, chattels, services, or other property.

The court's enforcement of §7031 goes beyond compensation already returned and **DOUBLES IT** to impose a near million dollar **punishment** for violating public laws, to label Adam Bereki a wrong-doer, and to deter others from offending in like manner under the veil of a "civil action".

A de novo standard of review should be applied to the court's ruling.

III. THE COURT ERRED IN AWARDING DISGORGEMENT OF COMPENSATION PAID BY RESPONDENTS CORPORATION WHO WAS NEVER A PARTY TO THE ACTION

Claims for injury or damage to a corporation or its property belong to the corporation, not its stockholders. They have no standing to sue for such wrongs even if the value of their stock is diminished. The loss suffered by the stockholder is deemed incidental to the wrong suffered by the corporation. Jones v H.F. Ahmanson & Co. (1969) 1 C3d 93, 107, and Gantman v United Pacific Insurance Co., 232 C3d 1560.

Returning to Respondents Transfer Extract (EXHIBIT [32-2]) what's conveniently missing is the payor.

EXHIBIT [32] evidences payments to Spartan from Humphreys & Associates, Inc., "H&A", Respondent Gary Humphreys company, who was never a party to this action. The checks, as evidenced below, total \$495,000.

The image displays six checks from Humphreys & Associates, Inc. (H&A) to Spartan Associates, Inc. The checks are dated 02/14/2013 and for the amount of \$50,000.00. The checks are numbered 16719, 16718, 16717, 16716, 16715, and 16714. Each check is signed by Gary Humphreys. The checks are arranged in two columns of three. The top-left check (16719) is for \$50,000.00. The top-right check (16718) is for \$50,000.00. The middle-left check (16717) is for \$50,000.00. The middle-right check (16716) is for \$50,000.00. The bottom-left check (16715) is for \$50,000.00. The bottom-right check (16714) is for \$50,000.00.

For the \$495,000 H&A paid Spartan, H&A was the real party in interest not Respondents. Every action must be prosecuted in the name of the real party in interest. See also (RT 032817 13-24–14-14)

As a party, H&A would minimally have been required to establish its claim by producing the following evidence:

(1) Its Articles of Incorporation proving it had the chartered authority to engage in the personal vacation home remodel affairs of its shareholder's, i.e. Gary Humphreys; and that Gary Humphreys was authorized to prosecute actions on its behalf.

(2) Who its multiple shareholders were so they could be deposed regarding the authorization for Gary Humphreys to purportedly take a \$495,000 loan or withdrawal from the company assets (RT 62-12); *Karen Humphreys was not an owner or shareholder.

(3) A general ledger showing payments to Spartan, and the loan/withdrawal to Gary Humphreys;

(4) Corporate distribution statements indicating \$495,000 in profit distributed to Gary Humphreys including K-1's or W-2s. (RT 163-25 –165-5)

(5) Checks, authenticated by H&A's accountant and whomever signed them. Only one of the checks from H&A was signed by Gary Humphreys. The others were not authenticated by the signors or anyone else at trial.

(6) Authenticated S Corporation Election for tax year 2013.

(7) Evidence of any agreement or contract with Spartan or Adam Bereki.

(8) A valid cause of action or claim.

Gary Humphreys testified H&A was a subchapter S elected corporation yet provided no physical evidence of this election or the above evidence required for standing.

Despite this lack of evidence, let alone H&A having never even stated a claim, the court concluded H&A did not have to be a party pursuant to its profits flowing through to Mr. Humphreys (RT 032817 20-9 – 21-23).

A subchapter S election does not constitute a waiver of due or judicial process which requires a claim, notice and a hearing including the opportunity to confront witnesses under oath regarding authenticated evidence.

Respondents had no standing to collect on the claims of H&A's payments to Spartan because H&A is a separate legal entity who utilized the services of Spartan. H&A's payments were to a licensed contractor which is not unlawful.

It should also be noticed Spartan too was a subchapter S elected corporation. Based on the court's ruling would that mean that since its profits ultimately flowed through to Adam Bereki, Spartan would never have had to bring a cause of action either?

Surely if this new legal principle were applied without prejudice to Adam Bereki as it was to Respondents the court could never have awarded judgment against him.

No one is disputing these payments were made. The end does not justify the means here. Our system of jurisprudence requires the real party in interest to state a claim and for the evidence of that claim to be tested commensurate with a hearing proceeding according to law, not the arbitrary will or caprice of a judge. These are Rights secured by our Constitutions and Mr. Chaffee's duty is to safeguard NOT trample or deny them.

A de novo standard of review should be applied to the court's ruling.

IV. THE COURT ERRED BY NOT DISMISSING RESPONDENTS CASE FOR FAILING TO STATE A CONSTITUTIONALLY MANDATED CAUSE OF ACTION RESULTING IN A BILL OF ATTAINDER

Adam Bereki has the Right to a judicial court in the first instance. Cohens v Virginia, 6 Wheat. 264

"A bill of attainder is a legislative act which inflicts **punishment without a judicial trial**. If the punishment be less than death, the act is termed a bill of pains and penalties". Cummings v Missouri, 71 US 277 (1867)

Art 1, §9 of the Constitution of the State of California and Article 1, §9 of Constitution for the united States guarantees that no Bill of Attainder shall be passed.

In order that Adam *not* be subjected to a Bill of Attainder/ Pains and Penalties, he had the Right to a judicial trial.

In Steel Co. v Citizens for Better Environment, 523 US 83, 103 (1998), the united States Supreme Court reiterated the requirements of "cases" or "controversies" for a justiciable cause of action to proceed in the judicial courts of our nation:

First and foremost, there must be alleged (and ultimately proved) an "**injury in fact**"— harm suffered by the plaintiff that is concrete and or "actual or imminent" not 'conjectural' or 'hypothetical'...

Second, there must be **causation**— a fairly traceable connection between the Plaintiffs injury and the complained— of conduct of the defendant.

And third, there must be **redressability**– a likelihood that the requested relief will redress the alleged injury.

This triad of injury in fact, causation and redressability constitutes the core of Article III case or controversy requirement...

Respondents alleged claim does not meet even one, let alone all three elements of justiciability. As such, they lacked any standing to sue having completely failed to state a valid, Constitutionally mandated justiciable cause of action.

INJURY IN FACT

There are three issues surrounding the matter of “injury in fact” in this case:

- a) There is no “law” requiring Adam to be licensed.
- b) Respondents alleged Adam was required to be licensed but presented no evidence at trial of any damages proximately caused by Adam’s *alleged* failure to be licensed.
- c) Respondents alleged “injury” was based on a false unconstitutional presumption of incompetence requiring licensure. Adam was never given a hearing (and was therefore denied one) pertaining to his competence in “construction”. See also Probate Codes 810 and 811.

Ordering judgment against Adam Bereki without evidence of violation of any law is a Bill of Attainder.

* * *

The definition of a license is: Permission by some *competent* authority to do some act which, without such permission, would be illegal. Black’s Law Dictionary, 4th Ed.

As will be evidenced, §7028 and §7031 ONLY apply to *fictitious* persons because by nature they have no cognitive functioning and are entirely incompetent.

To apply these statutes to Adam Bereki or to require him to be licensed based on such a presumption extends the same presumption of incompetence to him as innate with fictions of law.

“The power to create presumptions is not a means of escape from constitutional restrictions”. Bailey v Alabama, 219 US 219.

Moreover, how in the world could the State of California – itself a fiction of law – acquire the competency to then declare its human creators incompetent and require them to submit to such examination?

There is no such authority delegated anywhere in any Constitution.

Pursuant to the Rights of due and judicial process as guaranteed by our Constitutions, Adam had the Right to a hearing on his competency which was denied when the court directed a verdict upon its unfounded, unconstitutional presumption of his incompetence that was also never even disclosed.

See The Estate of Buchman, 123 Cal. App. 2d 546, 559 which directly speaks to the necessity of a competency hearing:

The fundamental conception of a court of justice is condemnation only after notice and hearing. No one may be deprived of anything which is his to enjoy until he shall have been divested thereof by and according to law...Due process of law does not mean according to the whim, caprice, or will of a judge...it means according to law.

Judicial absolutism is not a part of the American way of life. The odious doctrine that the end justifies the means does not prevail in our system for the administration of justice. The power vested in a judge is to hear and determine, not to determine without hearing.

See also, In re Lambert, 134 Cal. 626 and County of Ventura v Tillett, *infra*.

Having been denied a hearing on his competence and the fact Respondents presented no evidence of any damages proximately caused by Adam's alleged incompetence, Respondents failed to meet to the requirements of injury in fact.

Furthermore, in regards to Spartan, Adam had passed the licensing requirements. Respondents failed to produce any evidence they had been deprived of the protections of the CSLB's.

The CSLB's requirements for a license however also do not comply with the Constitutional requirements for a judicial hearing and determination of "competence".

CAUSATION

Without proof of any damages, let alone proof of Adam's "incompetency" in construction, there is no "causation" or connection between Respondents non-existent injury and their complained of conduct.

REDRESSIBILITY

Finally, given no proof of any harm or damages at trial, there was no evidence a punitive damage award against Adam would redress Respondents non-existent injury.

Respondents gave no testimony or evidence at trial of how Adam's alleged failure to be licensed caused them harm.

Without standing, there is no actual or justiciable controversy, and courts will not entertain such cases. (3 Witken, Cal. Procedure (3rd ed.1985) Actions § 44, pp 70-72.)

"Typically, ... the standing inquiry requires careful judicial examination of a complaint's allegations to ascertain whether the particular plaintiff is entitled to an adjudication of the particular claims asserted. " Allen v. Wright, 468 U.S. 737, 752 (1984)

Respondents failed to bring the court's power into action to adjudicate their claim because they did not file a Constitutionally mandated cause of action pursuant to Article 3, §2.

A de novo standard of review should be applied to the court's ruling.

V. 7031 IS UNCONSTITUTIONAL AS APPLIED

Business & Professions Code §7031(b) is unconstitutional as applied by the court to Adam Bereki because it:

- 1) violates the Constitutional provisions of punitive damage awards;
- 2) does not meet the requirements of justiciability (See Section);
- 3) violates due process;
- 4) is void for vagueness as to the term compensation in “return all compensation paid”.
- 5) Is purely punitive and requires Rights guaranteed to a criminal defendant

California authorizes four penalties for “engaging in the business of, or acting in the capacity of, a “contractor” without a license – a criminal penalty, a civil penalty, a shield penalty and a sword penalty:

- 1) The first offense **criminal penalty** can be a misdemeanor conviction with a fine up to \$5,000, plus restitution for any actual economic loss. The fine is payable to the government, the economic loss to the customer.
- 2) The **civil penalty** is a citation by the Registrar of Contractors, an administrative hearing, and a penalty up to \$5,000, except for certain named violations. The civil penalty is payable to the government.
- 3) The **shield penalty** bars the unlicensed contractor from using the courts to collect money owed for work performed. This penalty vindicates the judicial system by preventing use of the court to enforce unlicensed work performed in violation of law.

4) The **sword penalty** is disgorgement. It allows the customer to recover all compensation paid to the unlicensed contractor. Disgorgement, like compensatory damages, is payable to a private party, not the government.

Disgorgement is a form of damages assessed against the unlicensed contractor and paid to its customer for the violation of the license law.

Disgorgement is a monetary award to a private party, not the government.

Punitive damages are defined as being independent from, and not in any way compensation for, any actual damages suffered. Regardless of whether disgorgement is a legal or equitable remedy, and regardless of what it is labeled, disgorgement is clearly a penalty, unrelated to actual damages as it has been applied by the courts in the form of punitive damages paid to a private party.

California courts have repeatedly held disgorgement to be lawful – on its face – despite the potential harshness or draconian nature of the remedy. However, even though the Legislature allows juries to assess punitive damages under a statute that is clearly constitutional on its face (Civil Code § 3294), the courts routinely determine whether punitive damages assessed by a jury in a particular case exceed constitutional bounds. The same must be true for disgorgement.

§7031 VIOLATES THE PROVISIONS OF PUNITIVE DAMAGE AWARDS AS APPLIED

The U.S. Supreme Court has established a three part test for evaluating the validity of punitive damages in civil cases. See State Farm Mutual Auto Insurance Co. v Campbell, 538 US 408 (2003):

- 1) the reprehensibility of the conduct being punished;
- 2) the reasonableness of the relationship between the harm and the award; and

3) the difference between the award and the civil penalties authorized in comparable cases.

Under this test, use of the disgorgement sword to hypothetically take anything more than nominal damages from Adam and give them to Respondents fails every element of the test for the following reasons:

REASONABLENESS

First, the relationship between the “harm” and disgorgement of \$848,000 is grossly disproportionate. At “trial”, Respondents presented no evidence of any damages proximately cause by Adam’s alleged failure to be licensed.

Compensatory damages are intended to redress the concrete loss the ‘victim’ has suffered by reason of the ‘perpetrators’ wrongful conduct. By contrast, punitive damages serve a broader function; they are aimed at deterrence and retribution. Id 416

California and federal courts have constrained awards of punitive damages to a reasonable relationship to the actual damages suffered.

In the instant case, disgorgement of anything would be an infinite multiple of the non-existent damages.

COMPARABLE CASE AWARDS

Second, the difference between the \$848k disgorgement award and both the criminal and civil penalties authorized in comparable cases is astronomic. As previously noted, the maximum criminal penalty is \$5,000 plus restitution of actual economic loss.

Again, Respondents presented no witnesses or evidence at “trial” of any actual loss whatsoever.

The maximum civil penalty that could be assessed by the CSLB is also \$5,000. Thus, a “disgorgement” of \$848k would be 169 TIMES the comparable criminal or civil penalty.

The judgment in this case is more than three times the financial penalty for treason, – the highest crime of our country– which is \$250,000. Furthermore, it forces Adam into elements of financial ruin and bankruptcy.

Punitive damages in excess of \$5000 therefore do not pass Constitutional muster.

REPREHENSIBLE

Third, the conduct is not reprehensible. Not only was there no evidence of any damages whatsoever, had there been, they would have been purely economic. No one was hurt or injured. There was no evidence of fraud, oppression, or malice.

No evidence was presented the compensation by Spartan or Adam had not been returned.

Respondents interacted exclusively with Adam Bereki who had the work experience and passed the competency exam to qualify for Spartan’s contractors license. It is unknown how Respondents could therefore be deprived of the CSLL protections.

Prior to hiring Adam Bereki or Spartan, Respondent Gary Humphreys was intimately aware of Adam’s competency by the previous projects he had done at Respondents business and for other family members (RT 93–10).

Furthermore, as mentioned, Mr. Humphreys is a nationally recognized expert in project management and government contractor who teaches project management around the world including to the construction industry. He is not a member of the public who needs protection from incompetence and dishonesty from those who provide building and construction services. In fact he has decades more training and experience than Adam Bereki who doesn't even possess a college degree.

While Mr. Humphreys claims he does not have specific experience in building construction itself, the project management principles he teaches most definitely are fundamental to every project. The preface of his near eight hundred page book on project management states: "Please do not conclude that a sample does not apply to those of you in the construction, software, or other industries." (CT 400-401, RT 97)

See Jet Source Charter, Inc. v Doherty, 148 Cal. App. 4th 1, (2007)

A de novo standard of review should be applied to the court's ruling.

7031 VIOLATES DUE PROCESS AS APPLIED

See Pacific Mutual Life v Haslip, 499 US 1 and Honda Motor Co. Ltd v Oberg, 512 US 415

A de novo standard of review should be applied to the court's ruling.

§7031 IS PURELY PUNITIVE AS APPLIED AND THEREFORE A PENAL ACTION REQUIRING PROCEEDINGS GUARANTEED TO A CRIMINAL DEFENDANT

Referring back to Gilbert, *supra*, one of the absurd and troubling results the court cautioned was “the broad combination of civil liability with criminal sentencing.”

In *State Farm*, *supra*, the Supreme Court stated:

Great care must be taken to avoid use of the civil process to assess criminal penalties that can be imposed only after the heightened protections of a criminal trial have been observed, including, of course, its higher standards of proof. Punitive damages are not a substitute for the criminal process, and the remote possibility of a criminal sanction does not automatically sustain a punitive damages award. *Id* 428

Violation of a regulatory statute is quasi-criminal. However, there is no such jurisdiction of law found in our Constitutions known as “quasi-criminal”. Due to the punitive nature of §7031 in contradistinction to the maximum criminal and civil penalties, the Rights afforded a defendant in a criminal proceeding must be applicable and were denied to Adam.

A de novo standard of review should be applied to the court's ruling.

VI. THE COURT ERRED IN DETERMINING ADAM BEREKI, A HUMAN BEING, WAS A FICTITIOUS PERSON

The Contractors State License Laws, apply to very different and distinct entities or “persons”.

At times, they apply exclusively to natural persons (human beings) while at other times they apply to fictitious persons, such as corporations.

As such, it is crucial to be aware and vigilant about which person is being referenced because THE LAW MAY NOT APPLY.

The court determined Adam violated §7031(b) but §7031(b) ONLY applies to **fictitious** persons, which Adam is clearly NOT.

7031(b) has two requisite elements to which it extends jurisdiction. Those two elements are:

- 1) The class of ‘persons’ to whom it applies; and,
- 2) the return of all compensation paid to an unlicensed contractor for any act or contract.

Each of these elements of the offense will be examined individually below, beginning with whom the law applies to.

The Business & Professions Code, Chapter 9, §7000 et seq., defines two different, separate “persons” to whom the codes apply. Those are a ‘person’ otherwise known as a ‘*fictitious* person’ or fiction of law, and a ‘*natural* person’.

‘*Fictitious* Persons’ are defined in the beginning of the Chapter at §7025(b):

“Person” as used in this chapter includes an individual, a firm, partnership, corporation limited liability company, association, or other organization, or any combination thereof.

Shortly thereafter, the code identifies the other class of person, a natural person at §7168.1.

The person qualifying on behalf of an individual or firm under paragraph (1), (2), (3), or (4) of subdivision (b) of Section 7068 shall be responsible for exercising that direct supervision and control of his or her employer's or principal's construction operations to secure compliance with this chapter and the rules and regulations of the board.

(c)(2) "Person" is limited to natural persons, notwithstanding the definition of "person" in Section 7025.

This section is in reference to the class of person who can qualify for a contractors license. It states that ONLY a natural person can qualify for a license.

The legislature had very obvious intent by using the words "notwithstanding" because a corporation or *fictitious* person – an entity with no cognitive functioning – cannot qualify for it's own license.

Here, the legislature made it clear only a natural person – a human being – could qualify. In doing so they completely differentiated a natural person from that of the fictitious person referenced in §7025(b).

PERSON	NATURAL PERSON
individual, a firm, partnership, corporation limited liability company, association, or other organization, or any combination thereof.	

So now that these two different classes of person are identified, we then need to examine which class of 'person' is required to be licensed.

§7028(a) makes it a misdemeanor for a person to engage in the business of, or act in the capacity of, a **contractor** within this state under either of the following conditions: (1) The *person* is not licensed in accordance with this chapter...

NOWHERE IN CHAPTER 9 IS THERE ANY KNOWN CODE THAT REQUIRES A NATURAL PERSON TO BE LICENSED.

In Rundle v Delaware & Raritan Canal Co., 55 US 80, 99 (1852) Mr. Justice Daniel in his dissent warned of the issue surrounding differentiating corporations from human beings more than 150 years ago:

...This must mean the natural physical beings composing those separate communities, and can by no violence of interpretation be made to signify artificial, incorporeal, theoretical, and invisible creations. A corporation, therefore, being not a natural person, but a mere creature of the mind, invisible and intangible, cannot be a citizen of a state, or of the United States, and cannot fall within the terms or the power of the above mentioned article, and can therefore neither plead nor be impleaded in the courts of the United States.

These principles are always traceable to a wise and deeply founded experience; they are therefore ever consentaneous and in harmony with themselves and with reason, and whenever abandoned as guides to the judicial course, the aberration must lead to BEWILDERING UNCERTAINTY AND CONFUSION.

The trial court determined Adam was a *fictitious* person and then adjudged him according to §7031(b).

Adam was never required to be licensed because he is a human being and therefore was NOT subject to §7031(b).

To further prove this, §7031(b) must be examined to determine which class of “person” it applies to:

(b) Except as provided in subdivision (e), a **person** who utilizes the services of an unlicensed contractor may bring an action in any court of competent jurisdiction in this state to recover all compensation paid to the unlicensed contractor for performance of any act or contract.

It is clear the “person” being referenced in §7031 is precisely the ‘*fictitious* person’ defined by §7025(b) not a ‘natural person’ as referenced in §7068.1

It is also be prudent to examine what class of ‘person’ defines a “contractor”:

§7026.1 states the term “contractor” includes all of the following:

(2) (A) Any **person**, consultant to an owner-builder, firm, association, organization, partnership, business trust, corporation, or company...

Here again, the code continues to only refer to a *fictitious* ‘person’ pursuant to §7025(b) and never references that it applies to ‘natural persons’.

This isn’t just some fluke of the legislature. The legislature clearly defined a natural person as notwithstanding a fictitious person. This is also obvious in our own human experience that a human being is not a fiction.

Furthermore, an example such as Evidence Code §175 clearly illustrates the legislature knows exactly when it wants to indicate the law applies to *both* natural and fictitious persons:

“Person” includes a *natural person*, firm, association, organization, partnership, business trust, corporation, limited liability company, or public entity.

Yet another profound example is found in Chapter 9. Contractors where the legislature redefined an entire Article as applying only to natural persons, striking out its previous application to *fictitious* persons.

Current §7150:

"Person" as used in this article is limited to natural persons, notwithstanding the definition of person in Section 7025.

Previous §7150. (The above amendment happened in 1972):

Substituted the section for the former section which read: " 'Person' includes any person, firm, association, organization, partnership, business trust, corporation, or company.

The final question then is: is an "individual" in §7025(b) the same as a natural person? a human being? According to 7068.1(c)(2) it can't be. For if it were, 7068.1(c)(2) wouldn't make sense. The statute would read like this:

"Person" is limited to natural persons, notwithstanding the definition of "*natural* person" and other "persons" in Section 7025.

If an individual were a natural person, why use a different word to convey the exact same meaning? An individual what?

The word is different because the lawful status is different.

It turns out an "individual" is what becomes of the business name or DBA on an Application For Original Contractors License. This name is what the CSLB considers the entity in commerce and like all other fictitious entities in commerce, are spelled in all CAPITAL LETTERS. Each and every business name, including those in the name of human beings is

represented in all capital letters as the license name. These names are what the CSLB then sells in large document bundles as articles of commerce for several hundred dollars.¹

This is why pursuant to §7068.1 a natural person is required to qualify for an “individual”:

The person qualifying on behalf of an *individual* or firm under paragraph (1), (2), (3), or (4) of subdivision (b) of Section 7068 shall be responsible.

A human being is not “in commerce”.²

Because ‘whom’ the law applies to is an essential element of the offense, Respondents had the burden of proof at trial that §7031 extended jurisdiction to the class of “persons” of which Adam Bereki, a human being is. They failed to meet this burden.

Respondents instead, repeatedly and fraudulently represented to the court Adam was a “person” or “individual” pursuant to §7025(b) required to be licensed. (RT 18, 23 – RT 19, 7; CT 872, 24-25; CT 870, 21). There is no such law requiring Adam to be licensed.

There is no evidence on the record of this court or anywhere else Adam Bereki is not a human being or is incompetent.

See Thompson v City of Louisville, 362 US 199, 204 (1960):

“Under the words of the ordinance itself, if the evidence fails to prove all three elements of this [] charge, the conviction is not supported by evidence, in which event it does not comport with due process of law. The record is entirely lacking in evidence to support any of the charges.

¹ See also Reno v Condon, 528 US 141 & US v Lopez, 514 US 549.

² See 13th Amendment US Constitution

@206: Just as "[c]onviction upon a charge not made would be sheer denial of due process," so is it a violation of due process to convict and punish a man without evidence of his guilt.

As a result, §7031 does not extend jurisdiction to the court in this case to adjudicate Respondents claim in their favor.

The trial court denied Adam a judicial hearing on his status and standing.

It is unknown exactly what status Adam has beyond "human being" or "man". It is certainly not any one of the fictions of law as defined by §7025. He cannot be adjudged without a lawful hearing. See Windsor v McVeigh, 93 US 274 (1876); The Estate of Buchman, 123 Cal. App. 2d 546

The trial court directed a verdict as to an essential element of the offense charged:

Bass v US, 784 F.2d 1282:

On appeal, Bass asserts seven points of error, including (1) that the district court should not have instructed the jury that, as a matter of law, he was an "employee..."

This court finds that the district court usurped the role of the jury as the fact-finder when it instructed that, as a matter of law, Bass was an "employee." Because this

instruction directed a verdict as to an essential element of the offense charged, we reverse Bass's conviction and remand for a new trial."

A de novo standard of review should be applied to the court's ruling.

VII. THE TRIAL COURT ERRED, CREATING A BILL OF ATTAINDER WHEN IT REFUSED TO PRODUCE A FINDINGS OF FACTS AND CONCLUSIONS OF LAW

CCP §632, and CRC 3.1590(d) are Unconstitutional as they sanction a Bill of Attainder.

The People cannot be forced to guess about the court's ruling on each matter of fact and its determination of law.

On 10/23/17, Adam requested a Statement of Decision (findings of fact and conclusions of law, "FFCL") (CT 1518). All of the findings and conclusions requested were relevant to Adam presenting a meaningful and substantive appeal. Adam acknowledged the request was not within the ten days as 'required' by CCP §632 and/or CRC, Rule 3.1590(d). However, these Rules conflict with due process and the Supreme Court's ruling in Miranda v Arizona, 384 US 436, 491:

"Where rights secured by the Constitution are involved, there can be no rule-making or legislation which would abrogate them."

Any and all allegedly applicable 'state' laws, rules, regulations, etc., even if lawfully enacted, do not apply to an appeal or petition invoking Rights secured by the Constitution, since their misuse could, and very often would, result in denying the Right to invoke the **judicial** power of the united States.

To someone especially such as Adam who never received any formal training or education in the Constitution, history, and laws of the United States necessary to effect litigation such as in this case – let alone an appeal – the FFCL's of the trial court are unquestionably required.

A failure to provide a “FFCL” is a violation of due and judicial processes, resulting in a Bill of Attainder, or its lesser equivalent, a Bill of Pains and Penalties. It denies the full Right of a lawful hearing including a final decision and to be informed of the nature and cause of charges against oneself as well as the factual foundation and legal basis of the court's decision. See e.g. Windsor v McVeigh, supra

The trial court denied Adam's Request (CT 1518) for “failing to comply with statutory requirements per rules of court” (CT 1533).

Without the FFCL's there has been no decision. If there is no decision, there is potentially nothing to appeal amongst other serious implications.

Findings of fact and conclusions of law constitute decision of court, not its statements or opinions expressed during course of trial. Hirsch v. Hancock, 173 Cal. App. 2d 745, (1959)

The decision is the concluding part of a trial by the court without a jury and is requisite to judgment. In re Sullivan, 139 Cal. 257, (1903).

See also FRCP Rule 52.

The court did issue a Minute Order for trial (CT 951) however it fails to state even the most basic requisites of a lawful judgment establishing the courts jurisdiction of the subject matter such as:

- 1) What code sections or laws were violated;
- 2) Who the witnesses were, what they testified to and how the court determined their competency;
- 3) What facts were evidenced and how they were admitted (ie not hearsay etc);
- 4) How the facts were material, relevant, and trustworthy;

5) How the evidence presented substantiated each element of the offense charged with.

The elements of jurisdiction must be found on the record of each case to empower the court to adjudicate a claim and are not found on the record of this case.

These issues argued on appeal were done so having been denied this due process and with uncertainty about what exactly the court found on each element of the offense including what the court considered to be an element.

A de novo standard of review should be applied to the court's ruling.

VIII. THE TRIAL COURT ERRED COMMITTING FRAUD AND OTHER DUE PROCESS VIOLATIONS SUBSEQUENT TO TRIAL

A de novo standard of review should be applied each of the court's rulings.

Adam challenged jurisdiction subsequent to trial three separate times:

- 1) Writ of Error on 4/18/17
- 2) Demand For Bill of Particulars Pertaining (CT 1117)
- 3) Motion to Compel Bill of Particulars
- 4) Request For Statement of Decision (Findings of Facts and Conclusions of Law)

See McNutt v General Motors Acceptance Corp. 298 U.S. 178 (1936):

....a plaintiff in the District Court must plead the essential jurisdictional facts and must carry throughout the litigation the burden of showing that he is properly in court; if his allegations of jurisdictional facts are challenged by his adversary in any appropriate manner, he must support them by competent proof, and, even where they are not so challenged, the court may insist that the jurisdictional facts be established by a preponderance of evidence, or the case be dismissed.

Respondents and the court violated due process failing to respond to the jurisdictional challenges thereby denying Adam further hearings and evidencing this was not a judicial court.

WRIT OF ERROR

Prior to the courts order for judgment on 4/20/17, Adam filed and properly served a Writ of Error (Order to Vacate Judgment).

Adam raised the jurisdictional issues pertaining to Humphreys & Associates, Inc.'s standing (CT 995) and that payments to licensed contractors were not unlawful (CT 997), amongst others.

Respondents and the court failed to even acknowledge let alone reply.

Standing is jurisdictional and may be raised at any time. Common Cause v. Board of Supervisors, 49 Cal. 3d 432

The court had a duty to notify Adam if his pleadings were deficient and how, specifically, to correct them, but failed to.

See Haines v Kerner, 404 US 459:

Pro se litigants are held to less stringent pleading standards than bar licensed attorneys. Regardless of the deficiencies in their pleadings, pro se litigants are entitled to the opportunity to submit evidence in support of their claims.

Platsky v Cia, 953 F.2d 25:

Court errs if court dismisses the pro se litigant without instruction of how pleadings are deficient and how to repair pleadings.

Price v. Wyeth Holdings Corp., 505 F.3d 624

"if a judgment is void, it is a per se abuse of discretion for a district court to deny a movant's motion to vacate the judgment."

Nashville RR v Wallace, 288 US 249

But the Constitution does not require that the case or controversy should be presented by traditional forms of procedure, invoking only traditional remedies. The judiciary

clause of the Constitution defined and limited judicial power, not the particular method by which that power might be invoked.

DEMAND FOR BILL OF PARTICULARS (CT 1117)

On 6/28/17 Adam then challenged jurisdiction by serving a lawful Demand For Bill of Particulars pertaining to Nature and Cause of the Accusations.

Please see questions : 19, 21, 22 (CT 1121), 14 (CT 1120), 4 (CT 1118)

Most especially 37(CT 1123):

37. Your office has in actual possession conclusive evidence that Adam Alan Bereki is in Fact a "person" within the meaning of Business and Profession Code Section 7025:

☐ Yes: (specify): _____
☐ No

Respondents and the court again failed to answer let alone acknowledge this jurisdictional challenge.

MOTION TO COMPEL BILL OF PARTICULARS

A Bill of Particulars is NOT a discovery motion. See USA v Smith, 776 F.2d 1104 (1985)

On 8/25/17, Adam filed a Motion to Compel Bill of Particulars (CT 1160).

Respondents filed their Opposition on 9/13/17 (CT 1175) alleging Adam was abusing the discovery process.

Adam filed a Reply to Opposition and Motion to Disqualify Judge For Cause on 9/27/17.

See especially (CT 1202) concerning the natural person argument and (CT 1211)

A hearing had been scheduled to hear the Motion on 9/29/17. Due to Adam's Motion to Disqualify the Judge For Cause, he believed the hearing would not be held due to the

necessity of finding another judge for the hearing and providing opposing counsel and/or the judge opportunity to reply. As such Adam did not attend. He emailed Respondents counsel to notify him of the same a day prior to the hearing.

On 9/29/17, despite having notice of Adam's non-attendance and the Motion to Disqualify Judge For Cause, Mr. Bissell appeared and proceeded with the hearing anyway. It is believed he never informed the court of Adam's Reply to Respondents Opposition or the Motion to Disqualify despite having been served and there digital evidence of his receipt.

Adam had attempted the day before to call the court to confirm the hearing had been cancelled but was unable to make contact despite repeated calls. He also emailed Spartan's counsel of his intent to cancel as well. Spartan did not make an appearance.

The court ultimately sanctioned Adam \$1500 for apparently abuse of the discovery process also claiming the Bill of Particulars "appears to be irrelevant". (CT 1460-1461)

Adam has a Right to challenge jurisdiction at any time and to know the nature and cause of the accusations against him at any time. The elements of jurisdiction must appear on the record but are not there and were denied to Adam.

The Order For Sanctions can be found at (CT 1507). See also (CT 1363-1368)

See also the emails to Mr. Bissell regarding these jurisdictional challenges where he apparently believes a response to a jurisdictional challenge is optional and determined by him instead of the court. (CT 1445-1446)

See also Adams First Amended Reply to Opposition, Motion to Vacate Void Judgment, and Request for Emergency Protective Order (CT 1466) which were also never given hearing.

When a Notice of Appeal is filed, the trial court loses jurisdiction to do anything with the case that would affect the judgment until determination of the appeal. Portillo v. Superior Court, 10 Cal. App. 4th 1829 citing People v. Perez (1979) 23 Cal.3d 545, 554

ORDER STRIKING STATEMENT OF DISQUALIFICATION (CT 1510)

On 10/6/17 Judge Chaffee filed an Order Striking Statement of Disqualification. In addition to using the Civil Code of Procedure and California Rules of Court to deny Adam's Rights secured by the Constitution (see Miranda v Arizona, supra), Chaffee claims "[Adam's] Reply [and] Motion to Disqualify are untimely and demonstrate on their face no legal grounds for disqualification, they are order stricken.."

There is no such thing as an "untimely" challenge to jurisdiction. Where a court has lost jurisdiction due to fraud and violations of due process, is not merely a "disagreement with the Court's judgment, rulings, and findings" (CT 1513, 16).

The assertion of federal rights, when plainly and reasonably made, is not to be defeated under the name of local practice. Davis v. Wechsler, 263 US 22, 24.

IX. THE TRIAL COURT LACKED SUBJECT MATTER JURISDICTION TO RENDER ANY JUDGMENT DUE TO FRAUD, DUE PROCESS VIOLATIONS, AND RESPONDENTS FAILURE TO PROVE THE FACTUAL SUFFICIENCY OF THEIR CLAIM

A court of California does not have jurisdiction to render a judgment that violates the California Constitution or the Constitution of the United States.

County of Ventura v Tillett, 133 Cal. App. 3d 105

While a court has jurisdiction to hear and decide cases, it does not have jurisdiction to adjudicate a case upon the commission of a crime such as fraud or violations of due process like those evidenced above that occurred in this case.

A court only has subject matter jurisdiction to adjudicate a claim upon substantial proof of the factual sufficiency of each element of that claim by competent sworn testimony regarding authenticated evidence.

In the case of a violation of statute, jurisdiction *only* extends once the factual sufficiency of each element of the offense has been met. In this way, subject matter jurisdiction is a two sided coin.

One side of the subject matter jurisdiction coin involves the common law, statutory authority, or contract upon which there was a duty to do or not do something and the court's empowerment to deal with that subject matter as authorized by Constitution or Statute.

The first prong of the jurisdiction analysis is to determine which state courts have subject matter jurisdiction. The court in which the action is filed must be competent under California law to render a judgment; i.e., the state constitution or statutes must

empower it to adjudicate the type of lawsuit involved and to render a judgment for the amount in controversy. [See Marriage of Jensen (2003) 114 CA4th 587, 593,]

"The principle of 'subject matter jurisdiction' relates to the inherent authority of the court involved to deal with the case or matter before it." [Varian Med. Systems, Inc. v. Delfino (2005) 35 C4th 180]

The other side of the coin (or second prong) rests on the factual sufficiency of the claim. Without the factual sufficiency of the claim there would be no proven violation of law for the court to render judgment/verdict. The court would not have jurisdiction over the subject matter because a law has not been proven to have been violated – there is no proof of a claim for it to adjudicate. At that point the court has a non-discretionary duty to dismiss the case for want of subject matter jurisdiction. See FRCP 12(b)(6).

A police officer has no more jurisdiction to arrest a person for an activity that is not a violation of a law than an judge has to adjudicate one.

The factual sufficiency of the claim must establish there was a known duty the breach of which was the causation of damages as attested to by at least one competent fact witness testifying under oath and subject to cross examination regarding authenticated evidence.

Respondents:

1) failed to offer any competent sworn testimony Adam Bereki was a person to whom §7028 and §7031 applied.

2) failed to offer any competent sworn testimony as to what work Adam Bereki did on their project that was required to be licensed and the amount he was compensated for that work required. This work had to be differentiated from the work not required to be licensed as well as the work Spartan did.

3) failed to controvert Spartans testimony and evidence of obtaining the permits, doing the work, and receiving \$758,000 in compensation.

4) committed fraud on the court by making false or misleading statements to gain a civil advantage.

5) failed to prove they had personally compensated Adam \$495,000 that was paid by Humphreys & Associates, Inc.. They therefore had no standing to collect on its damages.

6) Failed to respond to multiple challenges to jurisdiction violating due process.

7) Failed to state a justiciable cause of action and subjected Adam to an unknown jurisdiction of law foreign to our Constitutions.

The trial court did not have cognizance of a case pursuant to §7028 or §7031 B&P against Adam Bereki because these causes of action do not meet the requirements for a justiciable controversy and §7031 only extends jurisdiction to payments made to unlicensed contractors.

The proper parties were NOT present because there were none who could be. See Reynolds v Stockton, 140 US 254, 268 (1891)

See also Buis v State, 1990 OK CR 28; Saffer v Jp Morgan Chase, 225 CA4th 1239, 1246 (2104); Parrott v Mooring Townhomes Ass'n Inc., 112 CA 4th 876; Chromy v Lawrance, 233 CA3d 1521, 1527.

A de novo standard of review should be applied to the court's ruling.

X. THE TRIAL COURT ERRED IN VIOLATING THE PRIVILEGES AND IMMUNITIES CLAUSE, ARTICLE 4, §2, OF THE CONSTITUTION FOR THE UNITED STATES

Article 4, §2 states:

"The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens of the several States".

As a result of Article 4, §2 no Citizen can have an inferior set of Rights to any other Citizen.

Refer also to:

FEDERALIST PAPERS NO. 42.

...[T]hose who come under the denomination of free inhabitants of a State, although not citizens of such State, are entitled, in every other State, to all the privileges of free citizens of the latter; that is, to greater privileges than they may be entitled to in their own State.

FEDERALIST PAPERS NO. 80:

It may be esteemed the basis of the Union, that "the citizens of each State shall be entitled to all the privileges and immunities of citizens of the several States."

ARTICLES OF CONFEDERATION MARCH 1, 1781:

The better to secure and perpetuate mutual friendship and intercourse among the people of the different States in this Union, the free inhabitants of each of these States, paupers, vagabonds, and fugitives from justice excepted, shall be entitled to all privileges and immunities of free citizens in the several States; and the people of each State shall free

ingress and regress to and from any other State, and shall enjoy therein all the privileges of trade and commerce, subject to the same duties, impositions, and restrictions as the inhabitants thereof respectively, provided that such restrictions shall not extend so far as to prevent the removal of property imported into any State, to any other State, of which the owner is an inhabitant; provided also that no imposition, duties or restriction shall be laid by any State, on the property of the United States, or either of them.

The State of Arizona does not have a disgorgement statute. It's statutes can be found online: <https://roc.az.gov/rules>

A de novo standard of review should be applied to the court's ruling.

XI. IT IS UNCONSTITUTIONAL TO REQUIRE THE SURRENDER OF
CONSTITUTIONALLY RECOGNIZED RIGHTS IN EXCHANGE FOR A
PRIVELEGE

For, the very idea that one man may be compelled to hold his life, or the means of living, or any material right essential to the enjoyment of life, at the mere will of another, seems to be intolerable in any country where freedom prevails, as being the essence of slavery itself.

[Yick Wo v. Hopkins, 118 U.S. 356, 370 (1886)]

Whose property is Adam Bereki's body?

Who is entitled to the property Rights of his bodily faculties?

The 14th Amendment states:

"...nor shall any State deprive any person of life, liberty, or **property**, without due process of law...

If a human being must ask the government for permission to use his or her body to earn a living and/or must pay a fee for the privileged (revocable) use thereof then clearly the government believes it owns the property Rights of that human beings time and labor.

A State cannot convert a constitutional Right into a privilege and then require a license and charge a fee for it. Murdock v. Pennsylvania, 319 US 105 (1943).

The Declaration of Independence states:

"We hold these truths to be self-evident, that all men are created equal, that they are **endowed by their Creator with certain unalienable Rights**, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed..."

Regulating an industry does NOT require unconstitutional presumptions of incompetence or relegations of one's creator endowed inalienable Rights.

Blacks Law Dictionary 4th Ed. P 1693 defines Unalienable or Inalienable as: incapable of being a-lien-ed, that is, sold and transferred.

"We have repeatedly held that, as to property reserved by its owner for private use, "the right to exclude [others is] *one of the most essential sticks in the bundle of rights that are*

commonly characterized as property." (citations omitted) Nollan v. California Coastal Comm'n, 483 U.S. 825 (1987)

"In this case, we hold that the "right to exclude," so universally held to be a fundamental element of the property right, [11] falls within this category of interests that the Government cannot take without compensation."

[11]...As stated by Mr. Justice Brandeis, "[a]n essential element of individual property is the legal right to exclude others from enjoying it." International News Service v. Associated Press, 248 U. S. 215, (1918) (dissenting opinion) Kaiser Aetna v. United States, 444 US 164 (1979).

Property Rights include Rights protected by the Constitution which include the RIGHT to control use of it by others, the Right to exclude others from benefitting from it's use in any way and the Right to penalize others for unauthorized use.³

Just what exactly the Constitutional Rights are pertaining to one's occupation or "use of faculties" was elaborated by James Madison, the father of our Constitution:

This term [property] in its particular application means "that dominion which one man claims and exercises over the external things of the world, in exclusion of every other individual." In its larger and juster meaning, it embraces every thing to which a man may attach a value and have a right; and which leave to every one else, the like advantage.

...He has property very dear to him in the safety and liberty of his person.

³ See 5th Amendment and Just Compensation Clause 14th Amendment

He has an equal property in the free use of his faculties and free choice of the objects on which to employ them.

In a word, as a man is said to have a right to his property, he may be equally said to have property in his rights.

"Government is instituted to protect property of every sort... This being the end of **government**, that alone is a just government, which impartially secures to every man, whatever is his own.

...That is not a just government, nor is property secure under it, where arbitrary restrictions, exemptions, and monopolies deny to part of its citizens that free use of their faculties, and free choice of their occupations, which not only constitute their property in the the general sense of the word; but are the means of acquiring property so called.

...If there be a government then which prides itself on maintaining the inviolability of property; which provides that none shall be taken directly even for public use without indemnification to the owner, and yet directly violates the property which individuals have in their opinions, their religion, their persons, **and their faculties**; nay more, which indirectly violates their property, in their actual possessions, in the labor that acquires their daily subsistence, and in the hallowed remount of time which ought to relieve their fatigues and soothe their cares, the interference will have been anticipated, that such a government is a not a pattern for the United States."

—The National Gazette, March 29, 1792

"The protection of these faculties" Madison wrote in The Federalist No. 10, "is the first object of government."

The right to acquire the means of supporting life by honest labor and skill is an inherent right of a law-abiding citizen. State v Wigganjost, 130 Neb. 450 (Supreme Court)

The CSLL's deny Adam Bereki and other human beings their property Rights to the use of their bodily faculties in the pursuit of happiness to earn a living requiring not only a surrender of Constitutionally protected Rights but the purported and impossible conversion of that Right into a privilege upon which a fee is charged.

The US supreme Court's findings in Hale v Henkel, 201 US 43, (1906) not only echo Madison above, they further elaborate why B&P §7028 only extends jurisdiction to legal fictions and not human beings:

...We are of the opinion that there is a clear distinction in this particular between an individual and a corporation...

The individual may stand upon his constitutional rights as a citizen. He is entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no duty to the State or to his neighbors to divulge his business, or to open his doors to an investigation, so far as it may tend to criminate him. He owes no such duty to the State, since he receives nothing therefrom beyond the protection of his life and property. His rights are such as existed by the law of the land long antecedent to the organization of the State, and can only be taken from him by due process of law, and in accordance with the Constitution. Among his rights are a refusal to incriminate himself and the immunity of himself and his property from arrest or seizure except under a warrant of the law. He owes nothing to the public so long as he does not trespass upon their rights.

Upon the other hand, the corporation is a creature of the State. It is presumed to be incorporated for the benefit of the public. It receives certain special privileges and franchises, and holds them subject to the laws of the State and the limitations of its

charter. Its powers are limited by law. It can make no contract not authorized by its charter. Its rights to act as a corporation are only preserved to it so long as it obeys the laws of its creation.

AN APPLICATION FOR ORIGINAL CONTRACTORS LICENSE IS AN UNCONSCIONABLE CONTRACT OF ADHESION REQUIRING THE UNDISCLOSED AND UNCONSTITUTIONAL "WAIVER" OF CONSTITUTIONALLY PROTECTED RIGHTS

If the government already possessed ownership or control of "the People" and their faculties, why would they then have to "apply" and give their signed consent?

There is no law requiring such consent as already evidenced.

The courts and CSLB have been subjecting the People through the deprivation of property and liberties (fines and incarceration) to, under duress and coercion – a government gun to their head – consent to a waiver of their Rights by submitting to an "Application".

Nowhere on the Application is there any disclosure whatsoever that the applicant is required to consent to a waiver of his or her Rights despite this being what an Application requires. (CT 1409-1442)

The US Supreme Court has held waivers of Rights must be knowing, voluntary, and intelligent. See Johnson v Zerbst, 304 US 458.

The People of California are never lawfully informed of the presumption of their incompetence purportedly requiring their licensure in the first place not to mention the fact they will be

required to surrender Rights to judicial process and be 'forced' into mandatory arbitration for which there is not only no Right to an appeal, but not even any statutory authority. (See §7085, and CT 1406- 2nd to last sentence)

Upon acceptance of a license, having accepted the benefit one cannot then challenge its constitutionality and must bear the burden.

The case of In Re Meador, 16 Fed. Cas. 1294, held that:

"And here a thought suggests itself. As the Meadors, subsequently to the passage of this Act of July 20, 1868 applied for and obtained from the government a license or permit to deal in manufactured tobacco, snuff, and cigars, I am inclined to be of the opinion that they are, by their own voluntary act, **precluded from assailing the constitutionality of this law, or otherwise controverting it.** For the granting of a license or permit — the yielding of a particular privilege — and the acceptance by the Meadors was **a contract**, in which it was implied that the provisions of the statute which governed, or in any way affected their business, and all other statutes previously passed, which were in pari materia with those provisions should be recognized and obeyed...

Adam Bereki discovered the issue surrounding the requirement of "mandatory arbitration" after the CSLB held a mandatory arbitration hearing **without even notifying him of the proceedings.** (RT 144-15 –145-3)

Adam had also qualified for the license for Blackrock General, Inc. A complaint was received after Blackrock had gone out of business in the housing crash of 2008. The CSLB contacted Adam and Adam requested it provide the documentation of the complaint so it could be handled. No evidence was ever received.

A “mandatory arbitration” hearing was then conducted pursuant to §7085 B&P years later. (CT 1403)

Adam was never notified of the hearing despite his address and phone number correctly indicated on the application.

As a result, the CSLB then suspended Blackrock and Spartan’s license for failure to comply with the arbitration award despite the fact Adam sent multiple letters to the Registrar informing him of the defect in the proceedings.

On 8/7/15 Adam sent a letter stating:

“I, as the qualifier for that license, never received notification of the arbitration proceedings.”

This letter has apparently gone *missing* from the CSLB’s official certified records file. However, David Fogt, Chief of the CSLB Enforcement Division replied insisting the judgment was valid and stating Adam could reapply for a license in approximately two years *only* after submitting to the judgment award.

¹
Mr. Fogt, even when notified of unlawful conduct acted in violation of his duties to further sanction this abomination of justice.⁴

This is why Spartan’s license at present is “suspended/revoked”. (RT 144-25).

Another letter was sent in reply on 2/4/16 (CT 1404) which was never replied to.

Subsequent to the suspension of Spartan’s license, Adam applied for a license in his name which was also denied.

⁴ It has been discovered pursuant to a CSLB document request Mr. Fogt was not lawfully in office as the Chief of Enforcement given that he did not have an Oath of Office pursuant to his position.

AS A RESULT, ADAM REMAINS IN CONSTRUCTIVE CUSTODY ALLEGEDLY UNABLE TO OBTAIN A LICENSE FOR GAINFUL EMPLOYMENT AND NOW FINED FOR OPERATING WITH ONE.

With a timely lawful disclosure of any or all of these terms and conditions of the Application for Contractors license how many willing applicants would there be to these illicit acts of executive and judicial legerdemain?

"The state cannot diminish rights of the people." Hurtado v. People of the State of California, 110 U.S. 516.

All the powers of the government *[including ALL of its civil enforcement powers against the public—ed]* must be carried into operation by individual agency, either through the medium of public officers, or contracts made with [private—ed] individuals. See e.g. *Osborn v Bank of US*, 22 US 738 (1824).

Adam cannot be compelled to enter a public office or enter and unconscionable contract of adhesion to earn a living.

A de novo standard of review should be applied to the court's ruling.

XII. IT IS UNCONSTITUTIONAL TO REQUIRE SUBMISSION TO MULTIPLE LICENSES

7028 and 7028.5 ARE UNCONSTITUTIONAL REGARDING THE REQUIREMENT OF AN ADDITIONAL LICENSE ONCE ONE ALREADY POSSESSES A VALID LICENSE.

Once a natural person has passed the licensing requirements and maintains a valid license as a Qualifying Individual, the only requisite for an additional license becomes one's ability to pay the licensing and bond fees.

This ability to pay fees or obtain bonds is not the purpose the CSLL's were established for—"the protection of the public from dishonesty or incompetence in the construction industry". As such, any requirements for an additional license – once one has qualified and maintains a license – is a scheme to generate revenue by taxation. It is beyond the scope of the designated purpose of the CSLL's and is therefore unconstitutional. See Ex parte Davis 72 Okla. Crim. 152 and Priddy v City of Tulsa, 1994 OK CR 63.

A de novo standard of review should be applied to the court's ruling.

REQUEST FOR COSTS ON APPEAL

Recovery of appellate costs is governed by CRC 8.278(a)(1).

CONCLUSION

§7031 only extends jurisdiction to work done by an unlicensed contractor who received compensation.

Spartan was a licensed contractor who performed the work and received compensation.

For all of the foregoing reasons, this court should:

- 1) Find that both judgment orders on appeal are void for want of jurisdiction and Respondents cause of action be dismissed with prejudice.
- 2) Provide findings and explanations for each of the issues in the Statement of Issues on Appeal.

Respectfully Submitted,



Adam Bereki, In Propria Persona

Dated: January 10, 2018

WORD COUNT CERTIFICATE

Excluding sections identified by CRC 8.204(c)(3), this brief has words. I rely upon the word-counting function of Pages, the word-processing program used to generate this brief, in making this certification. There are 13,989 words.

Dated: January 10, 2018



Adam Bereki, In Propria Persona

ATTORNEY OR PARTY WITHOUT ATTORNEY: STATE BAR NO: NAME: Adam Bereki FIRM NAME: STREET ADDRESS: c/o postal service address 818 Spirit CITY: Costa Mesa, California STATE: ZIP CODE: CF 92626 CF TELEPHONE NO.: 949.241.6693 FAX NO.: E-MAIL ADDRESS: abereki@gmail.com ATTORNEY FOR (name):		FOR COURT USE ONLY CASE NUMBER: G055075 JUDICIAL OFFICER: DEPARTMENT:
SUPERIOR COURT OF CALIFORNIA, COUNTY OF STREET ADDRESS: MAILING ADDRESS: CITY AND ZIP CODE: BRANCH NAME: COURT OF APPEAL 4th DISTRICT, DIVISION 3		
PLAINTIFF/PETITIONER: Adam Bereki DEFENDANT/RESPONDENT: Karen and Gary Humphreys		
PROOF OF ELECTRONIC SERVICE		

1. I am at least 18 years old.
- My residence or business address is (specify):
c/o postal service address
818 Spirit
Costa Mesa, California CF 92626 CF
 - My electronic service address is (specify):
abereki@gmail.com
2. I electronically served the following documents (exact titles):
Appellants Opening Brief

☐ The documents served are listed in an attachment. (Form POS-050(D)/EFS-050(D) may be used for this purpose.)

3. I electronically served the documents listed in 2 as follows:

a. Name of person served: William Bissell and California Attorney General's Office

On behalf of (name or names of parties represented, if person served is an attorney):

*Contractors State License Board
(Holly Young - cust. of Recd's
David Fogt - Registrar)*

b. Electronic service address of person served:

wbissell@wgb-law.com, sdag.docketing@doj.ca.gov

recert@cslb.ca.gov

c. On (date): January 10, 2018

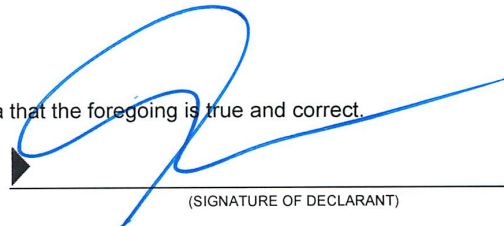
☐ The documents listed in item 2 were served electronically on the persons and in the manner described in an attachment.
(Form POS-050(P)/EFS-050(P) may be used for this purpose.)

Date: January 10, 2018

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

Adam Bereki

(TYPE OR PRINT NAME OF DECLARANT)



(SIGNATURE OF DECLARANT)