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IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION FOUR

CARMELA RUIZ, Plaintiff and Appellant, v. XOCHITL HERNANDEZ et al., Defendants and Respondents.	B297062 (Los Angeles County Super. Ct. No. BC672701)

APPEAL from a judgment of the Superior Court of Los Angeles County, Robert S. Draper, Judge. Affirmed.

Hector C. Perez for Plaintiff and Appellant.

Duran and Cedillo and Manuel Duran for Defendants and Respondents.

INTRODUCTION

Appellant Carmela Ruiz conveyed her residential property by grant deed to potential buyers Jorge and Iris Linares in 2001 pursuant to a sale agreement. When the sale fell through, the Linareses reconveyed the property to Ruiz, but that deed contained an erroneous legal description of the property. As a result, Ruiz did not regain legal title to the property. Apparently unaware of the title issue, Ruiz continued to possess and rent the property. In 2015 and 2016, she conveyed the property through a series of three quitclaim deeds to respondent Xochitl Hernandez. Hernandez then deeded her interest in the property to the Xochitl Hernandez Family Trust (the trust).

In 2017, Ruiz sued Hernandez, individually and as trustee of the trust, and the Linareses, seeking to quiet title to the property in Ruiz's favor. She claimed that the quitclaim deeds were part of an intended sale of the property to Hernandez, but Hernandez never paid. Ruiz also contended that the quitclaim deeds did not transfer any property interest to Hernandez, because the Linareses continued to hold title at the time. The trial court rejected these arguments, cancelled the Linares grant deeds, and quieted title in favor of Hernandez.

Ruiz argues that the trial court erred in finding Hernandez was the property owner as a result of the quitclaim deeds. We reject this contention and affirm the judgment.

FACTUAL AND PROCEDURAL HISTORY

I. *Background*

The underlying facts are largely undisputed. Ruiz and her late husband purchased the residential property at issue in 1983. Ruiz's husband passed away in 1997.

In 2001, Ruiz agreed to sell the property to the Linareses. As part of the sale agreement, Ruiz signed a grant deed on June 14, 2001 conveying the property to them. However, the Linareses were unable to raise the money for the purchase, and on January 12, 2002, they executed a grant deed intended to reconvey the property to Ruiz. Both deeds were recorded. However, the deed from the Linareses to Ruiz contained an inaccurate legal description of

the property.[1] As a result, it is undisputed that the Linareses continued to hold record title to the property. None of the parties were aware of the title issue at the time, and Ruiz continued to possess the property, pay property taxes, and collect rent from tenants. The Linareses have never claimed an ownership interest in the property.

Sometime in 2015, Ruiz agreed to convey her interest in the property to Hernandez by quitclaim deed. The parties disputed whether this conveyance was intended as a gift or a sale. Ruiz executed three quitclaim deeds in September 2015, November 2015, and February 2016, quitclaiming all of her right, title, and interest in the property to Hernandez. Each deed stated that the property was being transferred as a gift. The quitclaim deeds contained the same inaccurate property description as the 2002 grant deed from the Linareses to Ruiz.[2] Hernandez executed a quitclaim deed in November 2015, transferring her interest in the property to her trust. Hernandez never paid any money to Ruiz for the property.

Ruiz also signed a notarized statement on November 4, 2015, a few days prior to signing the second quitclaim deed. In that statement, Ruiz declared that "[i]t is my will and desire" to give the property to Hernandez, as "she is like my sister, in good and bad." Ruiz further acknowledged that the statement was signed under penalty of perjury and "[u]nder my own volition and under not duress [*sic*] of any kind."

It is unclear from the limited record before us when Ruiz became aware that the 2002 grant deed from the Linareses did not convey record title to the property. However, a title report issued on June 16, 2017 listed the

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[1] The original grant deed to Ruiz and her husband in 1983 and the deed signed by Ruiz in 2001 both described the property as "Lot 134, Tract 1318 as per map recorded in Book 18, Pages 182 and 183 of Maps in the office of the county Recorder. Except the North 40 feet thereof." The deed signed by the Linareses in 2002 erroneously described the property as the "northerly 40 feet of lots 133 and 134 of Tract No. 1318."

[2] Ruiz contends that only the second and third quitclaim deeds contained the inaccurate property description. This is not supported by the record before us, showing that all three deeds contained the same inaccurate description.

Linareses as title holders and noted that the 2002 grant deed did not convey to Ruiz the same title that the Linareses had acquired.

II. *Complaint*

Ruiz filed her complaint on August 17, 2017 against Hernandez, individually and as trustee of the trust, and the Linareses. She alleged causes of action for cancellation of deeds, quiet title, declaratory relief, fraud, rescission, and intentional infliction of emotional distress.

Ruiz alleged that she began renting the property shortly after the sale to the Linareses fell through in 2002. In 2015, she decided to sell the property; on September 1, 2015, she offered to sell it to Hernandez, her longtime friend, for $500,000. Hernandez accepted, stating that her godparents would advance the money for the purchase.

On September 12, 2015, Hernandez told Ruiz "that the purchase monies would be deposited into Ruiz's bank account as soon as the deed was executed." The parties met at a notary's office on September 14, 2015 to review and sign the quitclaim deed. According to the complaint, Ruiz noticed that on the deed, the property transfer was listed as a "gift." She objected, but Hernandez "eased [her] concerns by stating that the basis for the transfer's characterization as a 'Gift' was to avoid tax consequences and liabilities, but that [Hernandez] would nevertheless pay" the promised $500,000 for the property. Based on these assurances, Ruiz executed the quitclaim deed, which Hernandez recorded. Several weeks passed and Hernandez had not yet paid, but she continued to assure Ruiz that she would do so "at any moment."

Ruiz further alleged that on November 9, 2015, Hernandez stated that there was "something wrong" with the prior deed and a "new deed would need to be executed." Ruiz executed the second quitclaim deed on November 10, 2015. Hernandez continued to reassure Ruiz that payment would be forthcoming.

In December 2015, Hernandez stated that her godfather, a police detective, had been receiving threats "from the Mafia due to . . . his investigation into the Mafia Underworld." In February 2016, Hernandez told Ruiz that the deed "needed correcting" a second time. When Ruiz asked about the payment, Hernandez stated that the Mafia had "threatened to kill

all those close" to her godfather, including Hernandez and Ruiz, "if the Property was not deeded to [Hernandez] immediately because the mafia wanted the Property . . . in exchange for their lives." Accordingly, "[b]ased on the threats to her life and under duress," Ruiz executed the third quitclaim deed for the property on February 27, 2016. Hernandez never paid Ruiz for the property, nor did she return the property to Ruiz.

Ruiz alleged that she never intended to gift the property to Hernandez, but rather agreed to sell it for $500,000. Ruiz prayed for an order quieting title to the property in her favor, cancellation of the deeds (presumably both the grant deeds to and from the Linareses and the quitclaim deeds to Hernandez), a declaration that she was the owner in fee of the property, rescission of the contract with Hernandez, and compensatory and punitive damages.

III. *Trial*

The court held a two-day bench trial in late 2018. Ruiz and Hernandez each testified, as did Iris Linares and Ruiz's two daughters. There is no transcript from the trial in the record on appeal. Thus, we have only the information regarding the trial contained in the appendix, which includes the court's statement of decision.

The court admitted into evidence the grant deeds from 1983, 2001, and 2002, as well as the quitclaim deeds from 2015 and 2016. As summarized by the court, Ruiz and her daughters testified that Ruiz did not intend to gift the property to Hernandez, but rather signed the quitclaim deeds as part of a planned sale for $500,000. Hernandez, on the other hand, testified that she had never agreed to buy the property and that Ruiz consistently told her that the house was a gift.[3]

The court also admitted several documents filed in prior legal proceedings by Ruiz against Hernandez. In September 2016, Ruiz filed a request for a civil harassment restraining order against Hernandez. In her request, Ruiz alleged that she had lived with Hernandez since January 2016, Hernandez "told me we were going to sign a rent agreement," but instead

[3] The record does not contain an explanation from Hernandez as to why she requested three consecutive quitclaim deeds to the property or what errors she contended needed correction.

Hernandez "tricked me" and tried to steal the property "by me signing it over to her," and when confronted, Hernandez threatened to "cut me in to [*sic*] pieces."

Ruiz and her daughter also filed an unlawful detainer complaint against Hernandez in March 2017. The complaint alleged that Hernandez moved into the property as a tenant in December 2015, after she was unable to purchase the property as agreed. Ruiz further alleged that Hernandez orally agreed to pay monthly rent of $1,400 until she could pay the purchase price for the property. However, as of March 2017, Hernandez had failed to pay any rent or the purchase price.

IV. ***Statement of Decision***

The court issued a statement of decision on January 22, 2019. The court found that Ruiz's testimony regarding her intentions when signing the quitclaim deeds was not credible. The court noted inconsistencies between Ruiz's testimony and her prior written statements, as well as the lack of any evidence supporting her claim of fraud by Hernandez. Accordingly, the court found that Ruiz "intended to transfer all of her rights, title and interest" in the property to Hernandez when she signed the quitclaim deeds. The court also cancelled the grant deeds to and from the Linareses.

The court also rejected Ruiz's argument that she was entitled as a matter of law to an order deeming her full owner of the property. Ruiz argued at trial that she did not have any title to the property at the time she executed the quitclaim deeds to Hernandez, because title remained with the Linareses. Therefore, the quitclaim deeds did not convey any property interest to Hernandez when executed, and title would not flow from Ruiz to Hernandez once the Linares deeds were cancelled. The court rejected this argument, finding that although the Linareses held *legal* title to the property during the relevant period, Ruiz still held an equitable property interest: "What [Ruiz] was in possession of after the original deed to the Linares[es] was reconveyed was an equitable beneficial interest in the Home." Thus, when Ruiz signed the quitclaim deeds, she conveyed this *equitable* interest to Hernandez. Thereafter, Ruiz held no interest and Hernandez was the holder of the equitable or beneficial interest in the property, which Hernandez could seek to perfect once the Linares deeds were cancelled.

The court declared that Hernandez was the owner in fee simple of the property, described in accordance with the original 1983 grant deed. The court also dismissed the remainder of the complaint and the related unlawful detainer action. The court entered judgment in favor of Hernandez, and Ruiz timely appealed.

DISCUSSION

"In reviewing a judgment based upon a statement of decision following a bench trial, we review questions of law de novo." (*Thompson v. Asimos* (2016) 6 Cal.App.5th 970, 981.) "We apply a substantial evidence standard of review to the trial court's findings of fact." (*Ibid.*) "Under this deferential standard of review, findings of fact are liberally construed to support the judgment and we consider the evidence in the light most favorable to the prevailing party, drawing all reasonable inferences in support of the findings." (*Ibid.*, citing *Citizens Business Bank v. Gevorgian* (2013) 218 Cal.App.4th 602, 613.)

Ruiz does not challenge the trial court's factual finding that she intended to gift the property to Hernandez through the quitclaim deeds, or the dismissal of the bulk of her claims on that basis. As we discuss further below, she also does not challenge the trial court's factual finding that she held an equitable interest in the property. Instead, she contends only that the trial court erred in quieting title in favor of Hernandez as a matter of law, based on the rule that a quitclaim deed does not transfer after-acquired title.[4]

Under the doctrine of after-acquired title, "[w]here a person purports by proper instrument to grant real property in fee simple, and subsequently acquires any title, or claim of title thereto, the same passes by operation of law to the grantee, or his successors." (Civ. Code, § 1106.) In contrast to a grant deed, a quitclaim deed transfers only "whatever present right or

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[4] We reject Hernandez's contention that the lack of a reporter's transcript or settled statement of the trial testimony renders the record inadequate for meaningful review. Ruiz has not challenged any factual findings that would necessitate our review of trial testimony. Moreover, Hernandez fails to articulate how the record provided, which includes the deeds at issue and the trial court's statement of decision, is inadequate to allow our review of the legal error Ruiz claims. We therefore consider the merits of the appeal.

interest the grantor has in the property" and contains no implied warranty of title. (*City of Manhattan Beach v. Superior Court* (1996) 13 Cal.4th 232, 239.) Thus, as a general rule, a quitclaim deed does not convey any after-acquired title received by the grantor after the grantor's execution of the quitclaim deed. (*Johnson v. E-Z Ins. Brokerage* (2009) 175 Cal. App.4th 86, 94 (*Johnson*); *In re Marriage of Gioia* (2004) 119 Cal.App.4th 272, 281; *Soares v. Steidtmann* (1955) 130 Cal.App.2d 401, 403 (*Soares*).)

Here, Ruiz's claim of error stems from a three-step argument. First, she points to the undisputed fact that the Linareses retained legal title to the property after the ineffective conveyance in 2002. Second, she contends that as a result, she had no title to convey in 2015 and 2016 when she signed the quitclaim deeds to Hernandez, so Hernandez received nothing from the quitclaim deeds. Third, Ruiz argues that once the Linares deeds were cancelled by the court, she necessarily reacquired full title. Because she acquired title after executing the quitclaim deeds, that title could not be transferred through the quitclaim deeds to Hernandez. We disagree.

The central problem with this argument is that it treats property interest as a single, indivisible item, rather than a bundle of rights that may be divided among more than one owner. Moreover, Ruiz assumes that the Linareses held the entire property interest, rather than—as the trial court held—that the Linareses held only legal title, while Ruiz continued to hold an equitable interest in the property. These flaws are fatal to Ruiz's arguments on appeal.

"'[P]roperty' is the sum of all the legally recognized rights, privileges, powers and immunities incident to ownership of the thing." (*Pacific Gas & Electric Co. v. Hart High-Voltage Apparatus Repair & Testing Co., Inc.* (2017) 18 Cal.App.5th 415, 426 (*Pacific Gas*).) "California law recognizes a wide range of interests are included in the bundle of sticks that constitutes 'property' and those sticks may be divided and held (i.e., owned) among multiple persons." (*Id.* at p. 428.) A "'beneficial'" or "'equitable owner'" is "[o]ne recognized *in equity* as the owner of something because use and title belong to that person, even though legal title may belong to someone else." (*Id.* at p. 427; see also *Miller v. Dyer* (1942) 20 Cal.2d 526, 529.) In contrast, a "legal owner" is "[o]ne recognized *by law* as the owner of something."

(*Pacific Gas, supra*, 18 Cal.App.5th at p. 427; see also *Parkmerced Co. v. City and County of San Francisco* (1983) 149 Cal.App.3d 1091, 1094-1095 ["legal title" is the antithesis of "equitable title"].)

Here, the trial court found that the Linareses held the legal title to the property, while Ruiz held an equitable interest, which she then transferred by quitclaim deed to Hernandez. Ruiz does not challenge the trial court's finding that she held an equitable interest in the property. As such, she has forfeited any claim of error on this basis. (See *In re S.C.* (2006) 138 Cal.App.4th 396, 408; *Berger v. Godden* (1985) 163 Cal.App.3d 1113, 1117.) Moreover, substantial evidence supports the trial court's finding. Ruiz and the Linareses agree that the 2002 grant deed was intended to reconvey full title to the property to Ruiz and the Linareses retained legal title only due to a mistake in the language of the deed. Ruiz continued to act as the property owner, paying property taxes and renting the property for over a decade following the attempted reconveyance. This evidence supported the trial court's conclusion that Ruiz held an equitable interest in the property as the intended owner. (See, e.g., *Clayton Development Co. v. Falvey* (1988) 206 Cal.App.3d 438, 444 [faulty description in trust deed created an "equitable mortgage even though it does not constitute a legal mortgage" based on the parties' undisputed intent]; *Edwards-Town, Inc. v. Dimin* (1970) 9 Cal.App.3d 87, 94 ["When property has been acquired in such circumstances that the holder of the legal title may not in good conscience retain the beneficial interest, equity converts him into a trustee."].)[5]

Ruiz's failure to challenge the trial court's finding that she held an equitable interest in the property dooms her argument regarding after-acquired title. Her argument rests on the premise that she had "no title, right or interest in the property" when she signed the quitclaim deeds, and

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[5] Although it was not cited by either party or the trial court, we note that Evidence Code section 662 provides: "The owner of the legal title to property is presumed to be the owner of the full beneficial title. This presumption may be rebutted only by clear and convincing proof." Even under this heightened standard, there was ample evidence to rebut the presumption and find that Ruiz (rather than the Linareses as legal title holders) held equitable or beneficial title to the property at the time she executed the quitclaim to Hernandez.

therefore any title she later acquired would not flow through the quitclaim deeds to Hernandez. But the trial court held that she did have an equitable interest and she transferred that interest to Hernandez. Thereafter, when the court cancelled the Linares deeds, it was *Hernandez* who held the equitable interest, and therefore the right to seek to perfect her equitable title into full title. Ruiz, on the other hand, had no remaining property interest and no basis to reclaim title. Thus, there was no after-acquired title at issue.

Because Ruiz had no after-acquired title, her citation to *Johnson, supra*, 175 Cal.App.4th at pp. 94-95, is inapposite, as that case simply applies the after-acquired title doctrine. In *Johnson*, the defendant owned real property subject to a judgment lien by the plaintiffs. The defendant filed for bankruptcy, then conveyed the property by quitclaim deed to his sister. (*Id.* at p. 91.) After the bankruptcy proceeding closed, the sister filed a third-party claim, asserting an ownership interest in the property. (*Id.* at pp. 91-92.) The court found that the defendant had no interest to convey in the quitclaim deed, as the property was part of the bankruptcy estate at the time, and once the bankruptcy estate is created, "no interests in property of the estate remain in the debtor." (*Id.* at p. 94, citing 11 United States Code, § 541.) Further, once the bankruptcy case closed, "title to any nonadministered property of the estate . . . [revests in the debtor."]. (*Id.* at p. 95.) Thus, the defendant's sister did not receive any property interest from the quitclaim deed and therefore had no claim to the title re-acquired by the defendant at the close of the bankruptcy. (*Ibid.*)

By contrast, here the trial court found that Ruiz held an equitable interest in the property at the time she executed the quitclaim deed to Hernandez. Therefore, unlike the quitclaim in *Johnson*, Ruiz's quitclaim deed transferred an equitable interest to Hernandez, leaving Ruiz with no claim to any after-acquired title.[6] (See *Soares, supra,* 130 Cal.App.2d at p. 404 [holding that quitclaim deed "passes whatever interest, legal or

[6] We note that the trial court made the same distinction between the facts of *Johnson* and the instant case in its statement of decision, but erroneously cited to *City of Manhattan Beach v. Superior Court* (1996) 13 Cal.4th 232, 239.

equitable, that the grantor possesses at the time of the grant," including "the passing of rights only inchoate at the time of the grant but which later ripen into a vested estate"]; 12 Witkin, Summary 11th Real Prop § 266 (2019) [same].)

Ruiz also asserts that there are only two "narrow exception[s]" to the after-acquired title doctrine under which any title could have transferred to Hernandez. However, she argues that neither exception applies. We reject Ruiz's assertions as unsupported. First, Ruiz contends that after-acquired title can be transferred by quitclaim deed only if the recipient of the quitclaim deed is a good faith purchaser for value, which Hernandez was not. Ruiz's cited case, *Klamath Land & Cattle Co. v. Roemer* (1970) 12 Cal.App.3d 613, 618–619 (*Klamath*), does not suggest such a limitation, nor do the cases cited by the *Klamath* court. (See *id*. at p. 619, citing *Rosenthal v. Landau* (1949) 90 Cal.App.2d 310, 312-313 [quitclaim deed from husband to ex-wife transferred equitable interest in property], *Graff v. Middleton* (1872) 43 Cal. 341, 344 [quitclaim deed transfers "such interest as the seller then has," therefore quitclaim "which is first recorded, will prevail over a deed of older execution which is subsequently recorded"].) Ruiz cites no authority holding that a recipient of a quitclaim conveying equitable interest as a gift has no right to perfect his or her title. Instead, *Klamath* recognized the premise, contrary to Ruiz's contention here, that a quitclaim deed could effectively convey an equitable interest in property, and the recipient could later seek to perfect his or her title. (*Klamath, supra*,12 Cal.App.3d at pp. 618–619.)

Second, Ruiz contends that Hernandez arguably could claim title to the property if Hernandez moved to perfect title first, which she did not. But the case Ruiz cites, *McDonald v. Edmonds* (1872) 44 Cal. 328, 330, discusses the ability of a grantor of a quitclaim deed to subsequently "acquir[e] and hold[ ] the same land by preemption . . . as against one who shows no title." Ruiz does not suggest how this case applies here. Nor does she otherwise articulate how it was error for the trial court to quiet title in Hernandez's favor. (See, e.g., *Vanderkous v. Conley* (2010) 188 Cal.App.4th 111, 119 [noting "the extent of the court's equity jurisdiction in a quiet title action where 'the court has jurisdiction to hear and determine all issues necessary to do complete justice'"].)

We therefore find that Ruiz has not demonstrated that she is entitled to quiet title in the property as a matter of law.[7]

DISPOSITION

The judgment is affirmed. Hernandez is awarded her costs on appeal.

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COLLINS, J.

We concur:

WILLHITE, ACTING P.J.

CURREY, J.

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[7] In her opening brief, Ruiz also lists as part of the lengthy question presented on appeal whether the quitclaim deeds conveyed title to Hernandez "where two of the three quitclaim deeds contain an erroneous legal description of the property." Other than referencing this purported fact, Ruiz does not advance any argument demonstrating an error on this basis, and we therefore disregard it as forfeited. (*Atchley v. City of Fresno* (1984) 151 Cal.App.3d 635, 647 ["Where a point is merely asserted by appellant's counsel without any argument of or authority for the proposition, it is deemed to be without foundation and requires no discussion by the reviewing court."]; *Berger v. Godden, supra,* 163 Cal.App.3d at p. 1117 ["failure of appellant to advance any pertinent or intelligible legal argument . . . constitute[s] an abandonment of the [claim of error"].)