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6 *Attorneys for Plaintiff*  
7 *Lacey Timmins and the Proposed Class*

\$435 PAID

8 **SUPERIOR COURT OF CALIFORNIA**

9 **COUNTY OF STANISLAUS**

10 LACEY TIMMINS, on behalf of herself  
11 and those similarly situated,  
12  
13 Plaintiff,

Case No. CV-24-008809

CLASS ACTION

14 v.

15 CLEARCAPITAL.COM, INC.; CORE  
VALUATION MANAGEMENT, INC.;  
and ROCKET MORTGAGE, LLC,  
16  
17 Defendants.

**PLAINTIFF'S COMPLAINT; AND  
DEMAND FOR JURY TRIAL**

18 Plaintiff Lacey Timmins ("Plaintiff"), on behalf of herself and all others similarly situated,  
19 brings this action against Defendants ClearCapital.com, Inc. ("Clear Capital"); Core Valuation  
20 Management, Inc. ("Core Valuation Management"); and Rocket Mortgage, LLC ("Rocket  
21 Mortgage"). Plaintiff alleges as follows:

22 **INTRODUCTION**

23 1. This is a class action lawsuit to redress injuries that Plaintiff and a class of  
24 consumers have suffered, and will continue to suffer, as a result of Defendants' unlawful, unfair,  
25 and deceptive practices related to the "appraisal fees" they charge mortgage borrowers.

26 2. Buying a home is one of the landmark financial burdens faced by Americans,  
27 especially Californians. People often spend years saving up for a down payment. But a down  
28 payment is just one of the up-front costs. People who manage to save up for a down payment and

Freeland, John D

1 get approved for a mortgage must also pay closing costs. While home prices and interest rates  
2 command more attention, closing costs are significant; indeed, a 2021 study “found that nearly 15  
3 percent of lower income homebuyers had closing costs that exceeded the amount of their down  
4 payment.”<sup>1</sup> Closing costs, “and particularly the costs the lender imposes on the borrower as part of  
5 the cost of getting the loan, have recently risen sharply.”<sup>2</sup> “From 2021 to 2023, median total loan  
6 costs increased by over 36% percent on home purchase loans,” increasing the pressure on  
7 borrowers’ budgets.<sup>3</sup> Certain closing costs are for services that borrowers cannot shop for, and  
8 which do not benefit borrowers.<sup>4</sup> Such costs are ripe for exploitation, leading to an unwelcome  
9 surprise for borrowers: “closing costs that all too often are full of junk fees.”<sup>5</sup>

10 3. Defendants, for their part, charge borrowers “appraisal fees” that bear no relation to  
11 the actual cost of the relevant service. Defendant Rocket Mortgage requires appraisals before  
12 closing on a home mortgage transaction. Rocket Mortgage hires appraisers through appraisal  
13 management companies (“AMCs”), such as Defendants Clear Capital and Core Valuation  
14 Management. Rocket Mortgage sets borrowers’ “appraisal fees,” charges the appraisal fees at  
15 closing, and then passes along the appraisal fees to AMCs. AMCs, in turn, pay appraisers a small  
16 fraction of borrowers’ appraisal fees, keeping the remainder without providing equivalent value.  
17 Research indicates that AMCs typically retain upwards of 60%–80% or more of borrowers’  
18 “appraisal fees.”<sup>6</sup> Clear Capital and Core Valuation Management thus enrich themselves by  
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21 <sup>1</sup> Julie Margetta Morgan, *Junk Fees Are Driving Up Housing Costs. The CFPB Wants to Hear*  
22 *from You.*, CFPB (Mar. 8, 2024), <https://www.consumerfinance.gov/about-us/blog/junk-fees-are-driving-up-housing-costs-the-cfpb-wants-to-hear-from-you/>; see NUNO MOTA & MARK PALIM,  
23 FANNIE MAE, BARRIERS TO ENTRY: CLOSING COSTS FOR FIRST-TIME AND LOW-INCOME  
24 HOMEBUYERS (Dec. 2021), <https://www.fanniemae.com/media/42286/display>.

25 <sup>2</sup> Request for Information Regarding Fees Imposed in Residential Mortgage Transactions, 89 Fed.  
26 Reg. 48,400 (June 6, 2024).

27 <sup>3</sup> *Id.*

28 <sup>4</sup> *See id.*; *Junk Fees Are Driving Up Housing Costs*, *supra* note 1.

<sup>5</sup> *Junk Fees Are Driving Up Housing Costs*, *supra* note 1.

<sup>6</sup> Docket No. CFPB-2024-0021-0973, <https://www.regulations.gov/comment/CFPB-2024-0021-0973>.

1 obtaining inflated fees that far exceed the actual amounts they pay to appraisers, and Rocket  
2 Mortgage facilitates and controls the inflated fees.

3 4. Defendants misleadingly describe the “appraisal fees” and keep borrowers in the  
4 dark. Defendants lead borrowers to believe that they are being charged for the actual appraisal cost.  
5 In reality, Defendants charge borrowers considerably in excess of the actual appraisal cost, with no  
6 tangible benefit to borrowers. Defendants do not disclose to borrowers what AMCs retain. AMCs  
7 often not only withhold this information but actively conceal it by prohibiting appraisers from  
8 disclosing the cost of their services in their appraisal reports.

9 5. Defendants’ deception as to what the appraisal fee includes is particularly  
10 problematic because the typical dynamics of a free market are not present to keep the price  
11 competitive. In this context, the lender picks the AMC but the lender does not pay the AMC—the  
12 borrower is stuck paying the AMC without being able to pick the AMC or directly negotiate the  
13 AMC’s price. The only way to make AMCs’ fees subject to the healthy pressure of an efficient  
14 market is to inform consumers of the details of the AMCs’ fees. This would give consumers a  
15 chance to demand that lenders compete for the borrower’s business by competing between each  
16 other on the price their AMC charges. This competition is not happening now because the  
17 Defendants are obfuscating that the AMCs receive an excessive middleman fee.

18 6. As a result of Defendants’ unlawful, unfair, and deceptive practices, Plaintiff and a  
19 class of consumers have suffered, and will continue to suffer, by being required to pay  
20 misrepresented, inflated “appraisal fees.”

21 **PARTIES, JURISDICTION, AND VENUE**

22 7. Plaintiff Lacey Timmins is an individual who is domiciled in, and is a citizen of, the  
23 State of California.

24 8. Defendant ClearCapital.com, Inc. (“Clear Capital”) is a California corporation.

25 9. Defendant Core Valuation Management, Inc. (“Core Valuation Management”) is a  
26 California corporation.

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1           10. Defendant Rocket Mortgage, LLC (“Rocket Mortgage), formerly known as  
2 Quicken Loans, LLC, is a Michigan limited liability company. Rocket Mortgage is registered to  
3 conduct, and routinely conducts, business in California.

4           11. This is an action arising under California law. Accordingly, this Court has subject-  
5 matter jurisdiction under, *inter alia*, Cal. Code Civ. Proc. § 410.10. The aggregate monetary  
6 damages and restitution sought herein exceed the minimum jurisdictional limits for the Superior  
7 Court and will be established at trial, according to proof.

8           12. This Court may exercise personal jurisdiction over Clear Capital under Cal. Code  
9 Civ. Proc. § 410.10 because Clear Capital is a California corporation, does substantial and  
10 continuous business in California, derives substantial compensation and profits from its services in  
11 California, and has engaged in the unlawful practices described in this Complaint within California.

12           13. This Court may exercise personal jurisdiction over Core Valuation Management  
13 under Cal. Code Civ. Proc. § 410.10 because Core Valuation Management is a California  
14 corporation with its principal place of business in California, does substantial and continuous  
15 business in California, derives substantial compensation and profits from its services in California,  
16 and has engaged in the unlawful practices described in this Complaint within California.

17           14. This Court may exercise personal jurisdiction over Rocket Mortgage under Cal.  
18 Code Civ. Proc. § 410.10 because Rocket Mortgage does substantial and continuous business in  
19 California, derives substantial compensation and profits from its services in California, and has  
20 engaged in the unlawful practices described in this Complaint within California.

21           15. Venue is proper under Cal. Code Civ. Proc. § 395 and Cal. Civ. Code § 1780(d)  
22 because Plaintiff is a resident of Stanislaus County, paid her appraisal fees in Stanislaus County,  
23 and suffered her economic injury in Stanislaus County. *See* Exhibit A, Declaration of Michael  
24 Merriman.

25           16. Upon information and belief, Defendants charged substantially similar appraisal  
26 fees for substantially similar purported services to all other class members, as defined below, as the  
27 fees charged to Plaintiff.  
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1           17. All conditions precedent to the bringing of this action have occurred, or Defendants  
2 have waived them.

3                           **FACTUAL ALLEGATIONS COMMON TO ALL COUNTS**

4           18. When borrowers apply for home mortgage loans, whether to purchase or refinance,  
5 lenders require appraisals.

6           19. Rocket Mortgage describes the appraisal process as follows: “A home appraisal is a  
7 process through which a real estate professional determines the fair market value of a property.”  
8 Once a borrower has applied and gets approved for a home mortgage loan, the “lender hires a  
9 licensed appraiser to act as a third party that’ll independently assess [the] home and determine its  
10 value.” The appraiser then creates an appraisal based on the condition of the home, any home  
11 improvements, and real estate comps. “After the appraiser finishes their research, they make a final  
12 valuation of the property in a formal report,” which is then delivered to the lender.<sup>7</sup>

13           20. Appraisals are not services that borrowers shop for; instead, lenders order appraisals  
14 and then pass on the cost to borrowers. Consequently, appraisal fees are out of borrowers’ control:  
15 “Home buyers can’t shop around for a cheaper home appraisal.”<sup>8</sup> The “only way” to avoid an  
16 appraisal fee is to “skip the mortgage and pay for the house in cash.”<sup>9</sup>

17           21. Rocket Mortgage gives varying estimates for appraisal fees. By one estimate:  
18 “Appraisal fees are usually in the \$300 – \$600 range, but they can be higher or lower depending on  
19 your unique situation.”<sup>10</sup>

20 \_\_\_\_\_  
21 <sup>7</sup> *What Is a Home Appraisal and How Much Does It Cost?*, ROCKET MORTGAGE (Aug. 9, 2024),  
<https://www.rocketmortgage.com/learn/home-appraisal>.

22 <sup>8</sup> *How Does a Home Appraisal Work*, QUICKEN LOANS (Mar. 13, 2024),  
<https://www.quickenloans.com/learn/home-appraisal>.

23 <sup>9</sup> *Refinance Appraisal vs. Purchase Appraisal*, ROCKET MORTGAGE (Apr. 5, 2024),  
24 <https://www.rocketmortgage.com/learn/refinance-appraisal-vs-purchase-appraisal>.

25 <sup>10</sup> *Closing Costs: What Are They, and How Much Will You Pay?*, ROCKET MORTGAGE (Apr. 1,  
2024), <https://www.rocketmortgage.com/learn/closing-costs>; see also *How Does a Home*  
26 *Appraisal Work*, QUICKEN LOANS (Mar. 13, 2024), [https://www.quickenloans.com/learn/home-](https://www.quickenloans.com/learn/home-appraisal)  
27 [appraisal](https://www.quickenloans.com/learn/home-appraisal) (“On average, a home appraisal for a single-family home can cost around \$500.”); *What*  
28 *Is a Home Appraisal and How Much Does It Cost?*, *supra* note 7 (“A home appraisal can cost  
anywhere in the \$600 – \$2,000 range. You’ll pay less for a single-family home appraisal than for  
a multifamily home appraisal.”).

1           22. Rocket Mortgage chalks up the variation in appraisal fees to the services that  
2 appraisers perform and property-specific factors: “Factors that can affect the appraisal fee include  
3 the home’s location, size, age, condition and any research the appraiser does on the property.”<sup>11</sup>

4           23. Rocket Mortgage gives borrowers individualized estimates of their appraisal fees in  
5 loan estimate forms. Rocket Mortgage provides a loan estimate after a borrower has completed a  
6 home loan application. Rocket Mortgage’s loan estimate “serves as an estimate of costs and terms”;  
7 it does not “contain final figures.”<sup>12</sup> Rocket Mortgage’s loan estimate lists an estimated “Appraisal  
8 Fee” and informs the borrower:

9 

<b>Appraisal</b>	We may order an appraisal to determine the property’s value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
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12 Rocket Mortgage states that the estimated “Appraisal Fee” represents “[t]he cost associated with  
13 hiring an appraiser to evaluate and determine the value of the home to ensure that it’s in line with  
14 the amount of money that you’re requesting to borrow.”<sup>13</sup> After receiving the loan estimate, and in  
15 reliance thereon, the borrower will indicate his or her intent to proceed with the transaction  
16 identified in the loan estimate.

17           24. Rocket Mortgage’s representations give reasonable borrowers the impression that  
18 appraisal fees, while varied, are tied solely to the services that appraisers perform and property-  
19 specific factors—in other words, that Rocket Mortgage is passing on only the actual appraisal cost.

20           25. What reasonable borrowers do not know is that Rocket Mortgage is passing on much  
21 more than the actual appraisal cost.

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24 <sup>11</sup> *What Is a Home Appraisal and How Much Does It Cost?*, *supra* note 7; *see also How Does a*  
25 *Home Appraisal Work*, *supra* note 8 (“The cost of a home appraisal will vary based on several  
26 factors, including a property’s size and location, the home type and the condition of the  
property.”).

27 <sup>12</sup> *Loan Estimate: What Is It and What Does It Tell You?*, ROCKET MORTGAGE (updated June 17,  
2023), <https://www.rockethomes.com/blog/home-buying/loan-estimate>.

28 <sup>13</sup> *Id.*

1           26. Rocket Mortgage hires appraisers through appraisal management companies  
2 (“AMCs”) such as Defendants Clear Capital and Core Valuation Management.

3           27. AMCs, including Clear Capital and Core Valuation, provide no benefit to  
4 borrowers. The only benefit AMCs provide is to the lender, to protect the lender from allegations  
5 that it violated laws requiring independence from the appraiser. For example, the Dodd-Frank Wall  
6 Street Reform and Consumer Protection Act of 2010 required lenders to be independent from  
7 appraisers. AMCs had existed before the 2008 financial crash, but many more sprouted up to satisfy  
8 the lenders’ desire to protect themselves from liability. AMCs offer a sweet deal for lenders: lenders  
9 receive liability protection and do nothing to select the appraiser, and the borrower picks up the  
10 cost. No law requires lenders to use AMCs to remain independent, yet many lenders have done so  
11 to take advantage of the sweetheart deal that AMCs offer them.

12           28. What services AMCs provide is obscure, to say the least. It is the appraisers—not  
13 AMCs or any of their employees—who contact borrowers, schedule appraisals, conduct appraisals,  
14 and prepare appraisal reports. The appraiser’s work can take significant time and includes traveling  
15 to the property to examine it, conducting market research on comparable properties, and then  
16 preparing a final appraisal report. The AMC receives the appraisal report and forwards it to the  
17 lender, but beyond that it is unclear what, if any, role AMCs have in supporting the work to create  
18 the appraisal report.

19           29. Even though AMCs provide no benefit to borrowers and have no apparent role in  
20 the actual appraisal services, Rocket Mortgage allows AMCs, including Clear Capital and Core  
21 Valuation Management, to enrich themselves by obtaining inflated fees that far exceed the actual  
22 appraisal cost. Rocket Mortgage sets the “appraisal fee,” charges the appraisal fee at closing, and  
23 then passes along the appraisal fees to the AMC. The AMC, not the appraiser, is the one who  
24 receives the appraisal fee charged to the borrower. The AMC pays the appraiser, but the AMC  
25 charges far more than what it pays the appraiser, thus retaining a disproportionate amount of the  
26 appraisal fee.

27           30. Recent research indicates that AMCs typically retain more than 60% of appraisal  
28 fees. In June 2024, the Consumer Financial Protection Bureau (CFPB) requested public comments

1 related to fees charged by providers of mortgages and related settlement services.<sup>14</sup> In August 2024,  
2 members of the public submitted comments that described AMC's deceptive and improper  
3 practices, including a report submitted on behalf of the Appraisal Regulation Compliance Council  
4 (AARC).<sup>15</sup> In pertinent part, the report detailed research revealing that Clear Capital retained 64%–  
5 84% of the sample appraisal fees charged to borrowers in Florida, Iowa, Minnesota, North Carolina,  
6 Oregon, Oklahoma—and California, where Clear Capital retained 66% of an appraisal fee earlier  
7 this year.<sup>16</sup> The research revealed that other AMCs retain similarly disproportionate percentages of  
8 appraisal fees; in fact, only one of the sample appraisal fees entailed less than 60% going to the  
9 AMC.<sup>17</sup> Stated differently, AMCs typically retain more than what they pay appraisers—meaning  
10 that borrowers' appraisal fees are typically more than double the actual appraisal cost.

11 31. Nowhere does Rocket Mortgage disclose the amount of the appraisal fee that AMCs  
12 retain as opposed to what the AMC pays the appraiser, or that Rocket Mortgage uses AMCs for its  
13 benefit rather than the borrower's benefit. Indeed, Rocket Mortgage's loan estimate form, on which  
14 borrowers rely in proceeding with financing through Rocket Mortgage, makes no mention of  
15 AMCs, the purported services that AMCs provide, or that the estimated appraisal fee far exceeds  
16 the actual appraisal cost.

17 32. AMCs, for their part, prevent borrowers from knowing how much AMCs retain by  
18 prohibiting appraisers from disclosing the cost of the appraisal in the appraisal report. In comments  
19 submitted to the CFPB, appraisers noted that AMCs commonly prohibit contracted appraisers from  
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24 <sup>14</sup> Request for Information Regarding Fees Imposed in Residential Mortgage Transactions, 89  
25 Fed. Reg. 48,400 (June 6, 2024).

26 <sup>15</sup> Docket No. CFPB-2024-0021-0973, <https://www.regulations.gov/comment/CFPB-2024-0021-0973>.

27 <sup>16</sup> *Id.*

28 <sup>17</sup> *Id.*



1 disclosing their fees in their appraisal reports.<sup>18</sup> As proof, appraisers included engagement letters  
2 received from Clear Capital.<sup>19</sup> Clear Capital's standard engagement letter to appraisers provides:

3 **Invoice**

4 Do not include an invoice in the Appraisal. If an invoice is included, Clear Capital may be unable to deliver the report to our  
5 mutual customer. Please review state-specific instructions if a different requirement applies to the assignment.

6 33. Upon information and belief, based on the widespread practice of AMCs prohibiting  
7 appraisers from disclosing their fees in their appraisal reports, Core Valuation Management also  
8 prohibits appraisers from disclosing the cost of the appraisal.

9 34. Thus, reasonable borrowers are kept in the dark that their appraisal fees far exceed  
10 actual appraisal cost, not only by Rocket Mortgage but also by Clear Capital and Core Valuation  
11 Management.

12 35. When borrowers receive a closing disclosure, they can see the actual amount and  
13 the recipient of their appraisal fee. But the closing disclosure does not adequately inform the  
14 borrower of the amount of the appraisal fee that the AMC retains as opposed to what the AMC pays  
15 the appraiser. Even if the closing disclosure informed the borrower that the appraisal fee far exceeds  
16 the actual appraisal cost, such information comes too late. By that point (i.e., at closing or shortly  
17 before), the borrower has already chosen Rocket Mortgage and gone through the application  
18 process. For a home purchase, the borrower is also under contract with the seller and has likely paid  
19 an earnest money deposit. The borrower cannot realistically go elsewhere; the borrower has no  
20 reasonable choice but to pay the misrepresented, inflated appraisal fee. Indeed, it is standard  
21 practice to require consumers to pay the appraisal fee *before* they receive any closing documents  
22 at all; therefore, any closing disclosures are largely illusory.

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25 <sup>18</sup> E.g., Docket No. CFPB-2024-0021-0951, <https://www.regulations.gov/comment/CFPB-2024-0021-0951>; Docket No. CFPB-2024-0021-0954, <https://www.regulations.gov/comment/CFPB-2024-0021-0954>.

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27 <sup>19</sup> Docket No. CFPB-2024-0021-0951, <https://www.regulations.gov/comment/CFPB-2024-0021-0951>; Docket No. CFPB-2024-0021-0963, <https://www.regulations.gov/comment/CFPB-2024-0021-0963>.

1           36. Defendants Clear Capital and Core Valuation Management are agents of Defendant  
2 Rocket Mortgage with respect to the purported services they perform in connection with borrowers’  
3 appraisal fees. Defendants Clear Capital and Core Valuation Management act as intermediaries  
4 between Defendant Rocket Mortgage and the appraisers that Defendants Clear Capital and Core  
5 Valuation Management hire on behalf of Defendant Rocket Mortgage.

6           37. Further, Defendant Rocket Mortgage facilitates, participates in, and controls the  
7 inflated fees charged by Defendants Clear Capital and Core Valuation Management. Rocket  
8 Mortgage requires appraisals, sets borrowers’ appraisal fees, charges the appraisal fees at closing,  
9 and then passes along the appraisal fees to Clear Capital or Core Valuation Management.

10           38. In the case of Plaintiff and the proposed class, the borrowers paid Clear Capital and  
11 Core Valuation Management substantially more than the value of their services as compared to the  
12 appraisers.

13           39. Rocket Mortgage required Plaintiff to pay appraisal fees as part of applying for a  
14 home mortgage loan in 2021 and refinancing her loan in 2024.

15           40. In December 2020, after Plaintiff applied for a home mortgage loan Plaintiff  
16 received a loan estimate from Rocket Mortgage that listed an estimated “Appraisal Fee” of \$535.  
17 The loan estimate stated: “We may order an appraisal to determine the property’s value and charge  
18 you for this appraisal.” The loan estimate made no mention of Clear Capital or that Plaintiff’s  
19 appraisal fee would be considerably in excess of the actual appraisal cost.

20           41. At closing in January 2021, Plaintiff paid an “Appraisal Fee” of \$720 to Clear  
21 Capital, as shown on her closing disclosure:

U6	
<b>B. Services Borrower Did Not Shop For</b>	
01 Appraisal Fee	to ClearCapital.com, Inc. \$720.00

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25           42. Before paying the appraisal fee of \$720 to Clear Capital, Plaintiff did not receive  
26 any disclosures from Rocket Mortgage or Clear Capital as to the actual services that Clear Capital  
27 performed for her, the portion of her payment that went to her appraiser, or the portion of her  
28 payment that Clear Capital kept for itself.

1           43.     Plaintiff’s January 2021 closing documents indicate that Plaintiff’s \$720 “Appraisal  
2 Fee” to Clear Capital consisted of a \$400 “Appraisal Fee,” a \$145 “Compliance Inspection” fee,  
3 and a \$175 “Appraisal Management Services” fee—all to Clear Capital.

<b>Other Loan Charges</b>	
Appraisal Fee to ClearCapital.com, Inc. (\$175.00)	\$400.00
Credit Report/AUS to FactualData-FF	\$38.00
Compliance Inspection to ClearCapital.com, Inc.	\$145.00
Flood Life of Loan Coverage to CoreLogic Flood Services	\$6.00
Flood Determination Fee to CoreLogic Flood Services	\$10.50
Upfront Mortgage Insurance Premium to Federal Housing Administration	\$4,183.00
Appraisal Management Services to ClearCapital.com, Inc.	\$175.00
Tax Certification Fee to Amrock Title California Inc.	\$25.00
Life of Loan Tax Service to CoreLogic Tax Services	\$54.00
MIP Paid in Cash to Federal Housing Administration	\$0.38
Appraisal Management Services to ClearCapital.com, Inc. (\$40.00)	

11           44.     Upon information and belief—based on the disproportionate amounts of appraisal  
12 fees that Clear Capital retains, as demonstrated by research revealing that Clear Capital retained  
13 64%–84% of the sampled appraisal fees charged to borrowers—Clear Capital retained not only the  
14 \$175 “appraisal management services” fee but also some or all of the \$400 “appraisal fee” and  
15 \$145 “compliance inspection” fee.

16           45.     In February 2024, after Plaintiff applied to refinance her home mortgage loan,  
17 Plaintiff received a loan estimate from Rocket Mortgage that listed an estimated “Appraisal Fee”  
18 of \$725. The loan estimate stated: “We may order an appraisal to determine the property’s value  
19 and charge you for this appraisal.”

20           46.     At closing in 2024, Plaintiff paid an appraisal fee of \$725 to Core Valuation  
21 Management.

22           47.     Before paying the appraisal fee of \$725 to Core Valuation Management, Plaintiff  
23 did not receive any disclosures from Rocket Mortgage or Core Valuation Management as to the  
24 actual services that Core Valuation Management performed for her, the portion of her payment that  
25 went to her appraiser, or the portion of her payment that Core Valuation Management kept for  
26 itself.

1 48. An invoice dated February 22, 2024, indicates that Plaintiff’s appraisal fee of \$725  
2 to Core Valuation Management consisted of a \$475 “Vendor’s Fee” and a \$250 “Management Fee.”

DESCRIPTION			
Order Type:	Residential Appraisal		
Ordered By:	Nexsys Retail API User		
Property Address:	[REDACTED]	Borrower/Company:	Sean Timmins   Lacey Timmins
Order Date:	2/13/2024	Completed On:	2/22/2024
Vendor's Fee:	475.00	Management Fee:	250.00
FEES			
Item			Amount
1004 FHA Single Family			725.00
	SUBTOTAL		\$725.00
TOTAL AMOUNT DUE			\$725.00

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13 49. Upon information and belief, based on the disproportionate amounts of appraisal  
14 fees that AMCs retain, as demonstrated by research revealing that AMCs typically retain more than  
15 60% of appraisal fees charged to borrowers, Core Valuation Management retained not only the  
16 \$250 “management fee” but also some or all of the \$475 “vendor’s fee.”

17 50. None of Plaintiff’s appraisal reports included any appraisal fee, with the exception  
18 of an addendum to Plaintiff’s January 7, 2021, compliance inspection report, which provided:

Appraiser Additional Certifications ClearCapital.com, Inc: California #1256  Appraisal Fee: \$145.
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23 51. On information and belief, this addendum was included by Clear Capital, not the  
24 contracted appraiser.

25 **CLASS ACTION ALLEGATIONS**

26 52. Plaintiff brings this lawsuit as a class action pursuant to Cal. Code Civ. Proc. § 382.  
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1           53.     **Class Definition.** The Class consists of and is defined as all California citizens,  
2 including Plaintiff, who: (a) on or after November 1, 2020; (b) paid an appraisal fee to Rocket  
3 Mortgage; and (c) had Clear Capital and/or Core Valuation Management receive funds from the  
4 borrower’s appraisal fee. The class period will be from November 1, 2020, to the date of class  
5 certification (hereinafter the “Class Period”).

6           54.     Plaintiff reserves the right to amend the Class definition and/or add sub-class  
7 definitions as discovery proceeds and to conform to the evidence.

8           55.     Excluded from the Class are Rocket Mortgage’s, Clear Capital’s, and Core  
9 Valuation Management’s agents, representatives, and employees; any judge to whom this action is  
10 assigned; and any member of that judge’s staff and immediate family.

11          56.     While the exact number of Class Members is unknown at this time, Plaintiff submits  
12 that based upon information and belief, there are at least hundreds of individuals throughout the  
13 State of California who are potential Class Members in this action. Individual joinder of these Class  
14 Members is impracticable.

15          57.     Plaintiff further alleges that the members of the Class will be ascertainable through  
16 Rocket Mortgage’s, Clear Capital’s, and Core Valuation Management’s electronic records, data,  
17 and databases.

18          58.     There are common questions of law and/or fact shared by Plaintiff and each member  
19 of the Class. These common questions of law and/or fact include the following:

- 20               a. Whether Defendants engaged in unlawful, unfair, and fraudulent business  
21               acts or practices in violation of California Business & Professions Code §§  
22               17200 et seq.;
- 23               b. Whether Defendants engaged in unlawful practices in violation of California  
24               Civil Code § 1770;
- 25               c. Whether Defendants’ conduct caused injury to Plaintiff and Class Members;
- 26               d. Whether Plaintiff and Class Members sustained damages and, if so, the  
27               appropriate measure of damages;

- 1 e. Whether Plaintiff and Class Members conferred a benefit on Defendant  
2 through the payment of appraisal fees to Rocket Mortgage, which were  
3 passed to Clear Capital and Core Valuation Management; and  
4 f. Whether Clear Capital and Core Valuation Management accepted and  
5 retained this benefit.

6 59. Plaintiff's claims are typical of the claims that would be asserted by other members  
7 of the Class in that, in proving her claims under California law, she will simultaneously prove the  
8 claims of all Class Members. The rights afforded under California law are the same for Plaintiff  
9 and Class Members. Each Class Member had the same interaction with Defendants.

10 60. Plaintiff is a Class Member. She is an adequate representative of the Class because  
11 her interests do not conflict with the interests of other Class Members and she will fairly and  
12 adequately protect the interests of the Class Members. Additionally, Plaintiff is cognizant of her  
13 responsibility as a Class representative and has retained experienced counsel fully capable of, and  
14 intent upon, vigorously pursuing the action. Class counsel have extensive experience in class action  
15 litigation.

16 61. Class action treatment is a superior method for the fair and efficient adjudication of  
17 the controversy. Among other things, class action treatment will permit a large number of similarly  
18 situated persons to prosecute their common claims in a single forum simultaneously, efficiently,  
19 and without the unnecessary duplication of evidence, effort, and expense that numerous individual  
20 actions would engender. The benefits of proceeding through the class mechanism, including  
21 providing injured persons or entities with a method for obtaining redress for claims that it might  
22 not be practicable to pursue individually, substantially outweigh any difficulties that may arise in  
23 management of this class action.

24 **PUBLIC INJUNCTIVE RELIEF**

25 62. Apart from relief for the Class Members, Plaintiff seeks public declaratory and  
26 injunctive relief on behalf of the general public of California pursuant to Cal. Bus. & Prof. Code  
27 § 17203 and Cal. Civ. Code § 1780(a)(2) to stop Defendants' ongoing and continuing unfair,  
28 unlawful, and deceptive business practices. Plaintiff's claim for public injunctive relief is not

1 brought on behalf of the Class Members for past unlawful conduct but rather Plaintiff seeks  
2 prospective public injunctive relief to protect members of the general public from future injury.  
3 Such claims are individual claims, not class or representative claims. *McGill v. Citibank, N.A.*, 393  
4 P.3d 85 (Cal. 2017). Members of the general public in California who have not yet transacted with  
5 Defendants but are likely to in the future remain at risk of new and future harms, injuries, and  
6 financial losses from the ongoing and continuing conduct complained of unless enjoined or  
7 corrected. Such claims for public injunctive relief are not required to be certified as class actions  
8 and the above elements are not required to be satisfied for such relief. Claims seeking public  
9 injunctive relief are not subject to waiver. Cal. Civ. Code § 3513.

## 10 COUNT I

### 11 CALIFORNIA CONSUMERS LEGAL REMEDIES ACT

12 63. Plaintiff re-alleges paragraphs 1–62 as if fully set forth herein and further alleges  
13 the following.

14 64. Count I is brought pursuant to the California Consumers Legal Remedies Act  
15 (“CLRA”), Cal. Civ. Code § 1750, *et seq.* Plaintiff brings Count I individually and for the Class  
16 Members.

17 65. Plaintiff and all Class Members are “consumers” as that term is defined by Cal. Civ.  
18 Code § 1761(d).

19 66. Each Defendant is a “person” as that term is defined by Cal. Civ. Code § 1761(c).

20 67. The services for which Plaintiff and all Class Members were charged appraisal fees,  
21 including appraisal services and purported appraisal management services, are “services” within  
22 the meaning of Cal. Civ. Code § 1761(b).

23 68. At all material times, Defendants were engaged in the following unfair methods of  
24 competition and unfair and deceptive acts and practices in transactions intended to result and that  
25 resulted in the sale of services (i.e., the services for which Plaintiff and all Class Members were  
26 charged appraisal fees, including appraisal services and purported appraisal management services)  
27 to Plaintiff and all Class Members:  
28

1 a. Defendants represented that the services, for which Plaintiff and all Class  
2 Members were charged appraisal fees, have characteristics or benefits that they do not have,  
3 which violates Cal. Civ. Code § 1770(a)(5). Defendants charged Plaintiff and Class  
4 Members that were misrepresented and inflated, enriching Clear Capital and/or Core  
5 Valuation Management, with no tangible benefit to Plaintiff and Class Members. For  
6 example, Plaintiff's December 2020 loan estimate from Rocket Mortgage provides:

<b>B. Services You Cannot Shop For</b>	<b>\$4,852</b>
Appraisal Fee	\$535

7  
8  
9  
10 Plaintiff's December 2020 loan estimate from Rocket Mortgage further provides that  
11 Rocket Mortgage "may order an appraisal ... and charge you for this appraisal." Similarly,  
12 Plaintiff's January 2021 closing disclosure provides:

U6		
<b>B. Services Borrower Did Not Shop For</b>		
01 Appraisal Fee	to ClearCapital.com, Inc.	\$720.00

13  
14  
15  
16 The description of "Appraisal Fee," together with the representation in Rocket Mortgage's  
17 loan estimate that the borrower is being charged for the appraisal, is deceptive because a  
18 reasonable consumer would conclude that this fee is for the actual appraisal services  
19 performed by appraisers. In reality, Defendants charge borrowers considerably in excess of  
20 the actual appraisal cost, with no tangible benefit to borrowers. Thus, Defendants have  
21 misrepresented the characteristics or benefits of the services for which Plaintiff and all Class  
22 Members were charged appraisal fees.

23 b. Further, where Defendants disclosed that they charged Plaintiff and Class  
24 Members for purported services performed by Clear Capital and Core Valuation  
25 Management, such disclosures misrepresented the characteristics or benefits of the services  
26 for which Plaintiff and Class Members were charged appraisal fees insofar as Clear Capital  
27 and Core Valuation Management retained more than what was disclosed as being allocated  
28 for their purported services, which violates Cal. Civ. Code § 1770(a)(5). For example,



1 Plaintiff's 2021 closing documents indicate that Plaintiff's \$720 "Appraisal Fee" to Clear  
2 Capital consisted of a \$400 "Appraisal Fee," a \$145 "Compliance Inspection" fee, and a  
3 \$175 "Appraisal Management Services" fee—all to Clear Capital. Upon information and  
4 belief—based on the disproportionate amounts of appraisal fees that Clear Capital retains,  
5 as demonstrated by research revealing that Clear Capital retained 64%–84% of the sampled  
6 appraisal fees charged to borrowers—Clear Capital retained not only the \$175 "Appraisal  
7 Management Services" fee but also some or all of the \$400 "Appraisal Fee" and \$145  
8 "Compliance Inspection" fee, despite not performing an appraisal or compliance inspection.  
9 Likewise, Plaintiff's 2024 invoice indicates that Plaintiff's \$725 "1004 FHA Single Family"  
10 appraisal fee consisted of a \$475 "Vendor's Fee" and a \$250 "Management Fee." Upon  
11 information and belief—based on the disproportionate amounts of appraisal fees that AMCs  
12 retain, as demonstrated by research revealing that AMCs typically retain more than 60% of  
13 appraisal fees charged to borrowers—Core Valuation Management retained not only the  
14 \$250 "Management Fee" but also some or all of the \$475 "Vendor's Fee." In short,  
15 Defendants have violated Cal. Civ. Code § 1770(a)(5) by misrepresenting what Clear  
16 Capital and Core Valuation Management remit to the appraisers.

17 c. Defendants represented that the transactions by which Plaintiff and all Class  
18 Members paid their appraisal fees conferred obligations that the transaction did not involve,  
19 which violates Cal. Civ. Code § 1770(a)(14). The description of "Appraisal Fee," together  
20 with the representation in Rocket Mortgage's loan estimate that the borrower is being  
21 charged for the appraisal, is deceptive because a reasonable consumer would conclude that  
22 this fee is for the actual appraisal services performed by appraisers. Thus, a reasonable  
23 consumer would conclude that Rocket Mortgage is obligated to pass on only the actual  
24 appraisal cost—an obligation that Rocket Mortgage misrepresented by charging  
25 considerably in excess of the actual appraisal cost. Further, the misrepresented, inflated  
26 appraisal fees that Defendants charged Plaintiffs and Class Members suggest, to a  
27 reasonable consumer, that Clear Capital and Core Valuation Management were undertaking  
28 appraisal obligations that they did not, in fact, undertake. Clear Capital's and Core

1 Valuation Management’s receipt of (and Rocket Mortgage’s passing along) the full amount  
2 of Plaintiff’s and Class Members’ appraisal fees suggests that Clear Capital and Core  
3 Valuation Management were obligated to provide actual appraisal services; yet, Clear  
4 Capital and Core Valuation Management provided no such services.

5 d. Further, where Defendants disclosed that they charged Plaintiff and Class  
6 Members for purported services performed by Clear Capital and Core Valuation  
7 Management, such disclosures misrepresented their obligations insofar as they retained  
8 more than what was disclosed as being allocated for their purported services, which violates  
9 Cal. Civ. Code § 1770(a)(14). For example, a reasonable consumer would conclude, with  
10 respect to Plaintiff’s \$720 appraisal fee to Clear Capital, that Clear Capital had an obligation  
11 to remit the \$400 “Appraisal Fee” and the \$145 “Compliance Inspection” fee to the vendors  
12 who performed the appraisal and compliance inspection. Upon information and belief—  
13 based on the disproportionate amounts of appraisal fees that Clear Capital retains, as  
14 demonstrated by research revealing that Clear Capital retained 64%–84% of the sampled  
15 appraisal fees charged to borrowers—Clear Capital misrepresented its obligation by  
16 retaining some or all of the \$400 “Appraisal Fee” and \$145 “Compliance Inspection” fee.  
17 Likewise, a reasonable consumer would conclude, with respect to Plaintiff’s \$725 appraisal  
18 fee to Core Valuation Management, that Core Valuation Management had an obligation to  
19 remit the \$475 “Vendor’s Fee” to the vendor who performed the appraisal. Upon  
20 information and belief—based on the disproportionate amounts of appraisal fees that AMCs  
21 retain, as demonstrated by research revealing that AMCs typically retain more than 60% of  
22 appraisal fees charged to borrowers—Core Valuation Management misrepresented its  
23 obligation by retaining some or all of the \$475 “Vendor’s Fee.”

24 69. Defendant Rocket Mortgage participated in and had control over the foregoing  
25 misconduct, as set forth above. Defendant Rocket Mortgage is also vicariously liable for the  
26 foregoing acts of Defendants Clear Capital and Core Valuation Management, because they are  
27 agents of Defendant Rocket Mortgage with respect to the purported services they perform in  
28 connection with borrowers’ appraisal fees, and because the foregoing acts of Defendants Clear

1 Capital and Core Valuation Management are within the scope of their agency relationships with  
2 Defendant Rocket Mortgage.

3 70. Defendants' misrepresentations under Cal. Civ. Code § 1770(a)(5) and (14)—  
4 misrepresenting and concealing the actual cost of appraisals, misrepresenting the services provided  
5 in connection with appraisals, and charging borrowers substantially more than the actual cost of  
6 their appraisals—concerned facts that a reasonable consumer would deem important. The  
7 obfuscation has enabled AMCs to charge inflated fees for years. If it were disclosed what borrowers  
8 actually were being charged, borrowers likely would push back on their lenders, and the lenders  
9 would need to start competing for borrowers over the amount of the AMCs' fee by demanding that  
10 AMCs lower their prices. But, as of now, the obfuscation has left lenders and AMCs protected from  
11 competition, to the detriment of overcharged borrowers.

12 71. Plaintiff and Class Members suffered damage as a result of Defendants'  
13 misrepresentations under Cal. Civ. Code § 1770(a)(5) and (14) by being required to pay  
14 misrepresented, inflated appraisal fees, without any opportunity to avoid such fees.

15 72. In contracting with, and paying the appraisal fees imposed by, Rocket Mortgage,  
16 Plaintiff relied on Rocket Mortgage and its agents, including Clear Capital and Core Valuation  
17 Management, to not misrepresent the actual cost of appraisals or the services provided in  
18 connection with appraisals, and to not charge her inflated fees with no relationship to the actual  
19 cost of the relevant service.

20 73. The misrepresentations, deceptions, concealment, and omissions of material facts  
21 alleged in the preceding paragraphs occurred in connection with Defendants' services in California.

22 74. In accordance Cal. Civ. Code § 1782(a), more than 30 days prior to the  
23 commencement of this action, Plaintiff, on behalf of herself and all others similarly situated,  
24 provided written notice to Clear Capital and Core Valuation Management of the unfair and  
25 deceptive acts and practices alleged herein, and demanded that they take corrective action. Further,  
26 Clear Capital and/or Core Valuation Management notified their principal, Rocket Mortgage, of the  
27 same more than 30 days prior to the commencement of this action. Defendants have failed to offer  
28 adequate corrective action.

1 75. Plaintiff now seeks, on behalf of herself and the Class Members, an award of actual  
2 damages, restitution, punitive damages, attorneys' fees and costs, and injunctive relief enjoining  
3 Defendants from continuing to engage in this deceptive conduct. Cal. Civ. Code § 1780.

4 76. Public Injunctive Relief for General Public: Plaintiff, on behalf of the general public  
5 of the State of California and pursuant to Cal. Civ. Code § 1780(a)(2) and *McGill v. Citibank, N.A.*,  
6 393 P.3d 85 (Cal. 2017), seeks a court order for public declaratory and injunctive relief to enjoin  
7 Defendants from such future misconduct, and any other such order that may be necessary to prevent  
8 future harm and financial injury to members of the general public who have not yet transacted with  
9 Defendants but are likely to in the future. The general public is in need of protection from  
10 Defendants' ongoing and continuing violations of the CLRA as described above. Such relief will  
11 create a public benefit. Plaintiff thus brings this action for public declaratory and public injunctive  
12 relief in her individual capacity and to vindicate and enforce important rights affecting the public  
13 interest. Plaintiff is therefore entitled to an award of attorneys' fees and costs under Cal. Civ. Code  
14 § 1780(e) and Cal. Code of Civ. P. § 1021.5 for bringing this action for public declaratory and  
15 injunctive relief.

16 **COUNT II**

17 **CALIFORNIA UNFAIR COMPETITION LAW (UNLAWFUL ACT OR PRACTICE)**

18 77. Plaintiff re-alleges paragraphs 1–62 as if fully set forth herein and further alleges  
19 the following.

20 78. Count II is brought pursuant to the California Unfair Competition Law ("UCL"),  
21 Cal. Bus. & Prof. Code § 17200, et seq. Plaintiff brings Count II individually and for the Class  
22 Members.

23 79. At all material times, Defendants were engaged in unfair competition by means of  
24 unlawful business acts and practices.

25 80. Defendants were engaged in unlawful practices by violating the CLRA as described  
26 above in Count I.

27 81. Further, on information and belief, Clear Capital and Core Valuation Management  
28 violated Cal. Code Regs. tit. 10, § 3577(d) ("An Appraisal Management Company cannot prohibit

1 a contracted appraiser/client from disclosing the fee paid to the appraiser/client for an appraisal  
2 assignment in the body of the appraisal report.”).

3 82. Upon information and belief—based on the engagement letters that appraisers have  
4 disclosed to the CFPB—Clear Capital’s standard engagement letter to contracted appraisers in  
5 California provides:

6 **Invoice**

7 Do not include an invoice in the Appraisal. If an invoice is included, Clear Capital may be unable to deliver the report to our  
8 mutual customer. Please review state-specific instructions if a different requirement applies to the assignment.

9 This instruction effectively prohibits contracted appraiser from disclosing the fee paid to the  
10 appraiser for an appraisal assignment in the body of the appraisal report, in violation of Cal. Code  
11 Regs. tit. 10, § 3577(d). In connection with Plaintiff’s appraisal fee to Clear Capital, Plaintiff  
12 received an appraisal report dated December 10, 2021, and an appraisal report dated January 7,  
13 2021. Neither report disclosed the fee paid to the appraiser in the body of the appraisal report;  
14 however, an addendum to the January 7, 2021, report provided:

15 **Appraiser Additional Certifications**  
16 ClearCapital.com, Inc: California #1256  
17  
18 Appraisal Fee: \$145.

19 On information and belief, this addendum was included by Clear Capital, not the contracted  
20 appraiser.

21 83. Upon information and belief—based on the widespread practice of AMCs  
22 prohibiting appraisers from disclosing their fees in their appraisal reports—Core Valuation  
23 Management likewise prohibits contracted appraisers from disclosing the fees paid to the appraisers  
24 for appraisal assignments in the body of the appraisal reports, in violation of Cal. Code Regs. tit.  
25 10, § 3577(d). In connection with Plaintiff’s appraisal fee to Core Valuation Management, Plaintiff  
26 received an appraisal report dated February 22, 2024. The appraisal report did not disclose the fee  
27 paid to the appraiser.

1           84. Defendant Rocket Mortgage not only liable for its own unlawful practices but also  
2 vicariously liable for the unlawful practices of Defendants Clear Capital and Core Valuation  
3 Management, because they are agents of Defendant Rocket Mortgage with respect to the purported  
4 services they perform in connection with borrowers' appraisal fees, and because the unlawful  
5 practices of Defendants Clear Capital and Core Valuation Management are within the scope of their  
6 agency relationships with Defendant Rocket Mortgage.

7           85. Defendants' unlawful conduct under Cal. Civ. Code § 1770(a)(5) and (14) and Cal.  
8 Code Regs. tit. 10, § 3577(d)—misrepresenting and concealing the actual cost of appraisals,  
9 misrepresenting the services provided in connection with appraisals, and charging borrowers  
10 substantially more than the actual cost of their appraisals—concerned facts that a reasonable  
11 consumer would deem important. The conduct and misrepresentations were material to Plaintiff  
12 and any reasonable consumer. The obfuscation has enabled AMCs to charge inflated fees for years.  
13 If it were disclosed what borrowers actually were being charged, borrowers likely would push back  
14 on their lenders, and the lenders would need to start competing for borrowers over the amount of  
15 the AMCs' fee by demanding that AMCs lower their prices. But, as of now, the obfuscation has  
16 left lenders and AMCs protected from competition, to the detriment of overcharged borrowers.

17           86. Defendants' unlawful conduct was and is likely to mislead the public.

18           87. Plaintiff and Class Members suffered injury in fact and lost money as a result of  
19 Defendants' unlawful conduct under Cal. Civ. Code § 1770(a)(5) and (14) and Cal. Code Regs. tit.  
20 10, § 3577(d), by being required to pay misrepresented, inflated appraisal fees, without any  
21 opportunity to avoid such fees.

22           88. In contracting with, and paying the appraisal fees imposed by, Rocket Mortgage,  
23 Plaintiff relied on Rocket Mortgage and its agents, including Clear Capital and Core Valuation  
24 Management, to not misrepresent the actual cost of appraisals or the services provided in  
25 connection with appraisals, and to not charge her inflated fees with no relationship to the actual  
26 cost of the relevant service.

27           89. Plaintiff now seeks an award of restitution on behalf of herself and the Class  
28 Members, in an amount to be proved at trial.



1 actual cost of appraisals, misrepresented the services provided in connection  
2 with appraisals, and charged borrowers substantially more than the actual  
3 cost of their appraisals.

4 b. Defendants' conduct not only violates the CLRA for the reasons set forth  
5 above in Count I, but also offends the strong California public policy  
6 embodied in the CLRA: to protect consumers against unfair and deceptive  
7 business practices.

8 c. Defendants' conduct is immoral, unethical, oppressive, unscrupulous, and  
9 substantially injurious to consumers. Defendants' practice exploits  
10 borrowers—who are required to pay misrepresented, inflated appraisal fees,  
11 without any opportunity to avoid such fees.

12 d. Defendants' practices of misrepresenting and concealing the actual cost of  
13 appraisals, misrepresenting the services provided in connection with  
14 appraisals, and charging borrowers substantially more than the actual cost of  
15 their appraisals, have no utility or justification. Rocket Mortgage is not  
16 required to contract with Clear Capital or Core Valuation Management, and  
17 there is no tangible benefit to borrowers. On the contrary, Defendants'  
18 practices result in substantial harm to borrowers, who wind up dramatically  
19 overpaying for their actual appraisal services.

20 e. Defendants' practices have substantially injured Plaintiff and Class  
21 Members by causing them to dramatically overpay for their actual appraisal  
22 services. The injuries to Plaintiff and Class Members are not outweighed by  
23 any countervailing benefits; indeed, companies like Clear Capital and Core  
24 Valuation Management provide no tangible benefit to consumers in return.  
25 The injuries to Plaintiff and Class Members were not something that Plaintiff  
26 and Class Members could reasonably have avoided; on the contrary, Rocket  
27 Mortgage required Plaintiff and Class Members to pay appraisal fees and  
28



1                   then passed along the appraisal fees to Clear Capital and Core Valuation  
2                   Management.

3           94.     Defendant Rocket Mortgage participated in and controlled the unfair conduct of  
4 Defendants Clear Capital and Core Valuation Management, as set forth above. Defendant Rocket  
5 Mortgage is also vicariously liable for the unfair practices of Defendants Clear Capital and Core  
6 Valuation Management, because they are agents of Defendant Rocket Mortgage with respect to the  
7 purported services they perform in connection with borrowers' appraisal fees, and because the  
8 unfair practices of Defendants Clear Capital and Core Valuation Management are within the scope  
9 of their agency relationships with Defendant Rocket Mortgage.

10          95.     Defendants' unfair conduct—misrepresenting and concealing the actual cost of  
11 appraisals, misrepresenting the services provided in connection with appraisals, and charging  
12 borrowers substantially more than the actual cost of their appraisals—concerned facts that a  
13 reasonable consumer would deem important. The obfuscation has enabled AMCs to charge inflated  
14 fees for years. If it were disclosed what borrowers actually were being charged, borrowers likely  
15 would push back on their lenders, and the lenders would need to start competing for borrowers over  
16 the amount of the AMCs' fee by demanding that AMCs lower their prices. But, as of now, the  
17 obfuscation has left lenders and AMCs protected from competition, to the detriment of overcharged  
18 borrowers.

19          96.     Defendants' unfair conduct was and is likely to mislead the public.

20          97.     Plaintiff and Class Members suffered injury in fact and lost money as a result of  
21 Defendants' unfair conduct by being required to pay misrepresented, inflated appraisal fees,  
22 without any opportunity to avoid such fees.

23          98.     In contracting with, and paying the appraisal fees imposed by, Rocket Mortgage,  
24 Plaintiff relied on Rocket Mortgage and its agents, including Clear Capital and Core Valuation  
25 Management, to not misrepresent the actual cost of appraisals or the services provided in  
26 connection with appraisals, and to not charge her inflated fees with no relationship to the actual  
27 cost of the relevant service.

28



1 the fraudulent practices of Defendants Clear Capital and Core Valuation Management are within  
2 the scope of their agency relationships with Defendant Rocket Mortgage.

3 105. Defendants' fraudulent conduct—misrepresenting and concealing the actual cost of  
4 appraisals, misrepresenting the services provided in connection with appraisals, and charging  
5 borrowers substantially more than the actual cost of their appraisals—concerned facts that a  
6 reasonable consumer would deem important. The obfuscation has enabled AMCs to charge inflated  
7 fees for years. If it were disclosed what borrowers actually were being charged, borrowers likely  
8 would push back on their lenders, and the lenders would need to start competing for borrowers over  
9 the amount of the AMCs' fee by demanding that AMCs lower their prices. But, as of now, the  
10 obfuscation has left lenders and AMCs protected from competition, to the detriment of overcharged  
11 borrowers.

12 106. Defendants' fraudulent conduct was and is likely to mislead the public.

13 107. Plaintiff and Class Members suffered injury in fact and lost money as a result of  
14 Defendants' fraudulent conduct by being required to pay misrepresented, inflated fees, without any  
15 opportunity to avoid such fees.

16 108. In contracting with, and paying the appraisal fees imposed by, Rocket Mortgage,  
17 Plaintiff relied on Rocket Mortgage and its agents, including Clear Capital and Core Valuation  
18 Management, to not misrepresent the actual cost of appraisals or the services provided in  
19 connection with appraisals, and to not charge her inflated fees with no relationship to the actual  
20 cost of the relevant service.

21 109. Plaintiff seeks an award of restitution on behalf of herself and the Class Members,  
22 in an amount to be proved at trial.

23 110. Public Injunctive Relief for General Public of California: Plaintiff, on behalf of the  
24 general public of the State of California and pursuant to *id.* § 17203 and *McGill v. Citibank, N.A.*,  
25 393 P.3d 85 (Cal. 2017), also seeks a court order for public declaratory and injunctive relief to  
26 enjoin Defendant from such future misconduct, and any other such order that may be necessary to  
27 prevent future harm and financial injury to members of the general public who have not yet  
28 transacted with Defendants but are likely to in the future. The general public is in need of protection

1 from Defendants' ongoing and continuing fraudulent conduct, as described above. Such relief will  
2 create a public benefit. Plaintiff thus brings this action for public declaratory and injunctive relief  
3 as a private attorney general and to vindicate and enforce important rights affecting the public  
4 interest. Plaintiff is therefore entitled to an award of attorneys' fees and costs under Cal. Code of  
5 Civ. P. § 1021.5 for bringing this action for public declaratory and injunctive relief.

6 **COUNT V**

7 **UNJUST ENRICHMENT**

8 111. Plaintiff re-alleges paragraphs 1–62 as if fully set forth herein and further alleges  
9 the following.

10 112. Count V is for unjust enrichment under California law. Plaintiff brings Count V  
11 individually and for the Class Members.

12 113. Plaintiff and all Class Members conferred benefits on Clear Capital and/or Core  
13 Valuation Management through the payment of funds intended to pay for appraisals of their  
14 property, but which were in turn largely retained by the Clear Capital and/or Core Valuation  
15 Management.

16 114. Rocket Mortgage required Plaintiff and Class Members to confer such benefits upon  
17 Clear Capital and/or Core Valuation Management, and passed on Plaintiff's and Class Members'  
18 appraisal fees to Clear Capital and/or Core Valuation Management.

19 115. Clear Capital and Core Valuation Management had full knowledge of their receipt  
20 of funds that bore no connection to the value or cost of the services they provided to Plaintiff and  
21 Class Members, and Clear Capital and Core Valuation Management accepted and retained these  
22 benefits for their own use.

23 116. Under the circumstances, it would be inequitable to allow Clear Capital and Core  
24 Valuation Management to retain these benefits.

25 **DISCOVERY RULE**

26 117. Plaintiff re-alleges paragraphs 1–62 as if fully set forth herein and further alleges  
27 the following.

1 118. Any applicable statutes of limitations have not yet run for Plaintiff or Class  
2 Members. The causes of action alleged herein accrued or will accrue only upon discovery of the  
3 true nature of the appraisal fees charged to Plaintiff and Class Members and the services provided  
4 in connection therewith. As a result of Defendants' conduct alleged herein—misrepresenting and  
5 concealing the actual cost of appraisals, misrepresenting the services provided in connection with  
6 appraisals, and charging borrowers substantially more than the actual cost of their appraisals—  
7 Plaintiff and Class Members were kept ignorant of critical information concerning the true nature  
8 of the appraisal fees charged and the services provided in connection therewith. Moreover, the true  
9 nature of the appraisal fees and the services provided in connection therewith were and are not  
10 something a reasonable person would know.

11 119. Plaintiff, for her part, discovered Defendants' deceptive and improper practices in  
12 August 2024. In June 2024, the Consumer Financial Protection Bureau (CFPB) requested public  
13 comments related to fees charged by providers of mortgages and related settlement services.<sup>20</sup> In  
14 August 2024, members of the public submitted comments that described AMC's deceptive and  
15 improper practices, including a report submitted on behalf of the Appraisal Regulation Compliance  
16 Council (AARC) on August 15, 2024.<sup>21</sup> The report detailed research conducted by the AARC. In  
17 pertinent part, the AARC research revealed that Clear Capital retained 64%–84% of the sample  
18 appraisal fees charged to borrowers, including 66% of an appraisal fee in California.<sup>22</sup> The research  
19 indicated that other AMCs retain similarly disproportionate percentages of appraisal fees.<sup>23</sup> In other  
20 comments, appraisers submitted engagement letters received from Clear Capital (depicted above)  
21 and stated that AMCs commonly prohibit contracted appraisers from disclosing their fees in their  
22 appraisal reports.<sup>24</sup> Plaintiff saw publicly available information online at this time and began an

23 <sup>20</sup> Docket No. CFPB-2024-0021, <https://www.regulations.gov/docket/CFPB-2024-0021>.

24 <sup>21</sup> Docket No. CFPB-2024-0021-0973, <https://www.regulations.gov/comment/CFPB-2024-0021-0973>.

25 <sup>22</sup> *Id.*

26 <sup>23</sup> *Id.*

27 <sup>24</sup> Docket No. CFPB-2024-0021-0951, <https://www.regulations.gov/comment/CFPB-2024-0021-0951>; Docket No. CFPB-2024-0021-0954, [https://www.regulations.gov/comment/CFPB-2024-](https://www.regulations.gov/comment/CFPB-2024-0954)

1 investigation of her appraisal fees. Plaintiff could not have made an earlier discovery despite  
2 reasonable diligence because of Defendants' conduct alleged herein.

3 **PRAYER FOR RELIEF**

4 Plaintiff, on behalf of herself and those similarly situated and the general public of  
5 California, requests the Court to:

- 6 a. Certify the Class as requested herein pursuant to Cal. Code Civ. Proc. § 382;  
7 b. Declare that Defendants are financially responsible for notifying the Class Members  
8 of the pendency of this suit;  
9 c. Provide declaratory and injunctive relief as may be appropriate for the Class under  
10 the UCL and CLRA;  
11 d. Provide public declaratory and injunctive relief sufficient to prevent Defendants'  
12 ongoing and continuing unfair, unlawful, and deceptive business practices described  
13 herein;  
14 e. Award appropriate monetary relief, including restitution, actual damages, and  
15 punitive damages;  
16 f. Award pre- and post-judgment interest;  
17 g. Award attorneys' fees and costs pursuant to Cal. Civ. Code § 1780(e), Cal. Code  
18 Civ. P. § 1021.5, and any other applicable law, rule, or term; and  
19 h. Provide such other relief as the Court deems just and proper.

20 **DEMAND FOR JURY TRIAL**

21 Plaintiff demands a trial by jury on all claims so triable.

22  
23 Date: November 1, 2024

HILGERS GRABEN, PLLC

24 **/s/ Michael Merriman**

Michael Merriman (SBN 234663)

Luke Landers (SBN 315475)

Attorneys for Plaintiff,

Lacey Timmins and the Proposed Class

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26  
27  
28 0021-0954.

# **EXHIBIT A**

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6 *Attorney for Plaintiff*  
7 *Lacey Timmins and the Proposed Class*

8 **SUPERIOR COURT OF CALIFORNIA**

9 **COUNTY OF STANISLAUS**

10  
11 LACEY TIMMINS, on behalf of herself  
and those similarly situated,

12 Plaintiff,

13  
14 v.

15  
16 CLEARCAPITAL.COM, INC.; CORE  
VALUATION MANAGEMENT, INC.;

17 and ROCKET MORTGAGE, LLC,

18 Defendants.

Case No. \_\_\_\_\_

**DECLARATION OF MICHAEL  
MERRIMAN IN SUPPORT OF  
PLAINTIFF'S COMPLAINT**

19  
20 **DECLARATION OF MICHAEL MERRIMAN**

21 I, Michael Merriman, declare:

22 1. I am admitted, in good standing, to practice as an attorney in the State of California.

23 I am a partner at the firm Hilger Graben, PLLC, which represents Plaintiff Lacey Timmins and the  
24 Proposed Class (collectively "Plaintiff") in the above titled case. All of the matters set forth herein  
25 are within my personal knowledge.

26 2. Pursuant to Cal. Civ. Code § 1780(d), this Declaration is submitted pursuant to the  
27 Consumer Legal Remedies Act.

28 3. Venue is proper because Plaintiff is a resident of Stanislaus County, paid her



1 appraisal fees in Stanislaus County, and suffered her economic injury in Stanislaus County.

2 I declare under penalty of perjury under the laws of the State of California that the foregoing  
3 is true and correct and that this declaration was executed by me on this 1st day of November 2024,  
4 at San Diego, California.

5 /s/ Michael Merriman  
6 Michael Merriman (SBN 234663)

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