

CALIFORNIA COURT OF APPEAL, SECOND APPELLATE DISTRICT,
DIVISION THREE

Honchariw v. PMF CA REIT, LLC

B337927 (Cal. Ct. App. Dec. 31, 2025) · No. B337927 · Decided December 31, 2025

SUMMARY

The California Court of Appeal addresses appeals arising from a \$6.2 million mortgage loan and the borrowers’ recovery of default interest charged under the loan modification agreement. The court holds that self-represented litigants, including an attorney representing himself and his spouse, cannot recover attorney fees under the applicable contractual or statutory provisions. The court reverses the attorney fee award and affirms the referee’s findings concerning treble damages under Business and Professions Code section 10242.5.

CASE DETAILS

COURT	California Court of Appeal, Second Appellate District, Division Three
WRITING FOR THE COURT	Edmon, P. J.; Adams, J.; Hanasono, J.
JURISDICTION	California Court of Appeal, Second Appellate District, Division Three
DECIDED	December 31, 2025
DOCKET	B337927
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Both parties appealed from a judgment entered by the Los Angeles County Superior Court on a referee's statement of decision. The lenders appealed the award of attorney fees to plaintiffs, and plaintiffs cross-appealed the denial of treble damages under Business and Professions Code section 10242.5.
STANDARD OF REVIEW	Pure issues of law, including the applicability of attorney-fee principles, are reviewed de novo. A judgment following a voluntary general reference is reviewed under the same rules applicable to a trial-court decision. Factual findings challenged for insufficient evidence are reviewed for substantial evidence, and an appellant must fairly summarize all material evidence.
PRECEDENTIAL VALUE	Published in part; the attorney-fee discussion is precedential, while the plaintiffs' cross-appeal discussion concerning Business and Professions Code section 10242.5 is unpublished.

PARTIES

Nicholas Honchariw, Sharon Honchariw, PMF CA REIT, LLC, affiliated lender companies v. Nicholas Honchariw, Sharon Honchariw, PMF CA REIT, LLC, affiliated lender companies

TOPICS

mortgages

attorney fees

contracts

appellate procedure

standard of review

PRACTICE AREAS

real estate finance

contracts

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appellate procedure

QUESTIONS PRESENTED

1. Whether a self-represented attorney may recover attorney fees under Civil Code section 1717 or Code of Civil Procedure sections 1021 and 1033.5.
2. Whether a nonattorney spouse may recover attorney fees for legal work performed by an attorney-spouse when the litigation concerns a community-property asset and the spouses' interests are joint and indivisible.
3. Whether plaintiffs forfeited their challenge to the referee's finding that Business and Professions Code section 10242.5 did not apply because their appellate briefing failed to fairly summarize the evidence supporting the finding.

HOLDINGS

1. A self-represented attorney may not recover attorney fees under Civil Code section 1717 or under Code of Civil Procedure sections 1021 and 1033.5 because the attorney has not paid, or become liable to pay, compensation for legal representation.
2. When an attorney-spouse represents both spouses in litigation concerning a community-property asset and the spouses' interests are joint and indivisible, both spouses are effectively self-represented for purposes of Trope and neither may recover attorney fees for the attorney-spouse's legal work.
3. Plaintiffs forfeited their substantial-evidence challenge because their opening brief failed to fairly summarize the evidence, omitted the lenders' evidence supporting the referee's finding, and did not establish the evidentiary status of many of their exhibits.

KEY QUOTATIONS

“For all the foregoing reasons, we conclude that Nicholas, as a self-represented attorney, cannot recover attorney fees under either Civil Code section 1717 or Code of Civil Procedure sections 1021 and 1033.5.”
(14)

“As such, both Nicholas and Sharon were effectively self-represented within the meaning of Trope, and neither could recover attorney fees based on the reasonable value of Nicholas’s legal work.” (21-22)

“In short, plaintiffs’ claim turns on disputed facts, and thus they have forfeited their appellate claims by failing to accurately summarize all the evidence presented at the evidentiary hearing.” (26)

FACTUAL BACKGROUND

Plaintiffs obtained a \$6.1 million interest-only bridge mortgage loan from PMF CA REIT, LLC and affiliated lenders at a fixed annual interest rate of 8.99 percent. After plaintiffs missed payments, a modification agreement imposed a 19.50 percent default interest rate on the entire unpaid principal balance. Plaintiffs refinanced the loan, paid the balance including default interest, and sued to recover the default interest and statutory damages. Nicholas Honchariw, a real estate attorney, represented himself and Sharon in the litigation, and the referee awarded plaintiffs attorney fees for that work after finding that the default-interest provision was an unlawful penalty.

PROCEDURAL HISTORY

Plaintiffs sued lenders after paying default interest on a mortgage loan, alleging that the default interest was an unlawful penalty, that the loan violated California's real property loan law, and that lenders committed fraud. The parties stipulated to a general reference, and the referee found for plaintiffs on the unlawful-penalty claim, awarding \$261,489 in default interest, but found for lenders on the statutory and fraud claims. The referee later awarded plaintiffs attorney fees and costs, and the trial court entered judgment on the referee's awards. The Court of Appeal reversed the attorney-fee award, affirmed the section 10242.5 finding, and otherwise affirmed the judgment.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The trial court must enter an amended judgment omitting the attorney-fee award. The judgment is otherwise affirmed. Defendants and appellants are awarded their appellate costs.

CASES CITED

- Trope v. Katz (1995) 11 Cal.4th 274
- Stella v. Asset Management Consultants, Inc. (2017) 8 Cal.App.5th 181
- Barickman v. Mercury Casualty Co. (2016) 2 Cal.App.5th 508
- Goodman v. Lozano (2010) 47 Cal.4th 1327
- Lampkin v. County of Los Angeles (2025) 112 Cal.App.5th 920
- Bruno v. Bell (1979) 91 Cal.App.3d 776
- Musaelian v. Adams (2009) 45 Cal.4th 512
- In re Marriage of Erndt & Terhorst (2021) 59 Cal.App.5th 898
- Witte v. Kaufman (2006) 141 Cal.App.4th 1201
- Ellis Law Group, LLP v. Nevada City Sugar Loaf Properties, LLC (2014) 230 Cal.App.4th 244

- Argaman v. Ratan (1999) 73 Cal.App.4th 1173
- Santisas v. Goodin (1998) 17 Cal.4th 599
- Gorman v. Tassajara Development Corp. (2009) 178 Cal.App.4th 44
- Rickley v. Goodfriend (2012) 207 Cal.App.4th 1528
- Gillotti v. Stewart (2017) 11 Cal.App.5th 875
- Gogal v. Deng (2025) 112 Cal.App.5th 1161
- Akopyan v. Wells Fargo Home Mortgage, Inc. (2013) 215 Cal.App.4th 120
- Schmidt v. Superior Court (2020) 44 Cal.App.5th 570
- Grainger v. Antoyan (1957) 48 Cal.2d 805
- Myers v. Trendwest Resorts, Inc. (2009) 178 Cal.App.4th 735
- Boeken v. Philip Morris, Inc. (2005) 127 Cal.App.4th 1640
- Western Aggregates, Inc. v. County of Yuba (2002) 101 Cal.App.4th 278
- Slone v. El Centro Regional Medical Center (2024) 106 Cal.App.5th 1160
- Delta Stewardship Council Cases (2020) 48 Cal.App.5th 1014
- Doe v. Roman Catholic Archbishop of Cashel & Emly (2009) 177 Cal.App.4th 209
- Defend the Bay v. City of Irvine (2004) 119 Cal.App.4th 1261
- Oakland Bulk & Oversized Terminal, LLC v. City of Oakland (2025) 112 Cal.App.5th 519
- Patterson v. Donner (1874) 48 Cal. 369
- Bank of Woodland v. Treadwell (1880) 55 Cal. 379
- City of Long Beach v. Sten (1929) 206 Cal. 473
- O'Connell v. Zimmerman (1958) 157 Cal.App.2d 330