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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF HOOD RIVER

ARNALDO LARA,

Plaintiff,

v.

RENATA LARA and
JOHN S. BUTLER,

Defendants.

Case No. _____

COMPLAINT

(Constructive Trust, Quiet Title, and
Equitable Lien;
Unjust Enrichment)

Amount in Controversy:
\$151,500.00

Plaintiff Arnaldo Lara ("Plaintiff") alleges as follows:

PARTIES

1. Plaintiff Arnaldo Lara is an individual residing in Hood River County, Oregon.
2. Defendant Renata Lara ("Defendant Lara") is an individual residing at 4761
Portland Drive, Hood River, Oregon 97031.

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3. Defendant John Butler ("Defendant Butler") is an individual and Plaintiff's cousin.
Defendant Butler holds an interest in the Property as a tenant in common with
Defendant Lara.

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JURISDICTION AND VENUE

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4. This Court has jurisdiction over the subject matter and over the parties. Venue is
proper in this Court under ORS 14.040 because the Property is located in Hood
River County, Oregon.

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THE PROPERTY

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5. The real property at issue is located at 4761 Portland Drive, Hood River, Oregon
97031, identified as Tax Lot 12138, Township 2N, Range 10E, Section 16, Tax
Lot 3101, Hood River County, Oregon (the "Property").
6. Defendant Lara and Defendant Butler are the recorded titleholders of the Property,
as tenants in common, on the Hood River County real property records. The
deed naming them as such is a warranty deed recorded August 20, 2019, as
Document No. 2019-002595. The Property is encumbered by a deed of trust in
favor of Directors Mortgage, Inc., recorded the same date as Document No.
2019-002596.

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2 7. The relief sought in this action affects Defendants' interests in the Property. The
3 lender's security interest is not affected by the relief sought herein.
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6 **FACTUAL ALLEGATIONS**
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9 ***The Family Agreement to Acquire the Property***
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11 8. In the spring of 2019, Irene Luna Avila (Plaintiff's maternal aunt) intended to make
12 a gift to her sister Rosa M. Lara Avila (Plaintiff's mother) and Rosa M. Lara
13 Avila's family. The family discussed how best to use the gift. The family
14 initially intended to use the gift to purchase a food truck for Rosa M. Lara
15 Avila, so that she would no longer need to work as hard. The family later
16 decided to use the gift toward the purchase of a family home instead. The gift
17 was always intended to benefit Rosa M. Lara Avila and her family; it was a gift
18 from sister to sister to benefit the recipient's family. It was a gift for the family,
19 not for the exclusive benefit of any specific individual. The family's shared
20 understanding was to acquire the Property as a family home where Plaintiff,
21 Defendant Lara, Rosa M. Lara Avila, their brother Felipe Lara-Avila, and other
22 family members would reside. That shared family understanding (the "Family
23 Agreement") was premised on Irene Luna Avila's gift; without that gift the
24 family would not have acquired the Property.
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26 9. Under the Family Agreement, Plaintiff would have an equitable ownership interest
27 in the Property and the right to reside in the Property for his lifetime. In
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1 exchange, Plaintiff would contribute to the mortgage and maintenance of the
2 Property, just as the other family members.

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5 10. The original family plan contemplated that the named titleholders would include
6 Plaintiff, Defendant Lara, and Felipe Lara-Avila. That plan was modified
7 during the acquisition process as lending and title-insurance obstacles arose.
8 Felipe Lara-Avila was unable to remain on the loan and title because of an
9 outstanding child support judgment that created title-insurance problems.
10 Plaintiff could not be substituted in Felipe's place because Plaintiff's credit
11 score was below the FHA minimum required for the loan. To save the
12 financing, Plaintiff arranged for his cousin John Butler to be added to the loan
13 as a credit accommodation. The resulting placement of title in Defendant Lara
14 and Defendant Butler was a practical accommodation to secure the FHA loan
15 and was not an expression of any intent to give Defendant Butler beneficial
16 ownership of the Property. Defendant Butler was never intended to be an
17 exclusive beneficiary of Irene Luna Avila's gift.

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20 ***Plaintiff Arranged the Acquisition***

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22 11. Plaintiff identified the Property, negotiated the terms of the purchase, arranged the
23 financing, and coordinated the down-payment gift from the family's aunt.

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25 12. The mortgage broker for the transaction was Jeff Sacre of Directors Mortgage, Inc.
26 Beginning in approximately May 2019, Plaintiff communicated directly with
27 Jeff Sacre about the financing for the Property. On May 16, 2019, Jeff Sacre
28 sent a fee estimate for the purchase to Plaintiff alone.

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- 3 13. The Residential Real Estate Sale Agreement was dated June 18, 2019, at a
- 4 purchase price of \$325,000.00, with \$8,000.00 in seller contributions toward
- 5 Buyer's closing costs and prepaids. Defendant Lara signed the Sale Agreement
- 6 as buyer on June 21, 2019. Felipe Lara-Avila signed the Sale Agreement as
- 7 buyer on June 25, 2019.
- 8
- 9 14. On June 21, 2019, Jeff Sacre sent Plaintiff alone a spreadsheet confirming the
- 10 terms: "This is for 325K purchase price with seller paying your closing costs /
- 11 prepaids."
- 12
- 13 15. On or about June 19, 2019, Jeff Sacre sent an updated preapproval letter to the
- 14 realtor, Lisa Marie Nelson of Don Nunamaker Realtors, stating: "Aldo
- 15 requested this change." Jeff Sacre copied Plaintiff on the email.
- 16
- 17 16. On June 25, 2019, Lisa Marie Nelson sent the Sale Agreement to Plaintiff alone
- 18 for his review, writing: "Aldo, Here is Agreement.... Please look over and let
- 19 me know if you have any questions..."
- 20
- 21 17. On June 26, 2019, Jeff Sacre emailed Defendant Lara and Felipe Lara-Avila about
- 22 the purchase and copied Plaintiff among others. In that email, Jeff Sacre stated:
- 23 "I've mostly been communicating with Aldo, but wanted to start communicating
- 24 with everyone at this point; especially since you are the two that are on the loan
- 25 and Aldo isn't." Jeff Sacre further stated: "I had told Aldo before that we need to
- 26 pay off some debt" and "I also told Aldo that we need to show approximately
- 27 29K in funds total."
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18. When a title search revealed that Felipe Lara-Avila had an outstanding child support judgment that created title insurance problems, Jeff Sacre asked Plaintiff how to resolve the issue. On July 11, 2019, Jeff Sacre wrote to Plaintiff alone: "Do you want me to take a look and see if we could add you instead of Felipe? Do you know where your credit is at this point?" When Plaintiff's credit score proved too low, Plaintiff provided Jeff Sacre with the contact information for his cousin, John Butler, as a substitute. On July 15, 2019, Jeff Sacre wrote to Defendant Butler and copied Plaintiff and Defendant Lara: "Adding John works. So we'll begin the process of getting John added to the loan. Since everyone's credit scores are above 620, it also means that you don't have to bring in all that extra money *."

19. When the transaction was at risk, Jeff Sacre contacted Plaintiff alone. On July 8, 2019, Jeff Sacre sent an email exclusively to Plaintiff with the subject line: "I am going to have to pull my pre-approval unless I see some movement... can you please call me today?"

20. Plaintiff paid the appraisal fee for the Property. On August 1, 2019, Market Appraisals sent the appraisal payment request for Directors Mortgage, Inc. to Plaintiff.

Plaintiff's Pre-Acquisition Labor to Satisfy FHA Requirements

21. The Property required physical improvements to satisfy FHA property standards before it could be conveyed under FHA financing, including the construction of a railing and other repairs identified during the FHA appraisal process. Without

1 these improvements, the FHA loan that financed the purchase would not have
2 been approved, and the acquisition would not have proceeded.
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5 22. The seller of the Property was JIMGIN, LLC. Plaintiff performed the
6 pre-acquisition labor personally and coordinated the work directly with Ginger,
7 a principal of JIMGIN, LLC, whom Plaintiff knew personally. The work was
8 completed before Defendants acquired the Property.
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11 ***The Aunt's Gift of the Down Payment***
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- 13 23. Plaintiff coordinated the logistics of transferring Irene Luna Avila's down-payment
14 gift to the lender, including providing Irene Luna Avila's contact information
15 and bank documentation to Jeff Sacre.
16

- 17 24. Jeff Sacre directed all inquiries about the gift to Plaintiff. On July 30, 2019, Jeff
18 Sacre emailed Plaintiff alone: "Aldo - Have you received the gift from your
19 Aunt at this point? I need to gather all the documentation on the gift. Who is
20 best to contact?" That same day, Jeff Sacre sent gift documentation
21 requirements to Plaintiff, with a copy to Defendant Lara. On July 31, 2019, Jeff
22 Sacre again emailed Plaintiff alone, with the subject line: "What is the status of
23 the gift transfer?" On August 4, 2019, Jeff Sacre sent another inquiry, marked
24 "Urgent," to Plaintiff and Defendant Lara. On August 6, 2019, Jeff Sacre
25 emailed Irene Luna Avila and Plaintiff directly with wiring instructions;
26 Defendant Lara was not included on that email.
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2 25. Irene Luna Avila made the gift with the understanding that the Property would
3 serve as a family home for Plaintiff, Defendant Lara, Rosa M. Lara Avila, and
4 other family members. Irene Luna Avila intended the gift to benefit her sister
5 Rosa M. Lara Avila and her sister's family, which includes Rosa M. Lara
6 Avila's three children: Plaintiff, Defendant Lara, and their brother Felipe
7 Lara-Avila. The gift was made for the family, not for the exclusive benefit of
8 any specific individual.
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11 ***The Closing and Title***
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13 26. The Property was conveyed by warranty deed from JIMGIN, LLC to Defendant
14 Lara and Defendant Butler, recorded on August 20, 2019, as Document No.
15 2019-002595. A deed of trust was recorded the same date as Document No.
16 2019-002596. On September 12, 2019, the loan servicing was transferred to Mr.
17 Cooper (Nationstar Mortgage), and Jeff Sacre notified both Plaintiff and
18 Defendant Lara of the transfer.
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21 ***Plaintiff's Improvements After Acquisition***
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23 27. After the acquisition, Plaintiff renovated and improved the Property at a total cost
24 of approximately \$46,260.00 in labor and materials. The work included a
25 bedroom expansion (September 2019), a kitchen remodel (December 2019),
26 framing of a new room (March 2020), drywall installation in the living room
27 (May 2020), foundation work (September 2020), carport demolition (May
28

2022), upstairs flooring (2023), and fence construction.

Plaintiff's Monthly Mortgage Payments

28. From July 2019 through January 2025, Plaintiff made Venmo payments to Defendant Lara as contributions toward the mortgage obligation on the Property. The documented payments total \$27,951.00 across 66 transactions, with \$600.00 the most common payment amount. Of those 66 payments, 30 carry a house-shape emoji notation in the Venmo note. Plaintiff first used a house emoji on July 16, 2019, and continued the practice through 2024. Beginning in late 2023, Plaintiff added month-name labels alongside the house emoji: "Last Month" (November 6, 2023), "December" (December 8, 2023), "January" (January 22, 2024), "February" (February 16, 2024), and "March" (March 29, 2024). Beginning with the April 26, 2024 payment, Plaintiff added the word "mortgage": the April 26, 2024 note read "April" and "mortgage" bracketing a house emoji, and the May 31, 2024 note read "may house mortgage." No payment in any year carries the word "rent."

29. The year-by-year totals of documented Venmo payments from Plaintiff to Defendant Lara are: 2019: \$3,525.00 (12 payments); 2020: \$5,061.00 (12 payments); 2021: \$355.00 (2 payments); 2022: \$6,385.00 (12 payments); 2023: \$6,025.00 (16 payments); 2024: \$6,000.00 (11 payments); 2025: \$600.00 (1 payment).

30. Plaintiff performed no improvement work on the Property during 2021; the improvements described above occurred in 2019, 2020, 2022, and 2023, years

1 in which Plaintiff also made documented Venmo payments to Defendant Lara.
2 Plaintiff's labor on the Property was not a substitute for rent.
3
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5 ***Characterization of the Payments***
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8 31. At no time did either Defendant characterize Plaintiff as a tenant, offer Plaintiff a
9 lease, provide Plaintiff a rental receipt, or treat Plaintiff's payments as rental
10 income. No rental agreement, written or oral, was ever created between Plaintiff
11 and Defendants.
12

13 32. Plaintiff's monthly payments to Defendant Lara, and Rosa M. Lara Avila's
14 monthly contributions to Defendant Lara, were directed toward the carrying
15 costs of the Property and were not intended to be discretionary payments for
16 Defendant Lara to spend as she wished. Each family member who contributed
17 monthly payments to Defendant Lara, including Plaintiff and Rosa M. Lara
18 Avila, understood his or her payments to be applied to the mortgage obligation
19 on the Property. The payments were a share of the burden of carrying the
20 Property under the Family Agreement; they were not rent.
21

22 33. On information and belief, Defendants did not report Plaintiff's monthly payments,
23 or Rosa M. Lara Avila's monthly contributions, as rental income on any federal
24 or state tax return. The absence of such reporting reflects Defendants' own
25 understanding that these payments were not rent. Had Defendants treated the
26 payments as rent, federal tax law would have required them to report the
27 payments as rental income on Schedule E of the Form 1040. Defendants did not
28 report them because they did not understand or treat them as rent. Defendants

1 instead treated the payments as the family understood them to be: pass-through
2 contributions by family members toward the mortgage obligation on the
3 Property. Defendants' own tax treatment thus confirms what the contributors
4 understood: the payments were mortgage contributions, not rent.
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8 ***The FED Action and Default Judgment***
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10 34. On February 17, 2026, Defendant Lara filed a residential eviction complaint
11 (forcible entry and detainer, or "FED") in the Circuit Court of the State of
12 Oregon for the County of Hood River, Case No. 26LT03980. Defendant Lara
13 named the defendants as "Arnaldo Lara and all others." The FED complaint
14 identified Plaintiff and "all others" as occupants of the Property and sought to
15 remove them from the Property.
16

17 35. The FED complaint attached a 10-Day Termination Notice for Nonpayment of
18 Rent dated January 30, 2026. The notice was addressed to "Arnaldo Lara,
19 tenant(s), and all other residents." The notice claimed that Plaintiff owed
20 \$7,200.00 in unpaid rent at \$600.00 per month for the period from February
21 2025 through January 2026.
22

23 36. Plaintiff did not receive the summons and complaint in the FED action. At the time
24 of service, Plaintiff was staying at another location and was unaware that the
25 action had been filed.
26

27 37. The court entered a default judgment against Plaintiff in the FED action. The writ
28 of restitution issued in the FED action directed the Hood River County Sheriff

1 to remove Plaintiff and all others from the Property. The Sheriff executed the
2 writ under ORS 105.161.
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5 38. No issue in the FED action was litigated or determined on the merits. Plaintiff
6 presented no evidence and raised no defenses.
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9 ***Rosa M. Lara Avila's Residence at the Property***
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11 39. From the time the Property was acquired in August 2019, Rosa M. Lara Avila has
12 resided at the Property at various times under the Family Agreement. Rosa M.
13 Lara Avila's right to reside at the Property derives from Irene Luna Avila's gift,
14 which was intended specifically for Rosa M. Lara Avila's benefit and was
15 applied at her direction toward the family home. Rosa M. Lara Avila has not
16 signed a written lease or rental agreement with Defendants. Rosa M. Lara Avila
17 has at times been away from the Property, including extended periods in
18 California caring for her own family, and her presence at the Property has
19 followed the family's circumstances rather than any formal tenancy.
20

21 40. Defendants have never required Rosa M. Lara Avila to sign a written lease or
22 rental agreement. Defendants have not created a written tenancy with Rosa M.
23 Lara Avila.
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26 ***The Family-Home Premise of All Contributions***
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41. None of the contributions described above would have been made absent the shared family understanding that the Property was being acquired as a family home in which Plaintiff and other family members would hold equitable interests. Irene Luna Avila made the down-payment gift for the family, not for the exclusive benefit of any specific individual. Plaintiff would not have (a) arranged the purchase of the Property, (b) negotiated the purchase agreement with the seller, (c) negotiated the other terms of the transaction with the lender and the realtor, (d) performed the pre-acquisition labor required to qualify the Property for FHA approval, (e) coordinated with Irene Luna Avila to arrange the down-payment gift, (f) performed the continuing post-acquisition improvements totaling approximately \$46,260.00, or (g) made the documented Venmo payments to Defendant Lara totaling \$27,951.00, if those actions were for the sole benefit of Defendant Lara and Defendant Butler. Plaintiff did not undertake this work, make these payments, or arrange this gift as a favor or for free for Defendant Butler. Plaintiff undertook every one of these actions because of the shared understanding that the Property was being acquired with Irene Luna Avila's gift as a family home in which Plaintiff and other family members would hold equitable interests. The Family Agreement, and the family-home purpose at its core, were the indispensable premise of every contribution by every contributor.

FIRST CLAIM FOR RELIEF

Constructive Trust and Quiet Title

(ORS 105.605)

42. Plaintiff re-alleges and incorporates paragraphs 1 through 41.

43. The relationship among Plaintiff, Defendant Lara, Defendant Butler, and the other parties to the Family Agreement at the time of acquisition was a family relationship in which each party understood the Property to be acquired for shared use among family members, including Plaintiff and Rosa M. Lara Avila.

44. The shared intent of the parties under the Family Agreement was that Plaintiff would hold an equitable ownership interest in the Property. Plaintiff was excluded from the title only as a practical accommodation to secure FHA financing. Plaintiff's contributions of labor and money were made in reliance on that shared intent and not as gifts to Defendants. Plaintiff would not have made these contributions absent the shared expectation that he held an equitable ownership interest in the Property.

45. Defendants' retention of sole beneficial ownership of the Property to Plaintiff's exclusion contradicts the parties' shared intent under the Family Agreement and Plaintiff's reliance contributions. Defendants each hold their recorded interests in the Property in constructive trust for Plaintiff to the extent necessary to vest in Plaintiff an undivided equitable interest in the Property.

46. Defendants' assertion of sole beneficial ownership and their characterization of Plaintiff as a tenant constitute adverse claims to Plaintiff's interest in the Property.

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2 47. Plaintiff is entitled to (a) a constructive trust upon Defendants' recorded interests in
3 the Property in favor of Plaintiff, to the extent necessary to vest in Plaintiff an
4 undivided equitable interest in the Property, (b) a judgment under ORS 105.605
5 quieting title and declaring Plaintiff's equitable ownership interest in the
6 Property, or (c) in the alternative under this First Claim, an equitable lien
7 against the Property in the amount of Plaintiff's documented contributions.
8

9 10 **SECOND CLAIM FOR RELIEF**

11 12 **Unjust Enrichment**

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14 48. Plaintiff re-alleges and incorporates paragraphs 1 through 41.
15

16 49. Plaintiff conferred benefits upon Defendants, including pre-acquisition labor on
17 the Property, payment of the appraisal fee, coordination of the down-payment
18 gift, post-acquisition improvements totaling approximately \$46,260.00, and
19 documented Venmo payments to Defendant Lara totaling \$27,951.00.
20

21 50. Plaintiff did not intend these contributions as gifts or as rent. Many of Plaintiff's
22 Venmo payments to Defendant Lara carry a house emoji notation, and
23 beginning in April 2024 Plaintiff added the word "mortgage" to the payment
24 notes. No payment in any year carries the word "rent." Plaintiff made these
25 contributions in reliance on the parties' shared intent that Plaintiff would hold
26 an equitable ownership interest in the Property. Plaintiff would not have
27 conferred these benefits on Defendants absent the shared expectation of
28

ownership.

51. Defendants were aware of and accepted these benefits.

52. Under the circumstances, it would be unjust for Defendants to retain these benefits without compensating Plaintiff.

53. If Plaintiff is not granted the relief sought in the First Claim, Plaintiff is entitled in the alternative to a money judgment against Defendants, jointly and severally, in the amount of \$74,211.00, together with such additional amounts as may be proven at trial, representing the reasonable value of the benefits conferred.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

54. On the First Claim for Relief, for (a) a constructive trust upon Defendants' recorded interests in the Property in favor of Plaintiff, to the extent necessary to vest in Plaintiff an undivided equitable interest in the Property valued at \$151,500.00, representing one-fourth of the Property's current fair market value, (b) a judgment under ORS 105.605 quieting title and declaring Plaintiff's equitable ownership interest in the Property, or (c) in the alternative under this First Claim, an equitable lien against the Property in the amount of \$74,211.00, together with such additional amounts as may be proven at trial, representing Plaintiff's documented contributions;

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2 55. In the alternative, on the Second Claim for Relief, for a money judgment against
3 Defendants, jointly and severally, in the amount of \$74,211.00, together with
4 such additional amounts as may be proven at trial, representing the reasonable
5 value of benefits conferred upon Defendants;

6
7 56. For Plaintiff's costs and disbursements;

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9 57. For such other and further relief as the Court deems just and equitable.

10
11 Respectfully submitted,

12
13 DATED: May 23, 2026.

14
15 /s/ David Brunk

16
17 _____
David Brunk, OSB #254853

18 PO Box 1592

19 The Dalles, OR 97058

20 david@newmanbrunk.com (preferred)

21 Attorney for Plaintiff
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