

In The United States Supreme Court

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Raj Singh, Plaintiff and Petitioner,  
vs.  
Wells Fargo Bank, Defendant and Respondent.

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On Petition for a Writ of Certiorari to the United States Court of Appeals  
for the Ninth Circuit

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Petition For a Writ of Certiorari

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**AS IRS SENT PETITIONER IN JAIL, A RELIEF IS NECESSARY.**

*Respondent issued Form 1099 for a non-recourse debt resulting in extra-ordinary Tax liability and Jail to Petitioner. According to IRS and leading authorities, Form 1099 is ILLEGAL for any non-recourse debt.*

**IRS IS BEST TO INTERPRET TAX CODE.**

*Accordingly, Wells Fargo Bank illegally issued Form 1099.  
The Lawsuits are allowed for not disclosing the facts, fraud and correction also.  
Accordingly, this Lawsuit can be allowed on other grounds too.*

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**ACCORDING TO THE OPINION, ANY PROPERTY CAN TAKEN BY  
SIMPLY SHOWING ANY ARBITRARY AMOUNT OF SALE PRICE.  
ACCORDINGLY, THE OPINION SHOULD BE MODIFIED.**

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Case No.:  
Ninth Circuit Case No.: 18-15005  
District Court Case No.: 15-cv-2664 JAM EFB PS

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Raj Singh  
P.O. Box 162783  
Sacramento, California 95816

## **ISSUES OF FIRST IMPRESSION**

**Form 1099 is ILLEGAL for any non-recourse debt.**

**Without any detail, the property owner is unable to do anything.**

*In case of a foreclosure, Wells Fargo Bank ("Wells Fargo") takes the property; provides no information about the foreclosure sale; and sends a Form 1099 in the arbitrary amount to the Internal Revenue Service ("IRS") without any explanation. This said act results in extra-ordinary amount of Taxes [about \$500,000 in this case] and forces the property owner to pay all the Taxes IN THAT YEAR ILLEGALLY. AS IRS SENT PETITIONER IN JAIL, A RELIEF IS NECESSARY.* Assuming that all this is legal, then, in order to avoid very high Taxes in that year, the property owner will be forced to pay much less monthly payments and there will not be any foreclosure sale. Further, it will defeat the purpose of anti-deficiency statutes. Despite many promises, Wells Fargo did not correct Form 1099 and did not provide any detail about foreclosure. Without any detail, the property owner is unable to do anything.

Plaintiffs filed the underlying action for the Illegal Hardship, for the illegal acts of Defendants, for Violation of Constitutional Rights and for Civil Conspiracy. But, the trial court mistakenly considered this case just for issuing 1099 for forgiving deficiency ONLY and dismissed this case with the conclusion that Wells Fargo can issue a 1099 in the arbitrary amount without considering the correctness of the Form 1099. The issues are the following:

**1. Is the Form 1099 ILLEGAL for the non-recourse debt?**

**2. Can Wells Fargo claim Forgiveness or cancellation of deficiency *without any approval of the owner*? Collection of deficiency has nothing to do with this.**

**3. Is Wells Fargo allowed to issues Form 1099 in all foreclosures whether purchase price is higher or lower than the mortgage balance?**

For example, Let us say that the mortgage balance is \$500,000. Wells Fargo issues the Form 1099 for \$200,000 if the house is taken for net \$300,000 or net \$700,000. THIS FORCES THE PROPERTY OWNER ILLEGALLY TO PAY ALL THE TAXES IN THAT YEAR CAUSING EXTREME HARDSHIP.

4. Wells Fargo did not allow any bid less than the mortgage balance during Foreclosure Sale. Does this fact show that Wells Fargo got the subject property for the mortgage balance?

5. Wells Fargo does not issue Form 1099 when the owner surrenders the house. How does this fact affect this appeal?

6. Should the taxpayers be taxed for the involuntarily activities [i.e. foreclosure] beyond the control of the taxpayers particularly associated with a contract [Mortgage contract here] affecting the constitutional rights AND CAUSING EXTREME HARDSHIP? This point has many parts.

7. Does issuing the Form 1099 in a Foreclosure circumvent anti-deficiency statutes?

8. Does issuing the Form 1099 in a Foreclosure violate the public policies?

9. *Are we allowed to sue Wells Fargo for other issues, i.e., not disclosing the facts, frauds, a breach of Good Faith and Fair Dealing, violation of Unfair Competition Law ("UCL"), correction of Form 1099, etc.?*

#### List Of Parties and their Roles

Raj Singh is a plaintiff and Petitioner. Wells Fargo Bank is a defendant and Respondent. Kiran Rawat was plaintiff in the Trial Court.

#### Jurisdiction and Standard of Review

On August 22, 2018, the Court of Appeals dismissed this case without any opinion (See Attachment 2). Accordingly, this Petition for a Writ of Certiorari is filed timely. The Standard of Review is *de Novo* for the questions of the laws. The jurisdiction of this Court is invoked under 28 U. S. C. § 1254 and 28 U. S. C. § 2101.

*Attachments 1 and 2 show the Judgments below.*

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**AS IRS SENT PETITIONER IN JAIL, A RELIEF IS NECESSARY.**

**THIS CASE IS IMPORTANT FOR ALL NON-RECOURSE DEBTS.**

IRS IS BEST TO INTERPRET THE TAX CODE. According to IRS and leading authorities, Form 1099 is ILLEGAL for any non-recourse debt.

Accordingly, Wells Fargo Bank illegally issued Form 1099. The

Lawsuits are allowed for not disclosing the facts, fraud and correction also.

*Accordingly, this Lawsuit can be allowed on other grounds too.*

Attachments 1 and 2 show the Judgments below.

### ARGUMENTS - GROUNDS FOR RELIEF

#### POINT 1

*Form 1099 is ILLEGAL for any non-recourse debt.*

*The Lawsuits are allowed for not disclosing the facts, fraud and correction. Accordingly, this Lawsuit should be allowed.*

***ACCORDING TO THE OPINION, ANY PROPERTY CAN TAKEN BY SIMPLY SHOWING THE CONSIDERATION OF ANY ARBITRARY AMOUNT OF SALE PRICE WITHOUT ANY EXPLANATION.***

***ACCORDINGLY, THE OPINION SHOULD BE MODIFIED.***

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#### POINT 2

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***IRS IS BEST TO INTERPRET THE TAX CODE.***

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### List of Attachments:

Attachment 1 - Trial Court Opinion  
Attachment 2 – Appellate Court’s Dismissal  
Attachment 3: “IRS says NO to Form 1099”.  
“Forgiveness of a non-recourse loan resulting from a  
foreclosure does not result in cancellation of debt income”

## **PETITION FOR A WRIT OF CERTIORARI**

Petitioner Raj Singh respectfully prays that a writ of certiorari issue to review the judgments below. Attachments 1 and 2 show the Judgments below. Respondent clearly violated due process and Equal Protection clause. We request review based on the following grounds: A material point of fact or law was overlooked in an exceptional Nationally important question; Review is necessary to secure or maintain uniformity of the Court's decisions; and The opinion directly conflicts with the Leading opinions and substantially affects a rule of national application in which there is an overriding need for national uniformity.

### **STATEMENT OF FACTS**

#### **IRS IS BEST TO INTERPRET TAX CODE.**

**According to IRS, Form 1099 is ILLEGAL for any non-recourse debt.**

**Accordingly, Wells Fargo Bank illegally issued Form 1099.**

**The Lawsuits are allowed for not disclosing the facts, fraud and correction also.**

**Accordingly, this Lawsuit can be allowed on other grounds too.**

In case of a foreclosure, Wells Fargo Bank ("Wells Fargo") takes the property; provides no information about the foreclosure sale; and sends a Form 1099 in the arbitrary amount to the Internal Revenue Service ("IRS") without any explanation. This said act results in extra-ordinary amount of Taxes [about \$500,000 in this case] and forces the property owner to pay all the Taxes IN THAT YEAR ILLEGALLY. IRS SENT PETITIONER TO JAIL FOR NON-PAYMENT OF TAXES. Assuming that all this is legal, then, in order to avoid very high Taxes in that year, the property owner will be forced to pay much less monthly payments and there will not be any foreclosure sale. Further, it will defeat the purpose of anti-deficiency statutes. Despite many promises, Wells Fargo did not correct Form 1099 and did not provide any detail about foreclosure. Without any detail, the property owner is unable to do anything.

Plaintiffs filed the underlying action for the Illegal Hardship, for the illegal acts of Wells Fargo, for Violation of Constitutional Rights and for Civil Conspiracy. But, the trial court mistakenly considered this case just for issuing 1099 ONLY and dismissed this case with the conclusion that Wells Fargo can issue a Form 1099 in the arbitrary amount without considering the correctness of the Form 1099 (See Attachment 1). Then, Plaintiffs argued the following:

First, The Form 1099 is illegal because a foreclosure on the non-recourse debt results in no cancellation of indebtedness income; *According to IRS also, Form 1099 is ILLEGAL for any non-recourse debt (See Attachment 3). Accordingly, Wells Fargo Bank illegally issued Form 1099. IRS IS BEST TO INTERPRET TAX CODE. [Attachment 3 was an Exhibit in all the lower Courts.]*

Second, The lawsuits are allowed just for the following: a) For Not disclosing the facts in foreclosure (The Truth in Lending Act); b) For the violation of Unfair Competition Law ("UCL"); c) For Frauds and misrepresentations including to provide incorrect amount on the Form 1099; d) For a breach of Good Faith and Fair Dealing and/or e) To correct the amount on the Form 1099. Accordingly, this lawsuit should be allowed for these reasons also.

On August 22, 2018, the Court of Appeals dismissed this case without any opinion (See Attachment 2).

**Wells Fargo issues Form 1099 in all foreclosures whether purchase price is higher or lower than the mortgage balance. No authority can allow THIS. Owners can NEVER have income in all the foreclosures.**

*Wells Fargo issues Form 1099 in all foreclosures whether purchase price is higher or lower than the mortgage balance. No authority can allow THIS.*

*Owners can NEVER have income in all the foreclosures. For example, Let us say that the mortgage balance is \$500,000. Wells Fargo issues the Form 1099 for \$200,000 if the house is taken for net \$300,000 or net \$700,000. **THIS FORCES THE PROPERTY OWNER ILLEGALLY TO PAY ALL THE TAXES FOR THE ACTS OF WELLS FARGO IN THAT YEAR CAUSING EXTREME HARDSHIP.***

Further, Wells Fargo did not allow any bid less than the mortgage balance. This fact alone show that Well Fargo got the subject property for the mortgage balance. Then, Wells Fargo should have not issued any 1099. Further, there is no need to issue 1099 if surrendering the house to Bank is approved by the Bank. As Wells Fargo did not approve surrendering the house, this lawsuit can be allowed for the breach of Good Faith and Fair Dealing, etc.

**OWNERS SHOULD NOT PAY TAXES FOR THE ACTS OF WELLS FARGO**

A Forgiveness of the deficiency can not be claimed without informing the owner and without any APPROVAL by the Owner. Accordingly, Form 1099 issued for such Forgiveness is ILLEGAL. The findings of the trial court (Attachment 1, p. 6) also support our position. The Trial Court states that the deficiency is not wiped out. If it is forgiven, it is wiped out. In other words, THE TRIAL COURT STATED THAT THE DEFICIENCY IS NOT FORGIVEN. THUS, THE FORM 1099 FOR FORGIVENESS WAS ISSUED ILLEGALLY.

Plaintiffs have suffered considerably as Wells Fargo illegally issued the form 1099 with the false claim of forgiving deficiency. Another issue for the form 1099 is whether Wells Fargo can LEGALLY claim any ARBITRARY amount of deficiency forgiven. Clearly, the requested relief is justified and necessary. As we were and are unable to pay even the interest of such illegal Taxes, we are and will be slave to IRS forever in absence of a relief.



**ARGUMENTS - GROUNDS FOR RELIEF**

**POINT 1**

**Form 1099 is ILLEGAL for any non-recourse debt.**

**The Lawsuits are allowed for not disclosing the facts, fraud and correction.**

**Accordingly, this Lawsuit should be allowed.**

*In this case, we are addressing NATIONWIDE serious issues. The Form 1099 is ILLEGAL for any non-recourse debt. ACCORDING TO THE ARGUMENTS OF WELLS FARGO AND THE TRIAL COURT, ANY PROPERTY CAN TAKEN BY SIMPLY SHOWING THE CONSIDERATION OF ANY ARBITRARY AMOUNT OF SALE PRICE. ACCORDINGLY, THEIR ARGUMENTS SHOULD BE REJECTED.*

A debt is nonrecourse if the lender can't hold the borrower personally liable for it and may go only against the value of the property to collect. A debt is recourse if the lender can hold the borrower personally liable for it beyond the value of the property. The importance of this distinction is that where title to the property is transferred, such as in a foreclosure or short sale, *if the debt is nonrecourse, then there is no cancellation of indebtedness income* (Commissioner v. Tufts (1983) 461 U.S. 300; Treas. Reg. §1.1001-2(a)(1); L&C Springs Associates et al. v. Commissioner, 188 F.3d 866 (7th Cir. 1999); Rev. Rul. 76-111, 1976-1 C.B. 214).

**POINT 2**

**NEITHER THE TERMS OF THE MORTGAGE CONTRACT  
NOR THE STATUTES NOR THE PUBLIC POLICIES ALLOW  
WELLS FARGO TO CLAIM ANY AMOUNT OF FORGIVING DEFICIENCY.**

*NEITHER THE TERMS OF THE MORTGAGE CONTRACT NOR THE STATUTES NOR THE PUBLIC POLICIES ALLOW WELLS FARGO TO CLAIM ANY ARBITRARY AMOUNT OF DEFICIENCY FORGIVEN. Wells Fargo can not be allowed for an involuntarily one sided determination of deficiency forgiveness in the contract based non-judicial foreclosure. Without considering any other factor, in order to claim JUST the forgiveness of the deficiency, the owner should be informed and should APPROVE the deficiency.*

*If Wells Fargo is correct in its arguments, then these arguments are based on the unconscionable part of the mortgage contract allowing the Courts to correct the problem. Accordingly, the complaint should not be dismissed. As the procedures and the details of the foreclosure sale affect the validity and amount of the Form 1099 but were not provided by Wells Fargo before, the applicable statutes of limitations do not bar plaintiffs' claims; and a claim for FRAUDS is also allowed.*

### **POINT 3**

#### **IRS IS BEST TO INTERPRET TAX CODE.**

#### **Issuance of the Form 1099 for the deficiency defeats the purpose of the antideficiency statutes.**

Nat. Fedn. of Indep. Business v. Sebelius (2012) 132 S. Ct. 2566 explains that IRS IS BEST TO INTERPRET TAX CODE (emphasis added):

[W]e must accept the Government's interpretation ... to taxes ...

Issuance of the Form 1099 for the deficiency defeats the purpose of the antideficiency statutes (*Alliance Mortgage Co. v. Rothwell* (1995) 10 Cal.4th 1226 [The antideficiency statutes in part "serve to prevent creditors in private sales from buying in at deflated prices and realizing double recoveries by holding debtors for large deficiencies."]). Buying the ownership and the Deed of Trust both by the Wells Fargo Bank at the deflated price is deceptive, fraudulent, unfair and unlawful. Whether a practice is deceptive or fraudulent or unfair or unlawful cannot be mechanistically determined under the relatively rigid legal rules applicable to the motion for dismissal (*Schnall v. Hertz Corp.* (2000) 78 Cal.App.4th 1144, 1167). Rather, the determination is one question of fact, requiring consideration and weighing of evidence from both sides before it can be resolved. (*Gregory v. Albertson's, Inc.* (2002) 104 Cal.App.4th 845, 857; *Schnall*, supra, at p. 1167). Unlawful business acts or practices within the meaning of the unfair competition law ("UCL") include "anything that can properly be called a business practice and that at the same time is forbidden by law." (*Cel-Tech Communications, Inc. v. Los Angeles Cellular Telephone Co.* (1999) 20 Cal.4th 163, 180).

### Constitutional And Statutory Provisions Involved

*If the debt is nonrecourse, then there is no cancellation of indebtedness income (Commissioner v. Tufts (1983) 461 U.S. 300; Treas. Reg. §1.1001-2(a)(1)). Buying the ownership and the Deed of Trust both by the Wells Fargo Bank at the deflated price is deceptive, fraudulent, unfair and unlawful. Whether a practice is deceptive or fraudulent or unfair or unlawful cannot be mechanistically determined under the relatively rigid legal rules applicable to the motion for dismissal (Schnall v. Hertz Corp. (2000) 78 Cal.App.4th 1144, 1167). Rather, the determination is one question of fact, requiring consideration and weighing of evidence from both sides before it can be resolved. (Gregory v. Albertson's, Inc. (2002) 104 Cal.App.4th 845, 857; Schnall, supra, at p. 1167). Unlawful business acts or practices within the meaning of the unfair competition law ("UCL") include "anything that can properly be called a business practice and that at the same time is forbidden by law." (Cel-Tech Communications, Inc. v. Los Angeles Cellular Telephone Co. (1999) 20 Cal.4th 163, 180).*

### CONCLUSION

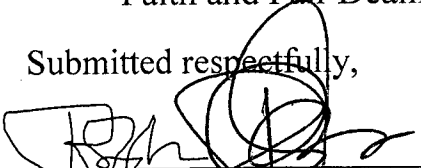
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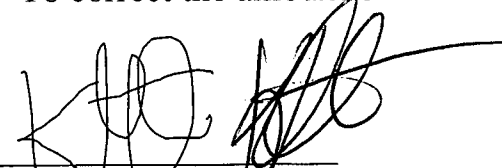
For the foregoing reasons, the petition for a writ of certiorari should be granted.

The present litigation should be allowed the following reasons at least:

First, The Form 1099 is illegal because a foreclosure on the non-recourse debt results in no cancellation of indebtedness income; and Second, The lawsuits are allowed just for the following: a) For Not disclosing the facts in foreclosure (The Truth in Lending Act); b) For the violation of Unfair Competition Law ("UCL"); c) For Frauds and misrepresentations including to provide incorrect amount on the Form 1099; d) For a breach of Good Faith and Fair Dealing and/or e) To correct the amount on the Form 1099.

Submitted respectfully,

  
Raj Singh, Petitioner

  
Karen Singh, Appellant