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County of Los Angeles  
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David W. Slayton,  
Executive Officer/Clerk of Court,  
By J. Nunez, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

MAXWELL WARD, an individual on behalf of  
himself, all others similarly situated, and the  
general public,

Plaintiff,

v.

SIMPLE FAST LOANS, INC., a California  
corporation; FULTON LOAN SERVICING,  
INC., a Georgia corporation; COMMUNITY  
LOANS OF AMERICA, INC., a Georgia  
corporation; and JOHN DOES 1-10,

Defendants.

Case No. **24STCV17536**

Class Action Complaint for:

1. Unfair Competition (California Business & Professions Code §§ 17200 *et seq.*);
2. False Advertising (California Business and Professions Code §§ 17500 *et seq.*)

Declaration of Maxwell Ward pursuant to Cal.  
Civ. Proc. Code § 396a(a)

1 **I. INTRODUCTION**

2 1. Over 220% APR. That's the interest rate on Defendants Simple Fast Loans, Fulton  
3 Loan Servicing, and Community Loans of America's loans to Plaintiff Maxwell Ward, a Californian.

4 2. Defendants peddle their high-interest loans in states throughout this nation. In some  
5 states, the loans are legal. In other states, like California, the loans are illegal. The maximum interest  
6 rate in California has never exceeded 42%.

7 3. Defendants' conduct in both sets of states is essentially identical. It markets the same  
8 loan product, under the same trademarked "SimpleFastLoans" name. It originates the loans. And it  
9 services the loans.

10 4. The one difference? In states where 220% APR loans are legal, Defendants name  
11 themselves as the lender in the loan contracts.

12 5. But in states where it's illegal, Defendants name two entities in those contracts: one  
13 of Defendants as the loan servicer and a Utah state-chartered bank as the purported lender.

14 6. This is a sham. Defendants are the true lender on these loans.

15 7. Defendants can't use this rent-a-bank scheme to immunize themselves from  
16 California law. Courts have repeatedly held that rent-a-bank schemes and similar rent-a-tribe  
17 schemes are illegal and can't circumvent state law. *E.g., Consumer Fin. Prot. Bureau v. CashCall,*  
18 *Inc.*, No. 15-cv-7522, 2016 WL 4820635, at \*6 (C.D. Cal. Aug. 31, 2016); *People v. Miami Nation*  
19 *Enters.*, 2 Cal. 5th 222, 252-56 (2016). These schemes have even landed folks in federal prison. *E.g.,*  
20 *U.S. Department of Justice, Scott Tucker Sentenced To More Than 16 Years In Prison For*  
21 *Running \$3.5 Billion Unlawful Internet Payday Lending Enterprise*, [https://www.justice.gov/usao-](https://www.justice.gov/usao-sdny/pr/scott-tucker-sentenced-more-16-years-prison-running-35-billion-unlawful-internet-payday)  
22 [sdny/pr/scott-tucker-sentenced-more-16-years-prison-running-35-billion-unlawful-internet-payday](https://www.justice.gov/usao-sdny/pr/scott-tucker-sentenced-more-16-years-prison-running-35-billion-unlawful-internet-payday)  
23 (Jan. 5, 2018).

24 8. For these reasons, California law applies to these loans and invalidates them.

25 9. This action seeks to hold Defendants accountable for their illegal loans in California.  
26 It seeks restitution and a public injunction.

1 **II. PARTIES**

2 10. Plaintiff Maxwell Ward is a natural person domiciled in Los Angeles County,  
3 California.

4 11. Defendant Simple Fast Loans, Inc. is a California corporation.

5 12. Defendant Fulton Loan Servicing, Inc. is a Georgia corporation. Fulton Loan Servicing  
6 does business as "Simple Fast Loans."

7 13. Defendant Community Loans of America, Inc. is a Georgia corporation.

8 14. Plaintiff does not know the names of the defendants sued as John Does 1 through 10  
9 but will amend this complaint when that information becomes known. Plaintiff alleges on  
10 information and belief that each of the Doe defendants is affiliated with the named defendant in  
11 some respect and is in some manner responsible for the wrongdoing alleged herein, either as a direct  
12 participant, or as the principal, agent, successor, alter ego, or co-conspirator of the named  
13 defendant. For ease of reference, Plaintiff will refer to the named defendant and the John Doe  
14 defendants collectively as "Defendants."

15 15. Defendants Simple Fast Loans, Fulton Loan Servicing, and Community Loans are  
16 alter egos of each other and function as a common enterprise. They have a unity of interest and  
17 ownership such that they are not legally separate. And upholding the corporate forms would  
18 sanction fraud or promote an injustice.

19 16. Defendants Simple Fast Loans, Fulton Loan Servicing, and Community Loans are  
20 also liable as co-conspirators, as they are aware of each others' wrongful conduct, agreed with that  
21 conduct, and intended that the wrongful act be committed.

22 **III. JURISDICTION AND VENUE**

23 17. Venue is proper in this judicial district pursuant to California Code of Civil  
24 Procedure section 395(b) because, among other reasons, the borrower resided in this County when  
25 he entered the contract.

26 18. Because Plaintiff does not allege that he himself lacks an adequate remedy at law with  
27 respect to his claim for restitution, there is no federal equitable jurisdiction over that claim. And  
28 because Plaintiff brings his claim for public injunctive relief to protect future potential California

1 customers of Defendants, but does not allege that he himself faces an actual or imminent threat of  
2 injury, Plaintiff lacks Article III standing to assert a public injunctive relief claim. Since federal  
3 courts lack jurisdiction over these claims for relief, removal of this complaint to federal court would  
4 be improper.

5 19. This action seeks solely restitution of unjust enrichment and public injunctive relief.  
6 It does not seek damages.

7 **IV. FACTS**

8 **A. The California Financial Code caps the interest rate on consumer loans under \$10,000.**

9 20. The California Financial Code limits the interest rate that lenders may charge on  
10 loans under \$10,000.

11 21. Simple Fast Loans (as opposed to Fulton, which does business as "Simple Fast  
12 Loans") is a licensed California Finance Lender and has been since at least 2018.

13 22. Simple Fast Loans is therefore subject to the California Financial Code and must  
14 comply with it.

15 **1. California law caps the interest rate on consumer loans at no more than 43% APR.**

16 23. California law limits the interest rates that lenders may charge on consumer loans of  
17 \$2,500 to \$9,999. Cal. Fin. Code § 22304.5. The maximum interest rate for these loans is 36%, plus  
18 the federal funds rate. *Id.*

19 24. Since January 1, 2020, the federal funds rate has never exceeded 6%.

20 25. Thus, the statutory maximum interest rate for all such loans issued since January 1,  
21 2020, has been no greater than 42%.

22 26. California law also limits the interest rate on loans under \$2,500. The maximum rate  
23 on these loans is no more than 30% per year. Cal. Fin. Code § 22303.

24 **2. Loans exceeding these limits are void.**

25 27. If a lender willfully charges, contracts for, or receives more than the maximum  
26 interest rate, the loan contract is void. Cal. Fin. Code § 22750(a). So no person has any right to  
27  
28

1 collect or receive any principal, charge, or recompense in connection with that transaction. *Id.* The  
2 same goes if the lender willfully violated the California Financial Code. *Id.* § 22750(b).

3 28. If a lender charges, contracts for, or receives more than the maximum interest rate  
4 for a reason other than a willful act, the lender forfeits all interest and charges on the loan. Cal. Fin.  
5 Code § 22751. All the lender is allowed to collect is the loan's principal. *Id.*

6 29. To prevent companies from circumventing the law by involving an out-of-state  
7 lender at some step in the lending process, California law provides that "[a]ny person who contracts  
8 for or negotiates in this state a loan to be made outside the state for the purpose of evading or  
9 avoiding the provisions of this division is subject to the provisions of this division." Cal. Fin. Code §  
10 22324.

11 30. For these reasons, even if a court were to hold (incorrectly) that Defendants do not  
12 have the predominant economic interest in the loans and that a bank is the true lender, Defendants  
13 would still violate California law by negotiating for and contracting the loans to be made out of state.

14 31. Defendants willfully violated California law.

15 **B. Defendants devise a rent-a-bank scheme in an unsuccessful attempt to evade California**  
16 **law.**

17 32. In an attempt to create a veneer of legitimacy, Defendants implemented a rent-a-bank  
18 scheme. It crafts the loan contract as purportedly between a Utah state-chartered bank (such as  
19 Capital Community Bank) and the California consumer. The bank is wholly located in the State of  
20 Utah and has no branches outside that state.

21 33. But what Defendants put on paper does not change the reality: they are the true  
22 lenders on these loans.

23 34. Defendants are the true lender because they handle all acquisition, all marketing, and  
24 all servicing of the loans. On information and belief, Defendants also handle all underwriting on the  
25 loans.

26 35. Defendants market the loans as "Simple Fast Loans" and "SimpleFastLoans,"  
27 which is a registered trademark owned by Community Loans.  
28

1           36.     The loans are available only through the website simplefastloans.com, which is  
2 owned and operated by Defendants.

3           37.     Consumers cannot obtain any of these loans through Capital Community Bank. In  
4 fact, the bank's website does not mention or reference these loans in any way. Instead, Capital  
5 Community Bank focuses exclusively on "serving the banking needs of Utah residents" and  
6 "businesses through our branch offices located in St. George, Salem, Provo, Pleasant Grove, Orem,  
7 and Sandy"—all cities in Utah.

8           38.     Simplefastloans.com has a "Consumer Disclosures" webpage. That webpage  
9 contains "California Disclosures" for all loans issued in California. This disclosure has a copy of  
10 Simple Fast Loans' Finance Lender license with the California Department of Business Oversight.

11           39.     "SimpleFastLoans" is a registered trademark of Community Loans.

12           40.     Defendants all share the same corporate address.

13           41.     Community Loans' employees and officers perform all operations related to  
14 conducting business through the simplefastloans.com website, including performing the business  
15 intelligence, risk, analytics, payment, funding, and strategic analysis for all lending through that  
16 website.

17           42.     The directors of both Simple Fast Loans and Fulton are Robert Reich and Terry  
18 Fields. Mr. Reich is the President and CEO of Community Loans, and Mr. Fields is the CFO and  
19 Secretary of Community Loans.

20           43.     On simplefastloans.com, Defendants boast about how they issue the loans through  
21 the platform:

22                   Simple Fast Loans is a nationally recognized, fully licensed financial  
23 services company offering online loans. We offer, and market a wide  
24 variety of convenient loan services, including online installment loans  
25 and personal loans. Our top priority is customer service and satisfaction.  
26 We treat our customers with dignity and respect. Our loan application  
27 process is fast because we know how important it is to get the money  
28 you need quickly.

26           44.     On simplefastloans.com, Defendants also instruct all website visitors on the process  
27 of obtaining loans through the website. For example, the website instructs that:

- 28                   •       "Simple Fast Loans Makes Getting a Loan Easy";

- “Simple Fast Loans has you covered with online installment loans”;
- “With good or bad credit, our application process makes it easy for you to access speedy loans without the hassle of traditional lending practices”;
- Defendants “require all loan applications to be processed online at simplefastloans.com”;
- “Loans signed before 2:00 PM ET on a bank day are typically funded the same day”;
- “Once you have a loan activated, you can access your account balance and perform account functions by selecting My Account”; and
- “The information that we collect from your online loan application is stored securely and confidentially using all that security technology has to offer. Simple Fast Loans undergoes third party security audits on a regular basis to ensure that the data we have is safe and secure.”

45. All of the above representations are made by Defendants; none are made by any bank.

46. Defendants are nationwide lenders. In states without usury laws, on information and belief, Defendants identify one of themselves as the lender in the loan contracts.

47. However, in states with usury laws that prohibit these high-interest loans (such as California), Defendants employ the rent-a-bent scheme and claim that the loans are issued by a Utah state bank (such as Capital Community Bank), with Defendants supposedly just “servic[ing]” and “maintain[ing]” the loans through Defendants’ website.

48. This rent-a-bank scheme is a sham. Defendants are the true lenders.

49. Defendants’ loans issued under this rent-a-bank scheme specify that:

- All payments shall be sent to Fulton (not to the bank);
- Termination of the borrower’s ACH payment or remotely created check authorization must be made to Defendants (not to the bank);
- To cancel the loan within three business days of signing, the borrower may do so through Defendants (not through the bank); and
- “Simple Fast Loans” has the borrowers’ “personal information”; and
- The borrower is a “customer” of Simple Fast Loans.

**C. Defendants issued a \$1,300 loan to Mr. Ward with an interest rate over 200%.**

50. In or around 2024, Defendants mailed a solicitation for their loans to Plaintiff’s home in California.



1 51. Plaintiff then visited Defendant's website simplefastloans.com. He applied for a loan.  
2 On his loan application, Plaintiff listed his home address in California.

3 52. Defendants approved the loan application.

4 53. Defendants issued Plaintiffs a loan of \$1,300 with an interest rate of over 220%, more  
5 than *eight times* California's statutory maximum.

6 54. The loan contract is a pre-printed form contract. The terms were dictated by  
7 Defendants, and Plaintiff had no opportunity for negotiation or modification.

8 55. Plaintiff has never communicated with Capital Community Bank.

9 **V. PUBLIC INJUNCTIVE RELIEF**

10 56. Plaintiff seeks a public injunction for the benefit of the general public of the State of  
11 California. Public injunctive relief is relief that by and large benefits the general public. *McGill v.*  
12 *Citibank, N.A.*, 2 Cal. 5th 945, 955 (2017). Any benefits to the plaintiff are either incidental or come  
13 from him being a member of the general public. *Id.*

14 57. Injunctive relief under the UCL is relief that has "the primary purpose and effect" of  
15 prohibiting unlawful acts that threaten future injury to the general public. *Id.*

16 58. Public injunctive relief can be sought by any person who has lost money as a result of  
17 the unfair business practice. *Id.* at 959.

18 59. Obtaining public injunctive relief does not require class certification. *Id.* at 960.

19 60. Defendants' business practices threaten future injury to the general public of the  
20 State of California. Ultrahigh interest rate consumer loans—like the loans offered by Defendants—  
21 trap many low-income consumers in cycles of debt and bankruptcy. In fact, persons who take out  
22 these loans are twice as likely to file for bankruptcy than others. Paige Marta Skiba & Jeremy  
23 Tobacman, *Do Payday Loans Cause Bankruptcy?*, 62 J. OF LAW & ECON. 485 (2019). These  
24 consequences, in turn, increase the borrowers' reliance on taxpayer-funded government services.  
25 The California legislature enacted the Financial Code's interest-rates limits to prevent this  
26 exploitation.

27 61. Defendants' business practices are injurious to the general public. Public injunctive  
28 relief is therefore warranted.



1 **VI. CLASS ALLEGATIONS**

2 62. Plaintiff brings this lawsuit as a class action under the California Code of Civil  
3 Procedure. The putative class ("Class") is defined as follows:

4 *Class 1:* All individuals in California who, within four years prior to the  
5 filing of this complaint, obtained a loan from, through, by way of, or with  
the assistance of Defendants with:

- 6 (a) an original principal loan amount of between \$2,500 and  
7 \$9,999, inclusive, and an APR of 43% or greater;
- 8 (b) an original principal loan amount of between \$1 and \$349,  
inclusive, and an APR of 30.1% or greater;
- 9 (c) an original principal loan amount of between \$350 and \$499,  
10 inclusive, and an APR of 27.9% or greater;
- 11 (d) an original principal loan amount of between \$500 and \$999,  
inclusive, and an APR of 26.8% or greater; *and/or*
- 12 (e) an original principal loan amount of between \$1,000 and  
13 \$2,499, inclusive, and an APR of 24.8% or greater.

14 Excluded from Class 1 are all employees of Defendants and any judicial  
15 officer assigned to this case.

16 *Class 2:* All individuals in California who, within four years prior to the  
17 filing of this complaint, made any payments on any loan obtained from,  
18 through, by way of, or with the assistance of Defendants where that loan:

- 19 (a) was issued on or after January 1, 2020, with an original  
principal loan amount of between \$2,500 and \$9,999, inclusive,  
and an APR of 43% or greater;
- 20 (b) was issued with an original principal loan amount of between  
21 \$1 and \$349, inclusive, and an APR of 30.1% or greater;
- 22 (c) was issued with an original principal loan amount of between  
23 \$350 and \$499, inclusive, and an APR of 27.9% or greater;
- 24 (d) was issued with an original principal loan amount of between  
\$500 and \$999, inclusive, and an APR of 26.8% or greater; *and/or*
- 25 (e) was issued with an original principal loan amount of between  
26 \$1,000 and \$2,499, inclusive, and an APR of 24.8% or greater.

27 Excluded from Class 2 are all employees of Defendants and any judicial  
28 officer assigned to this case.

63. For the purposes of this complaint, Class 1 and Class 2 are collectively referred to as the Class.

64. *Numerosity*. The size of the Class comprises at least hundreds of persons. The size of the Class grows daily.

65. *Ascertainability*. The members of the Class can be ascertained from Defendants' business records.

66. *Common Questions of Fact or Law*. The lawsuit is suitable for class treatment because questions of law and fact have common answers that are the same for the Class, and those questions predominate over questions affecting only individual members. These common questions of law and fact include:

- Whether Defendants are the true lender on the loans;
- Whether the loans are governed by California law;
- Whether Defendants willfully charged an interest rate in excess of what's allowed under California law;
- Whether Defendants' noncompliance with California law is willful;
- Whether the loans are void; and
- The appropriate remedies for Defendants' misconduct.

67. *Typicality and Adequacy*. Plaintiff's claims are typical of the claims of the members of the Class. The evidence and the legal theories about Defendants' alleged wrongful conduct are substantially the same for Plaintiff and all members of the Class. Plaintiff will fairly and adequately represent and protect the interests of the Class and have no interests adverse to them.

68. *Superiority*. This action is superior to other available methods for fairly and efficiently adjudicating the issues. Class certification will not present any significant management difficulties. Class certification would also conserve judicial resources and avoid the possibility of inconsistent judgments. The expense and burden of individual litigation would make it very difficult or impossible for individual Class members to redress the wrongs done to them without a class action.

69. *Conduct on Grounds that Apply to the Class*. Defendants have acted or refused to act on grounds that apply generally to the Class.

1 **VII. CAUSES OF ACTION**

2 70. Plaintiff re-alleges and incorporates by reference all the preceding paragraphs and  
3 allegations in each of the following causes of action.

4 **FIRST CAUSE OF ACTION**  
5 **for Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*)**  
6 **by Plaintiff, on behalf of Plaintiff, all others similarly situated, and the general public,**  
7 **against Defendants**

8 71. The Unfair Competition Law, Business and Professions Code sections 17200 *et seq.*  
9 (“UCL”), defines unfair competition to include any “unlawful” or “unfair” business act or  
10 practice. Cal. Bus. & Prof. Code § 17200.

11 72. Plaintiff and the Class’ loan transactions with Defendants are “consumer loans”  
12 under California Financial Code section 22203.

13 73. Plaintiff and the Class’ loans with Defendants have interest rates that are more than  
14 quadruple the legal limit in California.

15 74. By issuing loans to Plaintiff and the Class that bear interest in excess of the maximum  
16 rate authorized by the California Financial Code, Defendants have engaged in a business practice  
17 that is “unlawful” under the UCL. *De La Torre v CashCall, Inc.*, 5 Cal. 5th 966, 976–81 (2018) (the  
18 UCL “supplies a cause of action to police” conduct that is declared unlawful by the California  
19 Financial Code).

20 75. In connection with Plaintiff and the Class’ loan transactions, Defendants willfully  
21 contracted for, charged, and received interest in excess of the maximum rate permitted by California  
22 Financial Code sections 22303 and 22304.5.

23 76. Apart from the rent-a-bank scheme, Defendants are separately liable because they  
24 violated California Financial Code section 22324. “Any person who contracts for or negotiates in  
25 this state a loan to be made outside the state for the purpose of evading or avoiding the provisions of  
26 this division is subject to the provisions of this division.” Cal. Fin. Code § 22324. Defendants  
27 contracted for a loan to be purportedly made outside California for the purpose of evading California  
28 interest rate caps.

1           77.     The loan contracts at issue are “unlawful” under the UCL because the loans violate  
2 California Civil Code section 1670.5 and California Financial Code section 22302(b). California  
3 Civil Code section 1670.5 states: “If the court finds as a matter of law the contract or any clause of  
4 the contract to have been unconscionable at the time it was made the court may refuse to enforce the  
5 contract ....” California Financial Code section 22302(b) states: “A loan found to be  
6 unconscionable pursuant to Section 1670.5 of the Civil Code shall be deemed to be in violation of  
7 this division and subject to the remedies specified in this division.”

8           78.     Separately, a loan contract that includes an interest rate term so high that it is  
9 “unreasonably ... harsh,” “unduly oppressive,” or “so one-sided as to shock the conscience” is  
10 deemed unconscionable. *See De La Torre*, 5 Cal. 5th at 972. A contract or its terms is unconscionable  
11 if it is both procedurally and substantively unconscionable. *Armendariz v. Found. Health Psychcare*  
12 *Servs., Inc.*, 24 Cal. 4th 83, 114 (2000).

13           79.     The loan contracts at issue are procedurally unconscionable for at least the following  
14 reasons: (i) Defendants maintain unequal bargaining power as compared to consumers who receive  
15 such loans; (ii) Defendants have greater economic power, knowledge, experience, and resources  
16 than the consumers who receive such loans; (iii) borrowers do not receive an adequate or  
17 independent explanation of the terms of the loan agreement; (iv) the loan contracts are form  
18 documents prepared exclusively by Defendants and presented to borrowers on a take-it-or-leave-it  
19 basis, with no opportunity for negotiation; and (v) the loan contracts constitute consumer contracts  
20 of adhesion.

21           80.     The loan contracts at issue are substantively unconscionable because they impose a  
22 cost on the borrower that is overly harsh and disproportionate to the price of credit and related  
23 costs. Among other things, Defendants charge interest rates that are more than four times the  
24 statutory maximum established by California Financial Code sections 22303 and 22304.5. The terms  
25 of the loans have overly harsh consequences, resulting in total interest payments that almost equal  
26 the principal amount of the loan. There is also no legitimate basis for charging such exorbitant  
27 interest rates.

1           81.     On top of being unlawful, Defendants' business practices are "unfair" under the  
2 UCL. Defendants' acts and omissions violate obligations imposed by statute, are substantially  
3 injurious to consumers, offend public policy, and are immoral, unethical, oppressive, and  
4 unscrupulous as the gravity of the conduct outweighs any alleged benefits attributable to such  
5 conduct.

6           82.     Plaintiff and the Class have suffered an injury in fact and lost money or property as a  
7 result of Defendants' business practices. Plaintiff and the Class paid illegal interest rates on  
8 unenforceable and void loans. Plaintiff also repaid principal that, under the California Financial  
9 Code, Defendants were not entitled to because of their willful misconduct.

10          83.     Pursuant to California law, Plaintiff seeks a public injunction for the benefit of the  
11 general public of the State of California that (i) enjoins Defendants from directly or indirectly  
12 making, advertising, promoting, or providing loans to consumers in the State of California that  
13 violate Financial Code sections 22303, 22304.5, 22305, and/or 22306; (ii) enjoins Defendants from  
14 directly or indirectly offering, providing, promoting, advertising, or acting as a service provider for  
15 any loans over the maximum interest rate; (iii) requires Defendants to give individualized notice to  
16 all borrowers of their rights under California law, including the previously mentioned California  
17 Financial Code sections; (iv) requires Defendants to provide individualized notice to each such  
18 consumer of the procedures available for enforcing the consumer's rights under applicable  
19 California laws; (v) establishes an effective monitoring mechanism to ensure Defendants' continued  
20 compliance with the terms of the injunction; and (vi) bars Defendants from collecting or receiving  
21 any money on the loans (or alternatively any money in excess of the initial principal amount).

22          84.     Plaintiff and the Class are entitled to restitution of all amounts paid to Defendants  
23 pursuant to the loan contracts at issue. Alternatively, in the event of a judicial determination that  
24 Defendants' violations of were not willful, Plaintiff and the Class are entitled to restitution of all  
25 interest charged on the loans.

26          85.     Defendants are each liable independently, as a co-conspirator, and/or as an alter ego.  
27  
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**SECOND CAUSE OF ACTION**  
**for False Advertising (Bus. & Prof. Code §§ 17600 *et seq.*)**  
**by Plaintiff, on behalf of Plaintiff, all others similarly situated, and the general public,**  
**against Defendants**

86. Defendants have committed false advertising and violated Business and Professions Code Sections 17500 *et seq.*

87. Defendants made and disseminated untrue and misleading statements of fact in their advertisements.

88. Defendants did this by advertising that it could lawfully make and enforce loans to Californians at interest rates exceeding 42% APR.

89. Defendants' representations were likely to deceive, and did deceive, Plaintiff and the Class. Defendants knew, or should have known, through the exercise of reasonable care, that these statements were inaccurate and misleading.

90. Defendants' misrepresentations were intended to induce reliance, and Defendants saw, read, and reasonably relied on the statements when entering the loans. Defendants' misrepresentations were a substantial factor in Plaintiff and the Class' decision.

91. Defendants' misrepresentations were material.

92. Plaintiff and the Class have suffered an injury in fact and lost money or property as a result of Defendants' false advertising. Plaintiff and the Class paid illegal interest rates on unenforceable and void loans. Plaintiff also repaid principal that, under the California Financial Code, Defendants were not entitled to because of their willful misconduct.

93. Pursuant to California law, Plaintiff seeks a public injunction for the benefit of the general public of the State of California that (i) enjoins Defendants from directly or indirectly making, advertising, promoting, or providing loans to consumers in the State of California that violate Financial Code sections 22303, 22304.5, 22305, and/or 22306; (ii) enjoins Defendants from directly or indirectly offering, providing, promoting, advertising, or acting as a service provider for any loans over the maximum interest rate; (iii) requires Defendants to give individualized notice to all borrowers of their rights under California law, including the previously mentioned California Financial Code sections; (iv) requires Defendants to provide individualized notice to each such



1 consumer of the procedures available for enforcing the consumer's rights under applicable  
2 California laws; (v) establishes an effective monitoring mechanism to ensure Defendants' continued  
3 compliance with the terms of the injunction; and (vi) bars Defendants from collecting or receiving  
4 any money on the loans (or alternatively any money in excess of the initial principal amount).

5 94. Plaintiff and the Class are entitled to restitution of all amounts paid to Defendants  
6 pursuant to the loan contracts at issue. Alternatively, in the event of a judicial determination that  
7 Defendants' violations of were not willful, Plaintiff and the Class are entitled to restitution of all  
8 interest charged on the loans.

9 95. Defendants are each liable independently, as a co-conspirator, and/or as an alter ego.


10 **VIII. PRAYER FOR RELIEF**

11 Plaintiff, on behalf of himself, the members of the proposed Class, and the general public,  
12 requests that this Court award the following relief against Defendants:

- 13 a. an order certifying the Class and designating Plaintiff as Class representative and his  
14 counsel as Class counsel;  
15 b. restitution of all unjust enrichment that Defendants obtained from Plaintiff and the  
16 Class as a result of their unlawful, unfair, and fraudulent business practices;  
17 c. public injunctive relief enjoining Defendants as described herein; and  
18 d. attorneys' fees and costs.

19  
20 Dated: July 13, 2024

**WARREN TERZIAN LLP**

21  
22   
Dan Terzian

23 *Counsel for Plaintiff*  
24 *Maxwell Ward*