

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ALICIA MARSHALL, DANIEL
PRONSKY, PARIS TOWNSEND,
NANCILEE HOLLAND, LEONA
OWSLEY, KOLAWOLE AHMADOU,
KIANA DERVIN, KRISTINA
HENDERSON, DUSTIN INNIS, KELLY
STALNAKER and JAMIE JONES,
individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

PRESTAMOS CDFI, LLC and
CHICANOS POR LA CAUSA, INC.,

Defendants.

Case No. 5:21-cv-04337-JMG

**DEFENDANT PRESTAMOS CDFI LLC’S ANSWER
TO THE SECOND AMENDED COMPLAINT**

Defendant Prestamos CDFI, LLC (“Prestamos” or “Defendant”), by and through its undersigned counsel, answers the allegations set forth in the Second Amended Complaint (“SAC”) filed by Plaintiffs Alicia Marshall, Daniel Pronsky, Paris Townsend, Nancilee Holland, Leona Owsley, Kolawole Ahmadou, Kiana Dervin, Kristina Henderson, Dustin Innis, Kelly Stalnaker and Jamie Jones (collectively, “Plaintiffs”) and alleges affirmative defenses. To the extent not specifically admitted, all allegations contained in the SAC are denied, including those that may be reflected in section headings. Pursuant to the Parties’ Stipulation and Proposed Order Extending the Time for Defendants to Answer or Otherwise Respond to the SAC, which the Court entered on April 14, 2023, CPLC is not required to answer the SAC pending decision on its renewed motion to dismiss for lack of personal jurisdiction, which will be filed after limited jurisdictional

discovery and in accordance with a schedule decided by the Court after the parties file their submissions regarding limited jurisdictional discovery.

Summary of the Claims

1. Admitted in part, denied in part. Admitted only that Congress passed the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) in response to the COVID-19 pandemic. The CARES ACT is a writing that speaks for itself and the remaining allegations of Paragraph 1 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 1 are also denied to the extent they are conclusions of law to which no response is required.

2. Admitted in part, denied in part. Admitted only that the PPP is administered by the United States Small Business Administration (“SBA”). The CARES Act is a writing that speaks for itself and the remaining allegations of Paragraph 2 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 2 are also denied to the extent they are conclusions of law to which no response is required.

3. Denied. The “applicable provisions of the PPP” are writings that speak for themselves and the remaining allegations of Paragraph 3 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 3 are also denied to the extent they are conclusions of law to which no response is required.

4. Admitted in part, denied in part. Admitted only that the PPP entitles lenders to fees payable by the SBA. The CARES Act is a writing and speaks for itself. The allegations of Paragraph 4 are denied to extent they are inconsistent therewith. The remaining allegations of Paragraph 4 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the remaining allegations in Paragraph 4.

5. Admitted.

6. Denied. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted all PPP-related funds that it received or borrowed from the U.S. government.

7. Admitted in part, denied in part. Admitted that Prestamos is and during all relevant times was wholly owned by Defendant CPLC. It is further admitted that CPLC's Fiscal Year 2019-2020 Annual Report "A Chance to Change the World" contains the quoted language referenced in Paragraph 7. Moreover, CPLC is located at 1112 E. Buckeye Road and Prestamos is located at 1024 E. Buckeye Road, both in Phoenix, Arizona. Further, Ballard Spahr LLP and Herrera Arellano LLP represented CPLC in connection with two subpoenas issued by Plaintiffs. The remaining allegations of Paragraph 7, including the footnote, state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the remaining allegations in Paragraph 7.

8. The first sentence of Paragraph 8 is denied, except it is admitted only that SBA increased fees for PPP lenders in 2021. The first sentence is also a legal conclusion to which no response is required. The second sentence of Paragraph 8 is denied. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government.

9. Admitted in part, denied in part. It is admitted that Prestamos "expanded" PPP lending in 2021 and that the cited SBA PPP Report regarding approvals through May 31, 2021 contains a chart attributing 494,415 "loans approved" to Prestamos and a "Net Dollars" figure of \$7,676,108,813. Otherwise, the SBA PPP Report is a writing that speaks for itself and the remaining allegations of Paragraph 3 are denied to the extent they are inconsistent therewith. By

way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government.

10. Admitted in part, denied in part. Admitted only that the cited article states that Prestamos would collect \$1.2 billion in fees in 2021. Prestamos respectfully refers the Court to the cited article for the complete and accurate text thereof, although Prestamos lacks knowledge or information sufficient to form a belief about the truth every statement in the subject writing and, therefore, denies Plaintiffs' characterizations thereof. The allegations of Paragraph 10 are denied to the extent they are inconsistent therewith. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government.

11. Admitted only that CPLC disclosed a portion of the lender processing fees in its financial statements. The remaining allegations of Paragraph 11 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the remaining allegations in Paragraph 11.

12. Admitted in part, denied in part. Admitted only that the quoted information appears in CPLC's Consolidated Financial Statements and Supplementary information for the year ending June 30, 2021. Prestamos respectfully refers the Court to the cited website for the complete and accurate text thereof. The allegations of Paragraph 12 are denied to the extent they are inconsistent therewith.

13. Denied. The allegations of Paragraph 13 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 13.

14. Denied. The allegations of Paragraph 14 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 14.

Parties

15. Denied. Prestamos denies the allegations in Paragraph 15 for lack of knowledge.

16. Denied. Prestamos denies the allegations in Paragraph 16 for lack of knowledge.

17. Denied. Prestamos denies the allegations in Paragraph 17 for lack of knowledge.

18. Denied. Prestamos denies the allegations in Paragraph 18 for lack of knowledge.

19. Denied. Prestamos denies the allegations in Paragraph 19 for lack of knowledge.

20. Denied. Prestamos denies the allegations in Paragraph 20 for lack of knowledge.

21. Denied. Prestamos denies the allegations in Paragraph 21 for lack of knowledge.

22. Denied. Prestamos denies the allegations in Paragraph 22 for lack of knowledge.

23. Denied. Prestamos denies the allegations in Paragraph 23 for lack of knowledge.

24. Denied. Prestamos denies the allegations in Paragraph 24 for lack of knowledge.

25. Denied. Prestamos denies the allegations in Paragraph 25 for lack of knowledge.

26. Admitted in part, denied in part. Admitted that Prestamos is a limited liability company organized under the laws of the State of Arizona, with its principal place of business at 1024 E. Buckeye Road, Suite 270, Phoenix, Arizona 85034, with additional offices in Tucson, Arizona, and Las Vegas and Reno, Nevada. Denied that Prestamos currently has an office in Santa Fe, New Mexico.

27. Admitted in part, denied in part. Admitted as to the first sentence of Paragraph 27. By way of further answer, CPLC is registered in Arizona as a domestic nonprofit corporation.

Arizona Corporation Commission website is a writing and speaks for itself and the remaining allegations of Paragraph 27 are denied to the extent they are inconsistent therewith.

Jurisdiction & Venue

28. Paragraph 28 calls for legal conclusions, to which no answer is required.

29. Admitted in part, denied in part. Admitted only that Prestamos has entered into PPP loan agreements with PPP borrowers in the Eastern District of Pennsylvania and satisfied the requirements under those agreements. The remaining allegations of Paragraph 29 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the remaining allegations in Paragraph 29.

30. Denied. The allegations of Paragraph 30 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 30.

31. Admitted in part, denied in part. It is admitted that Prestamos received some loan processing fees for loans associated with this District. It is denied that Prestamos received any fees “on the backs of resident business owners.” Prestamos denies the remaining allegations in in Paragraph 31.

32. Denied. The allegations of Paragraph 32 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 32.

33. Admitted in part, denied in part. Admitted that Prestamos’s role is not limited to entering into standard form loan agreement contracts and funding the loans. Further, it is admitted that the cited regulations include the quoted text. Prestamos respectfully refers the Court to the cited regulations for the complete and accurate text thereof. The remaining allegations of

Paragraph 33 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the remaining allegations in Paragraph 33.

34. Denied. The allegations of Paragraph 34 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 34.

35. Denied. The allegations of Paragraph 35 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 35.

36. Denied. The allegations of Paragraph 36 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 36.

Additional Factual Allegations

Background Concerning the COVID-19 Pandemic and the PPP

37. Admitted.

38. Admitted in part, denied in part. Admitted only that Congress passed the CARES Act in response to the COVID-19 pandemic. The CARES Act is a writing and speaks for itself. The allegations of Paragraph 38 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 38 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 38 except as expressly admitted herein.

39. Admitted in part, denied in part. Admitted only that Congress passed the CARES Act in response to the COVID-19 pandemic. The CARES Act is a writing and speaks for itself. The allegations of Paragraph 39 are denied to the extent they are inconsistent therewith. The

allegations of Paragraph 39 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 39 except as expressly admitted herein.

40. Admitted in part, denied in part. Admitted only that Congress passed the CARES Act in response to the COVID-19 pandemic. The CARES Act is a writing and speaks for itself. The allegations of Paragraph 40 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 40 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 40 except as expressly admitted herein.

41. Admitted in part, denied in part. Admitted only that the CARES Act permits SBA to guarantee loans under the PPP and that the Act provides for forgiveness of up to the full principal amount of qualifying loans. The CARES Act is a writing that speaks for itself and the remaining allegations of this paragraph are denied to the extent they are inconsistent therewith. The allegations of Paragraph 41 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 41 except as expressly admitted herein.

42. Admitted in part, denied in part. Admitted only that the legislative renewals, modifications, and extensions of the PPP referenced in Paragraph 42 were signed into law, enacted, or otherwise put into effect. The legislative renewals, modifications, and extensions of the PPP are writings that speak for themselves. The allegations of Paragraph 42 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 42 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 42 except as expressly admitted herein.

43. Denied. The CARES Act and related regulations are writings that speak for themselves and the allegations of Paragraph 43 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 43 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 43 except as expressly admitted herein.

44. Admitted in part, denied in part. Admitted only that the Economic Aid to Hard-Hit Small Business, Nonprofits, and Venus Act (the “Economic Aid Act”) was enacted on December 27, 2020. The Economic Aid Act is a writing and speaks for itself. The allegations of Paragraph 44 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 44 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 44 except as expressly admitted herein.

45. Admitted in part, denied in part. Admitted only that Congress passed the CARES Act in response to the COVID-19 pandemic. The CARES Act is a writing and speaks for itself. The allegations of Paragraph 45 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 45 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 45 except as expressly admitted herein.

46. Admitted in part, denied in part. Admitted only that the cited statistics appear in the SBA Procedural Notice, Control No. 5000-20091 (Feb 8, 2021) (“SBA Procedural Notice”). Prestamos respectfully refers the Court to the SBA Procedural Notice for the complete and accurate text thereof. The allegations of Paragraph 46 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 46 state legal conclusions, to which no response is

required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 46 except as expressly admitted herein.

47. Denied. The Economic Aid Act is a writing that speaks for itself. The allegations of Paragraph 47 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 47 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 47 except as expressly admitted herein.

48. Denied. Prestamos lacks knowledge as to what all PPP lenders received.

49. Admitted in part, denied in part. Admitted only that on February 8, 2021 the SBA issued a new notice setting forth the procedure for how lenders would be paid PPP loan fees by the SBA. The SBA Form 2483 and SBA Form 2483-SD are writings and speak for themselves. The allegations of Paragraph 49 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 49 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 49 except as expressly admitted herein.

50. Denied. Prestamos lacks knowledge as to whether SBA issued a ten-digit loan identification number for every borrower's loan with respect to every lender. The allegations of Paragraph 50 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 50.

51. Denied. Prestamos lacks knowledge with respect the requirements applicable to each PPP lender. The allegations of Paragraph 51 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 51.

52. Denied. The allegations of Paragraph 52 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 52.

53. Denied. Prestamos lacks knowledge as to the issues that were important to every PPP loan applicant for every lender.

54. Denied. The allegations of Paragraph 54 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 54.

55. Denied. The allegations of Paragraph 55 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 55.

56. Denied. The allegations of Paragraph 56 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 56.

57. Denied. The allegations of Paragraph 57 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 57.

58. Admitted in part, denied in part. Admitted only that PPP lenders are required to submit a SBA Form 1502 after a PPP loan is funded. The SBA Form 1502 is a writing and speaks for itself. The allegations of Paragraph 58 are denied to the extent they are inconsistent therewith.

59. Denied. The allegations of Paragraph 59 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 59.

Background Concerning Defendants

60. Denied.

61. Admitted.

62. Admitted in part, denied in part. Admitted only that the CPLC website includes the quoted language. The CPLC website is a writing and speaks for itself. The allegations of Paragraph 62 are denied to the extent they are inconsistent therewith.

63. Admitted.

64. Admitted in part, denied in part. Admitted only that CPLC submitted a Form 990 in 2019. CPLC's 2019 Form 990 is a writing and speaks for itself. The allegations of Paragraph 64 are denied to the extent they are inconsistent therewith.

65. Admitted.

66. Admitted.

67. Admitted in part, denied in part. Admitted only that the Prestamos and CPLC websites contain the quoted language. The Prestamos and CPLC websites are writings and speak for themselves. The allegations of Paragraph 67 are denied to the extent they are inconsistent therewith. The allegations in Paragraph 67 are also denied to the extent they are legal conclusions.

68. Admitted in part, denied in part. It is admitted only that CPLC's Consolidated Financial Statements and Supplementary Information for the fiscal year July 1, 2019 – June 30, 2020 contain the quoted language. The remaining allegations of Paragraph 68 are denied and denied as conclusions of law to which no response is required.

69. Denied.

70. Denied. The allegations of Paragraph 70 are denied because Prestamos lacks knowledge as to the processing fees of other lenders.

71. Denied. The allegations of Paragraph 71 are denied because Prestamos lacks knowledge as to what other PPP lenders collected. Moreover, the 2021 PPP lender fee schedule is a writing and speaks for itself. The allegations of Paragraph 71 are denied to the extent they are inconsistent therewith.

72. Admitted in part, denied in part. Admitted only that Prestamos collected processing fees for PPP loans that were valued at less than \$50,000. By way of further answer, the SBA strongly encouraged CDFIs, like Prestamos, and minority-, women-, veteran-, and military-owned lenders to apply to become PPP lenders in order to reach diverse, small businesses. The remaining allegations of Paragraph 72 are denied.

73. Admitted in part, denied in part. Admitted only that CPLC and/or Prestamos contracted with Blue Acorn PPP, LLC (“Blueacorn”) in 2021. The contract between CPLC and/or Prestamos and Blueacorn is a writing and speaks for itself. The allegations of Paragraph 73 are denied to the extent they are inconsistent therewith.

74. Denied. Prestamos lacks knowledge or information sufficient to form a belief about the truth of the allegation this Paragraph and therefore it is denied.

75. Denied. The allegations of Paragraph 75 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 75.

76. Denied. The allegations of Paragraph 76 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 76.

77. Denied. Prestamos lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 77 and therefore they are denied. The allegations of

Paragraph 77 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 77.

78. Admitted in part, denied in part. It is admitted only that Blueacorn received certain fees pursuant to its contract with Prestamos. The remaining allegations of Paragraph 78 are denied because Bluecorn's contracts with Prestamos are writings that speak for themselves. The allegations of Paragraph 78 are denied to the extent they are inconsistent therewith.

Defendants Exploit PPP Lending¹

79. Admitted in part, denied in part. Admitted only that Adame, Gonzalez, and Nunez were senior executives of CPLC and members of Prestamos's Board of Directors and that Martinez served as CPLC's Executive Vice President and Pretamos's President. The remaining allegations of Paragraph 79 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the remaining allegations in Paragraph 79.

80. Admitted in part, denied in part. Admitted only that the cited statistics appear on the SBA website. It is specifically denied that Prestamos "exploited the increased fees to be paid by the SBA." Prestamos further denies that it "improperly enriched itself and its leadership." By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government. The remaining allegations of Paragraph 80 are denied.

81. Admitted in part, denied in part. Admitted only that the cited article states that Prestamos would collect \$1.2 billion in fees in 2021. Prestamos respectfully refers the Court to the cited article for the complete and accurate text thereof, although Prestamos lacks knowledge

¹ To the extent this section header is deemed an allegation, it is denied.

or information sufficient to form a belief about the truth every statement in the subject writing and, therefore, denies Plaintiffs' characterizations thereof. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government. The remaining allegations in Paragraph 81 are denied.

82. Denied. The allegations of Paragraph 82 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the remaining allegations in Paragraph 82.

83. Admitted in part, denied in part. Admitted only that the quoted language appears on CPLC's website. Prestamos respectfully refers the Court to CPLC's website for the complete and accurate text thereof. The allegations of Paragraph 83 are denied to the extent they are inconsistent therewith. Denied that CPLC "blurred the distinction" between it and Prestamos. It is further denied that CPLC "touted the success of Prestamos's PPP lending as its own." Moreover, the remaining allegations of Paragraph 83 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the remaining allegations in Paragraph 83.

84. Denied. The allegations of Paragraph 84 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 84. Prestamos further denies that it "improperly enriched itself and its leadership." By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government.

85. Admitted in part, denied in part. Admitted only that the quoted language appears in the cited New York Times article. Prestamos respectfully refers the Court to the New York

Times article for the complete and accurate text thereof, although Prestamos lacks knowledge or information sufficient to form a belief about the truth every statement in the subject writing and, therefore, denies Plaintiffs' characterizations thereof. By way of further answer, the SBA strongly encouraged CDFIs, like Prestamos, and minority-, women-, veteran-, and military-owned lenders to apply to become PPP lenders in order to reach diverse, small businesses.

Prestamos's Participation in the PPP Liquidity Facility

86. Admitted in part, denied in part. Admitted only that in order to issue a PPP loan, Prestamos lent its own money that it borrowed, with interest, from the Federal Reserve Bank through the PPP Liquidity Facility ("PPPLF"). The remaining allegations of Paragraph 86 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 86.

87. Admitted in part, denied in part. Admitted only that the quoted language appears on the Federal Reserve website. Prestamos respectfully refers the Court to the Federal Reserve website for the complete and accurate text thereof. The allegations of Paragraph 87 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 87 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 87 except as expressly admitted herein.

88. Admitted in part, denied in part. Admitted only that the quoted language appears on the Federal Reserve website. Prestamos respectfully refers the Court to the Federal Reserve website for the complete and accurate text thereof. The allegations of Paragraph 88 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 88 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 88 except as expressly admitted herein.

89. Admitted in part, denied in part. Admitted only that the cited information appears on the Federal Reserve website. Prestamos respectfully refers the Court to the Federal Reserve website for the complete and accurate text thereof. The allegations of Paragraph 89 are denied to the extent they are inconsistent therewith.

90. Admitted in part, denied in part. Admitted only that the quoted language appears on the Federal Reserve website. Prestamos respectfully refers the Court to the Federal Reserve website for the complete and accurate text thereof. The allegations of Paragraph 90 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 90 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 90 except as expressly admitted herein.

91. Admitted in part, denied in part. Admitted only that in order to issue a PPP loan, Prestamos lent its own money that it borrowed, with interest, from the Federal Reserve Bank through the PPPLF. Advances through the PPPLF are documented in writings, which speak for themselves. The allegations of Paragraph 91 are denied to the extent they are inconsistent therewith.

92. Admitted in part, denied in part. Admitted only that in order to issue a PPP loan, Prestamos lent its own money that it borrowed, with interest, from the Federal Reserve Bank through the PPPLF. Advances through the PPPLF are documented in writings, which speak for themselves. The allegations of Paragraph 92 are denied to the extent they are inconsistent therewith.

93. Admitted in part, denied in part. Admitted only that Prestamos received advances through the PPPLF. Advances through the PPPLF are documented in writings, which speak for themselves. The allegations of Paragraph 93 are denied to the extent they are inconsistent therewith.

94. Admitted in part, denied in part. Admitted only that the cited information appears on the Federal Reserve website. Prestamos respectfully refers the Court to the Federal Reserve

website for the complete and accurate text thereof. The allegations of Paragraph 94 are denied to the extent they are inconsistent therewith.

95. Admitted in part, denied in part. Admitted only that in order to issue a PPP loan, Prestamos lent its own money that it borrowed, with interest, from the Federal Reserve Bank through the PPPLF. It is further admitted only that Prestamos borrowed over \$7.1 billion through the PPPLF in 2021. The remaining allegations of Paragraph 95 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 95. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government.

96. Denied. The allegations of Paragraph 96 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 96. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government.

Prestamos's Failure to Fund Plaintiff Marshall's PPP Loan

97. Denied. Prestamos denies the allegations in Paragraph 97 for lack of knowledge.

98. Denied. Prestamos denies the allegations in Paragraph 98 for lack of knowledge.

99. Admitted in part, denied in part. Admitted only that Marshall applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 99 are denied.

100. Denied. The allegations of Paragraph 100 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 100.

101. Denied. The allegations of Paragraph 101 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Marshall's Note for the complete and accurate text thereof. The allegations of Paragraph 101 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 101 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 101.

102. Admitted.

103. Admitted.

104. Denied. The allegations of Paragraph 104 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Marshall's Note for the complete and accurate text thereof. The allegations of Paragraph 104 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 104 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 104.

105. Admitted in part, denied in part. Admitted only that Marshall signed and returned the loan documents. Prestamos denies the remaining allegations in Paragraph 105 for lack of knowledge. The allegations of Paragraph 105 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 105.

106. Denied. The allegations of Paragraph 106 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 106.

107. Denied. Prestamos denies the allegations in Paragraph 107 for lack of knowledge.

108. Denied. Prestamos denies the allegations in Paragraph 108 for lack of knowledge.

109. Denied. Prestamos denies the allegations in Paragraph 108 for lack of knowledge.

110. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied.

111. Admitted in part, denied in part. Admitted only that Marshall did not receive PPP loan proceeds from Prestamos. By way of further answer, SBA's records are writings and speak for themselves. The allegations of Paragraph 111 are denied to the extent they are inconsistent therewith. The allegations of Paragraph 111 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 111 except as expressly admitted herein.

112. Denied. Prestamos denies the allegations in Paragraph 112 for lack of knowledge.

113. Denied. The allegations of Paragraph 113 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 113.

114. Denied. Prestamos denies the allegations in Paragraph 114 for lack of knowledge.

115. Admitted in part, denied in part. Admitted only that Marshall did not receive PPP loan proceeds from Prestamos. The remaining allegations in Paragraph 115 are denied for lack of knowledge. The allegations of Paragraph 115 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 115 except as expressly admitted herein.

116. Denied. The allegations of Paragraph 116 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 116.

117. Denied. The allegations of Paragraph 117 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 117.

118. Denied. Prestamos denies the allegations in Paragraph 118 with respect to purported class members for lack of knowledge.

119. Denied. The allegations of Paragraph 119 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 119.

120. Denied. Prestamos denies that its actions are the reason why Plaintiff did not receive loan funds. The allegations of Paragraph 120 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 120.

121. Denied. The allegations of Paragraph 121 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 121.

122. Denied. The allegations of Paragraph 122 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 122.

Prestamos's Failure to Fund Plaintiff Pronsky's PPP Loan

123. Denied. Prestamos denies the allegations in Paragraph 123 for lack of knowledge.

124. Denied. Prestamos denies the allegations in Paragraph 124 for lack of knowledge.

125. Denied. Prestamos denies the allegations in Paragraph 125 for lack of knowledge.

126. Admitted in part, denied in part. Admitted only that Pronskey applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 126 are denied.

127. Admitted.

128. Admitted.

129. Denied. The allegations of Paragraph 129 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Pronskey's Note for the complete and accurate text thereof. The allegations of Paragraph 129 are denied to the extent they are inconsistent therewith.

130. Admitted in part, denied in part. Admitted only that Pronskey signed and returned the loan documents. Prestamos denies the remaining allegations in Paragraph 130 for lack of knowledge. The allegations of Paragraph 130 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 130 except as expressly admitted herein.

131. Denied. The allegations of Paragraph 131 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 131

132. Denied. The allegations of Paragraph 132 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 132 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Townsend's PPP Loan

133. Denied. Prestamos denies the allegations in Paragraph 133 for lack of knowledge.

134. Denied. Prestamos denies the allegations in Paragraph 134 for lack of knowledge.

135. Admitted.

136. Admitted.

137. Admitted.

138. Denied. The allegations of Paragraph 138 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Townsend's Note for the complete and accurate text thereof. The allegations of Paragraph 138 are denied to the extent they are inconsistent therewith.

139. Admitted in part, denied in part. Admitted only that Townsend signed and returned the loan documents. Prestamos denies the remaining allegations in Paragraph 139 for lack of knowledge. The allegations of Paragraph 139 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 139 except as expressly admitted herein.

140. Denied. The allegations of Paragraph 140 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 140.

141. Denied. The allegations of Paragraph 141 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 141 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Holland's PPP Loan

142. Denied. Prestamos denies the allegations in Paragraph 142 for lack of knowledge.

143. Denied. Prestamos denies the allegations in Paragraph 143 for lack of knowledge.

144. Admitted in part, denied in part. Admitted only that Holland applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 144 are denied.

145. Admitted.

146. Admitted.

147. Denied. The allegations of Paragraph 147 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Holland's Note for the complete and accurate text thereof. The allegations of Paragraph 147 are denied to the extent they are inconsistent therewith.

148. Admitted in part, denied in part. Admitted only that Holland signed and returned the loan documents. Prestamos denies the remaining allegations in Paragraph 148 for lack of knowledge. The allegations of Paragraph 148 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 148 except as expressly admitted herein.

149. Denied. The allegations of Paragraph 149 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 149.

150. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied.

151. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied.

152. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied.

153. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied.

154. Denied. The allegations of Paragraph 154 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 154 for lack of knowledge.

155. Denied. The allegations of Paragraph 155 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 155 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Owsley's PPP Loan

156. Denied. Prestamos denies the allegations in Paragraph 156 for lack of knowledge.

157. Denied. Prestamos denies the allegations in Paragraph 157 for lack of knowledge.

158. Admitted in part, denied in part. Admitted only that Owsley applied for a PPP loan with Prestamos on or about May 2021. The remaining allegations of Paragraph 158 are denied.

159. Admitted.

160. Admitted.

161. Denied. The allegations of Paragraph 161 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Owsley's Note for the complete and accurate text thereof. The allegations of Paragraph 161 are denied to the extent they are inconsistent therewith.

162. Admitted in part, denied in part. Admitted only that Owsley signed and returned the loan documents. Prestamos denies the remaining allegations in Paragraph 162 for lack of knowledge. The allegations of Paragraph 162 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 162.

163. Denied. The allegations of Paragraph 163 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 163.

164. Denied. The allegations of Paragraph 164 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 164 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Ahmadou's PPP Loan

165. Denied. Prestamos denies the allegations in Paragraph 165 for lack of knowledge.

166. Denied. Prestamos denies the allegations in Paragraph 166 for lack of knowledge.

167. Admitted in part, denied in part. Admitted only that Ahmadou applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 167 are denied.

168. Admitted.

169. Admitted.

170. Denied. The allegations of Paragraph 170 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Ahmadou's Note for the complete and accurate text thereof. The allegations of Paragraph 170 are denied to the extent they are inconsistent therewith.

171. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied. The allegations of Paragraph 171 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 171.

172. Denied. The allegations of Paragraph 172 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 172.

173. Denied. The allegations of Paragraph 173 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 173 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Dervin's PPP Loan

174. Denied. Prestamos denies the allegations in Paragraph 174 for lack of knowledge.

175. Denied. Prestamos denies the allegations in Paragraph 175 for lack of knowledge.

176. Admitted in part, denied in part. Admitted only that Dervin applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 176 are denied.

177. Admitted.

178. Admitted.

179. Denied. The allegations of Paragraph 179 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Dervin's Note for the complete and accurate text thereof. The allegations of Paragraph 179 are denied to the extent they are inconsistent therewith.

180. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied. The allegations of Paragraph 180 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 180.

181. Denied. The allegations of Paragraph 181 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 181.

182. Denied. The allegations of Paragraph 182 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 182 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Henderson's PPP Loan

183. Denied. Prestamos denies the allegations in Paragraph 183 for lack of knowledge.

184. Denied. Prestamos denies the allegations in Paragraph 184 for lack of knowledge.

185. Admitted in part, denied in part. Admitted only that Henderson applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 186 are denied.

186. Admitted.

187. Admitted.

188. Denied. The allegations of Paragraph 188 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Henderson's Note for the complete and accurate text thereof. The allegations of Paragraph 188 are denied to the extent they are inconsistent therewith.

189. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied. The allegations of Paragraph 189 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 189.

190. Denied. The allegations of Paragraph 190 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 190.

191. Denied. The allegations of Paragraph 191 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 191 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Innis's PPP Loan

192. Denied. Prestamos denies the allegations in Paragraph 192 for lack of knowledge.

193. Denied. Prestamos denies the allegations in Paragraph 193 for lack of knowledge.

194. Admitted in part, denied in part. Admitted only that Innis applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 194 are denied.

195. Admitted.

196. Admitted.

197. Denied. The allegations of Paragraph 197 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Innis's Note for the complete and accurate text thereof. The allegations of Paragraph 197 are denied to the extent they are inconsistent therewith.

198. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied. The allegations of Paragraph 198 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 198.

199. Denied. The allegations of Paragraph 199 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 199.

200. Admitted in part, denied in part. Admitted only that Innis did not receive PPP loan proceeds from Prestamos. By way of further answer, after reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations of Paragraph 200 and therefore they are denied. The allegations of Paragraph 200 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 200.

201. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 201 and therefore they are denied.

202. Admitted in part, denied in part. Admitted only that Innis did not receive PPP loan proceeds from Prestamos. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations of Paragraph 202 and therefore they are denied. The allegations of Paragraph 202 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 202.

203. Denied. The allegations of Paragraph 203 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 203 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Stalnaker's PPP Loan

204. Denied. Prestamos denies the allegations in Paragraph 204 for lack of knowledge.

205. Denied. Prestamos denies the allegations in Paragraph 205 for lack of knowledge.

206. Admitted in part, denied in part. Admitted only that Stalnaker applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 206 are denied.

207. Admitted.

208. Admitted.

209. Denied. The allegations of Paragraph 209 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Stalnaker's Note for the complete and accurate text thereof. The allegations of Paragraph 209 are denied to the extent they are inconsistent therewith.

210. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied. The allegations of Paragraph 210 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 210.

211. Denied. The allegations of Paragraph 211 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 211.

212. Denied. The allegations of Paragraph 212 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 212 for lack of knowledge.

Prestamos's Failure to Fund Plaintiff Jones's PPP Loan

213. Denied. Prestamos denies the allegations in Paragraph 213 for lack of knowledge.

214. Denied. Prestamos denies the allegations in Paragraph 214 for lack of knowledge.

215. Admitted in part, denied in part. Admitted only that Jones applied for a PPP loan with Prestamos. The remaining allegations of Paragraph 215 are denied.

216. Admitted.

217. Admitted.

218. Denied. The allegations of Paragraph 218 are denied to the extent they seek to characterize a writing that speaks for itself. Prestamos respectfully refers the Court to Jones's Note for the complete and accurate text thereof. The allegations of Paragraph 218 are denied to the extent they are inconsistent therewith.

219. Denied. After reasonable investigation, Prestamos lacks knowledge or information sufficient to form a belief about the truth of this allegation and therefore it is denied. The allegations of Paragraph 219 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 219.

220. Denied. The allegations of Paragraph 220 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 220.

221. Denied. Prestamos denies the allegations in Paragraph 221 for lack of knowledge.

222. Admitted in part, denied in part. Admitted only that Jones did not receive PPP loan proceeds from Prestamos. The remaining allegations of Paragraph 222 are denied for lack of knowledge.

223. Denied. Prestamos denies the allegations in Paragraph 223 for lack of knowledge.

224. Denied. The allegations of Paragraph 224 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 224 for lack of knowledge.

Prestamos's Failure to Fund Other SBA-Approved Class Member Borrower PPP Loans

225. Denied. The allegations of Paragraph 225 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 225. By way of further answer, BBB complaints and complaints on social media sites are writings and speak for themselves. The allegations of Paragraph 225 are denied to the extent they are inconsistent therewith.

226. Admitted in part, denied in part. Admitted only that the BBB's website identifies certain complaints against Prestamos. The BBB's website is a writing and speaks for itself, although Prestamos lacks knowledge or information sufficient to form a belief about the truth every statement in the subject writing and, therefore, denies Plaintiffs' characterizations thereof. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government and denies all allegations to the contrary. The allegations of Paragraph 226 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 226.

227. Admitted in part, denied in part. Admitted only that complaints against Prestamos have been posted on the internet. The referenced complaints posted on the internet are writings and speak for themselves, although Prestamos lacks knowledge or information sufficient to form a belief about the truth every statement in the subject writing and, therefore, denies Plaintiffs' characterizations thereof. By way of further answer, the allegations in this paragraph show that borrowers' banks rejected attempts by Prestamos to fund their loans. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government and denies all allegations to the

contrary. The allegations of Paragraph 227 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 227.

228. Admitted in part, denied in part. Admitted only that Prestamos stated on its website that it maintains an office in Santa Fe, New Mexico. Prestamos does not currently maintain an office in Santa Fe, New Mexico. The remaining allegations of this paragraph are denied.

229. Denied. The allegations of Paragraph 229 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 229. By way of further answer, Prestamos lawfully obtained, administered, disbursed, and otherwise accounted for all PPP-related funds that it received or borrowed from the U.S. government and denies all allegations to the contrary.

Class Action Allegations

230. Denied. The allegations of Paragraph 230 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 230.

231. Denied. The allegations of Paragraph 231 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 231.

232. Denied. The allegations of Paragraph 232 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 232.

233. Denied. The allegations of Paragraph 233 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 233.

234. Denied. The allegations of Paragraph 234 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 234.

235. Denied. The allegations of Paragraph 235 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 235.

236. Denied. The allegations of Paragraph 236 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 236.

237. Denied. The allegations of Paragraph 237 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 237.

238. Denied. The allegations of Paragraph 238 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 238.

239. Denied. The allegations of Paragraph 239 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 239.

240. Denied. The allegations of Paragraph 240 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 240.

COUNT ONE

**Breach of Contract
(On Behalf of All Plaintiffs and the National Class)**

241. Prestamos repeats and incorporates by reference its answers to Paragraphs 1 through 240 as if fully set forth herein.

242. Denied. The allegations of Paragraph 242 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 242.

243. Denied. The allegations of Paragraph 243 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 243.

244. Admitted in part, denied in part. Admitted only that the Notes contain the quoted language. The Notes are writings and speak for themselves. The allegations of Paragraph 244 are denied to the extent they are inconsistent therewith. Also, Prestamos denies the allegations of Paragraph 244 to extent that they state legal conclusions to which no response is required.

245. Admitted in part, denied in part. Admitted only that the additional agreement that accompanies the Note contains the quoted language. The additional agreement that accompanies the Notes are writings and speak for themselves. The allegations of Paragraph 245 are denied to the extent they are inconsistent therewith. Also, Prestamos denies the allegations of Paragraph 245 to extent that they state legal conclusions to which no response is required.

246. Admitted in part, denied in part. Admitted only that the “Notice – No Oral Agreements” document contains the quoted language. The allegations of Paragraph 246 are denied to the extent they are inconsistent therewith. Also, Prestamos denies the allegations of Paragraph 246 to extent that they state legal conclusions to which no response is required and otherwise denies the remaining allegations.

247. Admitted in part, denied in part. Admitted only that a loan document is attached to the SAC as Exhibit A. Exhibit A is a writing and speaks for itself. The allegations of Paragraph 247 denied to the extent they are inconsistent therewith.

248. Denied. The allegations of Paragraph 248 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 248.

249. Denied. The allegations of Paragraph 249 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 249.

250. Denied. The allegations of Paragraph 250 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 250.

251. Denied. The allegations of Paragraph 251 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 251.

252. Denied. The allegations of Paragraph 252 state legal conclusions, to which no response is required, but, to the extent a response is required, Prestamos denies the allegations in Paragraph 252. By way of further answer, neither SBA Form 2483 nor SBA Form 2483-SD—nor

any loan documents Plaintiffs reference—guarantee a time by which borrowers’ applications will be reviewed, approved or rejected, or their funds disbursed.

253. Denied. The allegations of Paragraph 253 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 253.

254. Denied. The allegations of Paragraph 254 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 254.

255. Denied. The allegations of Paragraph 255 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 255. By way of further answer, certain PPP loan applicants were eligible to obtain both first- and second-draw PPP loans.

256. Denied. The allegations of Paragraph 256 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 256.

257. Denied. The allegations of Paragraph 257 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 257.

258. Denied. The allegations of Paragraph 258 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 258.

259. Denied. The allegations of Paragraph 259 state legal conclusions to which no response is required but, to the extent a response is required, Prestamos denies the allegations in Paragraph 259.

COUNT TWO

**Violation of California's Unfair Competition Law
Cal. Bus. & Prof. Code § 17200, *et seq.*
(On behalf of Plaintiffs Marshall and Townsend and the California Subclass)**

260. Prestamos repeats and incorporates by reference its answers to Paragraphs 1 through 259 as if fully set forth herein.

261. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 261.

262. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 262.

263. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 263.

264. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 264.

265. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 265.

266. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 266

267. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 267.

268. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 268.

269. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 269.

270. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 270.

271. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 271.

272. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 272.

273. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 273.

274. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 274.

275. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 275.

276. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Two, Prestamos is not required to respond to the allegations in Paragraph 276.

COUNT THREE

Violation of the Illinois Consumer Fraud and Deceptive Business Practices Act 815 ILCS 505/1, *et seq.* (On behalf of Plaintiff Ahmadou and the Illinois Subclass)

277. Prestamos repeats and incorporates by reference its answers to Paragraphs 1 through 276 as if fully set forth herein.

278. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 278.

279. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 279.

280. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 280.

281. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 281.

282. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 282.

283. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 283.

284. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 284.

285. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 285.

286. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 286.

287. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 287.

288. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 288.

289. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 289.

290. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 290.

291. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 290.

292. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Three, Prestamos is not required to respond to the allegations in Paragraph 292.

COUNT FOUR

**Violation of the Ohio Consumer Sales Practices Act
Ohio Rev. Code §1345.01, *et seq.*
(On behalf of Plaintiff Stalnaker and the Ohio Subclass)**

293. Prestamos repeats and incorporates by reference its answers to Paragraphs 1 through 292 as if fully set forth herein.

294. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 294.

295. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 295.

296. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 296.

297. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 296.

298. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 296.

299. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 299.

300. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 300.

301. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 301.

302. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 302.

303. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting Defendants' Motion to Dismiss Plaintiffs' SAC as to Count Four, Prestamos is not required to respond to the allegations in Paragraph 303.

COUNT FIVE

Unjust Enrichment (Against Defendant CPLC)

304. Prestamos repeats and incorporates by reference its answers to Paragraphs 1 through 304 as if fully set forth herein.

305. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction.

306. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction..

307. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction.

308. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction.

309. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction.

310. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not

required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction.

311. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction.

312. This paragraph and count relate only to CPLC and not Prestamos. Pursuant to the Court's March 30, 2023 Memorandum and Order Granting in Part, and Denying in Part, Defendants' Motion to Dismiss and the Court's April 14, 2023 order (Dkt. 60) CPLC is not required to answer the Complaint at this time pending decision on its renewed motion to dismiss for lack of personal jurisdiction.

Prayer for Relief

Prestamos denies that Plaintiffs suffered any injury or incurred any damages by any act or omission of Defendants, as alleged in the Second Amended Complaint. Prestamos further denies that Plaintiffs are entitled to any relief under any theory by means of the allegations set forth in each of the paragraphs and their subparts in the Second Amended Complaint. Prestamos is entitled to its reasonable attorneys' fees pursuant to A.R.S. § 12-341.01.

AFFIRMATIVE DEFENSES

Prestamos asserts the following affirmative defenses to the Second Amended Complaint:

FIRST AFFIRMATIVE DEFENSE

The relief sought by Plaintiffs is barred, in whole or in part, because Plaintiffs failed to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

The relief sought by Plaintiffs is barred, in whole or in part, because Plaintiffs failed to take appropriate and necessary steps to mitigate its alleged damages, if any.

THIRD AFFIRMATIVE DEFENSE

The relief sought by Plaintiffs is barred, in whole or in part, by the equitable doctrine of waiver.

FOURTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred because they have not suffered any losses or damages proximately caused by the conduct of Defendants alleged in the Complaint.

FIFTH AFFIRMATIVE DEFENSE

Plaintiffs' claims should be dismissed to the extent that they are barred, in whole or in part, by the equitable doctrine of unclean hands or because Plaintiffs engaged in fraudulent conduct.

SIXTH AFFIRMATIVE DEFENSE

Plaintiffs' claims should be dismissed to the extent they are barred, in whole or in part, by the equitable doctrine of estoppel.

SEVENTH AFFIRMATIVE DEFENSE

Prestamos at all times acted in good faith and in accordance with reasonable commercial standards, thus precluding any recovery by Plaintiffs.

EIGHTH AFFIRMATIVE DEFENSE

Plaintiffs' claims should be dismissed because they contractually released the subject claims against Prestamos.

NINTH AFFIRMATIVE DEFENSE

Plaintiffs' claims should be dismissed because they failed to state cognizable damages, and the damages sought by plaintiffs are speculative, arbitrary and excessive.

TENTH AFFIRMATIVE DEFENSE

The Coronavirus Aid, Relief, and Economic Security Act (CARES ACT) bars Plaintiffs' claims.

ELEVENTH AFFIRMATIVE DEFENSE

Plaintiffs' breach of contract claims are barred for lack of consideration.

TWELFTH AFFIRMATIVE DEFENSE

Plaintiffs' claims asserted on behalf of putative class members are barred because there is no basis under Federal Rule of Civil Procedure 23 to certify this action as a class action.

THIRTEENTH AFFIRMATIVE DEFENSE

Plaintiffs' causes of action are barred, in whole or in part, for failure to join one or more indispensable parties.

FOURTEENTH AFFIRMATIVE DEFENSE

The imposition of punitive damages in this case would violate the Due Process Clauses of the Fifth and Fourteenth Amendments to the United States Constitution.

FIFTEENTH AFFIRMATIVE DEFENSE

Plaintiffs cannot assert claims under state law on behalf of residents of other states or in states where Plaintiffs did not suffer any injury.

SIXTEENTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred to the extent their alleged injuries were caused by Prestamos's adherence to: the CARES Act, regulations, rules, guidance, notices and directives

from the United States Small Business Administration or other federal agencies; and any other applicable law.

SEVENTEENTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred to the extent it relates to alleged conduct that is subject to the regulatory jurisdiction of one or more regulatory or administrative agencies. Alternatively, the claim is barred by the absence of any private right of action with regard to conduct submitted to the discretion of a regulatory or administrative agency or body.

EIGHTEENTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred in whole or in part by the applicable statutes of limitations.

NINETEENTH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred by the doctrine of assumption of the risk.

TWENTIETH AFFIRMATIVE DEFENSE

Plaintiffs' claims are barred in whole or in part by the doctrines of laches, consent, and/or ratification.

RESERVATION OF RIGHTS

Prestamos expressly reserves the right to assert such other and further affirmative defenses as may be appropriate.

Dated: April 27, 2023

Respectfully submitted,

By: /s/ Marcel S. Pratt

Marcel S. Pratt (Pa. ID 307483)
Timothy D. Katsiff (Pa. ID 75490)
Thomas J. Gallagher IV (Pa. ID316269)
Alexa L. Levy (Pa. ID 327973)
BALLARD SPAHR LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103
T: 215-665-8500
F: 215-864-8999
PrattM@ballardspahr.com
KatsiffT@ballardspahr.com
GallagherT@ballardspahr.com
LevyA@BallardSpahr.com

HERRERA ARELLANO LLP
Roy Herrera*
Daniel A. Arellano*
Jillian Andrews*
1001 North Central Avenue
Suite 404
Phoenix, AZ 85004
T: 602-567-4820
Roy@ha-firm.com
Daniel@ha-firm.com
Jillian@ha-firm.com

**pro hac vice admission to be sought
Attorneys for Defendants*

CERTIFICATE OF SERVICE

I, Thomas J. Gallagher IV, hereby certify that on this 27th day of April, 2023, I caused a copy of the foregoing Defendant Prestamos CDFI, LLC's Answer to the Second Amended Complaint to be served on all counsel of record via the Court's ECF system.

/s/ Thomas J. Gallagher IV
Thomas J. Gallagher IV