

EXHIBIT A

**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, JAMIE JONES, GEORGINA DREVNAK, JOHN MARTIN, EZRA BEATTIE, GREGORY LLOYD, ALYSHIA JOHNSON, LAMETRIA MARVEL, GUY GRICHAR, JAHBRAEL HORNE, ENOBONG ETUKNWA, and SHARON BRADLEY SMITH, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

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

Defendants.

Civil Action No. 5:21-cv-04337-JMG

THIRD AMENDED CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs Alicia Marshall, Daniel Pronsky, Paris Townsend, Nancilee Holland, Leona Owsley, Kolawole Ahmadou, Kiana Dervin, Kristina Henderson, Dustin Innis, Kelly Stalnak, Jamie Jones, Georgina Drevnak, John Martin, Ezra Beattie, Gregory Lloyd, Alyshia Johnson, Lametria Marvel, Guy Grichar, Jahbrael Horne, Enobong Etuknwa and Sharon Bradley Smith (collectively, “Plaintiffs”), individually and on behalf of all others similarly situated, file this Third Amended Class Action Complaint and Jury Demand for damages and equitable relief against defendant Prestamos CDFI, LLC (“Prestamos”) and Chicanos Por La Causa, Inc. (“CPLC”) (collectively, “Defendants”) for their respective role in failing to fund approved Paycheck Protection Program (“PPP” or the “Program”) loans. In support, Plaintiffs make the following allegations based upon information and belief except as to the allegations pertaining to

the Plaintiffs which are based on personal knowledge. Plaintiffs' information and belief is based, among other things, on the ongoing investigation of their undersigned counsel which included, without limitation, a review of applicable documents, publicly-available information concerning the PPP and PPP loans, discovery in this litigation which remains ongoing and media and other information, including information available on the Internet. Plaintiffs believe that substantial additional evidentiary support will exist for their allegations after additional discovery pursuant to the discovery and other deadlines set by the Court. In addition, by Order on December 5, 2023 (ECF No. 93), the Court granted CPLC's motion to dismiss on grounds of personal jurisdiction. Plaintiffs accordingly include CPLC as a defendant in this amended complaint to the extent relevant to Plaintiffs' claims against defendant Prestamos, and to preserve Plaintiffs' rights in the event of an appeal.

Summary of the Claims

1. Following the worldwide outbreak of COVID-19, Congress passed the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") to, among many other things, provide some relief to America's small businesses and sole proprietors through the creation of the PPP.

2. Administered by the United States Small Business Administration ("SBA"), the PPP was established to provide hundreds of billions of dollars of potentially forgivable loans to small businesses and sole proprietors in a quick and efficient manner using a standard form note and accompanying loan agreement documents that Plaintiffs and other PPP borrowers entered into with Prestamos.

3. To ensure that small businesses and sole proprietors received PPP loan proceeds quickly, the applicable provisions of the PPP required lenders to timely fund PPP loans following SBA approval of the loan.

4. Lenders that participated in the Program were entitled to fees payable by the SBA for each PPP loan the lenders processed.

5. Defendant Prestamos was one of the SBA's authorized PPP lenders.

6. In 2020, Prestamos processed 935 PPP loans totaling less than \$27 million gross, thereby reportedly receiving \$1.3 million in fees.

7. Defendant Prestamos is and during all times relevant was wholly owned by its corporate parent, CPLC. CPLC at all times relevant controlled and dominated defendant Prestamos and Prestamos's PPP lending; shared certain of the same senior executives and directors; had a website that referred to and promoted Prestamos; publicly held out the companies as one and the same and repeatedly referred to them as "CPLC Prestamos" in CPLC's Fiscal Year 2019-2020 Annual Report "A Chance to Change the World." See CPLC FY19-20, Annual Report, at 7, available at <https://cplc.org/assets/files/publications/CPLC%20FY19-20%20Annual-Report.pdf> (last visited May 1, 2022)) ("During the pandemic, *CPLC Prestamos* is administering Paycheck Protection (PPP) loans to help small businesses keep their doors open.") (emphasis added); reported on CPLC's own financial statements that it received hundreds of millions of dollars in PPP loan processing fees; and is headquartered in a building that is virtually adjacent to Prestamos's headquarters. See <https://cplc.org/> (CPLC located at 1112 E. Buckeye Road, Phoenix, AZ); <https://www.prestamosloans.org/phoenix/> (Prestamos located at 1024 E. Buckeye Road, Phoenix, AZ). In addition, CPLC is represented by the same two law firms that represents Prestamos in this litigation.

8. In 2021, after the SBA substantially increased the fees lenders would receive for PPP loans made in 2021, CPLC caused Prestamos to exploit that increased fee opportunity by dramatically ramping up its participation in PPP lending. Defendants were hugely successful in that respect.

9. In particular, in 2021 alone, Prestamos exponentially expanded its PPP lending, reportedly processing 494,415 PPP loans totaling over \$7.6 *billion* through May 31, 2021 -- more PPP loans than any other lender in 2021, and more than the total number of PPP loans made in 2021 by Bank of America, PNC Bank, TD Bank and Wells Fargo *combined*. See Paycheck Protection Program (PPP) Report: Approvals through 05/31/2021, at 7, available at [Paycheck Protection Program \(PPP\) Report: Approvals through 05/31/2021 \(sba.gov\)](https://www.sba.gov/pay-protection/summary-reports/ppp-report-approvals-through-05-31-2021) (last visited Sept. 21, 2021).

10. As a result, Prestamos reportedly received nearly \$1.2 billion in fees in 2021. See Stacy Crowley & Ella Koeze, *How Two Start-Ups Reaped Billions in Fees on Small Business Relief Loans*, N.Y. Times, June 27, 2021, Updated Oct. 11, 2021, available at <https://www.nytimes.com/2021/06/27/business/ppp-relief-loans-blueacorn-womply.html> (last visited May 1, 2022). Prestamos also reportedly shared certain of those fees with its lender service provider Blueacorn, but still obtained on a net basis hundreds of millions of dollars from those fees.

11. Although Prestamos and not CPLC was the SBA-approved PPP lender, CPLC and its senior personnel also participated in, and controlled and directed Prestamos' PPP lending and was the alter ego of Prestamos. Thus, Prestamos upstreamed all or the bulk of its PPP lender processing fees directly to CPLC and CPLC, in turn, booked and disclosed at least some portion of those fees in CPLC's own financial statements.

12. In particular, according to CPLC’s own Consolidated Financial Statements and Supplementary Information for the year ended June 30, 2021 (the “Financial Statements”), “[f]or each approved PPP loan, the Small Business Administration (SBA) covered a percentage of the loan principal balance as a loan processing fee to the organization. The fee is amortized through the term of each PPP loan. As of June 30, 2021, *the Organization* received \$314,260,826 from SBA, \$5,086,196 was recognized as loan fee revenue and \$309,174,630 was recorded as deferred revenue.” See ProPublica, Chicanos Por La Causa Inc., Consolidated Financial Statements, p.20 Year Ended June 30, 2021, available at https://projects.propublica.org/nonprofits/display_audit/11175820211 (last visited May 2, 2022) (emphasis added).

13. In flagrant disregard of its contractual loan agreement obligations to Plaintiffs and other class member borrowers, however, Prestamos failed to actually fund class member borrowers’ SBA-approved PPP loans.

14. Plaintiffs and thousands of other business owners each timely applied for PPP loans with Prestamos, had their loans approved by the SBA and assigned PPP loan numbers, completed and submitted all information concerning their PPP loans, and yet never were paid their PPP loan funds by Prestamos although Prestamos falsely reported to the SBA that it disbursed those loan proceeds to these borrowers in order to collect the loan processing fee from the SBA.

Parties

15. Plaintiff Alicia Marshall (“Marshall”), a natural person residing in Sacramento, California, is a sole proprietor of an in-home healthcare business.

16. Plaintiff Daniel Pronsky (“Pronsky”), a natural person residing in Reading, Pennsylvania, is a sole proprietor of a food catering business.

17. Plaintiff Paris Townsend (“Townsend”), a natural person residing in San Bernadino, California, is a sole proprietor in the business of making and selling hair care products.

18. Plaintiff Nancilee Holland (“Holland”), a natural person residing in Greenwich, Connecticut, is a sole proprietor of a real estate agency.

19. Plaintiff Leona Owsley (“Owsley”), a natural person residing in El Dorado Springs, Missouri, is a sole proprietor of a construction business.

20. Plaintiff Kolawole Ahmadou (“Ahmadou”), a natural person residing in Evanston, Illinois, is a sole proprietor of an in-home healthcare business.

21. Plaintiff Kiana Dervin (“Dervin”), a natural person residing in Lynnwood, Washington, is a sole proprietor of a janitorial business.

22. Plaintiff Kristina Henderson (“Henderson”), a natural person residing in Macomb, Michigan, is a sole proprietor of a clothing business.

23. Plaintiff Dustin Innis (“Innis”), a natural person residing in Las Vegas, Nevada, is a sole proprietor of a carpet and upholstery cleaning business.

24. Plaintiff Kelly Stalnaker (“Stalnaker”), a natural person presently residing in Arizona but previously and at all applicable times residing in Ravenna, Ohio, was a sole proprietor of a homemaker/personal care provider business.

25. Plaintiff Jamie Jones (“Jones”), a natural person residing in Golden Valley, Arizona, is a sole proprietor of a delivery service.

26. Plaintiff Georgina Drevnak (“Drevnak”), a natural person residing at all times relevant in Colorado Springs, Colorado, was a sole proprietor of a housekeeping business.

27. Plaintiff John Martin (“Martin”), a natural person residing at all times relevant in Midvale, Utah, is a sole proprietor of a driving service.

28. Plaintiff Ezra Beattie (“Beattie”), a natural person residing at all relevant times in Fort Worth, Texas, is a sole proprietor of a construction business.

29. Plaintiff Gregory Lloyd (“Lloyd”), a natural person residing at all relevant times in Houston, Texas, is a sole proprietor of a computer service business.

30. Plaintiff Alyshia Johnson (“Johnson”), a natural person presently residing in Harvey, Illinois and formerly and at all times relevant residing in Merrillville, Indiana, is a sole proprietor of a homecare business.

31. Plaintiff Lametria Marvel (“Marvel”), a natural person residing at all relevant times in Natchez, Mississippi, is or was a sole proprietor of a cosmetics business.

32. Plaintiff Guy Grichar (“Grichar”), a natural person residing at all relevant times in Stigler, Oklahoma, is a sole proprietor of a driving service.

33. Plaintiff Jahbrael Horne (“Horne”), a natural person presently residing in Virginia Beach, Virginia and formerly and at all times relevant residing in New York, is a sole proprietor of a music business.

34. Plaintiff Enobong Etuknwa (“Etuknwa”), a natural person residing in Houston, Texas, is the sole proprietor of a used car business.

35. Plaintiff Sharon Bradley Smith (“Smith”), a natural person residing in Houston, Texas, is a sole proprietor of a food catering business.

36. Defendant Prestamos is a limited liability company organized under the laws of the state of Arizona, having its principal place of business at 1024 E. Buckeye Road, Suite 270, Phoenix, Arizona 85034, with additional offices in Tucson, Arizona, Las Vegas and Reno,

Nevada, and Santa Fe, New Mexico, according to its website. *See Prestamos Locations*, available at [Prestamos Locations \(prestamosloans.org\)](https://prestamosloans.org) (last visited May 1, 2022).

37. Defendant CPLC is a corporation organized under the laws of the state of Arizona, having its principal place of business at 1112 E. Buckeye Road, Phoenix, Arizona 85034. CPLC is registered in Arizona purportedly as a domestic nonprofit corporation. *See Ariz. Corp. Comm’n, Entity Information*, available at <https://ecorp.azcc.gov/BusinessSearch/BusinessInfo?entityNumber=00758057> (last visited May 1, 2022).

38. CPLC’s former CEO and President at all times relevant to the claims alleged herein and throughout 2021 was David Adame (“Adame”). Also at all times relevant to the claims alleged herein and throughout 2021, Adame served on Prestamos’ Board of Directors and Community Advisory Board. On or about October 6, 2023, which was just a week before CPLC filed its motion to dismiss on October 13, 2023 and accompanying papers (ECF Nos. 84-85), Adame “resigned from his position of President and Chief Executive Officer” of CPLC amid allegations of financial malfeasance. *See* <https://www.cplc.org/blog/viewpost.php?id=1162> (last visited Oct. 24, 2023); Arizona Independent, *Allegations of Fraud Haunt Chicanos Por La Causa As Adame Exits* (Oct. 5, 2023) (“While the organization released a statement claiming that Adame left to ‘pursue other opportunities,’ sources say allegations of financial malfeasance preceded his exit.”), available at <https://arizonadailyindependent.com/2023/10/05/allegations-of-fraud-haunt-chicanos-por-lacausa-as-adame-exits/> (last visited Oct. 24, 2023).

39. Adame was succeeded as President and CEO of CPLC by Alicia Nunez (“Nunez”), who was then appointed CPLC’s interim President and CEO, and formerly and at all times relevant to Prestamos’ PPP lending served as CPLC’s Executive Vice President and CFO.

On or about April 24, 2024, Nunez was appointed CPLC's President and CEO.

Jurisdiction & Venue

40. This Court has jurisdiction under the Class Action Fairness Act because at least one member of the proposed class is a citizen of a different state than defendants Prestamos and CPLC; there are more than 100 members of the proposed classes; and the aggregate amount in controversy exceeds \$5,000,000.00 exclusive of interest and costs. *See* 28 U.S.C. § 1332(d)(2)(A).

41. This Court also has jurisdiction over defendant Prestamos because Prestamos had substantial and direct contacts in this District by virtue of its agreement to fund plaintiff Pronsky's PPP loan; by entering into PPP loan agreements with numerous other PPP borrowers in this District; by committing to fund the PPP loans under the contractual loan agreements it entered into with plaintiff Pronsky and numerous other PPP borrowers in this District; by its PPP loan underwriting and review activities in connection with the PPP loans of borrowers in this District; by obtaining PPP loan processing fees on PPP loans committed to borrowers in this District; and by virtue of its communications and activities it undertook in this District and concerning PPP applicants and borrowers in this District relating to PPP loans, PPP loan forgiveness, interest on PPP loans and PPP loan processing fees. *See* SBA, Paycheck Protection Program (PPP) Report, Approvals through 5/31/2021, p. 7, available at https://www.sba.gov/sites/default/files/2021-06/PPP_Report_Public_210531-508.pdf (last visited May 1, 2022). Further, this case was filed on October 1, 2021 and, despite lodging numerous other challenges, defendant Prestamos has not challenged personal jurisdiction and is estopped from doing so now.

42. More particularly, and for further detail, defendant Prestamos committed to fund at least 10,553 separate SBA-approved PPP loans through May 31, 2021 for qualified borrowers

residing in this District alone, for total PPP loan proceeds of at least \$166 million according to the SBA's own publicly available PPP loan data. See SBA, PPP FOIA, available at <https://data.sba.gov/dataset/ppp-foia> (last visited May 1, 2022).

43. Assuming that each such loan PPP loan generated loan processing fees of *at least* \$2,500.00 per loan, this means that defendant Prestamos obtained at least \$26,382,500.00 in total PPP loan fees on the backs of resident business owners located in this District (10,533 x \$2,500.00).

44. In connection with each of the numerous PPP loan agreements and millions of dollars in lender processing fees with borrowers in this District, defendant Prestamos purposefully availed itself of substantial and direct business activity in this District sufficient to subject itself to the personal jurisdiction of this Court.

45. Further, for each such PPP loan, defendant Prestamos's role was not limited to entering into the standard form loan agreement contracts and funding the loans for Plaintiffs and other putative class member borrowers. In addition, Prestamos's role as the SBA-approved lender of PPP loans required it to underwrite and review each PPP loan individually. According to applicable regulations:

“The lender, however, must do some basic ‘underwriting.’ Specifically, the PPP Regulations contain a section titled, “What do lenders have to do in terms of loan underwriting?” [86 Fed. Reg.] at 3707–08. The regulations enumerate four ‘underwriting’ steps:

- (1) confirm receipt of the borrower certifications in the Form 2483 application;
- (2) confirm receipt of documentation showing employment status of the applicant or if a business, documents showing employees as of February 2020;
- (3) confirm the historic payroll (if the applicant had employees) by examining the documentation submitted; and

- (4) comply with the Bank Secrecy Act (“BSA”) or similar anti-money laundering procedures, such as a customer identification program (“COP”), designed to make sure the lender confirms the identity of the applicant.

Id. In addition to the above steps, the lender was obligated to ‘review’ each application.

Id. at 3708 (‘Each lender’s underwriting obligation under the PPP is limited to the items above and reviewing the ‘Paycheck Protection Borrower Application Form.’).”

46. Accordingly, this Court also has personal jurisdiction over defendant Prestamos by virtue of the underwriting and review process that Prestamos necessarily had to do as to each PPP borrower in this District, including but not limited to plaintiff Pronsky and the thousands of additional PPP borrowers in this District.

47. CPLC controlled, directed and participated in Prestamos’ conduct in PPP lending even though Prestamos was the SBA-approved and qualified PPP lender; directed Prestamos to, and Prestamos in fact did, “upstream” to CPLC hundreds of millions of dollars in PPP loan processing fees Prestamos obtained from the PPP loans of Plaintiffs, class members and other borrowers as if CPLC and Prestamos were one and the same company; referred to CPLC and Prestamos as “CPLC Prestamos CDFI” and “CPLC PRESTAMOS LOAN PRODUCTS”; shared senior executives and directors with Prestamos and overlapping websites that promoted each other; controlled Prestamos which was at all times relevant CPLC’s wholly-owned subsidiary; was Prestamos’ alter ego at all times relevant in connection with PPP lending; participated directly in PPP lending including via its common employees with Prestamos and its sharing of employees for Prestamos’ PPP lending; and defendant Prestamos’ contacts in this District in connection with PPP lending and the claims at issue are imputed to its corporate parent CPLC for purposes of jurisdiction.

48. Venue is proper in this judicial District under 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to the claims occurred in this District.

Additional Factual Allegations

Background Concerning the COVID-19 Pandemic and the PPP

49. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a “pandemic.” Two days later, on March 13, 2020, the United States declared a national emergency due to the COVID-19 pandemic.

50. In response, on March 27, 2020, the United States Congress passed the largest economic stimulus package in the nation’s history -- the CARES Act. The CARES Act amounted to over \$2 trillion in aid, equivalent to roughly \$6,000 per American, or 45% of all federal government spending for 2019.

51. The CARES Act was enacted to provide immediate assistance to individuals, families, and businesses affected by the COVID-19 emergency.

52. One facet of the CARES Act’s approach to economic relief was the PPP. Recognizing the huge strain that the COVID-19 pandemic would likely impose on American small businesses, the PPP initially allocated \$349 billion for loans to small businesses, sole proprietors, and nonprofit organizations, among others. These loans were intended to pay up to eight weeks of payroll costs (including benefits) and could also be used to pay interest on mortgages, rent, and utilities.

53. PPP loans are guaranteed by the SBA, and the PPP provides for loan forgiveness if the borrower demonstrates that the funds were used in compliance with PPP regulations.

54. The PPP has received several legislative renewals, modifications, and extensions. On April 24, 2020, the President signed the Paycheck Protection Program and Health Care

Enhancement Act, which provided additional funding and authority for the PPP. On June 5, 2020, the Paycheck Protection Program Flexibility Act of 2020 was enacted, extending the deferral period for PPP loans, among other provisions. On July 4, 2020, the PPP was further amended to guarantee PPP loans to August 8, 2020. On December 27, 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the “Economic Aid Act”) was enacted, which further extended the PPP and allowed for the SBA to authorize second-draw PPP loans through March 31, 2021, available to borrowers who already used their previous PPP loan proceeds for permitted expenditures. On March 11, 2021, the American Rescue Plan Act was signed into law, adding an additional \$7.25 billion for PPP loans, bringing total appropriations for the program to \$813.7 billion. Finally, on March 30, 2021, the PPP Extension Act was enacted, which extended the PPP application deadline to May 31, 2021, and gave the SBA until June 30, 2021 to process loan applications.

55. PPP loans are generally available to businesses in operation as of February 15, 2020 that had salaried employees, as well as self-employed individuals. Businesses receiving PPP loans cannot have more than 500 employees and cannot be in bankruptcy. Further, applicants are required to certify that the “current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.” Currently, at least 60% of the proceeds must be used for payroll costs. The entire amount of any PPP loan is subject to forgiveness so long as the proceeds are used for eligible expenses.

56. Under the Economic Aid Act, a PPP borrower is entitled to a second draw under narrower conditions than its first draw. For example, a second draw borrower must have 300 or fewer employees, must demonstrate that it sustained a certain percentage reduction in its gross receipts compared to 2019, and must have used its entire first draw proceeds prior to

disbursement of its second draw proceeds. Second draw loans -- like first draw loans -- are also subject to forgiveness.

57. Given the anticipated volume of PPP loan applications, Congress provided for PPP loan processing and funding through private lenders, with the SBA paying these lenders a fee for each processed PPP loan. The SBA was required to pay loan processing fees only to SBA-authorized lenders, not any service provider the lender may also have used.

58. For their participation, the PPP originally provided that lenders would receive fees at a rate of five percent for loans \$350,000.00 or less, three percent for loans between 350,000.00 and \$2,000,000.00, and one percent for loans over \$2,000,000.00. *See* SBA Procedural Notice, Control No. 5000-20091 (Feb. 8, 2021), available at [SBA Procedural Notice: Second Updated PPP Processing Fee and 1502 Reporting](#) (last accessed Sept. 17, 2021).

59. To address institutional lenders' neglecting of PPP loan applications from many small businesses -- especially minority, underserved, veteran, and women-owned businesses -- in favor of larger PPP loans, the Economic Aid Act added that lenders processing loans of up to \$50,000.00 would receive an increased fee of fifty percent or \$2,500.00, whichever is less, per PPP loan beginning December 27, 2020.

60. As a result, PPP lenders received a flat fee of \$2,500.00 for virtually every PPP loan less than \$50,000.00.

61. 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. *Id.* To apply for a PPP loan, a prospective borrower would have to submit a standardized Borrower Application Form issued by the SBA ([SBA Form 2483](#) for first time borrowers, and [SBA Form 2483-SD](#) for second draw borrowers),

together with relevant payroll documentation, to a lender. Once the lender reviewed and approved the loan application, the lender would submit the application to the SBA for approval.

62. Following SBA approval of an application, the SBA would issue a ten-digit loan identification number (known as a “GP [General Program] number”) for the borrower’s loan.

63. Provided that the borrower had executed the loan documents, the lender was required to disburse the PPP funds within ten days of SBA approval and assignment of the loan number. In particular, the SBA rule regarding PPP loan funding states, in relevant part, as follows: “The lender *must* make a one-time, full disbursement of the PPP loan within 10 calendar days of loan approval; for purposes of this rule, a loan is considered approved when the loan is assigned a loan number by the SBA.” 86 FR 3692, 3710 (emphasis added).

64. The SBA rule also provided as follows: “Notwithstanding this limitation, lenders are not responsible for delays in disbursement attributable to a borrower’s failure to timely provide required loan documentation, including a signed promissory note. Loans for which funds have not been disbursed because a borrower has not submitted required loan documentation within 20 within 20 calendar days of approval shall be cancelled by the lender.” *Id. Accord Greathouse v. Capital Plus Financial, LLC*, No. 4:22-CV-0686-P, 2023 WL 5746927, at *5 (N.D. Tex. Sept. 6, 2023) (noting that this “provision does not address whether cancellation is required if Plaintiffs filled out the documentation incorrectly or if Plaintiffs’ bank bounced the funds. Indeed, there are many possibilities where loans might remain unfunded that fall outside of this narrow statutory provision”) (“*CPF*”).

65. Although the SBA’s funding rule did not address all circumstances requiring when a loan had to be cancelled as the Court noted in *CPF*, the SBA rules required lenders to accurately report to the SBA regarding whether the PPP loan was or was not fully disbursed. *See*

86 FR 3692, 3709 (“The lender must report on SBA Form 1502 whether it has fully disbursed PPP loan proceeds.”). *See also Id.* (“In addition to providing ACH credit information to direct payment of the requested processing fee, lenders will be required to confirm that all PPP loans for which the lender is requesting a processing fee have been fully disbursed on the disbursement dates and in the loan amounts reported.”). And as detailed more fully below, the SBA’s Form 1502 reports required lenders to update those reports and ***specifically identify*** the PPP loan amounts that were and were not disbursed.

66. Lenders’ compliance with the above PPP funding requirement was of paramount importance to applicants and borrowers for reasons beyond their need to get the PPP loan proceeds in a timely manner.

67. Once the SBA approved a PPP loan and assigned it a loan number, the applicant could not apply for a PPP loan with any other lender because the applicant could not make all of the required certifications on another PPP loan application. Thus, once approved, the borrower was essentially “stuck” with the lender to whom it applied for the PPP loan, meaning that the borrower had to rely exclusively on the good faith of the lender to actually fund the loan.

68. For both first draw and second draw PPP loans, a PPP loan applicant had to certify that they had not and would not receive another first draw or second draw loan, respectively.

69. Since the lender’s obligation to fund a PPP loan ran from the date the SBA approved and assigned a loan number provided that the borrower completed and returned the loan documents, an applicant could not certify to another lender that they would not receive the first loan even if the first lender had failed to timely or otherwise (even belatedly) fund the loan.

70. Once a PPP loan was purportedly funded, the lender had ten days to submit an SBA Form 1502 to report to the SBA that the loan proceeds had been disbursed in order to qualify for payment of the loan processing fee. After the lender submitted a Form 1502 indicating that the loan was disbursed to the borrower, the SBA would initiate payment of the loan processing fee to the lender.

71. By submitting a Form 1502 to get paid the loan processing fee by the SBA, the lender represented to the SBA that the PPP loan had been fully funded. Further, the lender was required to update the SBA Form 1502 reports each month after the initial Form 1502 was filed detailing each PPP loan's status. If the lender failed to disburse the PPP loan to the borrower in whole or in part, the lender was required to report that accurately.

72. In particular, § 6 of the SBA Form 1502 states that the lender must specifically identify the “**Amt Undisbursed on Total Loan:** Of the total approved amount (100% amount), the amount that has not been disbursed by the lender as of the month ending date.” (emphasis in original). See <https://www.sba.gov/document/sba-form-1502-sba-form-1502-instructions> (last visited Jan. 7, 2024). Similarly, § 4 of the Form 1502 requires the lender to also specifically identify the status of each PPP loan, including in particular “**Status 9:** Fully Undisbursed – loan that has not had any disbursements made to the borrower. ... Report Status Code 9 and indicate the Amount Undisbursed on Total Loan, until such time that the loan is disbursed.” (emphasis in original). *Id.*

73. As alleged more fully below, all Plaintiffs were approved for their PPP loans and assigned SBA loan numbers; timely completed and returned to Prestamos all requisite loan documentation; never had their loans funded by Prestamos; and were misreported by Prestamos to the SBA as being funded so Prestamos could obtain the loan fees.

74. The PPP was also designed to make eligible PPP loans completely forgivable. According to recent PPP loan data, 93% of all PPP loans have been fully or partially forgiven, representing \$755,714,750,900. See [https://www.sba.gov/sites/default/files/2022-10/2022.10.24 Weekly%20Forgiveness%20Report Public.pdf](https://www.sba.gov/sites/default/files/2022-10/2022.10.24%20Weekly%20Forgiveness%20Report%20Public.pdf).

75. Plaintiffs and the members of the classes could not obtain forgiveness on their PPP loans because they could not represent that they had properly used PPP loan proceeds that they in fact never received from Prestamos.

76. In addition to being unfunded *and* unable to have their loans forgiven, Plaintiffs and other class members also remain bound under the PPP loan notes they and Prestamos entered into to pay back to Prestamos, *with interest*, PPP loan proceeds they never received. In particular, § 3 of the standard SBA form Note that the Plaintiffs and class members entered into with Prestamos states as follows: “If the Loan is not fully forgiven, Borrower will remain liable for the full and punctual payment and satisfaction of the remaining outstanding principal balance of the Loan plus accrued but unpaid interest.” See Exhibit A, Note at § 3 (attaching the standard form Note and accompanying loan documents between Prestamos and first-named plaintiff Marshall which also are the standard form Note and accompanying loan documents that all other Plaintiffs and class members entered into with Prestamos).

Background Concerning Defendants

77. According to its website, Prestamos purports to be “your partner in economic development, small business growth and quality job creation.” See Prestamos CDFI, available at <https://www.prestamosloans.org/> (last visited May 1, 2022). Also, according to its website, Prestamos provides loan products and consulting services that “are designed for the emerging business owner seeking funding.” *Id.*

78. Prestamos is a Community Development Financial Institution (“CDFI”). CDFIs were established as part of the Riegle Community Development and Regulatory Improvement Act of 1994. *See* What Are CDFIs, available at https://www.cdfifund.gov/sites/cdfi/files/documents/cdfi_infographic_v08a.pdf (last visited May 1, 2022). There are reportedly 1,000 CDFIs operating nationwide. *Id.*

79. Prestamos is owned by defendant CPLC. Although CPLC purports to be a domestic nonprofit corporation organized under Arizona law, it states on its website that “CPLC owns and manages mission-driven for-profit subsidiaries, whose income helps to fund our nonprofit charitable initiatives.” *See* CPLC, Who We Are, available at <https://cplc.org/about/about.php> (last visited May 1, 2022).

80. Further, as a nonprofit, CPLC is exempt from income tax provided it complies with applicable provisions of the Internal Revenue Code and regulations of the U.S. Internal Revenue Service (the “IRS”). CPLC also is obligated to file with the IRS each year a Form 990 Return of Organization Exempt From Income Tax, including a Schedule A Public Charity Status and Public Support, among other things.

81. CPLC’s 2019 Form 990 reported total revenues for the tax year beginning July 1, 2019 and ending June 30, 2020 of \$87,628,824 compared to total revenue of \$72,381,458 the prior year; states that it paid \$40,368,642 out in the period July 1, 2019 to June 30, 2020 for salaries, other compensation, and employee benefits compared to \$37,822,034 in the prior period; paid \$2,146,064 in grants and similar amounts in the period July 1, 2019 to June 30, 2020 compared to \$1,307,549 in the prior period; identified its former President and CEO, Adame, as its principal officer; and is signed by its former CFO and current CEO and President, Nunez. *See* ProPublica, Chicanos Por La Causa Inc., Form 990 for period ending June 2020, available at

https://projects.propublica.org/nonprofits/display_990/860227210/05_2021_prefixes_84-90%2F860227210_202006_990_2021051818121912 (last visited May 1, 2022).

82. Adame served as CPLC’s President and CEO until on or about October 6, 2023, when he resigned; Nunez served as CPLC’s Executive Vice President and CFO until on or about October 6, 2023, when she became CPLC’s Interim President and CEO and, on April 24, 2024, was appointed CPLC’s President and CEO; and Max Gonzales (“Gonzales”) serves as CPLC’s Executive Vice President and Strategy & Relationship Management. *See* CPLC, Leadership, available at <https://cplc.org/about/leadership.php> (last visited April 26, 2024). In addition, and at all times relevant, Adame, Gonzales and Nunez were the *sole* members of defendant Prestamos’s governing Board of Directors. *See* Prestamos CDFI, About Us, available at <https://www.prestamosloans.org/about-prestamos/> (last visited May 1, 2022). CPLC’s Board Members at large Jose Antonio Habre and Dan Hernandez also served on Prestamos’s Community Advisory Board. *Id.*

83. Further, Defendants shared not just common board of director membership but also senior executives. For example, at all times relevant CPLC’s Executive Vice President Economic Development was Jose Martinez (“Martinez”). *See* CPLC, Leadership, available at <https://cplc.org/about/leadership.php> (last visited April 26, 2024). *Accord* Jose Martinez, LinkedIn, available at <https://www.linkedin.com/in/jose-martinez-a7173b52/details/experience/> (last visited May 1, 2022). Also at all times relevant, Martinez simultaneously served as President of defendant Prestamos and actually signed in his capacity as President of Prestamos the standard “Notice – No Oral Agreements” form that accompanied the notes Plaintiffs and other SBA-approved borrowers entered into with Prestamos to obtain their PPP loan agreements.

See Exhibit A attached hereto. In fact, Martinez’s email address used in connection with Prestamos’s PPP lending was at his address at cplc.org.

84. Defendants also promoted and referred to each other and held themselves out publicly as being under common control in their websites and other publications. For example, Prestamos’ website states that “Prestamos *through its parent corporation*, Chicanos Por La Causa, Inc., has administered a variety of lending programs since 1980.” See Prestamos CDFI, About Us, available at <https://www.prestamosloans.org/about-prestamos/> (last visited May 1, 2022) (emphasis added). Similarly, in CPLC’s fiscal year 2019 – 2020 Annual Report, CPLC repeatedly referred to the two Defendants as one, stating as follows:

CPLC Prestamos is filling a critical need to help small businesses keep the lights on during COVID-19. CPLC Prestamos was formed to serve small business in low-income communities and Latino and minority-owned businesses. We provide capital to businesses that don’t have banking relationships or might not qualify for loans. During the pandemic, CPLC Prestamos is administering Paycheck Protection (PPP) loans to help small businesses keep their doors open. We ramped up our operations, serving more than 900 businesses and deploying \$26 million in capital to save almost 4,000 jobs.

See CPLC FY19-20, Annual Report, at 7, available at

<https://cplc.org/assets/files/publications/CPLC%20FY19-20%20Annual-Report.pdf> (emphasis added) (last visited May 1, 2022).

85. CPLC also reflected its control over Prestamos in CPLC’s Consolidated Financial Statements and Supplementary Information for the fiscal year July 1, 2019 – June 30, 2020 (the “Financial Statements”). For example, CPLC stated in those Financial Statements as follows: “Starting in May 2020, *the Organization* began participating in the Paycheck Protection Program. Loan origination fees associated with PPP loans are deferred and amortized through the earlier of SBA forgiveness obtained or through the term of the loan.” See ProPublica, Chicanos

Por La Causa Inc., at 18 available at

https://projects.propublica.org/nonprofits/display_audit/11175820211 (emphasis added) (last visited May 1, 2022). Similarly, while later also stating in those Financial Statements that defendant Prestamos “participated in” PPP lending, CPLC also stated in that very same paragraph regarding PPP loan processing fees that, “[a]s of June 30, 2021, *the Organization* received \$314,260,826 from SBA, \$5,086,196 was recognized as loan fee revenue and \$309,174,630 was recorded as deferred revenue.” *Id.* at 20 (emphasis added).

86. Prestamos represents on its website that, as a CDFI, it is “dedicated to helping economic growth in underserved areas by providing financing solutions to businesses and economic development projects.” See Prestamos CDFI, available at <https://www.prestamosloans.org/> (last visited May 1, 2022).

87. Since many sole proprietors’ PPP loans were in amounts less than \$10,000.00, PPP lenders like Prestamos were generating processing fees of only several hundred dollars for making those loans in 2020.

88. Pursuant to the new 2021 increased fee schedule, however, lenders like Prestamos could count on collecting a \$2,500.00 flat fee for nearly every PPP loan less than \$50,000.00.

89. Taking into consideration the incredible demand for PPP loans less than \$50,000.00 by sole proprietors, independent contractors, self-employed individuals and other underserved small businesses together with the more lucrative fee schedule, Prestamos saw an opportunity to obtain enormous amounts of lender fees by booking a high volume of PPP loans under \$50,000.00.

90. CPLC and/or Prestamos reportedly contracted with Blue Acorn PPP, LLC (and/or its affiliate FinCap, Inc. or their affiliates) (“Blueacorn”) in 2021 and potentially other third

parties to help identify borrowers to whom Prestamos could make PPP loans and assist in the PPP paperwork process.

91. Blueacorn was created in 2020.

92. Blueacorn is neither a bank nor a lender and, therefore, cannot actually make PPP loans.

93. In general, only SBA section 7(a)-approved lenders were approved to make PPP loans, together with any additional lenders determined by the Administrator of the SBA and the Secretary of the U.S. Treasury to also be qualified to make such loans. *See* 86 FED. REG. 3692 (Jan. 14, 2021), available at [Federal Register :: Business Loan Program Temporary Changes; Paycheck Protection Program as Amended by Economic Aid Act](#) (last visited May 1, 2022).

94. Accordingly, Plaintiffs and other similarly situated class member borrowers contracted with Prestamos as the lender obligated to make the PPP loans.

95. For its role in identifying potential borrowers and helping with the PPP paperwork, Blueacorn reportedly received a part of the lender's fees pursuant to a separate contractual relationship between the lender and Blueacorn. *See* Stacy Crowley & Ella Koeze, *How Two Start-Ups Reaped Billions in Fees on Small Business Relief Loans*, N.Y. Times, June 27, 2021, Updated Oct. 11, 2021, available at <https://www.nytimes.com/2021/06/27/business/ppp-relief-loans-blueacorn-womply.html> (last visited May 1, 2022). Prestamos contracted with Blueacorn for Blueacorn's services as a lender service provider ("LSP") to Prestamos for PPP lending, and PPP rules provide that Blueacorn was acting within the scope of Prestamos' authority as its LSP for PPP lending.

Defendants Exploit PPP Lending

96. At all times relevant, CPLC and its senior executives, including Adame, Gonzales and Nunez who simultaneously were also the sole members of Prestamos's Board of Directors, as well as Martinez who simultaneously served as CPLC's Executive Vice President and Prestamos' President and other CPLC executives, controlled Prestamos, including Defendants' plan for Prestamos to dramatically ramp up its PPP lending activity so that *Defendants* could be enriched thereby.

97. Defendants succeeded in that respect. In particular as noted above, Defendants exploited the increased fees to be paid by the SBA on smaller PPP loans in 2021 by reportedly having Prestamos agree to fund 494,415 PPP loans totaling over \$7.6 *billion* in loan proceeds -- more loans than any other lender, and more loans than Bank of America, PNC Bank, TD Bank and Wells Fargo *combined*. See SBA, Paycheck Protection Program (PPP) Report, Approvals through 5/31/2021, p. 7, available at https://www.sba.gov/sites/default/files/2021-06/PPP_Report_Public_210531-508.pdf (last visited May 1, 2022).

98. As a result, Prestamos reportedly generated nearly \$1.2 billion in PPP loan fees in 2021. See Stacy Crowley & Ella Koeze, *How Two Start-Ups Reaped Billions in Fees on Small Business Relief Loans*, N.Y. Times, June 27, 2021, Updated Oct. 11, 2021, available at <https://www.nytimes.com/2021/06/27/business/ppp-relief-loans-blueacorn-womply.html> (last visited May 1, 2022) ("Last year, Prestamos made \$1.3 million for its lending. This year, it will collect nearly \$1.2 billion, according to a New York Times calculation of lenders' fees based on government data.").

99. Further, according to CPLC's own Financial Statements, defendant Prestamos upstreamed to CPLC some or all of the net PPP loan processing fees Prestamos obtained. See

ProPublica, Chicanos Por La Causa Inc., Consolidated Financial Statements, p.20 Year Ended June 30, 2021, available at https://projects.propublica.org/nonprofits/display_audit/11175820211 (last visited May 2, 2022) (“As of June 30, 2021, *the Organization* received \$314,260,826 from SBA, \$5,086,196 was recognized as loan fee revenue and \$309,174,630 was recorded as deferred revenue.”) (emphasis added).

100. Even though Prestamos and not CPLC was the SBA-approved PPP lender, CPLC also blurred the distinction between it and Prestamos and referred to and touted the success of Prestamos’ PPP lending as its own in CPLC’s own website, as follows:

“In 2021, *CPLC Prestamos CDFI* was named the #1 U.S. Small Business Administration PPP lender by number of loans and the #3 lender by dollar volume with \$7.6 billion in approved loans with an average loan amount of \$15,526 serving 78% minority owned businesses.” (emphasis added);

“*CPLC Prestamos* is an award-winning Community Development Financial Institution (CDFI) ...” (emphasis added); and

“*CPLC PRESTAMOS LOAN PRODUCTS*” (emphasis added)

See *Chicanos Por La Causa, Small Business Lending*, available at

<https://cplc.org/econ/lending.php> (last visited May 1, 2022).

101. In sum, CPLC participated directly in Prestamos’ PPP lending even though Prestamos and not CPLC was the SBA-approved lender; controlled and directed Prestamos’ PPP lending activities through its common management and control and 100% ownership of Prestamos; exploited Prestamos’ status as the SBA-approved PPP lender; enriched itself by causing Prestamos to upstream to CPLC hundreds of millions of dollars in PPP loan processing fees including on the backs of Plaintiffs and other class members whose SBA-approved PPP loans Prestamos reported as funded to obtain the PPP loan processing fees but were, in fact, not funded; and, in turn, improperly enriched itself and its leadership from a federally-funded

program designed to actually help small minority, women and other business putative class member owners whose businesses were struggling amid the COVID-19 pandemic and whose mission Defendants purported to serve.

102. Adame even touted the success of the two companies' PPP lending publicly in the media, stating as follows: "'What we did together is absolutely incredible,' said David Adame, the chief executive of Chicanos Por La Causa, the parent organization of Prestamos. 'The myth that you can't serve communities of color, or underserved communities, with a technology model, at scale - we've blown that away.'" See Stacy Crowley & Ella Koeze, *How Two Start-Ups Reaped Billions in Fees on Small Business Relief Loans*, N.Y. Times, June 27, 2021, Updated Oct. 11, 2021, available at <https://www.nytimes.com/2021/06/27/business/ppp-relief-loans-blueacorn-womply.html> (last visited May 1, 2022)

**Prestamos's Participation in the
PPP Liquidity Facility**

103. To facilitate lending under the SBA's PPP, the Federal Reserve supplied liquidity to Prestamos and other participating financial institutions through term financing to be secured by the PPP loans. See Board of Governors of the Federal Reserve System, Paycheck Protection Program Liquidity Facility (PPPLF), available at <https://www.federalreserve.gov/monetarypolicy/ppplf.htm> (last visited May 1, 2022).

104. In particular, the Paycheck Protection Program Liquidity Facility ("PPPLF") was authorized under § 13(3) of the Federal Reserve Act "to facilitate lending by eligible borrowers [*i.e.*, PPP lenders] to small businesses under the [PPP]. ... Under the Facility, the Federal Reserve Banks ('Reserve Banks') will lend to eligible borrowers [*i.e.*, PPP lenders] on a non-recourse basis, taking PPP Loans as collateral." See Paycheck Protection Program Liquidity

Facility Term Sheet, available at

<https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20210625a1.pdf> (last visited May 1, 2022).

105. Further, “[a]ll lenders that are eligible to originate PPP Loans are eligible to borrow under the Facility.” *Id.*

106. For Prestamos and other qualified CDFI PPP lenders, the lending Federal Reserve Bank was the Federal Reserve Bank of Cleveland. *Id.*

107. Only SBA-guaranteed PPP loans are eligible to serve as collateral for PPPLF advances, and the principal amount advanced under the PPPLF was to be equal to the principal amount of the PPP loan pledged to secure the extension of credit. *Id.*

108. By borrowing from the PPPLF, Prestamos received PPP loan advances exclusively for the purpose of funding SBA-approved PPP loans, and Prestamos pledged those loans, in turn, as collateral to secure those PPPLF loan proceeds. The PPP provided that the funding for the PPP loans would only be advanced by the Federal Reserve after the SBA had approved the PPP loan and the PPP note and accompanying loan documents were signed. To pledge a PPP loan as collateral and request a PPPLF loan advance, Prestamos had to complete and submit a PPPLF Pledge and Advance Request form (the “Advance Request Form”). See https://www.frbdiscountwindow.org/generalpages/ppplf_historical_documentation. The Advance Request Form required Prestamos to provide information about each loan, and the PPP rules were incorporated into and a binding part of each PPP note and accompanying loan agreement documents. See 15 U.S.C. § 9008(g) (requiring PPP lenders to make loans “under the criteria, terms, and conditions” set by the SBA and other applicable rules).

109. Prestamos also repeatedly made numerous false representations confirming its agreement to fund the loans of Plaintiffs and other SBA-approved but unfunded PPP borrowers as part of the Advance Request Forms. Prestamos also obtained PPP loan processing fees by falsely representing in its Form 1502 reports to the SBA that Prestamos had funded Plaintiffs' and the other SBA-approved class member PPP loans Prestamos committed to fund but failed to fund.

110. Prestamos received billions of dollars of advances through the PPPLF as specified more fully below.

111. In fact, although the PPP application period ended on May 31, 2021 and the life cycle of a PPP loan application should only take a few business days, Prestamos continued to receive huge advances through the PPPLF between June 30, 2021 and July 30, 2021, after the deadline for processing loan applications.

112. For example, on June 30, 2021 alone, Prestamos received PPPLF cash advances of approximately \$118,743,226.

113. In particular, according to a report by the Federal Reserve to the U.S. Congress dated September 13, 2021 "PPPLF Transaction-specific Disclosures (XLSX)," Prestamos received the following specific cash advances from the PPPLF:

<u>Date of Advance</u>	<u>Amount</u>
2020-05-15	\$839,761.76
2020-05-19	\$6,047,880.04
2020-05-20	\$862,834.00
2020-05-22	\$1,156,497.62
2020-05-27	\$416,800.54
2020-05-29	\$696,356.87
2020-06-01	\$492,218.22

<u>Date of Advance</u>	<u>Amount</u>
2020-06-03	\$244,555.74
2020-06-04	\$559,762.54
2020-06-08	\$11,242.95
2020-06-08	\$559,314.27
2020-06-08	\$63,848.04
2020-06-08	\$614,343.47
2020-06-26	\$177,591.04
2020-06-26	\$221,991.60
2020-06-26	\$198,670.00
2020-06-26	\$285,888.69
2020-06-26	\$103,249.00
2020-06-26	\$348,119.55
2020-06-30	\$210,223.83
2020-07-01	\$303,478.31
2020-07-01	\$486,363.72
2020-07-01	\$829,175.81
2020-07-07	\$1,639,353.02
2020-07-09	\$1,070,316.28
2020-07-14	\$320,769.72
2020-07-14	\$320,335.47
2020-07-31	\$598,038.85
2020-07-31	\$1,585,572.39
2020-07-31	\$333,622.00
2020-08-11	\$1,027,167.09
2020-08-11	\$1,819,532.00
2020-08-11	\$256,166.50
2020-09-22	\$1,209,795.10
2020-09-23	\$47,152.00
2020-09-23	\$322,815.25
2020-09-23	\$112,162.00

<u>Date of Advance</u>	<u>Amount</u>
2020 Total	\$26,392,965.28

<u>Date of Advance</u>	<u>Amount</u>
2021-01-29	\$186,091.00
2021-02-04	\$2,706,582.04
2021-02-08	\$2,633,372.65
2021-02-09	\$2,974,669.86
2021-02-18	\$3,270,876.03
2021-02-18	\$1,405,472.00
2021-02-23	\$2,955,206.00
2021-02-26	\$2,975,445.15
2021-03-10	\$1,137,906.71
2021-03-10	\$574,411.00
2021-03-18	\$285,612.00
2021-03-18	\$1,920,037.00
2021-03-24	\$1,376,450.00
2021-03-24	\$1,394,589.00
2021-04-05	\$2,036,898.00
2021-04-14	\$1,857,735.83
2021-04-14	\$1,218,922.00
2021-04-14	\$2,080,722.00
2021-04-14	\$549,184.00
2021-04-19	\$2,781,743.00
2021-04-27	\$2,385,498.00
2021-05-05	\$542,247,559.00
2021-05-07	\$977,283,838.00
2021-05-11	\$219,875,856.00
2021-05-12	\$11,638,792.00
2021-05-12	\$15,011,946.00
2021-05-12	\$22,711,165.00
2021-05-14	\$261,721,437.00

<u>Date of Advance</u>	<u>Amount</u>
2021-05-14	\$71,807,843.00
2021-05-14	\$9,724,231.00
2021-05-14	\$5,800,825.00
2021-05-14	\$1,394,114.00
2021-05-14	\$3,236,837.00
2021-05-17	\$2,820,014.00
2021-05-17	\$2,000,798.00
2021-05-18	\$3,013,786.00
2021-05-18	\$3,094,488.00
2021-05-19	\$752,007,807.00
2021-05-20	\$24,508,694.00
2021-05-20	\$129,048,483.00
2021-05-21	\$383,962,452.00
2021-05-24	\$553,643,404.00
2021-05-26	\$287,698,867.00
2021-05-26	\$78,487,436.00
2021-05-26	\$21,918,317.00
2021-05-26	\$6,212,247.00
2021-05-26	\$8,109,147.00
2021-05-28	\$8,589,635.00
2021-05-28	\$11,371,049.00
2021-05-28	\$184,579,114.00
2021-06-02	\$25,025,683.00
2021-06-02	\$363,445,193.00
2021-06-03	\$487,925,246.00
2021-06-04	\$55,686,186.00
2021-06-08	\$278,866,006.00
2021-06-08	\$52,432,880.00
2021-06-09	\$674,168,631.00
2021-06-10	\$235,611,832.00

<u>Date of Advance</u>	<u>Amount</u>
2021-06-15	\$24,013,181.00
2021-06-15	\$8,772,946.00
2021-06-15	\$10,593,069.00
2021-06-15	\$13,035,119.00
2021-06-15	\$8,866,293.00
2021-06-17	\$13,428,841.00
2021-06-17	\$5,676,633.00
2021-06-18	\$6,658,965.00
2021-06-18	\$2,304,017.00
2021-06-18	\$2,397,599.00
2021-06-18	\$6,799,943.00
2021-06-18	\$4,549,067.00
2021-06-21	\$11,740,892.00
2021-06-22	\$5,148,262.00
2021-06-24	\$2,473,148.00
2021-06-24	\$2,672,552.00
2021-06-24	\$12,965,069.00
2021-06-24	\$41,186,983.00
2021-06-24	\$16,493,297.00
2021-06-30	\$7,453,648.00
2021-06-30	\$110,650,628.00
2021-06-30	\$638,950.00
2021-07-02	\$41,664.00
2021-07-02	\$435,987.00
2021-07-02	\$540,429.00
2021-07-07	\$329,417.00
2021-07-07	\$62,496.00
2021-07-12	\$149,699.00
2021-07-12	\$176,781.00
2021-07-14	\$7,871,678.00

<u>Date of Advance</u>	<u>Amount</u>
2021-07-29	\$20,832.00
2021-07-30	\$598,787.00
2021 Total	\$7,144,136,133.27

See Board of Governors of the Federal Reserve System, Paycheck Protection Program Liquidity Facility (PPPLF), available at <https://www.federalreserve.gov/monetarypolicy/ppplf.htm> (last visited May 1, 2022).

114. As alleged below, while Prestamos received over \$7.1 billion from the PPPLF in 2021 alone, Prestamos unjustifiably failed to disburse PPP loan funds approved by the SBA to Plaintiffs and numerous other SBA-approved borrower members of the proposed class.

115. Prestamos failed to disburse the proceeds of class member approved loans despite having actually received the unfunded PPP loan proceed advances from the PPPLF, and despite the fact that Prestamos pledged class member loans dollar-for-dollar to obtain those PPPLF advances.

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

116. When the COVID-19 pandemic began, plaintiff Marshall was, and continues to be, in the business of providing in-home healthcare in the Sacramento, California area.

117. Due to the pandemic, Marshall was not able to provide in-home care with the same frequency and, as a result, lost significant income.

118. On or about April 21, 2021, Marshall applied for a PPP loan with Prestamos. Marshall submitted all requested documentation and information, including but not limited to the standard form Note and accompanying documents that all class member borrowers similarly submitted to Prestamos.

119. Plaintiff Marshall and the other Plaintiffs and class members formed binding and enforceable agreements with Prestamos when they completed and submitted the Note and other applicable accompanying documents to Prestamos.

120. In particular, the Note also included an Additional and Correction Documents Agreement (Errors and Omissions Agreement) (the “Additional Agreement”) between Prestamos and plaintiff Marshall; a Business Purpose Statement; a Notice - No Oral Agreements bearing the signature of Prestamos’s President Martinez and plaintiff Marshall; a Written Consent of Governing Body form for Marshall to represent that she is authorized to receive the loan and on which Prestamos may rely; an IRS W-9 Request for Taxpayer Identification Number and Certification; and an Information and Bank Account Certification and Authorization form identifying the bank or other account to which Prestamos would send the funds (collectively, the “Loan Documents”). All other Plaintiffs and class members also entered into the same standard form Loan Documents with Prestamos.

121. On or about April 22, 2021, the SBA approved Marshall’s PPP loan application and assigned it a loan number (SBA Loan Number 8282208801).

122. Marshall was approved for a PPP loan in the amount of \$7,915.00.

123. The Note identified the SBA loan number and amount, defendant Prestamos as the lender and plaintiff Marshall as the borrower; set forth payment terms, potential events of default, Prestamos’s rights in the event of default, and other terms and conditions; and provided the terms for plaintiff Marshall to repay the loan to Prestamos if it was not forgiven, among other things.

124. On April 29, 2021, Marshall signed and returned the Loan Documents in order to obtain the \$7,915.00 PPP loan.

125. Despite properly and timely completing, signing and submitting the Loan Documents and multiple additional attempts to obtain the loan proceeds, Marshall never received the proceeds of her SBA-approved PPP loan.

126. Marshall also took additional, specific steps to obtain her SBA-approved loan. For example, on August 2, 2021, Marshall contacted her local SBA office about Prestamos's failure to fund her PPP loan.

127. Similarly, on August 3, 2021, Marshall emailed the SBA to again pursue funding of her PPP loan.

128. On August 3, 2021, the SBA office responded and provided Marshall with the following information about her PPP loan:

Alicia Marshall West Sacramento CA Amount \$7,915 Status Disbursed Current
Loan 82822088-01 App 29343623 Funded 04/22/2021[.]

129. Marshall also continued her attempts to collect the PPP loan proceeds directly with Prestamos. For example, on September 4, 2021, Marshall emailed Prestamos's President Martinez stating that "I was SBA approved on April 22nd 2021 and I signed a promissory note with you on April 29th 2021"; that "I understand there is a lot of fraud going on but my business is legitimate"; that "I don't understand why my loan was approved money was sent and now its cancelled"; that "I would appreciate if you can explain this to me or look into it and see what went wrong"; and that "I would hope that you being president of a rapidly growing respected business would not want any of your customers to have a negative experience dealing with your company so I have faith that you will be able to resolve this issue promptly!"

130. Although the SBA's records reported that plaintiff Marshall's PPP loan had actually been funded, Marshall never received any PPP loan proceeds despite her repeated attempts to actually get funded.

131. The SBA's record of the alleged disbursement of Marshall's loan proceeds and the purported disbursement of the PPP loan proceeds by Prestamos to all other Plaintiffs and class members was based on false data Prestamos reported to the SBA. In the case of all of the PPP loans of Plaintiffs and the members of the class, Prestamos falsely reported to the SBA that the loans were funded and obtained a loan processing fee despite the fact that the loans were not funded.

132. Thus, while Prestamos agreed to extend credit to Marshall and the other Plaintiffs and class members by identifying itself as her lender in the Note -- that is, fund their SBA-approved loan -- Prestamos never actually extended credit to them because it failed to fund their PPP loans.

133. In fact, on September 21, 2021, the SBA sent an email to plaintiff Marshall stating that she is eligible to apply "for PPP Direct Forgiveness because your lender has opted in and you have a PPP loan amount of \$150,000 or less."

134. Despite the SBA's September 21, 2021 email inviting plaintiff Marshall to apply for loan forgiveness and Marshall's repeated attempts to get funding, Marshall never received any PPP loan proceeds.

135. Having properly completed and returned all required loan documents, plaintiff Marshall and all class members were entitled to timely disbursement of their PPP loan funds.

136. Prestamos' failure to fund the loans Marshall and the class after locking them into the Loan Documents also prevented Marshall and the members of the class from pursuing their loan requests with another PPP lender.

137. Prestamos' failure to fund Marshall's SBA-approved PPP loan deprived Marshall of funds that would have directly assisted in the operation of her in-home healthcare business and resulted in lost opportunities and other consequential damages.

138. Prestamos' failure to disburse PPP loan funds to Marshall and the other Plaintiffs and members of the class after agreeing to do so, has also them obligated under the Loan Documents to repay funds to Prestamos that they never received, with interest.

139. Plaintiff Marshall and the other Plaintiffs and members of the class have also been injured in that the loan forgiveness requires affirming, under threat of criminal penalty, that PPP loan funds were used in a particular manner, and they could not so affirm the nature of the use of funds they never received.

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

140. When the COVID-19 pandemic began, plaintiff Pronsky was in the barbeque catering business.

141. Plaintiff Pronsky's barbeque catering business was in and around Reading, Pennsylvania.

142. Due to the pandemic, Pronsky's catering business lost significant income.

143. Accordingly, in or about May 2021, Pronsky also applied for a PPP loan.

144. On May 27, 2021, the SBA approved Pronsky's PPP loan application and assigned it a loan number (SBA Loan Number 4628549010).

145. Pronsky was approved for a PPP loan in the amount of \$8,332.00.

146. Also on May 27, 2021, Pronsky received the same form PPP loan promissory Note and accompanying additional Loan Documents that plaintiff Marshall had also received.

147. Additionally, on May 27, 2021, Pronsky signed and returned the Loan Documents in order to obtain the \$8,332.00 PPP loan.

148. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Pronsky never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded his loan.

149. Prestamos' failure to fund Pronsky's SBA-approved PPP loan deprived Pronsky of funds that would have assisted in the operation of his catering business and resulted in lost opportunities and other consequential damages.

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

150. When the COVID-19 pandemic began, plaintiff Townsend was in the business of making and selling hair care products in the San Bernadino, California area.

151. Due to the pandemic, Townsend's hair care business lost significant income.

152. Accordingly, on or about May 6, 2021, Townsend applied for a PPP loan.

153. Also in May 2021, the SBA approved Townsend's PPP loan application and assigned it a loan number (SBA Loan Number 4476579008).

154. Townsend was approved for a PPP loan in the amount of \$20,012.00.

155. On or about May 27, 2021, Townsend received the same form PPP loan promissory Note and accompanying additional Loan Documents that plaintiff Marshall had also received.

156. Additionally, on May 27, 2021, Townsend signed and returned the Loan Documents in order to obtain the \$20,012.00 PPP loan.

157. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Townsend never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

158. Prestamos' failure to fund Townsend's SBA-approved PPP loan deprived Townsend of funds that would have directly assisted in the operation of her hair care products business and resulted in lost opportunities and other consequential damages.

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

159. When the COVID-19 pandemic began, plaintiff Holland was in the real estate business in the Greenwich, Connecticut area.

160. Due to the pandemic, Holland's real estate business lost significant income.

161. In or about May 2021, Holland applied for a PPP loan with Prestamos. Holland submitted all requested documentation and information.

162. Also in May 2021, the SBA approved Holland's PPP loan application and assigned it a loan number (SBA Loan Number 1427199001).

163. Holland was approved for a PPP loan in the amount of \$20,832.00.

164. On May 19, 2021, Holland received the same form PPP loan promissory Note and accompanying Loan Documents that plaintiff Marshall had received.

165. Also on May 19, 2021, Holland signed and returned the Loan Documents in order to obtain the \$20,832.00 PPP loan.

166. Despite properly and timely completing, signing and submitting the Loan Documents, Holland never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

167. Prestamos failed to fund the loan despite additional steps by Holland to obtain the PPP loan proceeds. For example, Holland wrote an email to Prestamos's President Martinez on August 13, 2021 stating that "I applied in May, was approved and signed the promissory note 19 May"; that "[t]he SBA website shows my funds disbursed as of May"; and that "I am writing to you to request your assistance in this matter." Neither Prestamos nor Martinez responded to Holland's August 13 email.

168. Holland also sought the assistance of the SBA to obtain funding, and the SBA, in turn, similarly requested the assistance of Prestamos and its President Martinez. Specifically, according to a September 20, 2021 email from SBA employee John Xu to Martinez:

"Subject: Nancilee Realty Greenwich CT

Hi Jose,

Ms. Holland contacted SBA regarding her PPP. She stated that the application was approved but she did not receive the funds.

I found your name under her loan application, and the funds were disbursed currently in our system as follows.

Can you or your staff look into the case and get it back to her?

**Nancilee Realty
Greenwich CT
Amount \$20,832
Status Disbursed Client
Loan 14271990-01
App 30585546
Funded 05/13/2021."**

169. Holland still did not receive any response from Prestamos or Martinez in response to her inquiries.

170. On October 1, 2021 -- the very day this lawsuit was filed -- Holland faxed a letter to Martinez stating as follows:

“1 October, 2021

VIA FACSIMILE TO 602-[Fax no. omitted]

JOSE MARTINEZ
PRESTAMOS CDFI LLC
1024 E. Buckeye Rd #270
Phoenix, AZ 85034

RE: SBA Loan No. 1427199001

Mr. Martinez:

As evidenced by the attached documents, I was approved by the SBA for a PPP loan in May, 2020. Due to the issues outlined in the email send [sic] to you in August, I have still not received my funds. The SBA records show this payment was disbursed in May.

I have not received a response from you to my email of August 13th. Nor have you responded to the emails from Mr. Xu of the SBA. Kindly provide the courtesy of a response. I can be reached at [tel. no. omitted].

Nancilee Holland”

171. Despite Holland’s multiple additional attempts to obtain the loan proceeds, Prestamos failed to fund Holland’s SBA-approved PPP loan.

172. Prestamos’ failure to fund Holland’s SBA-approved PPP loan deprived Holland of funds that would have assisted in the operation of her real estate brokerage business and resulted in lost opportunities and other consequential damages.

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

173. When the COVID-19 pandemic began, plaintiff Owsley was in the construction business in the El Dorado Springs, Missouri area.

174. Due to the pandemic, Owsley's construction business lost significant income.

175. In or about May 2021, Owsley applied for a PPP loan with Prestamos. Owsley submitted all requested documentation and information.

176. Also in May 2021, the SBA approved Owsley's PPP loan application and assigned it a loan number (SBA Loan Number 4680379004).

177. Owsley was approved for a PPP loan in the amount of \$6,250.00.

178. On or about May 27, 2021, Owsley received the same form PPP loan promissory Note and accompanying Loan Documents that plaintiff Marshall had received.

179. On May 27, 2021, Owsley signed and returned the Loan Documents in order to obtain the \$6,250.00 PPP loan.

180. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Owsley never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it funded her loan.

181. Prestamos' failure to fund Owsley's SBA-approved PPP loan deprived Owsley of funds that would have assisted in the operation of her construction business and resulted in lost opportunities and other consequential damages.

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

182. When the COVID-19 pandemic began, plaintiff Ahmadou was in the home healthcare business in the Evanston, Illinois area.

183. Due to the pandemic, Ahmadou's construction business lost significant income.

184. In or about May 2021, Ahmadou applied for a PPP loan with Prestamos. Ahmadou submitted all requested documentation and information.

185. Also in May 2021, the SBA approved Ahmadou's PPP loan application and assigned it a loan number (SBA Loan Number 8166799007).

186. Ahmadou was approved for a PPP loan in the amount of \$20,832.00.

187. In May 2021, Ahmadou received the same form PPP loan promissory Note and accompanying Loan Documents that plaintiff Marshall had received.

188. Also in May 2021, Ahmadou signed and returned the Loan Documents in order to obtain the \$20,832.00 PPP loan.

189. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Ahmadou never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded his loan.

190. Prestamos' failure to fund Ahmadou's SBA-approved PPP loan deprived Ahmadou of funds that would have directly assisted in the operation of his home healthcare business and resulted in lost opportunities and other consequential damages.

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

191. When the COVID-19 pandemic began, plaintiff Dervin was in the janitorial business in the Lynwood, Washington area.

192. Due to the pandemic, Dervin's janitorial business lost significant income.

193. In or about May 2021, Dervin applied for a PPP loan with Prestamos. Dervin submitted all requested documentation and information.

194. On or about May 14, 2021, the SBA approved Dervin's PPP loan application and assigned it a loan number (SBA Loan Number 1895529005).

195. Dervin was approved for a PPP loan in the amount of \$8,385.00.

196. On May 19, 2021, Dervin received the same form PPP loan promissory Note and accompanying Loan Documents that plaintiff Marshall had received.

197. Also on May 19 2021, Dervin signed and returned the Loan Documents in order to obtain the \$8,385.00 PPP loan.

198. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Dervin never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

199. Prestamos' failure to fund Dervin's SBA-approved PPP loan deprived Dervin of funds that would have directly assisted in the operation of her janitorial business and resulted in lost opportunities and other consequential damages.

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

200. When the COVID-19 pandemic began, plaintiff Henderson was in the women's clothing business in the Macomb, Michigan area.

201. Due to the pandemic, Henderson's women's clothing business lost significant income.

202. In or about April 2021, Henderson applied for a PPP loan with Prestamos. Henderson submitted all requested documentation and information.

203. On or about April 22, 2021, the SBA approved Henderson's PPP loan application and assigned it a loan number (SBA Loan Number 8614908807).

204. Henderson was approved for a PPP loan in the amount of \$1,875.00.

205. On April 29, 2021, Henderson received the same form PPP loan promissory Note and accompanying Loan Documents that plaintiff Marshall had received.

206. Also on April 29, 2021, Henderson signed and returned the Loan Documents in order to obtain the \$1,875.00 PPP loan.

207. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Henderson never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

208. Prestamos' failure to fund Henderson's SBA-approved PPP loan deprived Henderson of funds that would have directly assisted in the operation of her clothing business and resulted in lost opportunities and other consequential damages.

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

209. When the COVID-19 pandemic began, plaintiff Innis was in the carpet and upholstery cleaning business in the Las Vegas, Nevada area.

210. Due to the pandemic, Innis' carpet and upholstery cleaning business lost significant income.

211. In May 2021, Innis applied for a PPP loan with Prestamos. Innis submitted all requested documentation and information.

212. Also in May 2021, the SBA approved Innis' PPP loan application and assigned it a loan number (SBA Loan Number 8207338903).

213. Innis was approved for a PPP loan in the amount of \$10,625.00.

214. On May 26, 2021, Innis received the same form PPP loan promissory Note and accompanying Loan Documents that plaintiff Marshall had received.

215. Also on May 26, 2021, Innis signed and returned the Loan Documents in order to obtain the \$10,625.00 PPP loan.

216. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Innis never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded his loan.

217. Prestamos failed to fund Innis' PPP loan despite Innis' repeated additional attempts to try to get his SBA-approved PPP loan actually funded. For example, in an October 1, 2021 email to Litza Menendez ("Menendez"), Loan Servicing Specialist for Prestamos and its parent CPLC, Innis stated as follows:

"hi so what's the word!? I'm getting emails from the SBA now about applying for loan forgiveness. I remember you telling me you will probably have to send me a prepaid card."

218. Further, in another email to Menendez on October 12, 2021, Innis stated as follows (emphasis in original):

“Hello Litza, I’m writing you to give you one more chance to disperse my money before I file a lawsuit against you. The SBA website is CURRENT!!! I just got off the phone with them and was told IT IS CURRENT and that my funds are in someone’s BANK ACCOUNT THAT ISN’T MINE IF YOU THINK IM GOING TO JUST LIE DOWN AND LET THIS HAPPEN LIKE EVERYONE ELSE U ARE HIGHLY MISTAKEN..... I knew I wasn’t stupid and did my research before even contacting you and that your statements were FALSE..... once again the SBA website IS CURRENT AND SHOWS ME STILL FUNDED AND THAT MONEY IS IN SOMEONES BANK ACCOUNT NOT AFFILIATED WITH ME OR BLUE ACORN OR PRESTAMOS..... DO THE RIGHT THING[.]”

219. Despite even these additional attempts, Prestamos failed to fund Innis’ loan.

220. Prestamos’ failure to fund Innis’s SBA-approved PPP loan deprived Innis of funds that would have directly assisted in the operation of his carpet and upholstery cleaning business and resulted in lost opportunities and other consequential damages.

**Prestamos’ Failure to Fund
Plaintiff Stalnaker’s PPP Loan**

221. When the COVID-19 pandemic began, plaintiff Stalnaker was in the homemaker/personal care provider business in the Ravenna, Ohio area, where she continued to reside at all applicable times.

222. Due to the pandemic, Stalnaker’s homemaker/personal care provider business lost significant income.

223. In or about April 2021, Stalnaker applied for a PPP loan with Prestamos. Stalnaker submitted all requested documentation and information.

224. Also in April 2021, the SBA approved Stalnaker’s PPP loan application and assigned it a loan number (SBA Loan Number 1641908909).

225. Stalnaker was approved for a PPP loan in the amount of \$9,052.00.

226. On April 29, 2021, Stalnaker received the same form PPP loan promissory Note and accompanying Loan Documents that plaintiff Marshall had received.

227. Also on April 29, 2021, Stalnaker signed and returned the Loan Documents in order to obtain the \$9,052.00 PPP loan.

228. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Stalnaker never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

229. Prestamos' failure to fund Stalnaker's SBA-approved PPP loan deprived Stalnaker of funds that would have directly assisted in the operation of her homemaker/personal care provider business and resulted in lost opportunities and other consequential damages.

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

230. When the COVID-19 pandemic began, plaintiff Jones was in the delivery service business in the Golden Valley, Arizona area.

231. Due to the pandemic, Jones' delivery service lost significant income.

232. In or about May 2021, Jones applied for a PPP loan with Prestamos. Jones submitted all requested documentation and information.

233. Also in May 2021, the SBA approved Jones' PPP loan application and assigned it a loan number (SBA Loan Number 8899718910).

234. Jones was approved for a PPP loan in the amount of \$4,130.00.

235. On or about May 30, 2021, Jones received the same form PPP loan promissory Note and accompanying Loan Documents that plaintiff Marshall had received.

236. Also on May 30, 2021, Jones signed and returned the Loan Documents in order to obtain the \$4,130.00 PPP loan.

237. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Jones never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

238. In fact, on October 14, 2021 and again on November 2, 2021, the SBA sent emails to plaintiff Jones stating that she is “eligible for PPP Direct Forgiveness because your lender has opted in any you have a PPP loan amount of \$150,000 OR LESS.”

239. Despite the SBA’s October 14, 2021 and November 2, 2021 emails inviting plaintiff Jones to apply for loan forgiveness, plaintiff Jones never received any PPP loan proceeds.

240. As Jones summarized in a complaint she filed with the BBB on November 4, 2021:

“I filed and was approved for a PPP loan on April 25th 2021 for the amount of \$4130 waited a month started sending emails with no responses besides the automated ticket creation and a few emails stating that the support email was no longer active then received loan documents on May 26, 2021 it has been non-stop back and forth with no actual responses or funding received and now I’m receiving emails from the SBA to file for forgiveness on a loan I never received”

241. Prestamos’ failure to fund Jones’ SBA-approved PPP loan deprived Jones of funds that would have directly assisted in the operation of her delivery service business and resulted in lost opportunities and other consequential damages.

**Prestamos' Failure to Fund
Plaintiff Drevnak's PPP Loan**

242. When the COVID-19 pandemic began, plaintiff Drevnak was in the business of providing housekeeping services in the Colorado Springs, Colorado area.

243. Due to the pandemic, Drevnak was not able to provide in-home housekeeping services with the same frequency and, as a result, lost significant income.

244. In or about May 2021, Drevnak applied for a PPP loan with Prestamos. Drevnak submitted all requested documentation and information, including the same standard form Note and accompanying Loan Documents that plaintiff Marshall received.

245. On or about May 13, 2021, the SBA approved Drevnak's PPP loan application and assigned it a loan number (SBA Loan Number 1842619004). *See* <https://www.federalpay.org/paycheck-protection-program/georgina-drevnak-colorado-springs-co> (last visited May 22, 2023).

246. Drevnak was approved for a PPP loan in the amount of \$1,250.00.

247. On or about May 19, 2021, Drevnak signed and returned the Loan Documents in order to obtain the \$1,250.00 PPP loan.

248. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation and additional attempts to obtain the loan proceeds, Drevnak never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

249. Although the SBA's records reported that plaintiff Drevnak's PPP loan had actually been funded based on false report from Prestamos, Drevnak never received any PPP loan proceeds despite her additional attempts to actually get her PPP loan funded.

250. The SBA’s record of the alleged disbursement of Drevnak’s PPP loan proceeds was based on false data Prestamos provided to the SBA. See <https://www.federalpay.org/paycheck-protection-program/georgina-drevnak-colorado-springs-co> (last visited May 22, 2023).

251. Prestamos’ failure to fund Drevnak’s SBA-approved PPP loan deprived Drevnak of funds that would have directly assisted in the operation of her housekeeping business and resulted in lost opportunities and other consequential damages.

252. Prestamos’ failure to disburse PPP loan funds to plaintiff Drevnak, the other Plaintiffs and the members of the class have also left them obligated by way of the parties’ contractual agreements set forth in the Loan Documents to repay funds they never received, *with interest*, as noted above. See attached Exhibit A at § 3.

253. In fact, Prestamos has improperly sought to collect repayment of Drevnak’s \$1,250 PPP loan, plus interest, despite never funding that loan for Drevnak in the first place. In particular, Drevnak received a statement dated February 1, 2023 from Prestamos identifying the \$1,250 principal amount of the loan; stating that 1% interest was also being charged which is the interest amount set forth in the parties’ Loan Documents; that \$118.44 was then past due; that \$29.61 was the total then current due; and that \$148.05 was the total amount then due.

254. Drevnak also received an email from Defendants on Saturday February 18, 2023 at 8:36 am from an email address of defendant CPLC bearing the tax exempt suffix “.org” -- specifically “pppservicing@cplc.org” -- stating that “[t]he Principal and Interest payments showing in your attached statement need to be paid to avoid the loan from entering into default”; that, again blurring the distinction between CPLC and Prestamos, “[y]ou will need to email PPP@cplc.org to obtain any information regarding your PPP loan”; that “[i]f your loan goes into

default, your business will be placed on the government CAIVRS list and will not be able to receive any sort of government assistance or a government backed loan in the future”; and that “[y]ou can apply for forgiveness at any time during your business’s PPP term, but you will need to continue making Principal and Interest payments to stay current with your loan.”

255. Defendants’ representations concerning forgiveness were also false. In truth, Drevnak could not and cannot properly apply for forgiveness because she cannot represent that she used her PPP loan for proper purposes under the PPP since she never received her PPP loan proceeds in the first place.

256. Plaintiff Drevnak and the other Plaintiffs and members of the class have also been injured in that the loan forgiveness requires affirming, under threat of criminal penalty, that PPP loan funds were used in a particular manner and they could not so affirm the nature of the use of funds they never received.

257. Plaintiff Drevnak is disabled and has separately qualified for and been receiving and substantially relying for her subsistence on Supplemental Security Income (“SSI”) from the U.S. Social Security Administration. Fearful that she would lose her SSI, Drevnak with the assistance of her daughter (who formerly served with the U.S. Special Forces) repeatedly attempted to contact Defendants but failed to have Defendants stop seeking repayment of the PPP loan and otherwise damage Drevnak’s credit or jeopardize her continued eligibility to receive SSI.

258. To the contrary, Defendants subsequently continued in their efforts to collect from Drevnak repayment of the PPP loan principal plus interest and actually declared her to be in default. In an email on February 28, 2023 again from the email address “pppservicing@cplc.org” with the subject “**DEMAND LETTER**” (original emphasis), Defendants stated as follows:

“NOTICE IS HEREBY GIVEN that 1842619004 (‘Borrower’) under and pursuant to the terms of those Promissory Notes, between borrower and Prestamos CDFI, LLC (Prestamos) dated 5/19/2021 (‘Loan Documents’) in the original amounts [sic] of \$1,250.00”; “The following terms of the Loan Documents have been violated and are Events of Default under the Loan Documents: 1. Loan Agreement: Nonpayment of any installment of principal of [sic] interest when due; or 2. Note: the Borrower’s failure to make any payments when due under this Note, which continues for a period of ten (10) days after such due date”; that \$1,271.60 was the total amount then due; that Drevnak must “remit the Total amount due by 03/06/2023”; that “[i]f this amount is not received, Prestamos will take whatever actions it deems necessary to protect its capital”; and that “[t]he defaults specified in this letter do not in any way waive Prestamos’ right to declare any other or additional defaults, which may exist as of, or after, the date of this letter.”

**Prestamos’ Failure to Fund
Plaintiff Martin’s PPP Loan**

259. When the COVID-19 pandemic began, plaintiff Martin operated a driving service in the Midvale, Utah area.

260. Due to the pandemic, Martin’s driving business lost significant income.

261. Accordingly, in or about May 2021, Martin also applied for a PPP loan.

262. On or about May 13, 2021, the SBA approved Martin’s PPP loan application and assigned it a loan number (SBA Loan Number 1721969008).

263. Martin was approved for a PPP loan in the amount of \$10,865.00.

264. On or about May 19, 2021, Martin received the same form PPP loan promissory Note and accompanying additional Loan Documents that all Plaintiffs also received.

265. Additionally, on or about May 19, 2021, Martin signed and returned the Loan Documents in order to obtain the \$10,865.00 PPP loan.

266. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Martin never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded his loan.

267. Prestamos's failure to fund the SBA-approved loans of plaintiff Martin and the class after locking them into the Loan Documents also prevented plaintiff Martin and the other Plaintiffs and members of the class from pursuing their loan requests with another PPP lender.

268. Although the SBA's records reported that plaintiff Martin's PPP loan had actually been funded, Martin never received any PPP loan proceeds despite his attempts to actually get his PPP loan funded.

269. The SBA's record of the alleged disbursement of Martin's PPP loan proceeds was based on false data Prestamos provided to the SBA. See <https://www.federalpay.org/paycheck-protection-program/john-martin-midvale-ut> (last visited May 23, 2023).

270. Prestamos' failure to fund Martin's SBA-approved PPP loan deprived Martin of funds that would have assisted in the operation of his driving business and resulted in lost opportunities and other consequential damages.

271. Prestamos' failure to disburse PPP loan funds to plaintiff Martin and the other Plaintiffs and members of the class after agreeing to do so has also left them obligated under the Loan Documents to repay funds to Prestamos they never received in the first place, *with interest*.

**Prestamos' Failure to Fund
Plaintiff Beattie's PPP Loan**

272. When the COVID-19 pandemic began, plaintiff Beattie was in the construction business in the Fort Worth, Texas area.

273. Due to the pandemic, Beattie's construction business lost significant income.

274. In or about April 2021, Beattie applied for a PPP loan with Prestamos. Beattie submitted all requested documentation and information.

275. On or about April 23, 2021, the SBA approved Beattie's PPP loan application and assigned it a loan number (SBA Loan Number 8377238802).

276. Beattie was approved for a PPP loan in the amount of \$20,832.00.

277. On or about April 30, 2021, Beattie received the same form PPP loan promissory Note and accompanying Loan Documents that all Plaintiffs also received.

278. Also on or about April 30, 2021, Beattie signed and returned the Loan Documents in order to obtain the \$20,832.00 PPP loan.

279. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Beattie never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded his loan.

280. Although the SBA's records reported that plaintiff Beattie's PPP loan had actually been funded, Beattie never received any PPP loan proceeds despite his attempts to actually get his PPP loan funded.

281. The SBA's record of the alleged disbursement of Beattie's PPP loan proceeds was based on false data Prestamos provided to the SBA. See <https://www.sba.com/ppp-funded-companies/texas/ezra-beattie-12167154> (last visited May 23, 2023).

282. Prestamos' failure to fund Beattie's SBA-approved PPP loan deprived Beattie of funds that would have directly assisted in the operation of his construction business and resulted in lost opportunities and other consequential damages.

283. Prestamos' failure to disburse PPP loan funds to plaintiff Beattie and the other Plaintiffs and members of the class after agreeing to do so has also left them obligated under the Loan Documents to repay funds to Prestamos they never received in the first place, *with interest*.

**Prestamos' Failure to Fund
Plaintiff Lloyd's PPP Loan**

284. When the COVID-19 pandemic began, plaintiff Lloyd was in the computer service business in the Houston, Texas area.

285. Due to the pandemic, Lloyd's computer service business lost significant income.

286. In or about May 2021, Lloyd applied for a PPP loan with Prestamos. Lloyd submitted all requested documentation and information.

287. On or about May 20, 2021, the SBA approved Lloyd's PPP loan application and assigned it a loan number (SBA Loan Number 4538249010).

288. Lloyd was approved for a PPP loan in the amount of \$20,832.00.

289. On or about May 31, 2021, Lloyd received the same form PPP loan promissory Note and accompanying Loan Documents that all Plaintiffs also received.

290. On or about May 31, 2021, Lloyd signed and returned the Loan Documents in order to obtain the \$20,832.00 PPP loan.

291. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Lloyd never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded his loan.

292. Although the SBA's records reported that plaintiff Lloyd's PPP loan had actually been funded, Lloyd never received any PPP loan proceeds despite his attempts to actually get his PPP loan funded.

293. The SBA's record of the alleged disbursement of Lloyd's PPP loan proceeds was based on false data Prestamos provided to the SBA. See <https://www.federalpay.org/paycheck-protection-program/gregory-lloyd-houston-tx> (last visited May 23, 2023).

294. Prestamos' failure to fund Lloyd's SBA-approved PPP loan deprived Lloyd of funds that would have assisted in the operation of his computer services business and resulted in lost opportunities and other consequential damages.

295. Prestamos' failure to disburse PPP loan funds to all Plaintiffs and class members after agreeing to do so, has left them also *both* unable to obtain loan forgiveness as the PPP was designed to do and in fact did concerning a large number of borrowers, *and* obligated under the Loan Documents to repay funds to Prestamos that they never received, *with interest*.

296. In fact, and as is the case with plaintiff Drevnak, defendant Prestamos has also improperly sought to collect repayment of plaintiff Lloyd's \$20,832.00 PPP loan, plus interest, despite Prestamos' failure to fund that loan in the first place.

297. In particular, plaintiff Lloyd also received a statement dated February 1, 2023 from Prestamos identifying the \$20,832.00 principal amount of the loan; stating that 1% interest was also being charged which is the interest amount set forth in the parties' Loan Documents; that \$1,973.60 was then past due; that \$493.40 was the then total currently due; and that \$2,467.00 was the then total amount due.

298. Also like Drevnak, Lloyd also received the same form email from Defendants the same Saturday, February 18, 2023, from the email address "pppservicing@cplc.org" stating that "[t]he Principal and Interest payments showing in your attached statement need to be paid to avoid the loan from entering into default"; that, again blurring the distinction between CPLC and Prestamos, "[y]ou will need to email PPP@cplc.org to obtain any information regarding your

PPP loan”; that “[i]f your loan goes into default, your business will be placed on the government CAIVRS list and will not be able to receive any sort of government assistance or a government backed loan in the future”; and that “[y]ou can apply for forgiveness at any time during your business’s PPP term, but you will need to continue making Principal and Interest payments to stay current with your loan.”

299. Once again, Prestamos’ representations concerning loan forgiveness were also false. In truth, Lloyd could not and cannot properly apply for forgiveness because he cannot represent that he used his PPP loan for proper purposes under the PPP since he never received his PPP loan proceeds in the first place.

300. Plaintiff Lloyd and all Plaintiffs and class members have also been injured in that the loan forgiveness requires affirming, under threat of criminal penalty, that PPP loan funds were properly used as the PPP intended, and Plaintiffs and class members cannot so affirm since Prestamos failed to disburse the loan proceeds to them at all.

**Prestamos’ Failure to Fund
Plaintiff Johnson’s PPP Loan**

301. When the COVID-19 pandemic began, plaintiff Johnson was in the homecare business in the Merrillville, Indiana area.

302. Due to the pandemic, Johnson’s homecare business lost significant income.

303. In or about May 2021, Johnson applied for a PPP loan with Prestamos. Johnson submitted all requested documentation and information.

304. Also in May 2021, the SBA approved Johnson’s PPP loan application and assigned it a loan number.

305. Johnson was approved for a PPP loan in the amount of \$20,832.00.

306. On or about May 27, 2021, Johnson received the same form PPP loan promissory Note and accompanying Loan Documents that all Plaintiffs also received.

307. Also on or about May 27, 2021, Johnson signed and returned the Loan Documents in order to obtain the \$20,832.00 PPP loan.

308. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Johnson never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

309. Prestamos' failure to fund the SBA-approved loans of plaintiff Johnson and the other Plaintiffs and members of the class after locking them into the Loan Documents and failing to properly fund the loans also prevented Plaintiffs and the members of the class from pursuing their loan requests with another PPP lender.

310. Although the SBA's records reported that plaintiff Johnson's PPP loan had actually been funded, Johnson never received any PPP loan proceeds despite her attempts to actually get her PPP loan funded.

311. The SBA's record of the alleged disbursement of Johnson's PPP loan proceeds was based on false data Prestamos provided to the SBA. *See* <https://www.federalpay.org/paycheck-protection-program/alisha-johnson-hammond-in> (last visited May 30, 2023).

312. Prestamos' failure to fund Johnson's SBA-approved PPP loan deprived Johnson of funds that would have assisted in the operation of her homecare business and resulted in lost opportunities and other consequential damages.

**Prestamos' Failure to Fund
Plaintiff Marvel's PPP Loan**

313. When the COVID-19 pandemic began, plaintiff Marvel was in the cosmetics business in the Natchez, Mississippi area.

314. Due to the pandemic, Marvel's cosmetics business lost significant income.

315. In or about May 2021, Marvel applied for a PPP loan with Prestamos. Marvel submitted all requested documentation and information.

316. Also in May 2021, the SBA approved Marvell's PPP loan application and assigned it a loan number.

317. Marvell was approved for a PPP loan in the amount of \$19,020.00.

318. On or about May 13, 2021, Marvel received the same form PPP loan promissory Note and accompanying Loan Documents that all Plaintiffs also received.

319. Also on or about May 13, 2021, Marvel signed and returned the Loan Documents in order to obtain the \$19,020.00 PPP loan.

320. Despite properly and timely completing, signing and submitting the Loan Documents and all other required loan documentation, Marvel never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it funded her loan.

321. Prestamos' failure to fund the SBA-approved loans of plaintiff Marvel and the other Plaintiffs and members of the class after locking them into the Loan Documents and failing to properly fund the loans also prevented plaintiff Marvel and the members of the class from pursuing their loan requests with another PPP lender.

322. Although the SBA's records reported that plaintiff Marvel's PPP loan had actually been funded, Marvel never received any PPP loan proceeds despite her attempts to actually get her PPP loan funded. The additional follow-up attempts that Marvel unsuccessfully took to get her PPP loan funded included numerous attempts to call, email and text Prestamos among other things.

323. The SBA's record of the alleged disbursement of Marvel's PPP loan proceeds was based on false data Prestamos provided to the SBA. See <https://www.federalpay.org/paycheck-protection-program/lametria-marvel-natchez-ms> (last visited July 18, 2023).

324. Prestamos' failure to fund Marvel's SBA-approved PPP loan deprived Marvel of funds that would have assisted in the operation of her cosmetics business and resulted in lost opportunities and other consequential damages.

325. Prestamos' failure to disburse PPP loan funds to Plaintiffs and class members after agreeing to do so, has also left them unable to obtain forgiveness of the loan proceeds as the PPP was designed to do and in fact did concerning a large number of borrowers, *and* also obligated under the Loan Documents to repay funds to Prestamos that they never received, *with interest*.

**Prestamos' Failure to Fund
Plaintiff Grichar's PPP Loan**

326. When the COVID-19 pandemic began, plaintiff Grichar was in the driving business in the Stigler, Oklahoma area.

327. Due to the pandemic, Grichar's driving service business lost significant income.

328. In or about May 2021, Grichar applied for a PPP loan with Prestamos. Grichar submitted all requested documentation and information.

329. Also in May 2021, the SBA approved Grichar's PPP loan application and assigned it a number.

330. Grichar was approved for a PPP loan in the amount of \$5,207.00.

331. On or about May 22, 2021, Grichar received the same form PPP loan promissory Note and accompanying Loan Documents that all Plaintiffs also received.

332. Also on or about May 22, 2021, Grichar signed and returned the Loan Documents in order to obtain the \$5,207.00 PPP loan. See <https://www.federalpay.org/paycheck-protection-program/guy-grichar-stigler-ok>.

333. Despite properly and timely completing and submitting the Loan Documents and all other required loan documentation, Grichar never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

334. Prestamos' failure to fund the SBA-approved loans of plaintiff Grichar and the other Plaintiffs and members of the class after locking them into the Loan Documents and failing to properly fund the loans also prevented plaintiff Grichar and the members of the class from pursuing their loan requests with another PPP lender.

335. Although the SBA's records reported that plaintiff Grichar's PPP loan had actually been funded and "Paid in Full or Forgiven" Grichar never received any PPP loan proceeds despite his attempts to actually get his PPP loan funded. See <https://www.federalpay.org/paycheck-protection-program/guy-grichar-stigler-ok>.

336. The SBA's record of the alleged disbursement of Grichar's PPP loan proceeds was based on false data Prestamos provided to the SBA.

337. Prestamos' failure to fund Grichar's SBA-approved PPP loan deprived Grichar of funds that would have assisted in the operation of his driving service and resulted in lost opportunities and other consequential damages.

**Prestamos' Failure to Fund
Plaintiff Horne's PPP Loan**

338. When the COVID-19 pandemic began, plaintiff Horne operated a music business.

339. Due to the pandemic, Horne's business lost significant income.

340. In or about May 2021, Horne applied for a PPP loan with Prestamos. Horne submitted all requested documentation and information.

341. Also in May 2021, the SBA approved Horne's PPP loan application and assigned it a number (SBA Loan Number 8943108902).

342. Horne was approved for a PPP loan in the amount of \$14,165.00.

343. On or about May 28, 2021, Horne received the same form PPP loan promissory Note and accompanying Loan Documents that all Plaintiffs also received.

344. Also on or about May 28, 2021, Horne signed and returned the Loan Documents in order to obtain the \$14,165.00 PPP loan.

345. Despite properly and timely completing and submitting the Loan Documents and all other required loan documentation, Horne never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded his loan.

346. Prestamos' failure to fund the SBA-approved loans of plaintiff Horne and the other Plaintiffs and members of the class after locking them into the Loan Documents and failing to properly fund the loans also prevented plaintiff Horne and the members of the class from pursuing their loan requests with another PPP lender.

347. Although the SBA's records reported that plaintiff Horne's PPP loan had actually been funded based on false data from Prestamos, Horne never received any PPP loan proceeds despite his attempts to actually get his PPP loan funded.

348. Prestamos' failure to fund Horne's SBA-approved PPP loan deprived Horne of funds that would have assisted in the operation of his music business and resulted in lost opportunities and other consequential damages.

Prestamos' Failure to Fund Plaintiff Etuknwa's PPP Loan

349. When the COVID-19 pandemic began, plaintiff Etuknwa operated a used car business.

350. Due to the pandemic, Etuknwa's business lost significant income.

351. In or about May 2021, Etuknwa applied for a PPP loan with Prestamos. Etuknwa submitted all requested documentation and information.

352. Also in May 2021, the SBA approved Etuknwa's PPP loan application and assigned it a number (SBA Loan Number 1166909110).

353. Etuknwa was approved for a PPP loan in the amount of \$20,832.00.

354. Also in or about May 2021, Etuknwa received the same form PPP loan promissory Note and accompanying Loan Documents that all Plaintiffs also received.

355. Also in May 2021, Etuknwa signed and returned the Loan Documents in order to obtain the \$20,832.00 PPP loan.

356. Despite properly and timely completing and submitting the Loan Documents and all other required loan documentation, Etuknwa never received the proceeds of his SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded his loan.

357. Prestamos' failure to fund the SBA-approved loans of plaintiff Etuknwa and the other Plaintiffs and members of the class after locking them into the Loan Documents and failing to properly fund the loans also prevented plaintiff Etuknwa and the members of the class from pursuing their loan requests with another PPP lender.

358. Although the SBA's records reported that plaintiff Etuknwa's PPP loan had actually been funded based on false data from Prestamos, Etuknwa never received any PPP loan proceeds despite his attempts to actually get his PPP loan funded.

359. Prestamos' failure to fund Etuknwa's SBA-approved PPP loan deprived him of funds that would have assisted in the operation of his used car business and resulted in lost opportunities and other consequential damages.

**Prestamos' Failure to Fund
Plaintiff Bradley Smith's PPP Loan**

360. When the COVID-19 pandemic began, plaintiff Smith operated a food catering business.

361. Due to the pandemic, Smith's business lost significant income.

362. In or about May 2021, Smith applied for a PPP loan with Prestamos. Smith submitted all requested documentation and information.

363. Also in May 2021, the SBA approved Smith's PPP loan application and assigned it a number (SBA Loan Number 8672599009).

364. Smith was approved for a PPP loan in the amount of \$12,500.00.

365. Also in or about May 2021, Smith received the same form PPP loan promissory Note and accompanying Loan Documents that all Plaintiffs also received.

366. Also in or about May 2021, Smith signed and returned the Loan Documents in order to obtain the \$12,500.00 PPP loan.

367. Despite properly and timely completing and submitting the Loan Documents and all other required loan documentation, Smith never received the proceeds of her SBA-approved PPP loan although Prestamos falsely reported to the SBA that it had funded her loan.

368. Prestamos' failure to fund the SBA-approved loans of plaintiff Smith and the other Plaintiffs and members of the class after locking them into the Loan Documents and failing to properly fund the loans also prevented plaintiff Smith and the members of the class from pursuing their loan requests with another PPP lender.

369. Although the SBA's records reported that plaintiff Smith's PPP loan had actually been funded, Smith never received any PPP loan proceeds despite her attempts to actually get her PPP loan funded.

370. Prestamos' failure to fund Smith's SBA-approved PPP loan deprived Smith of funds that would have assisted in the operation of her food catering business and resulted in lost opportunities and other consequential damages.

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

371. Numerous other similarly situated borrowers have been damaged by Prestamos' failure to fund their SBA-approved PPP loans and have complained about their experiences to the BBB and via social media sites.

372. For example, the BBB's website identifies a number of complaints against Prestamos:¹

- a. "I was notified on June 2, 2021 that my loan would be funded by Prestamos CDFI, LLC within 3-6 business days. ... I have never been funded." (August 2, 2021 post);

¹ Emphasis is in the original in this Complaint unless otherwise noted or the context otherwise requires.

- b. “I was approved a PPP loan in May and SBA has [it] that the loan was disbursed ... in May and I haven’t received a dime, cannot reach anyone via phone and all emails take me around in circles.” (July 12, 2021 post);
- c. “I was later texted approval for funding on 6/3/2021. Since then I have not received the funds. When I check online support it says DENIED. I am frustrated as to what is going on? I reached out to support online email and text but no change in status. When I checked public records online it says my name address and funding amount as if I have been funded already. Please help!” (July 12, 2021) (emphasis in original);
- d. “Its been over 25+ business days since date of signing loan docs. ... On the sba ppp website (capital access financial system) [it says] that my funds HAVE been dispersed [sic] by Prestamos CDFI, LLC which isn’t true because I definitely don’t have the funds. Since Prestamos CDFI, LLC is my lender I hold them responsible.” (July 9, 2021) (emphasis in original);
- e. Prestamos “works with Blueacorn and actually is the lender who signed off on the loan that was meant for me for PPP. ... They keep saying Blueacorn is the company that has your money despite my having entered into a contract with Prestamos. They are continuing to accrue interest for over a month now that I owe on money I never received.” (July 7, 2021);
- f. Prestamos “is extremely I mean extremely hard to get in contact with. ... I’ve called EVERY number on their site and have gotten in contact with no one.” (July 6, 2021) (emphasis in original); and
- g. “I applied for the *** PPP Loan online with BlueAcorn (lender servicing provider) in May 2021. *** approved by PPP Loan on May 26, 2021 and Prestamos CDFI, LLC is the lender and my loan should have been disbursed within 10 days of my *** approval date or 20 days the latest. It has been more than 1 month and I have not received my funds. I sent multiple emails to Prestamos and also left voicemail messages within the past 2 weeks, but Prestamos has not responded at all. My loan status is active but not fully disbursed according to the ProPublicas online information which claimed to come from ***. I will not be responsible to pay back a loan I never received. I have not canceled my loan either and need it desperately for my business and to support my 2 sons.” (July 2, 2021).

See BBB, Prestamos CDFI LLC, available at [Prestamos CDFI LLC | Complaints | Better Business Bureau® Profile \(bbb.org\)](#) (last visited May 1, 2022).

373. Similarly, according to complaints posted publicly on the Internet:

- a. “WHERE IS OUR MONEY!??????? ALL THE OBSTACLES & HOOPS SOMEONE NEEDS TO BE ACCOUNTABLE SINCE APRIL WAITING ON WHAT NOW!!!?BLUEACORN & PRESTAMOS HAVE BROKEN THEIR PROMISES!!!! WE NEED A RESPONSE NOW.” (August 8, 2021) Available at https://www.reddit.com/r/BlueAcornPrestamos/comments/p1eyr2/where_is_our_money_all_the_obstacles_hoops/;
- b. “I’m pissed I signed 5/27 and still nothing no emails no nothing I call prestamos they say call blue acorn I call them they say the same shit somebody help me before I lose my entire business please!” (July 2, 2021) Available at https://www.reddit.com/r/BlueAcornPrestamos/comments/occrqy/im_pissed_i_signed_527_and_still_nothing_no/;
- c. “I GOT EVERYTHING, SIGNED AND WAS WAITING FOR MY DISBURSEMENT. LAST NIGHT I RECEIVED AN EMAIL & TEXT SAYING THAT MY ID WAS BLURRY AND MY IDENTITY NEEDED TO BE VERIFIED. I DID ALL THAT (AFTER OVER A HOUR OF CRASHING) JUST TO HAVE MY BA STATUS START BACK AT STAGE 1 AND NOW I AM NOT IN FUNDING STATUS ANYMORE. I AM BEYOND PISSED. I HAVE BEEN WAITING OVER A MONTH.” (DATE) Available at https://www.reddit.com/r/Blueacorn/comments/n5dk8y/prestamos_signers_427430/ ;
- d. “I was approved 5/26, signed documents 6/2 my lender is Prestamos as well. Haven’t heard anything from them & I opted in for the dash card as well. Called them to see if my card was shipped I sat on hold for 2 hours & they disconnected my call smh.” (June 28, 2021) Available at https://www.reddit.com/r/EIDLPPP/comments/o19x77/has_anyone_who_signed_on_62_been_funded_through/;
- e. “Has anyone who signed on 6/2 been funded through blue acorn? My lender is Prestamos and I opted in for the dash card (which I still haven’t received). I was approved 5/29 and signed 6/2. I’m getting a bit discouraged, but trying to keep the faith. Time are HARD.” (June 16, 2021) Available at https://www.reddit.com/r/EIDLPPP/comments/o19x77/has_anyone_who_signed_on_62_been_funded_through/;
- f. “BLUEACORN/ JUNE SIGNERS/PRESTAMOS / REJECTED FUNDS/ UBI/ OPT FOR DASHCARD Can someone share how long was their experience when funds were rejected by your bank. Dave’s banking rejected/returned my funds on 06/14 how long before I’ll receive an email to opt for dash card. I have chatted, message them on Twitter and put in multiple tickets with support still no luck no email just automated

responses from support and live chat representative just tell me to contact support which is a dead end. Will I still get funded or will this process be a long experience? Seems like it's already been a long time I'm just over it at this point! Somebody please help.” (July 12, 2021) Available at https://www.reddit.com/r/EIDLPPP/comments/oitaff/blueacornjune_signersprestamosrejected/;

- g. “They keep telling us that our funds are guaranteed, to "REST ASSURED, YOU WILL BE FUNDED." But, Federal Law states that lenders have 10 calendar days to fund the loan after the PLP or SBA LOAN NUMBER is granted, and AFTER 20 DAYS, THE LOAN WILL BE CANCELED IF ALL NECESSARY PAPERWORK IS NOT TURNED IN. Blue Acorn and Prestamos have made it impossible to get in touch with them ON PURPOSE, bc they do not plan on doing anymore work to fund anyone, and they WILL NOT BE REACHING OUT to anyone who is lacking any paperwork - paperwork THEY NEVER ASKED FOR IN THE FIRST PLACE!! At this point, I think it would be wise to send in everything you have (to the SBA? to prestamosinfo@cplc?) that proves you have a business that was in operation before 2020, ie. bank statements, w-2s, everything. Still, they will avoid funding your loan like the plague. They will find some reason for your loan to be denied, even after you have an SBA loan #, due to the 20 day cancelation clause in the Interim Rules. WE ARE NOT GOING TO BE FUNDED FOLKS, ITS OVER. SERIOUSLY, LAWYER UP, BECAUSE THIS IS A VIOLATION OF THE UNFAIR AND DECEPTIVE TRADE PRACTICES ACT, which pays 3X damages (triple damages). These companies are betting on us not being legitimate business owners, and not being able to prove that we are, and moreover, scared to get the authorities involved.” (June 15, 2021) Available at https://www.reddit.com/r/PPPLoans/comments/o0qcxc/blue_acorn_prestamos_waiting_until_20_days_passed/;
- h. “So she created a ticket and said she couldnt tell me what the error was until they reached out to me. Not sure if I need to verify questions like everyone has been talking about and I got lucky to ask them now or else I would never come across it because they wont tell you or email you about it. Or there really is an error which I guess I will find out till they tell me.” (May 5, 2021) Available at https://www.reddit.com/r/PPPLoans/comments/n3x0zj/blueacorn_if_you_got_your_loan_from_prestamos/; and
- i. “Had the same error issue had to resend my ID as well as answer verification questions, originally signed on the evening of the 28th, my issue is the never reached out me about it I had to reach out and ask them, hopefully that all I need to do????” (May 5, 2021). Available at https://www.reddit.com/r/PPPLoans/comments/n3x0zj/blueacorn_if_you_got_your_loan_from_prestamos/.

- j. Cody Brooks November 6, 2021
 “Approved, funds disbursed, prestamos and blueacorn said they weren’t able to approve me, federalpaygo site shows this ppp loans been disbursed to me but haven’t received anything and the only thing that was on my mind was how shi**y it’d be to not only never receive the funds but to have to pay it back as well along with interest so I did how I felt best after Prestamos underwriter said I have a an email confirming I don’t have responsibility for the funds and went ahead and applied for the forgiveness ... prestamos accepted it and sent it off to the sba which was fully remitted by the sba. Can’t apply for forgiveness unless u were approved and funds were disbursed.. I’ve tried speaking with blueacorn and Prestamos several times stating I have all the documentation needed for this from the beginning to the promissory note to “disbursement and forgiveness” they haven’t replied back anything but forward what I’ve sent them back to me. Literally took out a loan from some close friends and family in the amount of the ppp loan to cover payroll and expenses and still haven’t received anything yet when I was suppose to have it in May 2021.”

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

- k. Kirt McReynolds November 2, 2021
 “Funds sent back to prestamos and haven’t recieved a dime since.. approved in May”

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

- l. Judy Padilla October 31, 2021
 “I was funded and my bank returned it it’s been funded since June 14 but I still don’t have it”

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

- m. Nikki Dailey October 30, 2021
 “I was also approved by Prestamos CDFI, then denied and never received funds and SBA is requesting that I apply for forgiveness. They continuously made up fictitious information regarding the inability to fund my loan need to join this class action law suit”

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

- n. Anthonia Johnson October 27, 2021
 “Was approved by prestamos than denied never funded now being asked to apply for loan forgiveness on a loan I never got”
<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- o. Susan Hart October 28, 2021
 “Please include me , was approved and never funded and have even be approved for forgiveness.”
<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- p. Kristin Dailey October 27, 2021
 “Stole my loan my business is about to bankrupt as well how do I add myself to the class action law suit prestamos cdfi had me sign for loan but didn’t give it to me”
<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- q. Danny Shields October 21, 2021
 “I am actually about to be interviewed next week for a follow up piece to BlueAcorn/Prestamos PPP loan article that I read that infuriated me so much I reached out to the reporter and she is doing a follow up article based on the massive number of us who were swindled by these organizations. I too had my signed and approved loan w/ Prestamos and had my money returned after I was approved and that was keystone issue that probably links each and everyone of us, the money got returned. Than instead of standing by Blueacorns whole oh if you are SBA approved, your funds are earmarked and set aside for you, that was not the case. I had an assistant of my states SBA representative call me one afternoon and in a profanity laced provision of facts, advised me of the whole situation and how they simply moved beyond those unfortunate enough to have funds returned and continued funding as many as they could. Hopefully that is the case and they didnt just simply steal the money. But either way, I am owed money and I have been waiting and aching for this process of a class action to start, ever since I was blatantly professing to Blueacorn and Prestamos that it was coming and when I was trying to spread awareness on Reddit to those naive enough to think this wasnt the case. Now I see they recently just had mass denials for all those who continued to submit tickets wondering where their approved loan was in

this shady process. It's disgusting. I need what I am owed and much more for the mental anguish and the fact that this was a company federally backed and advocated who not only didn't do what they claimed but did it to a certain segment of the populace that at the time were specifically being targeted to receive this assistance and everyone else was cut off since there was such a dire need for it amongst the lower classes. All these other fraudsters and unscrupulous individuals were having a free for all in being allowed to abuse this program, and when I legitimately provided all approved and required documentation, I get the third degree and am denied after having been approved by Blueacorn, a company that perpetrated fraud outright initially, and now say they are denying me after doing a secondary review, a review that was done by the SBA and approved and not within their purview to even attempt. Hopefully this lawsuit goes after Blueacorn just as much as Prestamos, because you couldn't even reach Prestamos. Only lender I've ever heard of that defers to the middleman for all servicing, questions or funding after they signed a contract between myself them and the SBA. Ridiculous. So glad this is coming to the light because there are hundreds of questions that I demand be answered!"

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

r. Shannon Black October 19, 2021

"Please include me as well. I too was approved a loan from Prestamos and still haven't received payment. SBA sent me an email informing me that I can now apply for forgiveness on the loan I never received. According to their records loan was dispersed 6/2/21. I am devastated to learn that the lender has done this to hundreds of thousands of struggling Americans and their families fraudulently using this crisis to steal from the ones who need it the most and the U.S. Government whom intended funds to quickly reach businesses in greatest need."

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

s. Candace Cook October 18, 2021

"I had prestamos as a lender too and they never funded my ppp loan although I was approved"

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

- t. Angela Joya October 16, 2021
- “Yes please add me”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- u. Dustin Estep November 22, 2021
- “This is the same exact thing that Happened to me. It was May when approved and disbursed. As of today im still showing on the sba website as fully disbursed and current”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- v. Kimberly November 13, 2021
- “I filed a complaint back in April when I signed paper work for funding they sent to my account but then withdrew it some how saying payment ledger and I was told they would send me a prepaid card and it never came and when I tried to speak to some one they wanted my tax return again and then told me I wasn’t approved but it says I received it and I looked at my paper work and it has another receiptant named Jose [M]artinez and I have absolutely no idea who that is I tried to get help from the SBA they told me that I had to get ahold of the lender and that is impossible”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- w. Jacqueline Smith November 12, 2021
- “I was approved and given an SBA number on May 20th 2021. My bank rejected my funds on June 3rd 2021. On August 30th I opted for the dash prepaid card and I’m still waiting. I have filed several tickets with blue acorn I have contacted the SBA twice and they have noted and it escalated my account. And here it is now November 12th and I am still waiting I just keep getting told to be patient.”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- x. Jessica Moore November 11, 2021

“I was approved and received a SBA loan number may 31st 2021 but never recieved a dime. After months of trying to get my money they randomly sent me an ensul stating I was now denied and stated nothing else, even though I was already approved and funds had already been sent but supposedly my bank sent them back and all I needed to do was update new banking info but this took them 2 months but instead of resending to my new bank info they said I was denied but to this day I still have an SBA approved loan number and SBA still shows my loan was disbursed to me yet I havent seen a dime. Nobody will get back to me from either blue acorn, Prestamos or SBA yet I get continuous emails about being approved for loan forgiveness on a loan I never got. This is ridiculous. Someone help!”

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

y. Jessica Moore December 1, 2021

“Oh and up to date now. Prestamos approved my loan forgiveness and SBA processed it and paid them for a loan I NEVER RECEIVED! I contacted them and told them if I was denied after being given an SBA loan number and money being sent to me then returned to lender then why did the lender approve my forgiveness for a loan they never paid me and then the SBA approved it and sent the lender the money for my loan that I NEVER RECIEVED?!?! This is absolutely insane! Idk what to do now. I’ve been approved and forgiven for a loan i haven’t seen a dime of ??!”

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

z. Jacqueline Schementi November 10, 2021

“Yes. Same scenario here, but with different lender. Called SBA who said I was fine and should have gotten the disbursement. Even set up in SBA system”

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

aa. Asia Adoibrahim November 8, 2021

“Yes I’ll was approve thru blue acorns was suppose[d] to be funded by prestamos they told me to reverify I did. Then they just put me on hold could reach any one. Just email ...told me. Their working hard to. Get me my funds and that the loan were sent back ! my bank has no log of that

actually happening. Then they. Basically blocked me from the site all SBA sites and. Or .gov sites say funded. I applied for forgiveness I was approved. How is that possible That means the funds were supplied and I never got anything. And I emails saying all of this. And me looking for the location of the loan. Which in long. Drawn out. Ordeal they then stated that they. We're now denying such loan. For technical reasons or something yet u approved forgiveness I want answers"

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

bb. Melissa Estores November 9, 2021

"My experience was almost identical to yours. The livelihood of my business was balancing in the hands of BlueAcorn and Prestamos. Between BlueAcorn and the automated responses to the "tickets" made and Prestamos and their phone tag, I wasted valuable time. Time that I cannot reverse. Time that I should have been able to seek financial help elsewhere. Shame on you Prestamos for victimizing the community that you claim to support. Your business has probably been the downfall of countless other small businesses that fell victim to your service. I hope you can sleep at night knowing the damage you caused us all. Worst yet, you were a trusted finance company that didn't come with a fraud warning label!!"

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

cc. Jamie Dean Jones November 4, 2021

"I never received my funds either and I am now getting emails about forgiveness on a loan I never received and I'm in Arizona what do I do?"

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

dd. Christine Allen November 4, 2021

"i was approved also for PPP and Prestomos says they issued my check recieved 6/1/2021 and i still havent gotten the money.Please add me to list"

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

- ee. David Raymond Butts November 4, 2021
- “I was also short changed out of my loan which was approved by the SBA. Signed on May 27th and still no funds”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- ff. Teresa Fernandez December 12, 2021
- “I never got my loan and it was approved and dispersed 6 months ago I lost everything even hope I would ever see this money lets see what happens”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- gg. Terry December 10, 2021
- “I recieved my funds from my ppp loan then Prestamos removed it via ach from my account. And when I called them they claim no record of removing it. My bank gave me the ach tracking number showing it returned and the sba sent me a letter saying my forgiveness was approved and I never applied for forgiveness”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- hh. Dawn Fullerton December 7, 2021
- “They never sent my money but it was approved and also was forgiven by SBA so they pocketed the whole 20K”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- ii. Robert Ventullo December 6, 2021
- “I just realized thought I need help and if anyone handles this please contact me”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

- jj. Curtis Samuel December 6, 2021
- “I need answer to why I can’t get my money blue acorn can not be trusted”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- kk. Cory Patterson December 6, 2021
- “They need to come off with my funds I was approved and the sba funded but iced seen nothing”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- ll. Frankie Johnson December 5, 2021
- “Applied for and was approved granted an SBA loan number but never received anything.”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- mm. Erica Page December 6, 2021
- “Approved for the ppp on the loan list but never received”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- nn. Shelby Edwards December 2, 2021
- “Applied for, was approved, but never received funds. Sba states funds were disbursed. Received prepaid card with NO FUNDS TODAY AFTER NEARLY 8 months.”
- <https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).
- oo. Eshontel Davis December 4, 2021
- “Me also is sickening and people should be held accountable. They just keep saying wait its ridiculous. I’ve even begged to just cancel the loan.

I've asked for the legal department everything and I get nothing but rest assure."

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

pp. Amy Channel November 29, 2021

"My name is Amy channell I own a caregiving business, and I filled out an application for the ppp loan through blue acorn in April and was approved they sent my money to my bank my bank denied it and sent them the money back they kept telling me they were going to send my money to the right account and to be patient they said it would take 3 to 6 days. Then on August 11th I got this email 'We are writing to let you know that we have determined that based upon information you provided, your application does not meet the requirements for the Paycheck Protection Program.

Unfortunately, we will not be able to fund your PPP loan.' I have been waiting since April for these funds because they told me I was approved and kept telling me to be patient my funds are set aside and will be funded into my account no matter what but they have alot of applications there taking care of so to bare with them. I would really like help with what to do this has set me back alot now."

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

qq. Tyree Kelly November 29, 2021

"I got approved for my PPP load with Blue Acorn in March. Did all the paperwork and waited, but emailed them about once a week. After finding out they ran out of money, I emailed them again to be told I need to Is verify my identity, mind you this is months after me filing. Did they and they ended up saying they can't fund me but had me on the hook the whole time."

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

rr. Thomas Carrick November 28, 2021

"I was approved through Blue Accorn on 5-20-2021, SBA approved me I should say almost 2 weeks went by and did not receive my funds, after looking over my paperwork that I had signed, meaning the loan papers and

promisary note, I noticed that one number in the routing number was wrong, it was a nightmare after that, then I got a message from them saying that they can not find my loan because I'm not approved, what!? LoL, I was already approved and waiting on funding, Prestamos is the bank funding the loan, there's some serious crooked crap going on with all this shit!"

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

ss. Tiffany Abbe November 24, 2021

"Blue Acorn- they approved loan I never received funds, SBA website shows I was funded and received the money . After 6 months of not getting any help or received my loan I turned them into the BBB and they wouldn't reply to them or me and then all of a sudden my loan was denied but SBA says I have to pay that money back I can't even apply for the forgiveness part because blue Acorn can't find me in the system anymore. But I have to pay back the amount or I could face jail time ! Is what I was told."

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

tt. Cody Brooks November 23, 2021

"On several sites it shows my company has received a loan through prestamos cdfi but I have never actually received and funds. I have several documents from start to current."

<https://topclassactions.com/lawsuit-settlements/money/fees/ppp-loans-exploited-by-community-development-lender-prestamos-lining-pockets-with-1-2b/> (visited Dec. 14, 2021).

uu. "I got approve for my PPP loan in the amount \$16,250 By The ** Prestamos CDFI is trying to steal my money. Prestamos CDFI, said my funds will be sent back to ***, but the *** said no funds are return to them at all. I need my funds for my business." (Oct. 12, 2021 post)

[Prestamos CDFI LLC | Complaints | Better Business Bureau® Profile \(bbb.org\)](https://www.bbb.org/profile/prestamos-cdfi-llc-complaints)

vv. "My small business was approved by the sba in may in their records my loan status is disbursed yet I havent received a dime and the lender prestamos refuses to address the issue only referring me back to blueacorn

whos lying telling me that after review I wasnt approved by the sba so I just want the money that i have been approved for.” (Sept. 23, 2021 post)

Prestamos CDFI LLC | Complaints | Better Business Bureau® Profile (bbb.org)

- ww. “Ive previously been approved for a ppp loan with Prestamos CDFI LLC as my lender. This loan appears online on several sites as being disbursed from Prestamos CDFI LLC to myself ***** back in May 2021 but the issue is that Ive never received these funds. When reaching out to Prestamos CDFI LLC showing several documents and screenshots as my valid proof the only response I received was the loan through their technology partners organization Blueacorn I stated that nothing on my loan documentation shows anything about a Blueacorn but does show that Prestamos CDFI LLC is my lender. Ive recently taken out a separate business loan in the amount of what my ppp loan was to cover business things so I went ahead and applied for the Forgiveness and Prestamos accepted it and sent it to the sba. Only way to apply for forgiveness is by being approved and funds disbursed. I still havent received any of those funds from Prestamos CDFI LLC and theyre lacking important communication.” (Sept. 22, 2021 post)

Prestamos CDFI LLC | Complaints | Better Business Bureau® Profile (bbb.org)

- xx. “I applied for my second PPP loan with XXXX. XXXX farmed this loan request along with about XXXX other loans to Prestamos XXXX, XXXX. After hurdles, jumping through hoops, I received SBA approval and was provided loan documents that were signed and supposedly legally binding. Those documents were provided by XXXX on XX/XX/XXXX by way of Prestamos to sign. I was advised on XX/XX/XXXX by my bank XXXX, that the funds in the amount of {\$3200.00} were being returned to Prestamos XXXX. I knew this was going to happen and attempted to update my bank information prior to the money being returned but was denied. Ultimately the money was returned. I immediately attempted to reach out to both the lender and the third party XXXX. Prestamos completely wiped their hands of the matter. Despite having contractually entered into a loan with myself, and then, LYING TO THE GOVERNMENT in having public record reflect the above, that I had the loan funded and the funds were dispersed to me. The funds that were supposed to be designated for me and reissued, as any lender would clearly do, are MIA. I have documentation on top of documentation of this whole ordeal to demonstrate that despite currently being legally bound to a loan that has been accruing interest since XX/XX/XXXX, the lender has not once reached out to myself or the SBA to correct the information.” (July 30, 2021 consumer complaint excerpt).

Search the Consumer Complaint Database | Consumer Financial
Protection Bureau (consumerfinance.gov)

374. Further, although Prestamos states on its website that it maintains an office in Santa Fe, New Mexico (*see Prestamos CDFI, Prestamos Locations, available at <https://www.prestamosloans.org/locations/>* (last visited May 1, 2022)), Plaintiffs were advised that office may not even exist.

375. Plaintiffs are unaware whether Prestamos has retained or has spent or disbursed any such funds for any other purpose, although discovery is ongoing. Plaintiffs are pursuing and anticipate obtaining further information in discovery regarding the status of the SBA-approved but unfunded PPP loan proceeds at issue that were pledged by Prestamos to secure advances from the PPPLF on a dollar-for-dollar basis via the PPP loans of Plaintiffs and class members. Prestamos has also belatedly sought to fund certain class member borrowers following the filing of plaintiffs' original complaint on October 1, 2021, although these borrowers have still incurred lost opportunity and other damages to their businesses due to Prestamos' failure to timely fund their loans.

Class Action Allegations

376. Plaintiffs bring this action individually and on behalf of the following damages class pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure (the "Damages Class"):

Damages Class: all persons and entities in California, Pennsylvania, Connecticut, Missouri, Illinois, Washington, Michigan, Nevada, Ohio, Arizona, Colorado, Utah, Texas, Indiana, Mississippi, Oklahoma and New York (collectively, the "Class Member States") who, in 2021, applied for PPP loans with defendant Prestamos as the lender for whom the SBA provided a SBA loan number, and who executed and submitted their Loan Documents and provided to Prestamos all required loan documentation, but as to whom Prestamos both failed to disburse the PPP loan proceeds and reported to the SBA that the loan proceeds were disbursed.

377. Plaintiffs also bring this action individually and on behalf of the following declaratory judgment class pursuant to Rules 23(a) and (b)(2) of the Federal Rules of Civil Procedure (the “Declaratory Judgment Class”):

Declaratory Judgment Class: all persons and entities in the Class Member States who, in 2021, applied for PPP loans with defendant Prestamos as the lender for whom the SBA provided a SBA loan number, and who executed and submitted their Loan Documents and provided to Prestamos all required loan documentation, but as to whom Prestamos both failed to disburse the PPP loan proceeds and reported to the SBA that the loan proceeds were disbursed.

378. Excluded from the Classes are Prestamos, CPLC, any entities in which Prestamos or CPLC has a controlling interest, Defendants’ agents and employees, any Judge to whom this action is assigned, and any member of such Judge’s staff and immediate family.

379. There is a well-defined community of interest among members of the Classes, and the disposition of their claims in a single action will benefit the parties and the Court.

380. The proposed Classes meet each applicable requirement of FED. R. CIV. P. 23.

381. ***Numerosity:*** According to discovery produced to date, there are **7,907** total members of the Classes representing undisbursed PPP loan proceeds totaling **\$133,562,175.00** for which Prestamos was nevertheless paid by the SBA **\$19,259,141.00** in total loan processing fees in **only** the following 10 of 17 total Class Member States: California, Pennsylvania, Connecticut, Missouri, Illinois, Washington, Michigan, Nevada, Ohio and Arizona. The Class Member States include only states in which Plaintiffs reside or were injured by Prestamos’ failure to fund their PPP loans consistent with the Court’s ruling granting in part and denying in part Prestamos’ motion to dismiss. *See Marshall v. Prestamos CDFI, LLC*, Civil No. 5:21-cv-04337-JMG, 2023 WL 2727541, at *7 (E.D. Pa. March 30, 2023) (“Named Plaintiffs do not have standing to bring their claims under the laws of states in which they do not reside or were never injured.”).

382. In particular, the forgoing 10 Class Member State totals include 2,067 class members in California for total undisbursed PPP loan proceeds of \$34,036,403.00 and total loan fees to Prestamos of \$5,031,569.00; 887 in Pennsylvania for total PPP loan proceeds of \$15,371,021.00 and total loan fees of \$2,186,908.50; 65 in Connecticut for total PPP loan proceeds of \$992,675.00 and total loan fees of \$154,109.00; 286 in Missouri for total PPP loan proceeds of \$4,381,165.00 and total loan fees of \$670,893.50; 1,167 in Illinois for total PPP loan proceeds of \$21,625,815.00 and total loan fees of \$2,873,502.50; 145 in Washington for total PPP loan proceeds of \$2,008,690.00 and total loan fees of \$341,391.00; 1,489 in Michigan for total PPP loan proceeds of \$25,682,015.00 and total loan fees of \$3,648,452.50; 565 in Nevada for total PPP loan proceeds of \$9,231,212.00 and total loan fees of \$1,369,612.00; 892 in Ohio for total PPP loan proceeds of \$14,941,556.00 and total loan fees of \$2,167,283.50; and 344 in Arizona for total PPP loan proceeds of \$5,291,623.00 and total loan fees of \$815,419.50. Accordingly, joinder of all members is impracticable based on the total number of class members and the total number of class members in each of the respective 10 Class Member States pursuant to Rule 23(a)(1).

383. In addition to the foregoing 10 Class Member States, Plaintiffs have requested in discovery that Prestamos also produce the class member data for the remaining seven Class Member States of Colorado, Utah, Texas, Indiana, Mississippi, Oklahoma and New York. Five of those additional Class Member States (Colorado, Utah, Texas, Indiana and Mississippi) were alleged by the plaintiffs in the original complaint filed in *Drevnak, et al v. Prestamos CDFI, LLC*, Case No. 5:23-cv-02777 (ECF No. 1), and that discovery has long been requested and remains pending. Plaintiffs have also added in this TAC plaintiffs from two additional states Oklahoma (plaintiff Grichar) and New York (plaintiff Horne). Although Prestamos has yet to

produce class member data for these seven additional states (and Plaintiffs necessarily reserve all rights including to move to compel based on the Court's procedures absent timely production of that data), Plaintiffs expect that discovery will further show that joinder of class members in these seven remaining Class Member States is similarly impracticable pursuant to Rule 23(a)(1).

384. The number and identities of members of the proposed Classes can be determined *only* with discovery of Prestamos' applicable PPP records, including without limitation Prestamos' PPPLF Advance Request Forms, Prestamos' SBA Form 1502 initial and subsequently-filed monthly reports concerning each applicable Class member PPP loan, and Prestamos' bank records.

385. Prestamos was required to timely and accurately file SBA Form 1502 reports monthly for each PPP loan. Although Prestamos objected to producing to Plaintiffs in this case *any* SBA Form 1502 reports (and Pledge and Advance Request Forms) on alleged grounds that they were "irrelevant" (ECF No. 78 at 4; "the [SBA] Form 1502 reports ... and PARs are irrelevant to Plaintiffs' breach of contract claim") which required Plaintiffs to seek the Court's intervention (ECF No. 76), in fact both SBA forms are *highly* material.

386. The SBA required lenders to file the Form 1502 reports on a monthly basis to identify the status of each PPP loan. More specifically, pursuant to § 5 of the SBA Form 1502, Prestamos was required to identify both the "**Amt Disbursed this Period on Total Loan**" and, pursuant to § 6 of that Form, the "**Amt Undisbursed on Total Loan:** Of the total approved amount (100% amount), the amount that has not been disbursed by the lender as of the month ending date. If fully disbursed, leave blank." (emphasis in original). See <https://www.sba.gov/document/sba-form-1502-sba-form-1502-instructions> (last visited April 26, 2024). Similarly, subsection 9 of § 4 of the Form 1502 required Prestamos to also identify the

status of each PPP loan, including if applicable as it was in the case of the PPP loans of Plaintiffs and Class members, “**Status 9:** Fully Undisbursed – loan that has not had any disbursements made to the borrower. ... Report Status Code 9 and indicate the Amount Undisbursed on Total Loan, until such time that the loan is disbursed.” (emphasis in original). *See Id.*

387. In addition, the PPPLF Pledge and Advance Request Form required Prestamos to “pledg[e], on behalf of the Borrower [*i.e.*, Prestamos], the SBA Pool below as collateral to secure an advance that the Borrower hereby requests be made pursuant to the PPPLF under the terms and conditions of the PPPLF Letter of Agreement” and to identify, as to each PPP loan, the “10-Digit SBA Loan Number”; the “Small Business Borrower Name”; the “Original Par Amount”; the “Current Outstanding Principal Balance”; the “Maturity Date”; the “Interest Next Due Date”; the “Principal Next Due Date”; and other information. *See* https://www.frbdiscountwindow.org/generalpages/ppplf_historical_documentation (last visited Jan. 9, 2024).

388. The PPPLF Letter of Agreement, in turn, states that, “[b]y pledging PPP loans as collateral for Advances under the Facility ... the Borrower [*i.e.*, Prestamos] warrants, represents and covenants that each such Item pledged as collateral for Advances under the Facility: (a) is a ‘covered loan’ ... (b) Complies with all requirements of the PPP, including without limitation any rules or guidance issued by the SBA implementing the PPP, and any requirements set forth in any agreement the Borrower is required to execute by the SBA in connection with the PPP” *See* https://www.frbdiscountwindow.org/-/media/Documents/PPPLFLetter-of-Agreement.docx?sc_lang=en&hash=FB7079AEFE245A4DAC32F78E0125725C (last visited April. 9, 2024).

389. The applicable PPP rules include the Form 1502 reports, the Pledge and Advance Request Forms, and the SBA’s loan funding rule discussed above. *See* 86 FR 3692, 3710. Further, additional rules of the SBA govern a lender’s obligation to disburse PPP loans and timely and accurately report to the SBA regarding each such loan.

390. For example, the SBA’s rules also state that “[l]enders must electronically upload SBA Form 1502 information within 20 calendar days after a PPP loan is approved. The lender **must** report on SBA Form 1502 whether it has fully disbursed PPP loan proceeds.” 86 FR 3692, 3709 (emphasis added).

391. Similarly, the SBA Procedural Notice effective February 8, 2021 entitled “Second Updated Paycheck Protection Program Lender Processing Fee Payment and 1502 Reporting Process” shortened the lender’s deadline to upload the Form 1502 information to “within 10 calendar days after disbursement of a PPP loan”; stated that “Lenders must submit a complete and accurate 1502 report”; and stated that “**PPP loans must be fully disbursed**, and the amount reported in this field must match the loan approval amount in SBA’s electronic system.” *See* [Second Updated Paycheck Protection Program Lender Processing Fee Payment and 1502 Reporting Process | U.S. Small Business Administration \(sba.gov\)](#) at 4-5 (emphasis added).

392. Further, and also per that February 8, 2021 SBA Procedural Notice, before the SBA would pay a loan processing fee to the lender, the lender “must make a one-time **confirmation**” that “all First Draw Loans and Second Draw Loans included in the report were **fully disbursed to the borrowers on the disbursement dates entered and in the loan amounts entered in the report**, and ... **all information in the report is true and correct**[.]” *See Id.* at 6 (emphasis added).

393. Thus, whether Prestamos disbursed the SBA-approved loan proceeds to the borrower is a binary question answerable classwide based on Prestamos' records and the plain meaning of that term. See <https://www.merriam-webster.com> (defining disbursement as “the act of paying out money especially from a fund” and “funds paid out”). Prestamos' Form 1502 reports identify the PPP borrowers it reported to the SBA to whom it purportedly “fully disbursed” or did not disburse the loan proceeds. Prestamos' bank records (which Plaintiffs have subpoenaed) including presumably its monthly bank statements, should identify which of those PPP borrowers it did not truly “fully disburse” the loan proceeds, thereby identifying each Class member.

394. **Ascertainability:** The names and addresses of members of the Classes are available from defendant Prestamos' records as discussed in the context of numerosity above, and thus the Classes are ascertainable. Notice can be provided to the members of the Damages Class pursuant to Fed. R. Civ. P. 23(c)(2)(B) through direct electronic and other mailing, publication, or otherwise using techniques and forms of notice similar to those customarily used in class action litigation. While notice is not required for the Declaratory Judgment Class but is instead subject to the Court's discretion under Fed. R. Civ. P. 23(c)(2)(A), because the members of both Classes include the same unfunded borrowers, notice of certification of the Declaratory Judgment Class can be provided to its members as part of the notice to them of the certification of the Damages Class, if and as the Court may direct.

395. **Typicality:** Plaintiffs' claims are based on the same facts and legal theories as those of the other members of the Classes which Plaintiffs seek to represent pursuant to Rule 23(a)(3). Plaintiffs and the members of the Classes all similarly applied for PPP loans, had their loans approved by the SBA, submitted to Prestamos all requested loan documentation, and

Prestamos failed to disburse to them their PPP loan proceeds despite the parties' loan contracts and despite falsely reporting to the SBA that it had disbursed those loans. Whatever reasons Defendants may argue regarding *why* Prestamos failed to do so, Prestamos' bottom line failure to disburse PPP loans to Plaintiffs and all Class members while also falsely reporting to the SBA that it did disburse the loans is shared equally by all Plaintiffs and Class members. Thus, Plaintiffs and all Class members have also suffered similar injury and been injured by the same core course of conduct. Plaintiffs and Class members also similarly share an interest in determining the parties' respective rights and obligations arising from Prestamos' failure to disburse the loans and false reporting to the SBA about them.

396. Rule 23(a)(3) requires that “the claims or defenses of the representative parties are typical of the claims or defenses of the class[.]” Here, the central claims at issue -- to wit, whether Prestamos' failure to disburse the loans to Plaintiffs breached legal duties Prestamos owed to the Plaintiffs, and the parties' respective rights and obligations resulting from Prestamos' failure to disburse those loans -- are shared equally by Plaintiffs and the Classes. Prestamos failed to disburse the SBA-approved loan proceeds to all Plaintiffs and Class members, falsely reported to the SBA that it disbursed the loans, and all Plaintiffs and Class members nevertheless remain bound under the same standard form Note and accompanying Loan Document contracts to pay the loans back to Prestamos, with interest, despite never receiving the loan proceeds.

397. In *CPF*, 2023 WL 5746927, at *7, the Court found based on the factual record there that “Plaintiffs' differing circumstances ... implicate different defenses” because one plaintiff had his loan cancelled, one plaintiff was allegedly funded, and the other plaintiffs' banks rejected and returned the funds. Here, in contrast, none of Plaintiffs' loans was cancelled or

funded and any individualized issues pertaining to Prestamos' attempt to fund the loans or returned loan proceeds is irrelevant as a matter of law, because Prestamos falsely reported to the SBA that it had disbursed the loans to each Plaintiff and class member. By definition under the narrowed Classes alleged here, **all** of Plaintiffs' and the class members' loans were misreported by Prestamos to the SBA as actually being disbursed when in fact the loans were not disbursed.

398. Additionally, the definition of the proposed Classes in this case has also been narrowed from the class alleged in *CPF* to include only class members who provided to Prestamos all required loan documentation. Thus, Plaintiffs will not "be left fending off divergent factual defenses" regarding any aspect of the PPP paperwork process in this case that the Court found present in *CPF*. *Id.*

399. Further, in *CPF* the Court found that the "[t]he central question ... is whether CPF failed to fund Plaintiffs' loans **or timely cancel them.**" *Id.*, at *5 (emphasis added). Here, by contrast, Plaintiffs' claims are not premised on loan cancellation (timely or otherwise), but instead Prestamos' failure to ultimately disburse the loans without regard to whether Prestamos *tried* to do so or failed to timely or otherwise cancel them.

400. Specifically, defenses that Prestamos may claim to raise individualized issues, such as purported bank rejections of loan proceeds at issue in *CPF*, would not defeat typicality in this case even if they exist. Whether any class member's bank rejected the loan proceeds carries no legal significance for the typicality analysis here. By the narrowed class definition here, Prestamos falsely reported to the SBA it had funded Class member loans to get the loan processing fee when in fact it failed to fund those loans. Further, Prestamos cannot reasonably evade liability or class certification based on the argument an attempt to fund the loans shields Prestamos, or represents compliance or substantial compliance with the parties' Loan Documents

such that Prestamos did not breach those agreements. In this case, Prestamos represented to the SBA that it had in fact disbursed the loan proceeds to Plaintiffs and all class members, not just that it had **attempted** to do so. Thus, under the PPP, the doctrine of quasi-estoppel and additional equitable principles, Prestamos is bound by its false representations to the SBA that it had funded Plaintiffs' and Class member loans. Consequently, Prestamos should be estopped from now reversing gears and instead claiming to the contrary, or that any unsuccessful attempt to fund Plaintiffs' or Class members' PPP loans requires individualized inquiry that defeats typicality under Rule 23(a)(3) or otherwise immunizes Prestamos.

401. As alleged above, the PPP rules unambiguously required disbursement of SBA-approved PPP loans *and* accurate reporting by lenders in the Pledge and Advance Requests and SBA Form 1502 forms for each loan. Even assuming certain of Plaintiffs' banks rejected the loan proceeds and quasi-estoppel and other equitable principles do not render that fact legally irrelevant, there is no "danger that the attention to this individual defense might harm the class" as the court found in *CPF*. See *CPF*, 2023 WL 5746927, at *7 (citation omitted). To the contrary, if Prestamos is permitted to pick off any Plaintiff or Class member based on any purported individualized defense -- and in circumstances where it should be precluded from doing so because, by definition of the Classes here, it lied to the SBA by representing the loans were funded -- the danger to the Classes here would be far greater, *i.e.*, no chance at any relief, because there would be no class. As noted above, even if Prestamos attempted to fund a class member loan, Prestamos' bank records should show on an undisputed basis to which class members it made successful and unsuccessful attempts to fund their loan proceeds, such that their identification will not become the litigation's focus in any event.

402. **Adequacy:** Plaintiffs will fairly and adequately represent the interests of the members of the Classes pursuant to Rule 23(a)(4). Plaintiffs are adequate representatives of the Classes as their interests align with the interests of the members of the Classes, and Plaintiffs are represented by counsel experienced in class actions, including financial consumer and other class action litigation. Plaintiffs and all Class members share the same core claims and have no interests antagonistic to or in conflict with those of the Classes.

403. **Superiority as to the Damages Class:** The class action alleged in this case is superior to all other available methods for the fair and efficient adjudication of the claims asserted for the Damages Class because the expense and burden of individual litigation make it economically infeasible for members of the Damages Class to seek to redress their claims other than through a class action; if separate actions were brought by individual members of the Damages Class, that could lead to differing and inconsistent adjudications; and, absent a class action, Prestamos is unlikely to be held accountable for both its failure to actually fund SBA-approved PPP loans and its repeated lying to the SBA that it did fund those loans to get the fee, deny Plaintiffs and class members any ability to obtain loan proceeds, loan forgiveness or any other relief, **and** leave them nevertheless obligated to repay to Prestamos loan proceeds with interest for loans they never received.

404. In *CPF*, the Court held that superiority was not present “[g]iven the divergent factual scenarios present in th[at] case.” *CPF*, 2023 WL 5746927, at *8. Based on the record there, the Court stated that “[t]he central question in th[at] case ... is whether CPF failed to fund Plaintiffs’ loans *or timely cancel them*.” *Id.* at *5 (emphasis added). As explained above, that is not the case here. Cancellation is not relevant in this case based on the class definition in this case. Unsuccessful attempts to deliver loan proceeds are not relevant because Prestamos falsely

represented to the SBA that it had successfully funded the loans and thereby collected loan fees to which it was not legally entitled, and because of quasi-estoppel and other equitable principles. And the proposed Damages Class as explicitly defined in this case includes only those who returned to Prestamos all required loan documentation, again distinguishing this case from *CPF*. Thus, the only facts relevant here are whether Prestamos did or did not fund the loans, and whether it represented to the SBA that it had fully disbursed the loans that it failed to successfully fund -- all of which raise classwide issues answerable in a single stroke.

405. Class certification is superior to other available methods to fairly and efficiently adjudicate *this* case because the three central questions here are: (1) Prestamos' failure to fund Plaintiffs' and Class members' loans (regardless of whether Prestamos also failed to timely or otherwise cancel them), (2) Prestamos' false representations to the SBA that it had disbursed the loan proceeds to Plaintiffs' and Class members, and (3) the parties' respective rights and obligations arising therefrom, particularly concerning the ongoing obligation also shared equally by all Plaintiffs and Class members to repay to Prestamos loans plus interest on loan proceeds they never received and their inability to even apply for, let alone obtain, loan forgiveness as was widely accorded to PPP borrowers who were actually funded.

406. Class certification here is superior and indeed the only practical way for class members to get relief also because individualized, separate lawsuits are not economically viable. Plaintiffs' and other Damages Class members' SBA-approved PPP loan amounts were for substantially less than \$50,000 each; in Plaintiffs' specific cases, they ranged between \$1,250 (plaintiff Drevnak) to \$20,823 (plaintiffs Holland, Ahmadou, Beattie, Lloyd and Johnson) as alleged above.

407. Even assuming Plaintiffs were to prevail in establishing liability in full and obtain consequential and other potential damages, the amounts at stake render prosecution of individual (*i.e.*, non-class action) claims highly impractical and unlikely given the costs of litigation alone. Presumably for that reason, Plaintiffs are unaware of any other breach of contract or other individual (*i.e.*, non-class action) lawsuits by *any* other SBA-approved but unfunded borrower against Prestamos in any other court in the country, past or present, and despite the indisputable existence of thousands of other such unfunded borrowers. Even if hundreds or thousands of class members could practically bring individual actions, that would not be superior to a class action because of the unnecessary burden it would place on the court system in potentially adjudicating the same core facts over and over and the risk of potentially inconsistent adjudication.

408. Accordingly, it is highly likely as a practical matter that ***only*** this Court can provide relief for these unfunded borrowers who nevertheless remain bound to repay Prestamos.

409. In sum, the expense and burden of individual litigation for the Damages Class makes it economically unfeasible for members of the Damages Class to seek to redress their claims other than through a class action; if separate actions were brought by individual members of the Damages Class, the resulting duplicity of lawsuits could lead to differing and inconsistent adjudications; and, absent a class action, Prestamos is unlikely to be held accountable for its failure to fund the applicable SBA-approved PPP loans at issue and its false representations to the SBA that it funded the loans.

410. ***Commonality as to Both Classes and Predominance as to the Damages Class:*** Although Rule 23(a)(2) requires that “questions of law ***or*** fact” (emphasis added) be common to the class, here there are common questions of both law ***and*** fact; the common questions concern both the claims and even certain of Prestamos’ core defenses; and those common questions of

law and fact predominate over any questions which affect individual members of the Damages Class under Rule 23(b)(3) (Rule 23(b)(2) does not require that common questions predominate as to the Declaratory Judgment Class).

411. Common questions of law and fact include, but are not limited to:

- a. whether defendant Prestamos failed to fund SBA-approved PPP loans to Plaintiffs and other members of the Classes in breach of its obligations to actually fund such loans;
- b. whether Prestamos obtained fees for PPP loans that it did not make;
- c. whether Prestamos upstreamed to CPLC PPP loan processing fees on the PPP loans of Plaintiffs and the members of the proposed Classes;
- d. whether Prestamos' failure to fund SBA-approved PPP loans violated the Loan Documents it entered into with Plaintiffs and other members of the Classes;
- e. whether Prestamos falsely reported to the SBA that it had disbursed the SBA-approved PPP loan proceeds to Plaintiffs and members of the Classes;
- f. whether the Loan Documents created a binding obligation on Prestamos to fund the PPP loans of Plaintiffs and the members of the Classes;
- g. whether the Loan Documents are negotiable instruments;
- h. whether the release in the parties' standard form Note included in the Loan Documents violates public policy and thus is void as the court held in *CPF* regarding the same release (*see Greathouse v. Capital Plus Financial LLC*, No. 4:22-CV-0686-P, 2023 WL 5759250, at * (N. D. Tex. Sept. 6, 2023) ("Thus, the exculpatory clause is void."));
- i. whether Prestamos' corporate parent, CPLC, was Prestamos' alter ego for purposes of Prestamos' PPP lending;
- j. whether Prestamos' failure to disburse the PPP loans damaged Plaintiffs and the members of the Damages Class and, if so, the proper measure of those damages; and
- k. whether Prestamos should be precluded as a matter of law from seeking or obtaining any money or other relief, whether payment or repayment of principal, interest or attorneys' fees or other costs, from Plaintiffs and the

members of the Classes in connection with their PPP loans with Prestamos, including any action that negatively impacts their credit rating.

412. In sum, common questions predominate here because the claims of Plaintiffs and the Classes are sufficiently cohesive to warrant adjudication by representation.

413. Breach of contract cases frequently lend themselves to class treatment. PPP lenders were also able to use their own form note or make modifications to the SBA form for PPP lending, but Prestamos instead used the same standard form SBA note uniformly and classwide which further supports both commonality and predominance.

414. Further, in this case, the Classes include only those who were approved by the SBA for their loans, completed and returned the loan documentation in full, still were not funded by Prestamos, but Prestamos falsely reported to the SBA that the loans were funded. Accordingly, no individualized defenses regarding “why a loan was not funded” exist in this case that would defeat a finding of predominance. Even if such individualized defenses existed regarding attempted funding, Prestamos falsely reported to the SBA that the class member loans were all funded. Hence, the predominantly common factual and legal issues that will be the focus of trial concern Prestamos’ failure to disburse the loans to Plaintiffs and Class members who qualified fully for those loans, Prestamos’ false reporting otherwise, and the parties’ respective rights as a consequence, not Prestamos’ attempts to fund any loan.

415. Finally, damages for the Damages Class are capable of measurement on a classwide basis. Damages in this case are most fundamentally measurable from, and based on, the SBA-approved PPP loan amounts.

416. ***Certification of the Declaratory Judgment Class:*** Class certification of the Declaratory Judgment Class is appropriate pursuant to Rules 23(a) and (b)(2). In particular, each requirement of Rule 23(a) is satisfied as alleged above. Further, declaratory judgment relief is

appropriate for the Declaratory Judgment Class as a whole pursuant to Rule 23(b)(2) because Prestamos has acted and refused to act on grounds that apply classwide such that injunctive or corresponding declaratory relief is appropriate respecting the Declaratory Judgment Class as a whole, and thus the Court should declare specifically that:

- a. the Loan Documents and PPP rules bound Prestamos to disburse the PPP loans to Plaintiffs and class members and report accurately to the SBA regarding the status of those loans;
- b. the release in the parties' standard form note included in the Loan Documents violates public policy and thus is void;
- c. Prestamos is estopped or otherwise precluded on grounds of equity from evading liability or class certification based on any mere attempt to fund Plaintiffs' or any class members' loans, because it falsely reported to the SBA that it did fund the loans and obtained loan fees based on those false reports; and
- d. that Prestamos is also precluded as a matter of law from seeking or obtaining any money or other relief, whether payment or repayment of principal, interest or attorneys' fees or other costs, from Plaintiffs and class members in connection with their PPP loans with Prestamos, including any action that negatively impacts their credit rating.

417. Plaintiffs reserve the right to amend the definition of the Classes if discovery or further investigation reveals that the definition of the Classes should be amended.

COUNT ONE

Breach of Contract (On Behalf of All Plaintiffs and the Classes)

418. Plaintiffs incorporate the allegations from all previous paragraphs as if fully set forth herein.

419. This Count is brought against both Defendants.

420. The standard form promissory Note and accompanying Loan Documents that defendant Prestamos and the members of the Classes entered into are binding, enforceable agreements.

421. Among other provisions, the Note identifies the specific PPP loan, SBA loan number and amount of the loan; specifies that the parties to the Note are, respectively, the Class member borrower and the “Lender” Prestamos; provides that, “[i]n return for the Loan, Borrower promises to pay to the order of the Lender” the principal amount of the PPP loan plus “interest on the unpaid principle balance, and all other amounts required by this Note” if not forgiven; contains other PPP loan repayment terms and events of default and the lender’s rights in the event of the borrower’s default; contains other provisions, including that “[a]ll individuals and entities signing this Note are jointly and severally liable”; and, as to each Plaintiff and member of the Classes, states that, “[b]y signing below, each individual or entity becomes obligated under this Note as Borrower.”

422. In addition, the Additional Agreement that accompanies the promissory Note between the Plaintiff Class member borrowers and defendant Prestamos provides additional terms and states, at the outset, explicitly as follows:

“In consideration of Prestamos CDFI, LLC, located at 1024 E. Buckeye RD, Suite 270, Phoenix, AZ 85034, (hereinafter called ‘Lender’) making the above loan, each of the undersigned, jointly and severally, do hereby agree as follows”

423. The Loan Document contracts entered into by Prestamos and the members of the Plaintiff borrower Classes also include a “Notice - No Oral Agreements” document. That document governs the “Loan by Lender, Prestamos CDFI, LLC to Borrower”; identifies each Class member borrower and the SBA-approved amount of the loan; states that “**THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT**

BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE

PARTIES"; states that the "'Loan Agreement' means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods, or another thing of value or to otherwise extend credit or make a financial accommodation"; and is executed by both Prestamos via its President Martinez, and each Plaintiff and Class member borrower.

424. A complete copy of one such standard form Loan Document is attached to this Amended Complaint as Exhibit A (with only plaintiff Marshall's Social Security and bank account number redacted).

425. Through its agreement to make PPP loans via the Loan Documents, its acceptance and approval of Plaintiffs' PPP loan applications, and as the counterparty to the Loan Documents, defendant Prestamos entered into a binding agreement with each of the Plaintiffs and the members of the proposed Classes to fund their respective PPP loans.

426. Plaintiffs and the members of the Classes gave consideration that was fair and reasonable, and have performed all conditions, covenants, and promises required to be performed under their Loan Documents with defendant Prestamos.

427. Plaintiffs and the members of the Classes kept their end of the bargain by providing all documents and information requested by defendant Prestamos. Defendant Prestamos failed to complete its end of the bargain by failing to make the PPP loans to Plaintiffs

and the members of the Classes although it falsely reported to the SBA that it did disburse the loans.

428. Further, defendant Prestamos had an implied duty to act in good faith and in accordance with fair dealing to take all steps necessary to fund the Plaintiffs' and the other Class members' PPP loans pursuant to the Loan Documents.

429. Defendant Prestamos breached its obligations to fund Plaintiffs' and Class members' PPP loans under the Loan Documents by failing to fund the loans within 10 days of the SBA's approval of the loans and assignment of loan numbers, or at any time thereafter.

430. Defendant Prestamos' failure to properly fund the loans of Plaintiffs and the members of the Class also breached its obligations under the Additional Agreement that, "[i]n consideration of Prestamos ... making the above loan, each of the undersigned, jointly and severally, do hereby agree as follows: ..."; the term in the Notice - No Oral Agreements that the "Loan by Lender, Prestamos CDFI, LLC to Borrower ... in the amount of \$... **REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES**"; and the term in the Notice - No Oral Agreements that the "'Loan Agreement' means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods, or another thing of value or to otherwise extend credit or make a financial accommodation."

431. By failing to fund the SBA-approved loans of Plaintiffs and the members of the Classes, defendant Prestamos not only breached the terms of the Loan Documents as alleged, but

also failed to perform the central purpose of the parties' agreement which was to timely and properly fund these SBA-approved loans.

432. Moreover, all PPP loan applications require applicants to certify that they have not, and will not, receive other PPP loans as alleged more fully above.

433. As a result, once Plaintiffs and the other members of the Classes applied for PPP loans and their loan applications were approved by the SBA and assigned PPP loan numbers pursuant to the Loan Documents, Plaintiffs and the Class members were no longer able to apply for PPP loans with other PPP lenders as they would not be able to certify that they would not receive another PPP loan, also as alleged more fully above.

434. Plaintiffs and the Class members were therefore effectively "stuck" with, and had to rely exclusively on, defendant Prestamos to actually provide them with the PPP loan funds that they needed and that the SBA had already approved.

435. For its part, defendant CPLC controlled and directed Prestamos' PPP lending activities and failure to fund the SBA-approved loans of Plaintiffs and the other members of the Classes; controlled and dominated defendant Prestamos' Board of Directors and senior leadership; referred to the companies in their PPP lending activities as one and the same; caused Prestamos to upstream to CPLC PPP loan processing fees including on PPP loans Prestamos was obligated to fund but failed to fund; and served as Prestamos' alter ego in failing to fund the SBA-approved loans of Plaintiffs and the members of the Class all as alleged more fully above, and is therefore also liable for breach of contract.

436. As a result, Defendants harmed Plaintiffs and the members of the Classes in an amount to be determined at trial, but not less than the amount of the wrongfully withheld PPP loan proceeds plus all other applicable damages to the full extent permissible by law.

Prayer for Relief

Plaintiffs, individually and on behalf of the proposed Classes, respectfully request the following relief:

- A. certifying the Damages Class pursuant to Rules 23(a) and (b)(3) and the Declaratory Judgment Class pursuant to Rules 23(a) and (b)(2) and naming Plaintiffs as representatives of the Damages Class and the Declaratory Judgment Class and naming Plaintiffs' attorneys as counsel for the Classes;
- B. judgment in favor of Plaintiffs and the Classes;
- C. an award including funding of the PPP loans of Plaintiffs and the members of the Damages Class and of compensatory, consequential and other damages in amounts to be determined at trial to the maximum extent permissible by law, plus prejudgment interest;
- D. a judgment under 28 U.S.C. § 2201 and Fed. R. Civ. P. 57 determining the parties' respective rights and obligations as alleged;
- E. an order awarding all other forms of monetary relief to Plaintiffs and the members of the Damages Class to the maximum extent permissible by law, including payment of all PPP loan proceeds owed and due with interest, as well as disgorgement of all fees Prestamos obtained in connection therewith to the maximum extent permissible by law;
- F. an order of equitable relief, in the alternative and to the extent that the breach of contract claim fails to adequately award Plaintiffs and the Damages Class members their damages for Defendants' violations, including injunctive relief directing Defendants to fund their SBA-approved loans in full with interest, or restitution in the amount of the wrongfully withheld PPP loan proceeds plus interest;

G. an award of punitive damages based on Prestamos' intentional, wanton and malicious conduct, or its reckless disregard of Plaintiffs' and the Damages Class members' rights, in amounts to be determined at trial to the maximum extent permissible by law;

H. an order awarding Plaintiffs and the Classes their reasonable attorneys' fees and expenses and costs of this lawsuit, including but not limited to expert fees and costs, to the maximum extent permissible by law;

I. an order awarding Plaintiffs and the Classes their reasonable attorneys' fees and expenses and costs of this lawsuit in connection with any applicable PPP loans Prestamos funded after the October 1, 2021 date that this litigation was filed that are fairly and reasonably attributable to Plaintiffs' filing and maintaining this litigation to the maximum extent permissible by law; and

J. such other relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiffs demand a trial by jury of any and all issues in this action so triable as of right.

Dated: May 1, 2024

Respectfully submitted,

BAILEY & GLASSER LLP

By: /s/ Lawrence J. Lederer

Lawrence J. Lederer (Pa. ID 50445)

Bart D. Cohen (Pa. ID 57606)

1622 Locust Street

Philadelphia, PA 19103

T.: 215-274-9420

F.: 202-463-2103

llederer@baileyglasser.com

bcohen@baileyglasser.com

Michael L. Murphy (admitted *pro hac vice*)
1055 Thomas Jefferson Street NW, Suite 540
Washington, DC 20007
T.: 202.463-2101
F.: 202.463-2103
mmurphy@baileyglasser.com

- and -

NOLAN HELLER KAUFFMAN LLP

Justin A. Heller (admitted *pro hac vice*)
Matthew M. Zapala (admitted *pro hac vice*)
80 State Street, 11th Floor
Albany, NY 12207
T.: 518.449.3300
F.: 518.432.3123
jheller@nhkllp.com
mzapala@nhkllp.com

EXHIBIT A



U.S. Small Business Administration

NOTE

SBA Loan #	8282208801
SBA Loan Name	Paycheck Protection Program
Date	4/29/2021
Loan Amount	\$ 7915
Interest Rate	Fixed at 1%
Borrower	Alicia Marshall
Operating Company	Alicia Marshall
Lender	Prestamos CDFI, LLC

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of
\$ 7915 _____ Dollars,
interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

“Collateral” means any property taken as security for payment of this Note or any guarantee of this Note.

“Guarantor” means each person or entity that signs a guarantee of payment of this Note.

“Loan” means the loan evidenced by this Note.

“Loan Documents” means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

“SBA” means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

Initial Deferment Period: No payments are due on this loan beginning on the date of first disbursement of this loan until the loan forgiveness payment is remitted to the Lender by the SBA. Interest will continue to accrue during the deferment period.

Loan Forgiveness:

First Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:

- oEmployee and compensation levels are maintained
- oThe loan proceeds are spent on payroll costs and other eligible expenses; and
- oAt least 60 percent of the proceeds are spent on payroll costs

Second Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8 to 24 week covered period following loan disbursement:

- oEmployee and compensation levels are maintained in the same manner as required for the First Draw PPP loan
- oThe loan proceeds are spent on payroll costs and other eligible expenses; and
- oAt least 60 percent of the proceeds are spent on payroll costs

The amount of loan forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the Paycheck Protection Program, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Not more than 40% of the amount forgiven can be attributable to non-payroll costs.

Maturity: This Note will mature five years from date of first disbursement of this loan.

Repayment Terms: The interest rate on this Note is one percent per year. The interest rate is fixed and will not be changed during the life of the loan.

For any amounts that remain owing on this Note after the SBA remits the forgiveness payment, Borrower must pay principal and interest payments, in such amount as is required to fully amortize the unpaid balance of this Note over the remaining term, beginning one (1) month following the SBA's forgiveness payment. If a forgiveness application is not made within ten (10) months of the last day of the covered period, Borrower must pay principal and interest payments in such amount as is required to fully amortize the unpaid balance of this Note over the remaining term. Payments must be made on the 1st calendar day in the months they are due.

Lender will apply each installment payment first to pay interest accrued to the day Lender received the payment, then to bring principal current, and will apply any remaining balance to reduce principal.

Loan Prepayment: Notwithstanding any provision in this Note to the contrary:

Borrower may prepay this Note at any time without penalty. Borrower may prepay 20 percent or less of the unpaid principal balance at any time without notice. If Borrower prepays more than 20 percent and the Loan has been sold on the secondary market, Borrower must: a. Give Lender written notice; b. Pay all accrued interest; and c. If the prepayment is received less than 21 days from the date Lender received the notice, pay an amount equal to 21 days interest from the date lender received the notice, less any interest accrued during the 21 days and paid under b. of this paragraph. If Borrower does not prepay within 30 days from the date Lender received the notice, Borrower must give Lender a new notice.

Non-Recourse: Lender and SBA shall have no recourse against any individual shareholder, member or partner of Borrower for non-payment of the loan, except to the extent that such shareholder, member or partner uses the loan proceeds for an unauthorized purpose.

4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

10. STATE-SPECIFIC PROVISIONS:

None

Unless otherwise prohibited by law, the following additional provisions will apply:

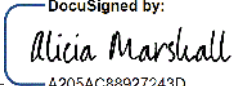
Release of Lender. In consideration of the agreement of the Lender to provide this Note, and other good and valuable consideration, which consideration is agreed by Borrower to be good and sufficient, Borrower RELEASES, ACQUITS AND FOREVER DISCHARGES the Lender, its directors, officers, shareholders, agents, contractors, employees, affiliates, attorneys, successors and assigns from any and all claims, demands, liens, damages, actions or suits, of whatsoever nature or character, whether statutory (including without limitation usury and deceptive trade practices claims), in contract or in tort, known or unknown, which have accrued or may accrue to Borrower or any creditor or affiliate of Borrower on account of any injuries, damages or losses or otherwise arising out of or in any way connected to (i) any extension of credit by the Lender to Borrower on or prior to the date hereof, or (ii) any matter or thing done, omitted or suffered to be done by the Lender, its directors, officers, shareholders, agents, employees, affiliates, attorneys, predecessors or assignors on or prior to the date hereof.

Notwithstanding anything else contained herein, this Note is not secured and there are no guarantors.

11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

BORROWER: Alicia Marshall

By  Date 4/29/2021

DocuSigned by:
A205AC88927243D...

**ADDITIONAL AND CORRECTION DOCUMENTS AGREEMENT
(ERRORS AND OMISSIONS AGREEMENT)**

RE: Loan by Lender, Prestamos CDFI, LLC to Alicia Marshall, **a(n)**
Sole Proprietorship (Unregistered), **in the amount of \$** 7915.

In consideration of Prestamos CDFI, LLC, located at 1024 E Buckeye RD, Suite 270, Phoenix AZ 85034, (hereinafter called "Lender") making the above loan, each of the undersigned, jointly and severally, do hereby agree as follows:

1. In the event the promissory note or any other document or other writing evidencing, securing or pertaining to the above loan is misplaced or lost or incorrectly reflects the true and correct terms, conditions or provisions of the loan in the opinion of Lender, each of the undersigned shall execute, acknowledge, initial and deliver to Lender all documents and other writings that Lender requests which Lender deems necessary to replace or correct any misplaced, lost or incorrect document or other writing; and

2. In the event Lender deems it necessary that any additional documents or other writings be executed by any of the undersigned in connection with or pertaining to the above loan which have not been requested to be executed by the undersigned on or before the date hereof (or which were requested but not executed for any reason whatsoever), each of the undersigned shall execute, acknowledge, initial and deliver to Lender all such additional documents or other writings that Lender may reasonably request in connection with such loan; and

3. Each of the undersigned further agrees to execute, acknowledge, initial and deliver to Lender all such documents and writings and pay such additional sums requested by Lender within ten (10) days after Lender requests same. Any request by Lender shall be deemed given and received on the earlier of (i) the date such request is actually received by one of the undersigned or (ii) three (3) days after such request is mailed, postage prepaid and addressed to any of the undersigned at the last known address of the undersigned in accordance with the records of Lender, whichever date occurs first; and

4. If any of the undersigned refuses or fails within such ten (10) day period to (i) execute, acknowledge, initial and deliver any such document or other writing requested by Lender, or (ii) pay any such fees, expenses, costs or interest, each of the undersigned, jointly and severally, agree to pay to Lender all losses, damages and expenses paid or incurred by Lender in any manner emanating therefrom or connected therewith, including (but not limited to) reasonable attorney's fees, and each of the undersigned further agree that any such failure or refusal shall constitute a default and an Event of Default under the note and all other writings evidencing, securing or pertaining to said loan; and

5. Each of the undersigned hereby acknowledges that Lender is relying upon this agreement in making the above loan and that Lender would not make such loan unless each of the undersigned execute and deliver this agreement; and each of the undersigned further agree that this agreement (i) shall inure to the benefit of Lender and each subsequent holder of the note evidencing such loan, and (ii) shall be binding upon each of the undersigned and upon each of the heirs, personal representatives, successors and assigns of each of the undersigned.

EXECUTED 4/29/2021

BORROWER:

Alicia Marshall,

A(n) Sole Proprietorship (Unregistered)

By: Alicia Marshall
DocuSigned by:
A205AC88927243D...
Name: Alicia Marshall

Title: Owner

**BUSINESS PURPOSE STATEMENT
(SBA Paycheck Protection Program)**

I, Alicia Marshall, Owner of Alicia Marshall,
a(n) Sole Proprietorship (Unregistered), state as follows:

1. To induce Prestamos CDFI, LLC, 1024 E Buckeye Rd, Suite 270, Phoenix, AZ 85034, to
extend credit to Alicia Marshall, a(n) Sole Proprietorship (Unregistered)

I represent that the proceeds of the loan in the amount of \$ 7915 will be used
only for the following purpose(s):

Business related purposes as authorized by the U.S. Small Business Administration Paycheck
Protection Program and as specified in the loan application.

2. I understand that the above-stated purpose is for business or commercial purposes only
and that you are relying upon these representations in not making Truth-in-Lending disclosures pursuant
to 15 U.S.C. Section 1601, in connection with this loan.

EXECUTED 4/29/2021

DocuSigned by:
Alicia Marshall
(A) A205AC88927243D...

NOTICE - NO ORAL AGREEMENTS

RE: Loan by Lender, Prestamos CDFI, LLC to Borrower, Alicia Marshall,
a(n) Sole Proprietorship (Unregistered) **in the amount of \$** 7915.

THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

"Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods, or another thing of value or to otherwise extend credit or make a financial accommodation.

EXECUTED 4/29/2021

LENDER:

PRESTAMOS CDFI, LLC



By: _____

Name: Jose Martinez

Title: President

BORROWER:

Alicia Marshall

Sole Proprietorship (Unregistered)

A(n)

DocuSigned by:

Alicia Marshall

A205AC88927243D...

By: _____

Name: Alicia Marshall

Title: Owner

**WRITTEN CONSENT OF GOVERNING BODY
(SBA PPP loan)**

Pursuant to applicable law, the undersigned, being the appropriate governing body pursuant to the governing documents for the borrowing entity designated on the signature page hereof ("Company"), hereby consent to the adoption of and do hereby adopt the following resolutions and acknowledge that Prestamos CDFI, LLC ("Lender") is relying on the effectiveness hereof in making a loan to Company under the Paycheck Protection Program Second Draw Loans of the Small Business Administration ("SBA") as authorized under Section 311 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act ("Economic Aid Act");

RESOLVED, that the undersigned hereby authorizes the Authorized Person named below as the appropriate person pursuant to the governing documents of the Company ("Authorized Person"), for and on behalf and in the name of the Company, to take such action necessary for the Company to borrow money and to obtain credit from the Lender, with its principal office located in Phoenix, Arizona, in the amount stated in the promissory note executed by Company and payable to Lender (the "Loan") and dated on or about the date hereof, hereinafter called the "Loan", including any renewals, extensions, consolidations or rearrangements of such indebtedness, upon such terms and at such rates as he or she deems reasonable;

BE IT FURTHER RESOLVED, that the undersigned hereby authorizes the Authorized Person, for and on behalf and in the name of the Company to prepare, execute and deliver any and all applications, certifications, promissory notes, loan agreements and any and all other documents and to perform any and all acts which may be necessary or proper to effect the borrowing and to execute and deliver any and all instruments and perform any and all acts required by the Lender and/or the SBA in connection with any matters herein contained, including any renewals, extensions, consolidations or rearrangements of such indebtedness, upon such terms and at such rates as the Authorized Person, in his or her sole discretion, deems reasonable;

BE IT FURTHER RESOLVED, that all the acts and deeds done or to be done by the Authorized Person, in connection with the execution and delivery of any promissory notes, loan agreements, and any and all other documents, and any and all acts which may be necessary or proper to effect the borrowing, are hereby authorized, adopted, ratified, confirmed and approved as the acts and deeds of Company;

BE IT FURTHER RESOLVED, that the Authorized Person be and is hereby authorized and directed to take such other action and deliver such additional instruments in the name of and on behalf of Company, or otherwise to do all such further acts and things that the Authorized Person shall deem necessary or proper in order to effectively perform all of the obligations and agreements expressed to be kept and performed by Company, pursuant to the provisions of any promissory notes, loan agreements and any and all other documents and to perform any and all acts which may be necessary or proper to effect the borrowing described above;

BE IT FURTHER RESOLVED, that any government agency, including but not limited to, the SBA, may also rely on this Written Consent when identifying any Authorized Person for purposes of any loan guaranty, loan forgiveness, or other government program related to the Loan; and

BE IT FURTHER RESOLVED, that any and all acts authorized pursuant to this Written Consent and performed prior to the execution of this Written Consent are hereby ratified and approved. This Written Consent shall be continuing and shall remain in full force and effect until written notice of its revocation shall have been delivered to the Lender and receipt acknowledged by the Lender in writing.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK - SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this consent effective as of 4/29/2021

AUTHORIZED PERSON:

Alicia Marshall

A(n) Sole Proprietorship (Unregistered)

By:  _____
Name: Alicia Marshall _____
Title: Owner _____

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Alicia Marshall		
2 Business name/disregarded entity name, if different from above Alicia Marshall		
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☒ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ▶ _____ ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate		
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>		
5 Address (number, street, and apt. or suite no.) See instructions. 500 6th St Apt 7		Requester's name and address (optional)
6 City, state, and ZIP code West Sacramento CA 95605		
7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments of more than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign here
 Signature of U.S. person
 DocuSigned by:
Alicia Marshall
 A205AC88927243D...

Date ▶ 4/29/2021

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

Information and Bank Account Certification and Authorization:

I acknowledge that the lender has to its best ability confirmed the ownership and active status of the depository account at the Financial Institution listed as required in the documents submitted to the SBA for PPP loan approval. I understand, acknowledge, and agree that the Lender or its' partners can share any financial information that I have provided with along with the SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, or any of its affiliates or partners for the purpose of compliance, accuracy, and verification of good standing to comply with all SBA Loan Program Requirements and or any and all SBA reviews.

I, Alicia Marshall certify in good faith to the below information to be the rightful and correct owner of the account and am responsible for the accuracy and information provided below and authorize the lender and or its affiliates or partners to deposit the loan proceeds on the company's behalf. I further certify that the account information provided below is true and accurate in all material respects.

BANK NAME: Evolve Bank & Trust

ACCOUNT NAME: Alicia Marshall

ACCOUNT NUMBER: XXXXXXXXXX

ROUTING NUMBER: 084106768