

Exhibit A

ORIGINAL

1 Marcus J. Bradley, Esq. (SBN 174156)
Kiley L. Grombacher, Esq. (SBN 245960)
2 **BRADLEY/GROMBACHER, LLP**
31365 Oak Crest Drive, Suite 240
3 Westlake Village, California 91361
4 Telephone: (805) 270-7100
Facsimile: (805) 270-7589
5 mbradley@bradleygrombacher.com
kgrombacher@bradleygrombacher.com
6

FILED
Superior Court of California
County of Los Angeles

SEP 03 2021

Sherri R. Carter, Executive Officer/Clerk of Court
By S. DREW Deputy

7 John R. Habashy, Esq. (SBN 236708)
LEXICON LAW, PC
8 633 W. 5th St., 28th Floor
Los Angeles, CA 90071
9 Tel: (213) 223-5900
john@lexiconlaw.com
10

11 Attorneys for Plaintiff, PETER KATO

12 [Additional counsel on following page]

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

14 **COUNTY OF LOS ANGELES**

FAXED

15
16 PETER KATO, individually and on behalf
of all others similarly situated,

CASE NO: **21 ST CV 32788**

17 Plaintiffs,

CLASS ACTION

18 v.

**COMPLAINT FOR DAMAGES,
RESTITUTION AND INJUNCTIVE
RELIEF FOR VIOLATIONS OF:**

19
20 SPEEDY CASH; and DOES 1-10,
inclusive,

**CALIFORNIA'S UNFAIR
COMPETITION LAW,
CALIFORNIA BUSINESS &
PROFESSIONS CODES §§ 17200, ET
SEQ.**

21 Defendants.
22
23
24
25

JURY TRIAL DEMANDED

09:07:2021

1 Robert N. Fisher, Esq. (CA Bar No. 302919)

2 **BRADLEY/GROMBACHER, LLP**

3 477 Madison Avenue, Suite 6000|

4 New York, NY 10022

5 Telephone: 805.270.7100

6 Facsimile: 805.270.7589

7 rfisher@bradleygrombacher.com

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

09/07/2021

INTRODUCTION

1
2 Plaintiff PETER KATO (“Plaintiff”), by Plaintiff’s attorneys brings this Class Action
3 Complaint for damages, injunctive relief, and any other available legal or equitable remedies,
4 resulting from the unlawful and deceptive business practices of SPEEDY CASH (“Defendant”)
5 with regard to Defendant’s practice of requiring consumers to pay interest rates in excess of what
6 is permitted by the California Financing Law § 22000 and in amounts that are unconscionable
7 within the meaning of Cal. Civ. Code § 1670.5 and violating California’s Unfair Competition
8 Law, California Business & Professions Code §§ 17200, et seq. (“UCL”).

9 1. This Action seeks to enjoin Defendant’s practices of preying on California
10 consumers with usurious loans and unfair collection practices.

11 2. Defendant’s conduct is a scheme carried out by Defendant which involves making
12 significant amounts of money from California consumers through false, deceptive, and
13 misleading means throughout the period covered by the applicable statute of limitations.

14 3. Plaintiff makes these allegations on information and belief, with the exception of
15 those allegations that pertain to a Plaintiff, or to a Plaintiff’s counsel, which plaintiff alleges on
16 personal knowledge.

17 4. While many violations are described below with specificity, this Complaint alleges
18 violations of the statutes cited in their entirety.

19 5. Unless otherwise stated, Plaintiff alleges that any violations by Defendant were
20 knowing and intentional, and that Defendant did not maintain procedures reasonably adapted
21 to avoid any such violation.

22 6. Unless otherwise indicated, the use of any Defendant’s name in this Complaint
23 includes all agents, employees, officers, members, directors, heirs, successors, assigns, principals,
24 trustees, sureties, subrogees, representatives, and insurers of the Defendant named.

JURISDICTION AND VENUE

25
26 7. Jurisdiction of this Court is proper because the events leading to Plaintiff’s cause
27 of action occurred in Los Angeles, County and the State of California.

28 8. This action arises out of Defendant’s violations of the California Financing Law

09:07:20:60

1 and the UCL.

2 9. Because Defendant conducts business within the State of California, personal
3 jurisdiction is established.

4 10. Venue is proper as Plaintiff is a resident of this County and the events complained
5 of took place in this County.

6 **PARTIES**

7 11. Plaintiff is, and at all times mentioned herein was, a citizen and resident of the
8 County of Los Angeles, State of California.

9 12. Plaintiff is informed and believes and thereon alleges that Defendant is, and at all
10 times mentioned herein was, a corporation incorporated under the laws of the State of Nevada.

11 **FACTUAL ALLEGATIONS**

12 13. Plaintiff realleges and incorporates by reference all of the above paragraphs of this
13 Complaint as though fully stated herein.

14 14. At all times relevant, Defendant made and continues to make substantial marketing
15 efforts to solicit the business of California Consumers via print media, internet advertisements,
16 television, and radio.

17 15. In September 2017, Plaintiff borrowed \$3,600 from Speedy Cash using his
18 automobile as collateral.

19 16. The terms of Speedy Cash’s loan required Plaintiff to pay interest at a rate of
20 95.737% APR.

21 17. The loan terms required Plaintiff to make 44 payments of \$266.29 and one
22 payment of \$267.30, totaling over \$12,000 in loan payments.

23 18. The loan period ran through February 12, 2021.

24 19. Plaintiff incurred actual financial losses due to the outrageous and unlawful
25 interest rates charged to him by Speedy Cash.

26 20. This is Speedy Cash’s business model.

27 21. Speedy Cash lends to consumers who have limited access to credit and makes
28 loans that are usurious and impossible for consumers to pay off, subjecting them to default and

09:07:20

1 additional penalties.

2 22. These loans are presented on a “take it or leave it” basis. Consumers who accept
3 these loan terms have zero bargaining power or power to negotiate with regards to any
4 transactions with Speedy Cash.

5 23. The loans are presented without any actual or reasonable opportunity for review.
6 A reasonable consumer would not understand the interest and penalty provisions by virtue of the
7 method Speedy Cash uses to present the information.

8 24. When consumers fall into default, Speedy Cash compounds its profits by
9 accelerating loan balances and requiring immediate payment of the full principal, adding default
10 interest and penalties and subsequently aggressively pursuing collection efforts.

11 25. Speedy cash lends to those who have an emergent need for cash and are willing to
12 agree to terms which they ultimately be unable to repay within the loan period. Speedy Cash
13 reaps significant profits from its usurious interest rates and unfair fees, while consumers are often
14 unable to make payments that make any dent on the principal balance.

15 26. In Plaintiff’s case, he granted Speedy Cash a security interest on his vehicle, which
16 was then subject to repossession if he could not pay the usurious interest on his loan.

17 27. The typical California consumer is unlikely to be aware that the Annual Percentage
18 Rate (“APR”) charged by Speedy Cash is excessive and/or prohibited by California law.

19 **CLASS ALLEGATIONS**

20 28. Plaintiff brings this action on behalf of himself individually, and on behalf of all
21 others similarly situated.

22 29. Plaintiff denies the “The Class” as follows:

23 all persons within California who entered into a consumer loan agreement with
24 Defendant that required them to pay in excess of the statutorily permitted
25 interest rate or an otherwise unconscionable rate during the four years prior to
the filing of this action through the date of filing.

26 30. Defendant and their employees or agents are excluded from the Class.

27 31. Plaintiff does not know the exact number of persons in the Class, but believes
28 them to be in the several hundreds, if not thousands, making joinder of all these actions

0000000000

1 impracticable.

2 32. The identity of the individual members is ascertainable through Defendant's
3 and/or Defendant's agents' records or by public notice.

4 33. There is a well-defined community of interest in the questions of law and fact
5 involved affecting the members of the Class. The questions of law and fact common to the
6 Class predominate over questions affecting only individual class members, and include, but
7 are not limited to, the following:

- 8 a. Whether Defendant enters into loans with consumers in excess of the interest
9 rates permitted by the California Financing Law or that are otherwise
10 unconscionable;
- 11 b. Whether Defendant's conduct was willful;
- 12 c. Whether Defendant's conduct was negligent;
- 13 d. Whether Plaintiff and the Class are entitled to statutory damages;
- 14 e. Whether Plaintiff and the Class are entitled to actual damages;
- 15 f. Whether Plaintiff and the Class are entitled to the recovery of restitution;
- 16 g. Whether Plaintiff and the Class are entitled to injunctive relief;
- 17 h. Whether Plaintiff and the Class are entitled to the recovery of attorneys' fees;
- 18 i. Whether Plaintiff and the Class are entitled to the recovery of litigation costs;
- 19 j. Whether Defendant's practices violate California Business and Professions
20 Code § 17200;
- 21 k. Whether Defendant's practices are "unlawful" as described by California
22 Business and Professions Code § 17200;
- 23 l. Whether Defendant's practices are "unfair" as described by California Business
24 and Professions Code § 17200;
- 25 m. Whether Defendant's practices are "fraudulent" as described by California
26 Business and Professions Code § 17200; and
- 27 n. Whether Defendant should be enjoined from engaging in such conducted in the
28 future.

00:07:2021

1 34. Plaintiff will fairly and adequately protect the interest of the Class.

2 35. Plaintiff has retained counsel experienced in consumer class action litigation.

3 36. Plaintiffs' claims are typical of the claims of the Class, which all arise from the
4 same operative facts regarding contracts charging in excess of the statutorily permitted interest
5 rate.

6 37. A class action is a superior method for the fair and efficient adjudication of this
7 controversy.

8 38. Class-wide damages are essential to induce Defendant to comply with the
9 federal and State laws alleged in the Complaint.

10 39. The interests of class members in individually controlling the prosecution of
11 separate claims against Defendant is small.

12 40. Management of these claims is likely to present significantly fewer difficulties
13 than those presented in many class claims, e.g., securities fraud.

14 41. Defendant has acted on grounds generally applicable to the Class, thereby
15 making appropriate final declaratory relief with respect to the Class as a whole.

16 42. Plaintiff contemplates providing notice to the putative class members by direct
17 mail in the form of a postcard-type notice and via Internet website.

18 43. Plaintiff requests Certification of a hybrid class for monetary damages and
19 injunctive relief.

20 **CAUSES OF ACTION CLAIMED BY PLAINTIFF**

21 **FIRST CAUSE OF ACTION**

22 **VIOLATION OF CALIFORNIA'S UNFAIR COMPETITION LAW**

23 **CAL. BUS. & PROF. CODE §§17200, ET SEQ.**

24 **[ON BEHALF OF PLAINTIFF AND THE CLASS AGAINST ALL DEFENDANTS]**

25 44. Plaintiff incorporates by reference all of the above paragraphs of this Complaint
26 as though fully stated herein.

27 45. Plaintiff and Defendant are each "person[s]" as defined by California Business
28 & Professions Code § 17201. California Bus. & Prof. Code § 17204 authorizes a private right

09:07:2021

1 of action on both an individual and representative basis.

2 46. "Unfair competition" is defined by Business and Professions Code Section
3 §17200 as encompassing several types of business "wrongs", two of which are at issue here:
4 (1) an "unlawful" business act of practice, (2) an "unfair" business act or practice, (3) a
5 "fraudulent" business act or practice, and (4) "unfair, deceptive, untrue, or misleading
6 advertising." The definitions in §17200 are drafted in the disjunctive, meaning at each of these
7 "wrongs" operates independently from the others.

8 47. By and through Defendant's conduct alleged in further detail above and herein,
9 Defendant engaged in conduct which constitutes (a) unlawful and (b) unfair business practiced
10 prohibited by Bus. & Prof. Code §17200 et seq.

11 **"UNLAWFUL" PRONG**

12 48. As a result of Defendant's acts and practices described herein, Defendant has
13 violated California's Unfair Competition Law, Business & Professions Code §§ 17200 *et seq.*,
14 which provides a cause of action for an "unlawful" business act or practice perpetrated on
15 members of the California public.

16 49. Defendant had other reasonably available alternatives to further its legitimate
17 business interest, other than the conduct described herein, such as refraining from charging
18 usurious rates and engaging in unfair business practices in collecting loan payments.

19 50. The lending practices complained of violate Cal. Fin. Code § 22302, as they
20 violate Cal. Civ. Code § 1670.5 because the loan terms are unconscionable.

21 51. The lending practices complained of violate Cal. Fin. Code §§ 22303-22304.5
22 and 22306 as the loan terms exceed the maximum allowable interest rates provided in these
23 sections of the code.

24 52. Plaintiff reserved the right to allege other violations of law, which constitute
25 other unlawful business practices or acts, as such conduct is ongoing and continues to this
26 date.

27 **"UNFAIR" PRONG**

28 53. Defendant's actions and representations constitute an "unfair" business act or

09:07:2021

1 practice under § 17200 in the Defendant's conduct is sustainably injurious to consumers,
2 offends public policy, and is immoral, unethical, oppressive, and unscrupulous as the gravity
3 of the conduct outweighs any alleged benefits attributable to such conduct.

4 54. Defendant charges usurious interest rates and aggressively collects on its loans
5 including the use of penalties and acceleration clauses to increase amounts owed.

6 55. Defendant falsely represents on its website that "Speedy Cash **complies with**
7 **applicable federal, state, and municipal laws and regulations.**" (Emphasis in original).

8 56. Defendant could and should have furthered its legitimate business interests by
9 not perpetrating fraud on the entire representative class of California borrowers by charging an
10 unlawful interest rate.

11 57. At a date presently unknown to Plaintiff, but at least four years prior to the
12 filing of this action, and as set forth above, Defendant has committed other acts of unfair
13 competition as defined by Cal. Bus. & Prof. Code §§ 17200 et seq., as alleged in further detail
14 above and herein.

15 58. Plaintiff could not have reasonably avoided further injury suffered herein.
16 Plaintiff reserved the right to allege further conduct that constitutes other unfair business acts
17 or practices. Such conduct is ongoing and continues to this date, as Defendant continues to
18 require California consumers to enter in contracts that violate the California Financing Law
19 and Cal. Bus. & Prof. Code §§ 17200, et seq.

20 **"FRAUDULENT" PRONG**

21 59. California Business & Professions Code § 17200 prohibits any "fraudulent
22 business act or practice." In order to prevail under the "fraudulent" prong of the UCL, a
23 consumer must allege that the fraudulent business practice was likely to deceive members of
24 the public.

25 60. The test for "fraud" as contemplated by California Business and Professions
26 Code § 17200 is whether the public is likely to be deceived. Unlike common law fraud, a §
27 17200 violation can be established even if no one was actually deceived, relied upon the
28 fraudulent practice, or sustained any damage.

1
2 61. Defendant implicitly and explicitly represents that it follows the law when it
3 provides loans to consumers.

4 62. Defendant’s contention on its website that it complies with applicable laws is
5 fraudulent.

6 63. Thus, Defendant’s conduct has violated the “fraudulent” prong of California
7 Business & Professions Code § 17200.

8 64. Plaintiff seeks public injunctive relief in his capacity as a private attorney
9 general pursuant to Business & Professions Code § 17204 to benefit the general public directly
10 by bringing an end to Defendant’s unfair business practices which threaten future injury to the
11 general public. Specifically, an injunction requiring Speedy Cash to immediately cease
12 entering into loan agreements with a usurious APR and cease its other unlawful, unfair, and
13 fraudulent behavior protects the public at large because the public could then not be charged
14 an unconscionable APR by Speedy Cash or misled into accepting those terms or agree to those
15 terms without understanding the nature of them and that they are not legal.

16 **PRAYER FOR RELIEF**

17 **WHEREFORE**, Plaintiff respectfully requests the Court grant Plaintiff damages against
18 Defendant and relief as follows:

- 19 A. That this action be certified as the class action on behalf of the Class and Plaintiff be
- 20 appointed as the representatives of the Class;
- 21 B. That Plaintiff’s counsel be appointed to represent the Class;
- 22 C. That the Court find that Plaintiff is entitled to injunctive relief pursuant to Cal. Bus. &
- 23 Prof. Code § 17203;
- 24 D. That the Court find that Defendant is in possession of money that belongs to Plaintiff
- 25 and that Defendant has not returned the money;
- 26 E. An order requiring Defendant to pay restitution to Plaintiff due to Defendant’s UCL
- 27 violation, pursuant to Cal. Bus. & Prof. Code §§ 17200-17205 in amount of Plaintiff’s
- 28 monthly payments;

09:07:2021

- F. An order requiring imposition of a constructive trust and and/or disgorgement of Defendant's ill-gotten gains and to pay restitution to Plaintiff and to restore to plaintiff all funds acquired by means of any act or practice declared by this court to be an unlawful, fraudulent, or unfair business act or practice, in violation of laws, statutes or regulations, or constituting unfair competition;
- G. That Plaintiff and the Class be awarded reasonable attorney's fees and costs of this suit pursuant to Code of Civil Procedure § 1021.5 and/or other applicable law; and
- H. Any and all other relief as this Court may deem necessary or appropriate.


DEMAND FOR TRIAL BY JURY

Plaintiff and the Class are entitled to, and demand, a trial by jury.

Dated: September 3, 2021

Respectfully submitted,

By:



 Marcus J. Bradley, Esq. (SBN 174156)
 Kiley L. Grombacher, Esq. (SBN 245960)
BRADLEY/GROMBACHER, LLP
 31365 Oak Crest Drive, Suite 240
 Westlake Village, California 91361
 Telephone: (805) 270-7100

John R. Habashy (SBN 236708)
LEXICON LAW, PC
 633 W. 5th St., 28th Floor
 Los Angeles, CA 90071
 Telephone: (213) 223-5900

Robert N. Fisher, Esq. (CA Bar No. 302919)
BRADLEY/GROMBACHER, LLP
 477 Madison Avenue, Suite 6000|
 New York, NY 10022
 Telephone: 805) 270-7100

09:07:2021