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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Erland German Penaloza dba My Trusted American Loans (aka “MTA Loans”)
Efrain Frank Perez
1605 Calle Ciervos
San Dimas, CA 91773

DESIST AND REFRAIN ORDER
(For violations of section 22100 of the California Financial Code)

The California Corporations Commissioner (“Commissioner”) finds that:

1. At all relevant times, Erland German Penaloza (“Penaloza”), doing business as My Trusted American Loans or “MTA Loans” (hereafter “MTA Loans”), maintained a principal place of business at 1605 Calle Ciervos, San Dimas, California, 91773.
2. At all relevant times, Penaloza and his partner Efrain Frank Perez engaged in the business of making consumer loans to employees of the Los Angeles County Metropolitan Transportation Authority (“Metro”).
3. During a period starting as early as January 1, 2006 through at least September 6, 2008, Penaloza and Perez made consumer loans totaling over \$970,000 to at least 150 California residents who were Metro employees. Borrowers rarely signed loan agreements and were typically charged verbally quoted fixed fees or monthly interest rates equating to 3%-10%.
4. Penaloza and Perez would go to Metro premises on paydays to personally collect loan payments from Metro employees. Additionally, they instructed dozens of Metro employees on how to arrange for monthly loan payments to be directly deducted from their payrolls and deposited into personal accounts that Penaloza set up at Bank of America, Wells Fargo and other banking institutions.
5. In or about March 2008, Penaloza applied for a lender’s license under the California Finance Lenders Law (“CFL”) (California Financial Code section 22000 *et seq.*). Penaloza’s application was approved, and he was issued license number 603-G472 on June 16, 2008.

1 6. On May 22, 2009, the Commissioner informed Penalzoza that the Department of
2 Corporations (“Department”) had received notice from his insurer of cancellation of the license
3 surety bond, thereby placing him in violation of Financial Code section 22112.

4 7. On June 18, 2009, Penalzoza voluntarily surrendered license number 603-G472 and,
5 effective that date, was no longer licensed to engage in California finance lender business.

6 8. The Commissioner finds that during the 30-month period prior to June 16, 2008,
7 Penalzoza and Perez engaged in the business of a finance lender or broker without a license from
8 the Department in violation of Financial Code section 22100.

9 9. At no time prior to June 16, 2008 or after June 18, 2009 was Penalzoza issued a license by
10 the Commissioner authorizing him to engage in the business of a finance lender or broker under
11 the California Finance Lenders Law.

12 10. At no time ever was Perez issued a license by the Commissioner authorizing him to
13 engage in the business of a finance lender or broker under the California Finance Lenders Law.

14 11. Penalzoza and Perez are not exempt from the licensing requirements of California
15 Financial Code section 22100.

16 12. California Financial Code section 22170, subdivision (b), provides:

17 (b) It is unlawful for any person to knowingly make an untrue statement to the
18 commissioner during the course of licensing, investigation, or examination, with the intent
19 to impede, obstruct, or influence the administration or enforcement of any provision of this
20 division.

21 13. The Commissioner finds that when Penalzoza applied for his CFLL license he knowingly
22 made an untrue statement to the Commissioner, in violation of section 22170(b), when he
23 attested under penalty of perjury that he had “not engaged in conduct that would be cause for
24 denial for a license.” Further, Penalzoza failed to disclose that his business partner Perez directly
25 or indirectly controlled 10% or more ownership interest in the MTA Loans enterprise.

26 Based on the foregoing findings, the California Corporations Commissioner is of the
27 opinion that Erland German Penalzoza doing business as My Trusted American Loan or “MTA
28 Loans” and Efrain Frank Perez have engaged in business as finance lenders without having first

1 obtained a license from the Commissioner in violation of California Financial Code section
2 22100.

3 Pursuant to California Financial Code section 22712, Erland German Penaloza doing
4 business as My Trusted American Loan or “MTA Loans” and Efrain Frank Perez are ordered to
5 desist and refrain from engaging in the business of finance lenders in the State of California
6 without first obtaining a license from the Commissioner, or otherwise being exempt.

7 The California Corporations Commissioner finds that this Order is necessary and
8 appropriate in the public interest or for the protection of lenders and consistent with the purposes
9 fairly intended by the policy and provisions of this law.

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11 Dated: February 24, 2011
12 Los Angeles, California

13 PRESTON DUFAUCHARD
14 California Corporations Commissioner

15
16 By _____
17 ALAN S. WEINGER
18 Deputy Commissioner
19 Enforcement Division
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