



Brian J. Stiger  
Director

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## COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

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### PRESS RELEASE

*For Immediate Release*  
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### **Six People Accused of Conspiring to Commit Loan-Sharking Involving Car Title Loans**

A multi-agency investigation has resulted in charges against six people for allegedly conspiring in an extensive car title loan scheme that allegedly defrauded unsuspecting consumers out of thousands of dollars each. Many affected consumers also lost their vehicles.

The Los Angeles County District Attorney's Office charged the six defendants with one felony count each of conspiracy to commit loan sharking. If convicted, each defendant faces up to five years in prison. Those charged are: Alex Loxley, 39, of Santa Monica; Micayel Simonyan, 31, of North Hollywood; Walter Reyes, 28, of Los Angeles; David Watkins, 34, of Beaumont; Daniel Cool Star, 33, of Los Angeles; and Gustavo Aguirre, 33, of Glendale. All six defendants have been ordered to appear in court to answer to the charges on Tuesday, Oct. 14, 2014. Their hearings will be in Department 30 at the Clara Shortridge Foltz Superior Court in Los Angeles.

The defendants are accused of making illegal loans to consumers that were guaranteed by their car titles. The charges alleged that the defendants did not have the required license to make such loans. The defendants are accused of illegally charging consumers interest rates as high as 150 percent. Some loans were negotiated in Spanish, but consumers were not given contracts in their language as required by law.

The defendants allegedly operated several illegal car title lending locations throughout Southern California. The County of Los Angeles Department of Consumer Affairs (DCA) received complaints from consumers complaining that the defendants allegedly demanded more money than originally agreed upon, repossessed their cars unlawfully, and denied them the opportunity to reclaim their cars and/or personal belongings.

"When taking out a loan, it's important for consumers to shop around for the best rates," said DCA Director Brian J. Stiger. "All lenders including car title lenders must make loan terms clear so consumers can make informed decisions."

Several other agencies participated in the investigation, including the Los Angeles District Attorney's Office Bureau of Investigations, Los Angeles Police Department, the Department of Motor Vehicles, the California Department of Business Oversight, and the U.S. Department of Homeland Security.

A car title loan, or pink-slip loan, is a small, short-term, high-rate loan that uses the title of your vehicle to guarantee the loan. These loans typically are for 30 days and have a triple-digit annual percentage rate (APR). In California, car title lenders must be licensed by the California Department of Business Oversight. You can check whether a lender has a valid license here: [www.dbo.ca.gov/FSD/Licenses](http://www.dbo.ca.gov/FSD/Licenses).

### **If you apply for a car title loan, it's important to:**

- **Review the loan terms:** Car title lenders must give you the terms of the loan in writing before you sign for the loan. Specifically, lenders must give you the finance charge (a dollar amount), the APR (the cost of credit on a yearly basis), and the total amount the loan will cost you. The contract has to be in the language you use to negotiate the loan.
- **Beware of the interest rate and other fees.** Lenders often charge an average of 25 percent per month to finance the loan. Lenders might also charge late fees, processing fees, and title charges.
- **Know the due date:** Most car title loans are due in 30 days. If you can't pay off the loan in the typical 30-day period, the lender may offer to "roll over" the loan into a new loan. In many cases, the roll over process adds fees and interest to the amount you originally borrowed.
- **Avoid repossession:** If you don't pay what you owe, the lender may repossess your vehicle. This can be devastating if you rely on your vehicle to commute to and from work. Some lenders require installation of Global Positioning System (GPS) or starter interrupt devices on the vehicles so they can find them for repossession. Car title lenders must tell you if they are going to install a tracking device.

### **Alternatives to Car Title Loans**

Before you decide to take out a car title loan, consider some other choices:

- **Take out a small loan.** Consider a small loan from your bank or credit union. Some banks may offer short-term loans for small amounts of money at competitive rates. A cash advance on a credit card also may be possible, but at higher interest rates.
- **Shop for credit.** Whether you're looking for a car title loan or another form of credit, always shop for the best offer. Compare the APR and the finance charge, which includes the loan fees, interest and other credit costs. Make sure you know the total amount the loan will cost you.
- **Contact your lender if you fall behind on your payments.** If you're considering a car title loan because you're having trouble paying bills, contact your creditors and ask for more time. Many may work with you if they see you're acting in good faith.

If you believe you are a victim of this group or any car title lender, contact DCA for help:

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(800) 593-8222, [dca.lacounty.gov](http://dca.lacounty.gov).

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