

1 MORGAN, LEWIS & BOCKIUS LLP
Troy S. Brown (*Pro Hac Vice*)
2 troy.brown@morganlewis.com
Evan K. Jacobs (*Pro Hac Vice*)
3 evan.jacobs@morganlewis.com
1701 Market Street
4 Philadelphia, PA 19103-2921
Tel: +1.215.963.5000
5 Fax: +1.215.963.5001

6 Brian M Hom, Bar No. 240055
brian.hom@morganlewis.com
7 Laura della Vedova, Bar No. 304091
laura.dellavedova@morganlewis.com
8 300 South Grand Avenue
Twenty-Second Floor
9 Los Angeles, CA 90071-3132
Tel: +1.213.612.2500
10 Fax: +1.213.612.2501

11 Attorneys for Plaintiffs
ShopKo Stores Operating Co., LLC and SVS
12 Trucking, LLC

13
14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA

16 Shopko Stores Operating Co., LLC, and
17 SVS Trucking, LLC

18 Plaintiffs,

19 vs.

20 Balboa Capital Corporation,

21 Defendant.

Case No. 8:16-cv-99 JLS (KESx)

**[Discovery Document: Referred to
Magistrate Judge Karen E. Scott]**

**PLAINTIFFS' NOTICE OF
SUPPLEMENTAL AUTHORITY
IN SUPPORT OF MOTION TO
COMPEL RESPONSES TO
INTERROGATORIES/
DOCUMENT REQUESTS**

[FRCP 37: Local Rule 37-1]

Hearing: Oct. 18, 2016
Time: 10:00 a.m.
Courtroom: 6D
Case Filed: Jan. 22, 2016
Fact Discovery
Cutoff: Nov. 22, 2016
Pre-Trial: March 24, 2017
Trial: April 18, 2017

1 Plaintiffs, ShopKo Stores Operating Co., LLC and SVS Trucking, LLC
2 (collectively, “ShopKo”), hereby submit this Notice of Supplemental Authority in
3 Support of their Motion to Compel Responses to Interrogatories/Document
4 Requests. As described in the Parties’ Joint Stipulation, a key issue in dispute is
5 whether other Balboa customers have lodged complaints about or were (or are
6 currently being) deceived by Balboa’s pro-rata rent scheme. In particular, Balboa
7 has asserted that ShopKo is not entitled to “cart blanche access to Balboa’s
8 customers, merely because it believes that Balboa’s customers *may* have
9 information to support its claims.” ECF 59 at 17 (emphasis in original). Balboa
10 has also boldly argued to this Court that “the fact that no lawsuits were filed against
11 Balboa over the last 28 years indicates that no other customers were misled by the
12 express terms of the prorated rent provisions.” *Id.* at 20.

13 Since filing its Motion to Compel, in preparation for upcoming depositions of
14 current and former Balboa executives (for which ShopKo has been constrained to
15 prepare without the benefit of critical document discovery), ShopKo has uncovered
16 no fewer than 16 complaints against Balboa lodged by customers with the Better
17 Business Bureau. These complaints against Balboa, each relating to Balboa’s
18 deceptive pro-rata rent scheme, unequivocally contradict Balboa’s representation to
19 this Court that no customers have been deceived by its pro-rata rent scheme. Even
20 a cursory review of these complaints demonstrates that other Balboa customers
21 have been similarly deceived by the exact same fraudulent scheme at issue in this
22 case. Coupled with the troubling admissions of fraud and deception in Balboa’s
23 own incomplete document production to date (*see* ECF 64, Plaintiffs’ Supplemental
24 Memorandum at 1 – 5 and Exhs. L – O), ShopKo is entitled to the full factual
25 discovery it seeks pertaining to identification of Balboa’s customers and documents
26 pertaining to what are presumably a vast number of complaints made to Balboa
27 about its deceptive pro-rated rent scheme (not just for those customers who lodged
28 formal complaints with the Better Business Bureau).

1 Accordingly, ShopKo is providing the verbatim complaints compiled in the
 2 chart below, and true and correct copies of printouts from the Better Business
 3 Bureau website (attached as Exhibit P), for the Court’s consideration on ShopKo’s
 4 Motion to Compel.

Date of Complaint	Verbatim Text of Better Business Bureau Complaints	Ex. P, Page
1/23/2014	I applied for a loan late October 2013, paid 3 months upfront on each of 2 tow trucks i was leasing from Balboa Capital. The loan process didn't fund and finalize until late December on one truck and Early January on the other truck. I was told up front that the initial payment was to secure the first 3 months of payments the i would have 16 quarterly payments there after. Well before the first truck was delivered to me, Balboa Capital took another 3 month payment from my bank acct on December 24, 2013. Now I'm getting an invoice for another payment due on January 27, 2014. This is not what my signed contract reads. I have attempted to contact Balboa Capital and customer service only says " you signed it, did you read it"? I have asked ***** day after day to contact me and have sent emails. No response from anybody. I can't afford for these loan sharks to keep taking over \$3000 per month out of my account. They are in brech of contract!	15
1/28/2014	I was offered a lease through Balboa Capital and was told that I would need to make the first quarter payment/deposit. I agreed to the 1st quarter payment and signed the lease. After making payment and completing the documents I received an invoice for what I thought was the second quarter payment but it showed first quarter payment. So now I am required to pay another \$6,000 because they are saying the 1st payment was apply to the end of the lease. In essence I am paying 3 quarterly payments in 3 months. Mid December, January and March. Some how that is very deceiving to me and was not budgeted for. The disclosure and wording and sales pitch by the staff was very misleading and I am very unhappy about how this was handled and is putting me in a financial hardship making 3 payments in 3.5 months when they are	14

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	suppose to be quarterly payments.	
2/14/2014	<p>***** entered into a 2-year financial lease agreement with Balboa Capital Corp (Customer No. ***** / Lease No. *****) on February 28, 2012 in order to purchase a piece of equipment. The lease has a \$1 buyout. We paid 2 months deposit and were told the lease would commence 3/1/2012. We were also told our two month deposit would be applied to our final two month's lease. All payments have been on time and no reason not to apply deposit to final two months. We called in December and were told that from 3/1/12 - 3/29/12 was actually a rent period (because they didn't inspect machine) so lease would now end 3/31/14. We were instructed to call at end of January 2014 to request application of full deposit to last two months lease. Now they won't do that. They say to call at the end of February and they will apply 1/2 of our deposit and will refund the difference 30 days after the close of the lease less any fees due. They won't tell us if any fees are due, though there shouldn't be more than the \$1 buyout fee due as all of our payments have been on time. Lease says "we will return the balance of the deposit to you or apply it to your final rent payment as you direct". It doesn't say "and/or" and it doesn't say two month's deposit. They now won't allow us to apply both months deposit even though we have two separate emails from their sales rep explaining they would apply our deposit to our last two months payments. These people are dealing in bad faith.</p>	19
2/25/2015	<p>My company United Cleaners LLC was seeking a secured equipment loan from our bank, when **** of Balboa Capital, Irvine California, told us that Balboa Capital would give us a better deal. Even though we already owned and used our equipment, Balboa Capital insisted on a Master Lease Agreement to document their financing, rather than a note and security agreement. Concerned by this unfamiliar documentation, I sent him an explicit email listing and confirming the total amount of all payments. Mr. ***** responded in his email with "Confirmed." I relied on Mr. *****'s written confirmation of the total payments to execute the Master Lease Agreement. We would have gone with our bank's financing had he disclosed additional charges. It was not until we requested an early payoff</p>	32

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<p>amount, that Balboa Capital demanded prefund interim rent of \$554.54 pursuant to a Hold Harmless Agreement and 90 days of interim rent of \$19,837 pursuant to an obscure sentence they added to the Master Lease Agreement. These documents are inconsistent with our understanding of the agreement. At no time was prefund or interim rent ever discussed, disclosed or justified as we already owned and used our equipment. Balboa Capital refused our repeated good faith requests to waive these undisclosed rental charges. To complete our refinancing we paid the \$20,391.54 under protest since the cost of litigation makes it difficult to justify the recovery of this amount. Nevertheless, I believe it is important to bring this issue and practice to your attention. Balboa Capital’s subsequent interpretation of their contracts is not only an unfair business practice that does not reflect our agreed upon deal, it is fraudulently induced in the first instance.</p>	
6/12/2015	<p>We began our adventure with this company in October. It was our understanding we were to pay a deposit upfront plus our first payment. Close to \$5,000.00 between the two. Then our next payment should have be 3 months later. NO, they attempted to take another payment in November which didn't even allow our company enough time to get the new business venture off the ground and make money on the new equipment in order to start paying the bills. We complained, so they moved the date to December and then another payment in January. This is NOT documented in the original paperwork we completed with the company. Their wording is extremely vague and they do not take the time to explain their process with their customers . THEN, we get a notice in March, that our payment is due April 15th plus they tacked on another \$449.17 for a non insurance fee.</p>	28
6/13/2015	<p>***** in March 2013 entered into a 2 year lease for software with a zero \$ buyout clause. At the outset of the lease, we agreed to payments of \$6,450 a quarter for 8 quarterly payments plus sales tax and a security deposit totaling one quarterly payment. We signed up with the company for 8 *** payments. At the end of the lease, Balboa sent a note that they were applying our security deposit against the last payment and would be debiting our account through *** for the sales tax. When we complained to their customer service</p>	27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<p>department and the lease officer, he stated that the first 87 days of our agreement was a rent period and the lease didn't start until three months later. Since this was purely a secured financing lease with zero buyout, there was no reason for a rent period as we were going to own the product at the end of the lease regardless and no indication that any rent period existed. The lending officer pointed to a clause in the lease that states that "a prorate portion of the aggregate average of the rent ... from the date accepted by us to the beginning of the base term shall be payable" . However, nowhere in the agreement is the base term defined as any date other than March 15, 2013 which is also that accepted date. Under this language, the rent period should either be not applicable or zero days and no payments other than the 8 quarterly lease payments should have been due. The leasing officer was uncooperative in offering any basis for the rent period and it was clearly set up to increase his profit on the deal in bad faith. Nowhere in any documentation is the Base Term defined as anything other than the start of the 2 year lease period.</p>	
<p>6/25/2015</p>	<p>The vendor who sold us our phone system, and referred us to Balboa, required an upfront payment before ordering equipment. Balboa made that payment of approx. \$60k in early Dec '14. The plan was to have all equipment installed, working and then begin the lease within 30 days, but two pieces of equipment didn't work. We had to send them back. Thus final receipt and install of the equipment wasn't until mid-Feb '15. Later, we received a bill for \$15k for "pro-rated rent". Given we had entered into a financing lease, we asked for the principal/interest split of the \$15k. They insisted the payment was only "rent." We pushed back, given we had signed up for a financing lease. They pointed us to a section in their contract where they have the option, in the event of a delay of final receipt, to either (a) start the lease early or (b) charge "rent" for that period of time. The consequences of option (a) are consistent with the nature of a financing lease. The lease starts early and Balboa earns a return starting on the date of the first distribution of funds. Option (b) is more confusing, especially in the context of a financing lease. We learned option (b) allows them to charge the equivalent of extra lease payments without starting the lease. Their choice</p>	<p>25</p>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<p>was between (a) earning the 4-5% effective rate quoted and option (b) to more than double the cost of capital via this rent clause (to 12+%), despite no fault from us in the delay. Balboa's unwillingness to have a productive conversation about this issue, combined with at least one BBB case with the same issue, lead me to believe that this is a common practice used to optimize returns in their business. The contract is confusing, drafted like a template for either a financing or operating lease. It appears instead that the actual practice is, whenever possible, to convert those financing leases to terms more consistent with operating leases and thus improve their bottom line at the expense of unknowing customers.</p>	
<p>8/6/2015</p>	<p>We were sold a lease for equipment, we have email from the sales rep reiterating that we were getting a 12 payment, \$1 buyout lease. When I contacted Balboa to find out why the lease had not ended I was told to refer to my contract. I have made several attempts to get the name of the person I need to talk to but I have been ignored. I was warned against complaining to the BBB without sending them all my documents first. I was reluctant to do so prior to attempting resolution through the BBB, in case I choose to turn it over to my attorney.</p>	<p>24</p>
<p>10/9/2015</p>	<p>My company in the past worked with Balboa before and had no issues. I had two offers on an equipment loan. Trustmark Bank and Balboa Capital. The sales man at Balboa said he would give me a better offer if came with them. With 12 payments that would be deducted from my account. I asked him if 12 payments was it he said yes. I was not told this up front and he lied about giving me a better offer than the bank. Well hidden in the fine print was hidden 2 more payments totaling 11,000 in rental fees. 11,000 not 200 - that amount of fees needs to be shown up front. And in the past they never did it. They were unethical and deceitful in their business practices. They used the fact that we were a past customer and would trust them. They now have this 3 month waiting period where they charge you three months of rent, which was not disclosed by the sales man and hidden in the small print on the second page. There was no total listed for the amount I'm sorry but 11,000 is a lot of money and of course working with them before I had no idea they would</p>	<p>23</p>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<p>try and take advantage of a business relationship. If I did that with my customers I would be out of business. It was shady, unethical and deceitful</p>	
<p>1/12/2016</p>	<p>Balboa Capital Corp, uses predatory lending practices. In selling their lease programs they have sales people, Namely ***** who creates a payment plan with terms and example 12 quarterly payments. Then they tack on large additional sums in the name of prorating costs and hidden cost of recharging the customers for the "fair market value" of items after you have paid a .33% price above original purchase price. At the close of the "lease" only then are you made aware of the high costs, and deceptive loaning practices, non of which were mentioned during the sale. You need a law degree to understand their small print. The language in the contracts are designed to deceive you. Then the client is ignores in response to email and phone calls. This company does not deserve A+ rating. More like an F for lying, and preying on business owners who need non traditional lending. Predatory loan sharks with zero conscious. Stay away!!</p>	<p>48</p>
<p>2/25/2016</p>	<p>In Jan 15th, 2013 I entered a lease agreement for 48 installments over a 48 month period with a \$1 buyout clause. Balboa Capital had me sign another agreement on Feb 13, 2013 for a 16 installments for 48 months. We agree on payments of \$2128.98. And I sent them a security deposit of \$1669.32. I called Balboa to make sure that we where showing the same payments left for my lease agreement, and to my surprise they do not show my payment of \$2728.77 as part of the lease payment, only a rental payment. So I owe them an extra payment of \$2128.98, which does not add up to what my account had on the lease payoff. My lease payments should of started on March 13, the equipment was already installed. Customer Service told me that this money was purely for rent. As stated in Balboa's Hold Harmless Letter Agreement the interim rent shall continue to accrue from the date of such delivery and acceptance certificate through the first day of the following month, which would be April . I paid an extra two extra months rent. I complained to Balboa Customer Service three different times. The girl is always rude and never listens, only talks over me. I was never told that I would rent my equipment for three months.</p>	<p>37</p>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<p>This is purely a secured financing lease with \$1 buyout which I would be owning the equipment. The clause in the lease states that a "prorate portion of the aggregate average of the rent...from the date of accepted by me to the beginning of the base term shall be payable". Nowhere in the agreement is the base term defined as any date other than Feb 13, which is also the accepted date. Under this language, the rent period should either no be applicable or zero days and no payments other than the 16 lease payments should have been due. I have been put on hold several times only to get hung up on. This is clearly set up to increase the profit other than the interest that I purely agreed upon. I am a small business and can't afford to throw away \$2128.98</p>	
<p>3/1/2016</p>	<p>In April of 2013 I contacted Balboa Capital with the need of acquiring a riding lawn mower for our lawn business in ***** ***** **. My contact with them began with ***** ***** . In pursuing different options Mr. ***** offered me the lease program. In our conversations it was described to me as an option that would work for our situation, and I was on several occasions assured that the equipment following the terms of 12 quarterly payments of cost, interest and fees would result in our company fully owning the leased item. As if the item was purchased. I was weary of the term "lease" and expressed that and again was assured that in 3 years the item would be of no use "them" Balboa Capital, and the 12 quarterly payments would cover all fees. I remitted a deposit of \$1408.00 4-24-2013, at the on set of the deal and again was assured that this payment would be applied to the final payment of the 12 quarters. Beginning in May 20, 2013 they with drew the first quarter payment of \$1825.04 which included document fees, the following quarter payments of \$1576.90 were to follow thru the time frame of the next 3 years. In bold on the cover of the contract states "Base term in 12 Quarters. Moving forward months July, October, 2013 I made the quarterly payments. In 2014 and 2015, Jan, Apr, July, Oct we made the additional payments. When I contacted Balboa Capital to close the lease and apply the deposit to the 12th payment I was sent in a completely different direction from when the sales process began in 2013. They told me the first payment of \$1825.04 did not count as a quarterly payment, and that the term would</p>	<p>42</p>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<p>have 2 additional quarters to cover January and April. An additional \$3153.80. To my calculation and during the sale process with Mr. ***** I had anticipated with assurance the fees of 12 quarters would total \$19,200.00. All communication with Balboa Capital has been negative, the sales approach was deceitful, and misleading.</p>	
<p>3/5/2016</p>	<p>We contacted Balboa Capital to get financing for two tractor for a total of \$116,000. We worked with an agent ***** White and he told us there would be no problem with this loan and to send him the necessary documents, which we did. He called us back and told us that we got approved for the loan at a rate of 4.5% interest and would have 16 quarterly payments of 7,969.00, which after doing the math everything added up. ***** White said we needed to put in a security deposit in the amount of one quarterly payment, to this we said no and told him we will look else where for a loan. ***** called us back a day later and told us that he will use the deposit that we put down against the first quarterly payment after they have made the funding. He told us that after we gave the deposit down we would have 15 of the 16 quarterly payments left and next payment 3 months later, we were very hesitant to go though with his offer but decided to go with the deal since we have worked with Balboa Capital before and did not have any issues. We signed the paperwork and sent over the \$7969 check to ***** , to which a week later he funded the loan as agreed. On Friday we get a bill from Balboa for a little over \$10,000 for documentation fees, inspection fee and prorated rent. We called ***** to complain about this bill and he just simply ignored us, so we called customer service to which he finally called us back just to tell us it is what is in the contract and that he never made the original deal. This is not an acceptable answer especially since we now are out of our \$7969 deposit for the next 4 years and have to pay over \$10k for the prorated rent which will in no way affect my principal balance. During the time of the tractor loan we also wanted to get a few trailer which we asked ***** if he can help us; he stated no problem and to send him the first months payment and he will give us the same deal as for the tractors. Well the trailer loan fell through and they still have our 6,508</p>	<p>36</p>
<p>3/29/2016</p>	<p>Very deceptive lending practices!! We were quoted a 6%</p>	<p>47</p>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<p>lease on the equipment and decided to go with Balboa instead of our bank. We are now leasing our equipment from Balboa and because of the sketchy contract we will be paying 34% interest on this loan/lease! We were told we could pay this off early with no penalties. Do yourself a favor....TAKE THE CONTRACT TO A LAWYER!!! Very, very fine print and you will need a law degree to figure out exactly what you are signing!!</p>	
<p>4/15/2016</p>	<p>Our company entered into 3 different agreements with Balboa Capital Corp in October of 2013. We were told the interest rates would be in the neighborhood of 8-9%. The Master Lease Agreements entered into with Balboa were immediately transferred to other servicing companies. The total of all 3 of our equipment leases was approximately \$2.1 million. Quarterly payments on each agreement were setup and automatically deducted from our bank account quarterly without issue. In 2015 we decided to pay off 2 of these contracts early. I reached out to the current servicing companies only to be redirected back to Balboa for a payoff quote. When the payoff quote was sent to our company it did not match what we had calculated in our amortization schedules, it was off almost exactly one payment on each contract. So I reached out to Balboa customer service to investigate the issue. The service representative I spoke with informed me that the difference was due to prorated pre-fund rent per our contract. We were shocked to find wording that could be interpreted this way, but which did not clearly disclose the additional charges buried in the fine print of our contracts. The customer service agent verbally told me they were having problems with sales representatives failing to inform customers of this specific portion of the contract. Had our sales representative disclosed this to us we would not have entered into these agreements. The interest rate essentially doubles when you include this deceptive provision and we certainly could have found a lower rate elsewhere. Our sales representative is no longer with the company so we have no one to go back to regarding this issue. We feel we were deceived and taken advantage of by Balboa in bad faith. It seems like the sales personnel are more worried about collecting their commissions than providing the customer information to make informed</p>	<p>41</p>

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	decisions.	
5/10/2016	<p>I signed on for a 5 year restaurant equipment lease where I agreed to pay \$14xx every three months beginning May 1. The representative stated this and the documentation said this as well. To execute the lease I agreed to pay \$940 in fees, but on March 1, Balboa drafted over \$2000 from my account with no warning. Later they sent me an invoice and cited their contract stated there would be "pro-rated" charges. The wording in their contract is solely intended to defraud customers since they had me sign a statement saying the first draft would be May 1st. My representative NEVER told me about a March payment and I didn't get an invoice until after the draft. This draft also had documentation fees, sales tax, and insurance fees. Having no choice, I paid them thinking, these were one time fees and May 1 would only be the \$1400 payment promised in the document. Well, the May 1 payment was over \$1800! It included more taxes and a non-insurance fee- the same as on the "pro-rated" UNauthorized draft. I found out I was to submit proof of insurance-information not revealed when documents were collected to start the lease. And I was told Balboa charges finance charges on the taxes paid on the equipment. So what amounts to less than \$1500 in total taxes is \$3600 paid to Balboa. I was never given an option to pay the taxes ahead of time to avoid finance charges. I was never told I'd pay finance charges on taxes. I have asked for where the contract states these charges- I have not received an answer.</p>	47

Dated: October 11, 2016

MORGAN, LEWIS & BOCKIUS LLP
 Troy S. Brown
 Evan K. Jacobs
 Brian M Hom
 Laura della Vedova

By /s/ Troy S. Brown
 Troy S. Brown
 Attorneys for Plaintiff
 ShopKo Stores Operating Co., LLC
 and SVS Trucking, LLC

EXHIBIT P

Overview > Accredited Business Directory > Loans - Small Business > Balboa Capital Corporation

BBB Business Review

CONSUMER COMPLAINTS

BBB ACCREDITED BUSINESS SINCE 12/13/1999

Balboa Capital Corporation

(888) 225-2621

[Like](#) [Share](#) Be the first of your friends to like this.

[0](#)

Customer Complaints Summary

74 complaints closed with BBB in last 3 years | 36 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	6
Billing/Collection Issues	26
Delivery Issues	2
Guarantee/Warranty Issues	0
Problems with Product/Service	40
Total Closed Complaints	74

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint against Balboa Capital Corporation](#)
 See Trends in Complaints on Balboa Capital Corporation | [View Complaints Summary by Type Pie Chart on Balboa Capital Corporation](#)

Complaint Breakdown by Resolution

[About Complaint Details](#)

Complaint Resolution Log (74)

The complainant verified the issue was resolved to their satisfaction. (43 complaints)	
2/12/2014	Problems with Product/Service Read Complaint Details

Problems with Product/Service | Read Complaint Details

Additional Notes

X

Complaint: I was offered a lease through Balboa Capital and was told that I would need to make the first quarter payment/deposit. I agreed to the 1st quarter payment and signed the lease. After making payment and completing the documents I received an invoice for what I thought was the second quarter payment but it showed first quarter payment. So now I am required to pay another \$6,000 because they are saying the 1st payment was apply to the end of the lease. In essence I am paying 3 quarterly payments in 3 months. Mid December, January and March. Some how that is very deceiving to me and was not budgeted for. The disclosure and wording and sales pitch by the staff was very misleading and I am very unhappy about how this was handled and is putting me in a financial hardship making 3 payments in 3.5 months when they are suppose to be quarterly payments.

1/28/2014

Desired Settlement: I want the payments to be quarterly. I made the first payment 12/17/13 I want the next payment to be due in March.

Business Response: We have reached out to the customer and reached a resolution that is satisfactory to both parties.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID ***** , and find that this resolution would be satisfactory to me. I will wait for the business to perform this action and, if it does, will consider this complaint resolved.

Regards,

***** ** *****

Billing/Collection Issues | Read Complaint Details

Additional Notes

X

1/23/2014

Complaint: I applied for a loan late October 2013, paid 3 months upfront on each of 2 tow trucks i was leasing from Balboa Capital. The loan process didn't fund and finalize until late December on one truck and Early January on the other truck. I was told up front that the initial payment was to secure the first 3 months of payments the i would have 16 quarterly payments there after. Well before the first truck was delivered to me, Balboa Capital took another 3 month payment from my bank acct on December 24, 2013. Now I'm getting an invoice for another payment due on January 27, 2014. This is not what my signed contract reads. I have attempted to contact Balboa Capital and customer service only says " you signed it, did you read it"? I have asked ***** day after day to contact me and have sent emails. No response from anybody. I can't afford for these loan sharks to keep taking over \$3000 per month out of my account. They are in breach of contract!

Desired Settlement: I would like my December payment refunded and my first payment should be due April 15 2014 as agreed and signed since i didn't take delivery of the equipment until late December 2013.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID ***** , and find that this resolution would be satisfactory to me. I will wait for the business to perform this action and, if it does, will consider this complaint resolved.

Regards,

**** *****

1 2 3 4 5

The Business addressed the issues within the complaint, but the consumer did not accept the response, OR BBB has not heard back from the consumer as to their satisfaction. (31 complaints)

[View Complaints Summary by Resolution Pie Chart on Balboa Capital Corporation](#)

Industry Comparison | Chart

Loans - Small Business , Office Furniture & Equipment - Rental & Leasing , Financing

QUICK LINKS
What is a BBB Business Review?
BBB Reporting Policy
About Enhanced Services
File a Complaint against Balboa Capital Corporation
Industry Tips
Request a Quote from Balboa Capital Corporation
Accredited Business Directory

CUSTOMER REVIEWS
Read Customer Reviews
Submit a Customer Review
See trends in Customer Reviews for Balboa Capital Corporation

Overview > Accredited Business Directory > Loans - Small Business > Balboa Capital Corporation

BBB Business Review

CONSUMER COMPLAINTS

BBB ACCREDITED BUSINESS SINCE 12/13/1999

Balboa Capital Corporation

(888) 225-2621

[Like](#) [Share](#) Be the first of your friends to like this.

0

Customer Complaints Summary

74 complaints closed with BBB in last 3 years | 36 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	6
Billing/Collection Issues	26
Delivery Issues	2
Guarantee/Warranty Issues	0
Problems with Product/Service	40
Total Closed Complaints	74

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint against Balboa Capital Corporation](#)
[See Trends in Complaints on Balboa Capital Corporation](#) | [View Complaints Summary by Type Pie Chart on Balboa Capital Corporation](#)

Complaint Breakdown by Resolution

[About Complaint Details](#)

Complaint Resolution Log (74)

The complainant verified the issue was resolved to their satisfaction. (43 complaints)	
1/21/2015	Billing/Collection Issues Read Complaint Details
12/8/2014	Problems with Product/Service Read Complaint Details
11/21/2014	Billing/Collection Issues Read Complaint Details

10/15/2014	Problems with Product/Service Read Complaint Details
9/8/2014	Problems with Product/Service Read Complaint Details
8/22/2014	Problems with Product/Service Read Complaint Details
7/29/2014	Billing/Collection Issues Read Complaint Details
4/9/2014	Billing/Collection Issues Read Complaint Details
2/20/2014	Problems with Product/Service Read Complaint Details



2/14/2014 Billing/Collection Issues | Read Complaint Details

Additional Notes

X

Complaint: ***** entered into a 2-year financial lease agreement with Balboa Capital Corp (Customer No. **** / Lease No. *****) on February 28, 2012 in order to purchase a piece of equipment. The lease has a \$1 buyout. We paid 2 months deposit and were told the lease would commence 3/1/2012. We were also told our two month deposit would be applied to our final two month's lease. All payments have been on time and no reason not to apply deposit to final two months. We called in December and were told that from 3/1/12 - 3/29/12 was actually a rent period (because they didn't inspect machine) so lease would now end 3/31/14. We were instructed to call at end of January 2014 to request application of full deposit to last two months lease. Now they won't do that. They say to call at the end of February and they will apply 1/2 of our deposit and will refund the difference 30 days after the close of the lease less any fees due. They won't tell us if any fees are due, though there shouldn't be more than the \$1 buyout fee due as all of our payments have been on time. Lease says "we will return the balance of the deposit to you or apply it to your final rent payment as you direct". It doesn't say "and/or" and it doesn't say two month's deposit. They now won't allow us to apply both months deposit even though we have two separate emails from their sales rep explaining they would apply our deposit to our last two months payments. These people are dealing in bad faith.

Desired Settlement: 1) Refund "rent" charged for the period 3/1/2012-3/29/2012.2) Apply full deposit to last 2 months of lease (Jan 2014 & Feb 2014 -- or if resolution #1 is not achievable, Feb 2014 & Mar 2014).3) Provide final bill of sale marked paid-in-full describing both equipment and lease so there is no question what has been paid in full.4) We will pay \$1 buyout per lease.5) No sales tax due - included in lease. No insurance or prop tax due- both paid directly by us.

Business Response: We have contacted the customer and reached an agreement to the satisfaction of both parties.

Consumer Response: Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID ***** , and have determined that this proposed action would not resolve my complaint. For your reference, details of the offer I reviewed appear below.

[Vendor agreed to apply 2 month deposit to February & March lease payments, to deduct \$1 buyout at the end of April and then to send final bill of sale. When all of that is completed as agreed, we will accept their offer.]

Regards,

Business Response: We have reached a satisfactory solution for both parties and provided a Bill of Sale to the Customer.

Consumer Response:

On Thu, Feb 13, 2014 at 2:31 PM, ***** <*****> wrote:
Hi *****,

I need to let you know that my complaint against Balboa Capital has now been completely resolved. Registering a complaint to BBB really made a difference!

Thank you!

***** *

1 2 3 4 5

The Business addressed the issues within the complaint, but the consumer did not accept the response, OR BBB has not heard back from the consumer as to their satisfaction. (31 complaints)

[View Complaints Summary by Resolution Pie Chart on Balboa Capital Corporation](#)

Industry Comparison | Chart

Loans - Small Business , Office Furniture & Equipment - Rental & Leasing , Financing

QUICK LINKS

- [What is a BBB Business Review?](#)
- [BBB Reporting Policy](#)
- [About Enhanced Services](#)
- [File a Complaint against Balboa Capital Corporation](#)
- [Industry Tips](#)
- [Request a Quote from Balboa Capital Corporation](#)
- [Accredited Business Directory](#)

CUSTOMER REVIEWS

- [Read Customer Reviews](#)
- [Submit a Customer Review](#)
- [See trends in Customer Reviews for Balboa Capital Corporation](#)



Overview > Accredited Business Directory > Loans - Small Business > Balboa Capital Corporation

BBB Business Review

CONSUMER COMPLAINTS

BBB ACCREDITED BUSINESS SINCE 12/13/1999

Balboa Capital Corporation

(888) 225-2621

[Like](#) [Share](#) Be the first of your friends to like this.

 [0](#)

Customer Complaints Summary

74 complaints closed with BBB in last 3 years | 36 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	6
Billing/Collection Issues	26
Delivery Issues	2
Guarantee/Warranty Issues	0
Problems with Product/Service	40
Total Closed Complaints	74

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint against Balboa Capital Corporation](#)
 See Trends in Complaints on Balboa Capital Corporation | [View Complaints Summary by Type Pie Chart on Balboa Capital Corporation](#)

Complaint Breakdown by Resolution

[About Complaint Details](#)

Complaint Resolution Log (74)

The complainant verified the issue was resolved to their satisfaction. (43 complaints)

Problems with Product/Service | Read Complaint Details

Additional Notes

X

Complaint: My company in the past worked with Balboa before and had no issues. I had two offers on an equipment loan. Trustmark Bank and Balboa Capital. The sales man at Balboa said he would give me a better offer if came with them. With 12 payments that would be deducted from my account. I asked him if 12 payments was it he said yes. I was not told this up front and he lied about giving me a better offer than the bank. Well hidden in the fine print was hidden 2 more payments totaling 11,000 in rental fees. 11,000 not 200 - that amount of fees needs to be shown up front. And in the past they never did it. They were unethical and deceitful in their business practices. They used the fact that we were a past customer and would trust them. They now have this 3 month waiting period where they charge you three months of rent, which was not disclosed by the sales man and hidden in the small print on the second page. There was no total listed for the amount I'm sorry but 11,000 is a lot of money and of course working with them before I had no idea they would try and take advantage of a business relationship. If I did that with my customers I would be out of business. It was shady, unethical and deceitful

10/9/2015

Desired Settlement: I would like them to give back the rental fees which were not disclosed. They gave me a credit of \$1,700 but kept \$8,707.57 I would like a refund - they got 3 years of interest (so technically they didn't even earn the 6%), I paid of the balance so no other unexpected fees would be deducted from my bank account. I would like a refund of \$8,707.57

Business Response: We have spoken to the customer and reached a resolution that is satisfactory to both parties.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID ***** and find that this resolution would be satisfactory to me. I will wait for the business to perform this action and, if it does, will consider this complaint resolved.

Regards,

**** *****

10/7/2015 Billing/Collection Issues

Problems with Product/Service | Read Complaint Details

Additional Notes

X

Complaint: We were sold a lease for equipment, we have email from the sales rep reiterating that we were getting a 12 payment, \$1 buyout lease. When I contacted Balboa to find out why the lease had not ended I was told to refer to my contract. I have made several attempts to get the name of the person I need to talk to but I have been ignored. I was warned against complaining to the BBB without sending them all my documents first. I was reluctant to do so prior to attempting resolution through the BBB, in case I choose to turn it over to my attorney.

Desired Settlement: I would like the lease terminated at the agreed upon price of \$1.00 (plus tax, I presume). They have already taken two additional \$3800 payments that were beyond the scope of the lease. I would like those payments refunded, however I would be willing to forego that if I can simply get the lease terminated for \$1.00 as agreed.

Business Response: We have reached out to the customer and reached a resolution that is satisfactory to both parties.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID *****, and find that this resolution would be satisfactory to me. I will wait for the business to perform this action and, if it does, will consider this complaint resolved.

Regards,

**** *

8/6/2015

7/26/2015 Billing/Collection Issues | Read Complaint Details

7/20/2015 Problems with Product/Service | Read Complaint Details

6/25/2015 Problems with Product/Service | Read Complaint Details

Additional Notes X

Complaint: The vendor who sold us our phone system, and referred us to Balboa, required an upfront payment before ordering equipment. Balboa made that payment of approx. \$60k in early Dec '14. The plan was to have all equipment installed, working and then begin the lease within 30 days, but two pieces of equipment didn't work. We had to send them back. Thus final receipt and install of the equipment wasn't until mid-Feb '15. Later, we received a bill for \$15k for "pro-rated rent". Given we had entered into a financing lease, we asked for the principal/interest split of the \$15k. They insisted the payment was only "rent." We pushed back, given we had signed up for a financing lease. They pointed us to a section in their contract where they have the option, in the event of a delay of final receipt, to either (a) start the lease early or (b) charge "rent" for that period of time. The consequences of option (a) are consistent with the nature of a financing lease. The lease starts early and Balboa earns a return starting on the date of the first distribution of funds. Option (b) is more confusing, especially in the context of a financing lease. We learned option (b) allows them to charge the equivalent of extra lease payments without starting the lease. Their choice was between (a) earning the 4-5% effective rate quoted and option (b) to more than double the cost of capital via this rent clause (to 12+%), despite no fault from us in the delay. Balboa's unwillingness to have a productive conversation about this issue, combined with at least one BBB case with the same issue, lead me to believe that this is a common practice used to optimize returns in their business. The contract is confusing, drafted like a template for either a financing or operating lease. It appears instead that the actual practice is, whenever possible, to convert those financing leases to terms more consistent with operating leases and thus improve their bottom line at the expense of unknowing customers.

Desired Settlement: Our desired outcome is for Balboa to start our lease early, consistent with the nature of a financing lease, and apply the "rent" payment as a lease payment. There are a myriad of complaints on BBB, including one from 2/25/15 that outlines this same issue. I'm not encouraged by Balboa's default response: "Balboa Capital is abiding by the terms of the Agreement that were signed and agreed to by both parties." It leads me to believe that Balboa lures customers with low rates and then hides behind a contract they have engineered to be both legal and obtuse enough that business borrowers sign without understanding the implications of how Balboa WILL choose to apply terms of that contract. I hope Balboa proves me wrong and is willing to demonstrate that they are a company that cares about their customers. If not, we intend to share our lesson learned on this business practice, through social media and our SB community, as part of our commitment to support the success of small businesses.

Business Response: We have scheduled a meeting to discuss and resolve with the customer.

Consumer Response: Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID ***** , and have determined that this proposed action would not resolve my complaint. For your reference, details of the offer I reviewed appear below.

After being rescheduled on twice, we were finally able to hold a call with a new representative from Balboa this afternoon. As such, I have not yet received any proposed action from Balboa and did not want to see the calendar expire on my ability to respond.

Regards,

***** **

Business Response:

We have contacted the customer and reached a resolution that is satisfactory to both parties.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID *****, and find that this resolution would be satisfactory to me. I will wait for the business to perform this action and, if it does, will consider this complaint resolved.

Regards,

***** **

Billing/Collection Issues | Read Complaint Details

Additional Notes

X

Complaint: ***** in March 2013 entered into a 2 year lease for software with a zero \$ buyout clause. At the outset of the lease, we agreed to payments of \$6,450 a quarter for 8 quarterly payments plus sales tax and a security deposit totaling one quarterly payment. We signed up with the company for 8*** payments. At the end of the lease, Balboa sent a note that they were applying our security deposit against the last payment and would be debiting our account through *** for the sales tax. When we complained to their customer service department and the lease officer, he stated that the first 87 days of our agreement was a rent period and the lease didn't start until three months later. Since this was purely a secured financing lease with zero buyout, there was no reason for a rent period as we were going to own the product at the end of the lease regardless and no indication that any rent period existed. The lending officer pointed to a clause in the lease that states that "a prorate portion of the aggregate average of the rent ... from the date accepted by us to the beginning of the base term shall be payable" . However, nowhere in the agreement is the base term defined as any date other than March 15, 2013 which is also that accepted date. Under this language, the rent period should either be not applicable or zero days and no payments other than the 8 quarterly lease payments should have been due. The leasing officer was uncooperative in offering any basis for the rent period and it was clearly set up to increase his profit on the deal in bad faith. Nowhere in any documentation is the Base Term defined as anything other than the start of the 2 year lease period.

6/13/2015

Desired Settlement: 1) refund our full deposit which was applied as rent inappropriately; 2) refund the sales tax withdrawn from our account in March 2015 and 3) provide documentation as to being paid in full for lease.

Business Response:

*****,

We have contacted the customer and reached a satisfactory resolution for both parties.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID *****, and find that this resolution would be satisfactory to me. The business has satisfactorily resolved our issues and I consider this complaint resolved.

Regards,

**** *****

Billing/Collection Issues | Read Complaint Details

Additional Notes X

6/12/2015

Complaint: We began our adventure with this company in October. It was our understanding we were to pay a deposit upfront plus our first payment. Close to \$5,000.00 between the two. Then our next payment should have be 3 months later. NO, they attempted to take another payment in November which didn't even allow our company enough time to get the new business venture off the ground and make money on the new equipment in order to start paying the bills. We complained, so they moved the date to December and then another payment in January. This is NOT documented in the original paperwork we completed with the company. Their wording is extremely vague and they do not take the time to explain their process with their customers . THEN, we get a notice in March, that our payment is due April 15th plus they tacked on another \$449.17 for a non insurance fee. We have had insurance on the equipment this whole time. They never once called or emailed us as a courtesy to give us a heads up that they haven't received a copy of the insurance policy in order for us to fix the situation. They received a copy of our insurance policy on March 27th and to date have still not credited our account for the insurance amounts nor have they fixed this issue. We have called literally over 46 times, have sent over 15 emails, and to date can't get this issue resolved. No, because they wouldn't fix the insurance amount, we had to do a unauthorized form with our bank so that they wouldn't take out the additional insurance money for the automatic payment. We called to do a check by phone for days and were never able to get a hold of anyone. Left several messages, still no reply by phone or email. We then faxed in a check payment, and they so conveniently processed it late and charged us a late fee of \$463.00. They customer service practice is by far the worst we have ever dealt with in our 15 years of business.

Desired Settlement: They need to reimburse us our insurance fees and our late fees

Business Response: We have reached out to the customer and reached a resolution that is satisfactory for both parties.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID *****, and find that this resolution would be satisfactory to me. I will wait for the business to perform this action and, if it does, will consider this complaint resolved.

Regards,

3/17/2015 Problems with Product/Service | Read Complaint Details

2/9/2015 Problems with Product/Service | Read Complaint Details

1 2 3 4 5

The Business addressed the issues within the complaint, but the consumer did not accept the response, OR BBB has not heard back from the consumer as to their satisfaction. (31 complaints)

[View Complaints Summary by Resolution Pie Chart on Balboa Capital Corporation](#)

Industry Comparison | Chart

Loans - Small Business , Office Furniture & Equipment - Rental & Leasing , Financing

QUICK LINKS

[What is a BBB Business Review?](#)

[BBB Reporting Policy](#)

[About Enhanced Services](#)

[File a Complaint against Balboa Capital Corporation](#)

[Industry Tips](#)

[Request a Quote from Balboa Capital Corporation](#)

[Accredited Business Directory](#)

CUSTOMER REVIEWS

[Read Customer Reviews](#)

[Submit a Customer Review](#)

[See trends in Customer Reviews for Balboa Capital Corporation](#)

Overview > Accredited Business Directory > Loans - Small Business > Balboa Capital Corporation

BBB Business Review

CONSUMER COMPLAINTS

BBB ACCREDITED BUSINESS SINCE 12/13/1999

Balboa Capital Corporation

(888) 225-2621

Like Share Be the first of your friends to like this.

G+ 0

Customer Complaints Summary

74 complaints closed with BBB in last 3 years | 36 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	6
Billing/Collection Issues	26
Delivery Issues	2
Guarantee/Warranty Issues	0
Problems with Product/Service	40
Total Closed Complaints	74

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint against Balboa Capital Corporation](#)

[See Trends in Complaints on Balboa Capital Corporation](#) | [View Complaints Summary by Type Pie Chart on Balboa Capital Corporation](#)

Complaint Breakdown by Resolution

[About Complaint Details](#)

Complaint Resolution Log (74)

The complainant verified the issue was resolved to their satisfaction. (43 complaints)

The Business addressed the issues within the complaint, but the consumer did not accept the response, OR BBB has not heard back from the consumer as to their satisfaction. (31 complaints)

3/13/2015	Advertising/Sales Issues Read Complaint Details
3/5/2015	Advertising/Sales Issues Read Complaint Details



2/25/2015 Problems with Product/Service | Read Complaint Details

Additional Notes

X

Complaint: My company United Cleaners LLC was seeking a secured equipment loan from our bank, when **** ***** of Balboa Capital, Irvine California, told us that Balboa Capital would give us a better deal. Even though we already owned and used our equipment, Balboa Capital insisted on a Master Lease Agreement to document their financing, rather than a note and security agreement. Concerned by this unfamiliar documentation, I sent him an explicit email listing and confirming the total amount of all payments. Mr. ***** responded in his email with "Confirmed." I relied on Mr. *****'s written confirmation of the total payments to execute the Master Lease Agreement. We would have gone with our bank's financing had he disclosed additional charges. It was not until we requested an early payoff amount, that Balboa Capital demanded prefund interim rent of \$554.54 pursuant to a Hold Harmless Agreement and 90 days of interim rent of \$19,837 pursuant to an obscure sentence they added to the Master Lease Agreement. These documents are inconsistent with our understanding of the agreement. At no time was prefund or interim rent ever discussed, disclosed or justified as we already owned and used our equipment. Balboa Capital refused our repeated good faith requests to waive these undisclosed rental charges. To complete our refinancing we paid the \$20,391.54 under protest since the cost of litigation makes it difficult to justify the recovery of this amount. Nevertheless, I believe it is important to bring this issue and practice to your attention. Balboa Capital's subsequent interpretation of their contracts is not only an unfair business practice that does not reflect our agreed upon deal, it is fraudulently induced in the first instance.

Desired Settlement: We want Balboa Capital to refund our \$20,391.54. We also want them to specifically disclose prefund and interim rent to all future customers.

Business Response:

Balboa Capital is abiding by the terms of the Agreement that were signed and agreed to by both parties.

Consumer Response: Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID *****, and have determined that this proposed action would not resolve my complaint. For your reference, details of the offer I reviewed appear below.

[Balboa Capital continues to deny fraudulent and unfair business practices and did not provide any resolution to this ongoing practice.]

Regards,

Business Response: We communicated the terms of the Agreement to the customer on numerous occasions. BalboaCapital is abiding by the terms of the Agreement signed and agreed to by both parties.

- 2/12/2015 Billing/Collection Issues | Read Complaint Details
- 2/3/2015 Advertising/Sales Issues | Read Complaint Details
- 12/1/2014 Delivery Issues | Read Complaint Details
- 11/21/2014 Advertising/Sales Issues | Read Complaint Details
- 7/25/2014 Problems with Product/Service | Read Complaint Details
- 5/8/2014 Delivery Issues | Complaint Details Unavailable
- 4/9/2014 Problems with Product/Service | Read Complaint Details

1 2 3 4

View Complaints Summary by Resolution Pie Chart on Balboa Capital Corporation

Industry Comparison | Chart

Loans - Small Business , Office Furniture & Equipment - Rental & Leasing , Financing

QUICK LINKS

- What is a BBB Business Review?
- BBB Reporting Policy
- About Enhanced Services
- File a Complaint against Balboa Capital Corporation
- Industry Tips
- Request a Quote from Balboa Capital Corporation
- Accredited Business Directory

CUSTOMER REVIEWS

- Read Customer Reviews
- Submit a Customer Review
- See trends in Customer Reviews for Balboa Capital Corporation

Overview > Accredited Business Directory > Loans - Small Business > Balboa Capital Corporation

BBB Business Review

CONSUMER COMPLAINTS

BBB ACCREDITED BUSINESS SINCE 12/13/1999

Balboa Capital Corporation

(888) 225-2621

[Like](#) [Share](#) Be the first of your friends to like this.

0

Customer Complaints Summary

74 complaints closed with BBB in last 3 years | 36 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	6
Billing/Collection Issues	26
Delivery Issues	2
Guarantee/Warranty Issues	0
Problems with Product/Service	40
Total Closed Complaints	74

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint against Balboa Capital Corporation](#)
[See Trends in Complaints on Balboa Capital Corporation](#) | [View Complaints Summary by Type Pie Chart on Balboa Capital Corporation](#)

Complaint Breakdown by Resolution

[About Complaint Details](#)

Complaint Resolution Log (74)

The complainant verified the issue was resolved to their satisfaction. (43 complaints)	
7/1/2016	Problems with Product/Service Complaint Details Unavailable
6/4/2016	Problems with Product/Service Read Complaint Details
5/21/2016	Problems with Product/Service Read Complaint Details

- 5/12/2016 | Problems with Product/Service | Read Complaint Details
- 4/26/2016 | Billing/Collection Issues | Read Complaint Details
- 4/16/2016 | Problems with Product/Service | Read Complaint Details



Billing/Collection Issues | Read Complaint Details

Additional Notes

X

Complaint: We contacted Balboa Capital to get financing for two tractor for a total of \$116,000. We worked with an agent ***** White and he told us there would be no problem with this loan and to send him the necessary documents, which we did. He called us back and told us that we got approved for the loan at a rate of 4.5% interest and would have 16 quarterly payments of 7,969.00, which after doing the math everything added up. ***** White said we needed to put in a security deposit in the amount of one quarterly payment, to this we said no and told him we will look else where for a loan. ***** called us back a day later and told us that he will use the deposit that we put down against the first quarterly payment after they have made the funding. He told us that after we gave the deposit down we would have 15 of the 16 quarterly payments left and next payment 3 months later, we were very hesitant to go though with his offer but decided to go with the deal since we have worked with Balboa Capital before and did not have any issues. We signed the paperwork and sent over the \$7969 check to ***** , to which a week later he funded the loan as agreed. On Friday we get a bill from Balboa for a little over \$10,000 for documentation fees, inspection fee and prorated rent. We called ***** to complain about this bill and he just simply ignored us, so we called customer service to which he finally called us back just to tell us it is what is in the contract and that he never made the original deal. This is not an acceptable answer especially since we now are out of our \$7969 deposit for the next 4 years and have to pay over \$10k for the prorated rent which will in no way affect my principal balance. During the time of the tractor loan we also wanted to get a few trailer which we asked ***** if he can help us; he stated no problem and to send him the first months payment and he will give us the same deal as for the tractors. Well the trailer loan fell through and they still have our 6,508

3/5/2016

Desired Settlement: We would like ***** to do as he originally promised us during the numerous phone calls with him saying he would and use the security deposit for the first quarters payment, have the loan start on the actual date when the loan was funded and not middle of May so we would not be charged the prorated rent of over 8K, also a full refund for the inspection which was \$410, to which we had no knowlege that was going to be charged to us. We also need our security deposit of 6,508 back for the failed loan of the trailer. We need all this resolved before 3/7/16 because the outrageous bill of 10k is due a week later.

Consumer Response:

Whom it may concern,

I would like claim number #***** against Balboa Capital cancelled out completely effective today.

Thank you.

***** ****

Owner

2/25/2016 Billing/Collection Issues | Read Complaint Details

Additional Notes X

Complaint: In Jan 15th, 2013 I entered a lease agreement for 48 installments over a 48 month period with a \$1 buyout clause. Balboa Capital had me sign another agreement on Feb 13, 2013 for a 16 installments for 48 months. We agree on payments of \$2128.98. And I sent them a security deposit of \$1669.32. I called Balboa to make sure that we where showing the same payments left for my lease agreement, and to my surprise they do not show my payment of \$2728.77 as part of the lease payment, only a rental payment. So I owe them an extra payment of \$2128.98, which does not add up to what my account had on the lease payoff. My lease payments should of started on March 13, the equipment was already installed. Customer Service told me that this money was purely for rent. As stated in Balboa's Hold Harmless Letter Agreement the interim rent shall continue to accrue from the date of such delivery and acceptance certificate through the first day of the following month, which would be April . I paid an extra two extra months rent. I complained to Balboa Customer Service three different times. The girl is always rude and never listens, only talks over me. I was never told that I would rent my equipment for three months. This is purely a secured financing lease with \$1 buyout which I would be owning the equipment. The clause in the lease states that a "prorate portion of the aggregate average of the rent...from the date of accepted by me to the beginning of the base term shall be payable". Nowhere in the agreement is the base term defined as any date other than Feb 13, which is also the accepted date. Under this language, the rent period should either no be applicable or zero days and no payments other than the 16 lease payments should have been due. I have been put on hold several times only to get hung up on. This is clearly set up to increase the profit other than the interest that I purely agreed upon. I am a small business and can't afford to throw away \$2128.98

Desired Settlement: I want my payment of \$2728.77 to be adjusted as lease payment appropriately. No further issues in the future, and a paid in full at the end of my lease agreement.

Business Response: Balboa Capital is abiding by the terms of the Agreement that were signed and agreed to by both parties.

Consumer Response: Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID ***** , and have determined that this proposed action would not resolve my complaint. For your reference, details of the offer I reviewed appear below.

I talked to ***** on Thursday evening from Balboa and I explained that I did not agree to pay 3 months to rent my equipment, I leased it with \$1 buy out option. The Hold and Harmless Agreement states that Interim rent shall accrue from the date of such Delivery and Acceptance Certificate through the first day of the following month (which would be March 1st, not May 13th), not the first day of the following three months....this is just another way to increase the profit for Balboa on a deal in bad faith. I agreed to pay an interest rate on my equipment, not rent it for additional months to benefit Balboa. I would of just went through my

local bank and got a great interest rate due to my great credit history. Balboa is being uncooperative and I am very upset about giving them additional money that I did not agree upon. This is a scam. I have read the same exact complains on the BBB during the exact same time period of when I set up my deal with Balboa. I am an honest business women, and I deserve better. It is not okay to rip small businesses off....

Regards,

**** *

Business Response: We have reached a resolution that is satisfactory to both parties.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID *****, and find that this resolution would be satisfactory to me. I will wait for the business to perform this action and, if it does, will consider this complaint resolved.

Regards,

**** *

2/2/2016 Billing/Collection Issues | Read Complaint Details

11/4/2015 Problems with Product/Service | Read Complaint Details

1 2 3 4 5

The Business addressed the issues within the complaint, but the consumer did not accept the response, OR BBB has not heard back from the consumer as to their satisfaction. (31 complaints)

View Complaints Summary by Resolution Pie Chart on Balboa Capital Corporation

Industry Comparison | Chart

Loans - Small Business , Office Furniture & Equipment - Rental & Leasing , Financing

QUICK LINKS
What is a BBB Business Review?
BBB Reporting Policy
About Enhanced Services
File a Complaint against Balboa Capital Corporation
Industry Tips
Request a Quote from Balboa Capital Corporation
Accredited Business Directory

CUSTOMER REVIEWS
Read Customer Reviews
Submit a Customer Review
See trends in Customer Reviews for Balboa Capital Corporation



Overview > Accredited Business Directory > Loans - Small Business > Balboa Capital Corporation

BBB Business Review

CONSUMER COMPLAINTS

BBB ACCREDITED BUSINESS SINCE 12/13/1999

Balboa Capital Corporation

(888) 225-2621

[Like](#) [Share](#) Be the first of your friends to like this.

0

Customer Complaints Summary

74 complaints closed with BBB in last 3 years | 36 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising/Sales Issues	6
Billing/Collection Issues	26
Delivery Issues	2
Guarantee/Warranty Issues	0
Problems with Product/Service	40
Total Closed Complaints	74

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint against Balboa Capital Corporation](#)

[See Trends in Complaints on Balboa Capital Corporation](#) | [View Complaints Summary by Type Pie Chart on Balboa Capital Corporation](#)

Complaint Breakdown by Resolution

[About Complaint Details](#)

Complaint Resolution Log (74)

The complainant verified the issue was resolved to their satisfaction. (43 complaints)

The Business addressed the issues within the complaint, but the consumer did not accept the response, OR BBB has not heard back from the consumer as to their satisfaction. (31 complaints)

5/7/2016

Problems with Product/Service | Read Complaint Details

Problems with Product/Service | Read Complaint Details

Additional Notes

X

4/15/2016

Complaint: Our company entered into 3 different agreements with Balboa Capital Corp in October of 2013. We were told the interest rates would be in the neighborhood of 8-9%. The Master Lease Agreements entered into with Balboa were immediately transferred to other servicing companies. The total of all 3 of our equipment leases was approximately \$2.1 million. Quarterly payments on each agreement were setup and automatically deducted from our bank account quarterly without issue. In 2015 we decided to pay off 2 of these contracts early. I reached out to the current servicing companies only to be redirected back to Balboa for a payoff quote. When the payoff quote was sent to our company it did not match what we had calculated in our amortization schedules, it was off almost exactly one payment on each contract. So I reached out to Balboa customer service to investigate the issue. The service representative I spoke with informed me that the difference was due to prorated prefund rent per our contract. We were shocked to find wording that could be interpreted this way, but which did not clearly disclose the additional charges buried in the fine print of our contracts. The customer service agent verbally told me they were having problems with sales representatives failing to inform customers of this specific portion of the contract. Had our sales representative disclosed this to us we would not have entered into these agreements. The interest rate essentially doubles when you include this deceptive provision and we certainly could have found a lower rate elsewhere. Our sales representative is no longer with the company so we have no one to go back to regarding this issue. We feel we were deceived and taken advantage of by Balboa in bad faith. It seems like the sales personnel are more worried about collecting their commissions than providing the customer information to make informed decisions.

Desired Settlement: 1) Refund the prorated prefund rent amounts paid on the 2 loans that were paid off. 2) Adjust our remaining contract to eliminate the obligation to pay the prorated prefund rent amount. 3) Provide documentation showing these adjustments were made.

Business Response: We are reaching out to the customer to gather more information and attempt to resolve the complaint.

3/1/2016

Problems with Product/Service | Read Complaint Details

Additional Notes

X

Complaint: In April of 2013 I contacted Balboa Capital with the need of acquiring a riding lawn mower for our lawn business in ***** **. My contact with them began with ***** **. In pursuing different options Mr. ***** offered me the lease program. In our conversations it was described to me as an option that would work for our situation, and I was on several occasions assured that the equipment following the terms of 12 quarterly payments of cost, interest and fees would result in our company fully owning the leased item. As if the item was purchased. I was weary of the term "lease" and expressed that and again was assured that in 3 years the item would be of no use "them" Balboa Capital, and the 12 quarterly payments would cover all fees. I remitted a deposit of \$1408.00 4-24-2013, at the on set of the deal and again was assured that this payment would be applied to the final payment of the 12 quarters. Beginning in May 20, 2013 they with drew the first quarter payment of \$1825.04 which included document fees, the following quarter payments of \$1576.90 were to follow thru the time frame of the next 3 years. In bold on the cover of the contract states "Base term in 12 Quarters. Moving forward months July, October, 2013 I made the quarterly payments. In 2014 and 2015, Jan, Apr, July, Oct we made the additional payments. When I contacted Balboa Capital to close the lease and apply the deposit to the 12th payment I was sent in a completely different direction from when the sales process began in 2013. They told me the first payment of \$1825.04 did not count as a quarterly payment, and that the term would have 2 additional quarters to cover January and April. An additional \$3153.80. To my calculation and during the sale process with Mr. ***** I had anticipated with assurance the fees of 12 quarters would total \$19,200.00. All communication with Balboa Capital has been negative, the sales approach was deceitful, and misleading.

Desired Settlement: I have made payment in the sums the 12 quarters of \$1576.90 as in bold on cover of contract. The deposit to be applied of \$1408.00 leaves a balance of \$168.90 to fully honor the final quarter. I will pay the \$168.90. Balboa Capital no longer has permission to draw ACH funds from my account. I should have the lease released as the original sales pitch lead me to believe during several conversations as it was questioned and fully assured. I have paid the full value of the lawn mower plus approximately \$2000.00 per year in interest on this arrangement. Balboa Capital sales associates should be ethical when presenting their product. They should honor the contract as the cover states, and how the sales information is clearly presented.

Business Response: Balboa Capital is abiding by the terms of the Agreement that were signed and agreed to by both parties.

Consumer Response: Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID ***** , and have determined that this proposed action would not resolve my complaint. For your reference, details of the offer I reviewed appear below.

Balboa Capital is not following the terms of agreement. Lease terms and conditions on page

one states" Base term in quarters 12, Security Deposit 1 payment. Doc Fees 250.00." I have met these payment requirements. They are unwilling to properly communicate an appropriate transparent response as to how this matter can be resolved. All I am seeking is a detailed and clear breakdown of what obligations I am in their view responsible to close out this contract. My expectation is that all funds collected since 2013 should be properly applied to my lease to own agreement as it was assured by my dealing with sales associate *****. The way they have conducted their business has been unethical, misleading and unresponsive

Regards,

Business Response: We are working with the customer on a resolution that will be satisfactory for both parties.

Consumer Response:

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID *****, and find that this potential attempt toward resolution would be satisfactory to me. I will wait for the business to perform this action and, if it does, will consider this complaint resolved.

Regards,

Consumer Response: Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID *****, and have determined that this proposed action would not resolve my complaint. For your reference, details of the offer I reviewed appear below.

The following complaint number ***** regarding Balboa Capital has been an on going continued issue. When I processed the original complaint the response which followed via email thru BBB, was they were going to attempt to resolve matter. Upon that email I responded that I would look forward to working with them.

This past week I have received calls demanding money, and received threats of legal action. They in no way have attempted to discuss the matter. Based on the email response thru BBB I was prepared to compromise and resolve the issue and pay them appropriately. My main request of a path to finalize my dealings with them and clearly offer a settlement amount,has

not once been discussed. They continue to attempt to charge me beyond the contract amounts that I have already paid. The matter has not been resolved nor they made any attempt at working toward some type of mutual resolution.

Please do not post this matter as resolved, and any help you may provide would be greatly appreciated.

Regards,

-
- 11/18/2015** Problems with Product/Service | [Read Complaint Details](#)
 - 10/22/2015** Problems with Product/Service | [Read Complaint Details](#)
 - 10/21/2015** Problems with Product/Service | [Read Complaint Details](#)
 - 9/2/2015** Billing/Collection Issues | [Read Complaint Details](#)
 - 8/26/2015** Problems with Product/Service
 - 7/7/2015** Problems with Product/Service | [Read Complaint Details](#)
 - 6/18/2015** Billing/Collection Issues | [Read Complaint Details](#)

1 2 3 4

[View Complaints Summary by Resolution Pie Chart on Balboa Capital Corporation](#)

Industry Comparison | [Chart](#)

Loans - Small Business , Office Furniture & Equipment - Rental & Leasing , Financing

QUICK LINKS
What is a BBB Business Review?
BBB Reporting Policy
About Enhanced Services
File a Complaint against Balboa Capital Corporation
Industry Tips
Request a Quote from Balboa Capital Corporation
Accredited Business Directory

CUSTOMER REVIEWS
Read Customer Reviews
Submit a Customer Review
See trends in Customer Reviews for Balboa Capital Corporation



Overview > Accredited Business Directory > Loans - Small Business > Balboa Capital Corporation

BBB Business Review

CUSTOMER REVIEWS

BBB ACCREDITED BUSINESS SINCE 12/13/1999

Balboa Capital Corporation

(888) 225-2621

[Like](#) [Share](#) Be the first of your friends to like this.

 [0](#)

The customer review(s) below are un-filtered. These positive and negative reviews are not used in the calculation of the BBB Rating. If you wish to file a complaint and request a resolution to your issue please click here. This customer review section is not BBBs complaint resolution system. Customer Reviews are the subjective opinion of the individual who posted the review and not of Better Business Bureau. A customer review is not posted on a business if a BBB complaint on the same issue(s) is also filed. BBB cannot guarantee the accuracy of any customer review and is not responsible for the content of any customer review. Public comments are not customer reviews.

Customer Reviews Summary

8 Customer Reviews on Balboa Capital Corporation

Positive Experience (0 reviews)
Neutral Experience (1 review)
Negative Experience (7 reviews)

5/20/2016

DO NOT USE THIS LEASE COMPANY. THEY CHARGE YOU HIDDEN AND UNDISCLOSED FEES. Here's a bit from an email exchange I just had with them. "I will find the invoice for your "pro rata" fees so UNCLEARLY disclosed in your contract and send it to you. Yes, I signed that I would pay \$1400 starting in May and you drafted \$2000 in March.??# And why sign I would pay \$1400 if my payment is \$1500- so you can charge me interest in taxes you NEVER disclosed to me. You all are pigs!"

This customer had a **NEGATIVE** experience with this business.

This customer WOULD NOT recommend the business to a friend, family member, neighbor or colleague.

by **A. J.** on 5/20/2016 | Submit a Customer Review

Was this review helpful to you? Yes No

6 people found this review helpful .

I signed on for a 5 year restaurant equipment lease where I agreed to pay \$14xx every three months beginning May 1. The representative stated this and the documentation said this as well. To execute the lease I agreed to pay \$940 in fees, but on March 1, Balboa drafted over \$2000 from my account with no warning. Later they sent me an invoice and cited their contract stated there would be "pro-rated" charges. The wording in their contract is solely intended to defraud customers since they had me sign a statement saying the first draft would be May 1st. My representative NEVER told me about a March payment and I didn't get an invoice until after the draft. This draft also had documentation fees, sales tax, and insurance fees. Having no choice, I paid them thinking, these were one time fees and May 1 would only be the \$1400 payment promised in the document. Well, the May 1 payment was over \$1800! It included more taxes and a non-insurance fee- the same as on the "pro-rated" UNauthorized draft. I found out I was to submit proof of insurance- information not revealed when documents were collected to start the lease. And I was told Balboa charges finance charges on the taxes paid on the equipment. So what amounts to less than \$1500 in total taxes is \$3600 paid to Balboa. I was never given an option to pay the taxes ahead of time to avoid finance charges. I was never told I'd pay finance charges on taxes. I have asked for where the contract states these charges- I have not received an answer.

This customer had a **NEGATIVE** experience with this business.

This customer WOULD NOT recommend the business to a friend, family member, neighbor or colleague.

by **A. J.** on 5/10/2016 | Submit a Customer Review

Was this review helpful to you? Yes No

7 people found this review helpful .

Very deceptive lending practices!! We were quoted a 6% lease on the equipment and decided to go with Balboa instead of our bank. We are now leasing our equipment from Balboa and because of the sketchy contract we will be paying 34% interest on this loan/lease! We were told we could pay this off early with no penalties. Do yourself a favor....TAKE THE CONTRACT TO A LAWYER!!! Very, very fine print and you will need a law degree to figure out exactly what you are signing!!

3/29/2016

This customer had a **NEGATIVE** experience with this business.

This customer WOULD NOT recommend the business to a friend, family member, neighbor or colleague.

by **r. m.** on 3/29/2016 | Submit a Customer Review

Was this review helpful to you? Yes No

4 people found this review helpful .

3/23/2016

Beware and make sure you read the fine print or better yet stay away. The first thing that got me was a insurance fee for not having insurance on the equipment. I have insurance on all of my equipment and sent many time my insurance coverage for my equipment but it just never met there standards it works for everthing else but not there standards. Here is the good part I called to say that I was having problems with the equipment and wanted to file a insurance claim well I wasn't paying for insurance I was paying because I didn't have insurance other words giving them money for nothing. Well I have finally gotten to my last payment and I have a \$450 termination fee this is to close the account stay away from these people if you want to keep your money.

This customer had a **NEGATIVE** experience with this business.

This customer WOULD NOT recommend the business to a friend, family member, neighbor or colleague.

by **East Cooper Lock And Safe** on 3/23/2016 | Submit a Customer Review

Was this review helpful to you? Yes No

7 people found this review helpful .

1/12/2016

Balboa Capital Corp, uses predatory lending practices. In selling their lease programs they have sales people, Namely ***** ***** who creates a payment plan with terms and example 12 quarterly payments. Then they tack on large additional sums in the name of prorating costs and hidden cost of recharging the customers for the "fair market value" of items after you have paid a .33% price above original purchase price. At the close of the "lease" only then are you made aware of the high costs, and deceptive loaning practices, non of which were mentioned during the sale. You need a law degree to understand their small print. The language in the contracts are designed to deceive you. Then the client is ignores in response to email and phone calls. This company does not deserve A+ rating. More like an F for lying, and preying on business owners who need non traditional lending. Predatory loan sharks with zero conscious. Stay away!!

This customer had a **NEGATIVE** experience with this business.

This customer WOULD NOT recommend the business to a friend, family member, neighbor or colleague.

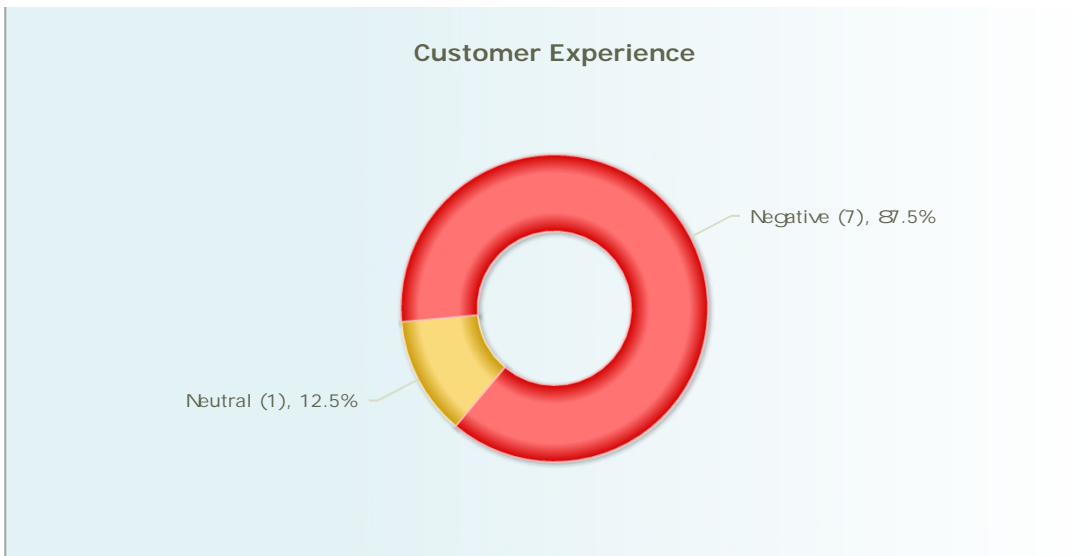
by **L. L.** on 1/12/2016 | Submit a Customer Review

Was this review helpful to you? Yes No

13 people found this review helpful and 1 person did not find this review helpful.

12

Submit a Customer Review | See Trends in Customer Reviews on Balboa Capital Corporation



QUICK LINKS

- [What is a BBB Business Review?](#)
- [BBB Reporting Policy](#)
- [About Enhanced Services](#)
- [File a Complaint against Balboa Capital Corporation](#)
- [Industry Tips](#)
- [Request a Quote from Balboa Capital Corporation](#)
- [Accredited Business Directory](#)

CUSTOMER REVIEWS

- [Read Customer Reviews](#)
- [Submit a Customer Review](#)
- [See trends in Customer Reviews for Balboa Capital Corporation](#)

