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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING:
Whether there has been a violation of the
Consumer Loan Act of Washington by:

No.: C-11-0701-15-CO01
C-11-0810-15-CO01

CONSENT ORDER

CASHCALL, INC.;

and

WESTERN SKY FINANCIAL, LLC;

PAYDAY FINANCIAL, LLC,
d/b/a BIG SKY CASH,
d/b/a LAKOTA CASH;

GREAT SKY FINANCE, LLC,
d/b/a GREAT SKY CASH;

GREEN BILLOW, LLC,
d/b/a FOUR SEASONS CASH;

RED STONE FINANCIAL, LLC,
d/b/a RED STONE CASH; and

MARTIN A. WEBB,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (the "Director"),
through his attorneys Robert W. Ferguson, Attorney General, and Ian McDonald, Assistant Attorney
General, and CashCall, Inc., J. Paul Reddam, Delbert Services, Inc., and WS Funding LLC (the
"CashCall Entities"), and Western Sky Financial, LLC, Payday Financial, LLC, Great Sky Finance,
LLC, Green Billow, LLC, Red Stone Financial, LLC, and Martin A. Webb (the "Western Sky
Entities"), and finding that the issues raised in the above-captioned matters may be economically and
efficiently settled, agree to the entry of this Consent Order.

CONSENT ORDER
C-11-0701-15-CO01; C-11-0810-15-CO01
CashCall, Inc. and Western Sky Financial, LLC, Payday
Financial, LLC, Great Sky Finance, LLC, Green Billow, LLC,
Red Stone Financial, LLC, and Martin A. Webb

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 This Consent Order shall extend to the CashCall Entities, and the Western Sky Entities or
2 anyone acting on their behalf, including but not limited to their principals, directors, officers,
3 shareholders, employees, successors or assignees of the named corporate respondents in this action,
4 and agents in active concert or participation with any of the foregoing who are involved in the
5 conduct of business that is the subject of this litigation (namely, the making, servicing, and collecting
6 of Western Sky, LLC and/or Payday Financial, LLC and/or Great Sky Finance, LLC and/or Green
7 Billow, LLC and/or Red Stone Financial, LLC loans); and to any corporation, company, business
8 entity, or other entity or device through which the CashCall Entities and/or the Western Sky Entities
9 may now or hereafter act or conduct business that is the subject of this litigation (collectively,
10 "Respondents"). For the avoidance of doubt, the terms "successors" and "assignees" do not apply to
11 unrelated parties that have purchased loans from Respondents.

12 It is AGREED that J. Paul Reddam ("Reddam"), Delbert Services, Inc. ("Delbert Services"),
13 and WS Funding LLC ("WS Funding") were not named as Respondents in the CashCall, Inc.
14 Statement of Charges or the Western Sky Statement of Charges, but agree to be legally bound by the
15 terms of this Consent Order as if they had been named as respondents in the aforementioned
16 Statements of Charges. Reddam, Delbert Services, and WS Funding specifically agree to be jointly
17 and severally liable for the financial obligations of this Consent Order with CashCall, Inc.

18 This Consent Order is entered pursuant to chapter 31.04 of the Revised Code of Washington
19 (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

20 **AGREEMENT AND ORDER**

21 The Director and Respondents (collectively, the "Parties") have agreed upon a basis for
22 resolution of the matters alleged in the Second Amended Statement of Charges and Notice of
23 Intention to Enter an Order to Cease and Desist, Revoke or Suspend License, Make Restitution,

1 Impose Fine, and Collect Investigation Fee issued against CashCall, Inc., C-11-0701-12-SC03
2 (“CashCall Statement of Charges”) on December 3, 2012, and Statement of Charges and Notice of
3 Intention to Enter an Order to Cease and Desist, Make Restitution, and Impose Fine issued against
4 Western Sky et al., No. C-11-0810-12-SC01 (“Western Sky Statement of Charges”), on October 18,
5 2012 (copies attached hereto) (together, the “Statements of Charges”). Pursuant to chapter 31.04
6 RCW, the Consumer Loan Act (Act) and RCW 34.05.060 of the Administrative Procedure Act,
7 Respondents hereby agree to the Department’s entry of this Consent Order and further agree that the
8 issues raised in the above-captioned matters may be economically and efficiently settled by entry of
9 this Consent Order. The Parties intend this Consent Order to fully resolve the CashCall Statement of
10 Charges and the Western Sky Statement of Charges referenced above. Respondent CashCall, Inc. is
11 agreeing to voluntarily dismiss with prejudice its Petition for Judicial Review filed in Thurston
12 County Superior Court, Thurston County Superior Court Cause No. 14-2-01261-3. The Western Sky
13 Entities are agreeing to voluntarily withdraw their Petition for Review filed with the Office of the
14 Director.

15 Based upon the foregoing:

16 **A. Jurisdiction.** It is AGREED that: (a) Respondents contest that the Department has
17 jurisdiction over Respondents; but (b) Respondents submit to jurisdiction solely for purposes of the
18 entering and carrying out the terms of this Consent Order. By entering into this Consent Order,
19 Respondents do not waive any defenses that they may have raised elsewhere in other litigation,
20 including the jurisdictional defense that the lending activity at issue in the Statements of Charges
21 occurred on the Cheyenne River Indian Reservation and is subject solely to the exclusive laws and
22 jurisdiction of the Cheyenne River Sioux Tribe.

1 **B. Final Decision and Order Vacated.** The Department and Respondents agree that Final
2 Decision and Order No., C-11-0701-14-FO01, entered May 30, 2014, shall be vacated upon entry of
3 this Consent Order and payment of \$2,000,000 as provided for within this Consent Order.

4 **C. Waiver of Further Review.** It is AGREED that Respondents have been informed of the
5 right to appeal and hereby waive their right to a hearing and any and all administrative and judicial
6 review of the issues raised in these matters, or of the resolution reached herein. Accordingly,
7 Respondents Western Sky Entities, by their signatures and the signatures of their representatives
8 below, withdraw their Petition for Review filed with the Office of the Director. Respondent
9 CashCall, Inc. by its signature and the signatures of its representatives below, AGREES to dismiss
10 with prejudice its Petition for Review filed with the Office of the Director and its Petition for Judicial
11 Review filed in Thurston County Superior Court, Cause No. 14-2-01261-3, within ten business days
12 of paying restitution as set forth in Paragraph H.

13 **D. Cease and Desist Advertising Loans with Interest Rates Greater than Those**
14 **Permitted By Washington Law.** It is AGREED that Respondents shall cease and desist and are
15 permanently enjoined from (1) targeting Washington residents within the State of Washington with
16 advertisements, offers, or solicitations for loans with interest rates greater than those permitted by
17 Washington law, or (2) engaging in any advertising, offers or solicitations of loans with interest rates
18 greater than that permitted by Washington law that can be seen by Washington residents within the
19 State of Washington (except for national advertising on cable television, radio, and the internet)
20 without disclosing that the loans are not available to Washington residents.

21 **E. Cease and Desist as to Making New Loans.** It is AGREED that Respondents shall cease
22 and desist and are permanently enjoined from making, facilitating or assisting in making, or financing
23

1 any consumer loans to Washington residents until such time as they obtain a license in accordance
2 with the Act.

3 **F. Cease and Desist as to Servicing of Loans.** It is AGREED that Respondents will cease
4 and desist and are permanently enjoined from servicing, collecting, attempting to collect, or
5 facilitating or assisting in servicing or collecting on any consumer installment loans originated by the
6 Western Sky Entities to Washington residents until such time as they obtain a license in accordance
7 with the Act. Respondents further AGREE to write-off or cancel any remaining balances on
8 consumer installment loans made by Western Sky to Washington borrowers within ten days of entry
9 of this Consent Order.

10 **G. Consumer Loan Company Revocation.** It is AGREED that Respondent CashCall Inc.'s
11 consumer loan license is revoked.

12 **H. Restitution.** It is AGREED that Respondents, jointly and severally, shall pay restitution
13 in the amount of \$1,900,000, in the form of a wire transfer within ten business days of entry of this
14 Consent Order to an administrator. The Parties agree that the administrator will be A.B. Data, Ltd. If
15 for any reason, prior to Respondents' payment, A.B. Data, Ltd. does not serve as the administrator,
16 the Director, or Director's Designee, will notify Respondents, and Respondents will hold the payment
17 of \$1,900,000 until such time as outlined herein. The Director, or Director's Designee, may hire a
18 replacement administrator. If a replacement administrator is hired, Respondents shall pay restitution
19 in the amount of \$1,900,000 in the form of a wire transfer to the replacement administrator within ten
20 business days of Respondents' receipt from the Department of the name of the replacement
21 administrator. The administrator shall pay the restitution to certain Washington borrowers as
22 allocated by the Director, or Director's designee, in the sole discretion of the Director or Director's
23 designee. Respondents shall have no ability to direct, control or otherwise have input into the

1 distribution of the settlement proceeds. The Director, or Director's designee, may hire an
2 administrator or other professionals who will maintain and administer the distribution of restitution.
3 If an administrator is not hired at the time this Consent Order is fully executed, the Respondents shall
4 wire the amount of \$1,900,000 to the Department for restitution to certain Washington borrowers
5 within ten business days of notice from the Department notifying Respondents that no administrator
6 has been hired. In the event such funds are wired directly to the Department, the Director or his
7 designee may subsequently disburse the restitution funds to borrowers directly or hire an
8 administrator to do so. The Director or his designee may allocate restitution to borrowers as they
9 deem appropriate in their discretion. It is AGREED that this Consent Order is void if payment is not
10 received by the Department, as the case may be, within ten business days after Respondents are
11 provided with the name of the administrator, or notified that the funds should be wired directly to the
12 Department, in which case the Petition for Review will continue before the Director as to the Western
13 Sky Entities and the Petition for Judicial Review filed in Thurston County Superior Court by
14 CashCall, Inc. will continue. Any amounts paid to any Washington borrower out of the funds
15 described in this Paragraph may serve as a set-off or collateral source in any future proceeding
16 brought on behalf of that Washington borrower. In the event that an individual action is filed by a
17 Washington borrower, the Department shall disclose to CashCall the amount(s), if any, paid to that
18 Washington borrower pursuant to this Paragraph within ten business days of receiving a written
19 request from CashCall.

20 **I. Administration and Costs.** It is AGREED that Respondents jointly and severally, shall
21 pay to the Department the amount of \$100,000, in the form of a wire transfer upon entry of this
22 Consent Order. The Department will allocate these funds between the following two areas: (1) To
23 pay the cost of administrating the payment of restitution to consumers, and (2) To pay the

1 Department's costs of this action. Allocation among these two areas is solely in the Department's
2 discretion and Respondents have no ability to direct, control or otherwise have input into the
3 distribution of the settlement proceeds. If any money remains after distribution to these areas, the
4 Department may allocate any remaining funds to be used for financial literacy. The funds received
5 from Respondents shall be distributed at the Director's sole discretion, or that of the Director's
6 designee. It is AGREED that this Consent Order is void if payment is not received by the
7 Department within ten business days of entry of this Consent Order, in which case the Petition for
8 Review will continue before the Director as to the Western Sky Entities and the Petition for Judicial
9 Review filed in Thurston County Superior Court by CashCall, Inc. will continue.

10 **J. Sale or Assignment of Loans.** It is AGREED that Respondents are prohibited from
11 selling, transferring, assigning, or otherwise disposing of any consumer installment loans originated
12 by the Western Sky Entities to Washington borrowers other than as set forth in Paragraph F.

13 **K. Previously Sold Loans.** It is AGREED that within ten business days of entry of this
14 Consent Order, Respondents shall deliver to the Department a list of all Washington borrowers whose
15 loans were sold to a third party, and the name and addresses of the parties that purchased the loans.

16 **L. Borrower Information.** It is AGREED that within ten business days of entry of this
17 Consent Order, the CashCall Entities and Western Sky, LLC shall provide to the Department a list of
18 all Washington borrowers who obtained a loan from Western Sky. The information shall include
19 borrower's name, date of loan, the loan proceeds, all payment information, loan balance, and status of
20 the loan.

21 **M. Compliance with Consent Order.** It is AGREED that, to the extent not already provided
22 under this Consent Order, Respondents shall, upon request by the Department, provide all
23 documentation and information necessary for the Department to confirm compliance with the

1 Consent Order.

2 **N. Credit Agency Reporting.** It is AGREED that within fifteen business days of entry of
3 this Consent Order, Respondents shall notify all credit agencies that maintain a record of the loan that
4 loan records corresponding to the period of time Respondents owned the loan should be removed
5 from the Washington borrower's credit history.

6 **O. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
7 consent of any person or entity not a party to this Consent Order to take any action concerning their
8 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
9 Order, this Consent Order does not limit or create any private rights or remedies against Respondents,
10 limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

11 **P. Authority to Execute Order.** It is AGREED that the undersigned have represented and
12 warranted that they have the full power and right to execute this Consent Order on behalf of the
13 Parties represented.

14 **Q. Conduct Not Authorized.** It is AGREED that Respondents shall not state or imply or
15 cause to be stated or implied that the Department has approved, sanctioned, or authorized any
16 practice, act, or conduct of Respondents. Nothing contained in this Consent Order shall be construed
17 as an admission or denial by Respondents of any liability, wrongdoing (including but not limited to
18 any violation of Washington law), or legal or factual issue, and this Consent Order may not be used
19 as evidence of liability, nor is it intended to be used or admissible in any unrelated administrative,
20 civil, or criminal proceeding.

21 **R. Notices and Correspondence.** It is AGREED that any notices, statements, or other
22 written documents required by this Consent Order shall be provided by first class mail to the intended
23

1 recipient at the addresses set forth below, unless a different address is specified in writing by the
2 party changing such address, and as to Respondents, by first class mail and email:

3 1. For the Department:

4 Charles E. Clark
5 Washington State Department of Financial Institutions
6 PO Box 41200
7 Olympia, WA 98504
8 charles.clark@dfi.wa.gov

9 2. For Respondents:

10 Katya Jestin
11 Jenner & Block
12 919 Third Avenue
13 New York, NY 10021
14 kjestin@jenner.com

15 S. **Release.** It is AGREED that this Consent Order releases and discharges Respondents
16 from any and all civil grievances, suits, causes of action, and any claims of any nature whatsoever or
17 other action that the Department could commence under the Consumer Loan Act, RCW 31.04, on
18 behalf of the State of Washington, relating to or arising out of the conduct alleged in the Statement of
19 Charges against Respondents (by the Department) whether arising in contract, tort, statute, or any
20 other theory of action, whether arising in law or equity, whether known or unknown choate or
21 inchoate, matured or unmatured, contingent or fixed, liquidated or unliquidated, accrued or
22 unaccrued, asserted or unasserted, based upon any fact, whether known or unknown, that is based on
23 actions, facts, or occurrences that happened prior to the Effective Date of this Consent Order,
24 excluding however, any actions by the Department arising or relating to any violations of this
Consent Order.

T. **Violations of Consent Order.** It is AGREED that execution of this Consent Order by
the Department is without prejudice to their right to take enforcement action against any Respondent

1 based upon a violation of this Consent Order if the Department determines that any Respondent has
2 failed to comply with the terms of this Consent Order.

3 **U. General Provisions.** It is AGREED that Respondents and the Department will execute
4 and deliver all authorizations, documents and instruments that are necessary to carry out the terms
5 and conditions of this Consent Order. Any agreements by the Department as part of this Consent
6 Order are expressly conditioned upon the material truthfulness and accuracy of the material
7 representations made by Respondents and their counsel during the investigation and litigation. Any
8 failure of the Department to exercise any right under this Consent Order shall not constitute a waiver
9 of any rights of the Department hereunder.

10 **V. Effective Date.** It is AGREED that this Consent Order becomes effective after signed
11 by all Parties and issued by the Director.

12 **W. Complete Agreement.** It is AGREED that this Consent Order between the Parties sets
13 forth all of the promises, covenants, agreements, conditions and understandings between the Parties,
14 and supersedes all prior and contemporaneous agreements, understandings, inducements or
15 conditions, express or implied. There are no representations, arrangements, or understandings, oral or
16 written, between the Parties relating to the subject matter of this Consent Order that are not fully
17 expressed herein.

18 **X. Counterparts.** This Consent Order may be executed by Respondents in any number of
19 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed
20 to be an original, but all of which, taken together, shall constitute one and the same Consent Order.

21 **Y. Completely Read, Understood, and Agreed.** It is AGREED that the Parties have
22 read this Consent Order in its entirety and fully understand and agree to all of the same.

23 //

1 **RESPONDENTS:**

2 **CashCall, Inc.;**
3 **Western Sky Financial, LLC;**
4 **Payday Financial, LLC;**
5 **Great Sky Finance, LLC;**
6 **Green Billow, LLC;**
7 **Red Stone Financial, LLC;**
8 **Delbert Services, Inc.;**
9 **WS Funding LLC;**
10 **Martin A. Webb; and**
11 **J. Paul Reddam**

12 By:

13 

14 CashCall, Inc.

15 9/28/15

16 Date

17 Western Sky, LLC

18 Date

19 Payday Financial, LLC

20 Date

21 Great Sky Finance, LLC

22 Date

23 Green Billow, LLC

24 Date

25 Red Stone Financial, LLC

26 Date

27 

28 Delbert Services, Inc.

29 9/28/15

30 Date

31 //

32 **CONSENT ORDER**
33 **C-11-0701-15-CO01; C-11-0810-15-CO01**
34 **CashCall, Inc. and Western Sky Financial, LLC, Payday**
35 **Financial, LLC, Great Sky Finance, LLC, Green Billow, LLC,**
36 **Red Stone Financial, LLC, and Martin A. Webb**

[Redacted]

WS Funding, Inc.

9/20/15

Date

Martin A. Webb
Individually

Date

[Redacted]

J. Paul Reddam
Individually

9/20/15

Date

Approved for Entry:

Gavin Skok, WSBA #29766
Riddell Williams P.S.
Attorney for Respondents

Date

ROBERT W. FERGUSON
Attorney General

By:
Ian S. McDonald, WSBA #41403
Assistant Attorney General
Attorney for the State of Washington
Department of Financial Institutions

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS _____ DAY OF _____, 2015.

SCOTT JARVIS
Director
Department of Financial Institutions

CONSENT ORDER
C-11-0701-15-CO01; C-11-0810-15-CO01
CashCall, Inc and Western Sky Financial, LLC, Payday
Financial, L.L.C, Great Sky Finance, LLC, Green Billow, LLC,
Red Stone Financial, LLC, and Martin A. Webb

12

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 **RESPONDENTS:**

- 2 **CashCall, Inc.;**
- 3 **Western Sky Financial, LLC;**
- 4 **Payday Financial, LLC;**
- 5 **Great Sky Finance, LLC;**
- 6 **Green Billow, LLC;**
- 7 **Red Stone Financial, LLC;**
- 8 **Delbert Services, Inc.;**
- 9 **WS Funding LLC;**
- 10 **Martin A. Webb; and**
- 11 **J. Paul Reddam**

12 By:

13 _____ Date _____

14 CashCall, Inc.
15 [Redacted]

16 _____
17 *9/21/15*
18 _____
19 Date

20 Western Sky, LLC

21 [Redacted]

22 _____
23 *9/21/15*
24 _____
25 Date

26 Payday Financial, LLC

27 [Redacted]

28 _____
29 *9/21/15*
30 _____
31 Date

32 Great Sky Finance, LLC

33 [Redacted]

34 _____
35 *9/21/15*
36 _____
37 Date

38 Green Billow, LLC

39 [Redacted]

40 _____
41 *9/21/15*
42 _____
43 Date

44 Red Stone Financial, LLC

45 _____

46 _____
47 _____
48 _____
49 Date

50 Delbert Services, Inc.

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WS Funding, Inc.


Martin A. Webb
Individually

J. Paul Reddam
Individually

Approved for Entry:

Gavin Skok, WSBA #29766
Riddell Williams P.S.
Attorney for Respondents

ROBERT W. FERGUSON
Attorney General

By: _____
Ian S. McDonald, WSBA #41403
Assistant Attorney General
Attorney for the State of Washington
Department of Financial Institutions

Date

9/21/15

Date

Date

Date

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS _____ DAY OF _____, 2015.

SCOTT JARVIS
Director
Department of Financial Institutions

CONSENT ORDER
C-11-0701-15-CO01; C-11-0810-15-CO01
CashCall, Inc. and Western Sky Financial, LLC, Payday
Financial, LLC, Great Sky Finance, LLC, Green Billow, LLC,
Red Stone Financial, LLC, and Martin A. Webb

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 _____
2 WS Funding, Inc.

_____ Date

3 _____
4 Martin A. Webb
5 Individually

_____ Date

6 _____
7 J. Paul Reddam
8 Individually

_____ Date

9 Approved for Entry:

10 

9/30/15

11 Gavin Skok, WSBA #29766
12 Riddell Williams P.S.
13 Attorney for Respondents

_____ Date

14 ROBERT W. FERGUSON
15 Attorney General

16 By: _____
17 Ian S. McDonald, WSBA #41403
18 Assistant Attorney General
19 Attorney for the State of Washington
20 Department of Financial Institutions

_____ Date

21 DO NOT WRITE BELOW THIS LINE

22 THIS ORDER ENTERED THIS _____ DAY OF _____, 2015.

23 _____
24 SCOTT JARVIS
25 Director
26 Department of Financial Institutions

27 CONSENT ORDER
28 C-11-0701-15-CO01; C-11-0810-15-CO01
29 CashCall, Inc. and Western Sky Financial, LLC, Payday
30 Financial, LLC, Great Sky Finance, LLC, Green Billow, LLC,
31 Red Stone Financial, LLC, and Martin A. Webb

12

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 _____
2 WS Funding, Inc.

_____ Date

3 _____
4 Martin A. Webb
5 Individually

_____ Date

6 _____
7 J. Paul Reddam
8 Individually

_____ Date

9 Approved for Entry:

10 _____
11 Gavin Skok, WSBA #29766
12 Riddell Williams P.S.
13 Attorney for Respondents

_____ Date

14 ROBERT W. FERGUSON
15 Attorney General

16 By: _____
17 Ian S. McDonald, WSBA #41403
18 Assistant Attorney General
19 Attorney for the State of Washington
20 Department of Financial Institutions

9/30/15
_____ Date

DO NOT WRITE BELOW THIS LINE

21 THIS ORDER ENTERED THIS 5th DAY OF October, 2015.



22 _____
23 SCOTT JARVIS
24 Director
Department of Financial Institutions

CONSENT ORDER
C-11-0701-15-CO01; C-11-0810-15
CashCall, Inc. and Western Sky Financial, LLC, Great Sky Finance, LLC, Green Willow, LLC,
Red Stone Financial, LLC, and Martin A. Webb

12

DEPARTMENT OF FINANCIAL INSTITUTIONS
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