DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202	DATE FILED: September 16, 2015 4:05 PM DATE FILED: September 17, 2015 CASE NUMBER: 2013CV35455
STATE OF COLORADO ex rel. CYNTHIA H. COFFMAN, ATTORNEY GENERAL FOR THE STATE OF COLORADO, and JULIE ANN MEADE, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE, Plaintiffs, v. CASHCALL, INC., WS FUNDING, LLC, DELBERT SERVICES CORPORATION, and J. PAUL REDDAM, Defendants.	▲ **COURT USE ONLY** ▲
	Case No. 2013CV35455 Courtroom 275

FINAL CONSENT JUDGMENT

Plaintiffs, State of Colorado ex rel. Cynthia H. Coffman, Attorney General for the State of Colorado ("Attorney General"), and Julie Ann Meade, Administrator of the Uniform Consumer Credit Code ("Administrator") (collectively, the "State") and Defendants CashCall, Inc., WS Funding, LLC, Delbert Services Corporation, and J. Paul Reddam (collectively, "Defendants") hereby consent to entry of final judgment in this matter as embodied in this Final Consent Judgment to resolve fully and finally the claims and issues in the above-captioned case, without trial or hearing, and to avoid the additional time and expense associated with continuing litigation.

The Court, having considered this matter and being otherwise fully advised in the premises,

DOES HEREBY FIND, CONCLUDE, ORDER, and ADJUDGE, as follows:

I. GENERAL PROVISIONS

1.1 Scope of Final Consent Judgment. This Final Consent Judgment is entered pursuant to the Colorado Uniform Consumer Credit Code, C.R.S. §§ 5-1-

101, *et seq.* (2013) ("Code"), the Colorado Consumer Protection Act, §§ 6-1-101, *et seq.* (2013) ("CCPA"), and the Colorado Fair Debt Collection Practices Act, C.R.S. §§ 12-14-101, *et seq.* (2013) ("CFDCPA"). Unless otherwise provided, this Final Consent Judgment shall apply to Defendants and their officers; directors; agents; servants; employees; affiliates; subsidiaries; heirs; together with the other parties described in C.R.C.P. 65(d); all entities that Defendants may own, operate, or control, in whole or in part; and all entities in which any Defendant has invested capital in an amount that exceeds $25,000.

1.2 Release of Claims.

1.2.1 Subject to the conditions in paragraph 1.2.2, the State agrees and acknowledges that execution of this Final Consent Judgment is a complete settlement and release of all claims under the Code, CCPA, or CFDCPA on behalf of the State against Defendants that were asserted or could have been asserted under the Code, CCPA, or the CFDCPA in the Complaint; that arose prior to the Final Consent Judgment Date; and that relate to or are based upon the acts or practices which are the subject of the Complaint, with the exception of the pending administrative action discussed in paragraph 1.2.3.

1.2.2 The State will release all existing monetary claims not otherwise paid immediately upon full and timely completion of payments in accordance with section IV. Any unpaid balance of payments required under section IV may be asserted by the State in any subsequent proceeding to enforce this Final Consent Judgment, whether through execution, garnishment, or other legal proceedings, or through a proof of claim in any bankruptcy proceeding filed by any Defendant.

1.2.3 The parties agree and acknowledge that they are filing a Stipulated Motion to Dismiss Without Prejudice in *Administrator, Uniform Consumer Credit Code v. Delbert Services Corp.*, Case No. CCC 2014-0001 (OAC), contemporaneously with this Final Consent Judgment, after which Defendants will not oppose further a final agency order revoking Delbert Services Corporation's supervised lender's license. The parties intend that these actions will fully and finally resolve that administrative action.

1.3 No Admission of Liability. All parties are entering into this Final Consent Judgment for the purpose of compromising and resolving disputed claims and to avoid the expense of further litigation. It is expressly understood that nothing contained in this Final Consent Judgment shall be construed as an admission by Defendants of any liability, wrongdoing, or factual or legal issue, nor do Defendants waive any defenses they may raise elsewhere in other litigation.

1.4 Preservation of Law Enforcement Action. Nothing herein precludes

the State from enforcing the provisions of this Final Consent Judgment or from pursuing any non-released claims, including any law enforcement action with respect to any acts or practices of Defendants not covered by this Final Consent Judgment or any acts or practices in which Defendants engaged after entry of this Final Consent Judgment.

1.5 Compliance with and Application of State Law. Nothing herein relieves Defendants of their duty to comply with applicable laws of the State of Colorado nor constitutes authorization by the State for Defendants to engage in acts and practices prohibited by such laws. This Final Consent Judgment shall be governed by the laws of the State of Colorado.

1.6 Non-Approval of Conduct. Nothing herein constitutes approval by the State of any of the Defendants' past, present, or future business practices, and Defendants shall not make any representation to the contrary.

1.7 Preservation of Private Claims. Unless otherwise provided, nothing in this Final Consent Judgment shall limit, constrain, abridge, abrogate, waive, release, or otherwise prejudice any private rights, causes of action, or remedies of any person against Defendants with respect to the acts and practices covered by this Final Consent Judgment.

1.8 Jurisdiction. Defendants agree that the District Court, City and County of Denver, Colorado, has jurisdiction over the parties and subject matter of this action for the sole purpose of entering this Final Consent Judgment. Furthermore, Defendants agree this Court shall retain jurisdiction over this matter solely for the purpose of enabling any party to this Final Consent Judgment to apply to the Court at any time for any further orders which may be necessary or appropriate for the construction, modification, or execution of this Final Consent Judgment, and for the enforcement of compliance herewith and the punishment of violations hereof. Defendants consent to the jurisdiction, venue, and process of this Court solely if there is any claim, cause of action, or proceeding arising out of or based upon this Final Consent Judgment.

1.9 Contempt. The parties understand and agree that a finding of any violation of any term or provision of this Final Consent Judgment shall give rise to all contempt remedies available to the Court. The parties agree to waive any requirement of personal service provided that they provide written notice in accordance with the terms of this Final Consent Judgment.

1.10 Execution in Counterparts. This Final Consent Judgment may be executed in counterparts.

1.11 Severability. If any provision(s) of this Final Consent Judgment is

held to be invalid, illegal, unenforceable, or in conflict with the law of any jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

1.12 Amendment. This Final Consent Judgment may be amended solely by written agreement signed by the State and Defendants or their authorized representatives and with the approval of the Court.

1.13 Complete Agreement. This Final Consent Judgment represents the entire agreement between the parties hereto and a complete merger of prior negotiations and agreements.

1.14 Effective Date. On the date this Final Consent Judgment is entered by the Court, it shall be entered as and become a final judgment of the Court and such date shall be the effective date of this Final Consent Judgment for all purposes.

1.15 Attorneys' Fees and Costs. Except as otherwise provided herein, each party shall bear its own attorneys' fees and costs in connection with this matter.

1.16 Notice. All notices to the State shall be sent to the following:

David B. Shaw
Assistant Attorney General
Colorado Department of Law
Consumer Protection Section
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 6th Floor
Denver, CO 80203
david.shaw@state.co.us

All notices to Defendants shall be sent to the following:

Brian Fischer
Jenner & Block LLP
919 Third Avenue
New York, New York 10022-3908
BFischer@jenner.com

Thomas J. Nolan
Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, California 90071-3144
Thomas.Nolan@skadden.com

II. DEFINITIONS

2.1 Consumer loan. The term "consumer loan" has the definition set forth in C.R.S. § 5-1-301(15) (2013).

2.2 Western Sky loan. The term "Western Sky loan" means any consumer loan made by, originated by, funded by, or otherwise involving Western Sky, LLC that was made to a consumer living in the State of Colorado at the time the loan was made and that was subsequently transferred to or acquired by any Defendant and serviced by or collected upon by any Defendant.

III. INJUNCTIVE RELIEF

3.1 Defendants are immediately and permanently enjoined from violating any provision of the Code, CCPA, and CFDCPA.

3.2 Upon entry of this Final Consent Judgment, Defendants will immediately and permanently cease and desist servicing and collection activities on any Western Sky loan. Defendants shall not sell, assign, transfer, or otherwise dispose of any Western Sky loan that they currently hold. Instead, Defendants shall discharge, cancel, release, forgive, and adjust to a zero balance all such Western Sky loans. Within 30 days of entry of this Consent Judgment, Defendants shall notify any Colorado consumer whose Western Sky loan they currently service or collect by United States mail and electronic mail that the loan has been discharged, canceled, released, and forgiven. Additionally, within 30 days of entry of this Consent Judgment, Defendants must refund any and all payments, if any, collected from such Colorado consumers from August 6, 2015, to the time of entry of this Final Consent Judgment. Defendants must provide evidence of compliance with this paragraph to the State within 45 days of entry of this Final Consent Judgment.

3.3 Within 30 days of entry of this Consent Judgment, Defendants shall request removal of all adverse information reported by them in regard to Colorado consumers with Western Sky loans to any credit reporting agencies. Between 30 and 45 days following any such request, Defendants shall send a second letter to the credit reporting agencies requesting that they confirm whether the adverse information has been removed. Defendants shall include the Attorney General as a copied recipient of all such correspondence with the credit reporting agencies.

3.4 Within 45 days of entry of this Final Consent Judgment, in clear and conspicuous language written in not less than 14-point bold typeface, Defendants shall provide notice to all persons and entities who previously have purchased Western Sky loans to indicate that all interest, fees, and penalties charged to such loans is void and uncollectible. This language shall be approved in advance by the

State, within 15 days of being provided the proposed language by Defendants. Defendants shall notify Colorado consumers whose Western Sky loans have been purchased by third parties or are being serviced or collected by third parties, by United States mail and electronic mail to their last known addresses, that all interest, fees, and penalties charged to such loans is void and uncollectible. Defendants must provide evidence of compliance with this paragraph to the State within 75 days of entry of this Final Consent Judgment.

3.5 Defendants are immediately and permanently enjoined from directly or indirectly offering, soliciting, advertising, marketing, making, or originating consumer loans, as defined by paragraph 2.1, to Colorado consumers.

3.6 Defendants are immediately and permanently enjoined from directly or indirectly servicing, collecting, or attempting to service or collect consumer loans, as defined by paragraph 2.1, made to Colorado consumers.

IV. MONETARY PROVISIONS

4.1 This Court orders Defendants, jointly and severally, to pay a total of $7,384,005.12 in disgorgement and restitution to the State, according to the following payment schedule.

- $2,384,005.12 no later than 60 days after the date that this Court enters this Final Consent Judgment;
- $3,115,994.88 no later than December 31, 2015; and
- $1,884,005.12 no later than March 31, 2016.

Defendants may pay any part of the total amount in advance without penalty. All such payments shall be deemed paid upon the State's receipt of the payment, and only upon such receipt.

4.2 All payments shall be made by electronic funds transfer according to written payment processing instructions provided by the State of Colorado with a reference to "*State v. CashCall, Inc., et al.* Settlement." Defendants shall provide written notice to the State at or around the time that they initiate the electronic funds transfer. All payments will be held, along with any interest thereon, in trust by the Attorney General, and within the Attorney General's sole discretion, to be used for reimbursement of the State's actual costs and attorneys' fees, the payment of restitution, if any, and for future consumer or creditor education, consumer fraud, or consumer credit enforcement purposes.

4.3 Failure to make payments within two business days of receipt of written notice from the State that a payment has not been received by the applicable due date pursuant to paragraph 4.1 will constitute a violation of the

Final Consent Judgment and will result in the entire $7,384,005.12 being due and payable immediately without the need for trial. If Defendants fail to timely make a payment in accordance with this section IV, then post-judgment interest will begin to run immediately after the due date on any remaining amounts owing at the maximum interest rate allowed by law. In the event of such non-payment, Defendants agree to pay the attorneys' fees and costs of any legal action instituted to carry out successful recovery of all amounts owing.

4.4 The Court immediately enters judgment on the full settlement amount.

V. REPRESENTATIONS AND WARRANTIES

5.1 Except as expressly provided in this Final Consent Judgment, nothing herein shall be construed as relieving Defendants of their respective obligations to comply with all state and federal laws, regulations or rules, or granting permission to engage in any acts or practices prohibited by such law, regulation, or rule.

5.2 Defendants acknowledge that they have thoroughly reviewed this Final Consent Judgment with their counsel, that they understand and agree to its terms, and that they agree that it shall be entered as an Order of this Court. Defendants knowingly and voluntarily enter into this Final Consent Judgment and waive any right to a formal hearing on the matters forming the basis of this Final Consent Judgment and any right to appeal herefrom.

5.3 Each of the non-Court signatories to this Consent Judgment warrants and represents that he or she has authority to agree to this Consent Judgment on behalf of the party for which he or she is signing.

VI. VIOLATIONS OF INJUNCTIVE TERMS OF FINAL CONSENT JUDGMENT

6.1 In the event the State receives evidence that any of the Defendants violated the injunctive terms of this Final Consent Judgment, the State shall provide the relevant Defendant(s) written notice of said violation within 7 days of discovering the violation, and provide the Defendant(s) with 7 days to cure the violation. If the State believes, in its sole discretion, that Defendant(s) failed to cure the violation, the State may, upon notice to the Defendants, petition the Court alleging a violation and presenting evidence of such violation, in the amount of a $2,000.00 civil penalty for each proven violation, and seeking an order that Defendants have breached the Final Consent Judgment. Upon receipt of notice of any such petition by the State, Defendants shall be provided an opportunity to respond to such petition in accordance with the timeframes set forth in the Colorado Rules of Civil Procedure..

6.2 Following notice and hearing on the State's petition and a finding by the Court that the Defendant(s) have violated the Final Consent Judgment, the Court may impose the penalties set forth in paragraph 6.1; accelerate payment due dates, if any remain; make any order in accordance with paragraph 1.9; and enjoin or make any other appropriate order to enforce the provisions of this Final Consent Judgment.

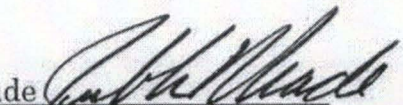
6.3 In any action or proceeding that alleges or asserts a violation of or failure to comply with this Final Consent Judgment, this Final Consent Judgment shall be admissible in full, and the Colorado Rules of Civil Procedure shall apply.

SO ORDERED, ADJUDGED, and DECREED this 17th day of September, 2015.

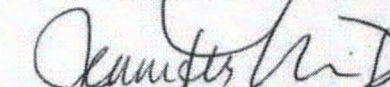
By the Court:

Ross B.H. Buchanan
Denver District Court Judge

For the Plaintiffs

s/ Julie Ann Meade  Dated: September 16, 2015
JULIE ANN MEADE
Administrator, Uniform Consumer Credit Code

STATE OF COLORADO, *ex rel.*
CYNTHIA H. COFFMAN, Attorney General


s/ Jennifer Miner Dethmers Dated: 9·16·15
JENNIFER MINER DETHMERS, #32519*
DAVID B. SHAW, #40453*
Assistant Attorneys General
Colorado Department of Law
Consumer Protection Section

For the Defendants
CashCall, Inc.

s/ _____ Dated: _____
Print Name:
Title:

WS Funding, LLC

s/ _____ Dated: _____
Print Name:
Title:

Delbert Services Corporation

s/ _____ Dated: _____
Print Name:
Title:

J. Paul Reddam, individually

s/ _____ Dated: _____

For the Plaintiffs

s/ Julie Ann Meade Dated: _____
JULIE ANN MEADE
Administrator, Uniform Consumer Credit Code

STATE OF COLORADO, *ex rel.*
CYNTHIA H. COFFMAN, Attorney General

s/ Jennifer Miner Dethmers Dated: _____
JENNIFER MINER DETHMERS, #32519*
DAVID B. SHAW, #40453*
Assistant Attorneys General
Colorado Department of Law
Consumer Protection Section

For the Defendants
CashCall, Inc.

s/ _____ Dated: 9/14/15
Print Name: J Paul Reddam
Title: President

WS Funding, LLC

s/ _____ Dated: 9/14/15
Print Name: J Paul Reddam
Title: President

Delbert Services Corporation

s/ _____ Dated: 9/14/15
Print Name: J Paul Reddam
Title: President

J. Paul Reddam, individually

s/ _____ Dated: 9/14/15

Attorneys for Defendants

TIMMINS, LLC

s/ Edward P. Timmins Dated: 9-16-15
EDWARD P. TIMMINS, #11719
JO D. TIMMINS, #13859
AMY K. HUNT, #37160
Attorneys for Defendants

JENNER & BLOCK LLP

s/ Dated: 9-16-15
Neil M. Barofsky, *admitted pro hac vice*
Katya Jestin, *admitted pro hac vice*
Brian J. Fischer, *admitted pro hac vice*
Attorneys for Defendants

SKADDEN, ARPS, SLATE, MEAGHER & FLOM

s/Thomas J. Nolan Dated: 9-16-15
Thomas J. Nolan
Caroline Van Ness
Attorneys for Defendants

Pursuant to C.R.C.P. 121, § 1-26(7), the original of this document with original signatures is maintained in the offices of the Colorado Department of Law, Consumer Protection Section, Ralph L. Carr Judicial Center, 1300 Broadway, 7th Fl., Denver, CO 80203, and will be made available for inspection upon request.