

Index: OFR 2016-720

**STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION**

In Re:

**CASHCALL, INC., and J. PAUL REDDAM,
INDIVIDUALLY, and WESTERN SKY
FINANCIAL, LLC, and MARTIN A. WEBB,
INDIVIDUALLY, and DOE, doing business as WS
FUNDING, LLC.**

Respondents.

**Administrative Proceeding
Docket Number: 16-003758
(formerly 14-002602 and
12-002478)**



FINAL ORDER

This cause came for consideration and final agency action. Upon review of the record, including the Settlement Stipulation, and being otherwise fully advised of the premises, the Commissioner hereby finds:

1. The Office of Financial Regulation has jurisdiction over the subject matter of this case and the parties hereto.

2. The entry of this Final Order concludes the above-referenced matter.


ORDERED:

A. The Stipulation (Attachment A) is hereby approved and incorporated by reference as if fully stated herein and is adopted as the Office's Findings of Fact and Conclusions of Law.

B. The Office acknowledges receipt of \$500,000, paid as an administrative fine in the case.

C. The parties shall comply with all terms of the Settlement Stipulation.

DONE and ORDERED this 30th day of December 2016, in
Tallahassee, Leon County, Florida.


DREW J. BREAKSPEAR, Commissioner
Office of Financial Regulation

NOTICE OF RIGHTS

A PARTY WHO IS ADVERSELY AFFECTED BY THIS FINAL ORDER IS ENTITLED TO JUDICIAL REVIEW PURSUANT TO SECTION 120.68, FLORIDA STATUTES. REVIEW PROCEEDINGS ARE GOVERNED BY THE FLORIDA RULES OF APPELLATE PROCEDURE. SUCH PROCEEDINGS ARE COMMENCED BY FILING THE ORIGINAL NOTICE OF APPEAL WITH THE AGENCY CLERK FOR THE OFFICE OF FINANCIAL REGULATION AS FOLLOWS:

By Mail or Facsimile

OR

By Hand Delivery

Agency Clerk
Office of Financial Regulation
P.O. Box 8050
Tallahassee, Florida 32314-8050
Phone: (850) 410-9889
Fax: (850) 410-9663

Agency Clerk
Office of Financial Regulation
General Counsel's Office
The Fletcher Building, Suite 118
101 East Gaines Street
Tallahassee, Florida 32399-0379
Phone: (850) 410-9889

A COPY OF THE NOTICE OF APPEAL, ACCOMPANIED BY THE FILING FEES AS REQUIRED BY LAW, MUST ALSO BE FILED WITH THE DISTRICT COURT OF APPEAL, FIRST DISTRICT, 2000 DRAYTON DRIVE, TALLAHASSEE, FLORIDA 32399-0950, OR WITH THE DISTRICT COURT OF APPEAL IN THE APPELLATE DISTRICT WHERE THE PARTY RESIDES. **THE NOTICE OF APPEAL MUST BE FILED WITH BOTH THE AGENCY CLERK FOR THE OFFICE OF FINANCIAL REGULATION AND THE DISTRICT COURT OF APPEAL WITHIN 30 DAYS OF THE RENDITION OF THE ORDER TO BE REVIEWED.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Final Order has been furnished to JOSEPH BARLOON AND AUSTIN BROWN, attorneys for CashCall, Inc., J. Paul Reddam, and WS Funding, LLC, via email to JOSEPH.BARLOON@SKADDEN.COM and AUSTIN.BROWN@SKADDEN.COM; and to CHRIS CARVER and TOM RANGE, attorneys for Western Sky Financial, LLC, and Martin A. Webb, via email to CHRISTOPHER.CARVER@AKERMAN.COM and TOM.RANGE@AKERMAN.COM this 30th day of December, 2016.



Agency Clerk
Florida Office of Financial Regulation
Tallahassee, FL 32314-8050
Post Office Box 8050
Email: Agency.Clerk@flofr.com
Tel: (850) 410-9889
Fax: (850) 410-9663

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION

In Re:

CASHCALL, INC., and J. PAUL
REDDAM, INDIVIDUALLY, and
WESTERN SKY FINANCIAL, LLC, and
MARTIN A. WEBB,
INDIVIDUALLY, and DOE,
doing business as WS FUNDING, LLC.

Administrative Proceeding Docket
Number: 16-003758
(formerly 14-002602
and formerly 12-002478)

Respondents.

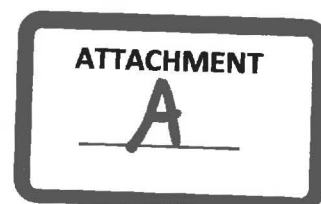
SETTLEMENT STIPULATION

The State of Florida, Office of Financial Regulation (“Office”) and CASHCALL, INC., J. PAUL REDDAM, INDIVIDUALLY, WESTERN SKY FINANCIAL, LLC, MARTIN A. WEBB, INDIVIDUALLY, and WS FUNDING, LLC (collectively, “Respondents”), in consideration of the mutual promises herein, recite, stipulate and agree as follows:

1. **Background.** CashCall, Inc. is presently an active California corporation with its principal business address at One City Boulevard West #1000, Orange, CA 926868. CashCall, Inc. was first licensed as a consumer finance company under Chapter 516, Florida Statutes (license number CF0900346) on or about September 8, 2003. John Paul Reddam (“Reddam”) is the president and sole owner of CashCall, Inc.

Reddam is a control person of CashCall, Inc., and WS Funding, LLC, as the term “control person” is defined in section 516.01(8), Florida Statutes.

Western Sky Financial, LLC is presently an active South Dakota limited liability company with its principal place of business at 612 East Street, Timberlake, South Dakota



57656. Martin A. Webb (“Webb”) is the owner and sole manager and executive officer of Western Sky Financial, LLC. Western Sky Financial, LLC was not and has never been licensed as a consumer finance company in Florida.

Martin A. Webb is a control person of Western Sky Financial, LLC, as the term “control person” is defined in section 516.01(8), Florida Statutes.

WS Funding, LLC is presently an active Delaware company with its principal business address co-located with CashCall, Inc., at One City Boulevard West #1000, Orange, CA 926868, and is a wholly owned subsidiary of CashCall, Inc. WS Funding, LLC is not and has never been licensed as a consumer finance company in Florida.

Based on consumer complaints against CashCall and Western Sky, the Office reviewed advertisements and loan documents of Western Sky. As a result of that review, the Office’s Division of Consumer Finance determined that grounds existed to initiate an administrative proceeding against Respondents pursuant to Chapter 516, Florida Statutes.

Consequently, the Office issued an Administrative Complaint and Notice of Rights (“Complaint”) against CashCall, Inc., J. Paul Reddam, Western Sky Financial, LLC, Martin A. Webb, and WS Funding, LLC on May 17, 2012. The complaint was later amended on June 25, 2014 (“Amended Complaint”). A copy of the Amended Complaint is attached as Exhibit A to this Settlement Stipulation. The parties are resolving the issues herein prior to a final hearing in this matter.

2. **Jurisdiction.** The Office is the state agency charged with the administration and enforcement of Chapter 516, Florida Statutes, and the rules promulgated thereunder. Respondents stipulate that, for the purposes of this Settlement Stipulation, the Office has

jurisdiction to bring this administrative action against Respondents pursuant to Chapter 516, Florida Statutes.

3. **Findings.** Respondents deny the allegations in the Amended Complaint. Nothing in this Settlement Stipulation may be used as evidence of liability and the Settlement Stipulation is not intended to be used or admissible in any unrelated administrative, civil, or criminal proceeding. Respondents do not waive any defenses they may raise in other litigation or administrative proceedings. For the sole purpose of resolving the instant proceeding, Respondents deny, but do not contest, the Office's findings that Respondents violated the sections of the Florida Statutes and/or the rules of the Florida Administrative Code as set out below:

a. Western Sky advertised and originated loans to individuals identified as Florida residents in Western Sky loan agreements in amounts of less than \$25,000 at rates of interest that exceeded the lawful rate of interest in the State of Florida in violation of section 516.02(2)(a), Florida Statutes.

b. Western Sky was not licensed to make consumer finance loans in the State of Florida.

c. CashCall purchased loans made by Western Sky to individuals identified as Florida residents in Western Sky loan agreements that had interest rates in excess of Florida's legal rate of interest.

d. Western Sky made in excess of 30,000 loans to individuals identified as Florida residents in Western Sky loan agreements that were sold to WS Funding, LLC.

e. The Office may impose an administrative fine of up to \$1,000 per violation. Section 516.107(2), Florida Statutes. Each loan is a separate violation of the law. Rule 69V-160.111, Florida Administrative Code.

f. The Office may revoke the license of any person for violation of section 516.07(1)(e), Florida Statutes. Rule 69V-160.111(2)(j), Florida Administrative Code.

g. The Office may place permanent restrictions on issuance of a license. Section 516.107(2)(d), Florida Statutes.

4. **Terms and Conditions.** The parties agree that the issues raised can be expeditiously resolved without a formal hearing and that further litigation can be avoided by their execution of this Settlement Stipulation. The parties acknowledge that they have read this Stipulation and fully understand the rights, obligations, terms, duties, and responsibilities with respect to its contents. Therefore, in compromise and settlement of the foregoing findings and in consideration of the Office's forbearance from further litigation, Respondents agree to the following terms and conditions:

5. **Future Compliance.** Respondents shall in the future comply with all requirements of Chapter 516, Florida Statutes, the rules promulgated pursuant thereto, and all terms and conditions of this Settlement Stipulation.

a. CashCall, Inc. agrees that upon entry of a final order in this matter, its consumer finance license, #CF0900346, shall be revoked.

b. Respondents agree to comply with the injunctive relief provisions set forth in Section III of the Stipulated Final Judgment and Order entered in the proceeding captioned *Office of the Attorney General, State of Florida, Department of Legal Affairs, et al. v. Western*

Sky Financial, LLC, et al. (Case No. 13-CA-15462; Div. B), in the Circuit Court of the 13th Judicial Circuit (“13th Judicial Circuit proceeding”) on _____.

c. J. Paul Reddam and Martin A. Webb agree that they will not apply for nor be granted any license from the Office, but are subject to a permanent (lifetime) bar from licensure with the Office of Financial Regulation in any capacity, and specifically that they will never be or become an “affiliated party,” “control person,” “ultimate equitable owner” of or have a “controlling interest” in any business actually or required to be licensed by the Office. By example and not limitation, the specific statutory references are:

Chapter 494, which includes Mortgage Brokers, Loan Originators, Mortgage Lenders, and Mortgage Servicers. “Control person” is defined by s. 494.001(6), Florida Statutes.

Chapter 516, which regulates consumer finance loans. “Control person” is defined by s. 516.01(8), Florida Statutes.

Chapter 520, which includes Motor Vehicle Sales Finance, Retail Installment Sales, and Installment Sales Finance. “Control person” is defined by ss. 520.02(4), 520.31(4), each definition is incorporated in part III, by s. 520.051, Florida Statutes.

Chapter 537, which includes motor vehicle Title Loans. “Ultimate equitable owner” is defined by s. 537.003(17), Florida Statutes.

Chapter 559, which includes Commercial Collection Practices and Consumer Collection Practices. “Control person” is defined by s. 559.55(4), Florida Statutes.

Chapter 560, which includes money services businesses, such as Payment Instrument and Funds Transmitters, Check Cashing and Foreign Currency Exchange, and Deferred Presentment Providers. “Affiliated party” is defined by s. 560.103(1), Florida Statutes, and “controlling interest” is described at s. 560.127, Florida Statutes.

6. **Administrative Fine.** Respondents agree to pay the Office an administrative fine in the amount of Five Hundred Thousand Dollars (\$500,000.00). This administrative fine shall be submitted, with the signed Settlement Stipulation, in the form of a wire transfer or by cashier's check made payable to **Department of Financial Services** and shall be sent to the attention of **Agency Clerk – c/o Scott Fransen, Post Office Box 8050, Tallahassee, Florida 32314-8050.** Respondents acknowledge and agree that (i) in accordance with Section 215.31 Florida Statutes, regarding the deposit of monies, the tendered fine or settlement check proceeds including amounts toward expenses of examination may be deposited in advance of full execution or acceptance of the proposed settlement agreement; and, (ii) such deposit shall not be construed as a final acceptance of the Settlement Stipulation absent full execution thereof and entry of a Final Order adopting same. The Final Order issued by the Office adopting this Agreement shall memorialize payment of the administrative fine. In no event shall Respondents be required to pay any more than \$500,000 to the Office.

7. **Final Order.** Respondents consent to the issuance by the Office of a Final Order, which incorporates the terms of this Settlement Stipulation. Respondents understand and agree that this Settlement Stipulation is subject to the final approval of the Commissioner of the Office of Financial Regulation and the entry of the Final Order adopting same. In the event that the Final Order is not entered, this Settlement Stipulation shall be null and void and the Office shall return to Respondents the Five Hundred Thousand Dollar (\$500,000) administrative fine paid upon execution of this Agreement. The Final Order incorporating this Settlement Stipulation constitutes final agency action by the Office for which the Office may seek enforcement pursuant to the provisions of Chapter 516 and 120, Florida Statutes.

8. **Waiver.** By Respondents' consent to the entry of a Final Order with respect to this proceeding, Respondents knowingly and voluntarily waive:

- a. Any right to separately stated Findings of Fact and Conclusions of Law;
- b. Any right to receipt of a Notice of Rights pursuant to Chapter 120, Florida Statutes;
- c. Any right to an administrative hearing or issuance of a recommended order pursuant to Chapter 120, Florida Statutes;
- d. Any right to contest in any administrative forum or judicial proceeding (including, but not limited to, an appeal pursuant to section 120.68, Florida Statutes) the validity of any term, condition, obligation, or duty expressly created in the Stipulation and the Final Order.

9. **Releases.** Upon entry of a Final Order in this proceeding, Respondents waive, release and forever discharge the Office and its agents, representatives and employees from any and all causes of action, in law or in equity, which Respondents may have arising out of this matter. The Office accepts this release and waiver by Respondents on behalf of themselves, their agents, representatives, and employees without acknowledging, and expressly denying, that any such right or cause of action may exist.

Upon entry of a Final Order in this proceeding, and to the extent permitted by law, the Office releases CashCall, Inc., J. Paul Reddam individually, Western Sky Financial, LLC, Martin A. Webb individually, and WS Funding, LLC, as to claims in the 13th Judicial Circuit proceeding, which overlap with those claims asserted in this administrative case.

10. **Failure to Comply.** Respondents acknowledge, concur and stipulate that Respondents' failure to comply with any of the terms, obligations and conditions of this Settlement Stipulation, and the Final Order adopting it is a violation of the written agreement and

the Final Order entered pursuant to Chapters 120 and 516, Florida Statutes. Such noncompliance may result in the issuance of an emergency cease and desist order. However, nothing herein shall be construed to limit Respondents' rights to contest any finding or determination of non-compliance.

11. **Attorney's fees.** Each party herein shall be solely responsible for its separate costs and attorneys' fees incurred in the prosecution, defense, or negotiations in this matter up to and including entry of the Final Order adopting this Stipulation.

12. **Severability.** The parties agree that if any provision(s) of this Settlement Stipulation or the application thereof to any person or circumstance is(are) held invalid, the Settlement Stipulation will be given effect without the invalid provision(s), and to this end, the provisions of this Stipulation are declared severable.

13. **Counterparts.** This Settlement Stipulation may be executed in any number of counterparts, and by the parties in separate counterparts, each of which will be deemed to be an original but all of which together will constitute but one Settlement Stipulation. Copies of this Stipulation transmitted by facsimile or electronic mail shall have the same validity as if bearing an original signature.

13. **Entire Agreement.** This Settlement Stipulation represents the entire agreement between the parties hereto and a complete merger of prior negotiations and agreements. Any alterations, variations, changes, modifications, or waivers of the provisions hereof shall be valid only when they have been reduced to writing, duly signed by the Office and Respondents hereto, and attached to an original of this Settlement Stipulation.

14. Agreement Covered by the Law of the State of Florida. This Agreement and performance hereunder and all suits and special proceedings hereunder shall be construed in accordance with the laws of the State of Florida.

15. Authority. The undersigned representative of CashCall, Inc. has full authority to enter into and bind CashCall to the terms and conditions of this Settlement Stipulation.

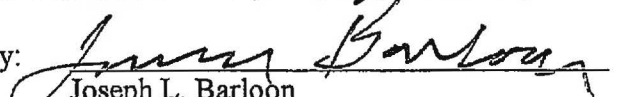
The undersigned representative of Western Sky Financial, LLC has full authority to enter into and bind Western Sky to the terms and conditions of this Settlement Stipulation.

The undersigned representative of WS Funding, LLC has full authority to enter into and bind WS Funding to the terms and conditions of this Settlement Stipulation.

WHEREFORE, in consideration of the foregoing, the Office and CashCall, Inc., J. Paul Reddam, individually, Western Sky Financial, LLC, Martin A. Webb, individually, and WS Funding, LLC, execute this Settlement Stipulation for issuance of a Final Order, as attached hereto, on the last date executed below.

On behalf of CashCall, Inc., J. Paul Reddam, and WS Funding, LLC

By:


Joseph L. Barloon
Skadden, Arps, Slate, Meagher & Flom LLP

On behalf of Western Sky Financial, LLC, and Martin A. Webb

By:

Christopher S. Carver
Akerman LLP

[SIGNATURES FOLLOW ON PAGES BELOW]

14. Agreement Covered by the Law of the State of Florida. This Agreement and performance hereunder and all suits and special proceedings hereunder shall be construed in accordance with the laws of the State of Florida.

15. Authority. The undersigned representative of CashCall, Inc. has full authority to enter into and bind CashCall to the terms and conditions of this Settlement Stipulation.

The undersigned representative of Western Sky Financial, LLC has full authority to enter into and bind Western Sky to the terms and conditions of this Settlement Stipulation.

The undersigned representative of WS Funding, LLC has full authority to enter into and bind WS Funding to the terms and conditions of this Settlement Stipulation.

WHEREFORE, in consideration of the foregoing, the Office and CashCall, Inc., J. Paul Reddam, individually, Western Sky Financial, LLC, Martin A. Webb, individually, and WS Funding, LLC, execute this Settlement Stipulation for issuance of a Final Order, as attached hereto, on the last date executed below.

On behalf of CashCall, Inc., J. Paul Reddam, and WS Funding, LLC

By:

Joseph L. Barloon
Skadden, Arps, Slate, Meagher & Flom LLP

On behalf of Western Sky Financial, LLC, and Martin A. Webb

By:

Christopher S. Carver
Christopher S. Carver by: Ray J. Rodriguez
Akerman LLP

[SIGNATURES FOLLOW ON PAGES BELOW]

JOHN PAUL REDDAM a/k/a J. PAUL REDDAM

By:  Date: December 23, 2016
Signature

Print Name: J. Paul Reddam

STATE OF CALIFORNIA)
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority, personally appeared John Paul Reddam, individually, who, upon being duly sworn, states that he has read and understands the foregoing Settlement Stipulation in Administrative Proceeding Number: 16-003758 and voluntarily signed the same.

SWORN TO AND SUBSCRIBED before me this 23 day of December, 2016.




NOTARY PUBLIC

Personally known X
OR produced identification _____
Identification produced:

Type of

CASHCALL, INC.

By: [Signature] Date: December 23, 2016
Signature

Print Name: J. Paul Reddam Title: President

Signature Date: _____

STATE OF CALIFORNIA)
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority, personally appeared John Paul Reddam, individually and as President and Control Person of CashCall, Inc. who, upon being duly sworn, states that he has read and understands the foregoing Settlement Stipulation in Administrative Proceeding Number: 16-003758 and voluntarily signed the same.

SWORN TO AND SUBSCRIBED before me this 23 day of December, 2016.



[Signature]
NOTARY PUBLIC

Personally known X
OR produced identification _____
Identification produced:

Type of

WS FUNDING, LLC

By: [Signature] Date: December 23, 2016
Signature

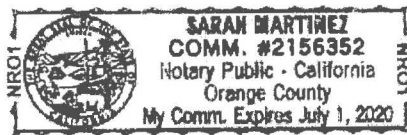
Print Name: J. Paul Reddam Title: President

Signature Date: _____

STATE OF California)
COUNTY OF Orange)

BEFORE ME, the undersigned authority, personally appeared John Paul Reddam, individually and as President and sole shareholder of CashCall, Inc., managing member of WS Funding, LLC who, upon being duly sworn, states that he has read and understands the foregoing Settlement Stipulation in Administrative Proceeding Number: 16-003758 and voluntarily signed the same.

SWORN TO AND SUBSCRIBED before me this 23 day of December, 2016



[Signature]
NOTARY PUBLIC

Personally known X
OR produced identification _____
Identification produced:

Type of

WESTERN SKY FINANCIAL, LLC

By: Martin Webb Date: 12/27/16
Signature

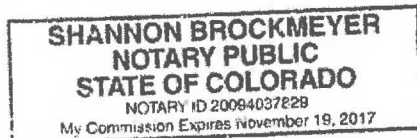
Print Name: Martin A. Webb Title: Member

Martin A. Webb Date: 12/27/16
Signature

STATE OF Colorado)
COUNTY OF Weed)

BEFORE ME, the undersigned authority, personally appeared Martin Webb, individually and as managing member and Control Person of. Western Sky Financial, LLC who, upon being duly sworn, states that he has read and understands the foregoing Settlement Stipulation in Administrative Proceeding Number: 16-003758 and voluntarily signed the same.

SWORN TO AND SUBSCRIBED before me this 27 day of December, 2015.



Shannon Brockmeyer
NOTARY PUBLIC

Personally known _____
OR produced identification _____ Type of
Identification produced:

OFFICE OF FINANCIAL REGULATION

Gregory C. Oaks Date: 12/23/2016
Gregory C. Oaks, Director
Division of Consumer Finance

MARTIN A. WEBB

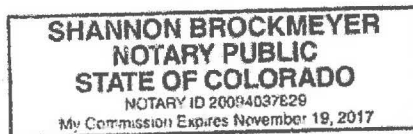
By: Martin A. Webb Date: 12/27/16
Signature

Print Name: Martin A. Webb

STATE OF Colorado)
COUNTY OF Weed)

BEFORE ME, the undersigned authority, personally appeared Martin A. Webb, individually, who, upon being duly sworn, states that he has read and understands the foregoing Settlement Stipulation in Administrative Proceeding Number: 16-003758 and voluntarily signed the same.

SWORN TO AND SUBSCRIBED before me this 27 day of December, 2016.



Shannon Brockmeyer
NOTARY PUBLIC

Personally known _____
OR produced identification _____ Type of
Identification produced:

FOR DEFENDANTS

WESTERN SKY FINANCIAL, LLC

Executed and agreed this 27th day of August, 2016

By: Martin A. Webb

Print Name: Martin A. Webb

Title: Member

For: Western Sky Financial, LLC

JOHN PAUL REDDAM, INDIVIDUALLY:

Executed and agreed this ____ day of _____, 2016

By: _____
John Paul Reddam, individually

CASHCALL, INC.

Executed and agreed this ____ day of _____, 2016

By: _____

Print Name: _____

Title: _____

For: CashCall, Inc.

STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS

STATE OF FLORIDA, OFFICE OF
FINANCIAL REGULATION,

Petitioner,

DOAH CASE NO.: 14-2602

vs.

CASHCALL, INC., ET. AL,

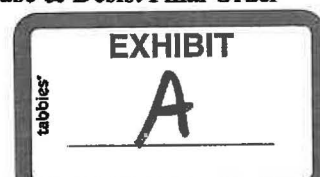
Respondents.

**AMENDED ADMINISTRATIVE COMPLAINT AND
NOTICE OF INTENT TO ISSUE CEASE & DESIST FINAL ORDER**

Comes now, the State of Florida, Office of Financial Regulation ("Office"), and files this Amended Administrative Complaint and Notice of Intent to Issue Cease & Desist Final Order against Western Sky Financial, LLC. ("Western Sky"), Martin A. Webb ("Webb"), CashCall, Inc. ("CashCall"), J. Paul Reddam ("Reddam"), and WS Funding, LLC. ("WS Funding"), (collectively "CashCall, Inc., et. al"), alleging:

1. At all times material, Western Sky has had a principal address of 612 East Street, Timberlake, South Dakota 57656, Webb has been the sole member of Western Sky, and neither Western Sky nor Webb has ever held a Florida consumer finance company license.

2. At all times material, CashCall has been a corporation with a principal address of 1600 S. Douglass Road, Anaheim, California 92806, Reddam has been president and sole owner, and CashCall has held a Florida consumer finance company license (license no. CF0900346).



3. At all times material, WS Funding has been a wholly-owned subsidiary of CashCall, located at the same address as CashCall, and has never held a Florida consumer finance company license.

4. Pursuant to section 516.01(2), Florida Statutes, “consumer finance loan” means a loan of \$25,000 or less for which the lender charges an interest rate greater than 18 percent per annum.

5. Pursuant to section 516.01(5), Florida Statutes, “interest” means the cost of obtaining a loan including whatever a lender charges except those charges that are explicitly permitted by Chapter 516, Florida Statutes.

6. Pursuant to section 1.01(3), Florida Statutes, “person” includes individuals, firms, corporations, and others.

7. Pursuant to section 516.02(2)(a), Florida Statutes, the maximum allowable interest that a person without a license may charge in making a loan in the amount of \$25,000 or less, is 18 percent per annum.

8. Section 516.031(1), Florida Statutes, in part, states that the maximum allowable interest that a licensee may charge in making a consumer finance loan is 30 percent per annum.

9. Pursuant to section 516.02(2)(c), Florida Statutes, a loan that has been contracted for and received at a rate of interest that is greater than that which is allowed by Chapter 516, Florida Statutes, is not enforceable, and each person involved is subject to the jurisdiction of the Office.

10. Pursuant to section 516.07(1)(d), Florida Statutes, any violation of Chapter 516, Florida Statutes, whether knowingly or without the exercise of due care, constitutes grounds for the disciplinary actions set forth in section 516.07(2), Florida Statutes.

11. Pursuant to sections 516.07(2)(f) and 516.23(2)(c), Florida Statutes, upon a finding by the Office that Chapter 516, Florida Statutes, has been violated, the Office may impose an administrative fine of up to \$1,000 for each violation.

12. Pursuant to section 516.23(2)(b), Florida Statutes, whenever the Office finds that a person is violating, has violated, or is about to violate any provision of Chapter 516, Florida Statutes, the Office may issue and serve upon such person a cease and desist order.

13. Section 516.031(3)(a), Florida Statutes, in part states,

Any charges, including interest, in excess of the combined total of all charges authorized and permitted by [chapter 516] constitute a violation of chapter 687 governing interest and usury, and the penalties of that chapter apply.
[Emphasis added]

14. Pursuant to section 687.148, Florida Statutes, the Office is responsible for the administration and enforcement of Chapter 687, Florida Statutes.

15. Section 687.03(1), Florida Statutes, in part states,

...it shall be usury and unlawful for any person, or for any agent, officer, or other representative of any person, to reserve, charge, or take for any loan... a rate of interest greater than the equivalent of 18 percent per annum simple interest, either directly or indirectly....
[Emphasis added]

16. Pursuant to section 687.04, Florida Statutes, a person who willfully charges and collects an interest rate that exceeds any provision of Chapters 516 or 687, Florida Statutes, is subject to forfeiture of double the amount of the interest so charged and collected.

COUNT I

17. In or around 2011, Western Sky advertised to Florida consumers the availability of loans for amounts less than \$25,000 which carried interest rates above 18 percent per annum.

18. From approximately July 2011 through June 2014, the Office regularly received complaints from consumers describing loans with Western Sky at interest rates above 18 percent per annum.

19. In fact, both said advertisements and said consumers quoted interest rates charged by Western Sky which were well above 100 percent per annum.

20. Between July 2011 and June 2014, Western Sky and Webb voluntarily and intentionally (willfully) solicited, executed, or funded, i.e., originated, numerous consumer loans where the interest rate charged and collected from Florida consumers was in excess of 18 percent per annum.

21. In contradiction and violation of section 516.02(2)(a), Florida Statutes, between July 2011 and June 2014, Western Sky and Webb unlawfully originated loans in amounts of \$25,000 or less, at interest rates greater than 18 percent per annum.

22. Pursuant to sections 516.07(2)(f) and 516.23(2)(c), Florida Statutes, Western Sky and Webb are subject to an administrative fine of up to \$1,000 per violation and pursuant to section 687.04, Florida Statutes, Western Sky and Webb are subject to forfeiture of double the amount of the interest charged and collected.

COUNT II

23. In or around 2011, the Office requested information from CashCall because of numerous complaints it had received from Florida consumers about CashCall.

24. In response, CashCall stated that it had purchased loans (for under \$25,000) from other lenders which it was now servicing.

25. Because WS Funding is a wholly owned subsidiary of CashCall, it is possible that when CashCall stated that it had purchased said loans, it may have meant that it did so through WS Funding.

26. Also in its response, CashCall included specific information about the more than 6,000 loans purchased (with funding dates between July 2010 and December 2011).

27. Each of the more than 6,000 purchased loans charged an interest rate over 30 percent per annum.

28. The interest rates charged by CashCall (and/or WS Funding) on said loans were routinely greater than 100 percent per annum.

29. Between July 2010 and December 2011, CashCall (and/or WS Funding) and Reddam voluntarily and intentionally (willfully) purchased and/or serviced more than 6,000 consumer loans where the interest rate charged and collected from Florida consumers was greater than 30 percent (and greater than 18 percent) per annum.

30. In contradiction and violation of section 516.031(1), Florida Statutes, (or section 516.02(2)(a), Florida Statutes) for more than 6,000 loans of \$25,000 or less, funded between July 2010 and December 2011, CashCall (and/or WS Funding) and Reddam unlawfully purchased and/or serviced said loans at interest rates greater than 30 percent (and greater than 18 percent) per annum.

31. Pursuant to sections 516.07(2)(f) and 516.23(2)(c), Florida Statutes, CashCall (and/or WS Funding) and Reddam are subject to an administrative fine of up to \$1,000 per violation and pursuant to section 687.04, Florida Statutes, CashCall (and/or WS Funding) and Reddam are subject to forfeiture of double the amount of the interest charged and collected.

32. Pursuant to section 516.07(1)(d), Florida Statutes, any violation of Chapter 516, Florida Statutes, constitutes grounds for disciplinary action.

33. Pursuant to sections 516.07(1)(d) and 516.07(2)(b), Florida Statutes, the Office may revoke CashCall's license due to its violation of section 516.031(1), Florida Statutes.

COUNT III

34. Since December 2011, the Office continued to receive numerous complaints about CashCall by Florida consumers.

35. Such complainants regularly claimed that CashCall was charging interest rates in excess of 30 percent per annum on their loans which were in amounts of \$25,000 or less.

36. Between January 2012 and June 2014, CashCall (and/or WS Funding) and Reddam voluntarily and intentionally (willfully) purchased and/or serviced consumer loans where the interest rate charged and collected from Florida consumers was greater than 30 percent (and greater than 18 percent) per annum.

37. In contradiction and violation of section 516.031(1), Florida Statutes, (or section 516.02(2)(a), Florida Statutes) for loans of \$25,000 or less, CashCall (and/or WS Funding) and Reddam unlawfully purchased and/or serviced said loans at interest rates greater than 30 percent (and greater than 18 percent) per annum.

38. Pursuant to sections 516.07(2)(f) and 516.23(2)(c), Florida Statutes, CashCall (and/or WS Funding) and Reddam are subject to an administrative fine of up to \$1,000 per violation and pursuant to section 687.04, Florida Statutes, CashCall (and/or WS Funding) and Reddam are subject to forfeiture of double the amount of the interest charged and collected.

39. Pursuant to section 516.07(1)(d), Florida Statutes, any violation of Chapter 516, Florida Statutes, constitutes grounds for disciplinary action.

40. Pursuant to sections 516.07(1)(d) and 516.07(2)(b), Florida Statutes, the Office may revoke CashCall's license due to its violation of section 516.031(1), Florida Statutes.

WHEREFORE, Cashcall, Inc., et. al are hereby notified that pursuant to sections 516.07(2)(f) and 516.23(2)(c), Florida Statutes, the Office intends to issue an Order imposing fines; pursuant to section 687.04, Florida Statutes, the Office intends to issue an Order seeking the forfeiture of double the amount of the interest charged and collected on loans with interest rates above those authorized in Chapter 516, Florida Statutes; the Office intends to issue a Cease & Desist Final Order; and the Office intends to order the revocation of license no. CF0900346.

NOTICE OF RIGHTS

Respondent is entitled to be represented by counsel or other qualified representative. Respondent also has the right to request a hearing pursuant to sections 120.569 and 120.57, Florida Statutes. Such request must comply with Rules 28-106.2015 and 28-106.104, Florida Administrative Code. An Election of Proceeding form is attached for your convenience.

Any such request must be filed as follows:

By Mail or Fax

Office of Financial Regulation
P.O. Box 8050
Tallahassee, FL 32314-8050
Phone: (850) 410-9987
Fax: (850) 410-9914

OR

By Hand Delivery

Office of Financial Regulation
General Counsel's Office
The Fletcher Building, Suite 118
101 East Gaines Street
Tallahassee, FL 32399-0379
Phone: (850) 410-9987

TO PRESERVE THE RIGHT TO A HEARING, A WRITTEN RESPONSE MUST BE FILED WITH THE OFFICE OF FINANCIAL REGULATION WITHIN TWENTY-ONE (21) DAYS AFTER THE RECEIPT OF THE ADMINISTRATIVE COMPLAINT. SAID RESPONSE MUST BE RECEIVED BY THE OFFICE NO LATER THAN 5:00 P.M. ON THE TWENTY-FIRST DAY AFTER THE RECEIPT OF THE ADMINISTRATIVE COMPLAINT. A FAILURE TO TIMELY RESPOND IN WRITING WILL CONSTITUTE A WAIVER OF THE LICENSEE'S RIGHT TO REQUEST A HEARING AND A FINAL ORDER MAY BE ENTERED WITHOUT FURTHER NOTICE.

You may not make an oral request for an administrative hearing. With regard to a written request, if you fail to follow the outlined procedure, your request may be dismissed. Any request for an administrative proceeding received prior to the date of this notice is deemed abandoned and to be considered, must be timely renewed in compliance with the procedure set forth above.

Mediation of this matter pursuant to section 120.573, Florida Statutes, is not available.

DATED and SIGNED this 25th day of June, 2014.

DREW J. BREAKSPEAR
Commissioner

Melinda H. Butler

By: MELINDA H. BUTLER, ESQ.

Office of Financial Regulation

Division of Consumer Finance

101 E. Gaines Street

Tallahassee, FL 32399-0379

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to Christopher Carver at christopher.carver@akerman.com, J. Davis at riley.davis@akerman.com, and Thomas Range at tom.range@akerman.com, attorneys for Cashcall, Inc., et. al via email at on this 25th day of June, 2014.

Cc: Neil M. Barofsky, Esq.
Robert Michael Underwood

Melinda H. Butler

Melinda H. Butler

Assistant General Counsel

Fla. Bar No. 64226

(850) 410-9839

melinda.butler@flofr.com