

**IN THE CIRCUIT COURT OF THE THIRTEENTH JUDICIAL CIRCUIT
IN HILLSBOROUGH COUNTY, FLORIDA
- CIVIL DIVISION -**

**OFFICE OF THE ATTORNEY GENERAL,
STATE OF FLORIDA,
DEPARTMENT OF LEGAL AFFAIRS,**

CASE NO:

DIVISION:

and

**OFFICE OF FINANCIAL REGULATION,
STATE OF FLORIDA,**

Plaintiffs,

v.

COMPLAINT

**WESTERN SKY FINANCIAL, LLC, a
for-profit South Dakota limited liability
company; CASHCALL, INC., a for-profit
California corporation; WS FUNDING,
LLC, a for-profit Delaware limited liability
Company; DELBERT SERVICES
CORPORATION, a for-profit Nevada
Corporation; and JOHN PAUL REDDAM,
an Individual,**

Defendants.

COMPLAINT

This is an action for monetary, injunctive and other equitable and statutory relief brought pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes, Florida's Consumer Finance Act, Chapter 516, Florida Statutes; and Florida's Interest, Usury and Lending Practices, Chapter 687, Florida Statutes. Plaintiffs, **OFFICE OF THE ATTORNEY GENERAL, STATE OF FLORIDA, DEPARTMENT OF LEGAL AFFAIRS** (the "Attorney General") and the **OFFICE OF FINANCIAL REGULATION, STATE OF FLORIDA**, sue Defendants, Western Sky Financial, LLC ("Western Sky"), a for-profit South

Dakota limited liability company, CashCall, Inc. (“CashCall”), a for-profit California corporation, WS Funding, LLC (“WS Funding”), a for-profit Delaware limited liability company, Delbert Services Corporation (“Delbert”), a for-profit Nevada corporation, and John Paul Reddam (“Mr. Reddam”), an Individual (all Defendants hereinafter collectively referred to as “Defendants”); and alleges:

JURISDICTION AND VENUE

1. This is an action for temporary and permanent injunctive and other statutory and equitable relief, brought pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes. Plaintiffs are the enforcing authorities of Florida's Deceptive and Unfair Trade Practices Act as defined in Chapter 501, Part II, Florida Statutes; Florida's Consumer Finance Act, Chapter 516, Florida Statutes; and Florida's Interest, Usury, and Lending Practices, Chapter 687, Florida Statutes, and are authorized to seek monetary, injunctive and other statutory and equitable relief pursuant to this part. Plaintiffs seek to restrain Defendants from offering, funding, servicing and collecting on illegal usurious consumer loans made to Florida borrowers, in violation of Florida's Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes; Florida's Consumer Finance Act, Chapter 516, Florida Statutes; and Florida's Interest, Usury, and Lending Practices, Chapter 687, Florida Statutes; and to obtain restitution and other relief.

2. This court has subject matter jurisdiction pursuant to the provisions of Chapter 501, Part II, Florida Statutes; section 516.23(2), Florida Statutes, and section 687.145, Florida Statutes.

3. All actions material to this Complaint have occurred within four (4) years of the filing of this action.

4. The statutory violations alleged herein occur in or affect more than one judicial circuit in the State of Florida, including Hillsborough County and the Thirteenth Judicial Circuit.

5. Venue is proper in Hillsborough County, Florida, as the statutory violations alleged herein occurred in or affected more than one judicial circuit in the State of Florida, including Hillsborough County. Venue is proper in the Thirteenth Judicial Circuit as the Defendants conducted business in Hillsborough County.

THE PARTIES

6. The Plaintiff, the Attorney General, is an “enforcing authority” of Chapter 501, Part II, Florida Statutes, and is authorized to bring this action and seek injunctive relief and other equitable and statutory relief pursuant to these provisions. The Attorney General is specifically authorized to bring this suit pursuant to section 501.207, Florida Statutes.

7. The Attorney General has conducted an investigation of the matters alleged herein and Attorney General Pamela Jo Bondi has determined that this enforcement action serves the public interest, as required by section 501.207(2), Florida Statutes.

8. The Plaintiff, Office of Financial Regulation, is by operation of section 20.121(3)(a)2., Florida Statutes, responsible for the enforcement of Chapters 516 and 687, Florida Statutes. The Office of Financial Regulation is specifically authorized to bring this suit pursuant to sections 516.23(2) and 687.145(1), Florida Statutes.

9. At all times material hereto, Western Sky is a for-profit South Dakota limited liability company with a principal place of business at 612 E. Street, Timber Lake, South Dakota 57656. Western Sky is not currently, and never has been, registered with the Florida Department of State to do business in the State of Florida. Western Sky does not hold any license issued by the Office of Financial Regulation.

10. CashCall is a for-profit California corporation with a principal place of business at 1600 South Douglass Road, Anaheim, California 92806. CashCall is a registered foreign for-profit corporation with the Florida Department of State with a registered agent and address at NRAI Services, Inc., 1200 South Pine Island Road, Plantation, Florida 33324. CashCall is engaged in the business of offering, making, purchasing, servicing, and collecting on consumer loans. CashCall makes consumer finance loans in Florida and since 2003, has been licensed as a consumer finance company with the Florida Office of Financial Regulation under Chapter 516, Florida Statutes.

11. WS Funding is a for-profit Delaware limited liability company and is a wholly-owned subsidiary of CashCall. WS Funding has a principal place of business at 1600 South Douglass Road, Anaheim, California 92806. WS Funding is not currently, and never has been, registered with the Florida Department of State to do business in the State of Florida. WS Funding does not hold any license issued by the Office of Financial Regulation.

12. Delbert is a Nevada corporation with places of business located at 7125 Pollock Drive, Las Vegas, Nevada 89119 and at 1600 South Douglass Road, Anaheim, California 92806. Delbert is a registered foreign for-profit corporation with the Florida Department of State with a registered agent and address at NRAI Services, Inc., 1200 South Pine Island Road, Plantation, Florida 33324. Delbert is currently registered as a consumer collection agency by the Office of Financial Regulation. Delbert is engaged in the business of purchasing, servicing, and collecting on consumer loans made by CashCall; and Delbert currently holds and/or services loans made to Florida borrowers by CashCall and WS Funding through Western Sky.

13. John Paul Reddam is a resident of California. At all times relevant herein, Mr. Reddam is and was the sole owner and shareholder, President, and Director of CashCall; the

President and sole member, manager, and owner of WS Funding; and the Director and owner of Delbert. At all times relevant herein, Mr. Reddam is the control person and directed, controlled, and had managerial responsibility for the activities of CashCall, WS Funding, and Delbert, including the unlawful practices alleged herein.

I. INTRODUCTION

14. This is an action for injunctive relief to restrain Defendants Western Sky Financial, LLC (“Western Sky”), CashCall, Inc. (“CashCall”), WS Funding, LLC (“WS Funding”), Delbert Services Corporation (“Delbert”), and John Paul Reddam (“Mr. Reddam”), (collectively, “Defendants”) from offering, funding, servicing and collecting on illegal usurious consumer loans made to Florida borrowers, in violation of Florida’s Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes; Florida’s Consumer Finance Act, Chapter 516, Florida Statutes; and Florida’s Interest, Usury, and Lending Practices, Chapter 687, Florida Statutes; and to obtain restitution and other relief.

15. CashCall, WS Funding, and Delbert are affiliated companies that make, fund, purchase, service, and collect on illegal loans to Florida consumers that accrue interest at rates far in excess of those allowed under Florida law. These Defendants seek to evade the State of Florida’s usury and consumer protection laws by using as a front an unrelated fourth company, Western Sky. Western Sky has falsely held itself out as a Tribal entity that purports to be exempt from state laws under the doctrine of Tribal Sovereign Immunity. In reality, Western Sky is a for-profit South Dakota company owned by an individual who happens to be a member of an American Indian tribe. Western Sky is not owned or operated by any Indian Tribe or for the benefit of any Tribe; therefore, the doctrine of Tribal Sovereign Immunity does not apply to any loans made to Florida borrowers by Defendants.

16. CashCall is the real or “*de facto*” lender in these loan transactions, and it controls virtually all aspects of the transactions. Pursuant to its arrangement with Western Sky, among other activities, CashCall, itself or through its subsidiaries, creates and distributes advertising materials for the loans; reviews all loan applications for underwriting requirements; funds the loans; assumes all risk of loss on the loans; receives all payments on the loans; services the loans; and indemnifies Western Sky for all costs and any liability associated with the loans.

17. Based on these facts, regulators and courts have concluded that “Western Sky is nothing more than a front to enable CashCall to evade licensure by state agencies and to exploit Indian Tribal Sovereign Immunity to shield its deceptive business practices from prosecution by state and federal regulators.” *In re CashCall, Inc., John Paul Reddam, President and CEO of CashCall, Inc. and WS Funding, LLC*, State of New Hampshire Banking Department, Case No.: 12-308 (June 4, 2013).

18. Since 2010, at least fourteen states, on relation of the respective State’s Attorney General or through the State’s banking or consumer credit regulator, have taken action against Defendants for unlawfully making loans without proper state licensure and in violation of state usury and consumer protection laws.

II. FACTUAL ALLEGATIONS

A. Defendants’ Loan Activities in Florida

19. Since at least December 2010, Defendants have regularly offered, made, collected, and are continuing to collect on, in excess of 6,000 illegal unsecured loans to Florida consumers. Defendants have promoted these consumer loans through Western Sky’s website, www.westernsky.com, and through national television advertising broadcast in Florida in the name of Western Sky. A copy of Western Sky’s former website homepage is attached hereto

and incorporated herein as Exhibit A.

20. On its website, Western Sky has offered Florida consumers personal loans ranging in amounts from \$850 to \$10,000. On these loans, Defendants charged Florida consumers annual percentage rates from 89.68% to 342.86% per annum. In addition to these exorbitant rates of interest, borrowers are charged loan origination fees from \$75 to \$500, which are added to the loan principal. The Western Sky Loan Agreement requires borrowers to re-pay the loans in monthly installments, with re-payment periods ranging from twelve (12) to forty-seven (47) months.

21. Western Sky's website, <http://www.westernsky.com/General/Rates.aspx>, as captured on December 8, 2011 and attached hereto as Exhibit A, sets forth, as follows, the loan amounts and rates offered by Western Sky to Florida consumers:

Here are Western Sky's current rates. Please be aware that not all applicants will qualify for every loan product or the lowest interest rate for a particular loan product. Some applicants will not qualify for any of the products. Western Sky reserves the right to change the rates and loan products listed below without notice.

Loan Product	Borrower Proceeds	Loan Fee	APR	Number of Payments	Payment Amount
\$5,075	\$5,000	\$75	116.73%	84	\$486.58
\$2,600	\$2,525	\$75	139.22%	47	\$294.46
\$1,500	\$1,000	\$500	234.25%	24	\$198.19

22. From December 1, 2010 through present, Western Sky has originated in excess of 6030 loans to Florida consumers with interest rates ranging from 95% to 169% and annual percentage rates ("APR") ranging from 139.13% to 331.38%.

23. To obtain the loans, consumers are invited to submit an on-line application through Western Sky's Internet website or to call an advertised toll-free telephone number to

apply. Western Sky communicates its approval or denial of the borrower's loan application by Internet or by phone. Once approved, loan funds are electronically disbursed to consumers' bank accounts. Under the loan agreements, Florida consumers are required to authorize that their monthly payments be electronically debited from their bank accounts.

24. After a consumer executes a loan agreement, the loan is immediately sold and transferred from Western Sky to WS Funding. Consumers are then informed that the loans will be serviced by CashCall. In some instances, WS Funding or CashCall have subsequently sold or transferred the loans to Delbert, an affiliate of CashCall, for servicing and collections.

25. Thus, Florida consumers never make any loan payments to Western Sky. Instead, CashCall and its affiliates, including Delbert, collect all payments on the loans, service the loans, and handle all communications with borrowers regarding the loans.

B. Defendants' Arrangement with Western Sky

26. In a recent cease and desist order in the case of *In re CashCall, Inc., John Paul Reddam, President and CEO of CashCall, Inc. and WS Funding, LLC.*, Case No.: 12-308 (June 4, 2013), the New Hampshire Banking Commissioner concluded, under both the facts and the law, that the arrangement of Defendants CashCall, WS Funding, and Mr. Reddam with Western Sky is a subterfuge used by the Defendants to make illegal loans and usurp state lending laws.

27. Among other determinations, the New Hampshire Banking Commissioner made the following salient findings of fact, which the Plaintiffs adopt and allege here:

- (a) CashCall creates all advertising and marketing materials for Western Sky;
- (b) CashCall provides website hosting and support services for Western Sky;
- (c) CashCall reimburses Western Sky for all costs of maintenance, repair and/or update costs associated with Western Sky's server;

- (d) CashCall reimburses Western Sky for its office, personnel, and postage, and provides Western Sky with a toll free telephone and fax number;
 - (e) Once a consumer applies for a loan, CashCall reviews the application for underwriting requirements;
 - (f) Once a loan application is approved, Western Sky executes a promissory note and debits a so-called "Reserve Account" to fund the promissory note;
 - (g) CashCall is required to set up, fund, and maintain the balance in this Reserve Account;
 - (h) After a loan is funded, CashCall is obligated to purchase the promissory note from Western Sky;
 - (i) CashCall bears all risk of loss on the loans;
 - (j) CashCall generally makes contact with the consumer within one business day of the consumer filing an application for the loan and once the loan has been made;
 - (k) Western Sky accepts no payments from consumers on the loans;
 - (l) CashCall services the loans;
 - (m) CashCall is responsible for tracking all consumer complaints regarding the loans;
 - (n) CashCall has agreed to indemnify Western Sky for all costs arising or resulting from any and all civil, criminal or administrative claims or actions relating to the loans, including but not limited to fines, costs, assessments, and/or penalties which may arise in any jurisdiction;
 - (o) As compensation for services provided, Western Sky pays CashCall 2.02% of the face value of each approved and executed loan transaction plus any additional charges, with a net minimum payment of \$100,000 per month; and
 - (p) CashCall pays Western Sky 5.145% of the face value of each approved and executed loan credit extension and/or renewal, as well as a minimum monthly administration fee of \$10,000.
28. Based upon his review, the New Hampshire Banking Commissioner ordered

CashCall, WS Funding, and Mr. Reddam to pay restitution to all New Hampshire borrowers, and assessed an administrative fine against them in the amount of \$1,967,500 for knowingly making illegal loans to 787 New Hampshire borrowers.

C. Impact of Defendants' Loans on Florida Consumers

29. The loans made by Western Sky and serviced by CashCall, WS Funding, and Delbert have imposed substantial hardships on Florida consumers due to the oppressive terms of the loans. In the wake of the 6,030 usurious loans made by Defendants throughout 2010 and 2011, Attorney General's Consumer Protection Division has received approximately 70 complaints from Florida consumers about Defendants loans; the Office of Financial Regulation has received approximately 60 complaints from Florida consumers about the Defendants' loans. Most of the consumers who have taken the loans are financially distressed and many are living paycheck-to-paycheck. Many consumers have asserted in their complaints that after re-paying the loan amounts plus additional sums, they believed they were close to paying off the loans; however, after contacting CashCall or Delbert, or receiving collection calls or notices from CashCall or Delbert, consumers learned that due to the loans' exorbitant interest rates, virtually all of their payments were allocated to interest – thus making it impossible for many consumers to re-pay the loans, and further ensnaring them in a cycle of debt.

30. For example, in August 2011, Florida consumer E.L.D. of Tallahassee saw an advertisement for a loan with Western Sky on television. On August 18, 2011, Mr. D. applied for a loan with Western Sky and was issued a loan of \$2,600.00, out of which he received \$2,525.00, after payment of an origination fee of \$75.00. The APR on Mr. D's loan was 139.13%. Mr. D's payment schedule consisted of one payment of \$136.50, to be followed by 47 monthly payments of \$294.46, for a total repayment of \$13,976.12 on an amount financed of

\$2,525.00. On August 21, 2011, pursuant to the Defendants' arrangement, Mr. D's loan was immediately sold to WS Funding, and CashCall began servicing the loan. Mr. D's struggled to make his first three payments on his loan, amounting to \$725.42, and sought help to pay it off when he learned that the payoff amount would be \$14,100.00. After learning that very little of his payments had been applied to reduce the principal, E.L.D. stopped the automatic deductions from his account. Mr. D's last payment was November 1, 2011.

31. In contrast, if Mr. D's loan of \$2,600.00 had been made under applicable Florida law, pursuant to section 516.031(1), the maximum rate he could have been charged in 2011 would have been 30 percent per annum, computed on the first \$2,000.00 of the principal amount and 24 percent per annum on that part of the principal amount exceeding \$2,000.00 and not exceeding \$3,000.00. Hypothetically, using the same payment schedule of 48 months (which likely would have been shorter at this lower interest rate), Mr. D. would have been required to make payments of \$91.57 per month, for an approximate total of payments of \$4,395.41. A copy of E.L.D.'s Western Sky Loan Agreement is attached hereto and incorporated herein as Exhibit B.

32. Multiple consumers have complained to the Office of the Attorney General about the collection practices of CashCall and Delbert, including that their representatives repeatedly called at all hours of the day and night; threatened wage garnishment or other legal action; contacted consumers' employers or called them at work, despite requests not to do so, which placed some consumers in jeopardy of losing their jobs; and contacted other third parties, such as consumers' family members, regarding collection on the loans.

33. CashCall and Delbert regularly report consumers' payment histories to national credit reporting agencies, including Experian and Equifax. Where consumers have failed to

make timely payments or have had difficulty paying, CashCall and Delbert have urged and coerced consumers to continue making their payments in order to prevent further damage to their credit histories.

34. Both the Office of the Attorney General and Office of Financial Regulation have notified Defendants of the State of Florida's laws prohibiting usurious consumer loans. In response to these notices and consumer complaints, Defendants contended that the loans are subject only to Tribal law, and that their loan activities are not subject to Florida law. Specifically, prior to 2013, CashCall represented that Western Sky is "a wholly Cheyenne River Sioux Tribal Member owned business [that] is located and operates within the exterior boundaries of the Cheyenne River Indian Reservation;" that Western Sky loans are made "within the confines of the Cheyenne River Indian Reservation;" and that the choice of law provision in the loan agreement states that the laws of the Cheyenne River Sioux Tribe apply. CashCall further contends that, as an assignee of the loans, it is permitted to "stand in the shoes" of Western Sky to claim Tribal Sovereign Immunity and to enforce the choice-of-law provisions in the loan agreements and that CashCall was not the originator of the loans, but merely a servicer. CashCall's letter to the Office of Financial Regulation dated June 4, 2012 is attached hereto and incorporated herein as Exhibit C.

D. Western Sky Is Not a Tribal Entity, and Defendants' Loan Activities Are Not Shielded By Tribal Sovereign Immunity

35. Although Western Sky allegedly has an office located within the boundaries of the Cheyenne River Sioux Reservation, the Cheyenne River Sioux Tribe has absolutely no ownership interest in Western Sky, nor does the Tribe play any role in the operation of Western Sky. Western Sky is not a Tribal enterprise, or in any sense an entity formed by or controlled by

the Cheyenne River Sioux Tribe or its Tribal government; and Western Sky is not an arm of the Tribe.

36. Instead, Western Sky is a for-profit limited liability company created under South Dakota law. The sole member of Western Sky is an individual named Martin Webb. Although Mr. Webb is a member of the Cheyenne River Sioux Tribe, Mr. Webb is not a Tribal official or other representative of the Tribe's government. Thus, Mr. Webb does not operate Western Sky in any official Tribal capacity. Further, Western Sky does not operate in any way for the benefit of the Tribe. Instead, all profits made by Western Sky inure to the benefit of, and are distributed solely to, Mr. Webb.

37. Notwithstanding Defendants' claims that the loans in question are made under Tribal law, in actuality, Defendants' loan activities are prohibited by the very laws which Defendants seek to use as a shield. The laws of the Cheyenne River Sioux Tribe expressly ban usury, and provide that the violation of the Tribe's usury statute is a criminal offense. Specifically, Section 3-4-52 of the Cheyenne River Sioux's Law and Order Code prohibits the charging of interest greater than 18% per annum for loans in excess of \$100.00. All of the loans in question made to Florida borrowers, and on which CashCall and Delbert are currently collecting, grossly exceed the maximum rate allowed by Tribal law.

38. The Defendants employ what is known as a "rent-a-tribe" scheme, in which the unlicensed lender Western Sky makes usurious consumer loans, heedless of state regulation, by purporting to affiliate with an Indian tribe to claim federal Tribal Sovereign Immunity. Even the payday lending industry has decried "rent-a-tribe" lending as improper.

39. In February 2011, the Community Financial Services Association of America, a trade association which represents the payday lending industry, condemned the practice of

affiliating with Indian tribes to circumvent state regulation and announced that it would expel members who engaged in such schemes. *See* Press Release, Community Financial Services Association of America, Storefront Payday Lenders Reject Native American Partnerships (Feb. 10, 2011).

E. Numerous Other States Have Rejected Defendants' Unlawful Schemes

40. In addition to the recent Order issued by the New Hampshire Banking Commissioner, numerous other states, including but not limited to Colorado, Maryland, Washington, Iowa, and West Virginia, have taken action against Defendants for unlicensed lending activities and for violation of states' usury and consumer protection laws. Each and every court or regulator that has addressed Defendants' contention their loans are shielded from state laws under the doctrine of Tribal Sovereign Immunity has rejected this claim.

41. Other state regulators, including those in Illinois, Massachusetts, and Oregon have issued cease and desist orders to Western Sky and/or CashCall, ordering them to stop making or collecting upon loans in their respective states. In addition, Arkansas, Georgia, Minnesota, Missouri, and New York all have pending enforcement actions against Western Sky and/or CashCall.

42. As a result of these enforcement actions, Western Sky announced on its website that, as of September 3, 2013, it was suspending business operations. Western Sky's announcement does not state the duration of this suspension, or whether this suspension is temporary or permanent.

43. During 2013, Western Sky updated its website with the following disclosure:

WESTERN SKY FINANCIAL is owned wholly by an individual Tribal Member of the Cheyenne River Sioux Tribe and is not owned or operated by the Cheyenne River Sioux Tribe or any of its political subdivisions. WESTERN SKY FINANCIAL is a

Native American business operating within the exterior boundaries of the Cheyenne River Sioux Reservation, a sovereign nation located within the United States of America.

44. Notwithstanding Western Sky's announcement, CashCall and Delbert continue to collect on illegal loans made to Florida consumers, including servicing the loans, contacting Florida consumers, and demanding payment on the loans.

III. CLAIMS FOR RELIEF

COUNT I

VIOLATIONS OF FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES, CHAPTER 501, PART II, FLORIDA STATUTES

45. Plaintiffs adopt, incorporate herein, and re-allege paragraphs 1 through __ above as if fully set forth hereinafter and further alleges:

46. The Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes, provides that "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful."

47. In the course of offering, arranging, making and collecting on in excess of 6030 illegal consumer loans, Defendants have engaged in unfair and deceptive acts or practices in trade or commerce in violation of section 501.204(1), Florida Statutes.

48. Defendants' unfair and deceptive acts or practices include, but are not limited to, the following:

- (a) Engaging in an unfair business enterprise of offering, making, and collecting on consumer loans to Florida borrowers, when such loans are in gross violation of the usury laws of this State and violate the public policy of this State;
- (b) Continuing to offer, make, and collect on consumer loans in willful

violation of Florida law, despite being advised by the State that such loans are in violation of Florida law;

- (c) Making and collecting on loans at oppressive and unfair rates, and making such loans without accounting for the borrower's ability to repay;
- (d) Attempting to circumvent Florida lending and consumer protection laws by deceptively asserting that such loans are made by an Indian tribe and are not subject to Florida lending laws, despite the fact that neither Western Sky nor Defendants are a tribal enterprise, and cannot claim tribal sovereignty for their lending and collections activities; and
- (e) Deceptively asserting that such loans are made pursuant to the tribal law of the Cheyenne River Sioux Tribe, when such loans are prohibited by the Tribe's criminal usury law.

49. Thus, Defendants have engaged in and are engaging in unfair or deceptive or unconscionable acts or practices in the conduct of any trade or commerce in violation of section 501.204(1), Florida Statutes.

50. Defendants willfully engaged in the acts and practices alleged herein.

51. These above-described acts and practices of the Defendants have injured and will likely continue to injure and prejudice the public.

52. Unless the Defendants are temporarily and permanently enjoined from engaging further in the acts and practices complained of herein, the Defendants' actions will result in irreparable injury to the public for which there is no adequate remedy at law.

COUNT II
VIOLATIONS OF THE FLORIDA CONSUMER FINANCE ACT:
EXCESSIVE INTEREST RATES
CHAPTER 516, FLORIDA STATUTES

53. Plaintiffs adopt, incorporate herein, and re-allege paragraphs 1 through __ above as if fully set forth hereinafter and further alleges:

54. The Florida Consumer Finance Act, section 516.02, Florida Statutes, requires a license by the Office of Financial Regulation and provides in pertinent part:

(1) A person must not engage in the business of making consumer finance loans unless she or he is authorized to do so under this chapter or other statutes and unless the person first obtains a license from the office.

(2)(a) A person who is engaged in the business of making loans of money, except as authorized by this chapter or other statutes of this state, may not directly or indirectly charge, contract for, or receive any interest or consideration greater than 18 percent per annum upon the loan, use, or forbearance of money, goods, or choses in action, or upon the loan or use of credit, of the amount or value of \$25,000 or less.

...
(c) A loan for which a greater rate of interest or charge than is allowed by this chapter has been contracted for or received, wherever made, is not enforceable in this state, and each person who in any manner participates therein in this state is subject to this chapter. However, this paragraph does not apply to loans legally made to a resident of another state by a person within that state if that state has in effect a regulatory small loan or consumer finance law similar in principle to this chapter.

55. The Florida Consumer Finance Act, section 516.031, Florida Statutes, limits interest charged, contracted for, or received by licensees, and provides:

(1) INTEREST RATES.—Every licensee may lend any sum of money not exceeding \$25,000. A licensee may not take a security interest secured by land on any loan less than \$1,000. The licensee may charge, contract for, and receive thereon interest charges as provided and authorized by this section. The maximum interest rate shall be 30 percent per annum, computed on the first \$2,000 of the principal amount as computed from time to time; 24 percent per annum on that part of the principal amount as computed from time to time exceeding \$2,000 and not exceeding \$3,000; and 18 percent per annum on that part of the principal amount as computed from time to time exceeding \$3,000 and not exceeding \$25,000. . . .¹

56. Western Sky, WS Funding, and Delbert, have engaged in the business of making loans of money, and directly or indirectly, charged, contracted for, or received interest greater

¹ On loans entered into on or after July 1, 2013, a licensee may charge the maximum interest rate of 30 percent per annum, computed on the first \$3,000 of the principal as computed from time to time; 24 percent per annum on that part of the principal amount as computed from time to time exceeding \$3,000 and not exceeding \$4,000; and 18 percent per annum on that part of the principal amount as computed from time to time exceeding \$4,000 and not exceeding \$25,000.

than 18 percent per annum in violation of section 516.02(2)(a), Florida Statutes. Western Sky, WS Funding, and Delbert are not licensed as consumer finance lenders by the Office of Financial Regulation and have never been so licensed.

57. CashCall and Reddam have engaged in the business of making loans of money, and directly or indirectly, charged, contracted for, or received interest greater than the statutory maximum rates in violation of section 516.031(1), Florida Statutes.

58. Defendants have regularly made consumer loans to Florida borrowers at rates far in excess of the allowable limits in the Consumer Finance Act.

59. Pursuant to section 516.02(c), Florida Statutes, “a loan for which a greater rate of interest or charge than is allowed by this chapter has been contracted for or received, wherever made, is not enforceable in this state, and each person who in any manner participates therein in this state is subject to this chapter.”

60. Pursuant to section 516.19, Florida Statutes, “Any person who violates any of the provisions of s. 516.02, s. 516.031, . . . commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.”

61. Defendants’ loans are therefore unenforceable pursuant to section 516.02(c), Florida Statutes, because the following contractual activities, among others, undisputedly occur in Florida:

- (a) Defendants have solicited Florida resident borrowers through the internet, television advertisements, and other means which have targeted and reached Florida borrowers in their homes;
- (b) Discussions by Defendants with Florida resident borrowers regarding the loans have been conducted over the Internet or by telephone with borrowers in their homes or while such borrowers were located in Florida;
- (c) Defendants transmitted the loan documents to Florida resident borrowers

via the Internet to borrowers while the borrowers were located in Florida;

- (d) Florida resident borrowers were requested by Defendants to electronically sign the loan documents at their computers, and such computers were located in borrowers' homes or elsewhere in Florida;
- (e) Defendants have disbursed loan funds to Florida borrowers to borrowers' banks and bank accounts located in Florida; and
- (f) Defendants have received loan payments from Florida borrowers from funds in borrowers' bank accounts located in Florida.

62. Further, section 516.07(1), Florida Statutes, prohibits deceptive acts or practices both in connection with a loan or unreasonable collection practices in connection with a loan under Chapter 516, Florida Statutes.

63. Accordingly, Defendants' activities are prohibited by the Florida Consumer Finance Act, and the State of Florida is entitled to injunctive relief prohibiting Defendants from offering or making any consumer loans to Florida borrowers in violation of the Florida Consumer Finance Act and from collecting on or retaining any principal or charges collected from Florida borrowers on such loans.

64. Defendants willfully engaged in the acts and practices alleged herein.

65. These above-described acts and practices of the Defendants have injured and will likely continue to injure and prejudice the public.

66. Unless the Defendants are temporarily and permanently enjoined from engaging further in the acts and practices complained of herein, the Defendants' actions will result in irreparable injury to the public for which there is no adequate remedy at law.

COUNT III
VIOLATIONS OF FLORIDA INTEREST, USURY AND LENDING PRACTICES
CHAPTER 687, FLORIDA STATUTES

67. Plaintiffs adopt, incorporate herein, and re-allege paragraphs 1 through __ above as if fully set forth hereinafter and further alleges:

68. From November 1, 2010 to the present Defendants made loans of money to more than 6030 Floridians and willfully and knowingly charged, took, or received interest grossly exceeding the rates and charges permitted by Florida usury law in violation of sections 687.03(1), 687.071(2) and 687.071(3), Florida Statutes.

69. The interest and usury laws of Florida provide that the maximum interest rate that may be charged on loans is 18% per annum simple interest. Section 687.03(1), Florida Statutes, provides:

(1) Except as provided herein, 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, advance of money, line of credit, forbearance to enforce the collection of any sum of money, or other obligation a rate of interest greater than the equivalent of 18 percent per annum simple interest, either directly or indirectly, by way of commission for advances, discounts, or exchange, or by any contract, contrivance, or device whatever whereby the debtor is required or obligated to pay a sum of money greater than the actual principal sum received, together with interest at the rate of the equivalent of 18 percent per annum simple interest.

70. Section 687.071, Florida Statutes, further identifies and prohibits criminal usury rates, and provides in pertinent part:

(2) Unless otherwise specifically allowed by law, any person making an extension of credit to any person, who shall willfully and knowingly charge, take, or receive interest thereon at a rate exceeding 25 percent per annum but not in excess of 45 percent per annum, or the equivalent rate for a longer or shorter period of time, whether directly or indirectly, or conspires so to do, commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(3) Unless otherwise specifically allowed by law, any person making an extension of credit to any person, who shall willfully and knowingly charge, take, or receive interest thereon at a rate exceeding 45 percent per annum or the equivalent rate for a longer or shorter period of time, whether directly or

indirectly or conspire so to do, commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(4) Any person who shall knowingly and willfully make an extortionate extension of credit to any person or conspire so to do commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. In any prosecution under this subsection, evidence that the creditor then had a reputation in the debtor's community for the use or threat of use of violence or other criminal means to cause harm to the person, reputation, or property of any person to collect extensions of credit or to punish the nonrepayment thereof shall be admissible.

71. Section 687.04, Florida Statutes, provides the penalty for usury in violation of section 687.03, Florida Statutes:

Any person, or any agent, officer, or other representative of any person, willfully violating the provisions of s. 687.03 shall forfeit the entire interest so charged, or contracted to be charged or reserved, and only the actual principal sum of such usurious contract can be enforced in any court in this state, either at law or in equity; and when said usurious interest is taken or reserved, or has been paid, then and in that event the person who has taken or reserved, or has been paid, either directly or indirectly, such usurious interest shall forfeit to the party from whom such usurious interest has been reserved, taken, or exacted in any way double the amount of interest so reserved, taken, or exacted.

72. Section 687.071(7), Florida Statutes, provides the penalty for criminal usury in violation of section 687.071, Florida Statutes:

(7) No extension of credit made in violation of any of the provisions of this section shall be an enforceable debt in the courts of this state.

73. Defendants willfully and knowingly engaged in the acts and practices alleged herein.

74. These above-described acts and practices of the Defendants have injured and will likely continue to injure and prejudice the public.

75. Unless the Defendants are temporarily and permanently enjoined from engaging further in the acts and practices complained of herein, the Defendants' actions will result in

irreparable injury to the public for which there is no adequate remedy at law.

IV. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Office of the Attorney General, State of Florida, Department of Legal Affairs and the Office of Financial Regulation, respectfully requests that this Court enter an Order granting:

1. Temporary and permanent injunctive relief prohibiting Defendants and their owners, directors, officers, agents, employees, subsidiaries, and affiliates, and those persons in active concert or participation with those who receive actual notice of the Court's Orders, from engaging in any activity within the State of Florida, or from outside the State of Florida but involving Florida businesses or Florida residents, which relates in any way to the offering, making, arranging, servicing or collecting on loans to Florida consumers that violate the lending and consumer protection laws of this State;

2. That all usurious loans made to or collected from Florida consumers in violation of the Florida Consumer Finance Act, and which are held or serviced by any of the Defendants, be declared void pursuant to sections 516.02 and 687.071(7), Florida Statutes, and all money collected by Defendants pursuant to such unlawful loans be refunded, including principal, interest, or other charges;

3. That all loans made or collected on by Defendants at rates in excess of the interest rates allowed by sections 516.02(2)(a) or 687.02, Florida Statutes, and which are held or serviced by any of the Defendants, be declared usurious and Defendants be ordered to forfeit all interest and pursuant to section 687.04, Florida Statutes, ordered to refund two times the interest collected from Florida borrowers;

4. That all loans made or collected on by Defendants in violation of section

501.204(1), and which are held or serviced by any of the Defendants, be cancelled pursuant to sections 501.207, Florida Statutes, and that Defendants be ordered to refund all money collected from such loans;

5. That Defendants be ordered to notify all credit reporting agencies to which they have reported that all Western Sky loans made to Florida consumers are invalid, and that all reports or scores that reflect such loans should be corrected;

6. Civil penalties against Defendants in the amount of ten thousand dollars (\$10,000.00) for each violation of Chapter 501, Part II, Florida Statutes, pursuant to section 501.2075, Florida Statutes; and for each violation of section 501.059, Florida Statutes, and civil penalties in the amount of fifteen thousand dollars (\$15,000.00) for each violation victimizing a senior citizen, pursuant to section 501.2077, Florida Statutes;

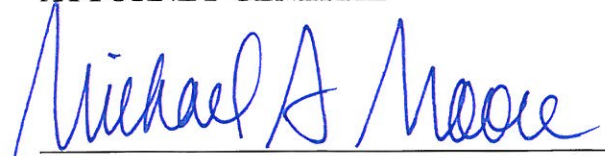
7. Reasonable attorney's fees and costs awarded to the Department of Legal Affairs pursuant to sections 501.2105 and 501.2075, Florida Statutes; and

8. Such other and further relief as may be just and equitable.

Dated this 23rd day of December, 2013.

Respectfully submitted,

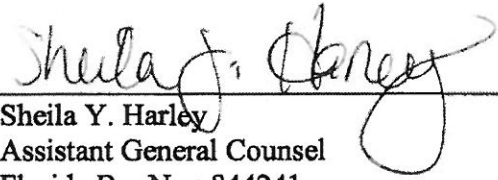
PAMELA JO BONDI
ATTORNEY GENERAL



Michael G. Moore
Senior Assistant Attorney General
Florida Bar No.: 934909
Robert J. Follis
Assistant Attorney General
Florida Bar No.: 0560200

Department of Legal Affairs
Office of the Attorney General
3507 E. Frontage Road; Suite 325
Tampa, Florida 33607
Telephone: (813) 287-7950
Facsimile: (813) 281-5515
Email: Michael.Moore@myfloridalegal.com

OFFICE OF FINANCIAL REGULATION


Sheila Y. Harley
Assistant General Counsel
Florida Bar No.: 844241
Office of Financial Regulation
101 E. Gaines Street
Tallahassee, Florida 32399-0379
Telephone: (850) 410-9887
Facsimile: (850) 410-9914
Email: Sheila.Harley@flofr.com



QUESTIONS? Call Us at 1-866-SKY-1224

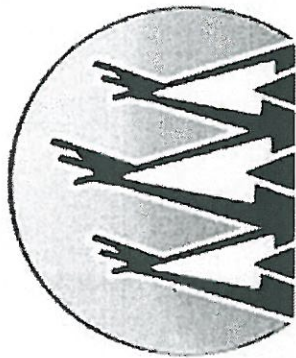
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Get Up To \$5,000 In Your Checking Account Overnight.*

**Application Time Less Than 5 Minutes!
Not a Payday Loan!**

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1-866-SKY-1224 **Apply Now**



**WESTERN SKY
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Get Up To \$5,000 in your checking account Overnight. Just complete our short online application and get an answer in minutes.

We are an installment lender and our rates are much lower than most payday lenders. You may apply now online or call 1-866-759-1224 to speak to a loan agent.

You may apply now or have a loan agent contact you!

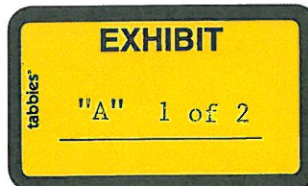
*Subject to credit approval. Additional documentation required.

WESTERN SKY FINANCIAL is owned wholly by an individual Tribal Member of the Cheyenne River Sioux Tribe and is not owned or operated by the Cheyenne River Sioux Tribe or any of its political subdivisions. **WESTERN SKY FINANCIAL** is a Native American business operating within the exterior boundaries of the Cheyenne River Sioux Reservation, a sovereign nation located within the United States of America.

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Rates

Apply Now

Here are Western Sky's current rates. Please be aware that not all applicants will qualify for every loan product or the lowest interest rate for a particular loan product. Some applicants will not qualify for any of the products. **Western Sky reserves** the right to change the rates and loan products **listed below** without notice.

What state do you live in?

Loan Product	Borrower Proceeds	Loan Fee	APR	Number of Payments	Payment Amount
\$5,075 Loan	\$5,000	\$75	116.73%	84	\$486.58
\$2,600 Loan	\$2,525	\$75	139.22%	47	\$294.46
\$1,500 Loan	\$1,000	\$500	234.25	24	\$198.19

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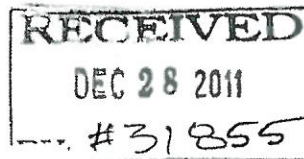
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EXHIBIT

"A" 2 of 2

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WESTERN SKY CONSUMER LOAN AGREEMENT

Loan No.: 7330681	Date of Note: August 18, 2011
	Expected Funding Date: August 18, 2011
Lender: Western Sky Financial, LLC	Borrower: E D
Address: P.O. Box 370 Timber Lake, SD 57656	Address: 2266 E PARK AVE TALLAHASSEE, FL 32301

This Loan Agreement is subject solely to the exclusive laws and jurisdiction of the Cheyenne River Sioux Tribe, Cheyenne River Indian Reservation. By executing this Loan Agreement, you, the borrower, hereby acknowledge and consent to be bound to the terms of this Loan Agreement, consent to the sole subject matter and personal jurisdiction of the Cheyenne River Sioux Tribal Court, and that no other state or federal law or regulation shall apply to this Loan Agreement, its enforcement or interpretation.

You further agree that you have executed the Loan Agreement as if you were physically present within the exterior boundaries of the Cheyenne River Indian Reservation, a sovereign Native American Tribal Nation; and that this Loan Agreement is fully performed within the exterior boundaries of the Cheyenne River Indian Reservation, a sovereign Native American Tribal Nation.

In this Loan Agreement, the words "you" and "your" mean the person signing as a borrower. "We," "us," "our," and "Lender" mean Western Sky Financial, LLC, a lender authorized by the laws of the Cheyenne River Sioux Tribal Nation and the Indian Commerce Clause of the Constitution of the United States of America, and any subsequent holder of this Note ("Western Sky").

TRUTH IN LENDING DISCLOSURES: The disclosures below are provided to you so that you may compare the cost of this loan to other loan products you might obtain in the United States. Our inclusion of these disclosures does not mean that we consent to application of state or federal law to us, to the loan, or this Loan Agreement.

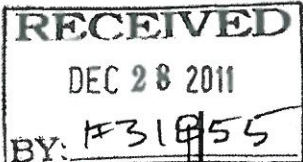
TRUTH IN LENDING ACT DISCLOSURE STATEMENT

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
<i>The cost of your credit as a yearly rate</i>	<i>The dollar amount the credit will cost you</i>	<i>The amount of credit provided to you</i>	<i>The amount you will have paid after all payments are made as scheduled</i>
139.13 %	\$11,451.12	\$2,525.00	\$13,976.12

PAYMENT SCHEDULE
One payment of \$136.50 on September 01, 2011.

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47 monthly payments of \$294.46 beginning on October 01, 2011.

Late Charge: If a payment is more than 15 days late, you will be charged \$29.00.

Prepayment: If you pay off this loan early, you will not have to pay any penalty.

Please see the remainder of this document for additional information about nonpayment, default and any required repayment in full before the scheduled date.

ITEMIZATION OF AMOUNT FINANCED

Amount Financed:	\$2,525.00
Amount Paid to Borrower Directly:	\$2,525.00
Prepaid Finance Charge/Origination Fee:	\$75.00

You promise to pay to the order of Western Sky or any subsequent holder of this Note the sum of **\$2,600.00**, together with interest calculated at **135.00 %** per annum and any outstanding charges or late fees, until the full amount of this Note is paid. You promise to repay this loan by making, at a minimum, the payments described on the payment schedule listed above.

Payments will be applied first to any outstanding charges or late fees, then to earned interest and finally to principal. The payment schedule described above may change in the event you do not make all payments as scheduled or in the event you accrue any fees.

Interest is calculated on a 360/360 simple interest basis. This means that interest is calculated by dividing the annual Interest Rate by 360, multiplying that number by the outstanding principal balance, and multiplying that number by the number of days the principal balance is outstanding.

You may prepay all or any part of the principal without penalty.

If you fail to make any payment due hereunder, the holder of this Note shall have the right, after a 30-day grace period, to declare this note to be immediately due and payable. If you file for an assignment for the benefit of creditors, or for bankruptcy, the holder of this Note shall have the right to declare this Note to be immediately due and payable.

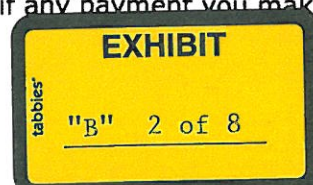
Except as may be provided in the "Arbitration" section of this Note, if we are required to employ an attorney at law to collect any amounts due hereunder, you will be required to pay the reasonable fees of such attorney to protect our interest or to take any other action required to collect the amounts due hereunder.

The Prepaid Finance Charge disclosed above is fully earned upon loan origination and is not subject to rebate upon prepayment or acceleration of this Note.

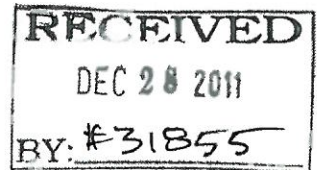
LATE FEES. You will be subject to a late fee of \$29.00 if you fail to make your payment within 15 days of the due date. We can collect any late fees immediately via Electronic Funds Transfer (EFT) from your bank account.

INSUFFICIENT FUNDS. You will be subject to a fee of \$29.00 if any payment you make is

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returned by your bank for insufficient funds.



E-SIGN/ELECTRONIC COMMUNICATIONS. Although federal law does not apply to this Agreement, this Note is in original format an electronic document fully compliant with the Electronic Signatures in Global and National Commerce Act (E-SIGN) and other applicable laws and regulations, and the one, true original Note is retained electronically by us. All other versions hereof, whether electronic or in tangible format, constitute facsimiles or reproductions only. You understand that you have previously consented to receive all communications from us, including but not limited to all required disclosures, electronically.

CREDIT REPORTS. You agree that we may obtain credit reports on you on an ongoing basis as long as this loan remains in effect. You also authorize us to report information concerning this account to credit bureaus and anyone else we believe in good faith has a legitimate need for such information. Late payments, missed payments, or other defaults on this account may be reflected in your credit report.

CALL MONITORING/RECORDING. You understand that, from time to time, we may monitor or record telephone calls between us for quality assurance purposes. You expressly consent to have your calls monitored or recorded.

TELEPHONE CALLS. You hereby agree that in the event we need to contact you to discuss your account or the repayment of your loan, we may telephone you at any number, including any cell phone number provided, and that we may leave an autodialed or prerecorded message or use other technology to make that contact or to communicate to you the status of your account.

VERIFICATION. You authorize us to verify all of the information you have provided in obtaining approval of this Loan.

GOVERNING LAW. This Agreement is governed by the Indian Commerce Clause of the Constitution of the United States of America and the laws of the Cheyenne River Sioux Tribe. We do not have a presence in South Dakota or any other states of the United States. Neither this Agreement nor Lender is subject to the laws of any state of the United States of America. By executing this Agreement, you hereby expressly agree that this Agreement is executed and performed solely within the exterior boundaries of the Cheyenne River Indian Reservation, a sovereign Native American Tribal Nation. You also expressly agree that this Agreement shall be subject to and construed in accordance only with the provisions of the laws of the Cheyenne River Sioux Tribe, and that no United States state or federal law applies to this Agreement. You agree that by entering into this Agreement you are voluntarily availing yourself of the laws of the Cheyenne River Sioux Tribe, a sovereign Native American Tribal Nation, and that your execution of this Agreement is made as if you were physically present within the exterior boundaries of the Cheyenne River Indian Reservation, a sovereign Native American Tribal Nation.

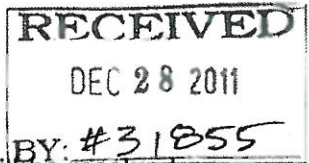
ASSIGNMENT. We may assign or transfer this Loan Agreement or any of our rights under it at any time to any party.

WAIVER OF JURY TRIAL AND ARBITRATION.

PLEASE READ THIS PROVISION OF THE AGREEMENT CAREFULLY. Unless you exercise your right to opt-out of arbitration in the manner described below, any dispute you have with Western Sky or anyone else under this loan agreement will be resolved by binding arbitration. Arbitration replaces the right to go to court, including the right to have a jury, to engage in discovery (except as may be provided in the arbitration rules), and to participate in a class action or similar proceeding. In Arbitration, a dispute is resolved by an arbitrator instead of a judge or jury. Arbitration procedures are simpler and more limited than court procedures. Any Arbitration will be limited to the dispute between yourself and the holder of the Note and will not be part of a class-wide or consolidated Arbitration proceeding.

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Agreement to Arbitrate. You agree that any Dispute, except as provided below, will be resolved by Arbitration, which shall be conducted by the Cheyenne River Sioux Tribal Nation by an authorized representative in accordance with its consumer dispute rules and the terms of this Agreement.

Arbitration Defined. Arbitration is a means of having an independent third party resolve a Dispute. A "Dispute" is any controversy or claim between you and Western Sky or the holder or servicer of the Note. The term Dispute is to be given its broadest possible meaning and includes, without limitation, all claims or demands (whether past, present, or future, including events that occurred prior to the opening of this Account), based on any legal or equitable theory (tort, contract, or otherwise), and regardless of the type of relief sought (i.e. money, injunctive relief, or declaratory relief). A Dispute includes, by way of example and without limitation, any claim based upon marketing or solicitations to obtain the loan and the handling or servicing of my account whether such Dispute is based on a tribal, federal or state constitution, statute, ordinance, regulation, or common law, and including any issue concerning the validity, enforceability, or scope of this loan or the Arbitration agreement. For purposes of this Arbitration agreement, the term "the holder" shall include Western Sky or the then-current note holder's employees, officers, directors, attorneys, affiliated companies, predecessors, and assigns, as well as any marketing, servicing, and collection representatives and agents.

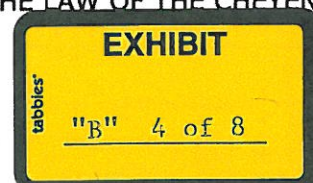
Choice of Arbitrator. Any party to a dispute, including related third parties, may send the other party written notice by certified mail return receipt requested at the address appearing at the top of this Loan Agreement of their intent to arbitrate and setting forth the subject of the dispute along with the relief requested, even if a lawsuit has been filed. Arbitration shall be conducted in the Cheyenne River Sioux Tribal Nation by a panel of three Tribal Elders and shall be conducted in accordance with the Cheyenne River Sioux Tribal Nation's consumer rules and the terms of this Agreement. You may appear at Arbitration via telephone or video conference, and you will not be required to travel to the Cheyenne River Sioux Tribal Nation. The party receiving notice of Arbitration will respond in writing by certified mail return receipt requested within twenty (20) days. You understand that if you demand Arbitration, you must inform us of your demand of the Arbitrator you have selected. You also understand that if you fail to notify us, then we have the right to select the Arbitrator.

Cost of Arbitration. We will pay the filing fee and any costs or fees charged by the arbitrator regardless of which party initiates the Arbitration. Except where otherwise provided by the law of the Cheyenne River Sioux Tribal Nation, each party will be responsible for its own attorneys' fees and other expenses. Unless prohibited by law, the arbitrator may award fees, costs, and reasonable attorneys' fees to the party who substantially prevails in the Arbitration.

Waiver of Rights. YOU HEREBY AGREE THAT YOU ARE WAIVING YOUR RIGHT TO A JURY TRIAL, TO HAVE A COURT DECIDE YOUR DISPUTE, TO PARTICIPATE IN A CLASS ACTION LAWSUIT, AND TO CERTAIN DISCOVERY AND OTHER PROCEDURES THAT ARE AVAILABLE IN A LAWSUIT. The arbitrator has the ability to award all remedies available by statute, at law, or in equity to the prevailing party, except that the parties agree that the arbitrator has no authority to conduct class-wide proceedings and will be restricted to resolving the individual disputes between the parties. The validity, effect, and enforceability of this waiver of class action lawsuit and class-wide Arbitration is to be determined solely by a court of competent jurisdiction located within the Cheyenne Rivers Sioux Tribal Nation, and not by the arbitrator. If the court refuses to enforce the class-wide Arbitration waiver, or if the arbitrator fails or refuses to enforce the waiver of class-wide Arbitration, the parties agree that the Dispute will proceed in tribal court and will be decided by a tribal court judge, sitting without a jury, under applicable court rules and procedures.

Applicable Law and Judicial Review. THIS ARBITRATION PROVISION IS MADE PURSUANT TO A TRANSACTION INVOLVING THE INDIAN COMMERCE CLAUSE OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA, AND SHALL BE GOVERNED BY THE LAW OF THE CHEYENNE RIVER

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SIOUX TRIBE. The arbitrator will apply the laws of the Cheyenne River Sioux Tribal Nation and the terms of this Agreement. The arbitrator must apply the terms of this Arbitration agreement, including without limitation the waiver of class-wide Arbitration. The arbitrator will make written findings and the arbitrator's award may be filed in the Cheyenne River Sioux Tribal Court, which has jurisdiction in this matter. The Arbitration award will be supported by substantial evidence and must be consistent with this Agreement and applicable law or may be set aside by a court upon judicial review.

Small Claims Exception. All parties, including related third parties, shall retain the right to seek adjudication in a small claims tribunal in the Cheyenne River Sioux Tribal Small Claims Court for disputes within the scope of such tribunal's jurisdiction. Any dispute, which cannot be adjudicated within the jurisdiction of a small claims tribunal, shall be resolved by binding arbitration. Any appeal of a judgment from a small claims tribunal shall be resolved by binding arbitration.

Other Provisions. This Arbitration provision will survive: (i) termination or changes in this Agreement, the Account, or the relationship between us concerning the Account; (ii) the bankruptcy of any party; and (iii) any transfer, sale or assignment of my Note, or any amounts owed on my account, to any other person or entity. This Arbitration provision benefits and is binding upon you, your respective heirs, successors and assigns. It also benefits and is binding upon us, our successors and assigns, and related third parties. The Arbitration Provision continues in full force and effect, even if your obligations have been paid or discharged through bankruptcy. The Arbitration Provision survives any termination, amendment, expiration, or performance of any transaction between you and us and continues in full force and effect unless you and we otherwise agree in writing. If any of this Arbitration Provision is held invalid, the remainder shall remain in effect

Right to Opt Out. If you do not wish your account to be subject to this Arbitration Agreement, you must advise us in writing at P.O. Box 370, Timber Lake, South Dakota, 57565, or via e-mail at info@westernsky.com. You must clearly print or type your name and account number and state that you reject Arbitration. You must give written notice; it is not sufficient to telephone us. We must receive your letter or e-mail within sixty (60) days after the date your loan funds or your rejection of Arbitration will not be effective. In the event you opt out of Arbitration, any disputes hereunder shall nonetheless be governed under the laws of the Cheyenne River Sioux Tribal Nation.

THIS LOAN CARRIES A VERY HIGH INTEREST RATE. YOU MAY BE ABLE TO OBTAIN CREDIT UNDER MORE FAVORABLE TERMS ELSEWHERE. EVEN THOUGH THE TERM OF THE LOAN IS 48 MONTHS, WE STRONGLY ENCOURAGE YOU TO PAY OFF THE LOAN AS SOON AS POSSIBLE. YOU HAVE THE RIGHT TO PAY OFF ALL OR ANY PORTION OF THE LOAN AT ANY TIME WITHOUT INCURRING ANY PENALTY. YOU WILL, HOWEVER, BE REQUIRED TO PAY ANY AND ALL INTEREST THAT HAS ACCRUED FROM THE FUNDING DATE UNTIL THE PAYOFF DATE.

CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS AGREEMENT BEFORE YOU SIGN IT. YOU ARE ENTITLED TO A COPY OF THIS AGREEMENT.

<input checked="" type="checkbox"/>	YOU HAVE READ AND UNDERSTAND THE ARBITRATION SECTION OF THIS NOTE AND AGREE TO BE BOUND BY THE TERMS AND CONDITIONS OF THAT SECTION.
<input checked="" type="checkbox"/>	YOU HAVE READ ALL OF THE TERMS AND CONDITIONS OF THIS PROMISSORY NOTE AND DISCLOSURE STATEMENT AND AGREE TO BE BOUND THERETO. YOU UNDERSTAND AND AGREE THAT YOUR EXECUTION OF THIS NOTE SHALL HAVE THE SAME LEGAL FORCE AND EFFECT AS A PAPER CONTRACT.

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CONSUMER COMPLAINTS - If you have a complaint about our loan, please let us know. You can contact us at P.O. Box 370, Timber Lake, South Dakota, 57656, telephone (877) 860-2274.

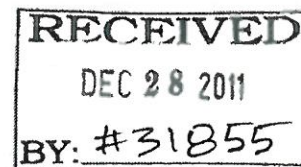
ELECTRONIC FUNDS AUTHORIZATION AND DISCLOSURE

You hereby authorize us to initiate electronic funds transfers ("EFTs") for withdrawal of your scheduled loan payment from your checking account on or about the FIRST day of each month. You further authorize us to adjust this withdrawal to reflect any additional fees, charges or credits to your account. We will notify you 10 days prior to any given transfer if the amount to be transferred varies by more than \$50 from your regular payment amount. You also authorize us to withdraw funds from your account on additional days throughout the month in the event you are delinquent on your loan payments. You understand that this authorization and the services undertaken in no way alters or lessens your obligations under the Loan Agreement. You understand that you can cancel this authorization at any time (including prior to your first payment due date) by sending written notification to us. Cancellations must be received at least three business days prior to the applicable due date. This EFT debit authorization will remain in full force and effect until the earlier of the following occurs: (i) you satisfy all of your payment obligations under this Loan Agreement or (ii) you cancel this authorization.

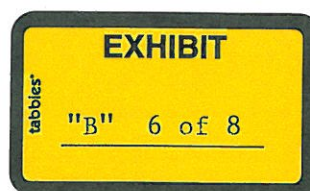
In addition, you hereby authorize us and our agents to initiate a wire transfer credit to your bank account to disburse the proceeds of this Loan.

<input checked="checked" type="checkbox"/>	YOU UNDERSTAND OUR PAYMENT COLLECTION PROCEDURE AND AUTHORIZE ELECTRONIC DEBITS FROM YOUR BANK ACCOUNT.
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Click [here](#) to print out a copy of this document for your records.



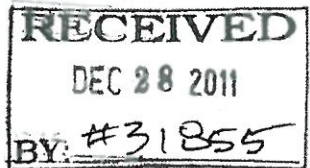
001248



E-Mail Detail View

Recipient Address E_dees@comcast.net
Subject Notice of Loan Transfer

Date Sent 8/21/2011 5:09:14 AM



[Print](#)

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Message Body (text version)

NOTICE OF ASSIGNMENT, SALE OR TRANSFER OF SERVICING RIGHTS

This e-mail concerns the personal loan that you recently obtained from Western Sky Financial. Please be advised that your loan has been sold to WS Funding, LLC. This letter is your official notice of the loan sale and the transfer of loan servicing. Effective today, your loan is now owned by WS Funding, LLC and will be serviced by a company called CashCall.

The outstanding principal balance of your debt as of this date is \$2,600.00. Unless you dispute the validity of the debt, or any portion thereof, within thirty days after receipt of the notice, CashCall will assume the debt to be valid. If you notify CashCall in writing within the thirty-day period that this debt, or any portion of it, is disputed, CashCall will obtain verification of the debt and will mail it to you. We will also provide you with the address of Western Sky if you so request.

Going forward, CashCall will handle the servicing of your loan, which means collecting your payments and handling related issues. We wish to assure you that the terms and conditions of your Promissory Note and Disclosure Statement will not change in any way, except for the fact that you will now be making all of your payments, including your first payment, to CashCall. As stated in your loan documents, your first payment of \$136.50 will be due on September 01, 2011. Western Sky will not accept payments from you beginning 8/21/2011.

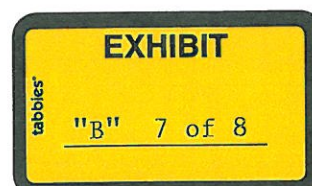
CashCall is committed to courteous and responsive service, accurate and timely handling of your payments and simple and direct answers to your questions. For prompt response to all of your inquiries, please remember to reference your account number 7330681.

To ask about this statement or general up-to-the-minute account information, please call 1-877-525-2274. Our hours of operation are 6 a.m. to 8 p.m. Pacific time Monday through Friday; 8 a.m. to 12 p.m. Pacific time Saturday. Or write to us at:

General Customer Service Inquiries:
CashCall, Inc.
1600 S Douglass Rd
Anaheim, CA 92806
info@cashcall.com

Payments:
Attn: Payment Processing
CashCall, Inc.
P.O. Box 66007
Anaheim, CA 92816

001249



Loan Transaction History

Print Date: 12/20/11

Loan Id: 7330681

Principal Balance: \$2,595.86

Amount Due: \$352.46

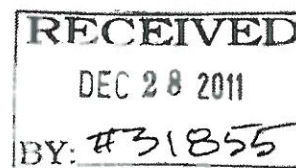
Page 1 of 1

Borrower's Name: E D

Next Due Date: 12/01/11

Interest Rate: 135.00 %

Txn #	Txn Date	Apply Date	Total Amount	Type	Fee	Interest	Principal	Principal Balance	Txn Code	Cancelled By Txn#	See Txn#	Agent	Comment
1	08/18/11	08/18/11	0.00				2,600.00	2,600.00	600			kelcey.maher	Loan Origination
3	09/08/11	09/01/11	136.50	ACH		-136.50	0.00	2,600.00	700				Scheduled ACH for 2011-09-01 (9568107)
													-ACHVendor=ACHWorks, SettlementID=B980010 P--
6	10/06/11	10/01/11	294.46	ACH		-292.50	-1.96	2,598.04	700				Scheduled ACH for 2011-10-01 (9656692)
													-ACHVendor=National Processing, SettlementID=0f508529 d4ad--
9	11/03/11	11/01/11	294.46	ACH		-292.28	-2.18	2,595.86	700				Scheduled ACH for 2011-11-01 (9775231)
													-ACHVendor=ACHWorks, SettlementID=BB40010 Z--
17	12/02/11	12/02/11	29.00	NSF	29.00		0.00	2,595.86	360				12/02/2011 ACH reversed -
19	12/16/11	12/16/11	29.00	LATE	29.00		0.00	2,595.86	350				UNAUTHORIZED Automated Fee Sweep



001250



#35883



June 4, 2012

WWW.CASHCALL.COM

1600 S. DOUGLASS RD.
ANAHEIM, CA 92806-5998
949-752-4600
949-225-4600 (FAX)

Ken Mackenzie, Examiner
Florida Office of Financial Regulation
200 East Gaines Street
Tallahassee, FL 32399-0376



Re: Complaint of Mr. C. Complaint Activity No. 35883

Dear Mr. Mackenzie,

We are in receipt of your letter dated May 25, 2012, which included a consumer complaint submitted by Mr. C. against CashCall, Inc. Mr. C. questions the terms and the legality of his account with CashCall, the Assignee of his loan with Western Sky.

CashCall has investigated this complaint and respond as follows:

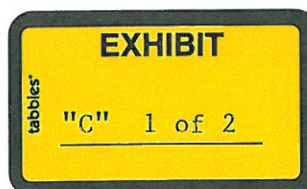
With regard to Mr. C.'s loan, please be advised that CashCall did not originate, underwrite or fund Mr. C.'s loan. On October 15, 2010, Mr. C. contacted Western Sky Financial to apply for an unsecured personal loan. His loan was funded by Western Sky Financial ("Western Sky") on October 19, 2010 in the amount of \$1,000.00, which is the loan amount of \$1,500.00 minus the \$500.00 Prepaid Finance Charge/Origination Fee.

As background, Western Sky is a wholly Cheyenne River Sioux Tribal Member owned business and is located and operates within the exterior boundaries of the Cheyenne River Indian Reservation. As such, all questions regarding the origination and funding of Mr. C.'s loan should be directed to Western Sky, at: P.O. Box 370, Timber Lake, South Dakota, 57656. CashCall has no affiliation with Western Sky other than the fact that it purchases loans that Western Sky has made.

Upon review of the file sent to CashCall by Western Sky, the loan documents clearly indicate that the laws of the Cheyenne River Sioux Tribe apply exclusively to the terms and conditions of Mr. C.'s loan, and he further accepted this choice of law and jurisdiction by executing his loan document. These facts were explained to Mr. C. when he applied and again when he signed his Consumer Loan Agreement ("Note").

Borrowers are instructed to read the Note in its entirety. Once they have done so, they are required to electronically sign or initial the Note in four different locations. The third of the signatures represents the borrower's confirmation that he/she has read and understands the terms and conditions of the Note. According to our records, Mr. C. signed the Note on October 18, 2010, via electronic signature, indicating that he did indeed understand the terms and conditions of the Note. This Note, in its original format,

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is an electronic document fully compliant with the Electronic Signatures in Global and National Commerce Act (E-SIGN) and other applicable laws and regulations.

The Truth in Lending Act Disclosure Statement at the top of page one clearly displays the Annual Percentage rate ("APR") as 193.86% and Total Finance Charge of \$3,071.79. The APR was disclosed in accordance with the requirements of the Truth in Lending Act. Notwithstanding these disclosures, borrowers are free to pay their loan in part or in full at anytime without penalty. Mr. C was also sent a settlement statement via electronic mail to the address he supplied, confirming the terms and conditions of the Note, on October 19, 2010.

Please be advised that on October 22, 2010, per the Notice of Assignment, Sale or Transfer of Servicing Rights e-mail sent to the address provided by Mr. C, Mr. C's loan was sold to WS Funding, LLC ("WS"), and is currently being serviced by CashCall. Under long-standing principles of assignor-assignee rights, CashCall is permitted to stand in the shoes of the maker of the loan and enforce the terms of that loan pursuant to the choice-of-law provisions contained in the agreement.

According to our records, the last payment received on the account was on January 1, 2010 and the account is delinquent. The payoff amount on this loan as of the date of this response is \$1,815.58. The remaining principal balance is \$1,137.54. Enclosed herein is a detailed payment transaction history for your records.

On May 16, 2012, CashCall sent Mr. C an offer to either (1) settle the account for a lump sum payment of \$100.00 or (2) accept monthly payment of (2) \$75.00/month for 20 months. Mr. C did not reply to this offer.

In an effort to resolve this matter, CashCall is willing to re-extend the same offers to Mr. C. Please have Mr. C contact Elissa directly at 949-752-4630 if he would like to accept either offer or for additional assistance with his account.

Thank you for your attention to this matter. CashCall appreciates the opportunity to respond. If you have any further questions please contact me.

Sincerely,

Elissa Chavez

Director of Fraud Prevention/Dispute Resolution

Enclosures

Cc: !

000830

