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 10 CashCall, Inc. and J. Paul Reddam

11
 12 **IN THE UNITED STATES DISTRICT COURT**
 13 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

14 CONSUMER FINANCIAL
 15 PROTECTION BUREAU,

16 Plaintiff,

17 v.

18 CASHCALL, INC.; WS FUNDING,
 19 LLC; DELBERT SERVICES
 20 CORPORATION; and J. PAUL
 21 REDDAM,

22 Defendants.

Case No. 2:15-cv-07522-JFW (RAOx)

**DECLARATION OF DANIEL H. BAREN
 IN SUPPORT OF DEFENDANTS' NOTICE
 OF MOTION FOR RELIEF FROM THE
 POST-REMAND JUDGMENT**

*Filed concurrently with Defendants' Notice of
 Motion and Motion for Relief from Post-
 Remand Judgment; and [Proposed] Order*

Assigned to Hon. John F. Walter

1 **DECLARATION OF DANIEL H. BAREN**

2 I, Daniel H. Baren, declare as follows:

3 1. I am an attorney licensed to practice before the Courts of the State of
4 California and General Counsel for CashCall, Inc. I have personal knowledge of the facts
5 set forth in this declaration, unless the facts are stated on information or belief, and as to
6 those matters, I am informed and believe them to be true. If called upon to do so, I could
7 and would testify to those facts under oath.

8 2. In March of 2025, CashCall, through its counsel Paul Clement, attempted to
9 secure a meeting with senior officials in the Consumer Financial Protection Bureau
10 (“CFPB”). Mr. Clement’s repeated calls and emails to Mark Paoletta, then CFPB’s Chief
11 Legal Officer, and Russell Vought, then its director, were ignored.

12 3. Beginning in June 2025, CashCall contacted various other officials in hopes
13 of getting either Mr. Paoletta or Mr. Vought to agree to a meeting.

14 4. On April 21, 2025, Mr. Paoletta issued a memorandum identifying the
15 Bureau’s changed priorities under the new administration including (1) focus regulation of
16 depository institutions, (2) actual fraud, (3) redress of tangible harm, (4) respect for
17 federalism, (5) avoidance of novel legal theories, and (6) focus on areas clearly within the
18 Bureau’s statutory authority (“Paoletta Memorandum”). A true and correct copy of the
19 Paoletta Memorandum is attached hereto as Exhibit A.

20 5. Finally, on July 18, 2025, CashCall was contacted by Brett Sisto, advisor and
21 counsel to the acting Director of the CFPB. We asked Mr. Sisto for an opportunity to sit
22 down with the Bureau to discuss our case and specifically explain how the CFPB’s
23 prosecution of the case violated nearly all of the Paoletta Memorandum’s directives.

24 6. Mr. Sisto agreed to a Zoom meeting with us on July 23, 2025. The day
25 before the meeting, I sent Mr. Sisto a memorandum summarizing the history of the
26 litigation and explaining why the case should never have been filed and should be
27 dismissed just as numerous other similar cases had been.

1 7. On July 23, 2025, we held an hour-long meeting via Zoom. Mr. Sisto and
2 another CFPB staffer represented the Bureau while Brian Jedwab, Dan Epstein, and I
3 appeared on behalf of CashCall and Mr. Reddam. We made the argument that the CFPB’s
4 prosecution of the matter under prior leadership had been the poster child for the
5 weaponization of consumer protection that Mr. Vought and Mr. Paoletta had railed
6 against. After hearing our position, Mr. Sisto asked us to revise the memo I had sent to
7 include a proposal on how to dispose of the case as well as a summary of all amounts
8 CashCall paid to various states, class action plaintiffs and attorneys to settle other actions
9 regarding the Western Sky loans at issue in the CFPB matter.

10 8. On July 25, 2025, I sent the revised memo to Mr. Sisto, a true and correct
11 copy of which is attached hereto as Exhibit B. On August 1, Mr. Sisto sent me an email
12 that stated:

13 “Thank you for providing this document. On our call I told you that
14 we would provide you an update sometime this week. I am following
15 up to let you know that the matter remains under consideration.
16 While I cannot provide you a timeframe, we are hoping to respond
17 more substantively soon. If we have need of any additional
information I will be sure to let you know.”

18 9. Despite this email, Mr. Sisto and the CFPB went radio silent after that point.
19 On August 20, 2025, I e-mailed Mr. Sisto as follows:

20 “Brett, I hope you’re doing well.

21 I’m reaching out to see if the agency has any thoughts on our
22 submission or requires additional information from us.

23 We continue to believe that this case is a good one for enforcement
24 discretion and vacatur. Our deadline is coming up for the cert petition
25 before the Supreme Court (Sep 19), and we remain hopeful that we
26 can bring this matter to a mutually agreeable conclusion before then.

27 We would be happy to get on a follow up call if you believe that would be
28 helpful.

1 I look forward to hearing from you.”

2 A true and correct copy of this email is attached hereto as Exhibit C.

3 10. This e-mail and several follow-ups were ignored. In November 2025, we
4 retained former White House Cabinet Secretary William McGinley in hopes of re-
5 engaging the CFPB. He made several overtures to Mr. Paoletta seeking a meeting.
6 Finally, on December 3, Mr. Paoletta agreed to a meeting the following week.

7 11. On December 11, 2025, Mr. Jedwab, Mr. McGinley, and I met with Mr.
8 Paoletta and CFPB Senior Legal Advisor Victoria Dorfman in Mr. Paoletta’s office at the
9 Eisenhower Administrative Building. During the hour-long meeting, I detailed the history
10 of the case and how the prosecution of the matter by the agency’s former leadership had
11 violated nearly every one of the principles Mr. Paoletta had identified in his
12 memorandum. Mr. Paoletta seemed receptive to our proposal to settle the case by
13 creating a fund for restitution. He stated that he had no underlying problem with the
14 interest rates at issue and told us he would not have brought this case. He also said he
15 would consider our request to ask the Solicitor General for a 30-day extension for the
16 CFPB to file its response to our writ to the Supreme Court.

17 12. During the meeting, it became clear that Mr. Paoletta had been operating
18 under numerous misconceptions about the case and defendants. First, he stated that he
19 was angry that we had appealed the \$10 million judgment against us, which he believed
20 forced the CFPB to file its own appeal. I explained that this was incorrect. CashCall had
21 no intention of appealing the judgment—a fact it made clear to the CFPB at the time—and
22 only did so *after* the CFPB had appealed. He also told us that he was angry that we had
23 hired Paul Clement, suggesting that we had done so to intentionally antagonize the
24 administration given that Mr. Clement had recently sued the administration. Again, I
25 explained this was incorrect as we had retained Mr. Clement well before President Trump
26 had even been elected in 2024. We also told him that we were willing to drop our appeal
27 with the United States Supreme Court as part of any settlement with the CFPB.
28

1 13. On December 12, 2025, Mr. McGinley sent Mr. Paoletta and Ms. Dorfman
2 an e-mail outlining the terms of a settlement of the matter. The proposal included a
3 restitution fund of \$20 million. A true and correct copy of that email is attached hereto as
4 Exhibit D.

5 14. That same day, Ms. Dorfman responded to the proposal as follows:

6 “Thank you for your email. We will examine the substance in detail.
7 In the meantime, we will ask the SG to request another 30-day
8 extension in the meantime.”

9 A true and correct copy of Ms. Dorfman’s email is attached hereto as Exhibit E.

10 15. Again, the CFPB went silent after this e-mail. Mr. McGinley made several
11 calls and e-mails to Ms. Dorfman and Mr. Paoletta over the next five weeks, but all were
12 ignored. Finally, on January 20, 2026, nearing the deadline for CashCall to abandon its
13 appeal, Ms. Dorfman sent an e-mail stating “we do not believe that additional efforts at
14 settlement would be productive. Accordingly, the Solicitor General’s office will be filing
15 a response on the current timeline.” A true and correct copy of Ms. Dorfman’s January
16 20, 2026 email is attached hereto as Exhibit F.

17 16. At this point, CashCall retained Y. David Scharf, Esq., who carried on
18 further negotiations with the Bureau on its behalf.

19 I declare under penalty of perjury under the laws of the United States of America
20 that the foregoing is true and correct.

21 Executed on this 24 day of June 2026, at San Clemente, California.

22 Signed by:

23 _____
24 Daniel H. Baren

EXHIBIT A



1700 G Street NW, Washington, D.C. 20552

April 16, 2025

TO CFPB Staff

FROM Mark R. Paoletta
Chief Legal Officer

SUBJECT 2025 SUPERVISION AND ENFORCEMENT PRIORITIES

This document sets out the Bureau’s supervision and enforcement priorities. The Bureau will focus its enforcement and supervision resources on pressing threats to consumers, particularly service members and their families, and veterans. To focus on tangible harms to consumers, the Bureau will shift resources away from enforcement and supervision that can be done by the States. All prior enforcement and supervision priority documents are hereby rescinded.

1. To avoid the ever-increasing number of supervisory exams, which are multiplying the cost of running businesses and raising consumer prices, Supervision shall decrease the overall number of “events” by 50%. The focus should be on conciliation, correction, and remediation of harms subject to consumers’ complaints. Supervision should focus on collaborative efforts with the supervised entities to resolve problems so that there are measurable benefits to consumers.
2. The Bureau’s focus will shift back to depository institutions, as opposed to non-depository institutions. In 2012, 70% of the Bureau’s supervision focused on banks and depository institutions and 30% on nonbanks. Now that proportion has completely flipped, with over 60% on nonbanks and less than 40% on banks and depository institutions. The Bureau must seek to return to the 2012 proportion and focus on the largest banks and depository institutions.
3. The Bureau will focus on actual fraud against consumers, where there are identifiable victims with material and measurable *consumer damages* as opposed to matters based on the Bureau’s perception that consumers made “wrong” choices. The areas of priorities are:
 - a. Mortgages (getting the highest priority).

- b. FCRA/Reg V data furnishing violations.
 - c. FDCPA/Reg F relating to consumer contracts/debts.
 - d. Various fraudulent overcharges, fees, etc.
 - e. Inadequate controls to protect consumer information resulting in actual loss to consumers.
4. The Bureau will focus on redressing tangible harm by getting money back directly to consumers, rather than imposing penalties on companies in order to simply fill the Bureau's penalty fund.
 5. The Bureau will focus on providing redress to service members and their families, and veterans.
 6. The Bureau will respect Federalism:
 - a. The Bureau will deprioritize participation in multi-state exams unless *required* by statute (rather than merely permitted).
 - b. The Bureau will deprioritize supervision where States have and exercise ample regulatory and supervisory authority, unless required by statute (rather than merely permitted).
 - c. The Bureau will minimize duplicative enforcement, where State regulators or law enforcement authorities are currently engaged in or have concluded an investigation into the same matter.
 7. The Bureau will respect other federal agencies' regulatory ambit:
 - a. The Bureau will eliminate duplicative supervision or supervision outside of the Bureau's authority (e.g., no supervision of M&A, just because regulated entities are involved, or attempt to insert itself into bankruptcy supervision).
 - b. To the extent feasible, the Bureau will coordinate exams' timing with other/primary federal regulators.
 - c. The Bureau will minimize duplicative enforcement, where another federal regulator is currently engaged in or has concluded enforcement.
 8. The Bureau will not pursue supervision under novel legal theories, including of the Bureau's authority. It will focus on areas that are clearly within its statutory authority.
 9. The Bureau will not engage in or facilitate unconstitutional racial classification or discrimination in its enforcement of fair lending law:
 - a. The Bureau will not engage in redlining or bias assessment supervisions or enforcement based solely on statistical evidence and/or stray remarks that may be susceptible to adverse inferences.
 - b. The Bureau will pursue only matters with proven actual intentional racial discrimination and actual identified victims. Such matters shall be brought to the leadership's attention and maximum penalties will be sought.

10. The Bureau will deprioritize the following:
 - a. Loans or other initiatives for “justice involved” individuals (criminals).
 - b. Medical debt.
 - c. Peer-to-peer platforms and lending.
 - d. Student loans.
 - e. Remittances.
 - f. Consumer data.
 - g. Digital payments.
11. The Bureau’s primary consumer enforcement tools are its disclosure statutes. The Bureau shall not engage in attempts to create price controls.

EXHIBIT B

FOR SETTLEMENT PURPOSES

July 25, 2025

Via Electronic Mail

Mr. Brett Sisto, Esq.
Advisor and Counsel to the Acting Director
Consumer Financial Protection Bureau
1700 G St. NW
Washington, DC 20552

Re: CFPB v. CashCall, Inc., et al.

Dear Mr. Sisto:

Thank you for taking the time to meet with us on Wednesday regarding the case referenced above. We greatly appreciated the opportunity to discuss the matter and explore solutions for a mutually acceptable resolution.

During our meeting you asked us to follow up with (i) details on our proposal on how to dispose of the case; (ii) a brief summary of the arguments attorney Paul Clement would advance in any writ of certiorari to Supreme Court; and (iii) additional information on amounts CashCall and Mr. Reddam have paid to the various states and consumer class action attorneys regarding the loans at issue in the CFPB matter.

Remedy Sought/Disposal of Case

Initially, we believe that the proper path for disposition of the case would be for the parties to agree to a consent decree under which the Consumer Financial Protection Bureau (“CFPB”) would retain the \$10,283,886 judgment CashCall paid to the Bureau in satisfaction of the initial decision of the District Court for the Central District of California and seek joint vacatur of that court’s final order. Under Federal Rule of Civil Procedure 60(b), we propose that the CFPB’s vacatur motion argue that the approximately \$10.3 million already paid is sufficient to satisfy the judgment and that enforcing the judgment after remand is no longer equitable or necessary. This conclusion would be consistent with the April 16, 2025 Memorandum by Chief Legal Officer Mark Paoletta. *See* Memorandum from Mark R. Paoletta, Chief Legal Officer, to CFPB Staff, *2025 Supervision and Enforcement Priorities* (Apr. 16, 2025), *available at* <https://perma.cc/M8US-3YLG> (“Priorities Memo”).

In the Priorities Memo, Mr. Paoletta noted, “the Bureau will shift resources away from enforcement and supervision that can be done by the States”; it will reduce its focus on “nonbanks”; will seek to “redress[] tangible harm by getting money back directly to consumers, rather than imposing penalties on companies in order to simply fill the Bureau’s penalty fund”; and the “will not pursue supervision under novel legal theories, including of the Bureau’s

FOR SETTLEMENT PURPOSES

authority.” The Priorities Memo establishes precisely the changes in circumstances in the CFPB’s enforcement agenda that further justify vacatur.

Supreme Court Review

If CashCall seeks review before the Supreme Court, the Administration will be forced to side with a poorly reasoned Ninth Circuit decision that vastly expands the power and authority of administrative agencies. The key question for which CashCall seeks Supreme Court review is whether an administrative agency may change its legal theory of an enforcement action midstream to deny a defendant its Seventh Amendment right to a jury trial. The Court will be positioned to extend its holding in *Jarkesy* to cover the nature of the remedy sought by an enforcement agency.

Further, the Court may scrutinize how the Ninth Circuit dealt with *Seila Law*, which came down during the lower court proceedings. *Seila Law*, together with *Jarkesy*, creates a presumption that a law enforcement agency should not be able to avoid the 7th Amendment rights of a defendant by obtaining legal restitution through a bench trial. *Seila Law* establishes the CFPB as a law enforcement agency, versus an independent commission, by striking the portion of the Dodd-Frank Act that conditioned the President’s removal of the agency head on a finding of cause. “[T]he Director possesses significant administrative and enforcement authority, including the power to seek daunting monetary penalties against private parties in federal court.” *Seila L. LLC v. Consumer Fin. Prot. Bureau*, 591 U.S. 197, 199 (2020). Compare this proposition to that in *Jarkesy*: “[f]or respondents’ alleged fraud, the SEC seeks civil penalties, a form of monetary relief. While monetary relief can be legal or equitable, money damages are the prototypical common law remedy” *accord*. “[t]he Seventh Amendment extends to a particular statutory claim if the claim is ‘legal in nature.’” *Sec. & Exch. Comm’n v. Jarkesy*, 603 U.S. 109, 122, 144 (2024). These propositions would enable the Supreme Court to use *CashCall* to establish a principle that when a law enforcement agency seeks legal damages, the presumption is that the defendant has a right to a jury trial.

This is of particular interest given an irregularity in the lower court proceedings here. In our case, the Ninth Circuit claimed Defendants waived a jury trial when agreeing to a bench trial, even though the CFPB changed its position midstream. Notably, when it became apparent that equitable restitution was no longer available, the agency went from only seeking equitable restitution (for which adjudication via a bench trial would be appropriate) to seeking legal restitution (for which a jury trial should be held).

Other Policy Considerations

In its prosecution of this matter, the CFPB exceeded its authority in a manner that harms federalism. The CashCall proceedings within the Ninth Circuit establish a precedent that the CFPB can use the Consumer Financial Protection Act to assert jurisdiction over questions of state law, which are explicitly left to the states’ expertise (e.g., usury laws and state licensing requirements). Further, in our case, the Central District of California, as affirmed by the Ninth Circuit, held that the CFPB had authority to ignore choice of law provisions in contracts and assert, on behalf of states (some of which had pursued the Defendants directly), that the tribal

FOR SETTLEMENT PURPOSES

lender's agreements were contrary to the fundamental policy interests of each relevant state. Notwithstanding the public interests at stake, the CFPB's position would displace state enforcement powers in an area where vital local interests (protections of consumers via licensing) are served.

Further, no public interest goal is advanced through additional restitution. The theory of legal restitution is to recover the amounts lost by consumers through unjust enrichment. However, CashCall has already paid over \$140 million collectively to the CFPB, various states, and private plaintiffs, in addition to \$66 million in legal fees, all in connection with cases filed challenging the tribal lending model. Paying an additional \$157 million to the CFPB only aggrandizes the CFPB's overreaching and overzealous prosecution of CashCall in a case where the finder of fact determined there was no fraud, no deception, and the consumers received the benefit of their bargain.

Attachments

Please find attached a breakdown of all payments made by Defendants in connection with the tribal lending program ("Exhibit A") and a slightly revised version of the memorandum I previously provided ("Exhibit B").

Again, we appreciate your attention to this matter and the time you took to discuss these issues. Please let me know if you have any questions, require any additional information, or would like to schedule a follow-up call.

Sincerely,



Daniel H. Baren, Esq.
General Counsel
CashCall, Inc,

EXHIBIT "A"

| Summary of CashCall, Inc./J. Paul Reddam Payments Made in Connection with the Cheyenne River Sioux Tribal Loan Program (through 12-31-2024)¹ | |
|--|----------------------|
| Judgment Amount Paid to CFPB | \$10,283,886 |
| Settlements Paid to States Also Named in CFPB Case | \$35,432,645 |
| Settlements Paid to Non-CFPB Named States | \$53,354,004 |
| Settlements Paid to Private Plaintiffs/Class Actions | \$42,773,784 |
| Legal Fees Paid to Outside Counsel ² | \$66,030,701 |
| Total Paid | \$208,891,134 |

¹ This summary does not include the security package valued at more than \$170 million that was provided to stay execution of the judgment in the CFPB matter.

² Does not include fees paid to various local state counsel

| <u>Settlements with CFPB Named States</u> | |
|--|---------------------|
| Arizona | \$250,000 |
| Arkansas | \$750,000 |
| Indiana | \$1,025,000 |
| Massachusetts | \$2,730,038 |
| Minnesota | \$4,500,000 |
| New Hampshire | \$968,163 |
| New York | \$15,934,444 |
| North Carolina | \$9,275,000 |
| Total for CFPB States | \$35,432,645 |

| <u>Settlements with Non-CFPB Named States</u> | |
|--|---------------------|
| Colorado | \$7,384,005 |
| Connecticut | \$4,081,646 |
| District of Columbia | \$1,962,573 |
| Florida | \$2,282,190 |
| Georgia | \$25,000,000 |
| Iowa | \$1,500,000 |
| Maryland | \$1,419,828 |
| Michigan | \$2,200,000 |
| Missouri | \$300,000 |
| Nebraska | \$1,100,000 |
| Nevada | \$50,000 |
| Oklahoma | \$1,000,000 |
| Oregon | \$1,000,000 |
| Pennsylvania | \$1,000,000 |
| South Carolina | \$500,000 |
| Vermont | \$473,762 |
| Virginia | \$100,000 |
| Washington | \$2,000,000 |
| Total for Other States | \$53,354,004 |

| <u>Settlements with Plaintiffs/Class Actions</u> | |
|---|---------------------|
| Brown (M.D.N.C.) | \$250,000 |
| Chitoff (S.D. Fla.) | \$100,000 |
| Hayes (E.D. Va.) | \$11,835,000 |
| Heldt (D.S.D.) | \$310,293 |
| Inetianbor (S.D. Fla.) | \$14,717,810 |
| Jackson (N.D. Ill.) | \$455,681 |
| MacDonald (D.N.J.) | \$14,500,000 |
| Moore (E.D. Ky.); Sinclair (N.D. Ohio) | \$225,000 |
| Parnell (N.D. Ga.) | \$160,000 |
| Williams (E.D. Wis.) | \$220,000 |
| Total for Plaintiff and Class Actions | \$42,773,784 |

EXHIBIT "B"

Memorandum

To: Brett Sisto, Esq.
From: Daniel Baren, Esq.
Date: July 25, 2025
Re: CFPB v. CashCall, Inc., et al.

PRIVILEGED AND CONFIDENTIAL

This memorandum addresses the litigation between the Consumer Financial Protection Bureau and CashCall, Inc., et al, and discusses why the case should not have been filed and should now be dismissed.

I. EXECUTIVE SUMMARY

Previous leadership of the CFPB used the power and unlimited resources of the federal government to engage in a 12-year witch hunt against CashCall and its owner Paul Reddam (“Defendants”) by devising what the agency itself admitted was a **novel legal theory** to obtain nearly \$170 million in fines and restitution over a loan program that was designed and blessed by respected national regulatory counsel. The CFPB did so with the specific intent to extend its grasp well beyond what Congress authorized and to punish Defendants for engaging in conduct that it simply did not like.

Even though the CFPB obtained more than a \$10 million judgment against Defendants at trial, it was not satisfied with the result. Instead, it engaged in a bait-and-switch on its legal theory of the case and successfully petitioned the Ninth Circuit for a do-over, seeking additional tens of millions of dollars in penalties and hundreds of millions more in restitution. It repeatedly rejected overtures to settle the matter and instead informed Defendants’ counsel that it would rather “run them off the road” through appellate and discovery costs.

The CFPB engaged in this effort to destroy Defendants even though:

- The loan program at issue was short-lived and unprofitable; CashCall lost \$30 million on it;
- In addition, Defendants paid over \$200 million to various states, consumer class action lawyers and their own attorneys to defend and eventually settle duplicative lawsuits, including more than \$35 million that was paid to states who sued CashCall directly over the **very loans** at issue in the CFPB’s lawsuit;

- The CFPB engaged in conduct that violated its Congressional charter barring it from enacting or enforcing interest rate limits. It circumvented this prohibition by convincing the court to allow it to bootstrap strictly state law claims into federal Unfair, Deceptive or Abusive Acts or Practices (“UDAAP”) claims; and
- Defendants engaged in no fraud or deception. The loan terms were prominently displayed in simple English. Borrowers in the loan program suffered no tangible harm, got exactly what they bargained for and could have obtained loans with the same or higher APRs from banks such as Wells Fargo and Bank of America.

The CFPB has largely succeeded in its effort to destroy the Defendants, who have paid the Bureau nearly \$10.3 million in penalties, incurred tens of millions of dollars in legal fees defending the matter and have been forced to lay off more than 90% of their employees. They now face certain ruin if the Bureau obtains final judgment on the additional \$157 million awarded after remand.

It is abundantly clear that this case would never have been brought if the CFPB’s current supervision and enforcement priorities had been in place when the case was filed. Nonetheless, the Bureau has the ability now to correct the wrongs of previous leadership by dropping this case – as it has recently done in several other matters.

II. PROCEDURAL HISTORY

- In 2009, CashCall established the loan program at issue in this litigation through a partnership with a Native American-owned business called Western Sky Financial, LLC (“Western Sky”). Western Sky made the loans on the Cheyenne River Sioux Reservation, where it employed nearly 100 tribal members on one of the poorest reservations in the country – all of whom lost their jobs when the program was shut down. CashCall purchased and serviced the loans.
- CashCall entered into the loan program on the advice and counsel of its prestigious national regulatory law firm, Katten Muchin Rosenman, LLP (“Katten”). Katten devised and structured the loan program, recommended and introduced the Native American lender, and issued numerous legal opinions supporting the legality of the model. Those opinions have not been rescinded and remain in effect today.
- The loans were not secured by collateral and charged only simple interest. There were no prepayment penalties, and borrowers were encouraged to repay their loans early.
- The Western Sky program was short-lived and unprofitable. CashCall lost nearly \$30 million on the program – a number that was never disputed nor challenged by the CFPB.
- Beginning in August 2011, regulators in certain states commenced enforcement actions alleging violations of state law based on CashCall’s servicing of the Western Sky loans, alleging that the loans were subject to state law rather than tribal law. As a result, CashCall immediately stopped purchasing Western Sky loans issued to borrowers who resided in those states. Notably, various other states determined that the loans were subject to tribal law (not state law) and did not file suit.

- By September 2013, Western Sky stopped making loans altogether.
- On December 16, 2013, the CFPB initiated the present enforcement action. The CFPB alleged that Western Sky loans made to consumers in 16 states were “unfair, deceptive, or abusive” within the meaning of the Consumer Financial Protection Act because they were at least partially invalid under the laws of those states. The CFPB complaint alleged that the loans were invalid because they charged interest rates in excess of those permitted in those states – ignoring the fact that the loans were made by a Native American lender under tribal law.
- In public statements, then-CFPB Director Richard Cordray explained that the CFPB had to take this novel approach, which the Bureau deemed the “CashCall theory,” because Congress expressly prohibited the CFPB from setting interest rate caps directly. As such, the Bureau pursued a new strategy to “leverage to establish federal violations from state law violations.” The CFPB attacked CashCall using this theory, even though several of the 16 states at issue had already filed litigation against CashCall, alleging state violations on the same conduct, while others had expressly elected not to do so.
- In August 2016, District Court Judge John Walter granted the CFPB’s partial motion for summary judgment because he found that CashCall, rather than the tribal lender, was the “true lender” under the loan contracts because CashCall held most of the risk of borrower default on the loans. The judge set a trial to determine damages.
- At trial the CFPB counsel sought upwards of \$75 million in penalties on its claim that CashCall knowingly violated the CFPA and also sought to obtain \$235.6 million in borrower restitution as an exercise of the court’s equitable “discretion.”
- The Court expressly rejected the CFPB’s claim that CashCall knowingly violated the CFPA and awarded the CFPB a Tier One penalty of \$10.3 million.¹ The Court’s January 19, 2018, Order held:

“The evidence at trial failed to demonstrate that Defendants knew at the time they decided to implement the Western Sky Loan Program that the structure of the program would subject them to liability under the CFPA. Indeed, at its inception, there was nothing inherently unlawful about the Western Sky Loan Program. It was not until this Court found that CashCall—not Western Sky—was the true lender that Defendants could have understood that they may be liable under the CFPA. In addition, the uncontroverted testimony results in the conclusion that Defendants did not recklessly violate the CFPA.....There was no evidence that CashCall decided to create and implement an unlawful scheme to defraud consumers, which would have been relatively easy to accomplish given their sophistication and experience in the lending business.

Instead, Defendants sought out highly regarded regulatory counsel to assist them with structuring the Western Sky Loan Program to lawfully accomplish this objective. At the time, there was no case law that clearly established that the Tribal Lending Model was not a lawful model or that any attempt to adopt and implement the Tribal

¹ Tier One is the lowest penalty level available for CFPA violations.

Lending Model would subject Defendants to liability under the CFPB. Indeed, Defendants secured multiple formal and informal opinions from counsel opining that the structure of the Western Sky Loan Program was viable and would provide Defendants with Indian sovereign immunity, precluding the enforcement of state and federal laws. The evidence also showed that counsel never revoked their opinions. Even when the regulatory climate had dramatically shifted and regulators began to closely scrutinize the Tribal Lending Model, the national law firm did not change its original opinions that Defendants would not be subject to relevant state and federal laws. Although both Reddam and Baren are very sophisticated individuals, they are not regulatory experts. Thus, the Court cannot conclude that Defendants should have known that the structure of the Western Sky Loan Program would subject them to liability under the CFPB or that it was obvious they would be subject to such liability.”

- The District Court also denied the CFPB’s respect for restitution holding that the borrowers got exactly what they bargained for in the loan agreements and that any restitution would be a windfall:

“The CFPB did not show that Defendants intended to defraud consumers or that consumers did not receive the benefit of their bargain from the Western Sky Loan Program....The CFPB failed to present any evidence that Defendants set out to deliberately mislead consumers as to the nature of the Western Sky Loan Program or otherwise intended to defraud them or that consumers anticipated receiving a benefit that they did not actually receive under the loan agreements.....The CFPB relied heavily on evidence that Defendants created the Western Sky Loan Program to avoid state licensing and usury laws in an attempt to prove that Defendants acted fraudulently; however, this evidence is not sufficient to meet its burden of proof. Indeed, companies frequently structure business operations and transactions to minimize exposure to unfavorable laws and regulations....There simply was no evidence that Defendants decided to embark on an unlawful scheme to structure the Western Sky Loan Program to defraud borrowers. On the contrary, they saw a legitimate need for these types of loans and set out to establish a program that would permit Defendants to lawfully enter this market.”

“The evidence presented demonstrated that they only agreed to participate in the Western Sky Loan Program after consulting with prominent legal counsel and receiving advice that the structure of the Western Sky Loan Program was not unlawful.....Defendants presented credible and persuasive evidence that they made every effort to inform consumers about all material aspects of the loans. Finally, the evidence indicated quite clearly that consumers received the benefit of their bargain—i.e., the loan proceeds. As previously discussed, Defendants plainly and clearly disclosed the material terms of the loans to consumers—including fees and interest rates—before the loan were funded. Accordingly, the Court cannot conclude that Defendants acted in bad faith, resorted to trickery or deception, or have been guilty of fraud in connection with the origination of the loans that are issue in this

case. As a result, the Court finds that the CFPB did not carry its burden of proving that restitution is appropriate in this case.”

- Defendants paid the nearly \$10.3 million judgment to the CFPB in March 2018 and assumed the matter was completed. However, rather than accept the judge’s order and the statutory penalty, the CFPB filed an appeal with the Ninth Circuit.
- At that point and throughout the litigation, the CFPB largely rejected various attempts to settle the matter. Instead, it informed the Company’s attorneys that it would “crush the Defendants” and “run them off the road” with legal costs. When ordered to mediate the claims before a former federal judge, the CFPB informed CashCall that it would need to review the tax returns and financial statements of Mr. Reddam before agreeing to anything suggesting that any settlement should leave Mr. Reddam on the brink of bankruptcy.
- On appeal, the CFPB adopted a position diametrically opposed to the one it had taken at the trial phase. At trial, it told the Court that it was seeking equitable rather than legal restitution for the specific purpose of denying Defendants the jury trial that comes with legal restitution. But on appeal, it claimed that it actually sought “legal, not equitable, restitution,” and that “the district court lacked discretion to deny that relief based on its view of the equities.” The CFPB conceded that it “did not make this argument below,” but asked the court to consider the argument regardless. The Ninth Circuit bought off on this about-face and in May 2022, reversed the District Court’s order and remanded the case back to the District Court with instructions.
- In February 2023, in response to the instructions in the Ninth Circuit Order, the District Court awarded the CFPB an additional \$23 million in penalties and \$134 million in restitution. Defendants were forced to post a bond in excess of \$170 million in mostly borrowed cash and other collateral (including Mr. Reddam’s home) to appeal the matter.
- CashCall hired Paul Clement of Clement & Murphy to file the appeal to the Ninth Circuit. There, we argued that the CFPB had wrongly engaged in a bait-and-switch by changing its legal theory after it had lost the claim at trial. At the very least, CashCall should have received a jury trial on the question of legal restitution (a right guaranteed by the Seventh Amendment of the United States Constitution).
- In January 2025, the Ninth Circuit affirmed the Order Upon Remand, greenlighting the CFPB’s tactics and holding that CashCall had waived its right to a jury trial.
- In March, 2025, CashCall filed a motion for reconsideration, arguing that under this Court’s then-existing precedents, there was nothing for CashCall to waive. CFPB had expressly requested “equitable” restitution, and binding precedent foreclosed any argument that CFPB’s request was actually legal in nature or subject to the Seventh Amendment. It argued that the panel’s waiver finding thus contravenes decisions from the Supreme Court, this Court, and multiple other courts of appeals

holding that there can be no waiver of a *known* right if assertion of the right “would have been futile under binding precedent” at the time of the purported waiver.

- In April 2025, the Ninth Circuit summarily denied the motion. Mr. Clement is currently preparing to file a petition for certiorari with the United States Supreme Court challenging the imposition of restitution on a variety of legal grounds, most notably the Ninth Circuit’s decision to allow the Bureau to completely change its legal theory after losing its initial attempt to obtain restitution. The deadline to file the petition is August 22, 2025.

III. THE CFPB’S CRUSADE AGAINST DEFENDANTS WAS UNWARRANTED AND VIOLATES NUMEROUS POLICIES PROMULGATED BY CURRENT CFPB LEADERSHIP

The filing and prosecution of this matter constitute one of the most egregious examples of the weaponization of consumer protection promulgated by the CFPB's previous leadership. It represents prosecutorial excess and governmental strong-arming at its absolute worst.

The tactics used by previous leadership to prosecute this case and others have been expressly repudiated by the new CFPB leadership. In April 2025, new CFPB Chief Legal Officer Mark Paoletta issued a memorandum revising and documenting the CFPB’s supervision and enforcement priorities. The Paoletta memo expressly rescinded “all prior enforcement and supervision priority documents.” In reviewing the priorities and prohibitions described in the Paoletta memo, it is clear that the current CFPB leadership would not have filed this case as it seems to violate several significant policy provisions described in the memo.

First, the Paoletta memo states that the Bureau “will respect Federalism” and “minimize duplicative enforcement where State regulators or law enforcement authorities are currently engaged in or have concluded an investigation into the same matter.” Here, the Bureau freely acknowledged throughout the litigation that its entire case was premised on bootstrapping state law, stating in its initial complaint that the alleged state law violations are the sole “predicate” acts of its UDAAP claims.

Likewise, the CFPB admitted that the sixteen subject states at issue in this matter were free to bring their own actions under state law for the exact conduct alleged in the CFPB’s complaint. Indeed, eight of those sixteen states brought actions based on these same facts, seeking to enforce the same state laws that the Bureau sought to enforce for itself. The other eight states chose not to bring claims for purported violations of the state laws upon which the Complaint rests – either in the exercise of their prerogative as sovereign, or because they simply do not agree with the Bureau’s interpretation of their own laws. Despite express statutory authorization to do so, *no* Subject State elected to join the CFPB’s suit underscoring the fact that the Bureau intentionally sought to trammel on traditional state prerogatives.

Of course, the CFPB's decision to duplicate state efforts was not by accident. The CFPB no doubt wanted to force Defendants to defend the very same claims on two separate fronts. This exponentially increased litigation and settlement costs consistent with the Bureau's mantra to "run Defendants off the road."

Next, the Paoletta memo states that the Bureau "shall not engage in price controls" and "will not pursue supervision under novel legal theories" but instead must focus on matters that "are clearly within its statutory authority."

The CFPB's primary goal in prosecuting this case was to institute price controls through interest rate caps -- not just on CashCall but all non-depository lenders. The CFPB could not impose or enforce interest rate caps through the front door as Congress has expressly barred it from doing so. As such, it devised a novel legal theory to achieve its goal through the back door. The CashCall Theory, as CFPB staff called it, was predicated on the newly formulated claim that collection on loans that carried interest rates over the state usury caps could serve as the predicate act of a federal UDAAP claim. Getting the court to sign off on this theory would allow the Bureau to do what Congress forbade it from doing -- policing interest rates. And that is precisely what happened here. The restitution the Bureau was awarded ties directly to interest paid by Borrowers.

Further, in filing the case against Defendants, then-Director Cordray expressly admitted that the CFPB considered collecting on loans in violation of state law to be abusive and it would not tolerate such practices. In doing so, he sought to establish a precedent by demonstrating the Bureau's willingness to use its UDAAP authority to challenge not just interest caps but any lending practices that violate any state law, which in turn would grant the Bureau *carte blanche* to bootstrap every violation of state law into a federal UDAAP.

Finally, the Paoletta memo states that the Bureau will "focus on actual fraud against consumers" where there are identifiable victims with actual damages as opposed to matters based on the Bureau's perception that consumers made wrong choices.

This case is a prime example of prior CFPB leadership violating that core principle. The trier of fact in this case found that "there simply was no evidence that Defendants decided to embark on an unlawful scheme to structure the Western Sky Loan Program to defraud borrowers. On the contrary, they saw a legitimate need for these types of loans and set out to establish a program that would permit Defendants to lawfully enter this market...Accordingly, the Court cannot conclude that Defendants acted in bad faith, resorted to trickery or deception, or have been guilty of fraud in connection with the origination of the loans that are issue in this case."

The court further concluded that the borrowers at issue got exactly what they bargained for. "The evidence indicated quite clearly that consumers received the benefit of their bargain—i.e., the loan proceeds."

Simply put, the finder of fact in this case found Defendants committed no fraud, engaged in no deception and provided the borrowers with exactly what they bargained

for. And yet, through legal warfare and sleight of hand, the CFPB was able to procure a judgment of nearly \$170 million.

The CFPB no doubt did not like the Western Sky loan program despite banks such as Wells Fargo and Bank of America offering loan products with similar or higher APRs. It targeted Defendants to protect consumers from what it deemed to be “poor choices” aiming to compensate those consumers even though such “restitution” would constitute a windfall under the Court’s clear findings of fact.

IV. THE CFPB HAS RECENTLY DISMISSED MANY ACTIONS THAT SHOULD NOT HAVE BEEN PROSECUTED AND GRANTED RELIEF TO ENTITIES WRONGLY TARGETED BY PREVIOUS LEADERSHIP

The Bureau has recently dismissed numerous actions that it determined should never have been filed or prosecuted by previous leadership. It has also walked away from judgments and settlements that it deemed were wrongly procured. These include:

- **SoLo Funds:** In February, 2025, the CFPB dropped its case against SoLo Funds, the fintech company it sued under the Biden Administration for allegedly deceiving borrowers over the true cost of loans on its platform. Russel Vought, the CFPB’s acting director who also leads the OMB, tweeted that the bureau “shockingly” tried to “destroy” SoLo, “which incurred millions in legal fees and had to lay off 30% of its workforce. More to come but the weaponization of ‘consumer protection’ must end.”

- **Navy Federal Credit Union:** On July 1, 2025, the CFPB terminated an earlier order against Navy Federal Credit Union and waived any alleged non-compliance related to it. This action effectively dropped the previous CFPB enforcement action against Navy Federal concerning allegations of illegal overdraft fees. The previous leadership at the CFPB had ordered Navy Federal to pay over \$95 million in fines and consumer redress for these alleged illegal surprise overdraft fees. The termination reduced or eliminated the fine entirely.

- **Capital One:** In the last days of the Biden administration, the CFPB sued Capital One for allegedly cheating its customers out of \$2 billion in interest payments on their savings accounts. The case involved a product that Capital One sold known as 360 Savings, which the bank advertised as having the best savings rate in the country. Capital One failed to tell some customers that it had another product with a higher savings rate. The case was dropped within days of the Trump administration taking over the Bureau.

- **Walmart:** The CFPB filed suit against Walmart in the final days of the Biden Administration, accusing the companies of deceptively steering delivery drivers to open accounts with a preferred provider in order for those employees to get instant access to their wages. However, the CFPB said these Branch accounts came with high fees and deceptive marketing and demanded that Walmart return \$10 million to allegedly harmed

drivers. The lawsuit was dropped by the CFPB in the first weeks of the Trump administration.

- **Zelle:** The parent company of Zelle, the peer-to-peer payment system, as well as some of the nation's largest banks, were sued by the CFPB in 2024 over accusations they failed to protect hundreds of thousands of consumers from rampant fraud on Zelle, in violation of consumer financial laws. The CFPB's lawsuit claimed hundreds of thousands of customers lost approximately \$870 million in funds to fraud over the seven years that Zelle had been in existence. The suit was dropped by the CFPB in March, 2025.
- **Rocket Homes Real Estate:** The CFPB dismissed a lawsuit filed in December 2024 alleging Rocket Homes engaged in illegal kickbacks in a mortgage scheme with real estate agents. The case was dropped as part of the mass dismissal of enforcement actions in February, 2025.
- **Heights Financial:** The Bureau dropped its lawsuit against Heights Finance in February 2025, which had been initiated in August 2023. The suit alleged that Heights Finance engaged in "loan churning" by pushing struggling borrowers to refinance their loans.
- **Townstone Financial:** In March 2025, the CFPB filed a request to vacate the settlement and dismiss a case against the lending company, aiming to make Townstone whole by returning the penalty. The suit filed in 2023 alleged discriminatory practices based on a "redlining screen" and radio content.
- **Reliant Holdings:** In April, 2025, the CFPB voluntarily dismissed its lawsuit against Reliant Holdings Inc., a Pennsylvania-based credit card company accused of charging over \$51 million in fees through high-cost membership programs. The case, filed in September 2024, alleged that Reliant's Horizon Card Services trapped consumers in costly programs with limited usability and difficult cancellation processes.

Current leadership of the CFPB determined that these matters should not have been brought and the defendants should not have been strong-armed into onerous settlements by previous leadership. They took action to correct these wrongs. We believe current CFPB leadership should follow that lead in this case for all of the reasons described above.

EXHIBIT C

From: Dan Baren <Dan.Baren@cashcall.com>
Sent: Wednesday, August 20, 2025 7:47 AM
To: Sisto, Brett (CFPB) <Brett.Sisto@cfpb.gov>
Cc: Brian D. Jedwab <bjedwab@gmail.com>; Dan Epstein <dan@epsteinco.co>
Subject: Re: final pdf

Brett, I hope you're doing well.

I'm reaching out to see if the agency has any thoughts on our submission or requires additional information from us.

We continue to believe that this case is a good one for enforcement discretion and vacatur. Our deadline is coming up for the cert petition before the Supreme Court (Sep 19), and we remain hopeful that we can bring this matter to a mutually agreeable conclusion before then.

We would be happy to get on a follow up call if you believe that would be helpful.

I look forward to hearing from you.

Dan

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From: Sisto, Brett (CFPB) <Brett.Sisto@cfpb.gov>
Sent: Friday, August 1, 2025 3:13:40 PM
To: Dan Baren <Dan.Baren@cashcall.com>
Cc: Brian D. Jedwab <bjedwab@gmail.com>; Dan Epstein <dan@epsteinco.co>
Subject: RE: final pdf

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Dan,

Thank you for providing this document. On our call I told you that we would provide you an update sometime this week. I am following up to let you know that the matter remains under consideration. While I cannot provide you a timeframe, we are hoping to respond more substantively soon.

If we have need of any additional information I will be sure to let you know.

Best,
Brett

From: Dan Baren <Dan.Baren@cashcall.com>
Sent: Friday, July 25, 2025 6:00 PM
To: Sisto, Brett (CFPB) <Brett.Sisto@cfpb.gov>
Cc: Brian D. Jedwab <bjedwab@gmail.com>; Dan Epstein <dan@epsteinco.co>
Subject: FW: final pdf

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Mr. Sisto,

Please see the attached correspondence addressing the questions/issues you raised during our meeting on Wednesday.

Daniel Baren, Esq.
General Counsel
CashCall, Inc.

EXHIBIT D

From: William McGinley <wjm@mcginleydc.com>
Sent: Friday, December 12, 2025 10:02 AM
To: Mark.R.Paoletta2@omb.EOP.gov; victoria.dorfman@cfpb.gov
Cc: Dan Baren <Dan.Baren@cashcall.com>; Brian Jedwab <bjedwab@gmail.com>
Subject: CFPB v. CashCall: FOR SETTLEMENT PURPOSES

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FOR SETTLEMENT PURPOSES

Mark & Victoria,

Thank you for taking the time to meet with us yesterday to discuss the CFPB matter and the impact that it has had on the company and its owner. It was helpful for us to hear your thoughts and concerns about what you see as issues that need to be addressed in order to resolve this matter and, in particular, the concerns you have about protecting consumers. We are committed to working jointly with you to formulate a plan that resolves your concerns and that can be submitted to Judge Walter for approval to bring this matter to a conclusion after 12 years. A settlement will permit the company to focus on its other business activities and create American jobs and will permit you to focus on ongoing matters that are consistent with the agency's current supervision and enforcement priorities.

To that end, the company would like to propose the following:

- The parties enter into a consent decree that establishes a fund of \$20,300,000 which would be available, on a first come basis, to compensate consumers who have not previously received restitution of any sort.
- The fund would be funded with the \$10.3mm that was previously paid (in 2018) as a penalty to the CFPB, plus an additional \$10,000,000 from the company or its owner.
- The fund would be administered by an administrator to be selected by the company, and it would send notice to every borrower who otherwise would be entitled to restitution under the judgment, giving them a reasonable period of time to respond.
- Consumers who responded in the appropriate manner would receive a payment from the fund equal to the amount of interest they paid above principal repayment.
- Any money remaining in the fund after the expiration of the term of the fund would revert back to the company

This would hopefully address your concerns, while allowing the company to survive and ensure that any intervenors are protected.

As I mentioned, we would also suggest that the Solicitor General' Office request an extension of the Supreme Court deadline past the current date of December 24. This will give us additional time to work through the issues you raised yesterday and to reach a resolution that addresses all of your concerns.

Given the immediacy of the Supreme Court deadline, it would be helpful if you could let us know your initial thoughts next week. We are, of course, available to meet again or discuss our proposal at your earliest convenience.

Thanks,
Bill

William J. McGinley

McGinley, PLLC
2550 M Street, NW
Washington, DC 20037
E; wjm@mcginleydc.com | P: (703) 966-7026

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EXHIBIT E

From: Dorfman, Victoria (Detailee) <Victoria.Dorfman@cfpb.gov>

Date: Friday, December 12, 2025 at 1:09 PM

To: William McGinley <wjm@mcginleydc.com>, Mark.R.Paoletta2@omb.EOP.gov <Mark.R.Paoletta2@omb.EOP.gov>

Cc: Dan Baren <dan.baren@cashcall.com>, Brian Jedwab <bjedwab@gmail.com>

Subject: Re: CFPB v. CashCall: FOR SETTLEMENT PURPOSES

Thank you for your email. We will examine the substance in detail. In the meantime, we will ask the SG to request another 30 day extension in the meantime.

EXHIBIT F

From: Dorfman, Victoria (Detaillee) <Victoria.Dorfman@cfpb.gov>
Sent: Tuesday, January 20, 2026 11:28 AM
To: William McGinley <wjm@mcginleydc.com>
Cc: Dan Baren <Dan.Baren@cashcall.com>; Brian Jedwab <bjedwab@gmail.com>; Mark.R.Paoletta2@omb.eop.gov;
PAUL.CLEMENT@CLEMENTMURPHY.COM
Subject: RE: CFPB v. CashCall: FOR SETTLEMENT PURPOSES

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Good afternoon, Bill,

Thank you again for bringing your clients in and apologies for the delay in responding as we were reviewing the materials and considering the proposal. At this time, we do not believe that additional efforts at settlement would be productive. Accordingly, the Solicitor General's office will be filing a response on the current timeline.

With kind regards,

Victoria

From: William McGinley <wjm@mcginleydc.com>
Sent: Friday, January 16, 2026 3:18 PM
To: Dorfman, Victoria (Detaillee) <Victoria.Dorfman@cfpb.gov>; Mark.R.Paoletta2@omb.eop.gov
Cc: Dan Baren <Dan.Baren@cashcall.com>; Brian Jedwab <bjedwab@gmail.com>
Subject: Re: CFPB v. CashCall: FOR SETTLEMENT PURPOSES

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Victoria,

Hope you are well. We have sent several emails inquiring about the status of your review of the proposed settlement offer and requesting a follow up call or meeting to continue the settlement discussions. We have not received a reply.

The current SCOTUS extension expires in early February, and we respectfully request the professional courtesy of a reply.

We look forward to hearing from you soon.

Thanks,
Bill

William J. McGinley

McGinley, PLLC
2550 M Street, NW
Washington, DC 20037
E; wjm@mcginleydc.com | P: (703) 966-7026

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From: William McGinley <wjm@mcginleydc.com>
Date: Monday, January 12, 2026 at 10:13 AM
To: Dorfman, Victoria (Detailee) <Victoria.Dorfman@cfpb.gov>, Mark.R.Paoletta2@omb.eop.gov <Mark.R.Paoletta2@omb.eop.gov>
Cc: Dan Baren <Dan.Baren@cashcall.com>, Brian Jedwab <bjedwab@gmail.com>
Subject: Re: CFPB v. CashCall: FOR SETTLEMENT PURPOSES

Victoria & Mark,

Good morning.

We wanted to gently check in to see if you have any questions or would like to schedule a call or meeting to continue the conversation regarding the proposed settlement discussed below.

Please let us know.

Many thanks,
Bill

Sent from an iPhone. Please excuse typos.

William J. McGinley

This would hopefully address your concerns, while allowing the company to survive and ensure that any intervenors are protected.

As I mentioned, we would also suggest that the Solicitor General' Office request an extension of the Supreme Court deadline past the current date of December 24. This will give us additional time to work through the issues you raised yesterday and to reach a resolution that addresses all of your concerns.

Given the immediacy of the Supreme Court deadline, it would be helpful if you could let us know your initial thoughts next week. We are, of course, available to meet again or discuss our proposal at your earliest convenience.

Thanks,
Bill

William J. McGinley

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