

**IN THE SUPERIOR COURT OF FULTON COUNTY  
ATLANTA JUDICIAL DISTRICT  
STATE OF GEORGIA**

**STATE OF GEORGIA, *ex rel.*  
CHRISTOPHER M. CARR, Attorney  
General of the State of Georgia,**

**Plaintiff,**

**v.**

**CASHCALL, INC., WS FUNDING, LLC,  
DELBERT SERVICES CORPORATION,  
J. PAUL REDDAM, WESTERN SKY  
FINANCIAL, LLC, and MARTIN A.  
WEBB,**

**Defendants.**

**CIVIL ACTION NO. 2013-CV-234310**

**JUDGE CRAIG L. SCHWALL, SR.**

**STIPULATED FINAL JUDGMENT AND ORDER**

Plaintiff State of Georgia, *ex rel.* Christopher M. Carr, Attorney General of the State of Georgia (the “State”), and Defendants CashCall, Inc., WS Funding, LLC, Delbert Services Corporation, J. Paul Reddam, Western Sky Financial, LLC, and Martin A. Webb (collectively, “Defendants”) hereby stipulate to the entry of this Stipulated Final Judgment and Order (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

**FINDINGS**

1. The Court has jurisdiction over this matter.
2. The State’s Second Amended Complaint alleges that Defendants participated in acts or practices in violation of Section 16-17-2 of the Georgia Payday Lending Act, O.C.G.A. §§ 16-17-1 through 16-17-10.

3. Defendants deny all of the allegations in the Second Amended Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendants admit the facts necessary to establish jurisdiction.

4. On October 31, 2016, the Supreme Court of Georgia issued an opinion, *inter alia*, affirming this Court's October 20, 2015 Order Granting Further Injunctive Relief, which ordered Defendants to pay \$15,279,872.95 to the registry of the Court and, thereafter, make quarterly deposits in the amount collected from Georgia borrowers.

5. Subsequent to the Supreme Court of Georgia's affirmance of the Order Granting Further Injunctive Relief, Defendants deposited \$16,017,803.29 in the registry of the Court, comprised of the amount required by this Court's prior order and money collected from Georgia borrowers. Previously, Defendants had deposited \$1,200,000 into a dedicated account.

6. Defendants and the State agree that this Order resolves all allegations in the Second Amended Complaint.

7. Defendants and the State waive all rights to appeal or otherwise challenge or contest the validity of this Order.

### **DEFINITIONS**

For purposes of this Order, the following definitions apply:

- A. "Covered Loan" means a loan originated by Western Sky to a Georgia Borrower.
- B. "Defendants" means all of the Individual Defendants and the Corporate Defendants, individually, collectively, or in any combination.
  - i. "Corporate Defendants" means CashCall, Inc., WS Funding, LLC, Delbert Services Corporation, and Western Sky Financial, LLC and their successors and assigns. For the avoidance of doubt, the terms "successors" and "assigns"

do not apply to persons or entities that purchased Covered Loans from the Corporate Defendants.

ii. “Individual Defendants” means J. Paul Reddam and Martin A. Webb.

C. “Effective Date” means the date this Order is entered by the Court.

D. “Georgia Borrower” means a borrower who obtained a loan from Western Sky while a resident of Georgia.

E. “Georgia Settlement Agreement” means this Stipulated Final Judgment and Order.

F. “Georgia Settlement Fund” means the funds, including any interest earned thereon, paid by Defendants to the State to be used for equitable relief pursuant to Section III of this Order.

G. “Person” means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.

## **ORDER**

### **I. MONETARY JUDGMENT**

#### **IT IS ORDERED THAT:**

A. Judgement in the amount of \$25,000,000 is entered in favor of the State against Defendants, jointly and severally.

B. Defendants are ordered to pay \$25,000,000 to the State, of which \$23,500,000 shall be paid to the Georgia Settlement Fund, \$1,000,000 shall be paid to the State as a civil penalty, and \$500,000 shall be paid to the State for the State’s attorneys’ fees and costs.

C. In no event shall Defendants be required to pay more than \$25,000,000 to the State.

D. Payment under this Order shall be made as follows:

- i. On the same day that this Georgia Settlement Agreement is filed in the Superior Court of Fulton County, Defendants and the State shall file a joint motion to obtain an order or orders from the Superior Court of Fulton County allowing payment to the Georgia Settlement Fund of (i) the \$16,017,803 previously paid to the registry of the Court pursuant to a court order dated October 20, 2015, and (ii) the \$1,200,000 previously paid by Defendants.
- ii. Within 15 days of the entry of the Georgia Settlement Agreement by the Superior Court of Fulton County, Defendants shall pay an additional \$1,282,197 to the Georgia Settlement Fund.
- iii. On or before June 30, 2017, Defendants shall pay an additional \$1,250,000 to the Georgia Settlement Fund.
- iv. On or before December 31, 2017, Defendants shall pay an additional \$1,250,000 to the Georgia Settlement Fund.
- v. On or before June 30, 2018, Defendants shall pay an additional \$1,250,000 to the Georgia Settlement Fund.
- vi. On or before December 31, 2018, Defendants shall pay an additional \$1,250,000 to the Georgia Settlement Fund.
- vii. On or before June 30, 2019, Defendants shall pay an additional \$1,500,000 to the State, of which \$1,000,000 shall be paid to the State as a civil penalty and \$500,000 for the State's attorneys' fees and costs.

- viii. The payments made pursuant to Subsections (ii) through (vii) shall be made by electronic fund transfer in accordance with instructions previously provided by a representative of the State.

## **II. ADDITIONAL MONETARY PROVISIONS**

### **IT IS FURTHER ORDERED THAT:**

A. Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any money paid pursuant to this Order.

B. Solely for the purposes of resolving a proceeding by or on behalf of the State to enforce its right to any payment or monetary judgment pursuant to this Order, and only as necessary, Defendants agree that they will not dispute the allegations in the Second Amended Complaint.

C. As to the obligations required by the Order, the facts alleged in the Second Amended Complaint establish all elements necessary to sustain an action by the State pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and the Order will have collateral estoppel effect for such purposes.

D. Defendants agree that \$1,000,000 of the judgment represents a civil penalty owed the State, is not compensation for actual pecuniary loss, and therefore, as to the Individual Defendants, is not subject to discharge under the Bankruptcy Code pursuant to 11 U.S.C. § 523(a)(7).

E. If Defendants are in default on any obligations under Section I, then the judgment amount, minus any payments previously made pursuant to this Section, becomes immediately due.

F. If Defendants fail to pay fully the amount due at the time specified, Defendants must cooperate fully with the State in all attempts to collect the judgment.

### **III. REDRESS COORDINATION**

#### **IT IS FURTHER ORDERED THAT:**

A. All money paid to the Georgia Settlement Fund pursuant to this Order shall be deposited into a fund maintained by the State or its designees to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any such equitable relief. The State shall have sole discretion to determine how consumer redress is administered, including sole discretion to determine whether a Georgia Borrower is eligible to receive redress and the amount of any such redress. If a representative of the State decides that direct redress to consumers is partially impracticable or money remains after redress is completed, the State may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Second Amended Complaint. Any money paid to the Georgia Settlement Fund not used for the equitable relief shall be deposited in the State of Georgia's Treasury as disgorgement. Defendants have no right to challenge, and shall have no liability for, any actions the State or its representatives may take pursuant to this Subsection.

B. Within 10 days of the Effective Date, Defendants shall engage a third party payment administrator ("Administrator") to facilitate restitution to Georgia consumers; provided, however, that (1) the Administrator shall be approved by a representative of the State prior to any engagement; and (2) all costs associated with establishing, providing notice of, operating, or otherwise administering the Georgia Settlement Fund shall be paid solely from the Georgia Settlement Fund.

C. Defendants shall provide sufficient borrower information to enable the State to efficiently direct the administration of consumer redress. If a representative of the State or the Administrator requests in writing any information related to redress, Defendants must provide it, in the form prescribed the State or the Administrator, within 14 days.

D. To obtain payment of any redress payment from the Georgia Settlement Fund, a Georgia Borrower must sign and return to the Administrator the Consumer Release attached hereto as Exhibit A.

#### **IV. LOAN RELIEF PROVISIONS**

##### **IT IS FURTHER ORDERED THAT:**

A. As of the Effective Date, Defendants shall discharge, cancel, release, forgive, and adjust to zero balance all Covered Loans they currently own, service, or collect;

B. Within 15 days of the Effective Date, Defendants shall provide the State with a complete list of the third parties to which Covered Loans were sold;

C. Within 45 days of the Effective Date, Defendants shall provide notice to third parties to which Covered Loans were sold that the loans should be deemed canceled, and also confirm to the State that they have fully complied with the notice provisions of this Subsection;

D. Within 45 days of the Effective Date, Defendants shall contact applicable credit bureaus to request that any reporting that they have made for Covered Loans be removed, and also confirm to the State that they have fully complied with the notice provisions of this Subsection; and

E. Within 60 days of the Effective Date, Defendants shall notify, by email and U.S. mail, those Georgia Borrowers whose Covered Loans Defendants currently own, service, or collect that their loans are discharged, canceled, released, forgiven, and adjusted to zero balance,

and also confirm to the State that they have fully complied with the notice provisions of this Subsection.

## **V. INJUNCTIVE RELIEF**

IT IS FURTHER ORDERED THAT Defendants and Defendants' officers, agents, servants, and employees are permanently restrained and enjoined from either directly or indirectly:

A. Targeting consumers within the State of Georgia with advertisements, offers, or solicitations for loans of \$3,000.00 or less with interest rates greater than 10 percent or otherwise in violation of Georgia law;

B. Making, offering, arranging, or acting as the agent in the making of loans of \$3,000.00 or less with interest rates greater than 10 percent or otherwise in violation of Georgia law;

C. Making, offering, arranging, or acting as the agent in the making of loans to Georgia residents unless and until they have obtained a license from the State of Georgia to do so;

D. Servicing or collecting any further payment on any Covered Loan; and

E. Selling, transferring, or assigning any Covered Loan held by any Defendant to any third party.

## **VI. COMPLIANCE AND ENFORCEMENT**

IT IS FURTHER ORDERED THAT:

A. Defendants must submit to the State notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against any Defendant within 14 days of its filing.



B. Any notices, statements, or other written documents required by this Order shall be provided by first class mail and email to the intended recipient at the address set forth below, unless a different address is specified in writing by the party changing such address:

For the State, to:

Timothy A. Butler  
Office of the Attorney General, State of Georgia  
40 Capitol Square, SW  
Atlanta, GA 30334  
TButler@law.ga.gov

For CashCall, WS Funding, Delbert and Mr. Reddam, to:

Joseph L. Barloon  
Thomas J. Nolan  
Skadden, Arps, Slate, Meagher & Flom LLP  
1440 New York Ave., NW  
Washington, D.C. 20005  
jbarloon@skadden.com  
thomas.nolan@skadden.com

For Western Sky and Mr. Webb, to:

William. J. Holley, II  
Parker, Hudson, Rainer & Dobbs LLP  
303 Peachtree Street, NE, Suite 3600  
Atlanta, GA 30308  
wholley@phrd.com

## **VII. GENERAL SETTLEMENT AGREEMENT PROVISIONS**

A. Defendants and the State acknowledge and agree: (1) that the enforceability of this Georgia Settlement Agreement is conditioned upon resolution of the *Parnell* Putative Class Action; (2) that this Georgia Settlement Agreement will not be filed with the Court unless the *Parnell* Putative Class Action is resolved within 10 days from the date on which this agreement is fully executed; and (3) that this Georgia Settlement Agreement will be deemed null and void if

the *Parnell* Putative Class Action is not resolved within 10 days from the date on which this agreement is fully executed.

B. By entering this Georgia Settlement Agreement, the State, to the extent permitted by law, hereby releases and discharges CashCall, WS Funding, Delbert, Mr. Reddam, Western Sky, and Mr. Webb, as well as their current, former, and future direct and indirect parent companies, agents, affiliates, subsidiaries, representatives, successors, predecessors-in-interest, related entities, and each of their respective servants, employees, officers, members, directors, attorneys, partners, heirs, insurers, vendors (including processing facilities) and assigns and any other person acting under their direction and control or on their behalf, including but not limited to Dan Baren and Delbert Meeks, including through any corporation, trust, or other device, from any and all claims, grievances, suits and causes of action arising out of or relating to the conduct alleged in the State's Second Amended Complaint, whether arising in contract, tort, statute, common law, criminal law, or any other theory of action, whether arising in law or equity, whether known or unknown, choate or inchoate, matured or un-matured, contingent or fixed, liquidated or unliquidated, accrued or un-accrued, asserted or un-asserted, based upon any fact, whether known or unknown, that happened prior to the Effective Date.

C. If any provision(s) of this Georgia Settlement Agreement is held to be invalid, illegal, unenforceable, or in conflict with the law of any jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

D. This Georgia Settlement Agreement represents the entire agreement between the parties hereto and a complete merger of prior negotiations and agreements.

E. This Georgia Settlement Agreement may be amended solely by written agreement signed by the Defendants or their authorized representatives and by an authorized representative of the State.

F. This Georgia Settlement Agreement may be executed in counterparts.

### **VIII. RETENTION OF JURISDICTION**

IT IS FURTHER ORDERED THAT this Court retains jurisdiction of this matter for solely for the purposes of construction, modification, and enforcement of this Order.

SO ORDERED, ADJUDGED, and DECREED this \_\_\_\_ day of \_\_\_\_\_, 2017.

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The Honorable Craig L. Schwall, Sr.  
Superior Court of Fulton County

**FOR PLAINTIFF**

**STATE OF GEORGIA**

Executed and agreed this 23 day of January, 2017

By:

  
Timothy A. Butler

*Counsel for Legal Policy & Deputy Solicitor General*

Charlene R. Swartz

*Assistant Attorney General*

Monica A. Sullivan

*Assistant Attorney General*

Andrew D. Chesser

*Assistant Attorney General*

**FOR DEFENDANTS**

**CASHCALL, INC.**

Executed and agreed this \_\_\_\_ day of \_\_\_\_\_, 2017

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

For: CashCall, Inc.

**WS FUNDING, LLC**

Executed and agreed this \_\_\_\_ day of \_\_\_\_\_, 2017

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

For: WS Funding, LLC

**FOR PLAINTIFF**

**STATE OF GEORGIA**

Executed and agreed this \_\_\_\_ day of \_\_\_\_\_, 2017

By: \_\_\_\_\_

Timothy A. Butler

*Counsel for Legal Policy & Deputy Solicitor General*

Charlene R. Swartz

*Assistant Attorney General*

Monica A. Sullivan

*Assistant Attorney General*

Andrew D. Chesser

*Assistant Attorney General*

**FOR DEFENDANTS**

**CASHCALL, INC.**

Executed and agreed this 19th day of January, 2017

By:  \_\_\_\_\_

Print Name: J. Paul Reddam

Title: CEO

For: CashCall, Inc.

**WS FUNDING, LLC**

Executed and agreed this 19th day of January, 2017

By:  \_\_\_\_\_

Print Name: J. Paul Reddam

Title: President

For: WS Funding, LLC

**DELBERT SERVICES CORPORATION**

Executed and agreed this 19th day of January, 2017

By: 

Print Name: J. Paul Reddam

Title: Director

For: Delbert Services Corporation

**J. PAUL REDDAM, INDIVIDUALLY**

Executed and agreed this 19th day of January, 2017

By: 

J. Paul Reddam, individually

**WESTERN SKY FINANCIAL, LLC**

Executed and agreed this \_\_\_\_ day of \_\_\_\_\_, 2017

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

For: Western Sky Financial, LLC

**MARTIN A. ("BUTCH") WEBB, INDIVIDUALLY**

Executed and agreed this \_\_\_\_ day of \_\_\_\_\_, 2017

By: \_\_\_\_\_

Martin A. ("Butch") Webb, individually

**DELBERT SERVICES CORPORATION**

Executed and agreed this \_\_\_\_ day of \_\_\_\_\_, 2017

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

For: Delbert Services Corporation

**J. PAUL REDDAM, INDIVIDUALLY**

Executed and agreed this 20<sup>th</sup> day of January, 2017

By: \_\_\_\_\_  
J. Paul Reddam, individually

**WESTERN SKY FINANCIAL, LLC**

Executed and agreed this 20<sup>th</sup> day of January, 2017

By: Martin A. Webb

Print Name: MARTIN A. Webb

Title: Member

For: Western Sky Financial, LLC

**MARTIN A. ("BUTCH") WEBB, INDIVIDUALLY**

Executed and agreed this 20<sup>th</sup> day of January, 2017

By: Martin A. Webb

Martin A. ("Butch") Webb, individually



## **EXHIBIT A**

### **CONSUMER RELEASE**

In consideration for the payment to me pursuant to the Stipulated Final Judgment and Order (“Order”) in the matter of the *State of Georgia v. Western Sky Fin., LLC, et al.* (Civil Action No. 2013-CV-234310), I hereby release and forever discharge CashCall, Inc., WS Funding, LLC, Delbert Services Corporation, J. Paul Reddam, Western Sky Financial, LLC and Martin A. (“Butch”) Webb, as well as their current, former and future direct and indirect parent companies, agents, affiliates, subsidiaries, representatives, successors, predecessors-in-interest, related entities and each of their respective servants, employees, officers, members, directors, attorneys, partners, heirs, insurers, vendors (including processing facilities) and assigns and any other person acting under their direction and control or on their behalf, including through any corporation, trust, or other device, from any and all claims, grievances, suits and causes of action arising out of the conduct alleged in the matter referenced above, whether arising in contract, tort, statute, or any other theory of action, whether arising in law or equity, whether known or unknown, choate or inchoate, matured or un-matured, contingent or fixed, liquidated or unliquidated, accrued or un-accrued, asserted or un-asserted, based upon any fact, whether known or unknown, that happened prior to the Effective Date of the Order, provided that such claim had not yet been filed in a court of law as of December 28, 2016; and I further acknowledge that the amount of any additional payment in such previously-filed action may be reduced or offset by the payment to me pursuant to the Order.