

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202</p> <hr/> <p>STATE OF COLORADO ex rel. JOHN W. SUTHERS, ATTORNEY GENERAL FOR THE STATE OF COLORADO, and JULIE ANN MEADE, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE,</p> <p>Plaintiffs,</p> <p>v.</p> <p>CASHCALL, INC., WS FUNDING, LLC, DELBERT SERVICES CORPORATION, and J. PAUL REDDAM,</p> <p>Defendants.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>JOHN W. SUTHERS, Attorney General PAUL CHESSIN, Senior Assistant Attorney General* Ralph L. Carr Colorado Judicial Center 1300 Broadway, 6th Floor Denver, Colorado 80203 Telephone: (720) 508-6012 Registration Number: 12695 *Counsel of Record</p>	<p>Case No.</p> <p>Courtroom</p>
<p>COMPLAINT</p>	

Plaintiffs, the State of Colorado ex rel. John W. Suthers, Attorney General for the State of Colorado, and Julie Ann Meade, Administrator, Uniform Consumer Credit Code (collectively the State), by and through the undersigned senior assistant attorney general, for their complaint, allege as follows:

I. INTRODUCTION

1. By this action, the State seeks to enjoin, preliminarily and permanently, defendants CashCall, Inc. (CashCall), WS Funding, LLC (WS Funding), Delbert Services Corporation (Delbert), and their principal, J. Paul Reddam (Reddam) (collectively defendants), from making or collecting illegal and usurious supervised loans to and from Colorado consumers without being licensed as a Colorado supervised lender and from otherwise violating the Colorado Uniform Consumer

Credit Code, § 5-1-101, *et seq.*, C.R.S. 2013 (Code), Colorado Consumer Protection Act, § 6-1-101, *et seq.*, C.R.S. 2013 (CPA), and Colorado Fair Debt Collection Practices Act, § 12-14-101, C.R.S. 2013, *et seq.* (CFDCPA). The State also seeks other appropriate relief, including consumer restitution, penalties, and other equitable relief.

2. In particular, CashCall, either in its own name or through its wholly owned subsidiary, WS Funding, takes assignment of, services, and collects consumer loans, with annual percentage rates (APRs) in excess of 12% – indeed, many loans have APRs in excess of 100% – ostensibly made by another entity, Western Sky Financial, L.L.C. (Western Sky). However, Western Sky is not a supervised lender licensed in Colorado authorized to make such loans. CashCall subsequently places or assigns some of the Western Sky loans, including loans in default, to Delbert, which then collects, or attempts to collect, the loans.

II. PARTIES

3. John W. Suthers is the duly elected Attorney General of the State of Colorado. He is authorized under CPA § 6-1-103 to enforce the CPA, and may bring a civil action against a person for engaging in deceptive trade practices. In such action, the State may seek injunctive relief to prohibit the person from violating the CPA, obtain consumer restitution, and collect civil penalties for violations of the CPA. *See* CPA §§ 6-1-110, 6-1-112, and 6-1-113.

4. The Administrator is the duly appointed Administrator of the Uniform Consumer Credit Code. She is authorized to enforce compliance with the Code, *see* Code §§ 5-6-101, *et seq.*; and may bring a civil action against a creditor for making or collecting charges in excess of those permitted by the Code. In such action, the Administrator may seek injunctive relief to restrain persons from violating the Code, obtain consumer restitution, and collect civil penalties for violations of the Code. *See* Code §§ 5-6-111, 5-6-113, and 5-6-114. She also is charged with enforcement of the CFDCPA, and is authorized to bring a civil action to restrain any person from any violation of the CFDCPA. In such action, in addition to injunctive relief the Administrator may seek consumer restitution and civil penalties. *See* CFDCPA § 12-14-135.

5. Defendant CashCall is a foreign company organized under the laws of California. At one time, it was a supervised lender licensed in Colorado. The Administrator issued it a supervised lender's license on September 5, 2003, license number 988277. However, in 2011, CashCall did not renew its license and its license expired on March 16, 2011. It currently is not licensed as a supervised lender in Colorado. It is, and at all relevant times was, regularly engaged in soliciting, making, taking assignment of, or collecting supervised loans in Colorado to and from Colorado consumers.

6. Defendant WS Funding is a foreign company organized under the laws of Delaware. It is a wholly owned subsidiary of CashCall. It is not, and at no relevant time was, authorized to transact business in Colorado. As used herein, CashCall includes WS Funding, unless otherwise specifically stated.

7. Defendant Delbert is a foreign company organized under the laws of Nevada. It currently is licensed in Colorado as both a supervised lender and collection agency. The Administrator issued it a supervised lender's license on January 7, 2011, license number 991244, and a collection agency license on February 22, 2010, license number 990897. It regularly collects, or attempts to collect, from Colorado consumers debts owed or due or asserted to be owed or due others. Among its Colorado collection accounts include supervised loans, including supervised loans in default, placed with it by CashCall.

8. Defendant Reddam is, and at all relevant times was: (a) an owner, officer, director, shareholder, or principal of; (b) directed, controlled, managed, participated in, supervised, was responsible for, or authorized the activities of; or (c) in the course of his business, vocation, or occupation engaged in; CashCall's, WS Funding's, and Delbert's businesses and transactions, including the acts and practices described herein. Reddam is, and at all relevant times was, CashCall's chief executive officer, president, director, and sole owner and shareholder; WS Funding's president and sole member, manager, and owner; and Delbert's sole owner and director. Reddam also at one time was Delbert's president.

III. GENERAL FACTS

CashCall's Business

9. CashCall is, and at all relevant times was, regularly engaged in the business of making, taking assignment of, or collecting personal loans to and from consumers. The principal amounts of these loans typically range up to \$10,000.00. The loans are payable in monthly installments and have terms typically ranging up to 84 months. The loans have annual percentage rates (APRs) that typically exceed 135%, and may exceed 300%.

10. In connection with its business, CashCall maintains, and at all relevant times maintained, a website, www.cashcall.com, through which it offers and solicits loans to consumers.

11. CashCall's website stated that "CashCall offers high-interest-bearing, unsecured loans to qualified borrowers who typically use the loans for one-time purchases and debt consolidation." The website stated that "CashCall offers \$2,600 loan product" and "personal loans that are not secured by personal property or collateral like a home or car. You can have your CashCall loan proceeds wired to your checking account in one business day after you provide all required

documentation and pending credit approval.”

12. Consumers may apply for loans directly through CashCall’s website, or via telephone or fax. Its website said: “Applications are processed entirely over the internet, phone, and fax.”

13. CashCall disburses the loan’s proceeds by electronically depositing the proceeds directly into the consumer’s checking or other bank account. Its website said: “Funds are wired into the borrower’s checking account generally within one day of the initial contact.”

14. Similarly, CashCall collects the loans by electronically withdrawing funds from the consumer’s bank account. CashCall also withdraws electronically other funds from the consumer’s account for payment of other additional fees or charges as may be due.

15. In September 2003, CashCall became licensed as a supervised lender in Colorado. In 2011, it did not renew its license and its license expired in March 2011. Since then, it has not been, and currently is not, a supervised lender in Colorado authorized under the Code to make, take assignment of, or collect supervised loans in Colorado.

CashCall Partners with Western Sky

16. Sometime in 2008 or 2009, CashCall, through its wholly owned subsidiary, WS Funding, began a relationship with Martin A. Webb (Webb) and one of Webb’s companies, Western Sky, a South Dakota company.

17. Webb claims to be an enrolled member of the Cheyenne River Sioux Tribe, a federally recognized Native American tribe. Webb is Western Sky’s sole owner, executive officer, and manager. Western Sky claims it is located on and operates from within the boundaries of the Cheyenne River Sioux Tribe’s reservation in South Dakota.

18. As does CashCall, at all relevant times Western Sky offered and solicited small, high-cost loans to consumers via the Internet. It advertised on television and through its website, www.westernsky.com. Similar to CashCall’s, at all relevant times Western Sky’s website said that it “offer[ed] personal loans of up to \$2,600. Personal loans that are not secured by personal property or collateral like a home or car. You can have your loan proceeds wired to your checking account in one business day after you provide all required documentation and pending credit approval.”

19. On its website and in its loan agreements, Western Sky claims that “[a]ll loans will be subject solely to the exclusive laws and jurisdiction of the Cheyenne River Sioux Tribe, Cheyenne River Indian Reservation.” Its loan agreements state

that they are “governed by the Indian Commerce Clause of the Constitution of the United States of America and the laws of the Cheyenne River Sioux Tribe.” They further state that “[n]either this Agreement nor Lender is subject to the laws of any state of the United States of America.”

20. At all relevant times, consumers applied for loans directly through Western Sky’s website.

21. Western Sky disbursed the loan’s proceeds by electronically depositing the proceeds directly into the consumer’s checking or other bank account.

22. Similarly, pursuant to the Western Sky loan agreements the consumer authorized Western Sky to debit and withdraw electronically funds from the consumer’s bank account for the scheduled monthly installments due under the loan. The consumer also authorized Western Sky to withdraw electronically other funds from the consumer’s account for payment of other additional fees or charges as may be due.

23. Further, the Western Sky loans: (a) require the consumer to “consent to the sole subject matter and personal jurisdiction of the Cheyenne River Sioux Tribal court;” (b) make the consumer “agree that no other state or federal law or regulation shall apply to this Loan Agreement, its enforcement or interpretation;” (c) subject the consumer to a \$29.00 late fee if an installment is not paid within 15 days of its due date; and (d) subject the consumer to a \$29.00 insufficient funds fee if any of the consumer’s payments are returned for insufficient funds.

24. All of Western Sky’s loans bear annual percentage rates in excess of 12%.

25. None of Western Sky’s loans exceed \$75,000.00.

26. Western Sky’s consumers use the loans primarily for personal, family, or household purposes.

27. Western Sky is not, and at no relevant time was, licensed in Colorado as a supervised lender authorized to make supervised loans.

28. On December 28, 2009, CashCall, through WS Funding, entered into an Agreement for the Assignment and Purchase of Promissory Notes (Purchase Agreement, attached as Exhibit 1).¹ Pursuant to the Purchase Agreement, Western Sky immediately assigns all loans it purportedly makes on a daily basis to CashCall. The loans are assigned with no payments having been received and with the full balances due. In return, CashCall pays Western Sky 5.02% of the assigned loans’ face amounts, or \$100,000.00 per month, whichever is greater. CashCall maintains a reserve account from which Western Sky funds the loans. CashCall

¹ The exhibit mistakenly names WS Funding as “WS Financial, LLC.”

performs and undertakes all collection efforts of the loans from the time of assignment. CashCall also agrees to “fully indemnify” Western Sky “for all costs arising or resulting from any and all civil, criminal or administrative claims or actions,” including fines, penalties, and attorney’s fees.

29. Also on December 28, 2009, CashCall, again through WS Funding, entered into an Agreement for Service with Western Sky (Service Agreement, attached as Exhibit 2).² Pursuant to the Service Agreement, CashCall provides Western Sky with marketing services, web site hosting and support, inbound and outbound customer services and support, loan application underwriting requirements review, toll free phone and fax numbers, and e-mail and text correspondence with customers. In particular, CashCall processes customer loan applications and inquiries; it collects customer information and performs an initial underwriting review. In return, Western Sky pays CashCall 2% of the face amount of all loans made.

30. And, again on December 28, 2009, CashCall, through WS Funding, provided \$500,000.00 in operating capital to Western Sky via an open ended line of credit. *See* Exhibit 3.³

31. On January 9, 2010, CashCall, this time in its own name, entered into a Service Agreement with Western Sky. This Service Agreement was identical to the December 28, 2009, Service Agreement, except that the fee Western Sky paid to CashCall was increased to 2.02% of the loan amounts. On February 1, 2010, CashCall, through WS Funding, entered into another Agreement for the Assignment and Purchase of Promissory Notes. This agreement was nearly identical to the Purchase Agreement (Exhibit 1); the main difference was an increase in CashCall’s purchase price to 5.145% of the assigned loans’ face amounts.

32. Western Sky claims that its loans are not subject to state usury or other consumer credit protection laws by reason of tribal immunity and preemption.

33. Through its relationship with Western Sky, CashCall similarly claims that the Western Sky loans it purchases, services, and collects are not subject to state usury or other consumer credit protection laws.

34. However, in *State ex rel. Suthers v. Western Sky Financial, L.L.C.*, Case No. 2011CV0638, the Denver District Court rejected Western Sky’s claims. It held that Western Sky’s loans were subject to, and violated, the Code. *See id.*, Order, dated April 15, 2013, reinstated May 23, 2013; *see also State ex rel. Suthers v. Western Sky Financial, L.L.C.*, 845 F.Supp.2d 1178, 1182 (D. Colo. 2011) (rejecting as lacking an “objectively reasonable basis” Western Sky’s contentions that the

² *See* n.1, *supra*.

³ *See* n.1, *supra*.

State's case "involves regulation of Indian affairs on an Indian reservation").

Delbert's Business

35. In 2010, Delbert began collecting debts from Colorado consumers that the consumers owed, or allegedly owed, to others. Among these Colorado collection accounts include loans in default placed with it by CashCall. These defaulted loans included loans ostensibly originated by Western Sky, but subsequently purchased by and assigned to CashCall.

36. Since 2010, Delbert collected, or attempted to collect, over 400 such Western Sky loans.

37. By Stipulation and Final Agency Order, dated March 16, 2011, the Administrator disciplined and fined Delbert \$11,300.00 for violating, by failing to include in its initial written communications with consumers the notices required by, CFDCPA § 12-14-105(3)(c) and (e).

The State's Investigation

38. Sometime in 2010, the Administrator learned that CashCall was affiliated in some way with Western Sky. On October 18, 2010, the Administrator wrote CashCall to inquire about this relationship. Among other things, the Administrator asked that CashCall describe its relationship with Western Sky and provide a list of all loans made to Colorado consumers pursuant to this relationship.

39. By letter, dated October 26, 2010, CashCall responded. It claimed that it did not begin "purchasing loans from Western Sky until March of 2010." It also claimed that it did not market loans to Colorado consumers, but only "purchases loans originated by Western Sky to Colorado consumers and services these loans after they are purchased." In response to the Administrator's request, it enclosed a list of such loans.

40. From this list, which contained over 200 Western Sky loans, the Administrator selected a sample to review.

41. The Administrator subsequently requested that CashCall provide a copy of its contract with Western Sky. By letter, dated November 30, 2010, through its attorneys, CashCall declined to do so. It stated that each of Western Sky's loans "makes clear that the law of the Cheyenne River Sioux Nation (and not United States state or federal law) applies to the loans." Therefore, it said it "did not see how your request is germane to any inquiry under the Colorado Uniform Consumer Credit Code." It also said that it was "not authorized by Western Sky to provide a copy of the agreement to you."

42. By letter, dated December 8, 2010, the Administrator renewed her

demand that CashCall provide a copy of the agreement between it and Western Sky, and that it do so by December 15, 2010. The Administrator further notified CashCall that, pursuant to Code § 5-2-303(7)(i), she could impose a penalty of \$200.00 per day should it fail to provide the agreement.

43. Again, CashCall refused to provide the agreement. By letter, dated December 15, 2010, through its attorneys, it said that “CashCall’s activity related to Colorado consumer [sic] is limited to its collection of loans that are assigned to it by Western Sky Financial and a few remaining loans sold to CashCall by state-chartered, federally regulated financial institutions.” It reiterated that the Western Sky loans are made by “a lender organized under the laws of the Cheyenne River Sioux Tribe” and that, as such, Western Sky loans “are not subject to United States state or federal law.” Specifically, it asserted that Colorado law did not apply to the Western Sky “loan terms.”

44. On December 21, 2010, the Administrator provided CashCall with a report of examination based on her review of the sample of Western Sky loans. The report noted a number of Code violations. These included: assessing charges, including returned check and late charges, in excess of those allowed by the Code; and servicing and collecting finance charges on loans made by an unlicensed lender. The Administrator demanded that CashCall take corrective action to remedy these violations. This included that it refund to consumers all finance and excess charges and that it implement measures to assure that the violations would not occur again in the future.

45. By letter, dated February 19, 2011, through its attorneys, CashCall refused. Again asserting that the Western Sky loans “are governed exclusively by the laws of the Cheyenne River Sioux Tribe,” it stated that the Code “does not apply to the Western Sky loans.” It therefore “decline[d] to take the actions” the examination report demanded.

46. To date, CashCall has not complied with the Administrator’s demands.

47. On October 22, 2012, the Denver District Court in *Western Sky, supra*, entered a Stipulated Order for Preliminary Injunction (Preliminary Injunction). Among other things, the Preliminary Injunction prohibited Western Sky “and those persons in active concert or participation with [Western Sky], whether for collection or otherwise,” from collecting Western Sky loans from Colorado consumers.

48. Defendants had notice of the Preliminary Injunction.

49. Subsequent to defendants’ having notice of the Preliminary Injunction, defendants continued, and continue, to collect, or to attempt to collect, Western Sky loans from Colorado consumers.

50. Defendants violated, and continue to violate, the Preliminary Injunction.

FIRST CLAIM FOR RELIEF
UNLICENSED LENDING – CODE

51. The State repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

52. Code § 5-2-301 prohibits a person from making or collecting supervised loans without a supervised lenders license.

53. By reason of the foregoing, CashCall and Reddam collected, and continue to collect, supervised loans without a supervised lender's license in violation of Code § 5-2-301.

54. By reason of the foregoing, defendants collected, and continue to collect, supervised loans made by an unlicensed lender in violation of Code § 5-2-301.

SECOND CLAIM FOR RELIEF
EXCESS FINANCE CHARGES – CODE

55. The State repeats and realleges paragraphs 1 through 50 and 52, above, inclusive, as if alleged herein.

56. Defendants' loans' finance charges exceed the finance charges allowable under Code § 5-2-201.

57. By reason of the foregoing, defendants charged, assessed, collected, or received excess charges in violation of Code §§ 5-2-202 and 5-2-203.

THIRD CLAIM FOR RELIEF
EXCESS INSUFFICIENT FUNDS CHARGES – CODE

58. The State repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

59. Defendants' insufficient funds fees exceed the fee authorized and allowable under Code § 5-2-202(1)(e)(II).

60. By reason of the foregoing, defendants charged, assessed, collected, or received excess charges in violation of Code §§ 5-2-202 and 5-2-203.

FOURTH CLAIM FOR RELIEF
EXCESS LATE CHARGES – CODE

61. The State repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

62. Defendants' late fees exceed the charge authorized and allowable under Code § 5-2-203(1)(a).

63. By reason of the foregoing, defendants charged, assessed, collected, or received excess charges in violation of Code §§ 5-2-202 and 5-2-203.

FIFTH CLAIM FOR RELIEF
CIVIL PENALTY TO CONSUMERS – CODE

64. The State repeats and realleges paragraphs 1 through 50, 52 through 54, 56, 57, 59, 60, 62, and 63, above, inclusive, as if alleged herein.

65. Defendants engaged in their loans, including making or collecting excess charges, in deliberate violation of or in reckless disregard of the Code.

66. CashCall has refused, and continues to refuse, to refund to consumers excess charges within a reasonable time after demand by the Administrator.

67. By reason of the foregoing, defendants are liable for the civil penalties provided by Code § 5-6-114(1)(b).

SIXTH CLAIM FOR RELIEF
CIVIL PENALTY TO ADMINISTRATOR – CODE

68. The State repeats and realleges paragraphs 1 through 50, 52 through 54, 56, 57, 59, 60, 62, and 63, above, inclusive, as if alleged herein.

69. Defendants' violations and course of conduct as alleged above are repeated and willful.

70. By reason of the foregoing, defendants are liable for the civil penalties provided by Code § 5-6-114(2).

SEVENTH CLAIM FOR RELIEF
UNLAWFUL CONTRACT PROVISIONS – CODE

71. The State repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

72. Western Sky's form loan agreements require the consumer to "consent to the sole subject matter and personal jurisdiction of the Cheyenne River Sioux Tribal Court."

73. Western Sky's form loan agreements make the consumer "agree that no other state or federal law or regulation shall apply to this Loan Agreement, its enforcement or interpretation."

74. By reason of the foregoing, defendants violated, and continue to violate, Code § 5-1-201(8).

EIGHTH CLAIM FOR RELIEF
CIVIL PENALTY TO THE STATE – CPA
UNLICENSED BUSINESS

75. The State repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

76. CashCall failed, and continues to fail, to obtain all governmental licenses required to engage in its loans.

77. By reason of the foregoing, CashCall and Reddam engaged, and continue to engage, in deceptive trade practices in violation of CPA § 6-1-105(1)(z).

NINTH CLAIM FOR RELIEF
FALSE REPRESENTATIONS – CFDCPA

78. The State repeats and realleges paragraphs 1 through 50, 52 through 54, 56, 57, 59, 60, 62, and 63, above, inclusive, as if alleged herein.

79. In connection with its collecting, or attempting to collect, Western Sky loans, Delbert sends communications to consumers stating that the consumers owe certain amounts due under the loans.

80. However, because the Western Sky loans are and were illegal, usurious, and unlicensed, and otherwise violated the Code, the consumers do not owe the amounts that Delbert in its communications claims is owed.

81. By reason of the foregoing, Delbert used, and continues to use, false, deceptive, or misleading representations or means in connection with the collection of any debt, including the false representation of the character, amount, or legal status of any debt.

82. By reason of the foregoing, Delbert and Reddam violated, and continue to violate, CFDCPA §§ 12-14-107(1)(b) and 12-14-128(1)(a).

TENTH CLAIM FOR RELIEF
DECEPTIVE TRADE PRACTICES – CPA

83. The State repeats and realleges paragraphs 1 through 50, 52 through 54, 56, 57, 59, 60, 62, 63, and 79 through 82, above, inclusive, as if alleged herein.

84. By reason of the foregoing, Delbert and Reddam made, and continue to make, false or misleading statements of fact concerning the price of goods, services,

or property.

85. By reason of the foregoing, Delbert and Reddam violated CPA § 6-1-105(1)(l).

ELEVENTH CLAIM FOR RELIEF
UNFAIR PRACTICES – CFDCPA

86. The State repeats and realleges paragraphs 1 through 50, 52 through 54, 56, 57, 59, 60, 62, 63, and 79 through 82, above, inclusive, as if alleged herein.

87. By collecting, or attempting to collect, Western Sky loans, Delbert used, and continues to use, unfair or unconscionable means to collect or attempt to collect any debt, including the collection of any amount unless such amount is expressly authorized by the agreement creating the debt or permitted by law.

88. By reason of the foregoing, Delbert and Reddam violated CFDCPA § 12-14-108(1)(a) and 12-14-128(1)(a).

TWELFTH CLAIM FOR RELIEF
DEFICIENT INITIAL COMMUNICATIONS – CFDCPA

89. The State repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

90. In a number of its initial written communications with consumers, Delbert does not include: (a) its mailing address; (b) the statement required by CFDCPA § 12-14-105(3)(c); or (c) the statement required by CFDCPA § 12-14-105(3)(e).

91. By Stipulation and Final Agency Order, dated March 16, 2011, the Administrator previously disciplined and fined Delbert \$11,300.00 for similar deficiencies in its initial written communications with consumers.

92. By reason of the foregoing, Delbert and Reddam violated, and continue to violate, CFDCPA §§ 12-14-105(3)(c), 12-14-105(3)(e), 12-14-128(1)(a), 12-14-128(4)(a), and Administrator Rule 2.01(2), 4 Code Colo. Reg. 903-1.

THIRTEENTH CLAIM FOR RELIEF
FAILURE TO SEND VALIDATION NOTICES – CFDCPA

93. The Administrator repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

94. In a number of its accounts, Delbert did not send to consumers, either within five days of its initial communication with the consumer or at all, the

validation notice required by CFDCPA § 12-14-109(1).

95. By reason of the foregoing, Delbert and Reddam violated, and continue to violate, CFDCPA §§ 12-14-109(1) and 12-14-128(1)(a).

FOURTEENTH CLAIM FOR RELIEF
FAILURE TO PROVIDE NOTICE – CFDCPA

96. The Administrator repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

97. In a number of its accounts, Delbert electronically withdrew funds from the consumers' bank accounts without first providing the consumers notice, no more than ten and no less than three days prior to its electronic withdrawal, of its intent to so debit the consumers' bank accounts.

98. By reason of the foregoing, Delbert and Reddam violated, and continue to violate, CFDCPA §§ 12-14-108(1)(b) and 12-14-128(1)(a).

FIFTEENTH CLAIM FOR RELIEF
HARASSMENT OR ABUSE – CFDCPA

99. The Administrator repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

100. At the time CashCall placed with Delbert a defaulted Western Sky loan for collection, Delbert knew, or should have known, that CashCall's pre-placement attempts to collect the loan by electronically withdrawing funds from the consumer's bank account were unsuccessful.

101. Further, Delbert knew, or should have known, that such unsuccessful electronic withdrawal attempts resulted in insufficient funds fees being charged to the consumer.

102. Nevertheless, in a number of accounts, after CashCall placed the defaulted loan with Delbert, Delbert continued to attempt to collect the loan by additional attempted electronic withdrawals from the consumer's bank account.

103. These additional attempted withdrawals resulted in additional insufficient funds fees being charged to the consumer.

104. By reason of the foregoing, Delbert and Reddam engaged in conduct the natural consequence of which is to harass, oppress, or abuse the consumer.

105. By reason of the foregoing, Delbert and Reddam violated, and continue to violate, CFDCPA §§ 12-14-106(1) and 12-14-128(1)(a).

SIXTEENTH CLAIM FOR RELIEF
UNCONSCIONABLE CONDUCT – CODE

106. The State repeats and realleges paragraphs 1 through 50, above, inclusive, as if alleged herein.

107. By continuing to collect Western Sky loans despite notice of the Preliminary Injunction, defendants engaged in a course of unconscionable conduct, including unconscionable debt collection.

108. By violating the Preliminary Injunction, defendants engaged in a course of unconscionable conduct, including unconscionable debt collection.

109. By reason of the foregoing, defendants violated Code § 5-6-112(1)(d).

WHEREFORE, the State demands judgment, as follows:

(i) pursuant to Code §§ 5-6-111, 5-6-112, and 5-6-113, preliminarily and permanently restraining defendants, and their officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the Code, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate, including, without limitation, requiring defendants to disgorge to the Administrator or make restitution to consumers of all amounts charged, assessed, collected, or received in violation of the Code;

(ii) pursuant to CPA § 6-1-110(1), preliminarily and permanently restraining defendants, and their officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from engaging in supervised lending or otherwise acting as a supervised lender without a license or otherwise committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the CPA, together with all such other relief as may be required to completely compensate or restore to their original position all consumers injured or prevent unjust enrichment of any person, by reason or through the use or employment of such practices, acts, conduct, or violations, or as may otherwise be appropriate, including, without limitation, requiring defendants to disgorge to the State or make restitution to consumers of all amounts charged, assessed, collected, or received in violation of the CPA.

(iii) pursuant to Code § 5-6-114(1)(a), for every loan as may be determined at trial or otherwise in which a consumer was charged a loan finance charge in

violation of the Code, ordering defendants to refund to each such consumer the loan finance charge plus a penalty in an amount to be determined by the Court not in excess of three times the amount of the loan finance charge;

(iv) pursuant to Code § 5-6-114(1)(a), for every loan as may be determined at trial or otherwise in which a consumer was charged an excess charge in violation of the Code, ordering defendants to refund to each such consumer the excess charge;

(v) pursuant to Code § 5-6-114(1)(b), for every loan as may be determined at trial or otherwise in which a consumer was charged an excess charge, ordering defendants to pay to each such consumer a civil penalty determined by the Court not in excess of the greater of either the amount of the finance charge or ten times the amount of the excess charge;

(vi) pursuant to Code § 5-6-114(2), ordering defendants to pay to the Administrator a civil penalty determined by the Court within the limits set forth by statute;

(vi) pursuant to Code § 5-6-114(1)(a), for every violation of the Code as may be determined at trial or otherwise, ordering defendants to pay to the Administrator a civil penalty within the limits set forth by statute;

(vii) pursuant to CPA § 6-1-112, for every violation of the CPA as may be determined at trial or otherwise, ordering defendants to pay to the State a civil penalty within the limits set forth by statute;

(viii) pursuant to CFDCPA § 12-14-135, preliminarily and permanently restraining Delbert and Reddam, and their officers, directors, agents, servants, employees, attorneys, heirs, successors, and assigns, from committing any of the practices, acts, conduct, transactions, or violations described above, or otherwise violating the CFDCPA; ordering Delbert and Reddam to make restitution to consumers of all amounts collected; and, for every CFDCPA violation as may be determined at trial or otherwise, ordering Delbert and Reddam to pay to the Administrator a civil penalty within the limits set forth by statute;

(ix) awarding interest as may be allowed by contract, law, or otherwise; and

(x) awarding the State the costs and disbursements of this action, including attorney's fees, together with all such further relief as the Court deems just.

Dated: Denver, Colorado
 December 16, 2013

JOHN W. SUTHERS

Attorney General

s/ Paul Chessin

PAUL CHESSIN, 12695*

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**AGREEMENT FOR THE ASSIGNMENT
AND PURCHASE OF PROMISSORY NOTES**

This Agreement for the Assignment and Purchase of Promissory Notes ("Agreement") is entered into this 25th day of December, 2009, by and between Western Sky Financial, LLC, ("Western Sky Financial") and WS Financial, LLC, a subsidiary of CashCall, Inc. ("Company").

WITNESSETH:

WHEREAS, Western Sky Financial is a South Dakota limited liability company incorporated under the laws of the State of South Dakota and the Cheyenne River Sioux Tribe, located on the tribal lands of the Cheyenne River Sioux Tribe; and

WHEREAS, WS Financial, LLC is in the business of lending money; and

WHEREAS, through its web site on the internet, Western Sky Financial has the potential to make loans; and

WHEREAS, Western Sky Financial desires to sell and assign to Company some of Western Sky Financial's loans; and

WHEREAS, Company desires to purchase some of the loans.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties hereto agree as follows:

1. Promissory Notes. Western Sky Financial lends money through an internet web site located at <http://www.westernskyfinancial.com>. The loans are memorialized by the borrowers electronically signing promissory notes in the form attached hereto as Exhibit "A" ("Notes").

2. Assignment and Purchase of Notes. Western Sky Financial agrees to assign the Notes on a daily basis to Company. Company hereby agrees to purchase from Western Sky Financial all loans made through www.westernskyfinancial.com as evidenced by the Notes.

3. Purchase Price. The purchase price to be paid by Company to Western Sky Financial for the Notes purchased shall be an amount of Five point Zero Two Percent (5.02%) per each approved and executed Note, payable upon assignment. Regardless of Notes purchased, minimum amount due and owing to Western Sky Financial from Company shall be as follows:

a. Five point Zero Two Percent (5.02%) for the first month of this Agreement, payable upon the execution of this Agreement and each month thereafter until March 1, 2010;

b. One Hundred Thousand Dollars and No Cents (\$ 100,000.00) payable March 1, 2010, and for each month of the Agreement thereafter.

Any purchased Credit Extensions/renewals shall be considered a new note and shall be purchased by Company in an amount of Five point Zero Two Percent (5.02%) of the face of each approved and executed Credit Extension/renewal, payable upon assignment.

All fees shall be settled weekly between the parties upon presentation of Weekly Settlement Statement, described more fully in Paragraph # 9.

Both parties agree that Western Sky may, at its sole discretion, waive the monthly minimum payment due to events out of the control of Company.

4. Criteria. Company shall only be obligated to purchase Notes which have been approved and executed by Western Sky Financial.

5. Fees. Company shall pay to Western Sky Financial a minimum monthly administration fee in the amount of Ten Thousand Dollars and No Cents (\$ 10,000.00), payable in advance no later than the day of execution of this Agreement and the first day of each month thereafter. In addition, Company shall be obligated to reimburse Western Sky Financial for any and all fees associated with such assignment and purchase, including but not limited to any additional office or personnel costs to Western Sky Financial, ACH, wiring or other bank fees, if any, upon presentation of invoice. In addition, Company shall be obligated to comply with all Western Sky Financial requests for audits and quarterly on-site inspections necessary for due diligence, which may be requested by Western Sky Financial from time to time, including third party audits, at Company expense, including but not limited to reasonable travel expenses.

6. Electronic Files. Within twenty-four (24) hours from the time that Company purchases the Notes, Western Sky Financial will transmit to Company electronic files on each of the Notes containing the signed promissory notes and all other loan documents.

Company also agrees to reimburse Western Sky Financial for all costs of all maintenance, repair and/or update costs associated with Western Sky Financial's server.

7. Representations By Western Sky Financial. Western Sky Financial hereby covenants, represents and warrants:

(a) That each borrower will meet the criteria as set by Western Sky Financial from time to time, as shown more fully in the Criteria Appendix provided by Western Sky Financial;

(b) That each Note has been fully executed (electronically) by the borrower and that such Notes are valid, legally binding obligations of the makers of the Notes, pursuant to the laws of the Cheyenne River Sioux Tribe;

(c) That no payments have been received on any of the Notes and the balances due on each of the Notes are the same as the face amounts of the Notes;

(d) That the making and performance of this Agreement by Western Sky Financial and the consummation of the transactions as herein provided have been duly authorized by all requisite corporate action, and that this Agreement and the subsequent assignments of Notes pursuant hereto, (i) will constitute the valid and binding obligations of Western Sky Financial, enforceable in accordance with their respective terms, (ii) will not violate any provision of law or regulation or any order or decree of the Cheyenne River Sioux Tribe and its respective courts, (iii) will not violate any provision of the Articles of Organization or Operating Agreement of Western Sky Financial or any other undertaking to which Western Sky Financial is a party or by which Western Sky Financial or any of its assets are bound or affected.

8. Reserve Account. Company shall open a demand deposit account in the name of Western Sky Financial at mutually agreed upon financial institution and shall carry a balance in an amount equal to the full value of two (2) days purchased notes calculated on the previous month's daily average, with an initial balance deposited by Company upon execution of this Assignment in the amount of One Hundred Thousand Dollars and no Cents (\$ 100,000.00). Thereafter, such Reserve Account balance shall be maintained at a two day average Assignment basis. Should any other bank utilized by Western Sky Financial require a longer time frame than two (2) days purchased notes value, Company agrees to supplement such Reserve Account to comply with such bank policy.

Such Account shall be debited by Western Sky Financial at end of business day for payment of purchased notes assigned to Company and to fund any unpurchased or unfunded Notes which were executed by makers prior to or unfunded prior to the termination of this Agreement. Such Account fund balance shall be reviewed and adjusted on a weekly basis, as per agreement of the parties.

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9. Settlement. Western Sky Financial will submit each Friday to Company a Weekly Settlement Statement for that week setting forth:

- (a) Names of the makers of the promissory notes;
- (b) Principal amount of each promissory note;
- (c) Summary of all the information available with respect to the makers and the promissory notes.

Upon presentation of Weekly Settlement Statement, Company agrees to pay any remaining balance due and owing for the purchase of such assigned notes no later than the following Monday of such week.

10. Collections. Company will assume all rights of Western Sky Financial and perform and be responsible for all collection efforts associated with all of the assigned notes from the time of the assignment. Company will follow all requirements of the Fair Debt Collection Practices Act when performing collection procedures.

11. Indemnification. Company agrees to fully indemnify Western Sky Financial for all costs arising or resulting from any and all civil, criminal or administrative claims or actions, including but not limited to fines, costs, assessments and/or penalties, which may arise in any jurisdiction. Such indemnification shall include all reasonable attorneys fees and legal costs associated with a defense of such claim or action.

12. Securities Act. Western Sky Financial represents and warrants that it has not, either directly or through an agent, offered any of the Notes for sale to, or solicited any offers to purchase any of the Notes from, or otherwise approached or negotiated in respect thereof with, any person or persons other than Company. Western Sky Financial agrees that it will not, either directly or through an agent, sell or offer any of the Notes or solicit any offers to purchase any of the Notes, or otherwise approach or negotiate in respect thereof with, any person or business entity other than Company.

13. Representation by Company. Company represents that it is acquiring the Notes for its own account, for the purpose of investment, and not with a view to the distribution or sale of any thereof.

14. Conditions. Companies obligation to purchase and pay for the Notes is subject to the accuracy and correctness of Western Sky Financial 's representations and warranties contained in this Agreement.

15. Term. Either party may terminate this Agreement with or without cause upon ninety (90) days' written notice, specifying the specific date and time of such termination.

16. Notices. All notices pursuant to this Agreement shall be delivered, or mailed by registered mail, postage pre-paid, addressed to the following:

WS Financial, LLC
Attention: J. Paul Reddam
1600 S. Douglass Road
Anaheim, CA 92806

Western Sky Financial, LLC
Attention: Butch Webb
PO Box 370
Timber Lake, SD 57656

17. Law Governing. This Agreement shall be construed in accordance with and governed solely by the laws and jurisdiction of the Cheyenne River Sioux Tribe, and by executing this Agreement, all parties consent to the sole jurisdiction of the courts of the Cheyenne River Sioux Tribe exclusively.

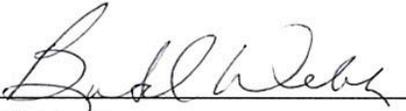
IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

WS Financial, LLC

Western Sky Financial, LLC

By: 

J. Paul Reddam, President

By: 

Butch Webb, Manager

Agreement for Service

THIS AGREEMENT FOR SERVICE ("Agreement") dated this 28th day of December, 2009, by and between Western Sky Financial, LLC, of P.O. Box 370, Timber Lake, SD, 57656 ("Western Sky Financial"), and **WS Financial, LLC a subsidiary of CashCall, Inc.**, of 1600 S. Douglass Road, Anaheim, CA 92806 ("SERVICE PROVIDER")

BACKGROUND:

1. Western Sky Financial is of the opinion that the Service Provider has the necessary qualifications, experience and abilities to provide services to Western Sky Financial.
2. SERVICE PROVIDER is agreeable to providing such services to Western Sky Financial on the terms and conditions as set out in this Agreement.
3. In furtherance of their agreement and pursuant to this Call Center Agreement for Service, Western Sky Financial hereby grants to SERVICE PROVIDER a non-exclusive license, to reproduce the name, trade name, trademarks and logos of Western Sky Financial (collectively, "Western Sky Financial Properties") during the term of this Agreement in connection with the Agreement on letters, print advertisements, the Internet, television and radio communications and other advertising and promotional materials (all such letters, advertising and promotional materials incorporating Western Sky Financial Properties and all related designs, artwork, logos, slogans, copy and other similar materials shall be referred to collectively herein as the "Promotional Materials"); *provided, however,* SERVICE PROVIDER shall submit all Promotional Materials to Western Sky Financial for its written approval prior to any use thereof and Western Sky Financial shall not unreasonably withhold such approval. All rights not expressly granted to SERVICE PROVIDER herein are reserved by Western Sky Financial. Regardless of whether they incorporate Western Sky Financial Properties, advertising and promotional materials for the Loans (A) shall prominently identify Western Sky Financial as maker of the Loans, (B) shall be accurate, (C) shall not be misleading, (D) shall comply with all applicable Cheyenne River Sioux Tribal Laws, and (E) shall be submitted to Western Sky Financial for prior approval, which shall not be unreasonably withheld or delayed; *provided, however,* that Western Sky Financial's approval shall not constitute any representation or warranty that the advertising and promotional materials are: accurate, not misleading or comply with all applicable laws.
4. In connection with SERVICE PROVIDER's performance of its obligations under this Agreement, it is expressly agreed that (A) Western Sky Financial shall not hold any ownership in SERVICE PROVIDER or possess a leasehold interest in SERVICE PROVIDER's offices or any personal property located therein, except that Western Sky Financial shall be the exclusive owner of all Notes and Loan

Documents as may be stored in SERVICE PROVIDER's computer servers and/or files from time to time, (B) no Western Sky Financial employees shall work in the SERVICE PROVIDER offices (except for Western Sky Financial auditors who may examine SERVICE PROVIDER's practices from time to time for compliance with Western Sky Financial Policies), and (C) other than as may be necessary to effectuate Section 2 of this Agreement, Western Sky Financial shall exercise no authority or control over SERVICE PROVIDER's employees or methods of operation. Neither SERVICE PROVIDER nor any of its employees, officers, directors, representatives or agents will hold themselves out as an agent or employee of Western Sky Financial.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Agreement agree as follows:

1. Services Provided

Western Sky Financial hereby agrees to engage SERVICE PROVIDER to provide Western Sky Financial with services as follows:

- A. Inbound/Outbound Customer Service Support, but not limited to underwriting requirements review, Customer service support, marketing services, lead purchase, suppression review, and web site hosting and support, pursuant to Western Sky Financial's practices, policies and procedures established by Western Sky Financial and communicated in writing to the SERVICE PROVIDER from time to time with respect to the services provided by SERVICE PROVIDER.
- B. Customer Services within rules and regulations contained in applicable laws and regulations.
- C. Assignment of a toll free phone and fax number.
- D. Electronic communications such as email and text correspondence with Customers.
- E. SERVICE PROVIDER will provide reporting and maintenance. Monthly reporting will begin immediately for all Customers 30 days past due.
- F. Mailings: This covers postage and materials associated with mailings, and monthly analytics / loan portfolio review data.
- G. SERVICE PROVIDER will comply, as determined by Western Sky Financial in Western Sky Financial's sole and absolute discretion, with the loan underwriting system as administered by Western Sky Financial.

- H. SERVICE PROVIDER shall inform Western Sky Financial within one business day after the discovery of any material breach in the security resulting in unauthorized intrusions that may materially affect Western Sky Financial or its customers.
- I. SERVICE PROVIDER shall track and notify Western Sky Financial of any complaints it receives from customers and the complaint resolution.
- J. SERVICE PROVIDER shall comply with all Western Sky Financial requests for audits and on-site inspections necessary for due diligence, which may be requested by Western Sky Financial from time to time, including third party audits, at SERVICE PROVIDER expense.

and such other services as Western Sky Financial and SERVICE PROVIDER may agree upon from time to time (the "Services"), and the Service Provider hereby agrees to provide such services to the Western Sky Financial. In addition, SERVICE PROVIDER may employ the services of third party contractors to perform any of the above referenced services or all above referenced services, however, such third party contractor services shall be subject to prior written approval of Western Sky Financial.

2. Term of Agreement

- A. The term of this Agreement will begin on the date of this Agreement and will remain in full force and effect for 12 months from the date of the Agreement with one year auto renewals, subject to earlier termination as provided in this Agreement, with the said term being capable of extension by mutual written agreement of the parties.
- B. In the event that Western Sky Financial wishes to terminate this Agreement at a date before the term has expired, it will be required to provide a notice period of Thirty (30) days.
- C. The obligations of SERVICE PROVIDER under this Agreement will terminate upon the earlier of SERVICE PROVIDER ceasing to be engaged by the Western Sky Financial or the termination of this Agreement by Western Sky Financial or SERVICE PROVIDER.

3. Performance

The parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

4. Compensation

- A. For the services rendered by SERVICE PROVIDER as required by this

Agreement, Western Sky Financial will pay to SERVICE PROVIDER compensation in the amount of Two Percent (2%) of the face value of each per approved and executed loan transaction and renewals plus an additional charges as may be documented in this Agreement. A review of the portfolio will be conducted at a minimum of every 6 months to determine if any adjustments to pricing and services are required, or more frequently as required by Western Sky Financial. Any such adjustments must be agreed to in writing by the parties and added to this Agreement.

- B. This compensation will be payable on a weekly basis, while this Agreement is in force. Invoices are generated on the next Tuesday following the billing week and are due by Friday of such billing week.
- C. Western Sky Financial is entitled to deduct from SERVICE PROVIDER'S compensation any applicable deductions and remittances as required by law.
- D. SERVICE PROVIDER shall reimburse Western Sky Financial for all costs billed to Western Sky Financial or California Company Ventures, associated with subcontracts and/or third party services upon presentation of invoice.

5. Additional Compensation

In the event that the parties agree that additional compensation may be applicable based upon additional services contracted, such compensation shall be pursuant to written agreement between the parties.

6. Provision of Extras

The set up fee is hereby waived by SERVICE PROVIDER.

7. Confidentiality

- A. SERVICE PROVIDER agrees that they will not disclose, divulge, reveal, report or use, for any purpose, any confidential information with respect to the business of the Western Sky Financial, which SERVICE PROVIDER has obtained, except as may be necessary or desirable to further the business interests of the Western Sky Financial. This obligation will survive indefinitely upon termination of this Agreement.
- B. Western Sky Financial is aware that SERVICE PROVIDER may at its discretion be contracting with third parties for Western Sky Financial data verification and software services, as such said use of these services by SERVICE PROVIDER and the information obtained in providing these services to the Western Sky Financial is confidential information except as may be necessary or desirable to further the business interests of Western Sky Financial, as determined in the sole

discretion of Western Sky Financial. All such subcontracts must be approved by Western Sky Financial in writing and in advance. All such subcontracts shall be in compliance with Western Sky Financial Policies and Standards, pursuant to the policies and standards adopted by Western Sky Financial. Third party and/or subcontract compliance with Western Sky Financial's Policies and Standards shall be subject to periodic review of Western Sky Financial, and such compliance shall be determined in the sole discretion of Western Sky Financial. This obligation will survive indefinitely upon termination of this agreement.

8. Non-Competition

SERVICE PROVIDER will not, during the continuance of this Agreement or within One (1) Year after the termination of this Agreement, be directly or indirectly involved with a business which is in direct competition with the particular Tribal Lending business model of Western Sky Financial, nor will SERVICE PROVIDER divert or attempt to divert from Western Sky Financial any business Western Sky Financial has enjoyed, solicited, or attempted to solicit, from other individuals or corporations, prior to termination of this Agreement.

9. Non-Solicitation

- A. Any attempt on the part of SERVICE PROVIDER to induce any person to leave the Western Sky Financial's employ, or any effort by SERVICE PROVIDER to interfere with the Western Sky Financial's relationship with its employees or other service providers would be harmful and damaging to the Western Sky Financial.
- B. SERVICE PROVIDER agrees that during the term of this Agreement and for a period of one (1) year after the termination of the Agreement, SERVICE PROVIDER will not in any way directly or indirectly:
 - I. induce or attempt to induce any employee or other service provider of Western Sky Financial to quit employment or retainer with Western Sky Financial;
 - ii. interfere with or disrupt Western Sky Financial's relationship with its employees or other service providers;
 - iii. discuss employment opportunities or provide information about competitive employment to any of the Western Sky Financial's employees or other service providers; or
 - iv. solicit, entice, or hire away any employee or other service provider of the Western Sky Financial.

10. Ownership of Materials

All materials developed, produced, or in the process of being so under this Agreement, will be the property of SERVICE PROVIDER. The use of the mentioned materials by Western Sky Financial will not be restricted in any manner.

11. Return of Property

Upon the expiration or termination of this Agreement, SERVICE PROVIDER will return to Western Sky Financial any property, documentation, records, or confidential information which is the property of Western Sky Financial, and Western Sky Financial will return to SERVICE PROVIDER any property, documentation, records, or confidential information which is the property of SERVICE PROVIDER.

12. Assignment

SERVICE PROVIDER will not voluntarily or by operation of law assign or otherwise transfer its obligations under this Agreement without the prior written consent of Western Sky Financial.

13. Capacity/Independent Contractor

It is expressly agreed that SERVICE PROVIDER is acting as an independent contractor and not as an employee in providing the Services under this Agreement. SERVICE PROVIDER and Western Sky Financial acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively a contract for service.

14. Modification of Agreement

Any amendment or modification of this Agreement or additional obligation assumed by either party in connection with this Agreement will only be binding if evidenced in writing signed by each party or an authorized representative of each party.

15. Notice

All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the parties of this Agreement.

16. Costs and Legal Expenses

In the event that legal action is brought to enforce or interpret any term of this Agreement, each party shall be responsible for its own legal costs and fees associated with the action.

17. Time is of the essence in this Agreement.

No extension or variation of this Agreement will operate as a waiver of this provision.

18. Entire Agreement

It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

19. Limitation of Liability

It is understood and agreed that absent willful or negligent acts, SERVICE PROVIDER will have no liability to the Western Sky Financial or any other party for any loss or damage (whether direct, indirect, or consequential) which may arise from the provision of the Services.

20. Enurement

This Agreement will enure to the benefit of and be binding on the parties and their respective heirs, executors, administrators, successors and permitted assigns.

21. Currency

Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in United States Dollars.

22. Titles/Headings

Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement.

23. Gender

Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

24. Governing Law

It is the intention of the parties to this Agreement that this Agreement and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the Cheyenne River Sioux Tribe, without regard to the jurisdiction in which any action or special proceeding may be instituted.

26. Dispute Resolution

- A. In the event a dispute arises out of or in connection with this Agreement the parties will attempt to resolve the dispute through friendly consultation.

B. If the dispute is not resolved within a reasonable period then any or all-outstanding issues may be submitted to mediation in accordance with any statutory rules of mediation. If mediation is not successful in resolving the entire dispute or is unavailable, any outstanding issues will be submitted to final and binding arbitration in accordance with the laws of the Cheyenne River Sioux Tribe. The arbitrator's award will be final, and judgment may be entered upon it by the Cheyenne River Sioux Tribal Court.

27. Severability

In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

28. Waiver

The waiver by either party of a breach, default, delay or omission of any of the provisions of this Agreement by the other party will not be construed as a waiver of any subsequent breach of the same or other provisions.

IN WITNESS WHEREOF the parties have duly executed this Service Agreement this 29th day of December, 2009.

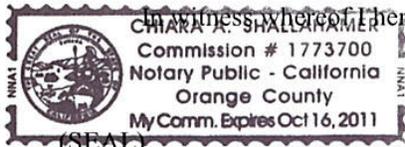
(Corp Seal)

WS Financial, LLC

By: [Signature]
J. Paul Reddam, President

STATE OF CALIFORNIA)
) SS
COUNTY OF Orange)

On this the 29th day of December, 2009, before me, Chiara A. Shallikar, the undersigned officer, personally appeared J. Paul Reddam, who acknowledged himself to be the President of WS Financial, LLC a subsidiary of CashCall, Inc., a California Corporation, and that he, as such member manager being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as President.



(SEAL) My Commission Expires: Oct. 16, 2011

[Signature]
Notary Public

Western Sky Financial, LLC

(Corp Seal)

By: Butch Webb

Butch Webb, Member

STATE OF SOUTH DAKOTA)
)
COUNTY OF DeWey)
)
SS

On this the 9th day of January, 2010, before me, Betty L. Strehlow, the undersigned officer, personally appeared Butch Webb, who acknowledged himself to be the Sole Member of Western Sky Financial, LLC, a South Dakota limited liability company, and that he, as such Sole Member being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as Sole Member.

In witness whereof I hereunto set my hand and official seal.

Betty L. Strehlow
Notary Public

(SEAL)
My Commission Expires: 07/29/2012

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PROMISSORY NOTE

This Promissory Note ("Note") is entered into this 28th day of December, 2009, by and between Western Sky Financial, LLC, ("Western Sky") and WS Financial, LLC, a subsidiary of CashCall, Inc. ("Company").

WITNESSETH:

WHEREAS, Western Sky is a South Dakota limited liability company incorporated under the laws of the State of South Dakota and the Cheyenne River Sioux Tribe, located on the tribal lands of the Cheyenne River Sioux Tribe; and

WHEREAS, Western Sky is in the business of lending money; and

WHEREAS, through its web site on the internet, Western Sky has the potential to make loans which exceed Western Sky's available capital and resources; and

WHEREAS, Western Sky desires to borrow sufficient capital to operate its business; and

WHEREAS, Company desires to loan Western Sky such capital at a mutually agreed interest rate.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties hereto agree as follows:

For value received, Western Sky promises to pay to Company, or its order, at the address listed below, the **PRINCIPAL** sum of not more than **Five Hundred Thousand Dollars and No Cents (\$ 500,000.00)** as a line of credit, in the form of mutual advances. The principal sum shown above is the maximum amount of principal Western Sky may borrow under this Note.

Open End Credit: The parties agree that Western Sky may borrow up to the maximum amount of principal more than one time.

Interest: Western Sky agrees to pay interest on the outstanding principal balance from the date of first advance at the rate of Six Percent (6%), based on a 365 day year basis.

Payments: Western Sky agrees to pay this Note as follows on a monthly basis, or at any time prior to such monthly anniversary date, as Western Sky may decide.

Notices. All notices pursuant to this Note shall be delivered, or mailed by registered mail, postage pre-paid, addressed to the following:

WS Financial, LLC
Attention: J. Paul Reddam
1600 S. Douglass Road
Anaheim, CA 92806

Western Sky Financial, LLC
Attention: Butch Webb
PO Box 370
Timber Lake, SD 57656

Law Governing. This Note shall be construed in accordance with and governed solely by the laws and jurisdiction of the Cheyenne River Sioux Tribe, and by executing this Note, all parties consent to the sole subject matter and personal jurisdiction of the courts of the Cheyenne River Sioux Tribe exclusively.

IN WITNESS WHEREOF, the parties have executed this Note on the date and year first above written.

WS Financial, LLC

Western Sky Financial, LLC

By: 
J. Paul Reddam, President

By: 
Butch Webb, Manager