

DISTRICT COURT, DENVER COUNTY, COLORADO Court Address: 1437 Bannock Street, Rm 256, Denver, CO, 80202	DATE FILED: January 21, 2014 10:08 AM CASE NUMBER: 2011CV638 <p style="text-align: center;">⚠ COURT USE ONLY ⚠</p>
Plaintiff(s) ST OF COLO EX REL JOHN W SUTHERS et al. v. Defendant(s) WESTERN SKY FNCL LLC et al.	
Order: Proposed Consent Judgment	

The motion/proposed order attached hereto: APPROVED.

The January 27, 2014 trial is VACATED.

Issue Date: 1/21/2014



MORRIS B HOFFMAN
 District Court Judge

DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, Colorado 80202	
STATE OF COLORADO ex rel. JOHN W. SUTHERS, ATTORNEY GENERAL FOR THE STATE OF COLORADO, and LAURA E. UDIS, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE, Plaintiffs, v. WESTERN SKY FINANCIAL, L.L.C., PAYDAY FINANCIAL, L.L.C., GREAT SKY FINANCE, L.L.C., REDSTONE FINANCIAL, L.L.C., RED RIVER VENTURES, L.L.C., HIGH COUNTRY VENTURES, L.L.C., FINANCIAL SOLUTIONS, L.L.C., GREEN BILLOW, L.L.C., BIG SKY, L.L.C., and MARTIN A. WEBB, Defendants.	▲ COURT USE ONLY ▲
	Case No. 2011CV0638 Courtroom 259
CONSENT JUDGMENT	

Plaintiffs, 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) and defendants, Western Sky Financial, L.L.C. (Western Sky), Payday Financial, L.L.C. (Payday Financial), Great Sky Finance, L.L.C. (Great Sky) Red Stone Financial, L.L.C. (Red Stone), Red River Ventures, L.L.C. (Red River), High Country Ventures, L.L.C. (High Country), Financial Solutions, L.L.C. (Financial Solutions), Green Billow, L.L.C. (Green Billow) (collectively the “corporate defendants”), and Martin A. Webb (Webb) (Webb and the corporate defendants are collectively referred to as the “defendants”), hereby consent to the entry of final judgment in this matter as embodied in this Consent Judgment, to resolve fully and finally the claims and issues in the above-captioned case, without trial or hearing, and to avoid the additional time and expense associated with continuing litigation.

The Court, having considered this matter and being otherwise fully advised

in the premises,

DOES HEREBY FIND, CONCLUDE, ORDER, DECREE, and ADJUDGE, as follows:

I. JURISDICTION AND VENUE

1.1 This Court has jurisdiction over the parties and the subject matter of this action to enter this Consent Judgment.

1.2 The State's Third Amended Complaint, dated August 23, 2013 (Complaint), which is fully incorporated herein by this reference, states claims against defendants pursuant to Colorado's Uniform Consumer Credit Code, § 5-1-101, *et seq.*, C.R.S. 2013 (Code), Fair Debt Collection Practices Act, § 12-14-101, *et seq.*, C.R.S. 2013 (FDCPA), and Consumer Protection Act, §§ 6-1-101, *et seq.*, C.R.S. 2013 (CPA).

1.3 The Court is authorized to issue the relief requested in the Complaint pursuant to the Code, FDCPA, and CPA.

1.4 Venue is proper in the City and County of Denver, Colorado.

II. PARTIES

2.1 Plaintiff 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.

2.2 Plaintiff Julie Ann Meade is the duly appointed Administrator of the Uniform Consumer Credit Code. She is charged with enforcement of the Code *See* Code § 5-6-104. In particular, she is authorized to bring a civil action to enforce compliance with the Code. In such action, she may seek injunctive relief to restrain a person from violating the Code, obtain consumer restitution, and seek civil penalties for Code violations. *See* Code §§ 5-6-111 to -114. She also is charged with enforcement of the FDCPA, and is authorized to bring a civil action to restrain any person from any violation of the FDCPA. *See* FDCPA § 12-14-135.

2.3 Except for Big Sky, L.L.C., the corporate defendants are or were South Dakota limited liability corporations. Big Sky, L.L.C., is not a separate company, but instead is a trade name of defendant Payday Financial.

2.4 Except for defendants High Country and Red River, Webb is, and at all relevant times was, the corporate defendants' sole manager, owner, and principal.

III. INJUNCTIVE RELIEF

3.1 Defendants and their officers; agents; servants; employees; attorneys; affiliates; subsidiaries; and heirs; together with the other parties described in CRCP 65(d); shall be, and hereby are, permanently enjoined from committing any violations of the Code, FDCPA, or CPA.

3.2 Defendants and their officers; agents; servants; employees; attorneys; affiliates; subsidiaries; and heirs; together with the other parties described in CRCP 65(d); shall be, and hereby are, permanently enjoined from offering, soliciting, making, or collecting consumer loans in Colorado.

3.3 Defendants and their officers; agents; servants; employees; attorneys; affiliates; subsidiaries; and heirs; together with the other parties described in CRCP 65(d); shall be, and hereby are, permanently enjoined from collecting, or attempting to collect, debts from Colorado consumers, including any loans that they made to Colorado consumers.

3.4 Defendants shall not sell, assign, transfer, or otherwise dispose of any loans that they made to, or collected, or attempted to collect, from Colorado consumers to the extent that they hold such loans. Instead, defendants immediately shall discharge, cancel, release, forgive, and adjust to a zero balance all such Colorado loans ("Colorado Loans").

3.5 Defendants represent that they never reported payments or non-payments to a consumer reporting agency regarding the Colorado Loans.

3.6 Defendants immediately shall use reasonable good faith efforts to provide a copy of this Consent Judgment to their officers, directors, agents, servants, employees, attorneys, affiliates, subsidiaries, heirs, successors and assigns, together with the other parties described in CRCP 65(d). Within thirty days of this Consent Judgment, defendants shall file a notice with the Court describing such reasonable good faith efforts.

IV. MONETARY RELIEF

4.1 Judgment of disgorgement shall, and hereby is, entered in favor of the State and against defendants, jointly and severally, in the amount of \$565,000.00.

4.2 Defendants shall pay this amount, payable to the "Colorado Attorney General," within 30 days after entry of this Consent Judgment by the Court.

Payment shall be deemed paid upon the State's receipt of the payment, and only upon such receipt.

4.3 All such payments shall be made payable to the "Colorado Attorney General". All amounts paid or collected pursuant to or under this Consent Judgment shall be held in trust by the Attorney General, including any interest earned thereon, to be used in his sole discretion for reimbursement of the State's costs and attorney's fees in this matter, consumer restitution, consumer or creditor educational purposes, or consumer credit or consumer protection enforcement efforts.

V. RELEASE

5.1. The State hereby waives and releases Defendants from any and all claims that the State brought or could have brought under the CPA, Code, or FDCPA, arising from the facts and circumstances alleged in the Third Amended Complaint. Further, the State agrees to dismiss its claim for contempt brought against Martin A. Webb.

5.2 By entering into this Consent Judgment, Defendants neither admit nor deny liability, nor do they waive any defenses they may raise elsewhere in other litigation not involving the State. Except as provided in § 7.7, this Consent Judgment supersedes this Court's prior judgments and orders, which are merged into and extinguished by this Consent Judgment, in accordance with *Carpenter v. Young*, 773 P.2d 561 (Colo. 1989).

VI. COOPERATION

6.1 Within 30 days of receipt of a written request from the State, any defendant must appear for a telephone interview, provide affidavits, or appear for a deposition (at Defendant's own expense if the deposition is in Timber Lake, South Dakota; at the State's reasonable travel expenses if the deposition occurs outside of Timber Lake, South Dakota). Defendants may have counsel present for any interview or deposition. Each corporate defendant must permit the State to interview any employee of said corporate defendant who agrees to such an interview. The person interviewed may have counsel present. Defendants' obligations under this section shall expire three years after the date of entry of this Consent Judgment.

6.2 So that the State may contact Webb, Webb shall keep the State advised of his current residence address, e-mail address, and telephone number.

VII. MISCELLANEOUS

7.1 It is the intent and purpose of this Consent Judgment to resolve fully and finally the issues between the State and defendants raised and alleged in this action, and only those issues. The omission from the Complaint or this Consent Judgment of other acts, conduct, or transactions, which might constitute other violations of the Code, FDCPA, or CPA, shall not be deemed approval by the State of such acts, conduct, or transactions.

7.2 This Consent Judgment shall in no way limit, constrain, abridge, abrogate, waive, release, or otherwise prejudice the right of any consumer to bring any private action under the law.

7.3 This Consent Judgment shall not be modified except in a writing signed by the parties or their authorized representatives and approved and entered by the Court.

7.4 This Consent Judgment shall be governed by Colorado law without regard to choice of law rules.

7.5 Any claims or causes of actions arising out of or based upon this Consent Judgment shall be commenced in the District Court for the City and County of Denver, Colorado, and defendants hereby consent to the jurisdiction, venue, and process of such Court. In the event of any such action or proceeding alleging or asserting a violation of or failure to comply with this Consent Judgment, this Consent Judgment shall be admissible in full.

7.6 This Court shall retain jurisdiction over this matter for the purpose of enabling any party to it to apply to the Court at any time for such further orders as may be necessary or appropriate for the construction, execution, or enforcement of, or compliance with or punishment for violations of, this Consent Judgment.

7.7 Except as otherwise provided herein or as a court previously may have awarded, each party shall bear its own costs and attorney's fees in connection with this matter.

7.8 Defendants have had the opportunity to be represented by legal counsel, and to consult with counsel for the State to negotiate a resolution of this matter. Defendants knowingly and voluntarily enter into this Consent Judgment and waive any right to a formal hearing on the matters forming the basis of this Consent Judgment and any right to appeal herefrom.

7.9 This Consent Judgment represents the entire agreement between the parties hereto and a complete merger of prior negotiations and agreements, and is binding upon the parties and their officers; agents; servants; employees; attorneys; affiliates; subsidiaries; and heirs.

7.10 On the date this Consent Judgment is signed by the Court, it shall be entered as and become a final judgment of the Court and such date shall be the Effective Date of this Consent Judgment for all purposes hereunder.

SO ORDERED, ADJUDGED, and DECREED this ____ day of _____, 2013.

By the Court:

District Court Judge

AGREED AND CONSENTED TO:

WESTERN SKY FINANCIAL, L.L.C., PAYDAY FINANCIAL, L.L.C., GREAT SKY FINANCE, L.L.C., RED STONE FINANCIAL, L.L.C., RED RIVER VENTURES, L.L.C., HIGH COUNTRY VENTURES, L.L.C., FINANCIAL SOLUTIONS, L.L.C., and GREEN BILLOW, L.L.C.,

Defendants

By: /s/ Martin A. Webb
Name: Martin A. Webb
Title: Manager

 /s/ Martin A. Webb
MARTIN A. WEBB, Defendant

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Attachment to Order - 2011CV638

AG ALPHA: LW UC HZHEQ
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