



## **PRESS RELEASE**

Colorado Department of Law  
Attorney General Cynthia H. Coffman

## **FOR IMMEDIATE RELEASE**

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### **Attorney General Cynthia H. Coffman Returns Nearly \$8 Million to Victims of Unlawful Lending**

DENVER—Colorado Attorney General Cynthia H. Coffman announced today that 5,000 Colorado consumers will share in millions of dollars after several lenders were ordered to repay excessive and illegal loan costs.

The Attorney General's Office reached a settlement agreement with CashCall, Inc., WS Funding, LLC, Delbert Services Corporation, and J. Paul Reddam to resolve allegations that they made, serviced, and collected high-cost loans in violation of Colorado's consumer credit protection laws. According to the Attorney General, Defendants made, serviced, and collected personal loans - some of which had annual percentage rates exceeding 355% - to over 5,000 Colorado consumers. In the most egregious cases, consumers paid over five times the amount they borrowed in unlawful fees and interest.

The consent judgment entered by the Denver District Court requires Defendants to pay \$7,384,005.12 in disgorgement and restitution. Attorney General Coffman is sending that money back to impacted consumers. The defendants also are permanently prohibited from directly or indirectly servicing, collecting, or attempting to service or collect consumer loans in Colorado.

"I am pleased to be returning money to Coloradans who were ripped off by these unscrupulous operators," said Coffman. "This is not the way we do business in our state."

This is the second settlement that the State of Colorado reached in connection with these loans. Defendants had an arrangement with Martin A. “Butch” Webb and his company, Western Sky Financial, LLC, that required Defendants to take assignment of the unlawful and usurious loans immediately after Western Sky originated them. In January 2014, the Denver District Court entered a consent judgment requiring Western Sky Financial, Webb, and other South Dakota lenders to pay \$565,000 to the State and permanently prohibited Mr. Webb and his companies from making or collecting consumer loans to Coloradans. Between these two settlements, nearly \$8 million will be returned to Colorado consumers. Checks have already been sent to impacted consumers.

To learn more about consumer loans and credit or debt collection in Colorado, to file a complaint, or to verify whether a supervised lender or debt collector is licensed in Colorado, please visit [www.coag.gov/ccu](http://www.coag.gov/ccu).

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