

BEFORE THE SUPERINTENDENT OF BANKING
OF THE STATE OF IOWA

IN THE MATTER OF:)	DIA Nos. 12IDB002, 13IDB001
)	IDOB File No.
)	2012-NRR 2003-0154
CashCall, Inc.)	
1600 South Douglass Road)	STIPULATION AND CONSENT
Anaheim, CA 92806,)	ORDER
)	
Respondent.)	

Pursuant to Iowa Code § 17A.10, the Iowa Superintendent of Banking (“Superintendent”) and CashCall, Inc. (“CashCall”) enter into this Stipulation and Consent Order settling a pending contested case. The Superintendent and CashCall, who hereby agree the consolidated contested cases shall be resolved without proceeding to hearing, stipulate to the following:

1. CashCall was issued an Iowa Nonresident Regulated Loan Company license on October 23, 2003.
2. The Respondent’s non-resident regulated loan company number NRR 2003-0154 is current and active until December 31, 2014.
3. The Superintendent filed a Statement of Charges against the Respondent on November 26, 2012.
4. Iowa’s Regulated Loan statute (Iowa Code chapter 536) requires separate regulated loan company license for each place of business where loans are made. As a result, on September 25, 2012 CashCall applied for two additional licenses in order to transact business at the following locations: 2125 E. Katella, Anaheim, California and 7125 Pollock Drive, Las Vegas,

Nevada.

5. The Superintendent denied CashCall's applications for additional licenses in Anaheim, California and Las Vegas, Nevada on November 19, 2012. CashCall appealed the Superintendent's decision to deny CashCall's license applications on January 4, 2013.
6. Pursuant to an agreement of the parties, the Administrative Law Judge consolidated the Statement of Charges and CashCall's appeal of the license denials into one case. This Stipulation and Consent Order resolves both the Statement of Charges the Superintendent filed against CashCall and CashCall's appeal of the denial of its license applications.
7. CashCall consents to the jurisdiction of the Superintendent solely for the purposes of entering into and enforcing this Stipulation and Consent Order, and for no other purposes. This Stipulation and Consent Order is not a waiver of any jurisdictional defenses that CashCall has asserted or may assert in the future, including that the lending activity conducted by Western Sky occurred on the Cheyenne River Indian Reservation and is subject solely to the exclusive laws and jurisdiction of the Cheyenne River Sioux Tribe.
8. The parties, in lieu of litigation, and without admitting wrongdoing, but intending to be bound upon approval of the Superintendent, voluntarily agree to the terms of this Stipulation and Consent Order. This Stipulation and Consent Order does not constitute evidence or admission regarding any issue of law or fact alleged by the Superintendent. Nothing contained

in this Stipulation and Consent Order shall be construed as an admission or denial by CashCall of any liability, wrongdoing or legal or factual issue, and this Stipulation and Consent Order may not be used as evidence of liability.

9. For the purposes of this Stipulation and Consent Order, the following terms shall have the following meanings:
 - a. “Cash to Borrower” shall mean the number listed in column titled “Cash to Borrower” in the spreadsheet provided by CashCall that would have been Exhibit 30 had this case proceeded to hearing on September 9, 2014.
 - b. “Covered Loan(s)” shall mean any loan(s) made by, originated by, funded by or otherwise involving Western Sky to an Iowa Borrower and subsequently transferred to WS Funding and serviced by CashCall and/or Delbert Services Corporation (“Delbert”).
 - c. “Iowa Borrower(s)” shall mean any individual(s) who entered into a Covered Loan while residing in Iowa.
 - d. “Total Payments Made by Borrower” shall mean the number listed in the column titled “Total Payments Made by Borrower” in the spreadsheet provided by CashCall that would have been Exhibit 30 had this case proceeded to hearing on September 9, 2014.
 - e. “Outstanding Principal Balance” shall mean an amount equal to the number in the column titled “Cash to Borrower” minus the

number in the column "Total Payments Made by Borrower." This amount shall be determined for each Iowa Borrower based on the numbers applicable to the individual borrower.

10. Upon the date of the Superintendent's approval of this Stipulation and Consent Order:
 - a. CashCall shall pay \$1,500,000.00 to the Iowa Superintendent of Banking, payable as follows: (i) \$375,000.00 within thirty days of the date this Stipulation and Consent Order is signed by the Superintendent, (ii) \$375,000.00 payable no later than March 1, 2015; (iii) \$375,000.00 payable no later than July 1, 2015, and (iv) \$375,000.00 payable no later than November 1, 2015.
 - b. The Superintendent shall use the money paid pursuant to Paragraph 10(a) in amounts determined to be appropriate by the Superintendent to (i) provide restitution to consumers; (ii) pay the costs associated with administering the payment of restitution to consumers; and (iii) pay the costs of this action. These payments and uses of money shall be repayment receipts for the purposes of state accounting requirements.
 - c. CashCall's non-resident regulated loan company license number NRR 2003-0154 shall be immediately **REVOKED**.
 - d. CashCall's appeal of the Superintendent's denial of its applications for two additional licenses in Las Vegas, Nevada and Anaheim, California are dismissed.

- e. CashCall will immediately cease and desist from making any loans of any kind to Iowa consumers.
- f. CashCall and/or Delbert will cease and desist from making any credit reports regarding Covered Loans to credit agencies; and, within 30 days of the date the Superintendent signs this Stipulation and Consent Order, CashCall and/or Delbert shall request removal of all reports made by CashCall and/or Delbert in regard to Iowa Borrowers to any credit reporting agency.
- g. CashCall and its affiliates and subsidiaries shall not seek to use or threaten to use any form of judicial proceeding to collect Covered Loans made to Iowa Borrowers.
- h. CashCall and its affiliates shall not sell or assign any Covered Loan to any third party.
- i. Within 30 days of the Superintendent's approval of this Stipulation and Consent Order, CashCall will reset the interest rate on the then Outstanding Principal Balance of all Covered Loans to 4%. The Outstanding Principal Balance shall be calculated by taking the Cash to Borrower and subtracting the Total Payments Made by Borrower.
- j. CashCall and/or Delbert shall not collect or attempt to collect any illegal fees or charges on covered loans. CashCall and/or Delbert shall conform the late fee on Covered Loans to Iowa Code section 537.2502(1)(b), which provides that CashCall and/or Delbert may

charge a late fee that does not exceed five percent of the unpaid amount of the installment, or a maximum of fifteen dollars.

11. Nothing in this Stipulation and Consent Order shall be construed to waive any individual right of action by an Iowa Borrower or any action by a local, state, federal or other governmental entity. The foregoing shall not be construed to prohibit CashCall from claiming that any amounts paid by the Superintendent to any Iowa Borrower out of the funds described in Paragraph 10(a) above may serve as a set-off or collateral source in any future proceeding brought by or on behalf of that Iowa Borrower. In the event that an individual action is filed by an Iowa Borrower, the Superintendent shall disclose to CashCall the amount(s), if any, paid to that Iowa Borrower pursuant to Paragraph 10(a) above within ten business days of receiving a written request from CashCall.
12. CashCall shall comply with all applicable laws of the State of Iowa.
13. To the extent not already provided under this Stipulation and Consent Order, CashCall shall, upon request by the Superintendent, provide all documentation and information necessary for the Superintendent to confirm compliance with the Stipulation and Consent Order.
14. CashCall shall take all reasonable steps to cooperate with the Superintendent in order to effectuate the terms of this Stipulation and Consent Order.
15. Any notices, statements or other written documents required by this Stipulation and Consent Order shall be provided by first class mail and

email to the intended recipient at the addresses set forth below, unless a different address is specified in writing by the party changing the address:

For the Superintendent, to:

Superintendent of Banking
200 East Grand Ave., Suite 300
Des Moines, Iowa 50319
Attn: Rodney Reed, Finance Bureau Chief
rod.reed@idob.state.ia.us

For CashCall, to

Katya Jestin
Neil M. Barofsky
Jenner & Block LLP
919 Third Avenue
New York, NY 10022-3908
kjestin@jenner.com
nbarofsky@jenner.com

16. This Stipulation and Consent Order shall be governed by the laws of the State of Iowa.
17. This Stipulation and Consent Order is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22.
18. This Stipulation and Consent Order is the resolution of a contested case. By entering into this Stipulation and Consent Order, CashCall waives all rights to a contested case hearing on the allegations contained in the Statement of Charges and on its appeal of the license denials, and waives any objections to this Stipulation and Consent Order.
19. This proposed settlement is subject to approval by the Superintendent. If this Superintendent fails to approve this settlement, it shall be of no force

or effect to either party. If the Superintendent approves this Stipulation and Consent Order, it shall be the full and final resolution of this matter.

20. The Superintendent's approval of this Stipulation and Consent Order shall constitute a FINAL ORDER of the Superintendent in a contested case.
21. This Stipulation and Consent Order contains the whole agreement between the parties. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Stipulation and Consent Order. This Stipulation and Consent Order may be amended in writing by mutual agreement of the parties and the Superintendent.
22. Enforcement of this Stipulation and Consent Order:
 - a. If CashCall fails to make any of the payments outlined in Paragraph 10(a), CashCall agrees the Superintendent may immediately file a civil action in the Iowa District Court for Polk County to enforce this Stipulation and Consent Order. CashCall further agrees to accept service of any such enforcement action by first-class mail and electronic mail to CashCall's legal counsel and that it will not object to the entry of an order by the Court, unless it can demonstrate it has made the required payment(s). In the event it becomes necessary to transfer the Polk County District Court judgment to another jurisdiction in order to collect said payments, CashCall agrees to accept service of any such action(s) by first-class mail and electronic mail to CashCall's legal counsel.

CashCall further agrees it will consent to entry of the Polk County District Court judgment in such other jurisdiction unless it can demonstrate it has made the required payment(s).

- b. If CashCall violates any other provision of this Stipulation and Consent Order, the Superintendent shall provide written notice of the alleged violation to CashCall. CashCall will have 30 days from the date of the written notice to respond and remedy the violations. If the parties are not able to resolve the alleged violation(s), the Superintendent may file a civil action in the Iowa District Court for Polk County to enforce this Stipulation and Consent Order and CashCall's legal counsel shall accept service via first-class mail and electronic mail.
- c. The Superintendent will not bring an enforcement action of any kind against CashCall; its predecessors in interest, lenders, present or future owners, members, directors, principals, officers, managers, agents, employees, successors, or assigns; agents in active concert or participation with any of the foregoing who are involved in the conduct of business that is the subject of the conduct at issue in the above docketed proceeding; and any corporation, company, business entity, or other entity or device through which CashCall may now or hereafter act or conduct the business that is the subject of the above docketed proceeding for any conduct arising out of or related to any matters at issue in the


above docketed proceeding, including but not limited to the servicing, advertising, marketing, soliciting, or collecting of the Covered Loans, or for any future servicing or collections of loans to Iowa Borrowers existing as of the execution date of this Stipulation and Order, provided that any such servicing or collection of any Covered Loan shall be performed in compliance with the terms of Paragraphs 10 and 12 herein. As provided in Paragraph 22(d), the Superintendent retains the right to bring enforcement actions for any other matter or against any other party (including, but not limited to any third-party debt buyers unaffiliated with CashCall, or such debt buyers' agents, employees, officers, or related persons, that are unaffiliated with CashCall), including for any action in violation of CashCall's obligations under this Stipulation and Consent Order.

- d. The Superintendent reserves all of his rights, duties, and authority to enforce all statutes, rules and regulation under his jurisdiction against CashCall in the future regarding all matters not at issue in the above-docketed proceeding. The Superintendent further reserves the right to take any conduct arising out of or related to any matters at issue in the above docketed proceeding, including this Stipulation and Consent Order, into consideration when making a decision whether to grant or deny a license application of any kind submitted by any of the persons or entities covered by

Paragraph 22(c).

This Stipulation and Consent Order is voluntarily submitted by CashCall to the Superintendent for his consideration on the 3 day of October, 2014.

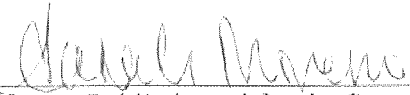
CashCall, Inc.



By J. Paul Reddam
Its President


Subscribed and sworn to me by J. Paul Reddam, the President of CashCall, Inc. on this 3 day of October, 2014.





Notary Public in and for the State of California

This Stipulation and Consent Order is accepted by the Iowa Superintendent of Banking on the 6th day of October, 2014.



James M. Schipper
Iowa Superintendent of Banking

cc:

Shauna Russell Shields
Regional Manager
Iowa Division of Banking
200 E. Grand Ave., Suite 300
Des Moines, Iowa 50319

Jessica Whitney
Assistant Attorney General
Consumer Protection Division
Hoover State Office Building
Des Moines, Iowa 50319

ATTORNEYS FOR STATE

Matthew G. Whitaker
WHITAKER HAGENOW & GUSTOFF, LLP
400 E. Court Avenue, STE 346
Des Moines, IA 50309

Katya Jestin
Neil M. Barofsky
Brian J. Fischer
JENNER & BLOCK LLP
919 Third Avenue
New York, NY 10022

Christopher Chiou
Jenner & Block LLP
633 West 5th Street
Suite 3600, Los Angeles, CA 90071

ATTORNEYS FOR RESPONDENT