

NOTIFY

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT

Civil Action No. SUCV2013-01616-B

CASHCALL, INC. and WS FUNDING, LLC,
Plaintiffs,

vs.

MASSACHUSETTS DIVISION OF BANKS,
Defendant.

CONSOLIDATED WITH

SUFFOLK, ss.

SUPERIOR COURT

Civil Action No. SUCV2013-01641-B

WESTERN SKY FINANCIAL, LLC,
a/k/a WESTERN SKY FUNDING, LLC,
a/k/a WESTERN SKY,
a/k/a WESTERNSKY.COM,
Plaintiffs,

vs.

MASSACHUSETTS DIVISION OF BANKS,
Defendant.

AND CONSOLIDATED WITH

SUFFOLK, ss.

SUPERIOR COURT

Civil Action No.

COMMONWEALTH OF MASSACHUSETTS
Plaintiff,

v.

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

FINAL JUDGMENT BY CONSENT

The Commonwealth of Massachusetts, by and through its Division of Banks and its Attorney General, Maura Healey, and Western Sky Financial LLC, Martin A. Webb, WS Funding, LLC, CashCall, Inc., Delbert Services Corporation, and J. Paul Reddam (collectively, the “Western Sky Entities”), consent to the entry of this Final Judgment by Consent (“Final Judgment”) and its provisions in order to resolve these matters and to avoid the time, expense, and uncertainty associated with litigation, and any related litigation or appeals, without further trial or adjudication.

WHEREAS, the Western Sky Entities acknowledge that this Court has subject matter jurisdiction over this action and expressly consent and agree to personal jurisdiction of the Commonwealth of Massachusetts solely for purposes of (i) executing the Consent of Western Sky Financial, LLC, Martin A. Webb, WS Funding, LLC, CashCall, Inc., Delbert Services Corp. and J. Paul Reddam to Entry of Final Judgment (“Consent,” attached hereto as Exhibit A.1); (ii) entry of this Final Judgment; and (iii) any necessary enforcement actions involving non-compliance by the Western Sky Entities with this Final Judgment (collectively, this “Action”); and

WHEREAS, the Western Sky Entities waive all rights of appeal and also waive the requirements of Rule 52 of the Massachusetts Rules of Civil Procedure;

IT IS HEREBY ORDERED AND ADJUDGED THAT:

I. PARTIES SUBJECT TO FINAL JUDGMENT

1. This Final Judgment shall extend to Western Sky Financial, LLC, Martin A. Webb, WS Funding, LLC, CashCall, Inc., Delbert Services Corporation, and J. Paul Reddam, as well as their agents, servants, employees, officers, affiliates, subsidiaries, representatives, attorneys, successors, heirs, and assignees, and any other person acting under their direction and

control, including through any corporation, trust, or other device, and it shall constitute a continuing obligation. For the avoidance of doubt, the terms “successors” and “assignees” do not apply to parties not subject to this Final Judgment that purchased loans from the Western Sky Entities.

2. Western Sky Financial, LLC a/k/a Western Sky Funding, LLC, a/k/a Western Sky, a/k/a WesternSky.com (collectively, “Western Sky”) is a South Dakota limited liability corporation with its principal place of business at 612 E Street, Timber Lake, South Dakota 57656.

3. Martin A. Webb (a/k/a “Butch Webb”) is, directly or indirectly, the owner and sole member of Western Sky.

4. CashCall, Inc. is a California corporation, with its principal place of business at One City Boulevard West, Suite 1000, Orange, California 92868.

5. WS Funding, LLC is a limited liability corporation incorporated in Delaware. WS Funding is a wholly owned subsidiary of CashCall, Inc.

6. Delbert Services Corporation (“Delbert”) is a Nevada corporation, with its principal place of business at 7125 Pollock Drive, Las Vegas, NV 89119. Delbert applied for, and obtained, a license to engage in the business of debt collection in the Commonwealth of Massachusetts, however, on April 4, 2013, the Division of Banks issued to Delbert a Temporary Order to Cease and Desist.

7. J. Paul Reddam is the Chief Executive Officer, president, sole director, and sole owner of CashCall, Inc.; and the director and sole owner of Delbert.

II. JURISDICTION AND VENUE

8. This Court has jurisdiction over the subject matter of this Action pursuant to G.L. c. 30A, § 14 (alternatively, G.L. c. 249, § 4), G.L. c. 93A, § 4, and G.L. c. 12, § 10, and personal jurisdiction over the Western Sky Entities pursuant to G.L. c. 223A, § 3, solely for purposes of this Action.

9. Venue is proper in Suffolk County pursuant to G.L. c. 93A, § 4 and G.L. c. 223, § 5, solely for purposes of this Action.

III. BACKGROUND

10. On April 4, 2013, pursuant to G.L. c. 140, §§ 96-114A and G.L. c. 93, §§ 24-24G, the Massachusetts Commissioner of Banks issued three administrative Cease Orders to (1) CashCall, Inc. and WS Funding; (2) Western Sky LLC; and (3) Delbert Services, Corp. and John P. Reddam to halt their unlicensed and usurious lending, servicing and debt collection practices. *See* Cease Order, *In the Matter of CashCall, Inc. & WS Funding, LLC*, Comm'r of Banks Small Loan Licensing Dkt. No. 2013-010 (Apr. 4, 2013)); Cease Order, *In the Matter of Western Sky Financial, LLC*, Comm'r of Banks Small Loan Licensing Dkt. No. 2013-011 (Apr. 4, 2013); and Temporary Order to Cease & Desist, *In the Matter of Delbert Services Corp. & John P. Reddam*, Comm'r of Banks Debt Collector Licensing Dkt. No. 2013-009 (Apr. 4, 2013). The Cease Orders further ordered these Western Sky Entities to refund any interest, finance charges, or other fees collected from Massachusetts consumers within four years of April 4, 2013, and ordered related relief.

11. Pursuant to G.L. c. 30A, § 14, in separate actions filed on May 1, 2013, and May 3, 2013, which actions were subsequently consolidated, certain of the Western Sky Entities sought judicial review of the Division of Banks' Cease Orders (the "DOB Actions"). *See Cash*

Call, Inc. and WS Funding v. Mass. Div. of Banks, Mass. Super. C.A. No. 13-1616B and *Western Sky Financial, LLC v. Mass. Div. of Banks*, Mass. Super. C.A. No. 13-1641C (consolidated cases). The Western Sky Entities' emergency motion to stay the Cease Orders pending resolution of the judicial actions was denied by this Court and affirmed on appeal in June 2013. The Western Sky Entities moved for judgment on the pleadings to which the Division of Banks responded and cross-moved for an Order enforcing the Cease Orders. The Division of Banks also sought an Emergency Motion for a Preliminary Injunction against dissipation of assets and to hold \$6.1 million in escrow pending resolution of the underlying litigation.

12. On August 31, 2015, this Court issued a decision and order on the Western Sky Entities' consolidated motion for judgment on the pleadings in the DOB Actions. *See* Memorandum of Decision and Order on Plaintiffs' Consolidated Motion for Judgment on the Pleadings and the Defendant's Motion for Order of Enforcement, C.A. Nos. 13-CV-1616-B (Paper No. 38) and 13-CV-1641-C (Mass. Super. Ct. Aug. 31, 2015) (Curran, J).

13. The Division of Banks consents to the entry of this Final Judgment, thereby resolving the pending DOB Actions in which it is the defendant (attached hereto as Exhibit A.2).

14. On October 6, 2015, pursuant to G.L. c. 93A, § 4 and G.L. c. 12, § 10, the Commonwealth of Massachusetts, by and through its Attorney General, (the "Commonwealth") commenced its own consumer protection action against the Western Sky Entities alleging that they, jointly and severally, engaged in unfair or deceptive acts or practices, in violation of G.L. c. 93A, § 2, in connection with their making, purchasing, servicing, and collecting of high-interest consumer installment loans to Massachusetts residents in violation of Massachusetts licensing and registration laws and with interest rates far in excess of rates allowable under G.L.

c. 140, § 96 and G.L. c. 271, § 49. The complaint seeks injunctive and declaratory relief, restitution, damages, civil penalties, and reasonable fees and costs, including attorneys' fees.

15. Also on October 6, 2015, the Commonwealth, the Division of Banks and the Western Sky Entities jointly moved the Court to consolidate the Commonwealth's consumer protection action with the pending DOB Actions.

16. The Western Sky Entities, the Commonwealth and the Division of Banks desire to resolve all pending claims in the consolidated actions through a single settlement.

IV. DEFINITIONS

17. For purposes of this Final Judgment, the following terms shall have the following meanings:

- a. "Borrower Payments" shall mean the total monetary payments made by the borrower to the Western Sky Entities concerning a Covered Loan, including all principal, interest, and fees collected.
- b. "Borrower Refund Amount" shall mean the amount that a Massachusetts Borrower who entered into a Covered Loan is eligible to receive from the Western Sky Entities. Borrower Refund Amount shall be calculated for a Covered Loan as follows:
 - i. For each Covered Loan, apply all of the Borrower's Payments to the Loan Proceeds.
 - ii. If an Excess Balance results (i.e., Borrower's Payments are greater than the Loan Proceeds), the Borrower Refund Amount shall be calculated by subtracting a 12% rate of interest from the Excess Balance. The interest shall be determined by subtracting the Loan Proceeds from the Collectable Amount.

For example, a loan of \$1,000 (Loan Proceeds) with a 12-month term, for which Borrower's Payments were \$1,076.53, would have an Excess Balance of \$76.53. The Collectible Amount for the original \$1,000 loan, with a 12-month term, at a 12% rate of interest is \$1,057.77, reflecting interest of \$57.77. The Borrower Refund Amount would be \$18.76.

- c. “Collectable Amount” shall mean the amount Western Sky Entities would have been able to collect in principal and interest on a Covered Loan, if the loan had been originated at an interest rate of 12% per annum. The Collectable Amount shall also account for the servicing history of each Covered Loan. The Western Sky Entities identified this calculation in the Refund List previously provided to the Commonwealth and the Division of Banks.
- d. “Covered Loan” shall mean a loan originated by Western Sky to a Massachusetts Borrower.
- e. “Effective Date” shall mean the date this Final Judgment is entered by the Massachusetts Superior Court, Suffolk County.
- f. “Excess Balance” shall mean the amount of Borrower’s Payments that exceeds the Loan Proceeds.
- g. “Loan Proceeds” shall mean the sum of money provided to a Massachusetts Borrower. Loan Proceeds shall not include any fees or charges assessed, such as an origination fee or prepaid finance charge or interest.
- h. “Massachusetts Borrower” shall mean a borrower who took out a loan from Western Sky while resident in Massachusetts.
- i. “Modified Loans” shall mean an Outstanding Loan with a New Balance for which the Western Sky Entities shall resume collections, on modified terms and conditions described herein.
- j. “New Balance” shall mean the amount of Loan Proceeds that exceeds the Borrower’s Payments.
- k. “Outstanding Loan” shall mean those loans that had not been charged-off by the Western Sky Entities or paid-off by a Massachusetts Borrower as of April 4, 2013.
- l. “Refund Eligible Borrower” shall mean any Massachusetts consumer who entered into a Covered Loan and has a Borrower Refund Amount greater than \$0.

V. PERMANENT INJUNCTIVE RELIEF

18. The Western Sky Entities are permanently enjoined from advertising, soliciting, brokering, purchasing, selling, assigning, or lending—including the making, financing, servicing, collecting, or assisting in such lending—any loans in Massachusetts unless specifically permitted

under Section VII of this Final Judgment.

19. The Western Sky Entities are permanently enjoined from specifically targeting Massachusetts residents with advertisements, offers, or solicitations for any loans.

20. The Western Sky Entities are permanently enjoined from engaging in any advertising, offers, or solicitations that are reasonably expected to reach Massachusetts residents with regard to loans that violate Massachusetts laws and regulations, including its usury laws, without disclosing that the loans are not available to Massachusetts residents.

21. The Western Sky Entities are permanently enjoined from referring any Massachusetts resident to any other lender, lead generator, or independent person to obtain a loan, whether or not affiliated with the Western Sky Entities.

22. The Western Sky Entities are permanently enjoined from selling the personal information of Massachusetts residents to any other lender, lead generator, or independent person, or otherwise using such personal information to target Massachusetts consumers with offers for any usurious loans.

23. The Western Sky Entities are permanently enjoined from buying or endorsing notes or furnishing guarantees or security for compensation for any loans to Massachusetts residents.

24. The Western Sky Entities are permanently enjoined from engaging in any unfair or deceptive, fraudulent, or illegal practices in violation of the Massachusetts Consumer Protection Act, M.G.L. c. 93A, in connection with the promotion or offering of financial goods or services to Massachusetts residents.

25. The Western Sky Entities are permanently enjoined from selling or assigning any Covered Loan.

26. The Western Sky Entities are permanently enjoined from representing to Massachusetts borrowers who qualify for Modified Loans that they must release or discharge any grievance, suit, cause of action, or claim against the Western Sky Entities to receive a loan modification pursuant to the terms of the Final Judgment.

27. The Western Sky Entities are permanently enjoined from applying for any type of license or registration with the Division of Banks.

VI. MONETARY RELIEF

28. Loan Analysis & Borrower Refunds.

- a. Within thirty (30) days of the Effective Date, the Western Sky Entities shall engage a third party payment administrator (“Administrator”) that is approved by the Commonwealth and the Division of Banks prior to any engagement, to facilitate the distribution of borrower refunds.
- b. The Western Sky Entities have evaluated each Covered Loan to determine if there is an Excess Balance and identify all Refund Eligible Borrowers. For each loan with an Excess Balance, any amount previously deemed owed shall be reduced to \$0 and these loans shall be designated “Paid in Full.”
- c. Within thirty (30) days of the Effective Date, the Western Sky Entities shall deliver the list of all Refund Eligible Borrowers to the approved Administrator, which list shall include the details regarding the borrower and the underlying Covered Loan and Borrower Refund Amount that may be reasonably necessary for the Administrator to discharge its duties under this Final Judgment. A copy of the list shall also be provided to the

Commonwealth and the Division of Banks simultaneously. The parties agree that the Borrower Refund Amounts shall be consistent with the amounts disclosed in connection with settlement negotiations, as set forth in the Refund List previously provided by the Western Sky Entities to the Commonwealth and the Division of Banks; provided, however, that the Western Sky Entities agree to correct any errors that are identified in the Refund List if such correction would benefit a Massachusetts Borrower. The parties further agree to work in good faith to resolve any disagreements concerning the Borrower Refund Amount information.

- d. Within sixty (60) days of the Effective Date, the Western Sky Entities shall direct the Administrator to deliver via postal mail and email, if applicable, to all Refund Eligible Borrowers, a "Notification of Refund Eligibility," which notifies borrowers of this Final Judgment and specifies the Borrower Refund Amount. The Western Sky Entities shall direct the Administrator to attempt to continue to locate and contact Massachusetts Refund Eligible Borrowers that they are unable to reach in accordance with the provisions of subsection (i) below. The Administrator shall work with the Commonwealth and the Division of Banks to draft appropriate and clear communications to Massachusetts Refund Eligible Borrowers to be made via mail and e-mail, consistent with the terms of this Final Judgment. The Administrator, Commonwealth and Division of Banks shall consider the Western Sky Entities' input on the drafting of these communications in good faith.

- e. The Western Sky Entities shall direct the Administrator to ensure that the Notification of Refund Eligibility clearly instructs the Refund Eligible Borrower to sign and return the document within thirty (30) days, and shall include a release of claims (in the form specified in Paragraph 48 below), to obtain the refund. The Western Sky Entities shall direct the Administrator to take appropriate measures to minimize fraud and promote accuracy, and send each Refund Eligible Borrower a check in the amount of the Borrower Refund Amount.
- f. On a monthly basis for eight (8) months from the Effective Date, the Western Sky Entities shall provide the Administrator with funds sufficient to reimburse all Refund Eligible Borrowers who returned a signed Notification of Refund Eligibility in the prior month, and the Administrator shall send a check to such borrowers within thirty (30) days of receipt of such form.
- g. All funds distributed by the Administrator shall be by check that is valid for ninety (90) days. The Western Sky Entities shall direct the Administrator to contact in writing, by mail or email, each Refund Eligible Borrower to whom such refund checks were issued, if such check has remained un-cashed for more than ninety (90) days. The Refund Eligible Borrowers may, if they contact the Administrator thereafter, have such un-cashed checks re-issued either by the Administrator, if within eight (8) months of the Effective Date, or by the Commonwealth's Treasurer thereafter. If such contacts are made by a Refund Eligible Borrower

outside of the window for claims submission through the Administrator (by return of the signed Notification of Refund Eligibility), the Western Sky Entities shall direct the Administrator to refer the Refund Eligible Borrower to the appropriate contacts at the Commonwealth Treasury, Unclaimed Property unit.

- h. The Western Sky Entities shall direct the Administrator to publicize this Final Judgment to maximize reasonable notice to Refund Eligible Borrowers by placing advertisements in Massachusetts newspapers (hard copy and online) within thirty (30) days of the Effective Date, and then again within one hundred twenty days (120) of the Effective Date. The Western Sky Entities shall direct the Administrator to maintain a website with the terms and conditions of the Final Judgment as well as information by which Refund Eligible Borrowers may contact the Administrator to inquire as to their refund eligibility, verify or update their contact information, and learn of the procedures to obtain refunds.
- i. The Western Sky Entities shall direct the Administrator to make all reasonable efforts including by written letter, email, or telephone, to locate or follow-up with all Refund Eligible Borrowers who (i) the Administrator did not successfully contact within the period described in subsection (d) above because of incorrect or unavailable contact information; (ii) did not submit a claim within thirty (30) days of the Administrator's attempt to contact the borrower; or (iii) submitted a claim but whose refund payment was returned. Such reasonable efforts shall include, but not be limited to,

the use of commercially-available databases and public records and follow-up correspondence. If contact information for the borrower is identified, the Western Sky Entities shall direct the Administrator to, within seven (7) days, send Notification of Refund Eligibility to the Refund Eligible Borrower at the new address or, if a refund payment was previously returned, the refund payment.

- j. The Western Sky Entities shall direct the Administrator to provide the Commonwealth, the Division of Banks, and the Western Sky Entities a monthly report that provides the following information for each separately identified Refund Eligible Borrower: (i) claims received; (ii) claims paid; (iii) total number of claims received; (iv) total amount paid; and (v) number of Refund Eligible Borrowers yet to file claims and subsequent efforts made to contact them. The Western Sky Entities shall direct the Administrator to, upon request of the Commonwealth or the Division of Banks, provide all documentation and information necessary to confirm compliance with the Final Judgment.
- k. All communications with Refund Eligible Borrowers and procedures shall be subject to review and approval by the Commonwealth and the Division of Banks. The Administrator, the Commonwealth, and the Division of Banks shall in good faith consider the Western Sky Entities' input with respect to these communications and procedures.
- l. The Western Sky Entities shall cover the costs of the Administrator and expenses incurred in providing notice and processing reimbursements. In

no event shall the Commonwealth or the Division of Banks be liable for any costs associated with the provision of reimbursements to Refund Eligible Borrowers in Massachusetts.

- m. The Commonwealth or the Division of Banks shall have the right to remove and replace the Administrator for failing to comply with the terms of the Final Judgment or otherwise acting improperly.
- n. In no event shall the Commonwealth or the Division of Banks have any liability to the Western Sky Entities, the Administrator or Massachusetts Refund Eligible Borrowers in connection with the provision of reimbursements to Refund Eligible Borrowers.

29. Escheat to Commonwealth of Massachusetts. In no event shall the Western Sky Entities retain any Borrower Refund Amounts. If consumer refunds cannot be distributed for any reason after eight (8) months from the Effective Date, then the Western Sky Entities or the Administrator shall turn over the unclaimed refunds to the Commonwealth's Treasurer as unclaimed property in the name of the consumers, in accordance with Massachusetts law.

30. Civil Penalties & Attorneys' Fees. Pursuant to G. L. c. 93A, § 4, a judgment is hereby entered against the Western Sky Entities, jointly and severally, for the sum of \$453,231 (the "Judgment Amount"), subject to the provisions set forth below. Of this Judgment Amount, \$388,231 shall be designated as civil penalties, and \$65,000 shall be designated as attorneys' fees and costs.

- a. Upon entry of this Final Judgment, the Western Sky Entities, jointly and severally, shall pay the Commonwealth \$65,000 in attorneys' fees and costs.

- b. Upon entry of this Final Judgment, the Western Sky Entities, jointly and severally, shall pay the Commonwealth \$194,115.50 of the civil penalties.
- c. The remaining \$194,115.50 of the Judgment Amount shall be suspended (the "Suspended Amount") for a period of three years from the date of entry of this Final Judgment (the "Suspension Period"), provided that the Western Sky Entities comply with the provisions of this Final Judgment. If this Court determines that the Western Sky Entities have failed to comply with any provision in this Final Judgment during the Suspension Period, then the Western Sky Entities, jointly and severally, shall pay the Suspended Amount, together with any additional penalties or interest assessed by a Court, as well as the Commonwealth's reasonable attorneys' fees and costs incurred for the enforcement of this Final Judgment. At the conclusion of the Suspension Period, the Suspended Amount shall be permanently suspended unless either (i) the Court has made a finding that the Western Sky Entities have violated the terms of this Final Judgment; or (ii) the Commonwealth or the Division of Banks has petitioned the Court for relief relating to alleged noncompliance with the terms of the Final Judgment, and the Court has not yet determined whether relief is warranted as of the conclusion of the Suspension Period. If, as to (ii), the Court determines that relief is not warranted, then the Suspended Amount shall be permanently suspended upon such a determination.
- d. Any payments required pursuant to this Final Judgment shall be made by certified or cashier's check payable to the "Commonwealth of

Massachusetts” and delivered to Francesca L. Miceli, Assistant Attorney General, Consumer Protection Division, Office of the Attorney General, One Ashburton Place, 18th Floor, Boston, MA 02108.

VII. CONSUMER RELIEF

31. Credit Report Remediation. Within sixty (60) days of the Effective Date, for each Covered Loan, whether currently or previously owned by the Western Sky Entities, the Western Sky Entities shall notify all credit agencies that maintain a record of the loan that any credit reporting by the Western Sky Entities corresponding to a Covered Loan should be removed for all Massachusetts borrowers.

32. Modified Loans. Within thirty (30) days of the Effective Date, the Western Sky Entities shall evaluate each Covered Loan to determine if there is a New Balance. To the extent a Covered Loan has a New Balance and the loan is an Outstanding Loan, the Western Sky Entities may collect the New Balance pursuant to the terms describe below:

- a. The Western Sky Entities shall recalculate the monthly payments for the New Balance loans with a 12% interest rate and loan term of 24 months (the “Modified Loans”);
- b. With respect to all Modified Loans, the Western Sky Entities shall notify each borrower that he/she may repay the New Balance (in full) with no interest, fees or costs within sixty (60) days from the date of the notice to the borrower. Alternatively, the borrower may immediately begin making payments on the Modified Loan, with the going-forward interest rate of 12%;

- c. The Western Sky Entities shall not impose any prepayment penalties on any Modified Loans;
- d. In servicing any Modified Loan, the Western Sky Entities shall adhere to all federal and Massachusetts laws and regulations applicable to servicers, creditors, or third-party debt collectors. Such servicing and collection efforts shall be subjected to independent outside audit every six (6) months, by an auditor of the Commonwealth's or Division of Banks' choosing and at the Western Sky Entities' expense, with copies of such audits provided to the Commonwealth and the Division of Banks within seven (7) months of the Effective Date and every six (6) months thereafter; and
- e. The Western Sky Entities' collection efforts on the Modified Loans shall be limited to a period of twenty-four (24) months from the Effective Date. At the conclusion of the twenty-four (24) month term, the Western Sky Entities shall mark all Modified Loans as "Paid in Full" with \$0 balance and discharged with no additional collection activity by any Western Sky Entity. Consistent with Paragraph 28, the Western Sky Entities shall not report any information to the credit agencies relating to Modified Loans.

VIII. COMPLIANCE & ENFORCEMENT

33. Upon the request of the Commonwealth or the Division of Banks, or their representatives, the Western Sky Entities shall produce all non-privileged documents and/or information relating to compliance and/or efforts to comply with the provisions of this Final

Judgment. The Western Sky Entities shall maintain and keep available records needed to establish compliance with all provisions of this Final Judgment for a minimum of four years.

34. Each and every named Western Sky Entity shall be jointly and severally liable for all payments under this Final Judgment. In the event a payment previously made by one or more Western Sky Entity is avoided or recovered in connection with a bankruptcy proceeding or otherwise, each and every Western Sky Entity shall be jointly and severally liable for repaying any avoided or recovered payments.

35. Upon application by the Commonwealth or the Division of Banks showing that any of the Western Sky Entities has failed to make any payment required by this Final Judgment, the Western Sky Entities consent to this Court's entry of a single money judgment in the amount due plus interest at the statutory rate of 12 percent per annum from the date of violation or nonpayment that is applicable to all the Western Sky Entities, and the Commonwealth shall have execution thereof.

36. This Court shall retain jurisdiction of this proceeding for the purpose of carrying out the terms of this Final Judgment, to which jurisdiction Western Sky Entities consent solely for purposes of the enforcement of this Final Judgment, and any party to this Final Judgment may apply to this Court for such other and further relief as may be necessary to effectuate the terms of this Final Judgment, upon five (5) days' notice to all other parties. The injunctive relief provisions of this Final Judgment place the Western Sky Entities under the restraint of a direct order of the Court that they refrain from doing the particular acts stated herein. Any violation of the injunctive terms of this Final Judgment may result in the Western Sky Entities being adjudged in contempt of court and subject to a civil penalty and other penalties as permitted by law.

37. Any notices, statements or other written documents required by this Final Judgment 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 such address:

For the Commonwealth of Massachusetts and Division of Banks, to:

Maryanne Reynolds
Assistant Attorney General
Administrative Law Division
Office of the Attorney General
One Ashburton Place
Boston, MA 02108
maryanne.reynolds@state.ma.us

Francesca L. Miceli
Assistant Attorney General
Consumer Protection Division
Office of the Attorney General
One Ashburton Place
Boston, MA 02108
francesca.miceli@state.ma.us

For CashCall, Inc., WS Funding LLC, J. Paul Reddam and Delbert Services Corp., to:

Joseph L. Barloon
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005-2111
joseph.barloon@skadden.com

For Western Sky Financial, LLC and Martin A. Webb, to:

Brian J. Fischer
Jenner & Block
919 Third Avenue
New York, NY 10022
bfischer@jenner.com

IX. OTHER GENERAL PROVISIONS

38. Governing Law. The provisions of this Final Judgment shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

39. Severability. The provisions of this Final Judgment shall be severable and should any provisions be declared by a court of competent jurisdiction to be unenforceable, the other provisions of this Final Judgment shall remain in full force and effect.

40. Conduct Not Condoned. Consent to this Final Judgment does not constitute an approval by the Commonwealth or the Division of Banks of any of the Western Sky Entities' acts or practices, and the Western Sky Entities shall make no representations to the contrary, stated or implied.

41. No Admissions. Nothing contained in this Final Judgment shall be construed as an admission or denial by the Western Sky Entities of any liability, wrongdoing, or legal or factual issue, including jurisdiction, and this Final Judgment may not be used as evidence of liability. This Final Judgment is not intended to be used or admissible in any unrelated administrative, civil, or criminal proceeding.

42. No Waiver. Any failure of the Commonwealth or the Division of Banks to exercise any right under this Final Judgment shall not constitute a waiver of any rights of the Commonwealth or the Division of Banks hereunder.

43. Entire Agreement. This Final Judgment and an agreement between counsel dated October 6, 2015, that identifies a true and accurate copy of the Refund List referenced above in Paragraphs 17(c) and 28 are the complete agreement between the Commonwealth, the Division of Banks, and the Western Sky Entities regarding the amount of restitution, civil penalties, and fees and costs to be paid by the Western Sky Entities as well as the terms of the

injunctive relief. No other promises, representations, or warranties have been made between the Commonwealth, the Division of Banks, and the Western Sky Entities. This Final Judgment supersedes all prior communications, discussions, or understandings, if any, between the Commonwealth, the Division of Banks and the Western Sky Entities, whether oral or in writing.

44. Modification. This Final Judgment may not be changed, altered, or modified, except by further order of the Court.

45. Truthfulness Condition. Any agreements by the Commonwealth, the Division of Banks, or the Western Sky Entities as part of this Final Judgment are expressly conditioned upon the truthfulness and accuracy of the representations made by the Commonwealth, the Division of Banks, or the Western Sky Entities and their counsel during the investigation and negotiation.

46. Requirements Maintained. The provisions of this Final Judgment do not contravene the Western Sky Entities' obligation to comply with all applicable state and federal laws, regulations and rules, or grant permission to engage in any acts or practices prohibited by such law, regulation or rule.

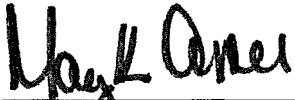
47. Effective Date. The Final Judgment becomes effective upon entry by the Court.

48. Release. By entering this Final Judgment, the Commonwealth of Massachusetts and the Division of Banks, to the extent permitted by law, hereby release and discharge the Western Sky Entities, as well as their agents, servants, employees, officers, affiliates, subsidiaries, representatives, attorneys, successors, heirs, and assignees, and any other person acting under their direction and control, including through any corporation, trust, or other device, from any and all claims, grievances, suits, and causes of action relating to or arising out

of the conduct alleged in the Complaint and/or the above-captioned actions whether arising in contract, tort, statute, or any other theory of action, whether arising in law or equity, whether known or unknown, choate or inchoate, matured or un-matured, contingent or fixed, liquidated or unliquidated, accrued or un-accrued, asserted or un-asserted, based upon any fact, whether known or unknown, that is based on actions, facts, or occurrences that happened prior to the Effective Date. Notwithstanding the foregoing, the Commonwealth of Massachusetts and the Division of Banks do not release or discharge the Western Sky Entities from (a) any grievances, suits, causes of action or claims not relating to or arising out of the conduct alleged in the Complaint and/or the above-captioned actions; and (b) claims related to future collections activity.

49. Refund Release. Any Refund Eligible Borrowers who receive a refund from the Administrator pursuant to the terms of this Final Judgment shall be required by the Administrator to provide to the Western Sky Entities a release and discharge in the form attached hereto as Exhibit B prior to receipt of the refund.

SO ORDERED:



Justice, Superior Court

Dated: 