

# **EXHIBIT 1**

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

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JOHN S. MACDONALD and  
JESSICA C. SPEARMAN,

Civil Action No. 2:16-cv-02781-  
MCA-ESK

Plaintiffs,

v.

CASHCALL, INC.; WS FUNDING, LLC;  
DELBERT SERVICES CORP.; and J. PAUL  
REDDAM,

Defendants.

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**SETTLEMENT AGREEMENT**

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**INTRODUCTION**

This Settlement Agreement (“Agreement”) is entered into between (1) John Scott MacDonald and Jessica Spearman (“Plaintiffs” or “Class Representatives”), on behalf of themselves and the proposed Settlement Class defined below; and (2) Defendants CashCall, Inc., W.S. Funding, LLC, Delbert Services Corp., and J. Paul Reddam (“Defendants”) (collectively, the “Parties” or “parties”).

**RECITALS**

1. On May 17, 2016, Plaintiff MacDonald filed this class action lawsuit on behalf of himself and all other consumers in New Jersey who took out Western Sky consumer loans. He alleged that the terms and conditions of the loans rendered them usurious, unconscionable, and otherwise unlawful under New Jersey law. Specifically, he sought declaratory relief, alleged that Defendants were unjustly enriched, and alleged that Defendants violated New Jersey usury law,

the New Jersey Consumer Fraud Act, and RICO. Plaintiff Spearman joined this case as a Plaintiff on September 25, 2018. This Action is currently assigned to the Hon. Madeline Cox Arleo.

2. Defendants have vigorously and emphatically contested the claims asserted by Plaintiffs.

3. Defendants moved to compel arbitration or, alternatively, dismiss this Action in September 2016. Judge Arleo denied Defendants' motion in April of 2017, and Defendants appealed to the Third Circuit. The Third Circuit affirmed Judge Arleo's order in February of 2018. Defendants filed their Answer in May of 2018, and discovery commenced shortly thereafter. The parties exchanged numerous documents and written discovery, had lengthy meet and confer sessions, and brought discovery disputes to the Magistrate Judge's attention over the course of the latter half of 2018. Plaintiffs, Defendants, and witnesses were deposed. The parties attended mediation in November of 2018 with the Magistrate Judge; however, they did not reach settlement. In 2019, Plaintiffs moved for class certification, Defendants filed a response, and Plaintiffs filed a reply. Judge Arleo granted class certification in October of 2019, and Defendants filed a petition pursuant to Rule 23(f). The Third Circuit denied Defendants' petition in February of 2020.

4. The legality of Western Sky loans such as those at issue in this case has been challenged in several different actions, including in an action brought by the Consumer Financial Protection Bureau ("CFPB") in the United States District Court of the Central District of California. In that case, Defendant was ordered to and did pay a penalty, but the court declined to order restitution to borrowers in the states at issue in that litigation, including New Jersey. Both the CFPB and Defendants appealed to the Ninth Circuit and that appeal has effectively been stayed pending a decision by the Supreme Court in a separate case regarding the constitutionality of the CFPB's structure.

5. On February 10, 2020, the parties attended mediation with retired federal district court judge Layn Phillips of Phillips ADR in California. Prior to mediation and as part of an agreed-upon exchange of information, Defendants produced various items of loan-level data for each Settlement Class Member. Defendants also produced, among other things, information on CashCall's financial condition, the total interest collected from Settlement Class Members, and the total interest collected from Settlement Class Members above the 16% civil usury limit in New Jersey. The full-day mediation was successful, and the parties executed an agreement as to core settlement terms that day.

6. During the course of the above-described negotiations, and since this Action was filed, Defendants have asserted, and continue to assert, that they have substantial defenses to the allegations raised by, and claims brought by, Plaintiffs on behalf of themselves and other borrowers. Plaintiffs, for their part, dispute the validity of these defenses. Defendants deny any and all allegations and claims of wrongdoing or liability that were asserted, or could have been asserted, by Plaintiffs in the Action. Defendants' decision to enter into this Agreement shall not be construed as any form of admission of liability. Rather, all liability is expressly disclaimed.

7. Notwithstanding their differing view on the merits of the various allegations, assertions and claims in this Action, and in measured consideration of the foregoing and as a consequence of the negotiations between the Parties and of Class Counsel's investigation, analysis, and discovery, the Parties agree to settle the Action under the terms and conditions memorialized in this Agreement. Class Counsel and Plaintiffs believe such Settlement to be fair, reasonable, adequate, and in the best interests of the Class.

8. NOW THEREFORE, in consideration of the foregoing and of the promises and mutual covenants contained herein, and other good and valuable consideration, it is hereby agreed, by and among the undersigned Parties, as follows:

#### DEFINITIONS

9. Action or Litigation means this lawsuit, styled as *MacDonald, et al. v. CashCall, et al.*, Case No. 2:16-cv-02781-MCA-ESK (D. N.J.).

10. Agreement means this Settlement Agreement and Release.

11. CAFA Notice refers to the notice made pursuant to the requirements imposed by 28 U.S.C. § 1715(b).

12. Class Counsel means: Nichols Kaster, PLLP; Gupta Wessler PLLC; and Schall & Barasch, LLC.

13. Class List means a list of all members of the Settlement Class and shall be compiled in the timeframe and through the means discussed in this paragraph. The Class List shall include full names and last known addresses, as available, in Excel or another agreed-upon format, which Defendant shall provide to the Settlement Administrator and Class Counsel within twenty-one (21) days of the parties executing this Agreement. The Class List shall also denote the total amount paid by each Settlement Class Member. The Class List will be designated Confidential and contact information will be kept strictly confidential by the Settlement Administrator, Class Counsel, and the Parties. To the extent necessary and when and if requested by the Settlement Administrator, Defendants shall provide Social Security numbers and dates of birth, as available, to the Settlement Administrator on a strictly confidential basis, for the sole purpose of notifying Class Members and/or identifying their loans. The Parties agree that the Class List and any associated information

will be used solely for the purpose of effectuating the provisions of this Settlement Agreement, and for no other purpose.

14. Class Representatives or Named Plaintiffs means John Scott MacDonald and Jessica Spearman.

15. Court means the United States District Court for the District of New Jersey.

16. Cy Pres Recipient means the Public Justice Foundation.

17. Declaration means the sworn statement provided by Defendants to Class Counsel prior to the execution of this Agreement and attached hereto as Exhibit A.

18. Defendants or Released Parties means Defendants CashCall, Inc., W.S. Funding, LLC, Delbert Services Corp., and J. Paul Reddam, their current, former and future direct and indirect parent companies, affiliates, subsidiaries, agents, representatives, successors, predecessors-in-interest, related entities and each of their respective officers, directors, employees, and insurers and assigns and all persons acting for or on their behalf, including Defendant Reddam.

19. Effective Date means the first day after the first date on which all of the following have occurred:

- a. all Parties, Class Counsel, and Defendants' counsel have executed this Agreement;
- b. the Court has issued a preliminary approval order;
- c. reasonable notice has been given to Settlement Class Members, including providing them an opportunity to opt out of or object to the Settlement;
- d. The Court has held a fairness hearing, entered Final Judgment approving the Settlement, awarded the Class Representatives any service payments, and awarded Class Counsel their reasonable attorneys' fees and costs; and

- e. Only if there are written objections filed before the fairness hearing and those objections are not later withdrawn, the last of the following events to occur:
- i. if no appeal is filed, then the date on which the objector's time to appeal the Final Judgment has expired with no appeal or any other judicial review having been taken or sought; or
  - ii. if an appeal of the Final Judgment has been timely filed or other judicial review was taken or sought, the date that order is finally affirmed by an appellate court with no possibility of subsequent appeal or other judicial review or the date the appeals or any other judicial review are finally dismissed with no possibility of subsequent appeal or other judicial review.

It is the intention of the Parties that the Settlement shall not become effective until the Court's Final Judgment has become completely final and until there is no timely recourse by an appellant or objector who seeks to contest the Settlement.

20. Final Approval Order or Final Judgment means the Court's order granting final approval of this Settlement. The Parties shall propose the Final Approval Order attached hereto as Exhibit B.

21. First Payment means ten million dollars (\$10,000,000), which shall be part of and not in addition to the Gross Settlement Amount and transmitted to the Settlement Administrator's Qualified Settlement Fund by Defendants via wire transfer within forty-five (45) days following the Effective Date.

22. Gross Settlement Amount means fourteen million five hundred thousand dollars (\$14,500,000), which shall be the total amount from which the Named Plaintiffs and Settlement Class Members will be paid, from which all out-of-pocket costs of settlement administration will be paid, and from which Class Counsel's attorneys' fees and litigation expenses and Named Plaintiff service payments, if approved by the Court, will be paid. Defendants will pay the Gross Settlement Amount into a common fund, which, to the extent necessary, shall be established and maintained by the Settlement Administrator as a Qualified Settlement Fund for federal tax purposes pursuant to Treas. Reg. § 1.468B-1. The Settlement Administrator, on behalf of the Settlement Class, shall be responsible for all administrative, accounting and tax compliance activities in connection with the Qualified Settlement Fund, including any filing necessary to obtain Qualified Settlement Fund status pursuant to Treas. Reg. § 1.468B-1. Defendants shall provide to the Settlement Administrator any documentation necessary to facilitate obtaining Qualified Settlement Fund status. The Gross Settlement Amount shall represent the full extent of Defendants' financial obligations under this Settlement Agreement unless otherwise specified herein. There shall be no reversion to Defendant from the Gross Settlement Amount under any circumstance.

23. Loans At Issue means the 11,916 loans issued to Settlement Class Members.

24. Long Form Notice means the notice attached hereto as Exhibit C, which shall be posted on the Settlement Website.

25. Net Settlement Fund means the amount of money remaining after the Gross Settlement Amount is reduced by the following amounts, if approved: (a) the service payments to the Named Plaintiffs; (b) reasonable attorneys' fees and litigation expenses to Class Counsel; and (c) the fees of the Settlement Administrator.



26. Opt-Out Deadline or Objections Deadline means the date the Court establishes as the deadline by which Settlement Class Members must mail and postmark a written notice of their intent to opt-out of the Settlement and by which objections to the preliminarily approved Settlement must be filed with the Court. The Parties shall jointly request that this date shall be forty-five (45) days after the mailing of the Postcard Notice.

27. Parties means Plaintiffs and Defendants.

28. Postcard Notice means the postcard attached hereto as Exhibit D, subject to Court approval, and which the Settlement Administrator will mail, via first class U.S. mail, to each Settlement Class Member.

29. Preliminary Approval means an order from the Court granting preliminary approval of this Settlement such that notice can issue to the Settlement Class. The Parties shall propose the Preliminary Approval Order attached hereto as Exhibit E.

30. Second Payment means four million five hundred thousand dollars (\$4,500,000), which shall be part of and not in addition to the Gross Settlement Amount and transmitted to the Settlement Administrator's Qualified Settlement Fund by Defendants via wire transfer by the later of 45 days following the Effective Date or the end of calendar year 2021.

31. Settlement or Agreement means this Settlement Agreement and Release.

32. Settlement Administrator means Atticus Administration, LLC.

33. Settlement Class means the following:

All individuals who, on or after May 17, 2010, made payments to one or more Defendants on loans originated by CashCall, Inc., WS Funding, LLC, Delbert Services Corp., J. Paul Reddam, or Western Sky Financial, LLC where the borrower was a New Jersey resident.

The Settlement Class is comprised of 10,574 individuals and 11,916 loans. These figures are based on Defendants' discovery responses and representations.

34. Settlement Class Member means any individual who is a member of the Settlement Class who does not file a timely and valid written notice of intent to opt-out by the Opt-Out deadline.

35. Settlement Website means a website to be established and maintained by the Settlement Administrator or, at Class Counsel's option, Class Counsel, at a URL to be agreed upon by the parties, and as described below in Paragraph 49.

### **RELIEF AND BENEFITS**

#### A. NON-MONETARY RELIEF

36. The Parties acknowledge and agree that, as of September 2016, Defendants stopped collecting on the Loans at Issue, but that, if Loans at Issue were sold to third parties, those third parties may be collecting on the loans.

37. As further consideration in the resolution of this Action, Defendants agree to the following:

- (a) *Notice to third parties.* Within thirty (30) days after the Effective Date, Defendants shall provide Class Counsel with a list of Settlement Class Members' Western Sky Loans sold to third parties and the name and address of the third party to which each such loan was sold, to the extent available, and Defendants will provide notice to the third parties to which they sold the loans that such loans should be deemed canceled and that the amounts allegedly owed by consumers are in dispute
- (b) *Credit bureaus.* Within thirty (60) days of the Effective Date, Defendants will contact applicable credit bureaus to request that any negative credit reporting by Defendants or their agents regarding Settlement Class Members' Western Sky Loans be removed.
- (c) *Selling data.* As of the Effective Date, Defendants shall refrain from selling any Settlement Class Member's personal data.

B. MONETARY RELIEF

38. In exchange for the release of claims described below, Defendants shall pay the Gross Settlement Amount of \$14,500,000, which shall be distributed as discussed herein. Defendants shall be jointly and severally liable for the Gross Settlement Amount and its timely payment through the First and Second Payments defined above in Paragraph 21 and 30.

39. Allocation of Net Settlement Fund to Settlement Class Members: As between Settlement Class Members who do not timely opt out of the Settlement, the Net Settlement Fund shall be distributed pro rata but weighted in proportion to the amount each class member paid on the Loans at Issue. The calculation of the distributions shall be based on data produced by Defendants. The parties shall work in good faith to resolve any issues regarding missing data or similar issues. Payment shall be made via two checks in proportion to the amount of the Net Settlement Fund available after the First Payment and Second Payment, respectively. Notwithstanding the foregoing, there shall be a floor of \$10 in each payment so that no Settlement Class Member receives a check for less than \$10.

40. Service Payments to the Named Plaintiffs: Class Counsel will petition the Court for a \$10,000 service payment to each Named Plaintiff in consideration for service as a Named Plaintiff. If approved by the Court, this service payment will be paid to the Named Plaintiffs by the Settlement Administrator at the same time the first checks following the First Payment are issued to the Settlement Class Members. This amount shall be in addition to the amount paid to Plaintiffs pursuant to paragraph 39 above. By signing this Agreement, the Parties warrant the Class Representatives' service payments were negotiated only after the amount of the Gross Settlement Amount to Settlement Class Members had been agreed upon. Should the Court decline to approve any requested payment, or reduce such payment, the Settlement shall still be effective.

41. Attorneys' Fees and Costs: Class Counsel may apply to the Court for an award of fees and costs to be paid from the Gross Settlement Amount. The application for attorneys' fees shall be in an aggregate sum not to exceed one-third of the Gross Settlement Amount. Costs (i.e., litigation expenses) shall be paid in addition to attorneys' fees in the amount in which they were or are incurred by Class Counsel and are approved for reimbursement by the Court. If approved by the Court, costs will be wired to Class Counsel at the same time the first checks following the First Payment are issued to the Settlement Class Members. If approved by the Court, attorneys' fees will be paid to Class Counsel over two wires, each in proportion to the amount made available through the First Payment and Second Payment, respectively: The first will be wired to Class Counsel at the same time the checks following the First Payment are issued to the Settlement Class Members. The second will be wired to Class Counsel at the same time the checks following the Second Payment are issued to Settlement Class Members. By signing this Agreement, the Parties warrant that, throughout mediation, they were negotiating the amount of a common fund and that any fees and costs to be paid from that fund to Class Counsel were not discussed until after the amount of the common fund (i.e., the Gross Settlement Amount) to Settlement Class Members had been agreed upon. Should the Court decline to approve any requested payment, or reduce such payment, the Settlement shall still be effective.

42. Settlement Administrator's Expenses: Reasonable expenses of the Settlement Administrator shall be paid from the Gross Settlement Amount. Approved expenses incurred as of the First Payment shall be paid from the First Payment. Approved expenses incurred as of the Second Payment shall be paid from the Second Payment. Defendants shall receive no portion of the Gross Settlement Amount in connection with settlement administration.

43. *Cy Pres*: Settlement Class Members shall have 120 days after checks are mailed to negotiate their checks. There shall be two 120 day check negotiation periods: One following the First Payment and one following the Second Payment. After the first check negotiation period, the amounts Settlement Class Members did not cash will be held by the Settlement Administrator and those same amounts will be added to the second payments of those Settlement Class Members who did not cash their first check. Thirty (30) days following the close of the second check negotiation period, the Settlement Administrator shall deliver any remaining amounts to the *Cy Pres* Recipient approved by the Court.

44. The Parties agree that any payments made to Settlement Class Members pursuant to paragraph 39 above will constitute the refund of a disputed debt and that an IRS Form 1099 would not be submitted to any applicable Settlement Class Member for a payment made under this Settlement. Forms 1099 will issue for any approved Class Representative service payment. Each Settlement Class Member, however, shall be obligated to obtain his or her own independent tax advice concerning the proper income reporting and tax obligations regarding any and all payments and/or other remuneration he or she receives or obtains pursuant to this Agreement, and shall further assume the responsibility of remitting to the Internal Revenue Service and any other relevant taxing authorities any and all amounts required by law to be paid out of any monies received, or other remuneration obtained, under this Agreement, without any contribution whatsoever from the Defendants, Class Counsel or the settlement fund maintained by the Settlement Administrator.

45. Nothing in this Agreement shall be construed as Defendants or Class Counsel providing any advice regarding the payment of taxes or the tax consequences of a Settlement Class Member's participation in any portion of this Agreement.

**NOTICE AND RELATED PROCESSES AND OBJECTION AND OPT-OUT  
REQUIREMENTS**

A. NOTICE, WEBSITE, AND PHONE SUPPORT

46. Within the later of twenty-one (21) days of receiving the Class List or Preliminary Approval, the Settlement Administrator shall mail the Postcard Notice via first class mail.

47. Prior to mailing any Postcard Notice, the Settlement Administrator shall utilize the U.S. Postal Office's National Change of Address System and appropriate proprietary software to verify and/or update the addresses for Settlement Class Members.

48. Should any Postcard Notice be returned, the Settlement Administrator shall re-mail the Postcard Notice to the forwarding address, if any, and, if no forwarding address was provided, utilize any other legally available database for the purpose of finding new addresses and remailing.

49. The Settlement Website will "go live" on the date that the Postcard Notices are mailed.

The Settlement Website shall:

- i. Include the Long Form Notice;
- ii. Provide Settlement Class Members with an opportunity to update their contact information;
- iii. Contain copies of the pleadings in this matter, including the operative complaint, this Agreement, Class Counsel's fee petition, and copies of any orders issued by the Court in connection with this Settlement, after they are filed;
- iv. Provide a tollfree number through which questions can be directed to the Settlement Administrator;
- v. Absent agreement by the Parties, not be taken down until the close of the check cashing period associated with the Second Payment; and

- vi. Be updated as appropriate regarding developments in the Litigation, such as the establishment of new deadlines by the Court or the filing of an appeal.

#### B. OBJECTION AND OPT-OUT REQUIREMENTS

50. Right to Opt Out: All Settlement Class Members will have the right to be excluded from, *i.e.*, to “opt out” of, the Settlement Class. On or before the Opt-Out Deadline, each Settlement Class Member who elects to opt out of the Settlement must send, by first class U.S. mail, written notice addressed to the Settlement Administrator indicating his or her name and address and stating that he or she desires to opt out of the Settlement or otherwise does not want to participate in the Settlement. Any Settlement Class Member who does not timely (as measured by the postmark on that individual’s written notice) opt out of the Settlement by written notice correctly directed to the Settlement Administrator and containing the requisite information shall remain a member of the Settlement Class and shall be bound by any orders of the Court about the Settlement or the Settlement Class. In no event shall Settlement Class Members who purport to opt out of the Settlement as a group, aggregate, collective, or class involving more than one Settlement Class Member be considered a successful opt out. Any Settlement Class Member who fails to timely and validly opt out of the Settlement Class under this Settlement Agreement shall be bound by the terms of this Settlement. Defendants may at their sole discretion deem this agreement void if the opt-out rate among the Settlement Class exceeds 5%.

51. Objections: Any Settlement Class Member who wishes to object to the Settlement must file a timely written statement of objection with the Clerk of Court, and mail a copy of that objection with the requisite postmark to the Settlement Administrator no later than the Objections Deadline. The Settlement Administrator shall transmit the objection to Class Counsel and Defendant’s counsel, within one (1) business day of receipt. The objection must state the case

name and number; the basis for and an explanation of the objection; the name, address, telephone number, and, if there one, the email address of the Settlement Class Member making the objection; and a statement of whether the Settlement Class Member intends to appear at the fairness hearing, either with or without counsel. In addition, any objection must be personally signed by the Settlement Class Member and, if represented by counsel, then by counsel. Any Settlement Class Member who fails to make objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement. No Settlement Class Member shall be entitled to contest in any way the approval of the terms and conditions of this Agreement or the Court's Final Approval Order or Final Judgment except by filing and serving written objections in accordance with the provisions of this Agreement. Any Settlement Class Member who fails to object in the manner prescribed shall be deemed to have waived and shall be foreclosed forever from raising any objections to the Settlement. Class Counsel and Defendants agree that no payments or other consideration shall be provided to any objector or to counsel for any objector to the Settlement in connection with the objector withdrawing an objection, foregoing the right to appeal an objection, or withdrawing an appeal unless such payment is disclosed to and approved by the Court.

**CLASS CERTIFICATION PURUSANT TO FED. R. CIV. P. 23**

52. The Parties stipulate to class certification of the Settlement Class pursuant to Fed. R. Civ. P. 23 for purposes of settlement only.

**RELEASE OF CLAIMS**

53. Settlement Class Release: On the Effective Date of this Settlement Agreement, for the Settlement Class benefits and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Named Plaintiffs and Class Counsel, all



Settlement Class Members who have not timely and properly opted out of the Settlement Class and all those acting or purporting to act on their behalf fully and forever release, waive, acquit, and discharge the Released Parties from any and all claims the Settlement Class has arising out of or relating directly or indirectly in any manner whatsoever to the facts alleged or which could have been alleged or asserted in the Complaint and Amended Complaint, including but not limited to any and all claims related to Western Sky Loans. This release explicitly includes claims for actual damages/restitution and treble damages, as well as for attorneys' fees and costs. The Parties agree that the payments made hereunder are meant to compensate Settlement Class Members for all harms incurred as a result of the allegations set forth in the Complaint and Amended Complaint. It is expressly intended and understood by the Parties that this Settlement Agreement is to be construed as a complete settlement, accord, and satisfaction of the Settlement Class Members' claims described in this paragraph.

**NO ADMISSION OF LIABILITY**

54. Defendants' agreement to this Settlement Agreement is not, and should not be construed as, a direct or implied admission or acknowledgment of any wrongdoing, illegality, liability, culpability, or responsibility to any person or party for any conduct or omission, alleged or unalleged, whatsoever. Defendants enter into this Settlement for the purpose of elimination of ongoing contested legal proceedings, repose, savings of expenses and resources, and for no other purposes.

**TIMING OF BRIEFING, CAFA NOTICE, FINAL FAIRNESS HEARING, AND PAYMENTS**

55. The parties shall endeavor to move for preliminary settlement approval by March 2, 2020.

56. Within ten (10) days of the parties moving for preliminary settlement approval, Defendants shall cause the Settlement Administrator to serve upon the appropriate state officials of New Jersey and upon the pertinent U.S. Attorney General, a notice of this proposed Settlement, and other filings required by the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715. Defendants will provide a copy of this notice to Class Counsel and will file with the Court a notice of compliance with CAFA’s requirements.

57. Plaintiffs will file their Motion for Attorneys’ Fees and Costs, Class Representative Service Payments, and Payment of the Settlement Administrator’s Expenses no later than fourteen (14) days before the Opt-Out and Objection Deadlines.

58. The parties shall move for final settlement approval no later than two weeks (14 days) following the Opt-Out and Objection Deadlines and shall jointly request a fairness hearing as soon as is practicable.

59. As soon as is practicable but no later than five (5) business days following the First Payment, the Settlement Administrator shall make mails checks and wire amounts as described in Paragraphs 39-42 above.

60. As soon as is practicable but no later than five (5) business days following the Second Payment, the Settlement Administrator shall make mails checks and wire amounts as described in Paragraphs 39-42 above.

**JURISDICTION AND SETTLEMENT CONTINGENT ON APPROVAL**

61. Jurisdiction: The Parties shall request that the Court retain jurisdiction to enforce the Settlement Agreement.

62. Settlement Contingent on Final Approval: This Settlement is contingent upon final approval of a class action settlement on behalf of the Settlement Class described herein. This

agreement shall terminate and be of no further force or effect without any further action by the parties if (i) the United States District Court of New Jersey determines not to grant preliminary or final approval of the Class Settlement; and (ii) the parties do not agree to any changes to the Class Settlement required by the District Court for approval or are unable or do not agree to obtain reconsideration and reversal or appellate review and reversal of any adverse decision by the District Court regarding the Class Settlement.

63. Settlement Modification: The Parties may agree by stipulation executed by counsel to modify the exhibits to this Agreement to effectuate the purpose of this Agreement or to conform to guidance from the Court about the contents of such exhibits without the need to further amend this Agreement. Any stipulation modifying the Settlement must be filed with the Court and is subject to the Court's approval.

#### MISCELLANEOUS

64. The Parties agree that all terms of this Agreement are binding regardless of the outcome in the CFPB action at the 9th Circuit and United States District Court for the Central District of California.

65. Authority: The signatories below represent they are fully authorized to enter into this Agreement and to bind the Parties and the Settlement Class Members.

66. Best Reasonable Efforts and Mutual Full Cooperation: The Parties agree to fully cooperate with one other to accomplish the terms of this Agreement, including but not limited to, executing such documents and taking such other actions as may be reasonably necessary to implement the terms of this Settlement. The Parties to this Agreement will use their best reasonable efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary or ordered by the Court, or otherwise, to effectuate this Agreement and the terms

set forth in it and to ensure that checks are mailed and credits made to Settlement Class Members in a timely manner.

67. Entire Agreement: This Agreement, together with its exhibits, constitutes the full and entire agreement among the Parties with regard to the subject matter and supersedes all prior representations, agreements, promises, or warranties, written, oral, or otherwise. No party shall be liable or bound to any other party for any prior representation, agreement, promise, or warranty, oral or otherwise, except for those that are expressly set forth in or attached to this Agreement.

68. Binding: This Agreement will be binding upon and will inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors, and assigns.

69. Construction: The Parties agree that the terms and conditions of this Agreement are the result of lengthy, arms-length negotiations between the Parties and that this Agreement will not be construed in favor of or against any party by reason of the extent to which any party or the party's counsel participated in the drafting of this Agreement.


70. Construction of Captions and Interpretations: Paragraph titles, captions, or headings in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or any provision in it. Each term of this Agreement is contractual and is not merely a recital.

71. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same Agreement. This Agreement may be executed by signature delivered by facsimile, PDF, text, or .jpg and need not be the original "ink" signature. A complete set of executed counterparts shall be filed with the Court. This Agreement shall become binding upon its execution by the Class Representative, Defendants' authorized representative, and counsel.

IN WITNESS WHEREOF the Parties and their counsel have caused this Settlement Agreement to be duly executed.

DATE: 03/11/2020

DATE:

  
\_\_\_\_\_  
John Scott MacDonald  
Plaintiff and Class Representative

\_\_\_\_\_  
J. Paul Reddam

DATE:

DATE:

\_\_\_\_\_  
Jessica Spearman  
Plaintiff and Class Representative

\_\_\_\_\_  
On behalf of CashCall, Inc.

DATE:

DATE:

NICHOLS KASTER, PLLP

\_\_\_\_\_  
On behalf of WS Funding, LLC

\_\_\_\_\_  
Anna P. Prakash  
Brock J. Specht  
Robert L. Schug  
Matthew H. Morgan  
4600 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402

DATE:

\_\_\_\_\_  
On behalf of Delbert Services Corp.

GUPTA WESSLER PLLC  
Matthew Wessler  
1735 20th Street NW  
Washington, DC 20009

DATE:

PEARSON SIMON WARSHAW, LLP

SCHALL & BARASCH, LLC  
Patricia A. Barasch  
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Thomas J. Nolan  
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Sherman Oaks, CA 91403

SKADDEN, ARPS, SLATE, MEAGHER &  
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Andrew Muscato  
4 Times Square  
New York, New York 10036

Allen L. Lanstra  
300 S. Grand Ave.  
Suite 3400

IN WITNESS WHEREOF the Parties and their counsel have caused this Settlement Agreement to be duly executed.

DATE:


DATE:

\_\_\_\_\_  
John Scott MacDonald  
Plaintiff and Class Representative

\_\_\_\_\_  
J. Paul Reddam

DATE: 03/11/2020

DATE:

\_\_\_\_\_  
  
Jessica Spearman  
Plaintiff and Class Representative

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On behalf of CashCall, Inc.

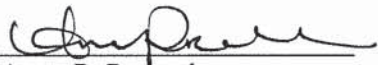
DATE:

DATE: 3/11/2020

\_\_\_\_\_  
On behalf of WS Funding, LLC

NICHOLS KASTER, PLLP

DATE:

\_\_\_\_\_  
  
Anna P. Prakash  
Brock J. Specht  
Robert L. Schug  
Matthew H. Morgan  
4600 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402

\_\_\_\_\_  
On behalf of Delbert Services Corp.

DATE:

GUPTA WESSLER PLLC  
Matthew Wessler  
1735 20th Street NW  
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\_\_\_\_\_  
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4 Times Square  
New York, New York 10036

Allen L. Lanstra  
300 S. Grand Ave.  
Suite 3400

IN WITNESS WHEREOF the Parties and their counsel have caused this Settlement Agreement to be duly executed.

DATE:

\_\_\_\_\_  
John Scott MacDonald  
Plaintiff and Class Representative

DATE:

\_\_\_\_\_  
Jessica Spearman  
Plaintiff and Class Representative

DATE:

NICHOLS KASTER, PLLP

\_\_\_\_\_  
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Washington, DC 20009

SCHALL & BARASCH, LLC  
Patricia A. Barasch  
Moorestown Office Center  
110 Marter Ave, Suite 302  
Moorestown, NJ 08057


DATE:

  
\_\_\_\_\_  
J. Paul Reddam


DATE:

  
\_\_\_\_\_  
On behalf of CashCall, Inc.

DATE:

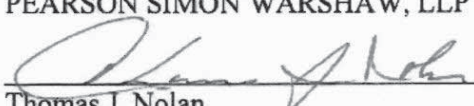
  
\_\_\_\_\_  
On behalf of WS Funding, LLC

DATE:

  
\_\_\_\_\_  
On behalf of Delbert Services Corp.

DATE: 3/11/20

PEARSON SIMON WARSHAW, LLP

  
\_\_\_\_\_  
Thomas J. Nolan  
15165 Ventura Blvd., Suite 400  
Sherman Oaks, CA 91403

SKADDEN, ARPS, SLATE, MEAGHER &  
FLOM LLP  
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4 Times Square  
New York, New York 10036

Allen L. Lanstra  
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Suite 3400

Los Angeles, CA 90071

Austin K. Brown  
Jennifer Gindin  
Drew Newman  
1440 New York Avenue, N.W.  
Washington, D.C. 20005



# **EXHIBIT C**

**United States District Court for the District of New Jersey**  
***MacDonald, et al. v. CashCall, Inc., et al., No. 2:16-cv-02781***

- This is a Court authorized notice of a proposed settlement in a class action lawsuit.
- The lawsuit was brought on behalf of New Jersey borrowers who took out Western Sky loans. The lawsuit alleges that the interest rates on those loans was too high and that CashCall, Inc., WS Funding, LLC, Delbert Services, Corp., and J. Paul Reddam (the “Defendants”) were at fault. The Defendants have denied any wrongdoing. The parties reached this Settlement before the Court made a determination about whether the law had been broken.
- The Defendants will pay a total of \$14,500,000 under the Settlement, will inform third parties to which they sold the loans that the loans should be canceled and that the amounts allegedly owned by borrowers are in dispute, will contact credit agencies to request removal of negative credit reporting by Defendants or their agents regarding the Western Sky loans at issue, and will refrain from selling any personal data about the New Jersey borrowers.
- The details of the Settlement are provided below.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>Do Nothing</b>	You will receive a check if the Court approves this Settlement, but you will give up your rights to sue the Defendants over the matters being resolved by this Settlement.
<b>Exclude Yourself</b>	This is the only option that allows you to bring your own case or be part of any other lawsuit or legal action against the Defendants about the matters being resolved in this Settlement. However, you will not receive any payment in this Settlement.
<b>Object</b>	If you do not exclude yourself, you may write to the Court about why you object to the Settlement.
<b>Go to a Hearing</b>	You may ask to speak in Court about the fairness of the Settlement. You may not speak if you exclude yourself from the Settlement.

Your rights and options—and the deadlines to exercise them—are explained in this Notice.

This notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, you may view the Settlement Agreement at [www.URL.com](http://www.URL.com). You may also contact the Settlement Administrator at [1-800-XXX-XXXX](tel:1-800-XXX-XXXX). You may access the Court docket in this case through the Court’s Public Access to Court Electronic Records (PACER) system at [www.pacer.com](http://www.pacer.com), or visit the office of the Clerk of the Court for the District of New Jersey, 50 Walnut Street, Newark, NJ, between 9:00 AM and 4:00 PM, Monday-Friday, excluding Court holidays. Please do not call the Court.

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## Basic Information

This Notice has been sent to you because members of the Settlement Class have a right to know about a proposed settlement of a class action lawsuit in which they are class members and about all of their options before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after objections or appeals relating to that Settlement are resolved, the benefits provided for by the Settlement will be available to members of the Settlement Class.

This Notice explains the case, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. A full copy of the Settlement Agreement may be reviewed at the Settlement Website: [www.URL.com](http://www.URL.com). This Notice contains only a summary of the Settlement Agreement.

The Court in charge of this case is the United States District Court for the District of New Jersey, and the case is known as *MacDonald, et al. v. CashCall, Inc., et al.*, Case No. 2:16-cv-02781-MCA-ESK (the “Litigation”). The people who filed this Litigation, John Scott MacDonald and Jessica Spearman, are called the Named Plaintiffs, and CashCall, Inc., WS Funding, LLC, Delbert Services, Corp., and J. Paul Reddam are the Defendants.

### 1. Why did I get this Notice?

The Court in this case approved the posting of this Notice so that it could be viewed by potential members of the Settlement Class. The Settlement Class includes:

All individuals who, on or after May 17, 2010, made payments to one or more Defendants on loans originated by CashCall, Inc., WS Funding, LLC, Delbert Services Corp., J. Paul Reddam, or Western Sky Financial, LLC where the borrower was a New Jersey resident.

You have been identified as a member of the Settlement Class based upon CashCall’s records and investigation. If you are unsure of whether you are in the Settlement Class, you can contact the Settlement Administrator at 1-800-XX-XXXX.

### 2. What is the Litigation about?

The Named Plaintiffs allege that Defendants violated New Jersey usury and consumer law and the federal Racketeer Influenced Corrupt Organizations Act (“RICO”) by charging more than 16% interest rate on loans and not having a true affiliation with a Native American tribe.

Defendants disputes the Named Plaintiffs’ allegations and deny all liability. Defendants have raised a number of defenses to the claims asserted.

Your interest as a member of the Settlement Class will be represented by the Named Plaintiffs and their lawyers. You will be bound by any judgment arising from the Settlement unless you exclude yourself from the Settlement.

The parties are settling the Litigation to avoid the risk and expense of further litigation. No court has found that the Named Plaintiffs could recover any certain amount in this Litigation.

Although the Court has authorized notice to be given of the proposed Settlement, this Notice does not express the opinion of the Court on the merits of the claims or defenses asserted by either side in the Litigation.

### **3. Why is this case a class action?**

Class actions are lawsuits in which the claims and rights of many people are decided in a single proceeding. In a class action, representative plaintiffs are called “Class Representatives.” They seek to assert claims on behalf of all members of a class or classes of similarly situated people. By doing this, they can conserve resources by asserting their claims in a single lawsuit. Class actions often involve circumstances where claimed individual damages are too small for people to proceed on their own, but where the defendant’s conduct affected a lot of people all in the same way. Here, the Named Plaintiffs are the Class Representatives.

Lawyers who represent people who file class actions are called “class counsel.” To date, the lawyers who brought this case (“Class Counsel”) have not been paid any money for their work and have paid all their expenses out of pocket. They will only be paid if they win the Litigation or if the Court approves the Settlement.

### **4. Why is there a settlement?**

The Court did not decide this case in favor of the Named Plaintiffs or in favor of the Defendants. If approved, the Settlement will stop the Litigation. If the Litigation continued, there is a possibility that the Settlement Class would receive nothing. There is also the possibility that Defendants would be required to pay more than they have agreed to pay as a result of the Settlement.

Class Counsel investigated the facts and applicable law regarding the Named Plaintiffs’ claims and Defendants’ defenses. The parties engaged in lengthy and arms-length negotiations to reach this Settlement. The Named Plaintiff and Class Counsel believe that the proposed Settlement is fair, reasonable, and adequate and in the best interests of the Settlement Class.

Both sides agree that, by settling, Defendants are not admitting any liability or that they did anything wrong. Both sides want to avoid the uncertainties and expense of further litigation.

## **Who Is In The Settlement**

### **5. How do I know if I am part of the settlement?**

If you received a postcard notice, CashCall’s records indicate that you are a member of the Settlement Class defined above. If you are not certain as to whether you are a member of the Settlement Class, you may contact the Settlement Administrator at **1-800-XXX-XXXX**.

## **The Settlement Benefits—What You Get**

### **6. What does the settlement provide?**

The Settlement provides monetary benefits and injunctive relief for Settlement Class Members.

First, Defendants have stopped collecting on Western Sky loans. Third parties, however, may have bought the loan and may be collecting. As part of this Settlement Defendants agree to inform those third parties that the loans should be canceled and that the amounts allegedly owed by borrowers are in dispute, contact credit agencies to request removal of negative credit reporting related to the Western Sky loans at issue, and refrain from selling any personal data about the New Jersey borrowers.

Second, Defendants will provide a settlement fund of \$14,500,000. This money will be divided among the approximately 10,574 Settlement Class Members and will also be used to pay for any Court-approved attorneys' fees, Class Representative awards, and administration costs.

The exact amount each Settlement Class Member will receive will depend on the total amount of interest the Settlement Class Member paid, as well as the amounts of awards and costs approved by the Court.

### **7. How can I get a benefit?**

You do not need to do anything to receive a benefit. If the Settlement is approved, the Settlement Administrator will send you a check for your share of the Settlement.

If you change your address, you must inform the Settlement Administrator by calling **XX**, emailing **XX**, or submitting a change of address online at [www.URL.com](http://www.URL.com).

### **8. When would I get my benefit?**

The Court will hold a final approval hearing on **DATE** at **TIME** to decide whether to approve the Settlement. If the Settlement is approved, there may be appeals. Payments to members of the Settlement Class will be made only if the Settlement is finally approved. The \$14,500,000 will be distributed in two separate payments.

The first payment will be \$10,000,000. Any approved Class Representative awards, settlement administration expense incurred to date, and costs will be paid from the \$10,000,000. The pro rata share of any approved fee for Class Counsel will also be paid from the \$10,000,000. The balance will be distributed to Settlement Class Members in proportion to the amount each person paid on their loan(s). Notwithstanding the foregoing, no one shall receive a check for less than \$10. It is the parties' goal that this happens in or before December 2020, but the exact timing will depend on when the settlement becomes final.

The second payment will be \$4,500,000. Any approved additional settlement administration expenses and the remainder of any approved fees for Class Counsel will be paid from the \$4,500,000. The balance will be distributed to Settlement Class Members in proportion to the amount each person paid on their loan(s). Notwithstanding the foregoing, no one shall receive a check for less than \$10. It is the parties' goal that this happens in or before December 2021, but the exact timing will depend on when the Settlement becomes final.

The non-monetary relief described in Section 6 above will be completed within 60 days of the Settlement becoming final. It may take some time for the Settlement to become final, so please be patient.

### **9. What am I giving up to get a benefit or stay in the Settlement Class?**

Upon the Settlement becoming final, Named Plaintiffs and Class Counsel, all Settlement Class Members who have not timely and properly opted out of the Settlement Class and all those acting or purporting to act on their behalf fully and forever release, waive, acquit, and discharge the Released Parties from any and all claims the Settlement Class has arising out of or relating directly or indirectly in any manner whatsoever to the facts alleged or which could have been alleged or asserted in the Complaint and Amended Complaint, including but not limited to any and all claims related to Western Sky Loans. This release explicitly includes claims for actual damages/restitution and treble damages, as well as for attorneys' fees and costs. The Parties agree that the payments made under the Settlement Agreement are meant to compensate Settlement Class Members for all harms incurred as a result of the allegations set forth in the Complaint and Amended Complaint.

Released Parties means Defendants CashCall, Inc., W.S. Funding, LLC, Delbert Services Corp., and J. Paul Reddam, their current, former and future direct and indirect parent companies, affiliates, subsidiaries, agents, representatives, successors, predecessors-in-interest, related entities and each of their respective officers, directors, employees, and insurers and assigns and all persons acting for or on their behalf, including Defendant Reddam.

The Complaint and Amended Complaint are available at [URL](#) and allege unjust enrichment and claims under RICO, New Jersey usury law, and the New Jersey Consumer Fraud Act. The claims are based on Defendants' claimed association with a Native American tribe and the interest rate charged on Western Sky loans.

This release may affect your rights, and may carry obligations, in the future. To view the full terms of this release, which are contained in the Settlement Agreement, please visit [www.URL.com](#).

#### 10. How do I get out of the settlement?

If you choose to be excluded from the Settlement (or "opt out"), you will not be bound by any judgment or other final disposition of the Litigation and you will not receive any settlement payment. You will retain any claims against Defendants you might have. To opt out, you must state in writing your desire to be excluded from the Settlement Class. **Your request for exclusion must be sent by first class mail, postmarked on or before DATE**, addressed to:

*MacDonald, et al., v. CashCall, Inc., et al.*  
c/o Settlement Administrator  
[ADDRESS](#)  
[ADDRESS](#)

**If the request is not postmarked on or before DATE, your request for exclusion will be invalid**, and you will be bound by the terms of the settlement approved by the Court, including without limitation, the judgment ultimately rendered in the case, and you will be barred from bringing any claims which arise out of or relate in any way to the claims in the Litigation as specified in the release referenced in paragraph 9 above.

#### 11. If I don't exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue CashCall, Inc., W.S. Funding, LLC, Delbert Services Corp., and J. Paul Reddam, their current, former and future direct and indirect parent companies, affiliates, subsidiaries, agents, representatives, successors, predecessors-in-interest, related entities and each of their respective officers, directors, employees, and insurers and assigns and all persons acting for or on their behalf, including Defendant Reddam. If you have a pending lawsuit against any of these entities or people, you should speak to your lawyer in that case immediately.

#### 12. If I exclude myself, can I get benefits from this settlement?

No. If you exclude yourself, you are not part of the Settlement.

**The Lawyers Representing You**

**13. Do I have a lawyer in this case?**

The Court has appointed Nichols Kaster, PLLP, Gupta Wessler PLLC, and Schall & Barasch, LLC as Class Counsel:

NICHOLS KASTER, PLLP  
Anna P. Prakash  
Brock J. Specht  
Robert L. Schug  
Matthew H. Morgan  
4600 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
Telephone: (612) 256-3200  
Facsimile: (612) 338-4878

GUPTA WESSLER PLLC  
Matthew Wessler  
1735 20th Street NW  
Washington, DC 20009  
Telephone: (202) 888-1741  
Facsimile: (202) 888-7792

SCHALL & BARASCH, LLC  
Patricia A. Barasch  
Moorestown Office Center  
110 Marter Ave, Suite 302  
Moorestown, NJ 08057  
Telephone: (856) 914-9200  
Facsimile: (856) 914-9420

You may hire your own attorney to advise you, but if you hire your own attorney, you will be responsible for paying that attorney's fees.

**14. How will the lawyers and Class Representatives be paid?**

Class Counsel are working on a contingent fee basis and have not been paid anything for their representation of the Settlement Class to date. Also, they have paid all the expenses of litigation out of their own pockets. If they were to lose the case, they would be paid nothing.

In connection with this Settlement, Class Counsel intend to apply to the Court for an award of attorneys' fees, in an amount not to exceed \$4,833,333.33, which is one-third of the settlement fund. They may seek less. They also intend to seek out-of-pocket litigation expenses incurred during the Litigation, which roughly total \$70,000 to date. Their request will be made through a fee petition filed with the Court and posted to **URL** no later than **DATE**. The Court will evaluate whether this fee request is reasonable in light of Class Counsel's skill and the risk they undertook in bringing the Litigation. The Court may award less.

The Court has appointed Named Plaintiffs John Scott MacDonald and Jessica Spearman as Class Representatives. Class Counsel also will seek compensation for the Named Plaintiffs in an amount not to exceed \$10,000 each. This compensation is intended to compensate the Class Representatives for the time and effort they have put into pursuing this Litigation on behalf of everyone in the Settlement Class.

The costs of settlement administration are expected to be approximately \$46,750.

If awarded by the Court, all of these amounts will be paid directly out of the settlement fund of \$14,500,000.



**Objecting To The Settlement**

**15. How do I tell the Court that I don't like the settlement?**

You can ask the Court to deny approval of the Settlement by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the Settlement as is. If the Court denies approval, no settlement payments will be sent out and the Litigation will continue. If that is what you want to happen, you must object in writing.

If you timely object, you may also appear at the final approval hearing, either in person, or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney.

All written objections and supporting papers must (a) clearly identify the case name and number (*MacDonald, et al. v. CashCall, Inc., et al*, Case No. 2:16-cv-02781-MCA-ESK); (b) contain the basis for and an explanation of the objection; (c) contain your name, address, telephone number, and email address (if you have one); (d) include a statement of whether you intend to appear at the final approval hearing, either with or without an attorney; (e) be submitted to the Court, either by mail to the Clerk of Court, United States District Court for the District of New Jersey, 50 Walnut Street, Newark, NJ 07102, or by filing your objection in person at any location of the United States District Court for the District of New Jersey, and (f) have a copy mailed to the Settlement Administrator. You or your counsel must personally sign the objection. Your objection must be filed and/or postmarked on or before **DATE**.

Any member of the Settlement Class who does not file and serve an objection in the time and manner described above will not be permitted to raise that objection later.

The parties have agreed and it is a term of the Settlement that no payments will be made to any objector, or any objector's counsel without district court approval. The parties' Agreement further requires the district court to approve any payments made in connection with an objector withdrawing or dismissing an appeal.

**16. What's the difference between objecting to the settlement and excluding yourself from it?**

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement. Excluding yourself is telling the Court that you don't want to be part of the Settlement. If you exclude yourself, you have no basis to object because the Litigation no longer affects you.

**17. Where and when will the Court decide whether to approve the settlement?**

There will be a final approval hearing to consider approval of the proposed Settlement on **DATE** at **TIME** at the United States District Court for the District of New Jersey, 50 Walnut Street, Newark, NJ 07102. The hearing may be postponed to a later date without further notice. Settlement Class Members should check **www.URL.com** regularly for any changes to this date. The purpose of the hearing is to determine the fairness, reasonableness, and adequacy of the terms of settlement; whether the Settlement Class is adequately represented by the Class Representatives and Class Counsel; and whether an order and final judgment should be entered approving the proposed settlement. The Court also will consider Class Counsel's application for an award of attorneys' fees and expenses and Class Representative's compensation.

You will be represented at the final approval hearing by Class Counsel, unless you choose to enter an appearance in person or through your own counsel. The appearance of your own attorney is not necessary to participate in the hearing.

**18. Do I have to come to the hearing?**

No. Class Counsel will represent the Settlement Class at the final approval hearing, but you are welcome to come at your own expense. If you submit any objection, you do not have to come to Court to talk about it, but you may do so if you wish. As long as you filed and mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, if you wish.

**19. May I speak at the hearing?**

You may ask the Court for permission to speak at the final approval hearing. To do so, you must send a letter saying that it is your “Notice of Intention to Appear in *MacDonald, et al. v. CashCall, Inc., et al*, Case No. 2:16-cv-02781-MCA-ESK.” You must include your name, address, telephone number, and email address (if you have one). You must (A) submit your letter to the Court, either by mail to the Clerk of Court, United States District Court for the District of New Jersey, 50 Walnut Street, Newark, NJ 07102, or by filing your letter in person at any location of the United States District Court for the District of New Jersey; and (B) have a copy of the letter mailed to the Settlement Administrator. Your letter must be postmarked no later than [45 days following notice mailing].

**Getting More Information**

**20. Are there more details about the Settlement?**

This notice is only a summary. For a more detailed statement of the matters involved in the Litigation or the Settlement, you may refer to the papers filed in this case. They are available during regular business hours at the office of the Clerk of the Court, United States District Court for the District of New Jersey, 50 Walnut Street, Newark, NJ 07102. The full Settlement Agreement and certain pleadings filed in the case are also available at [www.URL.com](http://www.URL.com) or can be requested, in writing from the Settlement Administrator or by calling Class Counsel at 1-800-xxx-xxxx.

**21. How do I get more information?**

You can visit [www.URL.com](http://www.URL.com) or contact the lawyers representing the Settlement Class, identified in Paragraph 13 above. **Please do not contact the Court for information.**

# **EXHIBIT D**

COURT ORDERED  
NOTICE

*MacDonald, et al. v.  
CashCall, Inc., et al.*  
Class Action Notice

*MacDonald v. CashCall, Inc.*  
c/o ADMINISTRATOR  
ADDRESS  
ADDRESS

FIRST CLASS  
MAIL  
US POSTAGE  
PAID  
Permit# \_\_



Postal Service: Please do not mark barcode

ABC-1234567-8

First Last  
Address1  
Address2  
City, State, Zip Code

BLANK

A settlement has been reached in a class action lawsuit for money damages from CashCall, Inc., WS Funding, LLC, Delbert Services, Corp., and J. Paul Reddam (the “Defendants”) for alleged violations of New Jersey usury law, the New Jersey Consumer Fraud Act, the Racketeer Influenced Corrupt Organizations Act, and unjust enrichment. Plaintiffs claim that Defendants charged more interest than was lawful on Western Sky loans taken out by New Jersey borrowers. Defendants vigorously deny that they violated any law, but they have agreed to the settlement to avoid the uncertainties and expenses associated with continuing the Litigation. This notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please review the Settlement Agreement, available at [www.URL.com](http://www.URL.com).

**Am I a Class Member?** CashCall’s records indicate you are a Class Member. The Settlement Class is defined as all individuals who, on or after May 17, 2010, made payments to one or more Defendants on loans originated by CashCall, Inc., WS Funding, LLC, Delbert Services Corp., J. Paul Reddam, or Western Sky Financial, LLC where the borrower was a New Jersey resident.

**What Can I Get?** The Settlement provides monetary benefits and injunctive relief for Settlement Class Members. *First*, Defendants have stopped collecting on Western Sky loans. Third parties, however, may have bought the loan and may be collecting. As part of this settlement Defendants agree to inform those third parties that the loans should be canceled and that the amounts allegedly owed by borrowers are in dispute, contact credit agencies to request removal of negative credit reporting related to the loans at issue, and refrain from selling any personal data about the New Jersey borrowers. *Second*, Defendants will provide a settlement fund of \$14,500,000. This money will be divided among the approximately 10,574 Settlement Class Members and will also be used to pay any Court-approved attorneys’ fees, Class Representative awards, and administration costs. The exact amount each Settlement Class Member will receive will depend on the total amount of each person paid on their loan(s) and the amounts of awards and costs approved by the Court. The amount allocated to each Settlement Class Member will be made two payments, with approximately one year between payments, and no payment shall be less than \$10.

**How Do I Get a Payment?** You do not need to do anything to get a payment. If you do not do anything,

you will receive a payment but you will release Defendants and related parties from any and all claims arising out of or relating directly or indirectly in any manner whatsoever to the facts alleged or which could have been alleged or asserted in the Complaint and Amended Complaint, including but not limited to any and all claims related to Western Sky Loans. Please review the Settlement Agreement, available at [www.URL.com](http://www.URL.com) for the description of the related parties (“Released Parties”).

**What Are My Other Options?** If do not wish to be part of the settlement, you may exclude yourself from the Settlement Class by mailing a written notice to the Settlement Administrator by **Date**. If you exclude yourself, you cannot receive a settlement payment, but you keep any rights you may have to sue Defendants over the legal issues in this Litigation. If you do not exclude yourself, you and/or your lawyer have the right to appear before the Court and/or object to the settlement. Your written objection must be filed with the Court no later than **Date**. Specific instructions on how to object to, exclude yourself, or request to appear at the hearing are in the Settlement Agreement available at [www.URL.com](http://www.URL.com).

**Who Represents Me?** The Court has appointed a team of lawyers from Nichols Kaster, PLLP, Gupta Wessler PLLC, and Schall & Barasch, LLC to serve as Class Counsel. They will petition the Court to be paid legal fees up to \$4,833,333.33, as well as expenses, from the settlement fund, but they may request less. The anticipated litigation expenses are approximately \$70,000 to date and the anticipated administration expenses are \$46,750. You may hire your own lawyer at your expense if you so choose. The two Plaintiffs who started this case are Class Representatives and will ask for an award of \$10,000 each.

**When Will the Court Consider the Settlement?** The Court will hold a hearing on **DATE at TIME** at 50 Walnut Street, Newark, NJ 07102. At that hearing, the Court will hear any objections concerning the fairness of the Settlement, decide whether to approve the requested attorneys’ fees, Class Representative award, and settlement administration costs, and determine the final fairness of the Settlement.

**How Do I Get More Information?** For more information, including the full Notice and Settlement Agreement, go to [www.URL.com](http://www.URL.com), or contact the Settlement Administrator at 1-800-XXX-XXXX.

# **EXHIBIT E**

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

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JOHN S. MACDONALD and  
JESSICA C. SPEARMAN,

Civil Action No. 2:16-cv-02781-  
MCA-ESK

Plaintiffs,

Motion Date: April 6, 2020

v.

CASHCALL, INC.; WS FUNDING, LLC;  
DELBERT SERVICES CORP.; and J. PAUL  
REDDAM,

Defendants.

---

**Order Granting Plaintiffs' Unopposed Motion for Preliminary Approval of  
Class Action Settlement**

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The above-entitled matter came before this Court upon Plaintiffs' Unopposed Motion for Preliminary Settlement Approval. Based upon the memoranda, declarations, exhibits, and all the files and proceedings herein, the Court orders as follows:

**ORDER**

1. Plaintiffs' Motion for Preliminary Settlement Approval is GRANTED.
2. The Court preliminarily finds that the Settlement Agreement meets the requirements for approval under Fed. R. Civ. P. 23(e):

A. The Class Representatives and Class Counsel have adequately represented the Class.

B. The proposed settlement resulted from arm's-length negotiations by experienced and competent counsel overseen by a neutral mediator.

C. The Settlement was negotiated only after Class Counsel and Defendants had conducted meaningful and significant merits discovery and class certification had been granted by the Court.

D. The relief provided by the Settlement is adequate, taking into account the costs, risk, and delay of trial and appeal; the effectiveness of the proposed method of distribution; and the terms of the proposal for awarding attorney's fees, including the timing of payment.

E. The Settlement treats Class Members equitably with respect to one another.

F. Considering the other relevant Third Circuit factors, the Settlement is fair, reasonable, and adequate such that notice to the Settlement Class is warranted.

**3.** The Court previously granted Plaintiffs' motion for class certification and certified two separate classes. (*See* ECF No. 103.) For purposes of settlement, those definitions are modified, and the following Settlement Class is certified for settlement purposes pursuant to Fed. R. Civ. P. 23(b)(3):



All individuals who, on or after May 17, 2010, made payments to one or more Defendants on loans originated by CashCall, Inc., WS Funding, LLC, Delbert Services Corp., J. Paul Reddam, or Western Sky Financial, LLC where the borrower was a New Jersey resident.

As set forth in the Court's class certification Order, the Court appoints Nichols Kaster, PLLP, Gupta Wessler, PLLC, and Schall & Barasch, LLC as counsel for the Settlement Class. Further, the Court appoints John S. MacDonald and Jessica C. Spearman as representatives for the Settlement Class.

4. The Parties have presented to the Court proposed forms of notice regarding the settlement for distribution to Class Members. The Court approves the text of the notices and finds that the proposed forms and content meet the requirements of Fed. R. Civ. P. 23. The Parties may change the form of notice to insert applicable deadlines and information that had otherwise been marked with a placeholder pending Preliminary Settlement Approval.

5. The Court approves and orders that Atticus Administration, LLC shall be the Settlement Administrator responsible for carrying out the responsibilities set forth in the Settlement Agreement. The Court directs the Settlement Administrator and the parties to distribute notice and perform all responsibilities concerning the notice plan as set forth in the Settlement Agreement.

6. Class Counsel shall file their motion for Attorney's Fees, Costs, and Class Representative Service Awards on or before [date].

7. A hearing (the "Fairness Hearing") will be held on [date and time] in

Courtroom MLK4A of the United States District Court for the District of New Jersey, before the undersigned District Court Judge, to determine, among other issues:

- A. Whether the Settlement Agreement should be finally approved as fair, reasonable, and adequate;
- B. Whether the Court should enter the Final Approval Order; and
- C. Whether the Court should approve any motion for Attorneys' Fees, Costs, Class Representative Service Awards, and Settlement Administration Expenses.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Honorable Madeline Cox Arleo  
United States District Court Judge