

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OFFICE OF THE ATTORNEY GENERAL**  
[oag.dc.gov](http://oag.dc.gov)



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## **Attorney General Sues to Stop Debt-Purchasing Company from Collecting on Ultra-High-Interest Loans to District Consumers**

**WASHINGTON, D.C.** – Attorney General Karl A. Racine announced today that the Office of the Attorney General (OAG) has filed a consumer-protection lawsuit against California-based CashCall, a debt-purchasing company that collects on consumer loans with interest rates often exceeding 300 percent annually. That rate is more than 12 times the maximum interest rate allowed by District law.

The loans were made over the Internet by Western Sky Financial, LLC, a South Dakota company that is no longer in business. Western Sky used television and Internet advertising to reach District consumers, who executed loan agreements online. Before going out of business, Western Sky sold the loans to CashCall and its affiliates, which have continued to collect on the loans.

**“This company is preying on District consumers by attempting to collect loans with unlawful and unreasonable interest rates,”** Attorney General Racine said. **“We will aggressively apply the District’s consumer-protection laws to stop predatory lending practices that harm our residents.”**

District law forbids the collection of consumer loans that were unlawful when made, including direct-installment loans with interest rates exceeding the District’s 24 percent cap. The District’s lawsuit against CashCall follows an OAG investigation into complaints from consumers who, as a result of the high interest rates on their loans, still owed CashCall thousands of dollars even after having paid off the principal amounts of their loans several times over.

The District’s complaint names CashCall, Inc., as well as its wholly-owned subsidiary WS Funding LLC and their principal, J. Paul Reddam, as defendants. The suit seeks a court injunction against further unlawful debt collection, restitution for consumers, and civil penalties.

A copy of OAG’s complaint is attached.

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