

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



FOR IMMEDIATE RELEASE: Wednesday, January 11, 2017



**Contact:** Rob Marus, Communications Director: (202) 724-5646; [robert.marus@dc.gov](mailto:robert.marus@dc.gov)  
Marrisa Geller, Public Affairs Specialist: (202) 724-5448; [marrisa.geller@dc.gov](mailto:marrisa.geller@dc.gov)

## **CashCall Agrees to Provide Nearly \$3 Million in Refunds and Debt Forgiveness to District Consumers in Settlement**

*Settlement Ends Lawsuit Attorney General Racine Filed over Unlawful Predatory Lending*

**WASHINGTON, D. C.** – Attorney General Karl A. Racine announced today that lender CashCall Inc. will return payments of more than \$1.8 million made by District consumers and will forgive more than \$1 million in remaining debts to settle [a lawsuit the Office of the Attorney General \(OAG\) filed](#) last year. District consumers eligible for repayment under the settlement will receive an average of more than \$1,300 each.

**“Extremely high-interest loans, like the ones this company offered, trap borrowers in debt and are illegal in the District of Columbia,”** said Attorney General Karl A. Racine. **“Our Office of Consumer Protection worked to recover the maximum amount of restitution possible. We are pleased to announce that more than 1,300 District residents who were victimized by these lending practices will get back some of the money they paid to CashCall to cover exorbitant -- and illegal -- interest rates.”**

In a lawsuit filed in September 2015, the Attorney General alleged that CashCall violated the District’s Consumer Protection Procedures Act and Debt Collection Law by charging consumers illegal interest rates that ranged from 80 percent to 169 percent -- rates well over the maximum interest rate of 24 percent allowed under District law. During the litigation that preceded today’s settlement, CashCall argued that it was merely a servicer and that its loans were made by a Native American tribe, and were thus not subject to the District’s lending laws. The Superior Court of the District of Columbia rejected this argument, finding that CashCall was the true lender and thus subject to the District’s usury statute. OAG also accused CashCall of engaging in lending activities without obtaining the required Money Lender’s License.

In the settlement, the California-based debt-collection company CashCall Inc.; WS Funding, a debt collection subsidiary owned by CashCall; and J. Paul Reddam, the owner of CashCall, agreed to:

- Return payments totaling \$1,862,573.38 to District consumers;

- Forgive remaining debts of more than \$1 million owed by District consumers on existing loans;
- Pay \$100,000 in penalties and costs to the District;
- Ask credit bureaus to remove any credit entries made on consumers' records concerning a CashCall loan; and
- Cease any lending in the District unless it obtains the required license and, in the event it lawfully recommences its lending activities, to stop charging usurious interest rates.

**“We will not tolerate predatory lenders taking advantage of residents when they are at their most vulnerable, and our Office of Consumer Protection will continue to stand up to this type of unlawful and immoral behavior,”** said Attorney General Racine. For more information about how to avoid abusive lending practices, visit [OAG’s Office of Consumer Protection website](#).

Attorney General Racine added, **“Many thanks to Phil Ziperman, the Director of our Office of Consumer Protection, and Assistant Attorney General Richard Rodriguez in the Office of Consumer Protection for their excellent work to get some justice for District consumers through this lawsuit and settlement.”**

A copy of the Consent Order for the settlement is attached.

For more information about Consumers who have been victimized by debt collectors may contact the OAG Office of Consumer Protection at (202) 442-9828, by e-mailing [consumer.protection@dc.gov](mailto:consumer.protection@dc.gov), or by [filing a complaint via our web form](#).

---

Connect with us online:

[oag.dc.gov](http://oag.dc.gov) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)