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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

CONSUMER FINANCIAL PROTECTION BUREAU, Plaintiff, v. CASHCALL, INC., WS FUNDING, LLC, DELBERT SERVICES CORPORATION, and J. PAUL REDDAM, Defendants.	CASE NO.: 2:15-cv-07522-JFW (RAOx) DEPOSITION TESTIMONY OF DELBERT MEEKS 30(B)(6) (JUNE 14, 2016) IN SUPPORT OF DEFENDANTS' MOTION FOR SUMMARY JUDGMENT Hearing Date: August 1, 2016 Time: 1:30 p.m. Place: Courtroom 16 Judge: Hon. John F. Walter Pre-Trial Conf.: September 9, 2016 Trial: September 27, 2016

8:13 All right. When was CashCall formed?
8:14 A. CashCall was formed in 2000 originally as
8:15 Relantis and then changed its name and business to
8:16 CashCall in 2003.
8:17 Q. And why was it formed in 2000 as Relantis?
8:18 A. The original license was obtained to basically
8:19 buy and remodel and then sell homes.
8:20 Q. Why did it change its business model in 2003?
8:21 A. There was a determination made that there was a
8:22 business opportunity in the financial markets, and it
8:23 was then changed to represent CashCall.
8:24 Q. And what was CashCall's business in 2003 when
8:25 it was formed?
9:1 A. Unsecured consumer loans.

27:7 Q. How many employees did CashCall have when you
27:8 started in 2004?
27:9 A. Approximately 60.
27:10 Q. And how many does it have today?
27:11 A. As of today?
27:12 Q. Yes.
27:13 A. 157.
27:14 Q. Do you know how many employees CashCall had at
27:15 its peak?
27:16 A. 2,400.
27:17 Q. Do you know when that peak was?
27:18 A. 2012.
41:3 Q. Okay. Who owns Delbert Servicing Corporation?

41:4 A. Delbert Service Corporation was owned by
41:5 Paul Reddam.
41:6 Q. You say "was." Is it no longer in existence?
41:7 A. It is not.

47:4 Q. In the period 2009 to 2013, do you know how
47:5 often CashCall employees handled overflow for
47:6 Western Sky loan applications?
47:7 A. No.
47:8 Q. Is that something that would be something you
47:9 could quantify?
47:10 A. No.
47:11 Q. Did Western Sky pay CashCall to have CashCall's
47:12 loan agents assist in applications?
47:13 A. Yes.
47:14 Q. How much did Western Sky pay CashCall for that?
47:15 A. Per the agreement.
47:16 Q. What agreement is that?
47:17 A. The services agreement between Western Sky and
47:18 CashCall.

49:17 THE WITNESS: The system, Western Sky had their
49:18 own system. CashCall had their system. The loan agent
49:19 would put in the information from the application and
49:20 then based on parameters established by Western Sky, if
49:21 it was a Western Sky loan, that would then go through
49:22 the initial gate that would say if a borrower qualified
49:23 for a loan or not and then it was passed on to

49:24 underwriting at Western Sky, and then they would gather
49:25 documents, underwrite the loan and then make the
50:1 determination if the loan was to be funded or not.

51:20 Q. Did CashCall know the parameters by which
51:21 Western Sky evaluated loans in deciding to approve them
51:22 or not?
51:23 A. We know their underwriting guidelines, but we
51:24 don't know exactly why they approve or why they don't
51:25 approve. That's their call.

55:1 Q. Who funded a Western Sky-originated loan?
55:2 A. Western Sky.
55:3 Q. From where did they fund that loan?
55:4 A. From their funding account.
55:5 Q. Where was that funding account held?
55:6 A. Wells Fargo Bank.

75:3 BY MS. HARTMANN:
75:4 Q. This Agreement for Service was dated the 9th of
75:5 January, 2010 between Western Sky Financial and
75:6 CashCall.
75:7 Do you see that?
75:8 A. Yes.
75:9 Q. Is it your understanding that this agreement
75:10 was the agreement that governed the servicing
75:11 relationship between Western Sky Financial and CashCall
75:12 from January 9, 2010 through the end of the

75:13 relationship?
75:14 A. Yes.

92:23 Who drafted CashCall's formal policies and
92:24 procedures?
92:25 A. That depends on the group where the policies
93:1 and procedures reside.
93:2 Q. Okay. Did CashCall have any overarching
93:3 companywide policies or procedures?
93:4 A. The employment handbook.
93:5 Q. And who drafted that?
93:6 A. It was originally drafted by the head of HR and
93:7 legal and myself.
93:8 Q. And then who reviewed it prior to its
93:9 implementation?
93:10 A. Legal and myself.
93:11 Q. Who approved the use of the employment
93:12 handbook?
93:13 A. Myself.
93:14 Q. Did Mr. Reddam ever review the employment
93:15 handbook?
93:16 A. No.
93:17 Q. Did he have any role in approving the
93:18 employment handbook?
93:19 A. No.
93:20 Q. Were there any changes made to the employment
93:21 handbook in the time period between 2009 and 2013?
93:22 A. I don't recall.

93:23 Q. Who would know?
93:24 A. Either Dan Baren or the head of HR at that
93:25 time.
94:1 Q. Were there any other overarching formal
94:2 policies and procedures that CashCall had?
94:3 A. When you say overarching, you mean that would
94:4 affect all employees companywide regardless of the
94:5 department?
94:6 Q. Correct.
94:7 A. No.
94:8 Q. And then you said depending on which
94:9 department's policies and procedures, did each
94:10 department have policies and procedures?
94:11 A. For the most part, yes.
94:12 Q. Did servicing have its own policies and
94:13 procedures?
94:14 A. Yes.
94:15 Q. Okay. Who drafted those?
94:16 A. The one that was ultimately responsible for the
94:17 policies and procedures and having them drafted was
94:18 Lewis Ochoa.
94:19 Q. Who else would have reviewed the policies and
94:20 procedures?
94:21 A. Lewis was ultimately responsible for
94:22 implementation and review.
94:23 Q. Would anyone outside of Lewis' report line
94:24 review the policies and procedures?
94:25 A. General discussions on overall like charge-off

95:1 period, delinquency periods and those things would be
95:2 discussed at the executive level. Those decisions would
95:3 then be implemented by Mr. Ochoa through his policies
95:4 and procedures.
95:5 Q. Would anyone review the policies and procedures
95:6 prior to them being implemented?
95:7 A. No.
95:8 Q. Did Mr. Reddam ever review the servicing
95:9 policies and procedures?
95:10 A. No.
95:11 Q. Did he ever edit them?
95:12 A. No.
95:13 Q. Did Mr. Baren ever review the policies and
95:14 procedures in servicing?
95:15 A. I don't know.
95:16 Q. Did you ever review the policies and procedures
95:17 for servicing?
95:18 A. No.
95:19 Q. What about production? What policies and
95:20 procedures did production have?
95:21 A. More procedural developed by Hilary Holland.
95:22 Q. Do you know if Ms. Holland drafted formal
95:23 policies and procedures?
95:24 A. I do not.
95:25 Q. Do you know if anyone drafted policies and
96:1 procedures for production?
96:2 A. I'm not aware of any.
96:3 Q. Did HR have policies and procedures?

96:4 A. Yes.
96:5 Q. Who was responsible for those policies and
96:6 procedures?
96:7 A. The head of HR.
96:8 Q. Who was that person in the 2009 to 2013 time
96:9 frame?
96:10 A. Cheryl Roberts.
96:11 Q. Do you know if she drafted formal policies and
96:12 procedures.
96:13 A. That's the employee handbook.
96:14 Q. Do you know if there are any other policies and
96:15 procedures that she drafted?
96:16 A. Not that I'm aware of.
96:17 Q. That anyone in HR drafted?
96:18 A. Not that I'm aware of.
96:19 Q. Okay. What about risk? Did risk have formal
96:20 policies and procedures?
96:21 A. No.
96:22 Q. Did accounting have formal policies and
96:23 procedures?
96:24 A. As governed by GAAP.
96:25 Q. Outside of GAAP, are there written policies and
97:1 procedures for accounting?
97:2 A. No.
97:3 Q. Who's responsible for the policies and
97:4 procedures in accounting?
97:5 A. I am.
97:6 Q. What about collections? Was that part of

97:7 servicing?
97:8 A. It's part of the servicing.
97:9 Q. Are there any other departments that would have
97:10 been involved in unsecured consumer loans that we
97:11 haven't just gone through?
97:12 A. IT.
97:13 Q. Are there formal policies and procedures for
97:14 IT?
97:15 A. There were back in 2008, yes.
97:16 Q. 2008, you said?
97:17 A. Yes.
97:18 Q. Okay. How long were those in force?
97:19 A. They are still there and being updated.
97:20 Q. Do you know who drafted them?
97:21 A. I believe it was Matt Gorgen. May have been
97:22 James Kiyohara.
97:23 Q. Do you know who reviewed them beyond those two?
97:24 A. I do not.
97:25 Q. Do you know if Mr. Reddam ever reviewed the IT
98:1 policies and procedures?
98:2 A. He did not.
98:3 Q. Did you ever review IT policies and procedures?
98:4 A. I have not.
98:5 Q. Did Mr. Baren ever review the policies and
98:6 procedures for IT?
98:7 A. I don't know.
98:8 Q. Are there any compliance policies and
98:9 procedures in place at CashCall?

98:10 MR. BARLOON: Just going to object. Are you
98:11 asking about legal compliance? I'm going to object to
98:12 the extent that...
98:13 MS. HARTMANN: You want to object that it's
98:14 vague, sir? Because if you do, that's fine. You can
98:15 state the objection.
98:16 MR. BARLOON: You may ask the question. I will
98:17 just note that Mr. Meeks is not designated as the
98:18 30(b)(6) with respect to legal compliance policies and
98:19 procedures. That's all.
98:20 MS. HARTMANN: I understand. Thank you.
98:21 MR. BARLOON: All right.
98:22 BY MS. HARTMANN:
98:23 Q. I'm just wondering if there were general
98:24 compliance policies and procedures at CashCall?
98:25 A. I'm not sure what you mean by general
99:1 compliance. I'm sorry.
99:2 Q. Were there any policies and procedures that
99:3 indicated compliance other than what we've talked about
99:4 so far today?
99:5 A. I just want to be clear; compliance with what?
99:6 Q. The other policies and procedures at CashCall,
99:7 for example.
99:8 A. Like we mentioned and we've been talking about,
99:9 these groups each had their own policies and procedures,
99:10 like IT, servicing and so on. Those are what they have
99:11 to be compliant with within the group. And then the
99:12 overall one was the employee manual.

99:13 Q. I understand that you're not designated on this
99:14 topic. Were there legal compliance policies and
99:15 procedures at CashCall?
99:16 A. I don't know. I'm not aware of any.
99:17 Q. Okay. Are there any policies and procedures
99:18 related to business practices, operational practices or
99:19 employment practices that we haven't discussed?
99:20 A. Not that I'm aware of.

DATED: June 30, 2016

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