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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 MARTIN A. WEBB (JUNE 22, 2016) IN SUPPORT OF DEFENDANTS' OPPOSITION TO PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT Hearing Date: August 1, 2016 Time: 1:30 p.m. Place: Courtroom 16 Judge: Hon. John F. Walter Pre-Trial Conf.: September 09, 2016 Trial: September 27, 2016

25:25 Q. Mr. Webb, I'd like to ask you some questions
26:1 about Exhibit No. 24.
26:2 What is that document?
26:3 A. It's the underwriting policies and procedures
26:4 for the underwriting criteria for loans with Western Sky
26:5 Financial.
26:6 Q. All right. Now, I see that that document has a
26:7 date of 2011 at the top.
26:8 Were these the underwriting policies and
26:9 procedures for just that year or for a longer period of
26:10 time?
26:11 A. All of the underwriting criteria continually
26:12 changed based on additional data, additional analysis.
26:13 So it wasn't set in stone forever; it was continually
26:14 changing.

29:18 Q. What's Method software?
29:19 A. Method software is their software that CashCall
29:20 owned and licensed it to Western Sky, and we utilized it
29:21 for an automated system where it took in the data,
29:22 analyzed the data and had a -- and then forward that on
29:23 to Timber Lake.

30:9 Q. How would you use Method software?
30:10 A. We used it --
30:11 MR. UMHOFER: Objection. Vague as to "you."
30:12 BY MR. MARTIKAN:
30:13 Q. I mean you, Mr. Webb.

30:14 A. I did not.
30:15 Q. You did not ever use it?
30:16 A. No.
30:17 Q. Okay.
30:18 A. I never applied for a loan.
30:19 Q. Who at Western Sky used it?
30:20 A. The agents that were in the call center used
30:21 it, the people that did the auditing there used it, and
30:22 the people that did the funding there in Timber Lake
30:23 used it. And I would assume the people that we had --

53:16 Q. Do you know if Western Sky had its own server
53:17 from January 2010 through September 2013?
53:18 A. Yes, they did.

53:23 Q. Do you remember if CashCall provided
53:24 Western Sky with a server?
53:25 A. I don't remember. We utilized their software
54:1 in a program down here for loan applications, so they
54:2 had a server there, but we also had servers in
54:3 Timber Lake.

59:1 THE WITNESS: It was their option that they
59:2 didn't have -- they could purchase elsewhere.
59:3 BY MR. MARTIKAN:
59:4 Q. All right.
59:5 A. That was the reason for the reserve for part of
59:6 it.

59:7 Q. The reason being that they might decide to go
59:8 elsewhere and leave you out --
59:9 A. Or not buy any --
59:10 Q. Okay.
59:11 A. -- or only one-half or a certain number.

68:23 Q. How many employees did you start with?
68:24 A. Western Sky?
68:25 Q. Let's just -- yeah. Say in January 2010.
69:1 A. Approximately two to three.
69:2 Q. Including yourself?
69:3 A. No. I was never paid.
69:4 Q. Okay. Who else? Who else was it then?
69:5 A. I don't remember the names.
69:6 Q. Now, at the time you started Western Sky, you
69:7 had -- some of your other businesses were still up and
69:8 running; right?
69:9 A. Correct.
69:10 Q. Did you have any of the same employees working
69:11 for both businesses, or were these dedicated Western Sky
69:12 employees?
69:13 A. They were dedicated Western Sky.
69:14 Q. Do you remember what their -- what they did?
69:15 A. Originally, they reviewed, audited and approved
69:16 loans.

75:5 Now, if you could turn to page 4, which is the
75:6 "Contact Us" page, there's a list of toll-free phone --

75:7 well, not all toll-free, but a list of phone numbers.
75:8 Where, if you know, would these phone numbers
75:9 go? Like, if I called them --
75:10 A. I don't remember. The only one I can tell you
75:11 is the 605-865 would go straight to Timber Lake.
75:12 Q. Okay.
75:13 A. To the best of my recollection, the others go
75:14 to Timber Lake also.

121:15 You've referred to two locations, Eagle Butte
121:16 and Timber Lake; is that correct?
121:17 A. Correct.
121:18 Q. Now, where are those locations --
121:19 A. Both are --
121:20 Q. -- situated in relationship to the Indian
121:21 reservation?
121:22 A. Both of them are within the exterior boundaries
121:23 of the Indian reservation. Eagle Butte is actually the
121:24 headquarters for all the travel offices.
121:25 Q. And so is it fair to say that the Western Sky
122:1 offices were located within the exterior boundaries of
122:2 the reservation?
122:3 A. Not only fair; it's correct.

124:4 Q. Now, you made reference to payday lenders, but
124:5 in fact, Western Sky -- the Western Sky program and the
124:6 loans that CashCall purchased or WS Funding purchased
124:7 from Western Sky were not payday lending; they were

124:8 consumer lending; is that correct?

124:9 A. Installment loans, correct.

DATED: July 11, 2016

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