

S.C. Dept. of Consumer Affairs and S.C. Board of Financial Institutions v. Cash Call and Western Sky Financial

In July of 2015, the South Carolina Department of Consumer Affairs (Department) together with the South Carolina Board of Financial Institutions, Consumer Finance Division (jointly State) began investigating lending activity of Cash Call, Inc.; Western Sky Financial, LLC; and WS Funding, LLC (jointly Cash Call/Western Sky). Cash Call/Western Sky was organized and principally located outside the state. The Department's investigation focused on breaches of state consumer lending laws. S.C. Code Ann. § 37-3-500 et seq. (1976).

The State and Cash Call/Western Sky entered into a voluntary settlement agreement in November of 2016. The agreement required Cash Call/Western Sky to pay \$500,000 to the Department for consumer restitution. Additionally, Cash Call/Western Sky was required to discharge and forgive all outstanding loans in the state worth \$9.15 million. Similarly, within 30 days of the agreement Cash Call/Western Sky must remove all credit history of loans with credit reporting agencies to restore the credit of the affected South Carolina consumers. Finally, Cash Call/Western Sky was required to notify all third party debt buyers which bought their outstanding South Carolina debt and request all collection attempts halt immediately. In the event Cash Call/Western Sky does not strictly comply with the agreement's terms, the State reserves the right to reopen this matter.

As of mid-January 2017, the \$500,000 restitution fund was seeded by Cash Call/Western Sky and the Department was in the process of notifying affected consumers.