



Philosophically Speaking...

Owner Profile: J. Paul Reddam

By Mary Forney

J. Paul Reddam is more than a bit of a skeptic – a skeptic in the true sense of the word: he is willing to suspend judgment. A Doctor of Philosophy, his field is epistemology – the study of knowledge. A series of recent interviews revealed a man who is fascinating, intelligent, and energetic, and whose training in philosophy has shaped his decisions as a businessman and as a horse owner.

As a student of philosophy, Reddam says he did a lot of work on “knowing versus believing.” Calling his “healthy training in skepticism” a good thing, he is quick to add “other times, it probably annoys people!”

“My favorite philosopher was W. V. Quine,” Reddam says, “because he continually challenged everyone’s given dogma. In other words, he took basic assumptions about certain problems and induced a healthy amount of skepticism about them.” Quine (1908-2000) was one of the most influential American philosophers and logicians of the 20th Century, sometimes referred to as the “philosopher’s philosopher.”

With a unique personality mix of philosopher and entrepreneur, Reddam participates in and promotes our sport with rare innovation. He has campaigned such stakes stars as Wilko, Swept Overboard and Elloluv. Racing fans are by now familiar with the “Cash Call” insignia often seen on jockeys’ riding pants. On the busi-

ness side, Reddam is the founding president of CashCall – a consumer lender that makes unsecured loans.

Reddam believes his education in philosophy has shaped much of his success. “What you learn in philosophy is to examine how things could be, not necessarily how they are,” he explains. “And that can be applied to horse racing. For example, you’ll see people leap to conclusions because they take their horse and, let’s say they’ve been running it on the dirt, and they run it on the turf. And when the horse either does well or doesn’t do well, they decide immediately that it’s the switch in surfaces that caused that. A philosophy major would tell you there could be one of ten other factors, and you’re leaping to that conclusion without enough evidence. It could be that the class was easier, or harder, or the distance was the real factor.”

In the early 80’s, Reddam was teaching philosophy at Cal State Los Angeles. In 1985, he made a decision that

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took his life in a different direction. What made him decide to leave the academic world? “Money,” he said flatly. “You know, I enjoyed the teaching, and certainly the hours were very flexible. But you can only make so much money at it, which isn’t very much, so I decided I needed to get a real job.”

By 1988, Reddam had started his own mortgage company, SC Funding. “It did fairly well,” he said, “until one day in 1994, when the chief financial officer disappeared and the bank accounts were emptied.” Having lost everything, Reddam regrouped, hatching the idea for the immensely successful DiTech Funding – a specialty finance company.

“I had the idea for DiTech sort of rolling around in my head – which was different from what SC Funding had done. In the early 90’s,” Reddam continued, “there was always an intermediary that people used to facilitate their loan – a real estate agent, an accountant, a lawyer. So the idea of DiTech was to just go to people – go on television – and say, ‘Listen, here’s what

today’s interest rate is. If that works for you and you want it, just call up.’”

“I tried that idea out on a couple of people in the business, and they all said, ‘Oh, no, that’ll never work,’” said Reddam. “I kind of took all my chips and bet that it would, and went on the radio in 1995 putting that day’s rate on, and the company just took off like a rocket.” Reddam sold DiTech in 1999 to General Motors Acceptance Corp.

“I found that, when I sold the company and people knew that I had money, everyone was always wanting to borrow money from me,” Reddam said. In those days, he was hit up for loans so often he decided he should just make it a business. “I thought there might be a market for the sorts of personal loans where people got the money pretty



much instantly,” he explained. CashCall makes loans without any security or collateral. Some of them, of course, go bad, according to Reddam. But enough of them are paying that it looks like a good business. “It’s a so-far-so-good story,” he said, “and it’s grow-





Reddam and his wife, Zillah, at Santa Anita

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ing pretty rapidly.”

In two years, the company has expanded to fill a 65,000 square foot office in Fountain Valley, California. As we toured the offices, Reddam had to double-check with an assistant: “How many employees do we have now?” Currently employing 450, they hire about 20 people a month. The production department alone occupies an entire floor of office cubicles – each with an employee on the telephone.

Reddam attributes some of CashCall's success to actor spokesperson Gary Coleman, who actually called for a loan shortly after the company opened. Reddam suggested, rather than a loan, a trade for Coleman's commercial endorsement. After two unsuccessful ads, Reddam hit on a winning one. “We did a spot where he kind of took a little walk in the woods, and said that he'd made a lot of money in his life but people he put in charge of it spent it. So, now when he needed a loan he came to see CashCall. And I think that's resonated with people because everyone would like to think if they're in debt it's not their fault.”

Reddam quite honestly attributes his success to the fact that Americans are notoriously bad money managers. “We're definitely not savers,” he explains. “So the market that CashCall has pitched to are people who are employed, mak-

ing decent money, who spend it just as fast as they make it. It is what it is.”

Reddam was born and raised in Windsor, Ontario, Canada, where his parents still live. He now resides in Sunset Beach with his wife Zillah, who shares his passion for racing. Married five years, they met in 1996, when Zillah worked for him at DiTech.

Reddam earned his bachelor's degree in psychology from the University of Windsor, master's degree in philosophy from the University of Toronto, and Ph.D. in philosophy from the University of Southern California. While working on his doctorate at USC, he taught philosophy at Cal State L.A. Recalling the first class he taught, a night class in logic, Reddam said, “I remember waiting for the room because someone else was in it the first day of class. I was standing there, and I was, I think, 23 years old, and there were all adult students. This one guy standing there said, ‘I wonder what this professor will be like. Do you think this will be tough?’ and I said, ‘Well, I'm sure he's very fair.’ And then we went in, and I went to the front of the room. I was actually, I think, the youngest person in the class.”

Reddam purchased his first horse when he was still in college in Toronto – a Harness horse he claimed at Greenwood Raceway with Carlo Fisco, a high school buddy who worked

as a groom at the racetrack. When he moved to California to attend USC, he convinced Fisco to move out here, and they started a small Harness stable together.

It wasn't long before his attention turned to Thoroughbred racing. "I was lucky enough my first year here, coming out to the track, to see Spectacular Bid run," said Reddam. "There was so much excitement about him running in the Strub and the Santa Anita Handicap that it was very infectious. I kind of fell in love with Thoroughbred racing at that time."

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For all his success in racing, he considers Elloluv to be his best "success story." Purchased at the Keeneland two-year-olds in training sale for \$120,000, she went on to earn \$1,297,075. He then sold her at the Keeneland breeding stock sale for \$1,750,000.

Reddam retained a majority share of

Momentum, who is standing at Vessels Stallion Farm. Not content to be a traditional stallion owner, Reddam is trying something innovative – or, as he puts it, "a crazy idea that I came up with." Momentum stands for \$5,000; Reddam is offering anyone who breeds to him the right to sell their produce back to him in August of its yearling year for \$15,000. "So, in other words," said Reddam, "it's like a triple, money-back guarantee. You could breed to him, have a foal, and if you didn't like the way its leg pointed, or it was just an ugly foal, or it was clear to you it's never going to be a racehorse – we'll buy it back, sight unseen, for \$15,000."

Reddam owns about 35 Thoroughbreds, with trainers Craig Dollase, Doug O'Neill, Mark Hennig, and Ben Cecil in the U.S., and Jeremy Nosedo and Brian Meehan in Europe. He also owns 25 broodmares at Vessels in California and Kingswood in Kentucky, and eight Standardbreds at Windsor Raceway in Canada and Cal-Expo in Sacramento.

A philosopher, a successful entrepreneur, and a man who combines critical thinking with a passion for living, Reddam is a true breath of fresh air for California racing!

Reddam to Sponsor CashCall Mile

Reddam recently signed a 3-year sponsorship agreement with Hollywood Park to card the \$750,000 CashCall Mile as part of a two-day (July 1-2) international package with the \$750,000 American Oaks, beginning in 2006. The Grade 3 CashCall Mile – formerly run as the Royal Heroine Stakes – is for fillies and mares, 3 years old and up.

In his latest book, *Something For Nothing*, renowned Rutgers University Professor Jackson Lears examines the history of Americans' attitudes towards luck and explores a dichotomy at the heart of our national character – the impulse towards risk versus the need for control. The idea for the book grew out of the bull market days of the mid 90's and an evolving cultural movement focused on the ethics of "personal responsibility, hard work, and pulling oneself up by your bootstraps." So why, he wondered, were so many people standing in line to buy lottery tickets? Was this a crack in "The Culture of Control's" façade?

Perhaps there was an alternate perspective to a way of being in the world that doubted diligence as the only path to success – a gambler's worldview that is at ease with uncertainty, reveres chance, and resonates with the notion of grace. In this "Culture of Chance," horse racing might best exemplify where the desire for control and the willingness to live with

chance mix. Even a knowledgeable handicapper betting the favorite can't eliminate the risk or unpredictability. The gesture of throwing down money at the pari-mutuel window, says, "I'm risking it and I'm not desperately attached to it. I'm willing to play." It is this element that makes gambling fun. Life is more like a horse race than it is a lottery, requiring skill and chance, smart luck rather than dumb luck.

Jackson Lears is a Board of Governors Professor of History at Rutgers University and the editor of the journal Raritan. His previous books include No Place for Grace and Fables of Abundance: A Cultural History of Advertising in America, which won the Los Angeles Times book prize for history. He writes regularly for The New Republic, The Washington Post, The New York Times, and the Los Angeles Times Book Review and lives in the Delaware valley of western New Jersey.

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