

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

PEOPLE OF THE STATE OF ILLINOIS,)	
by LISA MADIGAN, ILLINOIS ATTORNEY)	
GENERAL,)	
Plaintiff,)	
)	
v.)	No. 14 C 2783
)	
CMK INVESTMENTS, INC. d/b/a ALL)	Judge Ellis
CREDIT LENDERS, an Illinois)	
Corporation,)	
Defendant.)	

**DEFENDANT'S MEMORANDUM IN SUPPORT OF ITS
MOTION TO DISMISS PLAINTIFF'S COMPLAINT**

TABLE OF CONTENTS

I.	Introduction	1
II.	Background	2
A.	Federal law and Illinois law distinguish between open-end credit and closed-end credit	3
1.	TILA recognizes that open-end credit and closed-end credit have different features and sets out different requirements for open-end and closed-end credit	3
2.	Illinois law recognizes that open-end and closed-end credit are different	4
B.	All Credit Lenders’ revolving credit plan is open-end credit that provides consumers with continuing access to credit	6
C.	IDFPR previously challenged All Credit Lenders’ revolving credit plan and settled and dismissed prior administrative actions involving allegations similar to those raised by Plaintiff.....	7
III.	Argument.....	10
A.	Plaintiff’s claims are barred by the doctrine of <i>res judicata</i>	11
B.	Even if <i>res judicata</i> did not procedurally bar Plaintiff’s claims (which it does), Plaintiff’s claims would fail substantively.....	14
1.	All Credit Lenders disclosed that the minimum payment did not include principal	14
2.	Because TILA prohibits disclosing the account protection fee as interest, Plaintiff cannot establish that All Credit Lenders is liable for failing to disclose the account protection fee as interest.....	18
3.	Plaintiff cannot establish liability with conclusory attacks on a legal loan product.....	22
C.	IDFPR previously challenged All Credit Lenders’ revolving credit plan and settled and dismissed prior administrative actions involving allegations similar to those raised by Plaintiff.....	24
IV.	Conclusion.....	25

TABLE OF AUTHORITIES

CASES

<u>Arlin-Golf, LLC v. Vill. of Arlington Heights,</u> 631 F.3d 818 (7th Cir. 2011).....	12, 13
<u>Arlin-Golf, LLC v. Vill. of Arlington Heights,</u> No. 09-1907, 2010 WL 918071 (N.D. Ill. Mar. 9, 2010), <u>aff'd</u> 631 F.3d 818 (7th Cir. 2011).....	12
<u>Beckett v. H&R Block, Inc.,</u> 306 Ill. App. 3d 381 (1st Dist. 1999)	21
<u>Clark v. Martinez,</u> 543 U.S. 371 (2005).....	20
<u>Diaz v. City of Chicago,</u> 601 F. Supp. 1251 (N.D. Ill. 1984)	12
<u>FCC v. Fox Television Stations, Inc.,</u> 132 S. Ct. 2307 (2012).....	20
<u>Follman v. World Fin. Network Nat'l Bank,</u> 971 F. Supp. 2d 298 (E.D.N.Y. 2013).....	4
<u>Goldman v. First Nat'l Bank of Chicago,</u> 532 F.2d 10 (7th Cir. 1976).....	4
<u>Hamdan v. Gonzales,</u> 425 F.3d 1051 (7th Cir. 2005).....	12
<u>Hardaway v. CIT Grp./Consumer Fin. Inc.,</u> 836 F. Supp. 2d 677 (N.D. Ill. 2011)	24
<u>Hecker v. Deere & Co.,</u> 556 F.3d 575 (7th Cir. 2009).....	17
<u>Henson v. CSC Credit Servs.,</u> 29 F.3d 280 (7th Cir.1994).....	8
<u>Hoffman v. Grossinger Motor Corp.,</u> 218 F.3d 680 (7th Cir. 2000).....	1, 18
<u>Jackson v. Callan Pub., Inc.,</u> 356 Ill. App. 3d 326 (1st Dist. 2005)	12

<u>Jackson v. Resolution GGF OY,</u> 136 F.3d 1130 (7th Cir. 1998).....	24
<u>Jackson v. S. Holland Dodge, Inc.,</u> 197 Ill. 2d 39 (2001)	1, 17-18
<u>Johnson v. Orkin, LLC,</u> 928 F. Supp. 2d 989 (N.D. Ill. 2013)	16
<u>Johnson v. Orr,</u> No. 07-5900, 2007 WL 4531798 (N.D. Ill. Dec. 19, 2007), <u>aff'd on other grounds</u> 551 F.3d 564 (7th Cir. 2008).....	12
<u>Lanier v. Assocs. Fin., Inc.,</u> 114 Ill. 2d 1 (1986)	20, 21
<u>MacPhee v. Cushman & Wakefield of Ill., Inc.,</u> No. 10-5666, 2011 WL 1990664 (N.D. Ill. May 18, 2011).....	11
<u>Mandarino v. Pollard,</u> 718 F.2d 845 (7th Cir. 1983).....	13
<u>Martinez v. Universal Laminating, Ltd.,</u> No. 02-4410, 2002 WL 31557621 (N.D. Ill. Nov. 18, 2002)	8
<u>Massey v. Merrill Lynch & Co., Inc.,</u> 464 F.3d 642 (7th Cir. 2006).....	3
<u>McCauley v. City of Chicago,</u> 671 F.3d 611 (7th Cir. 2011).....	3, 15
<u>McCulla v. Indus. Comm'n,</u> 232 Ill. App. 3d 517 (1st Dist. 1992)	12
<u>Novitsky v. Am. Consulting Eng'rs., L.L.C.,</u> 196 F.3d 699 (7th Cir. 1999).....	16
<u>Quinn v. Ameriquest Mortgage Co.,</u> No. 03-5059, 2004 WL 316408 (N.D. Ill. Jan. 26, 2004).....	21
<u>Randazzo v. Harris Bank Palatine, N.A.,</u> 262 F.3d 663 (7th Cir. 2001).....	16
<u>SDS Partners, Inc. v. Cramer,</u> 305 Ill. App. 3d 893 (4th Dist. 1999).....	13

<u>Smith v. Cash Store Mgmt., Inc.</u> , 195 F.3d 325 (7th Cir. 1999).....	21
<u>Swanson v. Bank of Am., N.A.</u> , 566 F. Supp. 2d 821 (N.D. Ill. 2008)	21
<u>Szumny v. Am. Gen. Fin.</u> , 246 F.3d 1065 (7th Cir. 2001).....	11
<u>Ward v. Jessie Brown V.A. Hosp.</u> , No. 05-3633, 2005 WL 3312601 (N.D. Ill. Dec. 5, 2005).....	13

STATUTES & REGULATIONS

12 C.F.R. § 226.2.....	3, 4, 7
12 C.F.R. § 226.14.....	24
12 C.F.R. 1026, Appx. G, Table G-17(B)	19
12 C.F.R. §§ 1026.4.....	4, 18, 19
12 C.F.R. § 1026.6.....	4, 17, 18, 19
12 C.F.R. § 1026.7.....	2, 3, 4, 17
12 C.F.R. § 1026.17	4
12 C.F.R. § 1026.18	4
12 U.S.C. § 5301.....	1
15 U.S.C. § 1601.....	1
38 Ill. Adm. Code 110.240.....	8
205 ILCS 670/1	4
205 ILCS 670/9	8, 9
205 ILCS 670/10	8
205 ILCS 670/15	22
205 ILCS 670/17	5
205 ILCS 670/17.2	22

205 ILCS 675/1	5
205 ILCS 675/2	2
205 ILCS 675/4	5, 23
205 ILCS 675/6	5
815 ILCS 122/1	4
815 ILCS 122/1-10	5
815 ILCS 122/2-5	22

OTHER AUTHORITIES

Fed. R. Civ. P. 12(b)(6)	2, 3, 8, 11
H.B. 6019, 98th General Assembly (Ill. 2014)	24, 25
<i>How Will the CFPB Function Under Richard Cordray: Hearing Before the Subcomm. on TARP, Financial Services and Bailouts of Public and Private Programs of the House Committee on Oversight and Government Reform</i> , 112th Cong. 99 (2012) (Statement of Richard Cordray, CFPB Director)	1, 18, 20
Interpretive Letter 92-2 (April 17, 1992)	6, 24
Interpretive Letter 96-1 (January 24, 1996)	6, 24
Official Interpretation, § 1026.4(b)(10)	19
P.A. 97-333 (H.B. 2853) § 285, 97th General Assembly (Ill. eff. August 12, 2011)	6

I. Introduction

As the Seventh Circuit has recognized (and the Illinois Supreme Court has repeatedly made clear), a loan disclosure that complies with the Truth-in-Lending Act (“TILA”), 15 U.S.C. § 1601 et seq., is not actionable under the Illinois Consumer Fraud and Deceptive Business Practices Act (“Consumer Fraud Act”), 815 ILCS 505/1 et seq. See Hoffman v. Grossinger Motor Corp., 218 F.3d 680, 684 (7th Cir. 2000); Jackson v. S. Holland Dodge, Inc., 197 Ill. 2d 39, 47 (2001). And as the Director of the Consumer Financial Protection Bureau (“CFPB”) -- the federal regulator responsible for implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), 12 U.S.C. § 5301 et seq. -- has stressed, a disclosure that complies with TILA is not actionable under the Dodd-Frank Act. See *How Will the CFPB Function Under Richard Cordray: Hearing Before the Subcomm. on TARP, Financial Services and Bailouts of Public and Private Programs of the House Committee on Oversight and Government Reform*, 112th Cong. 99 (2012) (statement of Richard Cordray, CFPB Director) (“Cordray Statement”).

Defendant, CMK Investments, Inc. d/b/a All Credit Lenders (“All Credit Lenders”), provides open-end credit under a revolving credit plan. *As required under TILA*, the Revolving Credit Plan Agreement and Disclosure (“Agreement”) separates out and separately discloses interest and fees -- including an account protection fee. Moreover, as is common with open-end credit products (like a credit card), the Agreement provides that a borrower has the option of making only minimum periodic payments that cover interest and fees (but do not cover principal).

Nevertheless, Plaintiff, the People of the State of Illinois (“Plaintiff”), asserts that -- *by failing to disclose that minimum payments covers only interest and fees and by separately disclosing interest and the account protection fee* -- All Credit Lenders violated the Consumer Fraud Act and the Dodd-Frank Act. Plaintiff’s conclusory assertions must fail. Of course, just the opposite is true. The Agreements that Plaintiff attaches to the Complaint demonstrate that All Credit Lenders disclosed and explained the

minimum-payment option. And TILA forecloses Plaintiff's assertions about the disclosure of the account protection fee.

Under scrutiny, Plaintiff's Complaint is an attempt to re-write decades of lending law. While Plaintiff is the chief law enforcement officer of this state, and, as such, Plaintiff has many powers, re-writing legislation is not one of them.

Moreover, there is a threshold problem with this lawsuit. Before Plaintiff filed this action, the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions ("IDFPR"), the state agency responsible for licensing, regulating, and examining state-licensed financial institutions, alleged violations of consumer-credit laws against All Credit Lenders, scheduled administrative hearings, and agreed to settle and dismiss with prejudice those allegations and those hearings. IDFPR's actions are entitled to full *res judicata* effect.

Plaintiff's complaint should be dismissed under Federal Rule 12(b)(6).

II. Background

At the outset of Plaintiff's Complaint, Plaintiff discusses different kinds of credit products. See Pl.'s Compl., ¶¶ 11-28. But Plaintiff's discussion is incomplete. Plaintiff does not address the differences in the operation of open-end credit (like All Credit Lenders' revolving credit plan) and closed-end credit (like an auto loan). Those differences are important here. Therefore, in this background section, we begin with a discussion of those differences under federal and state law.

Once we discuss those differences, we will discuss the terms of All Credit Lenders' revolving credit plan.¹ Finally, we discuss the State of Illinois' prior challenge to the revolving credit plan.

A. Federal law and Illinois law distinguish between open-end credit and closed-end credit.

1. TILA recognizes that open-end credit and closed-end credit have different features and sets out different disclosure requirements for open-end credit and closed-end credit.

Consumers may obtain open-end or closed-end credit. Under TILA's implementing regulation (Regulation Z), open-end credit "means consumer credit extended by a creditor under a plan in which: (i) The creditor reasonably contemplates repeated transactions; (ii) The creditor may impose a finance charge from time to time on an outstanding unpaid balance; and (iii) The amount of credit that may be extended to the consumer during the term of the plan (up to any limit set by the creditor) is generally made available to the extent that any outstanding balance is repaid." 12 C.F.R. § 226.2(a)(20). In other words, open-end credit, among other things, allows a borrower to borrow any amount up to his or her credit limit, pay down his or her outstanding balance, and repeat the process. See id. Moreover, open-end credit allows a borrower to do all of these things without having to re-apply for new credit -- *i.e.*, without having to fill out a new application, submit to a new credit check, wait for a new credit decision, etc., etc. See id. Examples of open-end credit include credit cards and home equity lines of credit. See, e.g., 12 C.F.R. 1026.7(a) (discussing

¹ Because this is a 12(b)(6) motion to dismiss, the Court "accept[s] the well-pleaded facts in the complaint as true, but legal conclusions and conclusory allegations merely reciting the elements of the claim are not entitled to this presumption of truth." McCauley v. City of Chicago, 671 F.3d 611, 616 (7th Cir. 2011). In addition, in ruling on a 12(b)(6) motion, the Court considers both the complaint's allegations and any exhibits attached to the complaint. See Massey v. Merrill Lynch & Co., Inc., 464 F.3d 642, 645 (7th Cir. 2006). But "where an exhibit conflicts with the allegations of the complaint, the exhibit typically controls." Id. Here, Plaintiff has attached as exhibits to the complaint copies of, among other things, the Agreement for the revolving credit plan. See Pl.'s Compl., Exs. 1-4. So, instead of referring to any conflicting assertions in Plaintiff's complaint, we refer to the documents themselves.

required periodic disclosures for home-equity plans); 12 C.F.R. 1026.7(b)(12)(i) (discussing required periodic disclosures for non-home-secured credit cards).

Examples of closed-end credit, on the other hand, include auto loans. Regulation Z defines closed-end credit as “consumer credit other than ‘open-end credit’ as defined in [Regulation Z].” 12 C.F.R. § 226.2(a)(10). Unlike open-end credit plans, “[c]losed-end credit plans...contemplate a single transaction.” Follman v. World Fin. Network Nat’l Bank, 971 F. Supp. 2d 298, 301 (E.D.N.Y. 2013) (citing Goldman v. First Nat’l Bank of Chicago, 532 F.2d 10, 19 (7th Cir. 1976)). That is, with closed-end credit, the loan proceeds are usually dispersed in full when the loan closes and must be repaid, along with any interest or finance charges, by a specified date. See id.

In both open-end and closed-end credit, TILA and Regulation Z require extensive disclosures of the credit terms and conditions. See, e.g., 12 C.F.R. § 1026.6 (account-opening-disclosure requirements for open-end credit); 12 C.F.R. §§ 1026.17, 1026.18 (general disclosure requirements for closed-end credit). In connection with open-end credit, Regulation Z requires that creditors disclose, separately, interest and fees (such as an account protection fee). See 12 C.F.R. §§ 1026.4(b)(1), (b)(10); 1026.6(b)(1).

2. Illinois law recognizes that open-end and closed-end credit are different.

As Plaintiff’s complaint points out, different Illinois statutes cover different kinds of credit. See Pl.’s Compl., ¶¶ 25, 26. For example, under the Payday Loan Reform Act (“PLRA”), 815 ILCS 122/1 et seq., and the Consumer Installment Loan Act (“CILA”), 205 ILCS 670/1 et seq., lenders in Illinois can provide closed-end credit.² But lenders cannot provide open-end credit under CILA or the PLRA. As a result, a borrower who obtains a loan under CILA or the PLRA must borrow a

² In the complaint, Plaintiff asserts that “[l]ow-dollar, high cost loans were largely unregulated in Illinois prior to 2005.” Pl.’s Compl., ¶ 12. But CILA was around long before 2005. And other federal and state lending laws -- including TILA and the Illinois Financial Services Development Act -- have also been around for decades.

fixed amount of money and must repay the entire loan by a date certain. See 205 ILCS 670/17 (a CILA “loan contract shall provide for repayment of the principal and charges within 181 months”); 815 ILCS 122/1-10, 2-5(c) (a payday loan has “a term that does not exceed 120 days,” or, in the case of an installment payday loan, “a term...of not less than 112 day and not exceeding 180 days”).

On the other hand, as Plaintiff's Complaint notes, lenders licensed under CILA can also make open-end loans under the Illinois Financial Services Development Act (“IFSDA”), 205 ILCS 675/1 et seq. See Pl.'s Compl., ¶ 26. While Plaintiff does mention the IFSDA in the Complaint, Plaintiff does not address the history of the IFSDA in the Complaint's discussion of the history of Illinois consumer-lending law. That history is worth noting.

The IFSDA was enacted in 1989, and, according to the General Assembly's findings and declarations of policy, the IFSDA was necessary to “cultivate economic strength of financial institutions in Illinois,” to rectify “an adverse regulatory climate involving consumer revolving credit laws,” to encourage financial institutions in Illinois to offer revolving credit plans, and to modernize and ease “the restrictions on consumer revolving credit plans” in order to make them “competitive with those offered by financial institutions located in other states.” 205 ILCS 675/2. To that end, section 4 of the IFSDA provides that, in connection with a revolving credit plan, a financial institution (defined to include a CILA licensee), “*may charge and collect interest and other charges ... and may provide in the agreement governing the revolving credit plan for such other terms and conditions as the financial institution and the borrower may agree upon from time to time.*” 205 ILCS 675/4 (emphasis added). And section 6 provides that “[i]n addition to or in lieu of interest” a financial institution may charge and collect “annual or other periodic fees for the privileges made available to the borrower under the plan, a transaction charge or charges, late fees or delinquency charges, returned payment charges, over limit charges, and fees for services rendered.” 205 ILCS 675/6 (emphasis added).

After the IFSDA's enactment, IDFPR, through its Interpretive Letters, confirmed the lack of limitations and restrictions on interest and charges under the IFSDA. Specifically, IDFPR stated in its Interpretive Letters that the IFSDA did *not* limit the amount of interest or charges or the types of charges that could be agreed upon by the financial institution and the borrower in a revolving credit plan. See Interpretive Letter 92-2 (April 17, 1992) (attached as Exhibit A, and available at <http://www.idfpr.com/Banks/CBT/LEGAL/INTRLTR/btl9202.pdf>) (“[P]lease note that the Financial Services Development Act ... authorizes financial institutions in Illinois to offer revolving credit plans *without limits on interest or charges*.” (emphasis added)); Interpretive Letter 96-1 (January 24, 1996) (attached as Exhibit B, and available at <http://www.idfpr.com/Banks/CBT/LEGAL/INTRLTR/btl9601.pdf>) (explaining that the allowable charges identified in the IFSDA “represent examples” and that there is *no* restriction “on the possible ‘other charges’ which a financial institution may collect under a revolving credit plan”).

In 2011, the IFSDA was amended, in Section 3's definition of “financial institution,” to prohibit financial institutions licensed under CILA or the Sales Finance Agency Act (“SFA”) “from charging *interest in excess of 36% per annum* for any extension of credit under this Act.” See P.A. 97-333 (H.B. 2853) § 285, 97th General Assembly (Ill. 2011). No other provision of the IFSDA was touched. So while there is now a limitation on the ability of a financial institution to charge *interest* in a revolving credit plan, IDFPR's pronouncements about a financial institution's ability to offer revolving credit plans *without* limits or restrictions on *charges* remain intact.

B. All Credit Lenders' revolving credit plan is open-end credit that provides consumers with continuing access to credit.

As the first page of the Agreements attached to Plaintiff's complaint explains, the revolving credit plan “is a flexible loan designed for [the borrower] to take advances; pay back amounts owed and take advances again all without having to establish a new revolving credit plan.” Pl.'s Compl., Ex. 1, p. 1. In other words, the revolving credit plan provides open-end credit. See 12 C.F.R. §

226.2(a)(20). Consequently, after a borrower opens a revolving credit plan, the borrower can -- without having to apply for or obtain new credit -- continue to use the credit for as long as he or she wants. See Pl.'s Compl., Ex. 1, p.1.

The Agreement explains, among other things, how All Credit Lenders calculates account balances and minimum-payment amounts. See id. With regard to the minimum payment, the Agreement includes the heading “**HOW WE CALCULATE YOUR MINIMUM PAYMENT**,” and the statement “Your total minimum payment will be the total interest charged for the billing cycle plus the Account Protection Fee and paper billing fee if any.” Id. In addition, the Agreement states that the borrower is “encouraged to pay [his or her] principal balance in full before the Payment Due Date as specified in [the borrower’s] Billing Statement.” Id., p. 4.

The Agreement also explains that, although the borrower “may make payments toward [his or her] balance at any time without penalty,” the borrower may also “elect to make only a minimum payment.” Id. But the Agreement explains that, if the borrower elects “to make only the minimum payment,...interest will continue to accrue and any applicable fees will continue to be charged and it will take longer to pay [the borrower’s] balance in full.” Id. The Agreement also explains that, if the borrower chooses to carry a balance on his or her account, the borrower will have to pay an account protection fee. See id., p. 1. But the Agreement further explains that, because of the account protection fee, if the borrower becomes unemployed or stops receiving government benefits, he or she will receive a “suspension of payment under the account protection provision.” See id. The borrower must initial a provision discussing the account protection fee. See id.

C. IDFPR previously challenged All Credit Lenders’ revolving credit plan and settled and dismissed prior administrative actions involving allegations similar to those raised by Plaintiff.

Although Plaintiff alleges that All Credit Lenders is an Illinois licensed lender, the Complaint does not discuss IDFPR, the state agency charged with regulating licensed lenders and enforcing

consumer-credit laws in Illinois (including the IFSDA), or IDFPR's prior dealings with All Credit Lenders. IDFPR licenses, examines, investigates, and actively regulates financial institutions, like All Credit Lenders, "to insure they are in compliance with all applicable Illinois rules, regulations and statutes." See <http://www.idfpr.com/DFIdefault.asp> (last visited May 30, 2014). As part of its responsibilities, IDFPR has regularly examined All Credit Lenders, audited its lending operations, assessed its policies and procedures, and reviewed its records, loan documents and borrower account files. See 205 ILCS 670/10. IDFPR has issued Notices of Exceptions if the examiner noted alleged violations of consumer-credit laws, rules, or regulations during the examination, and IDFPR has received responses to Notices of Exception from All Credit Lenders. In addition, IDFPR has issued Notices of Intent to Fine (and attached Orders of Fines and Exam Exception Lists), citing All Credit Lenders for alleged violations of consumer-lending law. See 205 ILCS 670/9. IDFPR has also received requests for hearing on the Notices of Intent to Fine and the alleged violations (within the accompanying Orders of Fine and Exam Exception Lists), and has scheduled administrative hearings on the alleged violations before an administrative law judge. See id.; 38 Ill. Adm. Code 110.240.

In July 2012, IDFPR served All Credit Lenders with two Notices of Intent to Fine (and attached Orders of Fine and Exam Exception Lists), alleging violations of consumer-lending laws and regulations, including allegations that All Credit Lenders was not properly calculating and disclosing interest. See Group Exhibit C, pp. C-03, C-08.³ All Credit Lenders requested hearings on the Notices of Intent to Fine, and the alleged violations, and IDFPR scheduled administrative hearings on the alleged violations before an administrative law judge. See Exhibit D.

³ This "court may take judicial notice of matters of public record, including records of administrative bodies, without converting a 12(b)(6) motion into a motion for summary judgment." Martinez v. Universal Laminating, Ltd., No. 02-4410, 2002 WL 31557621, * 1 (N.D. Ill. Nov. 18, 2002) (citing Henson v. CSC Credit Servs., 29 F.3d 280, 284 (7th Cir.1994)).

While these administrative actions were pending, in October and November 2012, IDFPR served All Credit Lenders with Notices of Exceptions⁴ relating to recent examinations of three of All Credit Lenders' licensed locations, which alleged, among other things, that: "[All Credit Lenders] has engaged in subterfuge for purposes of avoiding CILA"; "the periodic interest charge is incorrect"; and "[t]he annual percentage rate is not accurately disclosed." See Group Exhibit E, pp. E-02 - E-04, E-09 - E-11, E-17 - E-19. As required by the Notices of Exception, All Credit Lenders filed detailed written responses, explaining that the loans cited in the Exam Exception Lists are open-end revolving credit plans offered in accordance with the IFSDA, that the periodic interest charges are correct, and that the annual percentage rates were disclosed in accordance with the TILA disclosure boxes for open-end credit. See id., pp. E-05 - E-07, E-12 - E-15, E-20 - E-22.

Then, in December 2012 and January 2013, IDFPR served All Credit Lenders with five other Notices of Intent to Fine (with attached Orders of Fine and Exam Exception Lists). See Group Exhibit F. Therein, IDFPR alleged, among other things, that: "[All Credit Lenders] used a device or agreement that would have the effect of charging or collecting more fees or charges than allowed by this Act, including, but not limited to, entering into a different type of transaction with the consumer"; "[All Credit Lenders] made a loan in violation of this Act"; "[All Credit Lenders] imposed on borrower fees or charges other than those specifically authorized by this Act"; "[All Credit Lenders] charged a fee not allowed"; "the periodic interest charged is incorrect"; and "[t]he annual percentage rate is not accurately disclosed." See id., pp. F-04 - F-05, F-10, F-15, F-20, F-24. All Credit Lenders requested hearings on these five Notices of Intent to Fine and IDFPR scheduled administrative hearings before an administrative law judge. See Exhibit G.

⁴ The Notice of Exception involves an "uncorrected" Exam Exception List, and requires a detailed written response by the licensee. IDFPR evaluates the response and, if it finds the exceptions are still justified and warrant further action, it will later issue a Notice of Intent to Fine, with an attached Order of Fine and (final) Exam Exception List. The licensee can then request a hearing on the alleged violations (cited in the attached Order of Fine and Exam Exception List). See 205 ILCS 670/9(h).

In connection with these administrative actions, the parties engaged in some briefing -- (All Credit Lender filed motions to dismiss in the first two administrative actions) -- and dialogue, in which All Credit Lenders maintained that the revolving credit plan is an open-end credit plan authorized by the IFSDA and properly disclosed under TILA. After much back and forth, in February 2013, IDFPR agreed to settle, dismiss with prejudice and withdraw from the administrative hearing call the first two administrative actions (in exchange for the payment of a nominal “administrative fee” by All Credit Lenders). See Exhibits H and I. And, on April 23, 2013, IDFPR further agreed to fully and finally resolve, dismiss with prejudice, and withdraw from the administrative hearing call the other five administrative proceedings involving the revolving credit plan (without any payment or further action required by All Credit Lenders). See Exhibit J.⁵

In addition, as a result of the parties’ dialogue and settlement discussions, IDFPR did not pursue further action or fines on the Notices of Exception sent in October and November 2012. And, from April 2013 to present, nearly every examination report from IDFPR stated that “No exceptions were found,” see Group Exhibit K, pp. K-01 - K-02, and All Credit Lenders has not received any fines other than minimal fines for items unrelated to the revolving credit plan. See id., pp. K-03 - K-04.

III. Argument

Plaintiff’s Complaint contains two counts. Count I is brought under the Consumer Fraud Act; count II, under the Dodd-Frank Act. See Pl.’s Compl., ¶¶ 177-82. In both counts, however, Plaintiff asserts the same alleged wrongdoing regarding the revolving credit plan’s minimum-

⁵ Exhibit J consists of an April 23, 2013 email from Vince Deligio, Associate Deputy Counsel for IDFPR, confirming that that IDFPR agreed to dismiss and withdraw from the hearing call these five administrative actions (plus six others). All Credit Lenders never received from IDFPR copies of the dismissal orders entered by the administrative law judge.

payment option and account protection fee.⁶ *See id.* Since both counts fail for the same reasons, All Credit Lenders will discuss the two counts together. All Credit Lenders will first discuss why Plaintiff's claims are barred on *res judicata* grounds. Next, All Credit Lenders will discuss why Plaintiff's claims about the minimum-payment option fail under both the Consumer Fraud Act (count I) and the Dodd-Frank Act (count II). Then All Credit Lenders will discuss why Plaintiff's claims about the account protection fee also fail under both counts. Lastly, All Credit Lenders will explain why pending legislation to amend the IFSDA further demonstrates that Plaintiff is impermissibly attempting to legislate through the present lawsuit.

A. Plaintiff's claims are barred by the doctrine of *res judicata*.

IDFPR -- the state agency responsible for licensing, regulating, and examining All Credit Lenders to insure compliance with consumer-credit laws and regulations -- has already raised, considered, resolved, and agreed to settle and dismiss administrative actions involving the same allegations of purported wrongdoing that Plaintiff alleges in the present Complaint.⁷ Consequently, Plaintiff's claims should be dismissed on the grounds of *res judicata*.⁸

⁶ To be precise, under both the Consumer Fraud Act (counts I) and the Dodd-Frank Act (count II), Plaintiff asserts that the minimum payment option is improper (a) because All Credit Lenders failed to disclose that the minimum payment did not include principal and (b) because, as a result of the minimum payment's not including principal, the revolving credit plan has no fixed pay-off deadline. *See* Pl.'s Compl., ¶¶ 178-182. In addition, in both counts, Plaintiff asserts that the account protection fee is improper because (a) the account protection fee is really undisclosed interest (and therefore the revolving credit plan exceeds the IFSDA's cap on interest) and (b) the account protection coverage is not sufficiently beneficial to borrowers. *See id.*

⁷ In Cowen v. Bank United of Texas, FSB, 70 F.3d 937 (7th Cir. 1995), the Seventh Circuit Court of Appeals explained that the Federal Reserve Board -- which has supervisory and regulatory authority over certain segments of the banking industry -- "knows more about banking that we do." *Id.* at 943; *see also Szumny v. Am. Gen. Fin.*, 246 F.3d 1065, 1069 (7th Cir. 2001) ("Because the Federal Reserve Board is the agency charged with TILA's administration, we accord its regulation deference."). The IDFPR is Illinois' version of the Federal Reserve Board.

⁸ Although the doctrine of *res judicata* is an affirmative defense and, thus, not generally the subject of a Rule 12(b)(6) motion to dismiss, *res judicata* can be properly raised on a Rule 12(b)(6) motion "when the pleadings and other materials available to the Court for review on a Rule 12(b)(6) motion establish the validity of the affirmative defense." MacPhee v. Cushman & Wakefield of Ill., Inc., No. 10-5666, 2011 WL 1990664, * 1 (N.D. Ill. May 18, 2011).

In determining whether a previous action raises a *res judicata* bar, a district court applies the preclusion law of Illinois, the state that rendered the prior judgment. See Arlin–Golf, LLC v. Vill. of Arlington Heights, 631 F.3d 818, 821 (7th Cir.2011). The doctrine applies, where, as here, the prior litigation occurs in administrative actions that are adjudicatory, judicial, or quasi-judicial in nature. See McCulla v. Indus. Comm’n, 232 Ill. App. 3d 517, 520 (1st Dist. 1992); see also Hamdan v. Gonzales, 425 F.3d 1051, 1059 (7th Cir. 2005) (“[r]es judicata (as well as the related principle of collateral estoppel) applies to administrative proceedings”). Under *res judicata*, a final judgment on the merits of an action precludes the parties or their privies from relitigating issues that were or could have been raised in that action. See Diaz v. City of Chicago, 601 F. Supp. 1251, 1252 (N.D. Ill. 1984). *Res judicata* applies when (1) there was a final judgment on the merits in a prior action, (2) there is an identity of parties or their privies, and (3) there is an identity of causes of action. See Arlin-Golf, 631 F.3d at 821 (applying Illinois law). All three elements of *res judicata* are present here.

With respect to the first element -- whether there is a final judgment on the merits, “[t]here is a split of authority in Illinois cases as to whether a dismissal with prejudice pursuant to a settlement agreement is sufficient to raise *res judicata*.” Jackson v. Callan Pub., Inc., 356 Ill. App. 3d 326, 340 (1st Dist. 2005). However, courts in this district have agreed with the line of cases concluding that such a stipulated dismissal order “is conclusive, in other words, a final judgment, with respect to the matters settled by that order ... [to] which *res judicata* applies.” Johnson v. Orr, No. 07-5900, 2007 WL 4531798, * 3 (N.D. Ill. Dec. 19, 2007), aff’d on other grounds 551 F.3d 564 (7th Cir. 2008) (citations omitted); see also Arlin-Golf, LLC v. Vill. of Arlington Heights, No. 09-1907, 2010 WL 918071, * 5 (N.D. Ill. Mar. 9, 2010), aff’d 631 F.3d 818 (7th Cir. 2011) (“[u]nder Illinois law, a voluntary dismissal with prejudice pursuant to a settlement agreement operates as a final judgment on the merits that is entitled to full *res judicata* effect”).

This Court should apply this prevailing line of authority too. The prior administrative proceedings afforded the parties a full and fair opportunity to litigate alleged violations relating to All Credit Lenders' revolving credit plan and the account protection fee. The IDFPR's agreement to settle the alleged violations and dismiss the administrative actions with prejudice is entitled to *res judicata* effect. Any other interpretation could undermine settlements, subject the parties to future litigation proceedings, and run afoul of policy considerations favoring administrative and judicial economy and finality of litigation. See SDS Partners, Inc. v. Cramer, 305 Ill. App. 3d 893, 896 (4th Dist. 1999) ("A dismissal with prejudice constitutes an adjudication on the merits that bars plaintiff from maintaining another action on the same claim.").

With respect to the second element of *res judicata*, there is plainly an identity of parties or their privies. The State of Illinois is the real party in interest in both the present action and the prior administrative actions against All Credit Lenders. And "[t]he Government, its officers, and its agencies are regarded as being in privity for *res judicata* purposes." Ward v. Jessie Brown V.A. Hosp., No. 05-3633, 2005 WL 3312601, * 9 (N.D. Ill. Dec. 5, 2005) (internal quotation and citation omitted); Mandarino v. Pollard, 718 F.2d 845, 850 (7th Cir. 1983) ("A government and its officers are in privity for purposes of *res judicata*.").

Turning to the third element of *res judicata* -- identity of causes of action -- there cannot be any serious dispute that this element is satisfied. Plaintiff's claims in the present action and the alleged violations in the Orders of Fine in the prior administrative actions are essentially the same. In determining whether there is an identity of causes of action for purposes of *res judicata*, Illinois courts apply a liberal "transactional" test. See Arlin-Golf, 631 F.3d at 821. Under this test, separate claims will be considered the same cause of action if they arise from a single group of operative facts, regardless of whether they assert different theories of relief. See id. Accordingly, the addition of new theories of relief in a subsequent action does not save that action from *res judicata*. See id.

Here, the claims asserted by Plaintiff in the present action and the alleged violations asserted by IDFPR in the prior administrative actions stem from the same group of operative facts: namely, All Credit Lenders' revolving credit plan, the Agreement, and the account protection fee. In both the present Complaint and the prior administrative proceedings, Plaintiff and IDFPR, respectively, engage in a fundamental attack on All Credit Lenders' revolving credit plan. Both the present Complaint and IDFPR's Orders of Fine in the prior administrative actions allege that: All Credit Lenders' revolving credit plan violates consumer-lending law; the Agreement improperly calculates interest and improperly discloses the annual percentage rate ("APR"); the account protection fee is not authorized by applicable consumer-lending law; and All Credit Lenders has created the revolving credit plan to evade applicable law. Compare Pl.'s Compl., ¶¶ 62-63, 65, 92, 179a, 179e, with Group Exhibit C, pp. C-03, C-08; Group Exhibit F, pp. F-04, F-05, F-10, F-15, F-20, F-24. Undeniably, there is an identity of causes of action.

Plaintiff should not be permitted to relitigate the same alleged wrongdoing that IDFPR -- the Illinois agency that is charged with regulating financial institutions, and the Illinois agency that is an expert in consumer-lending law -- has already considered and conclusively resolved and dismissed. Nor should Plaintiff be permitted to now declare unlawful a revolving credit plan that IDFPR has thoroughly and repeatedly examined for three years and determined to be compliant. The complaint should be dismissed on *res judicata* grounds.

B. Even if *res judicata* did not procedurally bar Plaintiff's claims (which it does), Plaintiff's claims would fail substantively.

1. All Credit Lenders disclosed that the minimum payment did not include principal.

In the Complaint, Plaintiff repeatedly asserts that All Credit Lenders failed to disclose that the minimum payment did not include principal. Plaintiff asserts that All Credit Lenders failed to make this disclosure when a borrower opened a revolving credit plan. See Pl.'s Compl., ¶ 90. In

addition, Plaintiff asserts that All Credit Lenders failed to make this disclosure when a borrower made payments. See id., ¶ 77. Plaintiff says that several borrowers have claimed that All Credit Lenders did not disclose the effect of the minimum payment at the outset, that the borrowers did not understand the effect of the minimum payment, and that, when they made payments, All Credit Lenders did not tell them about the effect of the minimum payment. See id., ¶¶ 105, 115, 124, 130, 133, 147, 155. Based on these assertions, Plaintiff contends that All Credit Lenders acted unfairly and deceptively in violation of the Consumer Fraud Act. See id., ¶ 178. And, also based on these assertions, Plaintiff asserts that, in violation of the Dodd-Frank Act's prohibition on abusive practices, All Credit Lenders took "unreasonable advantage of a lack of understanding on the part of the consumer[s] of the material risks, costs, or conditions of the product." See id., ¶ 182.

There are three serious problems with Plaintiff's assertions about the minimum payment.

First, Plaintiff's initial assertion -- *i.e.*, when a borrower opened a revolving credit plan, All Credit Lenders did not disclose the effect of making minimum payments -- is simply false. As the exhibits Plaintiff attaches to the complaint clearly show, when a borrower opened an account, All Credit Lenders specifically disclosed the effect of making minimum payments. See, e.g., Pl.'s Compl., Ex. 1. Indeed, All Credit Lenders did so *under a bold heading written in all capital letters*. See Pl.'s Compl., Ex. 1, p.1. Incredibly, even though Plaintiff attaches the Agreements as exhibits to the Complaint, Plaintiff insists that All Credit Lenders failed to disclose that the minimum payment does not include principal. See Pl.'s Compl., ¶ 133. As the Seventh Circuit has made clear, however, "where an exhibit conflicts with the allegations of the complaint, the exhibit typically controls." McCauley v. City of Chicago, 671 F.3d 611, 616 (7th Cir. 2011). Here, given the exhibits to the Complaint, Plaintiff pretty obviously cannot show that All Credit Lenders failed to disclose the effect of making minimum payments. See Pl.'s Compl., Ex. 1.

Second, Plaintiff cannot avoid All Credit Lenders' written disclosure by asserting that borrowers did not read it or did not understand it. On the contrary, as Chief Judge Castillo recently reiterated, "in Illinois, a party to a contract is charged with knowledge of and assent to a signed agreement." Johnson v. Orkin, LLC, 928 F. Supp. 2d 989, 1007 (N.D. Ill. 2013) (rejecting the plaintiff's efforts to avoid unambiguous terms of the contract). As the Seventh Circuit has put it, "[p]eople are free to sign legal documents without reading them, but the documents are binding whether read or not." Novitsky v. Am. Consulting Eng'rs., L.L.C., 196 F.3d 699, 702 (7th Cir. 1999) (Easterbrook, J.). Moreover, as the Seventh Circuit has recognized, if a party could avoid a written agreement simply by claiming a lack of understanding, written contracts would be of little value, and improper litigation would explode. See id. To quote Judge Easterbrook:

[P]eople who sign contracts containing clauses that in retrospect prove disadvantageous often say that they didn't read the fine print... . But these arguments never go anywhere. ... Any other approach would undermine the validity of the written word and encourage people either to close their eyes (hoping that they can reap the benefits without incurring the costs and risks of the venture) or to come up with hard-to-refute tales of not reading or understanding the documents they sign.

Id.

Here, All Credit Lenders disclosed in the Agreement that the minimum payment did not include principal. See Pl.'s Compl., Ex. 1. Indeed, All Credit Lenders *repeatedly* explained the effect of using the minimum-payment option. See id. Moreover, to ensure borrowers did not just skip over the disclosures about the minimum payment, the Agreement requires borrowers to initial a provision discussing the minimum-payment option. Nevertheless, Plaintiff says that -- if borrowers did not understand the minimum-payment option -- All Credit Lenders is liable. The Seventh Circuit says otherwise. See Novitsky, 196 F.3d at 702; see also Randazzo v. Harris Bank Palatine, N.A., 262 F.3d 663, 670 (7th Cir. 2001) ("Illinois courts have made clear that, if a party signs a

contract without reading it, he must bear the consequences”). And, whatever Plaintiff thinks of the minimum-payment option, Plaintiff is not free to simply ignore settled law.

Third, Plaintiff cannot establish that, when a borrower made a payment, All Credit Lenders had to again explain that the minimum payment did not include principal. TILA and Regulation Z govern required disclosures relating to credit products, including open-end credit like All Credit Lenders’ revolving credit plan. See, e.g., 12 C.F.R. §§ 1026.6, 1026.7. Here, Plaintiff has not pointed to -- and cannot point to -- anything in TILA or Regulation Z requiring that, every time a borrower makes a payment, the creditor must explain the effect of making a minimum payment. No such requirement exists.

Nevertheless, recognizing that borrowers might have questions about the minimum-payment option, All Credit Lenders provided *more than* the required TILA disclosure. Specifically, before requesting each payment, All Credit Lenders provided a borrower with a periodic billing statement clearly stating: “**Minimum Payment Warning:** When you make only the minimum payment, you will not reduce your principal balance.” See Billing Statement (emphasis in original) (attached hereto as Exhibit L), p. L-02.⁹ So All Credit Lenders didn’t just comply with TILA; All Credit Lenders went above and beyond what TILA requires.¹⁰

Regardless, Plaintiff cannot use the Consumer Fraud Act or the Dodd-Frank Act to impose disclosure requirements that TILA does not. As to the Consumer Fraud Act, the Illinois Supreme Court has unequivocally stated that there is “a consistent policy *against* extending disclosure requirements under Illinois law beyond those mandated by the Truth in Lending Act.” Jackson v. S.

⁹ Although Plaintiff did not attach these billing statements to the complaint, Plaintiff references billing statements in the complaint and they are central to Plaintiff’s claim. Therefore, the Court may consider them in ruling on a motion to dismiss. See Hecker v. Deere & Co., 556 F.3d 575, 582 (7th Cir. 2009).

Holland Dodge, Inc., 197 Ill. 2d 39, 47 (2001) (emphasis added) (finding that, when TILA governs a transaction, the absence of liability under TILA precludes liability under the Consumer Fraud Act) (internal quotation marks omitted). Consequently, as the Seventh Circuit has unequivocally stated, “compliance with the disclosure requirements in the federal Truth in Lending Act is a defense to liability under the Illinois [Consumer Fraud] Act.” Hoffman v. Grossinger Motor Corp., 218 F.3d 680, 684 (7th Cir. 2000) (recognizing that, where disclosure did not violate TILA, the disclosure was not actionable under the Consumer Fraud Act). Likewise, as to the Dodd-Frank Act, Director Cordray of the CFPB -- the federal regulator charged with implementing that act -- has unequivocally stated that, where TILA governs a transaction, an act or practice “would have to violate [TILA] in one or another respect” for that act or practice to be actionable under the Dodd-Frank Act. See Cordray Statement. Plaintiff’s attack fails.

2. Because TILA prohibits disclosing the account protection fee as interest, Plaintiff cannot establish that All Credit Lenders is liable for failing to disclose the account protection fee as interest.

In the Complaint, Plaintiff asserts All Credit Lenders failed to properly disclose that the account protection fee is interest. See Pl.’s Compl., ¶¶ 58-59. Plaintiff asserts that, in failing to disclose the account protection fee as interest, All Credit Lenders violated the Consumer Fraud Act and the Dodd-Frank Act. But Plaintiff’s premise is false. Unlike with closed-end credit (like an auto loan), with open-end credit (like the revolving credit plan here), TILA and Regulation Z specify that an account protection fee *cannot be disclosed as interest*. See 12 C.F.R. §§ 1026.4(b)(1), (b)(10); 12 C.F.R. § 1026.6(b)(1). Of course, as discussed above, Plaintiff cannot use the Consumer Fraud Act or the Dodd-Frank Act to circumvent TILA.

¹⁰ Moreover, although it is beyond the scope of this motion to dismiss, when a borrower made his or her payment, the borrower signed a receipt stating: “I have been informed and encouraged to make additional principal payments. I understand that by paying the minimum payment today I am not reducing my principal balance.”

Two provisions in Regulation Z illustrate well the separate disclosure requirements for interest and account protection fees in open-end credit.

First, in providing examples of finance charges that a lender must disclose in connection with open-end credit, Regulation Z distinguishes between interest, on the one hand, and “[c]harges or premiums paid for...debt suspension coverage,” on the other. See 12 C.F.R. § 1026.4(b)(1), (b)(10). So Regulation Z makes clear that interest and debt suspension coverage are two separate things. See id. “Debt suspension coverage provides for suspension of the obligation to make one or more payments on the date(s) otherwise required by the credit agreement, when a specified event occurs.” Official Interpretation § 1026.4(b)(10).

Here, if a borrower loses his or her job or suffers a suspension of his or her government benefits, the account protection fee suspends the borrower’s obligation to make his or her usual payments. See Pl.’s Compl., Ex. 1. That is to say, the account protection fee suspends the borrower’s “obligation to make one or more payments on the date(s) otherwise required by the credit agreement, when a specified event occurs.” See Official Interpretation § 1026.4(b)(10). Under TILA, then, the account protection fee is debt suspension coverage. See id. So the account protection fee is separate from interest. See 12 C.F.R. § 1026.4(b)(1), (b)(10).

Second, in addition to distinguishing between interest and debt suspension coverage (*e.g.*, an account protection fee), TILA and Regulation Z specify the form for making required disclosures. See 12 C.F.R. § 1026.6(b)(1). On this point, Regulation Z states that “[c]reditors must provide the account-opening disclosures specified [in certain sub-paragraphs of section 1026.6] in the form of a table with the headings, content, and format substantially similar to any of the applicable tables in G-17 in Appendix G.” Id. Regulation Z requires that certain disclosures go in separate boxes. See 12 C.F.R. 1026, Appx. G, table G-17(b). And, as relevant here, *Regulation Z requires that the Annual Percentage Rate for the loan go in one box, and that loan fees -- including a “Required Account Protection Plan” -- go*

in another box. See id. (emphasis added). Put simply, under TILA and Regulation Z, an account protection fee is separate from interest and must be disclosed separately. See id.

Nevertheless, Plaintiff insists that -- by not disclosing the account protection fee as interest -- All Credit Lenders violated the Dodd-Frank Act's prohibition on abusive conduct and the Consumer Fraud Act's prohibition on unfair and deceptive conduct. See Pl.'s Compl., ¶¶ 178-79, 182. Neither claim has merit.

With regard to the Dodd-Frank Act, Plaintiff ignores CFPB Director Cordray's clear statement on the meaning of "abusive" under the Dodd-Frank Act. See Cordray Statement. As Director Cordray explained, when a disclosure does not violate TILA, the disclosure does not violate the Dodd-Frank Act's prohibition on abusive acts or practices. See id. Plaintiff cannot use the Dodd-Frank Act to circumvent TILA.¹¹ See id.

With regard to the Consumer Fraud Act, Plaintiff disregards three decades of Illinois Supreme Court precedent. As the Illinois Supreme Court has long held, "conduct which is authorized by Federal statutes and regulations [such as TILA and Regulation Z]..., is exempt from liability under the Consumer Fraud Act." Lanier v. Assocs. Fin., Inc., 114 Ill. 2d 1, 17 (1986) (rejecting Consumer Fraud Act claim where loan disclosure complied with TILA). Were it otherwise, the court explained, "a creditor would find himself in the anomalous position...of being

¹¹ A contrary conclusion -- that is, a disclosure that complies with TILA still can be abusive under the Dodd-Frank Act -- would create a serious constitutional problem for the Dodd-Frank Act. After all, under the Constitution's guarantee of Due Process, laws must "give fair notice of conduct that is forbidden or required." FCC v. Fox Television Stations, Inc., 132 S. Ct. 2307, 2317 (2012). And laws that fail to do so are void for vagueness. See id. The void for vagueness doctrine requires laws to provide sufficient "precision and guidance" to ensure that "those enforcing the law do not act in an arbitrary or discriminatory way." Id. As relevant here, if "abusive" under the Dodd-Frank Act involves some unspecified requirement beyond what TILA demands, then the Dodd-Frank Act fails to provide fair notice of what is forbidden or required. Moreover, the Dodd-Frank Act fails to sufficiently guard against arbitrary and discriminatory enforcement. So the Dodd-Frank Act would be void for vagueness. Fortunately, under Director Cordray's interpretation of abusive, this constitutional issue does not arise. Cf. Clark v. Martinez, 543 U.S. 371, 380-81 (2005) (where there are two plausible ways to construe a statute, and "one of them would raise a multitude of constitutional problems, the other should prevail").

guilty of...misrepresentation by specifically complying with the mandate of the Federal Truth in Lending Act.” Id. at 10-11.

Moreover, if a plaintiff could use the Consumer Fraud Act to circumvent TILA, then consumers in this state and others would no longer be able to rely on the uniform nature of credit disclosures. Yet, in passing TILA, Congress recognized the key importance of such uniform disclosures -- that is, disclosures that are the same in Illinois as they are in California, the same in California as they are in New York, and so on, and so on. See Smith v. Cash Store Mgmt., Inc., 195 F.3d 325, 326 (7th Cir. 1999) (“Congress enacted TILA to ensure that consumers receive accurate information from creditors in a precise, uniform manner that allows consumers to compare the cost of credit from various lenders.”).

Thus, the Illinois Supreme Court has long recognized that, to protect lenders’ and consumers’ shared interest in uniform credit disclosures, when a lender complies with TILA, the lender cannot be held liable under Illinois law. See Lanier, 114 Ill. 2d at 17. And federal and state courts in Illinois have repeatedly rejected efforts to thwart this system. See, e.g., Swanson v. Bank of Am., N.A., 566 F. Supp. 2d 821, 828 (N.D. Ill. 2008) (St. Eve, J.) (rejecting argument that rate-adjustment disclosure violated the Consumer Fraud Act where disclosure was sufficient under TILA); Quinn v. Ameriquet Mortgage Co., No. 03-5059, 2004 WL 316408, *2 (N.D. Ill. Jan. 26, 2004) (Aspen, J.) (rejecting argument that fee disclosure violated the Consumer Fraud Act where disclosure was sufficient under TILA); Beckett v. H&R Block, Inc., 306 Ill. App. 3d 381, 387 (1st Dist. 1999) (rejecting argument that electronic-filing fee disclosure violated the Consumer Fraud Act where disclosure was proper under TILA).

Plaintiff’s attack on the account protection fee ignores settled law and should be rejected.

3. Plaintiff cannot establish liability with conclusory attacks on a legal loan product.

Plaintiff asserts that open-end credit like the revolving credit plan is improper and harmful to Illinois consumers. See Pl.'s Compl., ¶¶ 84, 87-89. Indeed, Plaintiff asserts that the revolving credit plan is unfair, deceptive, and abusive, because no reasonable borrower who understood the revolving credit plan's terms would agree to it. See id., ¶ 57. But there are two serious problems with Plaintiff's assertions.

First, as discussed above, the disclosures for the revolving credit plan comply with -- indeed, exceed what is necessary under -- TILA. Plaintiff cannot establish that, because borrowers allegedly failed to understand the required disclosures, the law requires more disclosures. See Hoffman, 218 F.3d at 684 ("compliance with the disclosure requirements in the federal Truth in Lending Act is a defense to liability under the Illinois Act").

Second, Plaintiff's attack on the revolving credit plan is substantively off base.

Initially, Plaintiff disregards the operation of the revolving credit plan. A borrower is free to pay off his or her loan balance *before* the account protection fee is assessed. See Pl.'s Compl., Ex. 1, p. 1. When the borrower does so, he or she enjoys the use of credit at a lower interest rate than, say, the closed-end credit available under CILA or the PLRA. Compare Pl.'s Compl., Exs. 1-4 (samples of All Credit Lenders' loans charging 18-to-24-percent interest); with 205 ILCS 670/15(a), 17.2(a)(1) (CILA loans may carry rates of 36-to-99 percent); 815 ILCS 122/2-5 (payday loans may carry interest rates around 400-percent); see also Illinois Attorney General Lisa Madigan, *The Truth About Payday Loans*, p. 2 (same).¹²

¹² (Available at http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCkQFjAA&url=http%3A%2F%2Fwww.illinoisattorneygeneral.gov%2Fconsumers%2Feverycentcounts%2FThe%2520Truth%2520About%2520Payday%2520Loans.pdf&ei=WBOJU4uRO9GqyAT01YHoBg&usg=AFQjCNEKMmRFgSWk1AofFvvc2o_zKmirw&sig2=rLbNBo1CSvNN2MpJEKJvOg (last visited May 30, 2014).

Further, Plaintiff simply ignores the benefit of the account protection fee. If a borrower loses his or her job or government benefits, the borrower need not make *any* payments under the revolving credit plan for up to a year while the borrower is out of work or does not receive benefits. See Pl.'s Compl., Ex. 1. For example, if a borrower is out of work and has a \$1,500 balance under his or her revolving credit plan, the borrower need not make any payments on that balance. See id. Instead, the borrower can use the money for groceries or other necessities. Plaintiff says that a borrower receives no benefit from this arrangement. See Pl.'s Compl., ¶ 57. But someone who's actually had to worry about being out of work might say otherwise.

Finally, in lambasting the revolving credit plan, Plaintiff ignores one of the most important benefits of open-end credit -- namely that, once the borrower applies for and obtains a certain amount of credit, the borrower has continual access to that credit without having to re-apply or seek additional credit. See Pl.'s Compl., Ex. 1, p. 1. To see how important this is, imagine if -- every time you wanted to charge something to your credit card -- you had to first re-apply to obtain the credit (*i.e.*, fill out a credit application, submit to a credit check, wait for a credit decision, etc.). Plaintiff says that open-and-ongoing access to credit harms consumers. See Pl.'s Compl., ¶ 57. Again, though, someone who has not had longtime, easy access to credit might say otherwise.

Still, Plaintiff repeatedly insists that the account protection fee is just too high. But while interest is subject to a 36-percent cap under the IFSDA, *there is no cap on the fees* (and, under TILA, the account protection fee is a fee, not interest). See 205 ILCS 675/4. The text of the IFSDA makes clear that there is no cap on permissible fees. See id. And IDFPR's letters interpreting the IFSDA

re-confirm this point.¹³ See Interpretive Letter 96-1; Interpretive Letter 92-2. Plaintiff's claims should be rejected.

C. House Bill 6019 reinforces that Plaintiff is impermissibly attempting to legislate through the present lawsuit.

On March 26, 2014 (a week *after* the present Complaint was filed), Illinois House Bill 6019 was introduced to amend the IFSDA. Specifically, House Bill 6019 proposes to amend, in section 3 of the IFSDA, the definition of “financial institution” to provide that lenders licensed under CILA “are prohibited from charging *an annual percentage rate* in excess of 36% for any extension of credit under this Act.” (Presently, the law prohibits such lenders “from charging *interest* in excess of 36% *per annum* for any extension of credit under this Act). See HB 6019 (attached hereto as Exhibit M, and available at <http://www.ilga.gov/legislation/98/HB/09800HB6019.htm>).¹⁴ The proposed bill also seeks to amend section 4 -- the provision which presently allows the financial institution “to charge and collect interest and other charges ... as the financial institution and borrower may agree upon from time to time,” to include a new provision that the financial institution “may charge interest and other charges, *provided that any finance charges or charges representing the cost of credit are included in the annual percentage rate calculation*” Id., p. M-04. These proposed amendments underscore the difference between “interest” and other charges (including non-interest finance charges). The proposed amendments confirm that the current law only limits interest, and not other charges upon which a financial institution and borrower may agree.

¹³ IDFPR is the entity responsible for regulating consumer credit in Illinois. Thus, IDFPR's understanding of what's legal and what's not should receive substantial deference. Cf. Jackson v. Resolution GGF OY, 136 F.3d 1130, 1134 (7th Cir. 1998) (affirming summary judgment against the plaintiffs' claims brought under the Illinois Interest Act, which has an express safe harbor provision, because the lender's operation was proper under IDFPR's interpretation of the Illinois Interest Act).

¹⁴ The “annual percentage rate” or “APR” is defined by TILA and Regulation Z and differs from the general definition of “interest” rate because it considers a broader range of finance charges when determining the total cost of credit as a yearly rate. See Hardaway v. CIT Grp./Consumer Fin. Inc., 836 F. Supp. 2d 677, 684 (N.D. Ill. 2011); 12 C.F.R. § 226.14 (“The annual percentage rate is a measure of the cost of credit, expressed as a yearly rate.”)

House Bill 6019 reinforces that Plaintiff is impermissibly attempting to legislate and change the law via the present lawsuit. For now, though, the law is what it is. And even Plaintiff -- the state's chief law enforcement officer -- is not free to ignore it.

IV. Conclusion

For the reasons stated, All Credit Lenders respectfully requests that this Court dismiss Plaintiff's complaint and grant any further relief this Court deems appropriate.

Dated: June 6, 2014

CMK INVESTMENTS, INC. d/b/a ALL CREDIT
LENDERS, Defendant

By: /Jonathan N. Ledsky
One of its Attorneys

Craig A. Varga
Jonathan N. Ledsky
Joshua D. Davidson
Scott J. Helfand
Varga Berger Ledsky Hayes & Casey
125 South Wacker
Suite 2150
Chicago, Illinois 60606
Telephone: (312) 341-9400
Facsimile: (312) 419-0225

CERTIFICATE OF SERVICE

I, Jonathan N. Ledsky, an attorney, hereby certify that a true and correct copy of the foregoing, **Defendant's Memorandum in Support of Its Motion to Dismiss Plaintiff's**

Complaint, was on June 6, 2014 served electronically upon:

vrao@atg.state.il.us
sellis@atg.state.il.us
spoulimas@atg.state.il.us
tjames@atg.state.il.us

s/ Jonathan N. Ledsky

EXHIBIT A

INTERPRETIVE LETTER 92-2 (APRIL 17, 1992)

State bank may charge late charges pursuant to Section 4a of Interest Act or may elect to make a loan of less than \$10,000 under the Consumer Installment Loan Act and comply with the provisions of that Act.

This is in response to your letter of * regarding the interaction between Sections 4 and 4a of the Interest Act ("IA"), Ill. Rev. Stat. ch. 17, pars. 6404 and 6410 (1989), and the Consumer Installment Loan Act ("CILA"), Ill. Rev. Stat. ch. 17, par. 5401 et seq. (1989).

Section 4 of the Interest Act provides that "[i]t is lawful to receive and collect interest and charges at any rate or rates agreed upon by the bank and the borrower." Section 4a of the Interest Act imposes various restrictions on delinquency charges for installment loans under \$25,000 if those loans are payable in substantially equal installments over a period of not more than 181 months. Section 4 does not state its intended effect on other sections of the Interest Act. Therefore, the conservative interpretation would be that banks must comply with Section 4a if the loan is under \$25,000 and payable in substantially equal installments over a period of not more than 181 months.

You also asked whether a bank must comply with CILA for loans under \$10,000 if the loan also could be made under Section 4a of IA. Section 21 of CILA states:

This Act does not apply to any person, co-partnership, association, or corporation doing business under and as permitted by any law of this state or the United States relating to trust companies, savings and loan associations, pawn brokers, or credit unions....A bank authorized to transact business by the laws of this state or of the United States may contract for and receive the charges authorized by this Act without being licensed pursuant to this Act, but shall comply with all other provisions of this Act when contracting for or receiving charges on loans regulated by this Act (emphasis added).

In 1963, when CILA was enacted, Section 4 of the Interest Act also was amended to add the following provision:

It is lawful to receive or to contract to receive and collect interest and charges as authorized by this Act and as authorized by the "Consumer Installment Loan Act," approved August 30, 1963....

Since Section 21 of CILA uses permissive language, this contemporaneous amendment to Section 4 of the Interest Act suggests that the legislature intended to permit banks to choose either act under which to make a loan.

You pointed out in your letter that Section 15(e) of CILA does not authorize a late charge on a simple interest loan. Section 15(f)(4), however, allows a late charge of 5% of the installment for

add-on loans. Thus, one interpretation is that the legislature did not intend to permit late charges for simple interest loans under CILA.

Section 4a(e) of the Interest Act, on the other hand, specifically authorizes a late charge of 5% for both simple interest and add-on loans.¹¹ This raises the issue of whether a bank can charge a late fee for a simple interest loan under \$10,000 on the basis of Section 4a(e) of the IA despite the fact that Section 15(e) of CILA does not permit such a charge.

Section 21 of CILA does not require that banks use CILA for loans under \$10,000; rather, we interpret it to permit banks to elect to treat a loan under \$10,000 as being made under either CILA or the IA. This election should be made, however, when the loan is made, and we would suggest that loan documents refer to CILA if the bank elects to make the loan under those provisions.

Finally, please note that the Financial Services Development Act, Ill. Rev. Stat. ch. 17, par. 7001 et seq. (1989), authorizes financial institutions in Illinois to offer revolving credit plans without limits on interest or charges.

Note: Banks may no longer elect to treat loans as having been made under CILA. P.A. 90-437, effective January 1, 1998, amended CILA to exclude banks from its coverage.

¹ House Bill 1911, which passed in the November veto session, amends Section 4a to allow a late charge of 5% on installments in excess of \$100 and of \$5 on installments of \$100 or less.

EXHIBIT B

INTERPRETIVE LETTER 96-1 (JANUARY 24, 1996)

State bank's home equity line of credit is a revolving credit plan pursuant to the Financial Services Development Act (IFSDA). Early Cancellation Fee is a "charge which may be provided in the agreement between the Bank and customer. Interest Act provisions do not limit revolving credit plans pursuant to IFSDA.

This letter responds to your inquiry made to the Commissioner of Banks and Trust Companies ("Commissioner") on behalf of an Illinois state-chartered bank ("Bank"). The issues you raise are: 1) whether Bank's home equity line of credit is a "revolving credit plan" as defined by the Illinois Financial Services Development Act ("IFSDA"), 205 ILCS 675/1 et. seq. (1994); and if so, 2) whether the "Early Cancellation Fee" (described below) included in the line of credit agreement is prohibited under either the IFSDA or the Interest Act, 815 ILCS 205/1 et. seq. (1994). It is the position of the Commissioner that Bank's home equity line of credit is a "revolving credit plan" under the IFSDA and the Early Cancellation Fee is not prohibited by either the IFSDA or the Interest Act.

Bank uses the "Home Equity Agreement and Disclosure" form ("Agreement") purchased from the commercial forms vendor CFI, ProService to document home equity loans or home equity lines of credit. The Agreement is sold under the registered trademark name Laser Pro. The Agreement terms provide a borrower a revolving line of credit requiring minimum monthly payments of accrued interest on any outstanding principal balance. Any outstanding principal balance becomes payable in full upon the expiration of the line of credit term or upon cancellation or termination of the line of credit. The borrower may make payments to reduce the outstanding principal balance, in full or in part, or any other amount owing at any time without penalty. However, if the line of credit account is cancelled or terminated during the first 24 months of the term of the Agreement, the Agreement provides that Bank may charge the borrower an "Early Cancellation Fee." The Early Cancellation Fee is listed under the heading "Conditions Under Which Other Charges May be Imposed" as a part of "Other Charges." The amount of the charge is \$300 if the maximum line balance is \$100,000 or less, otherwise the charge is \$500. The borrower may unconditionally cancel the line of credit according to the Agreement, at which time all principal, accrued interest and charges become due, including the Early Cancellation Fee if the borrower closes the account within the first 24 months. The Early Cancellation Fee will not be assessed if Bank exercises its rights under the Agreement and cancels or terminates the line of credit within the first 24 months.

Home Equity Lines of Credit Qualify as a Revolving Credit Plan under the IFSDA Section 3 of the IFSDA defines a revolving credit plan as: a plan contemplating the extension of credit under an account governed by an agreement between a financial institution and a borrower who is a natural person pursuant to which:

(1) The financial institution permits the borrower . . . from time to time . . . to obtain loans by any means whatsoever . . . ;

- (2) the amounts of such . . . loans are charged to the borrower's account under the revolving credit plan;
- (3) the borrower is required to pay the financial institution the amounts of all . . . loans charged to such borrower's account under the plan but has the privilege of paying such amounts outstanding from time to time in full or installments; and
- (4) interest may be charged and collected by the financial institution from time to time on the outstanding unpaid indebtedness under such plan. (205 ILCS 675/3(b)).

The Agreement used by Bank in documenting home equity lines of credit provides a borrower the rights and obligations described above in a revolving credit plan. The Agreement allows a borrower to obtain loans and pay these loans down in installments or in full without penalty. Bank issues home equity lines of credit possessing the same characteristics as a revolving credit plan defined above. Therefore, a home equity line of credit will be considered a revolving credit plan when the home equity line of credit, by the terms of the agreement between the bank and the borrower, comply with the definition in Section 3 of IFSDA.

The Early Cancellation Fee is Not Prohibited by the IFSDA or the Interest Act Section 4 of the IFSDA states that: Notwithstanding the provisions of any other laws in connection with revolving credit plans, any financial institution may . . . offer and extend credit under a revolving credit plan to a borrower and in connection therewith may charge and collect interest and other charges, may take real and personal property as security therefore and may provide in the agreement governing the revolving credit plan for such other terms and conditions as the financial institution and the borrower may agree upon from time to time. . . . (205 ILCS 675/4).

The term "other charges" is not defined or limited in Section 4. Section 6 of the IFSDA provides examples of possible charges included in a revolving credit plan, stating that: In addition to or in lieu of interest . . . and without limitation of the foregoing Section 4, a financial institution may, if the agreement governing the revolving credit plan so provides, charge and collect as interest, in such manner or form as the plan may provide, an annual or other periodic fee for the privileges made available to the borrower under the plan, a transaction charge or charges, late fees or delinquency charges, returned payment charges or over limit charges and fees for services rendered. 205 ILCS 675/6 (1994).

The charges included in Section 6 of the IFSDA represent examples of allowable charges, but the list is not exclusive. Section 6 of the IFSDA expressly refuses to limit the language in Section 4, thus not restricting the possible "other charges" which a financial institution may collect under a revolving credit plan. Section 4 also makes clear that additional terms of the agreement are allowed if agreed upon by the bank and borrower. The remaining sections of the IFSDA do not address or exclude an Early Cancellation

Charge or similar type of charge. Thus, the IFSDA does not prohibit Bank from charging the Early Cancellation Fee.

The Interest Act does not prohibit the Early Cancellation Fee charged by Bank under the Agreement. Section 4.1 of the Interest Act defines "revolving credit" and states that a revolving credit plan operated in accordance with the IFSDA also qualifies as "revolving credit," but exempts revolving credit plans under the IFSDA from the remaining sections of the Interest Act that govern the terms and conditions of "revolving credit." No other provisions in the Interest Act address either revolving credit plans, Early Cancellation Fees or a similar type of charge, or limit or prohibit an Early Cancellation Fee or similar type of charge.

This interpretation assumes that Bank complies with Section 7 of the IFSDA and the requirements of the federal Truth-in-Lending Act, 15 U.S.C. sec 1601 et seq., in disclosing the Early Cancellation Fee, and how it may apply to a potential borrower.

GROUP EXHIBIT C



Illinois Department of Financial and Professional Reg
Division of Financial Institutions

PAT QUINN
Governor

BRENT E. ADAMS
Secretary

Roxanne Nava
Director

NOTICE OF INTENT TO FINE

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

CMK Investments, Inc. D/b/a All Credit Lenders, Inc.
Michael Durlacher
2531 Technology Drive, Suite #314
Elgin, IL 60124

Re: CI - 3352

Date of Examination: May 27, 2011

This is your Notice that the enclosed Order of Fine shall be effective ten (10) days from the date of service of this Notice pursuant to Section 9 of the Consumer Installment Loan Act, 205 ILCS 670/1 et seq., or Section 10 of the Sales Finance Act, 205 ILCS 660/1 et seq., or Section 4-10 of the Illinois Payday Loan Reform Act, 815 ILCS 122/1 et seq.

Should you have any additional questions, please contact the Division of Financial Institutions at 217-782-3704.

Dated this 5 day of July 2012

A handwritten signature in cursive script, appearing to read "P. Vasilakos", written over a horizontal line.

Paul Vasilakos
Consumer Credit Supervisor

Enclosure

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS
CONSUMER CREDIT SECTION

In the Matter of

CMK Investments, Inc.

No. CI - 3352

ORDER OF FINE

To: CMK Investments, Inc. D/b/a All Credit Lenders, Inc.
2531 Technology Drive, Suite #314
Elgin, IL 60124

Regulatory Examination: License Number CI - 3352

Date of Examination: May 27, 2011

WHEREAS, the Department of Financial and Professional Regulation (the "Department") administers the Illinois Consumer Installment Loan Act, 205 ILCS 670/1 (the "Act") and Rules and Regulations promulgated thereunder 38 IL Administrative Code 110.1.

WHEREAS, the Department completed an examination of the above referenced licensee and noted the following violation(s):

CILA Rules 110.90

Executed copy of paid contract or other legal document retained in file but not stamped "PAID IN FULL" or equivalent.

1 exception(s) at \$25.00 per exception

CILA Rules 110.70(b),(c) 110.100(i)

The payment receipt does not accurately show the required elements.

6 exception(s) at \$150.00 per exception

CILA Rules 110.90

Original documents, or approved equivalent, not cancelled or returned following payoff.

1 exception(s) at \$25.00 per exception

CILA Rules 110.170(a)

Insurance authorization is not completed.

10 exception(s) at \$75.00 per exception

205 ILCS 670/15(e); CILA Rules 110.80

Improper simple interest calculations.

1 exception(s) at \$1,000.00 per exception

For specific exceptions, see examination report attached and made a part hereof.

Exam Exception List

(grouped by exception number, then sorted by account name)

License #: 3352	CMK Investments, Inc.
Exam Type: CI	7052 Woodward Avenue
Exam Date: 05/27/2011	Woodridge IL 60517

Act	Category	Act Reference	Exception Description	Fine Amount
CILA		205 ILCS 670/15(e); CILA Rules 110.80	Improper simple interest calculations.	\$1,000.00
Open Direct Loans				
		17544	ZSCHAU	
CILA		CILA Rules 110.170(a)	Insurance authorization is not completed.	\$750.00
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
CILA		CILA Rules 110.90	Original documents, or approved equivalent, not cancelled or returned following payoff.	\$25.00
Paid Direct Loans				
CILA		CILA Rules 110.70(b),(c) 110.100(i)	The payment receipt does not accurately show the required elements.	\$900.00
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
Revolving Accounts				
CILA		CILA Rules 110.90	Executed copy of paid contract or other legal document retained in file but not stamped "PAID IN FULL" or equivalent.	\$25.00
Paid Direct Loans				
		17484	SPEARS	

10

3/27/2012
CI 3352

State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice

CC123257
 CC123257
 CC123257

TO: CMK INVESTMENTS, INC.
 2531 TECHNOLOGY DRIVE SUITE #314
 ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$2,700.00

Remit To:**Total:** \$2,700.00

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Remit Copy

Invoice Number
 CC123257

 (Tear on Perforation)

10

3/27/2012
CI 3352

State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice

CC123257
 CC123257
 CC123257

TO: CMK INVESTMENTS, INC.
 2531 TECHNOLOGY DRIVE SUITE #314
 ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$2,700.00

Remit To:**Total:** \$2,700.00

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Customer Copy

Invoice Number
 CC123257

C-04



Illinois Department of Financial and Professional Reg
Division of Financial Institutions

PAT QUINN
Governor

BRENT E. ADAMS
Secretary

Roxanne Nava
Director

NOTICE OF INTENT TO FINE

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

CMK Investments, Inc. D/b/a All Credit Lenders, Inc.
Michael Durlacher
2531 Technology Drive, Suite #314
Elgin, IL 60124

Re: CI - 3468

Date of Examination: September 01, 2011

This is your Notice that the enclosed Order of Fine shall be effective ten (10) days from the date of service of this Notice pursuant to Section 9 of the Consumer Installment Loan Act, 205 ILCS 670/1 et seq., or Section 10 of the Sales Finance Act, 205 ILCS 660/1 et seq., or Section 4-10 of the Illinois Payday Loan Reform Act, 815 ILCS 122/1 et seq.

Should you have any additional questions, please contact the Division of Financial Institutions at 217-782-3704.

Dated this 5 day of July 2012

P. Vasilakos
Paul Vasilakos
Consumer Credit Supervisor

Enclosure

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF FINANCIAL INSTITUTIONS

CONSUMER CREDIT SECTION

In the Matter of

CMK Investments, Inc.

)

)

)

)

No. CI - 3468

ORDER OF FINE

To: CMK Investments, Inc. D/b/a All Credit Lenders, Inc.

2531 Technology Drive, Suite #314

Elgin, IL 60124

Regulatory Examination: License Number CI - 3468

Date of Examination: September 01, 2011

WHEREAS, the Department of Financial and Professional Regulation (the "Department") administers the Illinois Consumer Installment Loan Act, 205 ILCS 670/1 (the "Act") and Rules and Regulations promulgated thereunder 38 IL Administrative Code 110.1.

WHEREAS, the Department completed an examination of the above referenced licensee and noted the following violation(s):

CILA Rules 110.90

Original documents, or approved equivalent, not cancelled or returned following payoff.

2 exception(s) at \$25.00 per exception

205 ILCS 670/15(e); CILA Rules 110.80

Improper simple interest calculations.

2 exception(s) at \$1,000.00 per exception

For specific exceptions, see examination report attached and made a part hereof.

NOW IT IS HEREBY ORDERED THAT, pursuant to Section 9 of the Act, the Department has imposed a fine of \$2,050.00 on the above-captioned licensee. In accordance with Section 9 of the Act, this fine becomes effective and payable 10 days after the date of service of the Notice of Intent to Fine unless you request, in writing, a hearing within 10 days after the date of service of this Order. Please include a copy of this Order with the top portion of the enclosed invoice with your remittance and forward to the following address:

**Department of Financial and Professional Regulation
Cash Unit
PO Box 7086
Springfield, IL 62791-7086**

Dated this 2 day of July 2012

Roxanne Nava

Roxanne Nava, Director
Division of Financial Institutions
Department of Financial and Professional Regulation

Exam Exception List

(grouped by exception number, then sorted by account name)

License #: 3468	CMK Investments, Inc.
Exam Type: CI	3576 Court Street
Exam Date: 09/01/2011	Pekin IL 61554

Act	Category	Act Reference	Exception Description	Fine Amount
CILA		205 ILCS 670/15(e); CILA Rules 110.80	Improper simple interest calculations.	\$2,000.00

Paid Direct Loans

REDACTED

Paid Direct Loans

CILA		CILA Rules 110.90	Original documents, or approved equivalent, not cancelled or returned following payoff.	\$50.00
------	--	-------------------	---	---------

Paid Direct Loans

REDACTED

Paid Direct Loans

10

3/21/2012
CI 3468

State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice

CC123077
 CC123077
 CC123077

TO: CMK INVESTMENTS, INC.
 2531 TECHNOLOGY DRIVE SUITE #314
 ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$2,050.00

Total: \$2,050.00

Remit To:

Illinois Department of Financial and Professional Regulation
 Cash Unit
 PO BOX 7086
 Springfield, IL 62791-7086

Invoice Number
 CC123077

Remit Copy

 (Tear on Perforation)

10

3/21/2012
CI 3468

State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice

CC123077
 CC123077
 CC123077

TO: CMK INVESTMENTS, INC.
 2531 TECHNOLOGY DRIVE SUITE #314
 ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$2,050.00

Total: \$2,050.00

Remit To:

Illinois Department of Financial and Professional Regulation
 Cash Unit
 PO BOX 7086
 Springfield, IL 62791-7086

Invoice Number
 CC123077

Customer Copy

C-09

EXHIBIT D



Illinois Department of Financial and Professional Regulation
Division of Financial Institutions

PAT QUINN
Governor

BRENT E. ADAMS
Secretary

Roxanne Nava
Director

July 18, 2012

SENT VIA CERTIFIED MAIL

Michael Durlacher
2531 Technology Dr. Suite 314
Elgin, IL 60123


In re: License No. CI-3353, CI-2723, CI-3564, CI/SF-3468, CI-3352

Dear Mr. Nelson,

On July 5, 2012, the Division of Financial Institutions ("Division") issued a Notice of Intent to Fine your company and on July 9, 2012, the Division received your Request for Hearing. The Division is accommodating your request by placing this matter on the October 10, 2012 hearing call. This hearing will be held at 100 West Randolph Street, 9th Floor, Chicago, Illinois, before Michael Lyons, a duly designated Hearing Officer of the Illinois Department of Financial and Professional Regulation.

If you would like for the Division to remove this matter from the October 10, 2012 hearing call and begin settlement negotiations, please contact Vince Deligio via email at Vince.Deligio@illinois.gov within the next 3 weeks.

Sincerely,


Sam Sandoval
312.814.6161
Deputy General Counsel
Division of Financial Institutions
Illinois Department of Financial & Professional Regulations

GROUP EXHIBIT E



Illinois Department of Financial and Professional Regulation

Division of Financial Institutions

PAT QUINN
Governor

BRENT E. ADAMS
Secretary

Roxanne Nava
Director

NOTICE OF EXCEPTION(S)

October 30, 2012

CMK Investments, Inc.
3328 11th Street

Regulatory Examination: CI 3014
Date of Examination: October 30, 2012


Rockford, IL 61109

As required by statutory/regulatory provisions, the Department of Financial and Professional Regulation has completed the regulatory examination of your licensed office and noted/cited exception(s) on the examination report (attached). This **Notice of Exception(s) Letter** requires a detailed written response outlining the corrective action taken to satisfy all exceptions(s) indicated on the regulatory examination. Please be aware that exception(s) noted might result in the levying of an investigation fee(s) or fine(s), even if the exception(s) has been corrected during the regulatory examination. Your response must be received by **November 13, 2012**. Please forward your response to:

Dept. of Financial and Professional Regulation
Division of Financial Institutions
Consumer Credit Examinations Section
100 West Randolph St. 9th Floor
Chicago, IL 60601

A copy of the Notice of Exception(s) Letter and any applicable response should be maintained in your permanent file and reviewed by our examiner during the next examination.

This is the only notice you will receive regarding the examination results before the Department issues a **Notice of Intent to Fine Letter**. If a response is not received by November 13, 2012, an investigation fee(s) and/or fine(s) will be levied by default. By signing below, you acknowledge receipt of this Notice of Exception(s) and the examination report.

 10/30/12

Licensee Representative date

100 W. Randolph Street, 9th Floor, Chicago, IL 60601

Exam Exception List**Uncorrected**

(grouped by exception number, then sorted by account name)

License #: 3014	CMK Investments, Inc.
Exam Type: CI	3328 11th Street
Exam Date: 10/30/2012	Rockford IL 61109

Category	Act	Act Reference	Exception Description
	CILA	205 ILCS 670/16(g); TILA	The annual percentage rate is not accurately disclosed.
Revolving Accounts			REDACTED
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
	CILA	(see notes)	Lender has engaged in subterfuge for the purpose of avoiding CILA P. A. 96-936, eff 3-21-2011.)
Revolving Accounts			REDACTED
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
	CILA	205 ILCS 670/15(a)	The periodic interest charged is incorrect.
Revolving Accounts			REDACTED
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez

 Examiner's Signature

Samuel Lee

 Manager or Representative

10/30/12

 (Date)

10/30/12

 (Date)

Exam Exception List**Uncorrected**

(grouped by exception number, then sorted by account name)

License #: 3014	CMK Investments, Inc.
Exam Type: CI	3328 11th Street
Exam Date: 10/30/2012	Rockford IL 61109

Category Act	Act Reference	Exception Description
Revolving Accounts		REDACTED
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
CILA	CILA Rules 110.70(b),(c) 110.100(i)	The payment receipt does not accurately show the required elements.
Revolving Accounts		REDACTED
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
CILA	205 ILCS 670/15d; 205 ILCS 670/17.2 Sec. 17.2. Charges permitted.	Lender imposed on a borrower fees or charges other than those specifically authorized by this Act.
Revolving Accounts		REDACTED
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		
Revolving Accounts		

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF
MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez
Examiner's Signature

Sam Lee
Manager or Representative

10/30/12
(Date)

10/30/12
(Date)

Exam Exception List**Uncorrected**

(grouped by exception number, then sorted by account name)

License #: 3014	CMK Investments, Inc.
Exam Type: CI	3328 11th Street
Exam Date: 10/30/2012	Rockford IL 61109

Category	Exception Description
Act	Act Reference

Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts

REDACTED

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF
 MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez
 Examiner's Signature

Sam Lee
 Manager or Representative

10/30/12
 (Date)

10/30/12
 (Date)

Tuesday, October 30, 2012 4:54:57 PM

Page 3 of 3

E-04

CMK INVESTMENTS INC.

2531 Technology Dr. Suite 314
Elgin IL 60123
TELEPHONE: (847) 836-8670
FAX: (224) 293-6296

November 6, 2012

Department of Financial and Professional Regulation
Division of Financial Institutions / Consumer Credit Section
100 W. Randolph 9th Floor
Chicago, IL 60601

Via facsimile (312) 814-8672 and regular mail

RESPONSE TO NOTICE OF EXCEPTION

Re: Regulatory Exam: CI 3014
Date of Exam: October 30, 2012
Location: CMK Investment Inc. (CMK), 3328 11st Street, Rockford

General Objections and Response. The following are general objections and/or responses that apply to all Exceptions listed on the Exam Exception List:

1. Insufficient Description of Violation. Many Exceptions do not provide specific details regarding the nature of the alleged violation that would allow the Licensee to properly respond. General references to a violation of CILA Section or CILA Rules without reference to a specific loan, action or practice are insufficient to provide Licensee with notice of basis of violation. Before, IDFPR intends to levy fine or take action with respect to such Exceptions, Licensee requests additional information and sufficient opportunity provide a written response.
2. CMK is authorized to offer Revolving Accounts pursuant to CILA. CILA Act Section 12(b)(4) provides: "*A licensee may without notice to and approval of the Director, in addition to the business permitted by this Act, conduct the following business: (4) Making loans pursuant to the Financial Services Development Act (FSDA).*" 205 ILCS 675 *et al.* The Revolving Accounts referenced in the Examination are FSDA Credit Plans and CMK is specifically authorized to make these loans.
3. Revolving Account/FSDA Loans are not subject to CILA. The loans referenced in the Exam Exception List entitled 'Revolving Accounts' are open-ended revolving credit plans provided in accordance with the FSDA and in compliance with applicable TILA and Regulation Z (*See Sections 1026.5--1026.16*). The Revolving Accounts are not loans issued pursuant to Consumer Installment Loan Act (205 ILCS 670) and the CILA Provisions and Rules (38 Ill. Admin. Code 110) do not apply to these Revolving Accounts.
4. IDFPR does not regulate Loans made pursuant to the FSDA. Sections 9 and 10 of CILA Act give IDFPR certain powers to conduct examinations, impose fines and prescribe rules and regulation regarding "loans issued in accordance with the CILA Act." The FSDA does not contain any similar provisions that grant the IDFPR the authority to

November 6, 2012

Page 2

conduct examination, audit files, impose fines or take other actions. Accordingly, to the extent that any exceptions refer to FSDA Accounts (referred to as 'Revolving Accounts' on the exam exception list), they must be withdrawn or removed.

5. IDPR's Examination Software is not programmed for FSDA Revolving Accounts.

IDFPR's Examiner conduct their audit at each location using a preloaded software program. The Examiner enters certain information regarding the Revolving Account including the loan amount, the payment date, term, etc.. Once the information is entered, the software generates a list of exceptions referencing a CILA Act Regulations and/or Rules. The Software program does not appear apply open ended regulations or FSDA regulations rather it treats the Revolving Account as an installment loan under CILA.

6. Response without waiving objections. In an effort to provide detailed responses as requested in IDFPR's cover letter to the exam exception list and cooperate with the IDFPR, CMK provides the following response, however, the each and every response and the information contained is provided without waiver of the appropriate objections to each exception.

Exception: 205 ILCS 670/16(g):TILA The Annual Percentage Rate is not accurately disclosed

Response: The Revolving Accounts referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not loans subject to rules and provisions of the CILA Act. See above response and General Objections 2-5. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. Further the Exception references Section 16(6) of CILA which provides that "Any loan transaction *under this Act* must disclose...the annual percentage rate". This provision applies only to any loan transaction made under the CILA Act; not Revolving Accounts referenced in the Exception. Further, the APR is accurate and clearly displayed in the TILA Disclosure Boxes as required for Open Ended Credit (See CFR Reg. Z. Sec, 1026.6).

Exception: CILA – (see notes) Lender has engaged in subterfuge for the purpose of avoiding CILA

Response: The Revolving Accounts referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 1-5. Section 12(b)(4) of the CILA Act (205 ILCS 12(b)(4)) specifically authorizes a Lender that has a CILA license such as CMK to make FSDA Loans in accordance with the FSDA Act. Accordingly, Lender is specifically authorized to make the loan referred as Revolving Accounts in the Exception List and there is no 'subterfuge' or avoidance of CILA. There are no references that the revolving accounts were in violation of any provision of the FSDA. It is evident that the Examiner had no information regarding the permitted use of FSDA loans and there are no references or facts to support any claim for subterfuge and this exception should be removed.

Exception: 205 ILCS 670/15(a) The periodic interest charged is incorrect.

Response: The Revolving Accounts referenced in this exception are Revolving Credit Plan

November 8, 2012

Page 3

Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 2-5. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. CILA Section 15(a) applies only to any loan transaction under CILA; not FSDA Credit Plans. In addition, the periodic interest charged for each Revolving Account referenced in the Exception are based on simple interest and are correct. CMK request for IDFPR to provide the actual method or formula used to determine the periodic interest calculation was incorrect otherwise please remove this exception.

Exception: CILA Rules 110.70(b)(c); 110.100(i): The payment receipt does not accurately show the required elements.

Response: To the extent the exception refers to Revolving Accounts; the CILA Act and CILA Rules do not apply to a Revolving Credit Plan Agreement issued pursuant to 205 ILCS 675. CILA Rule 110.70(b)&(c) were formulated for closed end loan products and refer to charges under the CILA Act not, 205 ILCS 675. The Revolving Accounts referenced in this exception are Open Ended Credit Agreement and a certain billing statement is issued containing the elements required by Reg Z for open ended credit. Accordingly, Licensee respectfully requests that IDFPR remove this exception.

Exception: 205 ILCS 670/15(d)/17.2: Lender imposed on a borrower fees or charges other than those specifically authorized by this Act.

Response: The loans referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 1-5. The Exception does not specify which 'fee' is not allowed. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. Section 4 of the FSDA does not have a limitation of other fees that can be charged. (See 205 ILCS 675/4). Section 15(d) of CILA does not apply to 'Revolving Accounts' that are FSDA Credit Plans and not Loans issued pursuant to CILA. Accordingly, licensee respectfully requests this exception be removed.

Further, the violations appear to be duplicative and there is nothing in the Administrative rules allowing for duplicative fines for the same type of exception.

CMK Investment Group Inc. responded to the requests of the auditor and provided all the information requested. If any exception occurs, it was inadvertent and clerical in nature and has been corrected without harm to customer and hopefully does not form the basis of a fine. If the IDFPR intends to assess any fine, please take into consideration the matters set forth above.

Very truly yours,



Michael A. Durlacher
Corporate Counsel
madattorney@gmail.com



Illinois Department of Financial and Professional Regulation
Division of Financial Institutions

PAT QUINN
Governor

MANUEL FLORES
Acting Secretary

Roxanne Nava
Director

NOTICE OF EXCEPTION(S)

November 9, 2012

CMK Investments, Inc.
3424 North Main Street

Regulatory Examination: CI 2587
Date of Examination: November 8, 2012

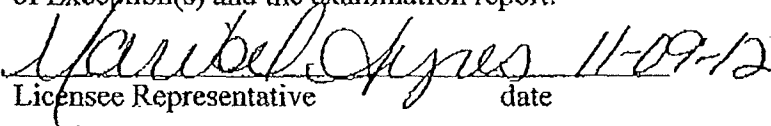
Rockford, IL 61103

As required by statutory/regulatory provisions, the Department of Financial and Professional Regulation has completed the regulatory examination of your licensed office and noted/cited exception(s) on the examination report (attached). This **Notice of Exception(s) Letter** requires a detailed written response outlining the corrective action taken to satisfy all exceptions(s) indicated on the regulatory examination. Please be aware that exception(s) noted might result in the levying of an investigation fee(s) or fine(s), even if the exception(s) has been corrected during the regulatory examination. Your response must be received by **November 23, 2012**. Please forward your response to:

Dept. of Financial and Professional Regulation
Division of Financial Institutions
Consumer Credit Examinations Section
100 West Randolph St. 9th Floor
Chicago, IL 60601

A copy of the Notice of Exception(s) Letter and any applicable response should be maintained in your permanent file and reviewed by our examiner during the next examination.

This is the only notice you will receive regarding the examination results before the Department issues a **Notice of Intent to Fine Letter**. If a response is not received by November 23, 2012, an investigation fee(s) and/or fine(s) will be levied by default. By signing below, you acknowledge receipt of this Notice of Exception(s) and the examination report.


Licensee Representative date

Exam Exception List**Uncorrected**

(grouped by exception number, then sorted by account name)

License #: 2587	CMK Investments, Inc.
Exam Type: CI	3424 North Main Street
Exam Date: 11/08/2012	Rockford IL 61103

Act	Category Act Reference	Exception Description
CILA	205 ILCS 670/16(g); TILA	The annual percentage rate is not accurately disclosed.
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
CILA	(see notes)	Lender has engaged in subterfuge for the purpose of avoiding CILA P. A. 96-936, eff 3-21-2011.)
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
CILA	205 ILCS 670/16(a)	The periodic interest charged is incorrect.
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	
	Revolving Accounts	

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez

 Examiner's Signature

Maribel Lopez

 Manager or Representative

11/9/12

 (Date)

11-09-12

 (Date)

Exam Exception List**Uncorrected**

(grouped by exception number, then sorted by account name)

License #: 2587	CMK Investments, Inc.
Exam Type: CI	3424 North Main Street
Exam Date: 11/08/2012	Rockford IL 61103

Category	Act	Act Reference	Exception Description
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			

REDACTED

CILA 205 ILCS 670/16(k); TILA

Security is not properly disclosed.

Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts

REDACTED

CILA 205 ILCS 670/16(h); TILA

The loan contract does not accurately disclose the schedule of payments or the total of payments.

Paid Direct Loans
 Open Direct Loans
 Open Direct Loans
 Open Direct Loans
 Open Direct Loans
 Open Direct Loans
 Open Direct Loans

REDACTED

CILA CILA Rules 110.70(b),(c) 110.100(i)

The payment receipt does not accurately show the required elements.

Revolving Accounts

REDACTED

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF
 MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez
 Examiner's Signature

11/9/12
 (Date)

Maribel Lopez
 Manager or Representative

11-09-12
 (Date)

Exam Exception List**Uncorrected**

(grouped by exception number, then sorted by account name)

License #: 2587	CMK Investments, Inc.
Exam Type: CI	3424 North Main Street
Exam Date: 11/08/2012	Rockford IL 61103

Category	Act	Act Reference	Exception Description
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
CILA	205 ILCS 670/15d; 205 ILCS 670/17.2	Sec. 17.2. Charges permitted.	Lender imposed on a borrower fees or charges other than those specifically authorized by this Act.
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez
Examiner's Signature

11/9/12
(Date)

Maribel Lopez
Manager or Representative

11-09-12
(Date)

CMK INVESTMENTS INC.

2531 Technology Dr. Suite 314

Elgin IL 60124

TELEPHONE: (847) 836-8670

FAX: (224) 293-6296

November 20, 2012

Department of Financial and Professional Regulation
Division of Financial Institutions / Consumer Credit Section
100 W. Randolph 9th Floor
Chicago, IL 60601

Via facsimile (312) 814-8672 and regular mail

RESPONSE TO NOTICE OF EXCEPTION

Re: Regulatory Exam: CI 2587
Date of Exam: November 8, 2012
Location: CMK Investments Inc., 3424 N. Main, Rockford

General Objections and Response. The following are general objections and/or responses that apply to all Exceptions listed on the Exam Exception List:

1. Insufficient Description of Violation. Many Exceptions do not provide specific details regarding the nature of the alleged violation that would allow the Licensee to properly respond. General references to a violation of CILA Section or CILA Rules without reference to a specific loan, action or practice are insufficient to provide Licensee with notice of basis of violation. Before, IDFPF intends to levy fine or take action with respect to such Exceptions, Licensee requests additional information and sufficient opportunity provide a written response.
2. CMK is authorized to offer Revolving Accounts pursuant to CILA. CILA Act Section 12(b)(4) provides: "*A licensee may without notice to and approval of the Director, in addition to the business permitted by this Act, conduct the following business: (4) Making loans pursuant to the Financial Services Development Act (FSDA).*" 205 ILCS 675 *et al.* The Revolving Accounts referenced in the Examination are FSDA Credit Plans and CMK is specifically authorized to make these loans.
3. Revolving Account/FSDA Loans are not subject to CILA. The loans referenced in the Exam Exception List entitled 'Revolving Accounts' are open-ended revolving credit plans provided in accordance with the FSDA and in compliance with applicable TILA and Regulation Z (*See Sections 1026.5--1026.16*). The Revolving Accounts are not loans issued pursuant to Consumer Installment Loan Act (205 ILCS 670) and the CILA Provisions and Rules (38 Ill. Admin. Code 110) do not apply to these Revolving Accounts.

November 20 2012

Page 2

4. IDFPR does not regulate Loans made pursuant to the FSDA . Sections 9 and 10 of CILA Act give IDFPR certain powers to conduct examinations, impose fines and prescribe rules and regulation regarding “loans issued in accordance with the CILA Act.” The FSDA does not contain any similar provisions that grant the IDFPR the authority to conduct examination, audit files, impose fines or take other actions. Accordingly, to the extent that any exceptions refer to FSDA Accounts (referred to as ‘Revolving Accounts’ on the exam exception list), they must be withdrawn or removed.
5. IDPR’s Examination Software is not programmed for FSDA Revolving Accounts. IDFPR’s Examiner conduct their audit at each location using a preloaded software program. The Examiner enters certain information regarding the Revolving Account including the loan amount, the payment date, term, etc. Once the information is entered, the software generates a list of exceptions referencing a CILA Act Regulations and/or Rules. The Software program does not appear apply open ended regulations or FSDA regulations rather it treats the Revolving Account as an installment loan under CILA.
6. Response without waiving objections. In an effort to provide detailed responses as requested in IDFPR’s cover letter to the exam exception list and cooperate with the IDFPR , CMK provides the following response, however, the each and every response and the information contained is provided without waiver of the appropriate objections to each exception.

Exception: 205 ILCS 670/16(g):TILA The Annual Percentage Rate is not accurately disclosed

Response: The Revolving Accounts referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not loans subject to rules and provisions of the CILA Act. See above response and General Objections 2-5. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. Further the Exception references Section 16(6) of CILA which provides that “Any loan transaction *under this Act* must disclose...the annual percentage rate”. This provision applies only to any loan transaction made under the CILA Act; not Revolving Accounts referenced in the Exception. Further, the APR is accurate and clearly displayed in the TILA Disclosure Boxes as required for Open Ended Credit (*See CFR Reg. Z. Sec. 1026.6*). In addition, the Examiner cited 37 Revolving Account under this exception – for over 13 years, IDFPR examiners typically only review 10-15 files per exceptions. Further evidence that this Examiner was unfamiliar with FSDA loans and IDFPR examination guidelines. Please remove all of these exceptions.

Exception: CILA – (*see notes*) Lender has engaged in subterfuge for the purpose of avoiding CILA

Response: The Revolving Accounts referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 1-5. Section 12(b)(4) of the CILA Act (205 ILCS 12(b)(4) specifically authorizes a Lender that has a CILA license such as CMK to make FSDA Loans in accordance with the FSDA Act. Accordingly, Lender is specifically authorized to make the loan referred as Revolving Accounts in the Exception List and complies with the applicable laws. Accordingly, there is no ‘subterfuge’ or avoidance of CILA. There are no references that

November 20 2012

Page 3

the revolving accounts were in violation of any provision of the FSDA. It is evident that the Examiner had no information regarding the permitted use of FSDA loans and there are no references or facts to support any claim for subterfuge and this exception should be removed.

Exception: 205 ILCS 670/15(a) The periodic interest charged is incorrect.

Response: The Revolving Accounts referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 2-5. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. CILA Section 15(a) applies only to any loan transaction under CILA; not FSDA Credit Plans. In addition, the periodic interest charged for each Revolving Account referenced in the Exception are based on simple interest and are correct. Again, Examiner deviates from IDFPR practices of reviewing 10-15 files, this exception cites 22 'revolving accounts' which is unfairly excessive. CMK request for IDFPR to provide the actual method or formula used to determine the periodic interest calculation was incorrect otherwise please remove this exception.

Exception: 205 ILCS 670/16(k): TILA Security not disclosed properly.

Response: To the extent the exception refers to Revolving Accounts; the CILA Act and Section 16(k), apply to loans issued pursuant to CILA does not apply to the Revolving Accounts cited in this Exception. Accordingly, Licensee respectfully requests that IDFPR remove this exception.

In any event, the Security is disclosed properly. Regulation Z Section 1026.18(m) provides: "*(m) Security interest. The fact that the creditor has or will acquire a security interest in the property purchased as part of the transaction, or in other property identified by item or type.* Also the Official Comments to the regulations Comment 6 provides: "*Terms used in disclosure. No specified terminology is required in disclosing a security interest. Although the disclosure may, at the creditor's option, use the term security interest, the creditor may designate its interest by using, for example, pledge, lien, or mortgage.* Accordingly a general disclosure of the security is sufficient. There is no state or federal law that prohibits the use of the word "IF" a document is provided then it will be security. Here, the Contract provides "*If you provide a Voluntary Electronic Payment Authorization Agreement ("ACH Agreement"), then the ACH Agreement is a security for this loan.*" complies with TILA and Illinois Law. Further the disclosures comply with Regulation E as an extension of credit should not be based on a reoccurring agreement to debit an account in the future. Accordingly, Licensee respectfully requests that IDFPR remove this exception.

Exception: 205 ILCS 670/16(h): TLA The loan contract does not accurately disclose the schedule of payments or total payments. .

REDACTED

Response: (See copy of the CILA installment Loan Agreement dated March 31, 2006 prior to March 2011 change of laws. Loan contract provides the EXACT schedule of payments and total payments in two places (on the Front in the TILA Boxes and on the attached Amortization Schedule). Accordingly there is no basis for an exception, please

November 20 2012

Page 4

remove the exception.

Exception: CILA Rules 110.70(b)(c); 110.100(i): The payment receipt does not accurately show the required elements.

Response: To the extent the exception refers to Revolving Accounts; the CILA Act and CILA Rules do not apply to a Revolving Credit Plan Agreement issued pursuant to 205 ILCS 675. CILA Rule 110.70(b)&(c) were formulated for closed end loan products and refer to charges under the CILA Act not, 205 ILCS 675. The Revolving Accounts referenced in this exception are Open Ended Credit Agreement and a certain billing statement is issued containing the elements required by Reg Z for open ended credit. Again, Examiner deviates from IDFPR practices of reviewing 10-15 files, this exception cites 22 'revolving accounts' which is unfairly excessive. Accordingly, Licensee respectfully requests that IDFPR remove this exception.

Exception: 205 ILCS 670/15(d)/17.2: Lender imposed on a borrower fees or charges other than those specifically authorized by this Act.

Response: The accounts referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 1-5. The Exception does not specify which 'fee' is not allowed. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. Section 4 of the FSDA does not have a limitation of other fees that can be charged. (See 205 ILCS 675/4). Section 15(d) of CILA does not apply to 'Revolving Accounts' that are FSDA Credit Plans and not Loans issued pursuant to CILA. Accordingly, licensee respectfully requests this exception be removed.

Further, the violations appear to be duplicative and there is nothing in the Administrative rules allowing for duplicative fines for the same type of exception.

CMK Investment Inc. responded to the requests of the auditor and provided all the information requested. For the reasons noted above the alleged exceptions do not form the basis of a fine. If the IDFPR intends to assess any fine, please take into consideration the matters set forth above.

Very truly yours,

Michael A. Durlacher
Corporate Counsel
madattorney@gmail.com



Illinois Department of Financial and Professional Regulation
Division of Financial Institutions

PAT QUINN
Governor

MANUEL FLORES
Acting Secretary

Roxanna Nava
Director

NOTICE OF EXCEPTION(S)

November 30, 2012

CMK Investments, Inc.
1254 West Galena Avenue

Regulatory Examination: CI 2616
Date of Examination: November 20, 2012

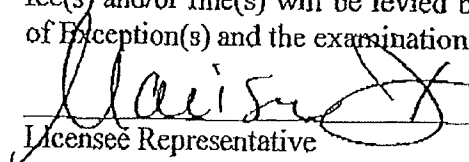
Freeport, IL 61032

As required by statutory/regulatory provisions, the Department of Financial and Professional Regulation has completed the regulatory examination of your licensed office and noted/cited exception(s) on the examination report (attached). This **Notice of Exception(s) Letter** requires a detailed written response outlining the corrective action taken to satisfy all exceptions(s) indicated on the regulatory examination. Please be aware that exception(s) noted might result in the levying of an investigation fee(s) or fine(s), even if the exception(s) has been corrected during the regulatory examination. Your response must be received by **December 14, 2012**. Please forward your response to:

Dept. of Financial and Professional Regulation
Division of Financial Institutions
Consumer Credit Examinations Section
100 West Randolph St. 9th Floor
Chicago, IL 60601

A copy of the Notice of Exception(s) Letter and any applicable response should be maintained in your permanent file and reviewed by our examiner during the next examination.

This is the only notice you will receive regarding the examination results before the Department issues a **Notice of Intent to Fine Letter**. If a response is not received by December 14, 2012, an investigation fee(s) and/or fine(s) will be levied by default. By signing below, you acknowledge receipt of this Notice of Exception(s) and the examination report.

 11.30.12

Licensee Representative date

Exam Exception List

Uncorrected

(grouped by exception number, then sorted by account name)

License #: 2616	CMK Investments, Inc.
Exam Type: C1	1254 West Galena Avenue
Exam Date: 11/20/2012	Freeport IL 81032

Category	Act	Act Reference	Exception Description
	CILA	205 ILCS 670/16(g); TILA	The annual percentage rate is not accurately disclosed. (15)
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
CILA	CILA Rules 110.40(c)		The loan document or other legal instrument contains blanks.
Revolving Accounts			
CILA	(see notes)		Lender has engaged in subterfuge for the purpose of avoiding CILA P. A. 96-936, eff 3-21-2011.)
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
CILA	205 ILCS 670/15(a)		The periodic interest charged is incorrect.

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez
Examiner's Signature

11-30-12
(Date)

Marissa
Manager or Representative

11-30-12
(Date)

Exam Exception List**Uncorrected**

(grouped by exception number, then sorted by account name)

License #: 2616	CMK Investments, Inc.
Exam Type: CI	1254 West Galena Avenue
Exam Date: 11/20/2012	Freeport IL 61032

Category	Act	Act Reference	Exception Description
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			

REDACTED

CILA 205 ILCS 670/18(k); TILA

Security is not properly disclosed.

Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts

REDACTED

CILA CILA Rules 110.70(b),(c) 110.100(l)

The payment receipt does not accurately show the required elements.

Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts

REDACTED

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF
 MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez

 Examiner's Signature

11-30-12

 (Date)

Maria D

 Manager or Representative

11.30.12

 (Date)

(grouped by exception number, then sorted by account name)

License #: 2516	CMK Investments, Inc.
Exam Type: CI	1254 West Galena Avenue
Exam Date: 11/20/2012	Freeport IL 61032

Category	Act	Act Reference	Exception Description
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
CILA	205 ILCS 670/15d; 205 ILCS 670/17.2	Sec. 17.2. Charges permitted.	Lender imposed on a borrower fees or charges other than those specifically authorized by this Act.
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF MANAGEMENT THE EXAMINATION FINDINGS.

Karen Rodriguez
 Examiner's Signature

11-30-12
 (Date)

Flairis Dr
 Manager or Representative

11-30-12
 (Date)

CMK INVESTMENTS INC.

2531 Technology Dr. Suite 314
Elgin IL 60124
TELEPHONE: (847) 836-8670
FAX: (224) 293-6296

December 10, 2012

Department of Financial and Professional Regulation
Division of Financial Institutions / Consumer Credit Section
100 W. Randolph 9th Floor
Chicago, IL 60601

Via facsimile (312) 814-8672 and regular mail

RESPONSE TO NOTICE OF EXCEPTION

Re: Regulatory Exam: CI 2616
Date of Exam: November 20, 2012
Location: CMK Investments Inc., 1254 Galena Ave IL

General Objections and Response. The following are general objections and/or responses that apply to all Exceptions listed on the Exam Exception List:

1. Insufficient Description of Violation. Many Exceptions do not provide specific details regarding the nature of the alleged violation that would allow the Licensee to properly respond. General references to a violation of CILA Section or CILA Rules without reference to a specific loan, action or practice are insufficient to provide Licensee with notice of basis of violation. Before, IDFPR intends to levy fine or take action with respect to such Exceptions, Licensee requests additional information and sufficient opportunity provide a written response.
2. CMK is authorized to offer Revolving Accounts pursuant to CILA. CILA Act Section 12(b)(4) provides: "*A licensee may without notice to and approval of the Director, in addition to the business permitted by this Act, conduct the following business: (4) Making loans pursuant to the Financial Services Development Act (FSDA).*" 205 ILCS 675 *et al.* The Revolving Accounts referenced in the Examination are FSDA Credit Plans and CMK is specifically authorized to make these loans.
3. Revolving Account/FSDA Loans are not subject to CILA. The loans referenced in the Exam Exception List entitled 'Revolving Accounts' are open-ended revolving credit plans provided in accordance with the FSDA and in compliance with applicable TILA and Regulation Z (*See Sections 1026.5--1026.16*). The Revolving Accounts are not loans issued pursuant to CILA (205 ILCS 670) and the CILA Provisions and Rules (38 Ill. Admin. Code 110) do not apply to these Revolving Accounts.
4. IDFPR does not regulate Loans made pursuant to the FSDA. Sections 9 and 10 of CILA Act give IDFPR certain powers to conduct examinations, impose fines and prescribe rules and regulation regarding "loans issued in accordance with the CILA Act." The FSDA does not contain any similar provisions that grant the IDFPR the authority to conduct examination, audit files, impose fines or take other actions. Accordingly, to the

extent that any exceptions refer to FSDA Accounts (referred to as 'Revolving Accounts' on the exam exception list), they must be withdrawn or removed.

5. Response without waiving objections. In an effort to provide detailed responses as requested in IDFPR's cover letter to the exam exception list and cooperate with the IDFPR, CMK provides the following response, however, the each and every response and the information contained is provided without waiver of the appropriate objections to each exception.

Exception: 205 ILCS 670/16(g):TILA The Annual Percentage Rate is not accurately disclosed

Response: The Revolving Accounts referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 2-5. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. Further the Exception references Section 16(6) of CILA which provides that "Any loan transaction *under this Act* must disclose...the annual percentage rate". This provision applies only to any loan transaction made under the CILA Act; not Revolving Accounts referenced in the Exception. Further, the APR is clearly displayed and accurate in the TILA Disclosure Boxes as required for Open Ended Credit (*See CFR Reg. Z. Sec. 1026.6*).

Exception: 205 ILCS 670/15(a) The periodic interest charged is incorrect.

Response: The Revolving Accounts referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 2-5. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. CILA Section 15(a) applies only to any loan transaction under CILA; not FSDA Credit Plans. In addition, the periodic interest charged for each Revolving Account referenced in the Exception are based on simple interest and are correct. CMK request for IDFPR to provide the actual method or formula used to determine the periodic interest calculation was incorrect otherwise please remove this exception.

Exception: 205 ILCS 670/16(k): TILA Security not disclosed properly.

Response: To the extent the exception refers to Revolving Accounts; the CILA Act and Section 16(k), apply to loans issued pursuant to CILA does not apply to the Revolving Accounts cited in this Exception. Accordingly, Licensee respectfully requests that IDFPR remove this exception.

In any event, the Security is disclosed properly. Regulation Z Section 1026.18(m) provides: "*(m) Security interest. The fact that the creditor has or will acquire a security interest in the property purchased as part of the transaction, or in other property identified by item or type. Also the Official Comments to the regulations Comment 6 provides: "Terms used in disclosure. No specified terminology is required in disclosing a security interest. Although the disclosure may, at the creditor's option, use the term security interest, the creditor may designate its interest by using, for example, pledge, lien, or mortgage. Accordingly a general disclosure of the security is sufficient. There is no state or federal law that prohibits the use of the word "IF" a document is provided then it will be security. Here, the Contract provides "If you provide a*

Voluntary Electronic Payment Authorization Agreement ("ACH Agreement"), then the ACH Agreement is a security for this loan." complies with TILA and Illinois Law. Further the disclosures comply with Regulation E as an extension of credit should not be based on a reoccurring agreement to debit an account in the future. Accordingly, Licensee respectfully requests that IDFPR remove this exception.

Exception: CILA Rules 110.70(b)(c); 110.100(i): The payment receipt does not accurately show the required elements.

Response: To the extent the exception refers to Revolving Accounts; the CILA Act and CILA Rules do not apply to a Revolving Credit Plan Agreement issued pursuant to 205 ILCS 675. CILA Rule 110.70(b)&(c) were formulated for closed end loan products and refer to charges under the CILA Act not, 205 ILCS 675. The Revolving Accounts referenced in this exception are Open Ended Credit Agreement. Accordingly, Licensee respectfully requests that IDFPR remove this exception.

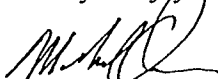
Exception: 205 ILCS 670/15(d)/17.2: Lender imposed on a borrower fees or charges other than those specifically authorized by this Act.

Response: The loans referenced in this exception are Revolving Credit Plan Agreements issued pursuant to the FSDA and are not CILA loans subject to CILA. See above response and General Objections 1-5. The Exception does not specify which 'fee' is not allowed. These are FSDA Revolving Credit Plan made in accordance with 205 ILCS 675. Section 4 of the FSDA does not have a limitation of other fees that can be charged. (See 205 ILCS 675/4). Section 15(d) of CILA does not apply to 'Revolving Accounts' that are FSDA Credit Plans and not Loans issued pursuant to CILA. Accordingly, licensee respectfully requests this exception be removed.

Further, the violations appear to be duplicative and there is nothing in the Administrative rules allowing for duplicative fines for the same type of exception.

CMK Investments responded to the requests of the auditor and provided all the information requested. If any exception occurs, it was inadvertent and clerical in nature and has been corrected without harm to customer and hopefully does not form the basis of a fine. If the IDFPR intends to assess any fine, please take into consideration the matters set forth above.

Very truly yours,



Michael A. Durlacher
Corporate Counsel
madattorney@hotmail.com

GROUP EXHIBIT F



Illinois Department of Financial and Professional Regulation

Division of Financial Institutions

PAT QUINN
Governor

MANUEL FLORES
Acting Secretary

Roxanne Nava
Director

NOTICE OF INTENT TO FINE

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

CMK Investments, Inc. D/b/a All Credit Lenders, Inc.

Michael Durlacher

2531 Technology Drive, Suite #314

Elgin, IL 60124

Re: CI - 3163

Date of Examination: May 16, 2011

This is your Notice that the enclosed Order of Fine shall be effective ten (10) days from the date of service of this Notice pursuant to Section 9 of the Consumer Installment Loan Act, 205 ILCS 670/1 et seq., or Section 10 of the Sales Finance Act, 205 ILCS 660/1 et seq., or Section 4-10 of the Illinois Payday Loan Reform Act, 815 ILCS 122/1 et seq.

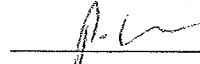
Should you have any additional questions, please contact the Division of Financial Institutions at 312-814-5145.

If requesting a hearing, the request must be sent to the contact information below and include the following: Licensee Name, License Number, Date of Exam, Date of Fine (date signed by Consumer Credit Supervisor) as well as a copy of the Notice of Intent to Fine, the Order of Fine, Exam Exception List and Invoice. If requesting hearings on multiple fines you must complete a separate request for each fine as well as providing the requested information for each fine.

Request by Mail: Hearing Requests
 C/O DFI
 100 West Randolph, 9th Floor
 Chicago, IL 60601

Request by Fax: 312/814-8672

Dated this 18 day of January 2012


Paul Vasilakos

Consumer Credit Supervisor

Enclosure

100 West Randolph, 9th Floor, Chicago, Illinois 60601

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS
CONSUMER CREDIT SECTION

In the Matter of

CMK Investments, Inc.

)

)

)

)

No. CI - 3163

ORDER OF FINE

To: CMK Investments, Inc. D/b/a All Credit Lenders, Inc.

2531 Technology Drive, Suite #314

Elgin, IL 60124

Regulatory Examination: License Number CI - 3163

Date of Examination: May 16, 2011

WHEREAS, the Department of Financial and Professional Regulation (the "Department") administers the Illinois Consumer Installment Loan Act, 205 ILCS 670/1 (the "Act") and Rules and Regulations promulgated thereunder 38 IL Administrative Code 110.1.

WHEREAS, the Department completed an examination of the above referenced licensee and noted the following violation(s):

No citation for CILA

Lender used a device or agreement that would have the effect of charging or collecting more fees or charges than allowed by this Act, including, but not limited to, entering into a different type of transaction with the consumer.

1 exception(s) at \$250.00 per exception

Applicable to licensee's operating procedures

Lender made a loan in violation of this Act.

1 exception(s) at \$1,000.00 per exception

Applicable to licensee's operating procedures

Lender imposed on a borrower fees or charges other than those specifically authorized by this Act.

1 exception(s) at \$250.00 per exception

Applicable to licensee's operating procedures

The loan contract does not accurately disclose the schedule of payments or the total of payments.

10 exception(s) at \$150.00 per exception

No citation for CILA

205 ILCS 670/15d; 205 ILCS 670/17.2
Sec. 17.2. Charges permitted.

Licensee charged a fee not allowed. (3rd)

10 exception(s) at \$250.00 per exception

205 ILCS 670/16(h); TILA

Licensee charged a fee not allowed. (2nd)

10 exception(s) at \$250.00 per exception

205 ILCS 670/15d

205 ILCS 670/15d

205 ILCS 670/16(k); TILA

Security is not properly disclosed.

10 exception(s) at \$150.00 per exception

For specific exceptions, see examination report attached and made a part hereof.

NOW IT IS HEREBY ORDERED THAT, pursuant to Section 9 of the Act, the Department has imposed a fine of \$9,500.00 on the above-captioned licensee. In accordance with Section 9 of the Act, this fine becomes effective and payable 10 days after the date of service of the Notice of Intent to Fine unless you request, in writing, a hearing within 10 days after the date of service of this Order. Please include a copy of this Order with the top portion of the enclosed invoice with your remittance and forward to the following address:

**Department of Financial and Professional Regulation
Cash Unit
PO Box 7086
Springfield, IL 62791-7086**

Dated this 2 day of January 2018 3

Roxanne Nava

Roxanne Nava, Director
Division of Financial Institutions
Department of Financial and Professional Regulation

Exam Exception List

(grouped by exception number, then sorted by account name)

License #: 3163	CMK Investments, Inc.
Exam Type: CI	130 East Irving Park Road
Exam Date: 05/16/2011	Wood Dale IL 60191

Act	Category Act Reference	Exception Description	Fine Amount
CILA	205 ILCS 670/16(k); TILA	Security is not properly disclosed.	\$1,500.00

Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts

REDACTED

CILA	205 ILCS 670/15d	Licensee charged a fee not allowed. (2nd)	\$2,500.00
------	------------------	---	------------

Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts

REDACTED

CILA	205 ILCS 670/15d	Licensee charged a fee not allowed. (3rd)	\$2,500.00
------	------------------	---	------------

Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts

REDACTED

CILA	205 ILCS 670/16(h); TILA	The loan contract does not accurately disclose the schedule of payments or the total of payments.	\$1,500.00
------	--------------------------	---	------------

Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts
 Revolving Accounts

REDACTED

Exam Exception List

(grouped by exception number, then sorted by account name)

License #: 3163	CMK Investments, Inc.
Exam Type: CI	130 East Irving Park Road
Exam Date: 05/16/2011	Wood Dale IL 60191

Category			
Act	Act Reference	Exception Description	Fine Amount
Revolving Accounts			
Revolving Accounts REDACTED			
CILA	205 ILCS 670/15d; 205 ILCS 670/17.2 Sec. 17.2. Charges permitted.	Lender imposed on a borrower fees or charges other than those specifically authorized by this Act.	\$250.00
APPLICABLE TO LICENSEE'S OPERATING PROCEDURES			
CILA	No citation for CILA	Lender made a loan in violation of this Act.	\$1,000.00
APPLICABLE TO LICENSEE'S OPERATING PROCEDURES			
CILA	No citation for CILA	Lender used a device or agreement that would have the effect of charging or collecting more fees or charges than allowed by this Act, including, but not limited to, entering into a different type of transaction with the consumer.	\$250.00
APPLICABLE TO LICENSEE'S OPERATING PROCEDURES			

10

11/30/2012

CI 3163

State of Illinois

Department of Financial and Professional Regulation

Consumer Credit Invoice



CC132228

TO: CMK INVESTMENTS, INC.
2531 TECHNOLOGY DRIVE SUITE #314
ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$9,500.00

Remit To:

Total: \$9,500.00

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Invoice Number

Remit Copy

CC132228

(Tear on Perforation)

10

11/30/2012

CI 3163

State of Illinois

Department of Financial and Professional Regulation

Consumer Credit Invoice



CC132228

TO: CMK INVESTMENTS, INC.
2531 TECHNOLOGY DRIVE SUITE #314
ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$9,500.00

Remit To:

Total: \$9,500.00

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Invoice Number

Customer Copy

CC132228

F-06

F-07

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS
CONSUMER CREDIT SECTION

In the Matter of

CMK Investments, Inc.

)

)

)

)

No. CI - 3351

ORDER OF FINE

To: CMK Investments, Inc. D/b/a All Credit Lenders, Inc.
2531 Technology Drive, Suite #314
Elgin, IL 60124

Regulatory Examination: License Number CI - 3351

Date of Examination: June 06, 2012

WHEREAS, the Department of Financial and Professional Regulation (the "Department") administers the Illinois Consumer Installment Loan Act, 205 ILCS 670/1 (the "Act") and Rules and Regulations promulgated thereunder 38 IL Administrative Code 110.1.

WHEREAS, the Department completed an examination of the above referenced licensee and noted the following violation(s):

CILA Rules 110.70(b),(c) 110.100(i)

The payment receipt does not accurately show the required elements.

4 exception(s) at \$150.00 per exception

205 ILCS 670/16(k); TILA

Security is not properly disclosed.

5 exception(s) at \$150.00 per exception

205 ILCS 670/15(a)

The periodic interest charged is incorrect.

1 exception(s) at \$150.00 per exception

CILA Rules 110.40(c)

The loan document or other legal instrument contains blanks.

1 exception(s) at \$150.00 per exception

For specific exceptions, see examination report attached and made a part hereof.

NOW IT IS HEREBY ORDERED THAT, pursuant to Section 9 of the Act, the Department has imposed a fine of \$1,650.00 on the above-captioned licensee. In accordance with Section 9 of the Act, this fine becomes effective and payable 10 days after the date of service of the Notice of Intent to Fine unless you request, in writing, a hearing within 10 days after the date of service of this Order. Please include a copy of this Order with the top portion of the enclosed invoice with your remittance and forward to the following address:

Department of Financial and Professional Regulation

Cash Unit

PO Box 7086

Springfield, IL 62791-7086

Dated this 21 day of November 2012

Roxanne Nava

Roxanne Nava, Director

Division of Financial Institutions

Department of Financial and Professional Regulation

Exam Exception List

(grouped by exception number, then sorted by account name)

License #: 3351	CMK Investments, Inc.
Exam Type: CI	691 West North Avenue
Exam Date: 06/06/2012	Elmhurst IL 60126

Act	Category Act Reference	Exception Description	Fine Amount
CILA	CILA Rules 110.40(c)	The loan document or other legal instrument contains blanks.	\$150.00
Revolving Accounts		REDACTED	
CILA	205 ILCS 670/15(a)	The periodic interest charged is incorrect.	\$150.00
Revolving Accounts		REDACTED	
CILA	205 ILCS 670/16(k); TILA	Security is not properly disclosed.	\$750.00
Revolving Accounts		REDACTED	
Revolving Accounts		REDACTED	
Revolving Accounts		REDACTED	
Revolving Accounts		REDACTED	
CILA	CILA Rules 110.70(b),(c) 110.100(i)	The payment receipt does not accurately show the required elements.	\$600.00
Revolving Accounts		REDACTED	
Revolving Accounts		REDACTED	
Revolving Accounts		REDACTED	
Revolving Accounts		REDACTED	

10

10/3/2012
CI 3351State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice

CC131141

TO: CMK INVESTMENTS, INC.
2531 TECHNOLOGY DRIVE SUITE #314
ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$1,650.00

Remit To:

Total: \$1,650.00

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086Invoice Number
CC131141

Remit Copy

(Tear on Perforation)

10

10/3/2012
CI 3351State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice

CC131141

TO: CMK INVESTMENTS, INC.
2531 TECHNOLOGY DRIVE SUITE #314
ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$1,650.00

Remit To:

Total: \$1,650.00

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086Invoice Number
CC131141

Customer Copy



Illinois Department of Financial and Professional Regulation
Division of Financial Institutions

PAT QUINN
Governor

SUSAN J. GOLD
Acting Secretary

Roxanne Nava
Director

NOTICE OF INTENT TO FINE

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

CMK Investments, Inc. D/b/a All Credit Lenders, Inc.

Michael Durlacher

2531 Technology Drive, Suite #314

Elgin, IL 60124

Re: CI - 2159

Date of Examination: June 06, 2012

This is your Notice that the enclosed Order of Fine shall be effective ten (10) days from the date of service of this Notice pursuant to Section 9 of the Consumer Installment Loan Act, 205 ILCS 670/1 et seq., or Section 10 of the Sales Finance Act, 205 ILCS 660/1 et seq., or Section 4-10 of the Illinois Payday Loan Reform Act, 815 ILCS 122/1 et seq.

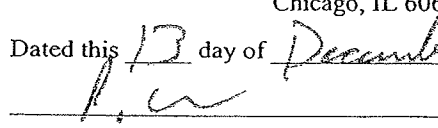
Should you have any additional questions, please contact the Division of Financial Institutions at 312-814-5145.

If requesting a hearing, the request must be sent to the contact information below and include the following: Licensee Name, License Number, Date of Exam, Date of Fine (date signed by Consumer Credit Supervisor) as well as a copy of the Notice of Intent to Fine, the Order of Fine, Exam Exception List and Invoice. If requesting hearings on multiple fines you must complete a separate request for each fine as well as providing the requested information for each fine.

Request by Mail: Hearing Requests
 C/O DFI
 100 West Randolph, 9th Floor
 Chicago, IL 60601

Request by Fax: 312/814-8672

Dated this 13 day of December 2012


Paul Vasilakos
Consumer Credit Supervisor

Enclosure

100 West Randolph, 9th Floor, Chicago, Illinois 60601

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF FINANCIAL INSTITUTIONS

CONSUMER CREDIT SECTION

In the Matter of

CMK Investments, Inc.

No. CI - 2159

ORDER OF FINE

To: CMK Investments, Inc. D/b/a All Credit Lenders, Inc.

2531 Technology Drive, Suite #314

Elgin, IL 60124

Regulatory Examination: License Number CI - 2159

Date of Examination: June 06, 2012

WHEREAS, the Department of Financial and Professional Regulation (the "Department") administers the Illinois Consumer Installment Loan Act, 205 ILCS 670/1 (the "Act") and Rules and Regulations promulgated thereunder 38 IL Administrative Code 110.1.

WHEREAS, the Department completed an examination of the above referenced licensee and noted the following violation(s):

CILA Rules 110.70(b),(c) 110.100(i)

The payment receipt does not accurately show the required elements.

2 exception(s) at \$150.00 per exception

205 ILCS 670/16(k); TILA

Security is not properly disclosed.

5 exception(s) at \$150.00 per exception

205 ILCS 670/16(g); TILA

The annual percentage rate is not accurately disclosed.

1 exception(s) at \$150.00 per exception

CILA Rules 110.180(b)

Licensed location is not maintaining posted hours.

1 exception(s) at \$150.00 per exception

Applicable to licensee's operating procedures

For specific exceptions, see examination report attached and made a part hereof.

NOW IT IS HEREBY ORDERED THAT, pursuant to Section 9 of the Act, the Department has imposed a fine of \$1,350.00 on the above-captioned licensee. In accordance with Section 9 of the Act, this fine becomes effective and payable 10 days after the date of service of the Notice of Intent to Fine unless you request, in writing, a hearing within 10 days after the date of service of this Order. Please include a copy of this Order with the top portion of the enclosed invoice with your remittance and forward to the following address:

Department of Financial and Professional Regulation
Cash Unit
PO Box 7086
Springfield, IL 62791-7086

Dated this 21 day of November 2012

Roxanne Nava

Roxanne Nava, Director
Division of Financial Institutions
Department of Financial and Professional Regulation

Exam Exception List

(grouped by exception number, then sorted by account name)

License #: 2159	CMK Investments, Inc.
Exam Type: CI	2307 West Schaumburg Road
Exam Date: 06/06/2012	Schaumburg IL 60194

Category			
Act	Act Reference	Exception Description	Fine Amount
CILA	CILA Rules 110.180(b)	Licensed location is not maintaining posted hours.	\$150.00
APPLICABLE TO LICENSEE'S OPERATING PROCEDURES			
CILA	205 ILCS 670/16(g); TILA	The annual percentage rate is not accurately disclosed.	\$150.00
Paid Direct Loans		REDACTED	
CILA	205 ILCS 670/16(k); TILA	Security is not properly disclosed.	\$750.00
Revolving Accounts		REDACTED	
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
Revolving Accounts			
CILA	CILA Rules 110.70(b),(c) 110.100(i)	The payment receipt does not accurately show the required elements.	\$300.00
Revolving Accounts		REDACTED	
Revolving Accounts			

10

10/3/2012
CI 2159

State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice



CC131139

TO: CMK INVESTMENTS, INC.
 2531 TECHNOLOGY DRIVE SUITE #314
 ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$1,350.00

Total: \$1,350.00

Remit To:

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Remit Copy

Invoice Number
 CC131139

 (Tear on Perforation)

10

10/3/2012
CI 2159

State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice



CC131139

TO: CMK INVESTMENTS, INC.
 2531 TECHNOLOGY DRIVE SUITE #314
 ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$1,350.00

Total: \$1,350.00

Remit To:

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Customer Copy

Invoice Number
 CC131139



Illinois Department of Financial and Professional Regulation
Division of Financial Institutions

PAT QUINN
Governor

SUSAN J. GOLD
Acting Secretary

Roxanne Nava
Director

NOTICE OF INTENT TO FINE

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

CMK Investments, Inc. D/b/a All Credit Lenders, Inc.

Michael Durlacher

2531 Technology Drive, Suite #314

Elgin, IL 60124

Re: CI - 3163

Date of Examination: February 08, 2012

This is your Notice that the enclosed Order of Fine shall be effective ten (10) days from the date of service of this Notice pursuant to Section 9 of the Consumer Installment Loan Act, 205 ILCS 670/1 et seq., or Section 10 of the Sales Finance Act, 205 ILCS 660/1 et seq., or Section 4-10 of the Illinois Payday Loan Reform Act, 815 ILCS 122/1 et seq.

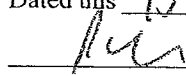
Should you have any additional questions, please contact the Division of Financial Institutions at 312-814-5145.

If requesting a hearing, the request must be sent to the contact information below and include the following: Licensee Name, License Number, Date of Exam, Date of Fine (date signed by Consumer Credit Supervisor) as well as a copy of the Notice of Intent to Fine, the Order of Fine, Exam Exception List and Invoice. If requesting hearings on multiple fines you must complete a separate request for each fine as well as providing the requested information for each fine.

Request by Mail: Hearing Requests
 C/O DFI
 100 West Randolph, 9th Floor
 Chicago, IL 60601

Request by Fax: 312/814-8672

Dated this 12 day of December 2012


Paul Vasilakos
Consumer Credit Supervisor

Enclosure

100 West Randolph, 9th Floor, Chicago, Illinois 60601

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF FINANCIAL INSTITUTIONS

CONSUMER CREDIT SECTION

In the Matter of

CMK Investments, Inc.

)
)
)
)

No. CI - 3163

ORDER OF FINE

To: CMK Investments, Inc. D/b/a All Credit Lenders, Inc.

2531 Technology Drive, Suite #314

Elgin, IL 60124

Regulatory Examination: License Number CI - 3163

Date of Examination: February 08, 2012

WHEREAS, the Department of Financial and Professional Regulation (the "Department") administers the Illinois Consumer Installment Loan Act, 205 ILCS 670/1 (the "Act") and Rules and Regulations promulgated thereunder 38 IL Administrative Code 110.1.

WHEREAS, the Department completed an examination of the above referenced licensee and noted the following violation(s):

CILA Rules 110.40(c); 740 ILCS 170

Wage assignment was accepted from borrower that contained blank spaces.

1 exception(s) at \$25.00 per exception

CILA Rules 110.40(a); 110.40(c)

File does not contain evidence of a contract signed or acknowledged by the borrower.

1 exception(s) at \$1,000.00 per exception

CILA Rules 110.30(b); 110.50

The payment record for a simple interest loan does not show the amount and date of each payment of principal and interest, the principal balance due, the date to which interest is paid or itemize other charges collected.

1 exception(s) at \$150.00 per exception

CILA Rules 110.70(b),(c) 110.100(i)

Applicable to licensee's operating procedures

The payment receipt does not accurately show the required elements.

1 exception(s) at \$150.00 per exception

CILA Rules 110.90

Applicable to licensee's operating procedures

Original documents, or approved equivalent, not cancelled or returned following payoff.

8 exception(s) at \$25.00 per exception

205 ILCS 670/16(k); TILA

Security is not properly disclosed.

1 exception(s) at \$150.00 per exception

The periodic interest charged is incorrect.

1 exception(s) at \$150.00 per exception

For specific exceptions, see examination report attached and made a part hereof.

NOW IT IS HEREBY ORDERED THAT, pursuant to Section 9 of the Act, the Department has imposed a fine of \$1,825.00 on the above-captioned licensee. In accordance with Section 9 of the Act, this fine becomes effective and payable 10 days after the date of service of the Notice of Intent to Fine unless you request, in writing, a hearing within 10 days after the date of service of this Order. Please include a copy of this Order with the top portion of the enclosed invoice with your remittance and forward to the following address:

Department of Financial and Professional Regulation

Cash Unit

PO Box 7086

Springfield, IL 62791-7086

Dated this 21 day of November 2012

Roxanne Nava

Roxanne Nava, Director
Division of Financial Institutions
Department of Financial and Professional Regulation

Exam Exception List

(grouped by exception number, then sorted by account name)

License #: 3163	CMK Investments, Inc.
Exam Type: CI	130 East Irving Park Road
Exam Date: 02/08/2012	Wood Dale IL 60191

Act	Category Act Reference	Exception Description	Fine Amount
CILA	205 ILCS 670/15(a)	The periodic interest charged is incorrect.	\$150.00

Revolving Accounts

REDACTED

CILA	205 ILCS 670/16(k); TILA	Security is not properly disclosed.	\$150.00
------	--------------------------	-------------------------------------	----------

Revolving Accounts

REDACTED

CILA	CILA Rules 110.90	Original documents, or approved equivalent, not cancelled or returned following payoff.	\$200.00
------	-------------------	---	----------

Revolving Accounts

Revolving Accounts

Revolving Accounts

Revolving Accounts

Revolving Accounts

Revolving Accounts

Revolving Accounts

Revolving Accounts

REDACTED

CILA	CILA Rules 110.70(b),(c) 110.100(i)	The payment receipt does not accurately show the required elements.	\$150.00
------	-------------------------------------	---	----------

APPLICABLE TO LICENSEE'S OPERATING PROCEDURES

CILA	CILA Rules 110.30(b); 110.50	The payment record for a simple interest loan does not show the amount and date of each payment of principal and interest, the principal balance due, the date to which interest is paid or itemize other charges collected.	\$150.00
------	------------------------------	--	----------

APPLICABLE TO LICENSEE'S OPERATING PROCEDURES

CILA	CILA Rules 110.40(a); 110.40(c)	File does not contain evidence of a contract signed or acknowledged by the borrower.	\$1,000.00
------	---------------------------------	--	------------

Revolving Accounts

REDACTED

CILA	CILA Rules 110.40(c); 740 ILCS 170	Wage assignment was accepted from borrower that contained blank spaces.	\$25.00
------	------------------------------------	---	---------

Revolving Accounts

REDACTED

10

10/17/2012

CI 3163

State of Illinois

Department of Financial and Professional Regulation

Consumer Credit Invoice



CC131348

TO: CMK INVESTMENTS, INC.
2531 TECHNOLOGY DRIVE SUITE #314
ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$1,825.00

Total: \$1,825.00

Remit To:

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Invoice Number

Remit Copy

CC131348

(Tear on Perforation)

10

10/17/2012

CI 3163

State of Illinois

Department of Financial and Professional Regulation

Consumer Credit Invoice



CC131348

TO: CMK INVESTMENTS, INC.
2531 TECHNOLOGY DRIVE SUITE #314
ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$1,825.00

Total: \$1,825.00

Remit To:

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Invoice Number

Customer Copy

CC131348

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS
CONSUMER CREDIT SECTION

In the Matter of

CMK Investments, Inc.

)

)

)

)

No. CI - 3322

ORDER OF FINE

To: CMK Investments, Inc. D/b/a All Credit Lenders, Inc.
2531 Technology Drive, Suite #314
Elgin, IL 60124

Regulatory Examination: License Number CI - 3322

Date of Examination: May 23, 2012

WHEREAS, the Department of Financial and Professional Regulation (the "Department") administers the Illinois Consumer Installment Loan Act, 205 ILCS 670/1 (the "Act") and Rules and Regulations promulgated thereunder 38 IL Administrative Code 110.1.

WHEREAS, the Department completed an examination of the above referenced licensee and noted the following violation(s):

CILA Rules 110.70(b),(c) 110.100(i)

The payment receipt does not accurately show the required elements.

15 exception(s) at \$150.00 per exception

205 ILCS 670/15(a)

The periodic interest charged is incorrect.

2 exception(s) at \$150.00 per exception

CILA Rules 110.180(d)

Licensed location did not prominently display the license or renewal certificate.

1 exception(s) at \$25.00 per exception

Applicable to licensee's operating procedures

For specific exceptions, see examination report attached and made a part hereof.

NOW IT IS HEREBY ORDERED THAT, pursuant to Section 9 of the Act, the Department has imposed a fine of \$2,575.00 on the above-captioned licensee. In accordance with Section 9 of the Act, this fine becomes effective and payable 10 days after the date of service of the Notice of Intent to Fine unless you request, in writing, a hearing within 10 days after the date of service of this Order. Please include a copy of this Order with the top portion of the enclosed invoice with your remittance and forward to the following address:

Department of Financial and Professional Regulation
Cash Unit
PO Box 7086
Springfield, IL 62791-7086

Dated this 21 day of November 2012

Roxanne Nava

Roxanne Nava, Director
Division of Financial Institutions
Department of Financial and Professional Regulation

License #: 3322	CMK Investments, Inc.
Exam Type: CI	312 McLean Boulevard
Exam Date: 05/23/2012	Elgin IL 60120

APPLICABLE TO LICENSEE'S OPERATING PROCEDURES

REDACTED

Revolving Accounts

Reversing Accounts

REDACTED

10

10/4/2012
CI 3322

State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice



CC131172

TO: CMK INVESTMENTS, INC.
 2531 TECHNOLOGY DRIVE SUITE #314
 ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$2,575.00

Total: \$2,575.00

Remit To:

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Remit Copy

Invoice Number
 CC131172

 (Tear on Perforation)

10

10/4/2012
CI 3322

State of Illinois
Department of Financial and Professional Regulation
Consumer Credit Invoice



CC131172

TO: CMK INVESTMENTS, INC.
 2531 TECHNOLOGY DRIVE SUITE #314
 ELGIN, IL 60124

Due the Illinois Department of Financial and Professional Regulation: (Within 10 Days of Receipt)

Description	Amount
Fines CI	\$2,575.00

Total: \$2,575.00

Remit To:

Illinois Department of Financial and Professional Regulation
Cash Unit
PO BOX 7086
Springfield, IL 62791-7086

Customer Copy

Invoice Number
 CC131172

EXHIBIT G



Illinois Department of Financial and Professional Regulation
Division of Financial Institutions

PAT QUINN
Governor

Manuel Flores
Acting Secretary

Roxanne Nava
Director

February 22, 2013

CMK Investments
madatorney@gmail.com

VIA EMAIL

Dear Mr. Durlacher,

On January 18, 2013, the Department of Financial Institutions ("Department") issued a Notice of Intent to Fine CMK Investments (CI-2616, CI-2617, CI-3163). On January 22, 2013, the Division received your Request for Hearing. The Division is accommodating your request by placing this matter on the call at 10:00 a.m. on May 8, 2013. A public hearing will be held regarding the above-referenced matter at 100 West Randolph St., 9th Floor, Chicago, Illinois, before Michael Lyons, a duly designated Hearing Officer of the Illinois Department of Financial and Professional Regulation.

If you would like for the Division to remove this matter from the May 8, 2013 call and begin settlement negotiations, please contact Vince.Deligio@illinois.gov via email within the next 3 weeks.

Sincerely,

A handwritten signature in black ink, appearing to read "Vince Deligio".

Vince Deligio
312.814.3541

Attorney

Division of Financial Institutions

Illinois Department of Financial & Professional Regulations

EXHIBIT H

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS**

ILLINOIS DEPARTMENT OF FINANCIAL AND)	
PROFESSIONAL REGULATION)	
of the State of Illinois)	Case No. 12CC360
)	12CC361
v.)	
)	
CMK Investments Inc.)	
)	
License Nos. CI-3352 and CI-3468)	

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions ("DFI"), by and through its Director, Roxanne Nava, and CMK Investments Inc ("CMK"), by and through its Corporate Counsel, Michael Durlacher.

RECITALS

1. The DFI is statutorily charged with the responsibility and authority of administering and regulating the Illinois Consumer Installment Loan Act ("CILA"), 205 ILCS § 670/1 *et seq.*, the Sales Finance Agency Act ("SFA"), 205 ILCS § 660/1 *et seq.* and the Rules and Regulations promulgated thereunder 38 IL Administrative Code 110.1-110.430, 38 IL Administrative Code 160.1-160.270, and 38 IL Administrative Code 200.100-200.452.
2. CMK owns and operates certain stores in the State of Illinois, licensed under the above-captioned CILA licenses.
3. The DFI conducted the following examinations:
 - a) CI-3352 on May 27, 2011 for 7052 Woodward Ave, Woodridge (referred to as Exam 1),
 - b) CI-3468 on September 1, 2011 for 3567 Court St, Pekin (referred as Exam 2)
4. Following the above referenced examinations, the DFI notified CMK of what DFI considered to be exceptions of CILA and issued Orders of Fine to CMK on July 5, 2012 for Exam 1 and Exam 2 for exceptions arising from the aforementioned examinations. (A copy of the Orders of Fine issued are

attached and incorporated herein as Group Exhibit A.)

5. The parties agree that the Orders of Fine contained in Exhibit A may be economically and efficiently settled and resolved by and through this Agreement, under the terms and conditions that follow.

TERMS AND CONDITIONS

PAYMENT

CMK shall tender payment to the DFI in the amount of \$750 by February 15, 2013. The payment shall be allocated in the following manner: \$250 to settle Exam 1 and, \$500 to settle Exam 2. This payment is solely for the purpose of effecting settlement regarding the Orders of Fine contained in Exhibit A and is not deemed to be an admission of the validity of the alleged exceptions or fines.

DISMISSAL, RESOLUTION and SETTLEMENT

The parties agree that the remittance and acceptance of payment fully resolves and settles all matters between the DFI and CMK concerning the Orders of Fine contained in Exhibit A. The remaining fines will be void because they were cited under the Consumer Installment Act. The Department acknowledges that credit plans issued pursuant to FSDA should be cited under FSDA instead of CILA.

NOTICES of FINES/ORDERS of FINES

Upon acceptance of payment, DFI will enter an order removing the Orders of Fine contained in Exhibit A from the hearing call.

CONFIDENTIALITY

The parties agree not to disclose the existence or terms of this Agreement to any other party, unless it is legally obligated to do so.

REPRESENTATIONS and WARRANTIES

The parties represent that: (i) the undersigned has full power and authority to execute this Agreement, and (ii) this Agreement constitutes a legally binding document, fully enforceable in accordance with its terms and conditions.

This Agreement shall not be construed as or be deemed to be evidence in any administrative hearing or any other proceeding of an admission or concession of any claim, fault, exception, liability, or damages whatsoever on the part of CMK. CMK denies any and all wrongdoing of any kind whatsoever in connection

with the Orders of Fine, but enters into this Agreement in order to avoid further expense, inconvenience, and interference with ongoing business operations.

GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Illinois.

SEVERABILITY

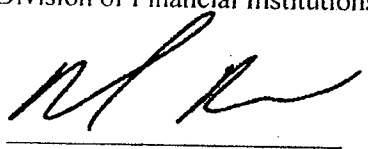
The provisions of this Agreement are severable. If any provision is found by a court to be unenforceable, the remaining provisions will remain in full force and effect and will be construed to give maximum effect to the parties intent.

ENTIRE AGREEMENT

~~This Agreement, together with the Notices of Hearings contained in Exhibit A (each of which is incorporated by reference) contains the entire Agreement between the parties in respect to the subject matter addressed in this document, it may be signed in counterparts, and there are no other agreements or understandings regarding the Orders of Fines contained in Exhibit A that are not incorporated into this Agreement.~~

By: _____
Roxanne Nava, Director
Division of Financial Institutions

Date: _____

By: 
CMK Investments Inc
Company

Date: _____

EXHIBIT I



Fwd: 1.16.13 settlement agreement

REDACTED

----- Forwarded message -----

From: **Deligio, Vince** <Vince.Deligio@illinois.gov>

Date: Tue, Feb 5, 2013 at 6:28 PM

Subject: RE: 1.16.13 settlement agreement

To: Michael Durlacher <madattorney@gmail.com>

You are correct. Upon completing the _____ and CMK settlement agreements the Department will dismiss the following orders of fine on the 2/13/13 hearing call.

REDACTED

1. _____
2. CMK Investments CISF 3468 12CC361: Exam date 9/6/11

Vince Deligio

Attorney

Division of Financial Institutions

100 W. Randolph St. 9th Floor

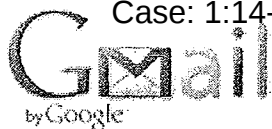
Chicago, Illinois 60601

Phone: (312) 814-3541

Fax: (312) 814-8672

Email: Vince.Deligio@Illinois.gov

EXHIBIT J



RE: IDFPR and Notice of Fines

Deligio, Vince <Vince.Deligio@illinois.gov>
To: Michael Durlacher <madattorney@gmail.com>

Tue, Apr 23, 2013 at 3:53 PM

The Department agrees.

Vince Deligio

Attorney

Division of Financial Institutions

100 W. Randolph St. 9th Floor

Chicago, Illinois 60601

Phone: (312) 814-3541

Fax: (312) 814-8672

Email: Vince.Deligio@Illinois.gov

From: Michael Durlacher [mailto:madattorney@gmail.com]

Sent: Tuesday, April 02, 2013 5:37 PM

To: Deligio, Vince

Subject: IDFPR and Notice of Fines

In confirmation of our recent conversation, please confirm that the following Notice of Fines will be withdrawn by the IDFPR with any further activity required from the licensee:

For CMK Investments:

1. CI3322, Notice of Fine 12/13/12, Date of Exam 5/23/12
2. CI3351, Notice of Fine 12/13/12, Date of Exam 6/6/12
3. CI2159, Notice of Fine 12/13/12, Date of Exam 6/6/12
4. CI3163, Notice of Fine 12/13/12, Date of Exam 2/8/12
5. CI/SF3013, Notice of Fine 12/13/12, Date of Exam 4/11/12

6. CI/SF2587, Notice of Fine 12/13/12, Date of Exam 2/1/12
7. CI/SF2373, Notice of Fine 12/13/12, Date of Exam 2/2/12
8. CI/SF3351, Notice of Fine 12/13/12, Date of Exam 6/6/12
9. CI2616, Notice of Fine 1/18/13, Date of Exam 12/1/11
10. CI2217, Notice of Fine 1/18/13, Date of Exam 12/2/12
11. CI3163, Notice of Fine 1/18/13, Date of Exam 5/16/11

At your convenience, please confirm.

Thank you.

Michael Durlacher, Esq
CMK Investments, General Counsel
2531 Technology Dr. #314
Elgin IL 60124
847-836-8670 Office Ext. 6238

312-304-6453 Cell
224-293-6296 efax

CONFIDENTIALITY NOTICE: The content of this e-mail is confidential and proprietary and may be attorney-client privileged. This electronic message be used exclusively by the individual or entity to which it is addressed. This message may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, be aware that any disclosure, dissemination, distribution or copying of this communication, or the use of its contents, is strictly prohibited. If you have received this communication in error, please notify us immediately via reply e-mail and delete the original message from your e-mail system. Thank you in advance. If you are not the intended recipient, please destroy it and notify: Michael: madattorney@gmail.com


GROUP EXHIBIT K

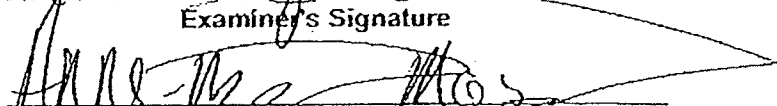
Exam Exception List

License #: 3014 Exam Type: CI Exam Date: 09/27/2013	CMK Investments, Inc. 3328 11th Street Rockford IL 61109	
---	--	--

***NO* Exceptions Were Found**

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF
MANAGEMENT THE EXAMINATION FINDINGS.


Examiner's Signature


Manager or Representative

9-27-13
(Date)


9-27-13
(Date)

Exam Exception List

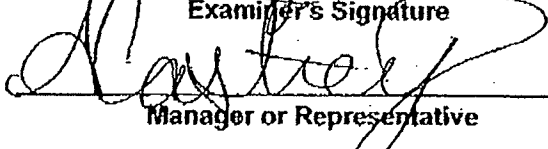
License #: 2587 Exam Type: CI Exam Date: 09/03/2013	CMK Investments, Inc. 3424 North Main Street Rockford IL 61103
---	--

***NO* Exceptions Were Found**


THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF
MANAGEMENT THE EXAMINATION FINDINGS.



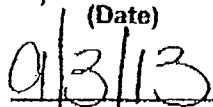
Examiner's Signature



Manager or Representative



(Date)



(Date)



Illinois Department of Financial and Professional Regulation
Division of Financial Institutions

PAT QUINN
Governor

MANUEL FLORES
Acting Secretary

NOTICE OF EXCEPTION(S)

November 4, 2013

CMK Investments, Inc.
1254 West Galena Avenue

Regulatory Examination: CI 2616
Date of Examination: November 4, 2013

Freeport, IL 61032

As required by statutory/regulatory provisions, the Department of Financial and Professional Regulation has completed the regulatory examination of your licensed office and noted/cited exception(s) on the examination report (attached). This **Notice of Exception(s) Letter** requires a detailed written response outlining the corrective action taken to satisfy all exceptions(s) indicated on the regulatory examination. Please be aware that exception(s) noted might result in the levying of an investigation fee(s) or fine(s), even if the exception(s) has been corrected during the regulatory examination. Your response must be received by **November 18, 2013**. Please forward your response to:

Dept. of Financial and Professional Regulation
Division of Financial Institutions
Consumer Credit Examinations Section
100 West Randolph St. 9th Floor
Chicago, IL 60601

A copy of the Notice of Exception(s) Letter and any applicable response should be maintained in your permanent file and reviewed by our examiner during the next examination.

This is the only notice you will receive regarding the examination results before the Department issues a **Notice of Intent to Fine Letter**. If a response is not received by November 18, 2013, an investigation fee(s) and/or fine(s) will be levied by default. By signing below, you acknowledge receipt of this Notice of Exception(s) and the examination report.

Maurice 11-4-13
Licensee Representative date

Exam Exception List**Uncorrected**

(grouped by exception number, then sorted by account name)

License #: 2618 Exam Type: CI Exam Date: 11/04/2013	CMK Investments, Inc. 1264 West Galena Avenue Freeport IL 61032
---	---

Category		Exception Description
Act	Act Reference	
CILA	CILA Rules 110.65	The licensed location does not maintain a complete permanent file.

THE EXAMINER AND LICENSEE AFFIRMS THAT HE HAS DISCUSSED WITH A REPRESENTATIVE OF
MANAGEMENT THE EXAMINATION FINDINGS.

Karen Jones
Examiner's Signature

Maurice
Manager or Representative

11-4-13
(Date)

11-4-13
(Date)

Joint Committee on Administrative Rules
ADMINISTRATIVE CODE

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
PART 110 CONSUMER INSTALLMENT LOAN ACT
SECTION 110.65 PERMANENT FILE

Section 110.65 Permanent File

Each licensee must maintain a permanent file which includes the following:

- a) A copy of all correspondence sent to or received from the Division within the past 24 months.
- b) A copy of the last two examination exception reports and any related correspondence.
- c) A copy of the Act and a copy of this Part.

(Source: Amended at 30 Ill. Reg. 12558, effective July 7, 2006)

EXHIBIT L

CMK INVESTMENTS, INC. d/b/a ALL CREDIT LENDERS
PO BOX 250
GILBERTS, IL 60136
(888) 511-9108
cust.info.service@gmail.com

Billing Statement

Borrower

Name: CHERYL WOODEN-WOLF
 Address:
 NA

REDACTED

Account # :
 Credit Limit : \$450.00
 5 digit code :
 Billing Statement Date : 12/07/12
 Number of days in period : 16

Previous Balance	11/21/12	\$0.00
Cash Advances		\$450.00
Payments		\$0.00
Interest Charged		\$4.80
Fees Charged		\$101.50
Adjustments		\$0.00
Closing Balance	12/06/12	\$556.30

Annual Percentage Rate (APR)

24.00%

Transactions

Description	Date	Amount
Cash Advance	11/21/12	\$450.00

Balance subject to Interest Rate - See Account Agreement, we apply the APR to your "daily balance" as specified in your agreement

Interest Charged

Description	Date	Amount
Interest Charge on Advances	11/21/12	\$0.30
Interest Charge on Advances	11/22/12	\$0.30
Interest Charge on Advances	11/23/12	\$0.30
Interest Charge on Advances	11/24/12	\$0.30
Interest Charge on Advances	11/25/12	\$0.30
Interest Charge on Advances	11/26/12	\$0.30
Interest Charge on Advances	11/27/12	\$0.30
Interest Charge on Advances	11/28/12	\$0.30
Interest Charge on Advances	11/29/12	\$0.30
Interest Charge on Advances	11/30/12	\$0.30
Interest Charge on Advances	12/01/12	\$0.30
Interest Charge on Advances	12/02/12	\$0.30
Interest Charge on Advances	12/03/12	\$0.30
Interest Charge on Advances	12/04/12	\$0.30
Interest Charge on Advances	12/05/12	\$0.30
Interest Charge on Advances	12/06/12	\$0.30

TOTAL INTEREST FOR THIS PERIOD

\$4.80

Fees

Description	Date	Amount
Account Protection Fee	12/06/12	\$99.00
Paper Billing Statement Fee	12/06/12	\$2.50

TOTAL FEES FOR THIS PERIOD

\$101.50

CMK INVESTMENTS, INC. d/b/a ALL CREDIT LENDERS

PO BOX 250

GILBERTS, IL 60136

(888) 511-9108

cust.info.service@gmail.com

Billing Statement

Closing Balance	12/06/12	\$556.30
-----------------	----------	----------

CURRENT MINIMUM PAYMENT AMOUNT	Due on 12/07/12	\$0.00
NEXT MINIMUM PAYMENT AMOUNT	Due on 12/21/12	\$106.30

Payments must be received no later than 5:00 PM local time on Payment Due Date

These amounts do not include any payments made after the CLOSING DATE (day preceding "Billing Cycle Date") listed above.

Minimum Payment Warning: When you make only the minimum payment you will not reduce your principle balance. To reduce your principle balance, you must pay more than the combined amounts listed above at least one day, before the **NEXT MINIMUM PAYMENT AMOUNT DUE DATE**.

If you have elected to do so by signing the ACH agreement, your MINIMUM PAYMENT DUE will be automatically deducted from your account in accordance with your previous authorization.

2012 Totals Year-To-Date

Total fees charged in 2012	\$101.50
Total interest charged in 2012	\$4.80

Statement Messages:

- 1- Any questions regarding your bill please call us at the number above.
- 2- Please be sure to pay on time. There is no grace period with your agreement.
- 3- Thank you for helping save another tree by receiving your statements electronically. If you have not yet made this choice you can contact us for more information regarding electronic statement delivery options.
- 4- Transactions on or after Billing Statement Date are not reflected in this statement.

Thank you for your business.

EXHIBIT M

**98TH GENERAL ASSEMBLY
State of Illinois
2013 and 2014
HB6019**

Introduced , by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

205 ILCS 675/3	
205 ILCS 675/4	from Ch. 17, par. 7004
205 ILCS 675/6	from Ch. 17, par. 7006

Amends the Illinois Financial Services Development Act. In the definition of "financial institution", provides that certain lenders are prohibited from charging an annual percentage rate in excess of 36% (rather than prohibited from charging interest in excess of 36% per annum) for any extension of credit under the Act. Further provides that any financial institution may charge and collect interest and other charges under a revolving credit plan provided that any finance charges or charges representing the cost of credit are included in the annual percentage rate calculation. Limits the amount of certain fees that a financial institution may charge and collect from a borrower under a revolving credit plan.

LRB098 20730 ZMM 57690 b

A BILL FOR

HB6019

LRB098 20730 ZMM 57690 b

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 5. The Illinois Financial Services Development Act
is amended by changing Sections 3, 4, and 6 as follows:

(205 ILCS 675/3)

Sec. 3. As used in this Section:

(a) "Financial institution" means any bank with its main
office or, after May 31, 1997, a branch in this State, any
state or federal savings and loan association or savings bank
with its main office or branch in this State, any state or
federal credit union with its main office in this State, and
any lender licensed under the Consumer Installment Loan Act or
the Sales Finance Agency Act; provided, however, that lenders
licensed under the Consumer Installment Loan Act or the Sales
Finance Agency Act are prohibited from charging an annual
percentage rate ~~interest~~ in excess of 36% ~~per annum~~ for any
extension of credit under this Act.

(b) "Revolving credit plan" or "plan" means a plan
contemplating the extension of credit under an account governed
by an agreement between a financial institution and a borrower
who is a natural person pursuant to which:

(1) The financial institution permits the borrower

HB6019

- 2 -

LRB098 20730 ZMM 57690 b

and, if the agreement governing the plan so provides,
persons acting on behalf of or with authorization from the
borrower, from time to time to make purchases and to obtain
loans by any means whatsoever, including use of a credit
device primarily for personal, family or household
purposes;

(2) the amounts of such purchases and loans are charged
to the borrower's account under the revolving credit plan;

(3) the borrower is required to pay the financial
institution the amounts of all purchases and loans charged

M-02

11 to such borrower's account under the plan but has the

12 privilege of paying such amounts outstanding from time to

13 time in full or installments; and

14 (4) interest may be charged and collected by the
15 financial institution from time to time on the outstanding
16 unpaid indebtedness under such plan.

17 (c) "Credit device" means any card, check, identification
18 code or other means of identification contemplated by the
19 agreement governing the plan.

20 (d) "Outstanding unpaid indebtedness" means on any day an
21 amount not in excess of the total amount of purchases and loans
22 charged to the borrower's account under the plan which is
23 outstanding and unpaid at the end of the day, after adding the
24 aggregate amount of any new purchases and loans charged to the
25 account as of that day and deducting the aggregate amount of
26 any payments and credits applied to that indebtedness as of

HB6019

- 3 -

LRB098 20730 ZMM 57690 b

1 that day and, if the agreement governing the plan so provides,
2 may include the amount of any billed and unpaid interest and
3 other charges.

4 (e) "Credit card" means any instrument or device, whether
5 known as a credit card, credit device, credit plate, charge
6 plate, or any other name, issued with or without fee by an
7 issuer for the use of the borrower in obtaining money, goods,
8 services, or anything else of value on credit, but does not
9 include any negotiable instrument as defined in the Uniform
10 Commercial Code, as now or hereafter amended, or a debit card
11 that may indirectly access an overdraft line of credit through
12 a debit to a deposit account.

13 (f) "Credit card account" means a revolving credit plan
14 accessed by a credit card.

15 (Source: P.A. 96-936, eff. 3-21-11; 96-1193, eff. 7-22-10;
16 97-333, eff. 8-12-11.)

17 (205 ILCS 675/4) (from Ch. 17, par. 7004)

M-03

18 Sec. 4. Notwithstanding the provisions of any other laws in
19 connection with revolving credit plans, any financial
20 institution may, subject to the other provisions of this
21 Section 4, offer and extend credit under a revolving credit
22 plan to a borrower and in connection therewith may charge and
23 collect interest and other charges, provided that any finance
24 charges or charges representing the cost of credit are included
25 in the annual percentage rate calculation, may take real and

HB6019

- 4 -

LRB098 20730 ZMM 57690 b

1 personal property as security therefor, and may provide in the
2 agreement governing the revolving credit plan for such other
3 terms and conditions as the financial institution and borrower
4 may agree upon from time to time. A financial institution
5 offering or soliciting a revolving credit plan involving a
6 credit card, or extending credit pursuant to the use of a
7 credit card under any such plan, shall comply with provisions
8 of "An Act relating to the issuance and use of credit cards",
9 approved September 16, 1969, as now or hereafter amended.
10 (Source: P.A. 85-1432.)

11 (205 ILCS 675/6) (from Ch. 17, par. 7006)

12 Sec. 6. In addition to or in lieu of interest at a periodic
13 rate or rates as provided in Section 5, and without limitation
14 of the foregoing Section 4, a financial institution may, if the
15 agreement governing the revolving credit plan so provides and
16 clearly discloses, charge and collect as interest, in such
17 manner or form as the plan may provide, an annual or other
18 periodic fee for the privileges made available to the borrower
19 under the plan, a transaction charge or charges, late fees or
20 delinquency charges not to exceed \$25 per billing cycle,
21 returned payment charges not to exceed \$25 per payment due,
22 over limit charges not to exceed \$25 per billing cycle, and
23 fees for services rendered.
24 (Source: P.A. 85-1432.)