

1 AN ACT concerning regulation.

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

4 Section 1. Short title. This Act may be cited as the
5 Consumer Legal Funding Act.

6 Section 5. Definitions.

7 "Advertise" means publishing or disseminating any written,
8 electronic, or printed communication, or any communication by
9 means of recorded telephone messages or transmitted on radio,
10 television, the Internet, or similar communications media,
11 including film strips, motion pictures, and videos, published,
12 disseminated, circulated, or placed before the public,
13 directly or indirectly, for the purpose of inducing a consumer
14 to enter into a consumer legal funding.

15 "Charges" means the fees, as set forth in Section 25, to be
16 paid to the consumer legal funding company by or on behalf of
17 the consumer above the funded amount provided by or on behalf
18 of the company to an Illinois consumer pursuant to this Act.

19 "Consumer legal funding" or "funding" means a nonrecourse
20 transaction in an amount that does not exceed \$500,000 in
21 which a company purchases and a consumer transfers to the
22 company an unvested, contingent future interest in the
23 potential net proceeds of a settlement or judgment obtained

1 from the consumer's legal claim; if no proceeds are obtained
2 from the consumer's legal claim, the consumer is not required
3 to repay the company the consumer legal funding amount or
4 charges.

5 "Consumer legal funding company" or "company" means a
6 person or entity that enters into a consumer legal funding
7 transaction with an Illinois consumer. "Consumer legal funding
8 company" does not include:

9 (1) an immediate family member of the consumer;

10 (2) a bank, lender, financing entity, or other special
11 purpose entity:

12 (A) that provides financing to a consumer legal
13 funding company; or

14 (B) to which a consumer legal funding company
15 grants a security interest or transfers any rights or
16 interest in a consumer legal funding; or

17 (3) an attorney or accountant who provides services to
18 a consumer.

19 "Consumer" means a natural person who has a pending legal
20 claim and who resides or is domiciled in Illinois.

21 "Director" means the Director of Financial Institutions.

22 "Division" means the Division of Financial Institutions of
23 the Department of Financial and Professional Regulation.

24 "Funded amount" means the amount of moneys provided to, or
25 on behalf of, the consumer in the consumer legal funding.

26 "Funded amount" does not include charges.

1 "Funding date" means the date on which the funded amount
2 is transferred to the consumer by the consumer legal funding
3 company either by personal delivery; via wire, ACH, or other
4 electronic means; or mailed by insured, certified, or
5 registered United States mail.

6 "Immediate family member" means a parent; sibling; child
7 by blood, adoption, or marriage; spouse; grandparent; or
8 grandchild.

9 "Legal claim" means a bona fide civil claim or cause of
10 action.

11 "Resolution amount" means the funded amount plus the
12 agreed-upon charges that are delivered to the consumer legal
13 funding company on the resolution date.

14 "Resolution date" means the date the resolution amount is
15 delivered to the consumer legal funding company.

16 Section 10. Contract requirements; right of rescission.

17 (a) All consumer legal fundings shall meet the following
18 requirements:

19 (1) the contract shall be completely filled in when
20 presented to the consumer for signature;

21 (2) the contract shall contain, in bold and boxed
22 type, a right of rescission, allowing the consumer to
23 cancel the contract without penalty or further obligation
24 if, within 14 business days after the funding date, the
25 consumer either:

1 (A) returns to the consumer legal funding company
2 the full amount of the disbursed funds by delivering
3 the company's uncashed check to the company's office
4 in person; or

5 (B) mails, by insured, certified, or registered
6 United States mail, to the address specified in the
7 contract, a notice of cancellation and includes in the
8 mailing a return of the full amount of disbursed funds
9 in the form of the company's uncashed check or a
10 registered or certified check or money order; and

11 (3) the contract shall contain the initials of the
12 consumer on each page.

13 (b) The contract shall contain a written acknowledgment by
14 the attorney retained by the consumer in the legal claim that
15 attests to the following:

16 (1) to the best of the attorney's knowledge, all the
17 costs and charges relating to the consumer legal funding
18 have been disclosed to the consumer;

19 (2) the attorney is being paid on a contingency basis
20 pursuant to a written fee agreement;

21 (3) all proceeds of the legal claim will be disbursed
22 via either the trust account of the attorney or a
23 settlement fund established to receive the proceeds of the
24 legal claim on behalf of the consumer;

25 (4) the attorney is following the written instructions
26 of the consumer with regard to the consumer legal funding;

1 and

2 (5) the attorney has not received a referral fee or
3 other consideration from the consumer legal funding
4 company in connection with the consumer legal funding, nor
5 will the attorney receive such fee or other consideration
6 in the future.

7 (c) If the acknowledgment required in subsection (b) is
8 not completed by the attorney retained by the consumer in the
9 legal claim, the contract shall be null and void. The contract
10 remains valid and enforceable if the consumer terminates the
11 initial attorney or retains a new attorney with respect to the
12 legal claim.

13 Section 15. Consumer legal funding company prohibitions. A
14 consumer legal funding company shall not:

15 (1) pay or offer to pay commissions, referral fees, or
16 other forms of consideration to any attorney, law firm,
17 medical provider, chiropractic physician, or physical
18 therapist or any of their employees for referring a
19 consumer to the company;

20 (2) accept any commissions, referral fees, rebates, or
21 other forms of consideration from an attorney, law firm,
22 medical provider, chiropractor, or physical therapist or
23 any of their employees;

24 (3) intentionally advertise materially false or
25 misleading information regarding its products or services;

1 (4) refer, in furtherance of an initial consumer legal
2 funding, a customer or potential customer to a specific
3 attorney, law firm, medical provider, chiropractor, or
4 physical therapist or any of their employees; however, if
5 a customer needs legal representation, the company may
6 refer the customer to a local or State bar association
7 referral service;

8 (5) fail to supply a copy of the executed contract to
9 the attorney for the consumer;

10 (6) knowingly provide funding to a consumer who has
11 previously assigned or sold a portion of the consumer's
12 right to proceeds from his or her legal claim without
13 first making payment to or purchasing a prior unsatisfied
14 consumer legal funding company's entire funded amount and
15 contracted charges, unless a lesser amount is otherwise
16 agreed to in writing by the consumer legal funding
17 companies, except that multiple companies may agree to
18 contemporaneously provide funding to a consumer if the
19 consumer and the consumer's attorney consent to the
20 arrangement in writing;

21 (7) receive any right to nor make any decisions with
22 respect to the conduct of the underlying legal claim or
23 any settlement or resolution of the legal claim; the right
24 to make such decisions shall remain solely with the
25 consumer and the attorney in the legal claim; or

26 (8) knowingly pay or offer to pay for court costs,

1 filing fees, or attorney's fees either during or after the
2 resolution of the legal claim using funds from the
3 consumer legal funding transaction.

4 Section 20. Satisfaction of the contract. A consumer legal
5 funding company shall require the resolution amount to be set
6 as a predetermined amount, based upon intervals of time from
7 the date of origination of the funding through the date of
8 resolution of the legal claim, and not be determined as a
9 percentage of the recovery from the legal claim.

10 Section 25. Fees.

11 (a) The fee charged by a consumer legal funding company to
12 the consumer shall be calculated as not more than 18% of the
13 funded amount, assessed on the outset of every 6 months.

14 (b) In addition, a consumer legal funding company may
15 charge a document preparation fee not to exceed \$75, which may
16 be deducted from the funded amount. This fee is to be used to
17 defray the ordinary cost of opening, administering, and
18 terminating a consumer legal funding.

19 (c) A consumer legal funding company shall not collect any
20 additional fees unless otherwise specified in this Act.

21 (d) No fees shall extend past 42 months after the funding
22 date.

23 Section 30. Disclosures. All consumer legal funding

1 contracts shall contain the disclosures specified in this
2 Section, which shall constitute material terms of the
3 contract. Unless otherwise specified, the disclosures shall be
4 typed in at least 12-point bold-type font and be placed
5 clearly and conspicuously within the contract as follows:

6 (1) On the front page under appropriate headings,
7 language specifying:

8 (A) the funded amount to be paid to the consumer by
9 the consumer legal funding company;

10 (B) an itemization of one-time charges;

11 (C) the total amount to be paid by the consumer to
12 the company, including the funded amount and all
13 charges; and

14 (D) a payment schedule to include the resolution
15 amount, listing dates, and the amount due at the end of
16 each 6-month period from the funding date, until the
17 date the maximum amount due to the company by the
18 consumer to satisfy the amount due pursuant to the
19 contract.

20 (2) Pursuant to the provisions set forth in paragraph
21 (2) of subsection (a) of Section 10, within the body of the
22 contract: "Consumer's Right to Cancellation: You may
23 cancel this contract without penalty or further obligation
24 within 14 business days after the funding date if you
25 either:

26 (A) return to the consumer legal funding company

1 the full amount of the disbursed funds by delivering
2 the company's uncashed check to the company's office
3 in person; or

4 (B) mail by insured, certified, or registered
5 United States mail, to the company at the address
6 specified in the contract, a notice of cancellation
7 and include in such mailing a return of the full amount
8 of disbursed funds in the form of the company's
9 uncashed check or a registered or certified check or
10 money order."

11 (3) Within the body of the contract: "The consumer
12 legal funding company shall have no role in deciding
13 whether, when, and how much the legal claim is settled
14 for, however, the consumer and consumer's attorney must
15 notify the company of the outcome of the legal claim by
16 settlement or adjudication before the resolution date. The
17 company may seek updated information about the status of
18 the legal claim but in no event shall the company
19 interfere with the independent professional judgment of
20 the attorney in the handling of the legal claim or any
21 settlement thereof."

22 (4) Within the body of the contract, in all capital
23 letters in at least 12-point bold-type font contained
24 within a box: "THE FUNDED AMOUNT AND AGREED-UPON CHARGES
25 SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM,
26 AND SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE

1 AVAILABLE PROCEEDS FROM YOUR LEGAL CLAIM. YOU WILL NOT OWE
2 [INSERT NAME OF THE CONSUMER LEGAL FUNDING COMPANY]
3 ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM,
4 UNLESS YOU OR YOUR ATTORNEY HAVE VIOLATED ANY MATERIAL
5 TERM OF THIS CONTRACT OR YOU HAVE COMMITTED FRAUD AGAINST
6 THE CONSUMER LEGAL FUNDING COMPANY."

7 (5) Located immediately above the place on the
8 contract where the consumer's signature is required, in
9 12-point font: "Do not sign this contract before you read
10 it completely or if it contains any blank spaces. You are
11 entitled to a completely filled-in copy of the contract.
12 Before you sign this contract, you should obtain the
13 advice of an attorney. Depending on the circumstances, you
14 may want to consult a tax, public or private benefits
15 planning, or financial professional. You acknowledge that
16 your attorney in the legal claim has provided no tax,
17 public or private benefit planning, or financial advice
18 regarding this transaction."

19 (6) The consumer legal funding company shall provide
20 the consumer with information on accessing a financial
21 coaching program no later than the funding date.

22 Section 35. Violations.

23 (a) Nothing in this Act shall be construed to restrict the
24 exercise of powers or the performance of the duties of the
25 Illinois Attorney General that he or she is authorized to

1 exercise or perform by law.

2 (b) If a court of competent jurisdiction determines that a
3 consumer legal funding company has intentionally violated the
4 provisions of this Act with regard to a specific consumer
5 legal funding, the consumer legal funding company shall only
6 be entitled to recover the funded amount provided to the
7 consumer in that specific consumer legal funding and shall not
8 be entitled to any additional charges.

9 Section 40. Assignability; liens.

10 (a) The contingent right to receive an amount of the
11 potential proceeds of a legal claim is assignable by a
12 consumer.

13 (b) Only liens related to the legal claim, including
14 attorney's liens, Medicare, or other statutory liens, shall
15 take priority over any lien of the consumer legal funding
16 company. All other liens shall take priority by normal
17 operation of law.

18 (c) A consumer legal funding transaction does not
19 constitute an assignment of a personal injury claim or chose
20 in action.

21 (d) A consumer legal funding transaction does not
22 constitute the assignment of any present right; the
23 transaction constitutes the transfer of an unvested,
24 contingent future interest in an amount of the potential
25 proceeds of a legal claim or cause of action.

1 Section 45. Attorney prohibitions. An attorney or law firm
2 retained by the consumer in the legal claim shall not have a
3 financial interest in the consumer legal funding company
4 offering consumer legal funding to that consumer.
5 Additionally, any attorney who has referred the consumer to
6 his or her retained attorney shall not have a financial
7 interest in the consumer legal funding company offering
8 consumer legal funding to that consumer.

9 Section 50. Effect of communication on privileges. No
10 communication between the consumer's attorney in the legal
11 claim and the consumer legal funding company as it pertains to
12 the consumer legal funding shall limit, waive, or abrogate the
13 scope or nature of any statutory or common law privilege,
14 including the work product doctrine and the attorney-client
15 privilege.

16 Section 55. Application; fees; positive net worth; new
17 funding application.

18 (a) An application for a consumer legal funding license
19 shall be in writing and in the form prescribed by the Director.
20 An applicant at the time of making such application shall pay
21 to the Director the sum of \$300 as an application fee and the
22 additional sum of \$450 as an annual license fee, for a period
23 terminating on the last day of the current calendar year; if

1 the application is filed after June 30 in any year, the license
2 fee shall be one-half of the annual license fee for such year.

3 (b) Before the consumer legal funding license is granted,
4 an applicant shall prove in a form satisfactory to the
5 Director that the applicant has and will maintain a positive
6 net worth of a minimum of \$30,000. Every applicant and
7 licensee shall maintain a surety bond in the principal sum of
8 \$25,000 issued by a bonding company authorized to do business
9 in this State and that shall be approved by the Director. The
10 surety bond shall run to the Director and shall be for the
11 benefit of any consumer who incurs damages as a result of any
12 violation of this Act or rules adopted pursuant to this Act by
13 a licensee. If the Director finds at any time that a bond is of
14 insufficient size, is insecure, is exhausted, or is otherwise
15 doubtful, an additional bond in such amount as determined by
16 the Director shall be filed by the licensee within 30 days
17 after written demand therefor by the Director. As used in this
18 subsection, "net worth" means total assets minus total
19 liabilities.

20 (c) A company may not engage in the business of consumer
21 legal funding in this State until it has received a consumer
22 legal funding license from the Division pursuant to this Act,
23 except any company that has a license in good standing under
24 the Consumer Installment Loan Act as of the effective date of
25 this Act shall be entitled to engage in consumer legal
26 fundings under the terms of this Act so long as that company

1 files an application for a consumer legal funding license
2 within 60 days after the Division issuing forms for the filing
3 of such an application until the Division fully rules on the
4 application and either approves or denies the application for
5 a funding license.

6 Section 60. Appointment of attorney-in-fact for service of
7 process. Every consumer legal funding licensee shall appoint,
8 in writing, the Director and his or her successors in office or
9 any official who shall be charged with the administration of
10 this Act as attorney-in-fact upon whom all lawful process
11 against the licensee may be served with the same legal force
12 and validity as if served on such licensee. A copy of such
13 written appointment, duly certified, shall be filed in the
14 office of the Director, and a copy of the written appointment
15 certified by him or her shall be sufficient evidence. This
16 appointment shall remain in effect while any liability remains
17 outstanding in this State against the licensee. When summons
18 is served upon the Director as attorney-in-fact for such
19 licensee, the Director shall immediately notify the licensee
20 by registered mail, enclosing the summons and specifying the
21 hour and day of service.

22 Section 65. Investigation to determine whether to issue a
23 consumer legal funding license. Upon the filing of an
24 application and the payment of the fee, the Director shall

1 investigate to determine:

2 (1) that the reputation of the applicant, including
3 the reputation of the managers of a limited liability
4 company, partners, owners, officers, or directors of the
5 applicant, is such as to warrant belief that the business
6 will be operated honestly and fairly within the purposes
7 of this Act; and

8 (2) that the applicant meets the positive net worth
9 requirement set forth in Section 55.

10 Unless the Director finds that the applicant meets these
11 requirements, he or she shall not issue a consumer legal
12 funding license and shall notify the applicant of the denial
13 and return to the applicant the sum paid by the applicant as a
14 license fee, but shall retain the \$300 application fee. The
15 Director shall approve or deny every application for a license
16 within 60 days from the filing of the application with the fee.

17 Section 70. License. The license shall state the address,
18 including city and State, at which the business is to be
19 conducted and shall state fully the name of the licensee. The
20 license shall be conspicuously posted in the place of business
21 of the licensee and shall not be transferable or assignable.

22 Section 75. More than one license to same licensee;
23 changing place of business.

24 (a) Not more than one place of business shall be

1 maintained under the same license, but the Director may issue
2 more than one license to the same licensee upon compliance
3 with all the provisions of this Act governing an original
4 issuance of a license.

5 (b) Whenever a licensee changes his or her place of
6 business to a location other than that set forth in his or her
7 license, he or she shall give written notice of the change of
8 place of business to the Director at least 10 days before the
9 relocation. However, if the new location is in excess of 15
10 miles from the previous location, the licensee shall obtain
11 written approval from the Director before the relocation.

12 Section 80. Annual license fee; expenses; license
13 expiration and reinstatement.

14 (a) Before December 1 of each year, a licensee shall pay to
15 the Director and the Division must receive the annual license
16 fee required under Section 55 for the next succeeding calendar
17 year. The license shall expire on January 1 of the following
18 year unless the license fee has been paid before that date.

19 (b) In addition to the annual license fee, the reasonable
20 expense of any examination, investigation, or custody by the
21 Director under any provision of this Act shall be borne by the
22 licensee.

23 (c) If a licensee fails to renew his or her license by
24 December 31, it shall automatically expire and the licensee is
25 not entitled to a hearing; however, the Director, in his or her

1 discretion, may reinstate an expired license upon payment of
2 the annual renewal fee and proof of good cause for failure to
3 renew.

4 Section 85. Fines; suspension or revocation of license.

5 (a) The Director may, after 10 days' notice by registered
6 mail to the licensee at the address set forth in the license
7 stating the contemplated action and in general the grounds
8 therefor, fine such licensee an amount not exceeding \$10,000
9 per violation or revoke or suspend any license issued under
10 this Act if he or she finds that:

11 (1) the licensee has failed to comply with any
12 provision of this Act or any order, decision, finding,
13 rule, regulation, or direction of the Director lawfully
14 made pursuant to the authority of this Act; or

15 (2) any fact or condition exists that, if it had
16 existed at the time of the original application for the
17 license, clearly would have warranted the Director in
18 refusing to issue the license.

19 (b) The Director may fine, suspend, or revoke only the
20 particular license with respect to which grounds for the fine,
21 revocation, or suspension occur or exist, but if the Director
22 finds that grounds for revocation are of general application
23 to all offices or to more than one office of the licensee, the
24 Director shall fine, suspend, or revoke every license to which
25 such grounds apply.

1 (c) No revocation, suspension, or surrender of any license
2 shall impair or affect the obligation of any preexisting
3 lawful contract between the licensee and any obligor.

4 (d) The Director may issue a new license to a licensee
5 whose license has been revoked when facts or conditions that
6 clearly would have warranted the Director in refusing
7 originally to issue the license no longer exist.

8 (e) In every case in which a license is suspended or
9 revoked or an application for a license or renewal of a license
10 is denied, the Director shall serve the licensee with notice
11 of his or her action, including a statement of the reasons for
12 his or her actions, either personally or by certified mail,
13 return receipt requested. Service by certified mail shall be
14 deemed completed when the notice is deposited in the United
15 States mail.

16 (f) An order assessing a fine, an order revoking or
17 suspending a license, or an order denying renewal of a license
18 shall take effect upon service of the order unless the
19 licensee requests a hearing in writing within 10 days after
20 the date of service. If a hearing is requested, the order shall
21 be stayed until a final administrative order is entered.

22 (g) If the licensee requests a hearing, the Director shall
23 schedule a hearing within 30 days after the request for a
24 hearing unless otherwise agreed to by the parties.

25 (h) The hearing shall be held at the time and place
26 designated by the Director. The Director and any

1 administrative law judge designated by him or her shall have
2 the power to administer oaths and affirmations, subpoena
3 witnesses and compel their attendance, take evidence, and
4 require the production of books, papers, correspondence, and
5 other records or information that he or she considers relevant
6 or material to the inquiry.

7 (i) The costs for the administrative hearing shall be set
8 by rule.

9 (j) The Division shall have the authority to adopt rules
10 for the administration of this Section.

11 (k) The Division shall establish by rule and publish a
12 schedule of fines that are reasonably tailored to ensure
13 compliance with the provisions of this Act and which include
14 remedial measures intended to improve licensee compliance. The
15 Division shall also set forth the standards and procedures to
16 be used in imposing any such fines and remedies by rule.

17 Section 90. Closing of business; surrender of license. At
18 least 10 days before a licensee ceases operations, closes
19 business, or files for bankruptcy:

20 (1) The licensee shall notify the Division of its
21 action in writing.

22 (2) With the exception of filing for bankruptcy, the
23 licensee shall surrender its license to the Director for
24 cancellation; the surrender of the license shall not
25 affect the licensee's civil or criminal liability for acts

1 committed before surrender or entitle the licensee to a
2 return of any part of the annual license fee.

3 (3) The licensee shall notify the Division of the
4 location where the books, accounts, contracts, and records
5 will be maintained and the procedure to ensure prompt
6 return of contracts, titles, and releases to the
7 customers.

8 (4) The accounts, books, records, and contracts shall
9 be maintained and serviced by the licensee or another
10 licensee under this Act or an entity exempt from licensure
11 under this Act.

12 (5) The Division shall have the authority to conduct
13 examinations of the books, records, and funding documents
14 at any time after surrender of the license, filing of
15 bankruptcy, or the cessation of operations.

16 Section 95. Investigation of conduct of business. For the
17 purpose of discovering violations of this Act or securing
18 information lawfully required by it, the Director may at any
19 time investigate the fundings and business and examine the
20 books, accounts, records, and files used therein, of every
21 licensee and of every person, partnership, association,
22 limited liability company, and corporation engaged in the
23 business described in Section 5, whether such person,
24 partnership, association, limited liability company, or
25 corporation shall act or claim to act as principal or agent or

1 within or without the authority of this Act. For such purpose
2 the Director shall have free access to the offices and places
3 of business, books, accounts, papers, records, files, safes,
4 and vaults of such persons, partnerships, associations,
5 limited liability companies, and corporations. The Director
6 may require the attendance of and examine under oath all
7 persons whose testimony he or she may require relative to such
8 fundings or such business, and in such cases the Director
9 shall have power to administer oaths to all persons called as
10 witnesses, and the Director may conduct such examinations.

11 The Director shall make an examination of the affairs,
12 business, office, and records of each licensee at least once
13 each year. The Division shall by rule and regulation set the
14 fee to be charged for each examination day, including travel
15 expenses for out-of-state licensed locations. The fee shall
16 reasonably reflect actual costs. The Director shall also have
17 authority to examine the books and records of any business
18 made by a former licensee which is being liquidated, as the
19 Director deems necessary, and may charge the examination fees
20 otherwise required for licensees.

21 Section 100. Books and records; reports.

22 (a) Every licensee shall retain and use in his or her
23 business or at another location approved by the Director such
24 records as are required by the Director to enable the Director
25 to determine whether the licensee is complying with the

1 provisions of this Act and the rules adopted pursuant to this
2 Act. Every licensee shall preserve the records of any funding
3 for at least 2 years after making the final entry for such
4 funding. Accounting systems maintained in whole or in part by
5 mechanical or electronic data processing methods that provide
6 information equivalent to that otherwise required and that
7 follow generally accepted accounting principles are acceptable
8 for that purpose if approved by the Director in writing.

9 (b) Each licensee shall annually, on or before March 1,
10 file a report with the Director giving such relevant
11 information as the Director may reasonably require concerning
12 the business and operations during the preceding calendar year
13 of each licensed place of business conducted by the licensee.
14 The report must be received by the Division on or before March
15 1. The report shall be made under oath and in a form prescribed
16 by the Director. Whenever a licensee operates 2 or more
17 licensed offices or whenever 2 or more affiliated licensees
18 operate licensed offices, a composite report of such group of
19 licensed offices may be filed instead of individual reports.
20 The Director may make and publish annually an analysis and
21 recapitulation of such reports. The Director may fine each
22 licensee \$25 for each day beyond March 1 the report is filed.

23 Section 105. Other businesses.

24 (a) Upon application by the licensee, the Director may
25 approve the conduct of other businesses not specifically

1 permitted by this Act in the licensee's place of business,
2 unless the Director finds that such conduct will conceal or
3 facilitate evasion or violation of this Act. The Director's
4 approval shall be in writing and shall describe the other
5 businesses which may be conducted in the licensed office.

6 (b) A licensee may without notice to and approval of the
7 Director, in addition to the business permitted by this Act,
8 conduct the following business:

9 (1) The business of a sales finance agency as defined
10 in the Sales Finance Agency Act.

11 (2) The business of soliciting or selling any type of
12 insurance provided that all such insurance transactions
13 are conducted in accordance with and are regulated under
14 the Illinois Insurance Code.

15 (3) The business of financing premiums for insurance.

16 (4) Offering and extending credit under a revolving
17 credit plan pursuant to the Illinois Financial Services
18 Development Act.

19 The Division shall adopt and enforce such reasonable rules
20 and regulations for the conduct of business under this Act in
21 the same office with other businesses as may be necessary to
22 prevent evasions or violations of this Act. The Director may
23 investigate any business conducted in the licensed office to
24 determine whether any evasion or violation of this Act has
25 occurred.

1 Section 110. Cease and desist.

2 (a) The Director may issue a cease and desist order to any
3 licensee, or other person doing business without the required
4 license, if in the opinion of the Director, the licensee or
5 other person is violating or is about to violate any provision
6 of this Act or any rule or requirement imposed in writing by
7 the Division as a condition of granting any authorization
8 permitted by this Act.

9 (b) The Director may issue a cease and desist order before
10 a hearing.

11 (c) The Director shall serve notice of his or her action,
12 designated as a cease and desist order made pursuant to this
13 Section, including a statement of the reasons for the action,
14 either personally or by certified mail, return receipt
15 requested. Service by certified mail shall be deemed completed
16 when the notice is deposited in the United States mail.

17 (d) Within 15 days after service of the cease and desist
18 order, the licensee or other person may request, in writing, a
19 hearing.

20 (e) The Director shall schedule a hearing within 30 days
21 after the request for a hearing unless otherwise agreed to by
22 the parties.

23 (f) The Division shall have the authority to prescribe
24 rules for the administration of this Section.

25 (g) If it is determined that the Director had the
26 authority to issue the cease and desist order, he or she may

1 issue such orders as may be reasonably necessary to correct,
2 eliminate, or remedy such conduct.

3 (h) The powers vested in the Director by this Section are
4 additional to any and all other powers and remedies vested in
5 the Director by law, and nothing in this Section shall be
6 construed as requiring that the Director must employ the power
7 conferred in this Section instead of or as a condition
8 precedent to the exercise of any other power or remedy vested
9 in the Director.

10 (i) The cost for the administrative hearing shall be set
11 by rule.

12 Section 115. Rules and regulations. The Division may adopt
13 and enforce such reasonable rules, regulations, directions,
14 orders, decisions, and findings as the execution and
15 enforcement of the provisions of this Act require, and as are
16 not inconsistent therewith. In addition, the Division may
17 adopt rules in connection with the activities of licensees
18 that are necessary and appropriate for the protection of
19 consumers in this State. All rules, regulations, and
20 directions of a general character shall be sent electronically
21 to all licensees.

22 Section 120. Judicial review. All final administrative
23 decisions of the Division under this Act, all amendments and
24 modifications of final administrative decisions, and any rules

1 adopted by the Division pursuant to this Act shall be subject
2 to judicial review pursuant to the provisions of the
3 Administrative Review Law.

4 Section 125. Injunction; civil penalty; costs. If it
5 appears to the Director that a person or any entity has
6 committed or is about to commit a violation of this Act, a rule
7 adopted under this Act, or an order of the Director, the
8 Director may apply to the circuit court for an order enjoining
9 the person or entity from violating or continuing to violate
10 this Act, the rule, or order and for injunctive or other relief
11 that the nature of the case may require and may, in addition,
12 request the court to assess a civil penalty up to \$1,000 along
13 with costs and attorney's fees.

14 Section 130. Severability. If any clause, sentence,
15 provision or part of this Act or its application to any person
16 or circumstance is adjudged to be unconstitutional or invalid
17 for any reason by any court of competent jurisdiction, that
18 judgment shall not impair, affect, or invalidate other
19 provisions or applications of this Act, which shall remain in
20 full force and effect thereafter.

21 Section 999. Effective date. This Act takes effect upon
22 becoming law.