



Sen. Jacqueline Y. Collins

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10200SB1099sam001

LRB102 04923 BMS 36311 a

1 AMENDMENT TO SENATE BILL 1099

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1099 by replacing  
3 everything after the enacting clause with the following:

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

1 the consumer above the funded amount provided by or on behalf  
2 of the company to an Illinois consumer pursuant to this Act.

3 "Consumer legal funding" or "funding" means a nonrecourse  
4 transaction in an amount that does not exceed \$500,000 in  
5 which a company purchases and a consumer transfers to the  
6 company an unvested, contingent future interest in the  
7 potential net proceeds of a settlement or judgment obtained  
8 from the consumer's legal claim; if no proceeds are obtained  
9 from the consumer's legal claim, the consumer is not required  
10 to repay the company the consumer legal funding amount or  
11 charges.

12 "Consumer legal funding company" or "company" means a  
13 person or entity that enters into a consumer legal funding  
14 transaction with an Illinois consumer. "Consumer legal funding  
15 company" does not include:

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

17 (2) a bank, lender, financing entity, or other special  
18 purpose entity:

19 (A) that provides financing to a consumer legal  
20 funding company; or

21 (B) to which a consumer legal funding company  
22 grants a security interest or transfers any rights or  
23 interest in a consumer legal funding; or

24 (3) an attorney or accountant who provides services to  
25 a consumer.

26 "Consumer" means a natural person who has a pending legal

1 claim and who resides or is domiciled in Illinois.

2 "Director" means the Director of Financial Institutions.

3 "Division" means the Division of Financial Institutions of  
4 the Department of Financial and Professional Regulation.

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

7 "Funded amount" does not include charges.

8 "Funding date" means the date on which the funded amount  
9 is transferred to the consumer by the consumer legal funding  
10 company either by personal delivery; via wire, ACH, or other  
11 electronic means; or mailed by insured, certified, or  
12 registered United States mail.

13 "Immediate family member" means a parent; sibling; child  
14 by blood, adoption, or marriage; spouse; grandparent; or  
15 grandchild.

16 "Legal claim" means a bona fide civil claim or cause of  
17 action.

18 "Resolution amount" means the funded amount plus the  
19 agreed-upon charges that are delivered to the consumer legal  
20 funding company on the resolution date.

21 "Resolution date" means the date the resolution amount is  
22 delivered to the consumer legal funding company.

23 Section 10. Contract requirements; right of rescission.

24 (a) All consumer legal fundings shall meet the following  
25 requirements:

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

3           (2) the contract shall contain, in bold and boxed  
4 type, a right of rescission, allowing the consumer to  
5 cancel the contract without penalty or further obligation  
6 if, within 14 business days after the funding date, the  
7 consumer either:

8                   (A) returns to the consumer legal funding company  
9 the full amount of the disbursed funds by delivering  
10 the company's uncashed check to the company's office  
11 in person; or

12                   (B) mails, by insured, certified, or registered  
13 United States mail, to the address specified in the  
14 contract, a notice of cancellation and includes in the  
15 mailing a return of the full amount of disbursed funds  
16 in the form of the company's uncashed check or a  
17 registered or certified check or money order; and

18           (3) the contract shall contain the initials of the  
19 consumer on each page.

20           (b) The contract shall contain a written acknowledgment by  
21 the attorney retained by the consumer in the legal claim that  
22 attests to the following:

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

26                   (2) the attorney is being paid on a contingency basis

1           pursuant to a written fee agreement;

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

6           (4) the attorney is following the written instructions  
7           of the consumer with regard to the consumer legal funding;  
8           and

9           (5) the attorney has not received a referral fee or  
10          other consideration from the consumer legal funding  
11          company in connection with the consumer legal funding, nor  
12          will the attorney receive such fee or other consideration  
13          in the future.

14          (c) If the acknowledgment required in subsection (b) is  
15          not completed by the attorney retained by the consumer in the  
16          legal claim, the contract shall be null and void. The contract  
17          remains valid and enforceable if the consumer terminates the  
18          initial attorney or retains a new attorney with respect to the  
19          legal claim.

20          Section 15. Consumer legal funding company prohibitions. A  
21          consumer legal funding company shall not:

22                 (1) pay or offer to pay commissions, referral fees, or  
23                 other forms of consideration to any attorney, law firm,  
24                 medical provider, chiropractic physician, or physical  
25                 therapist or any of their employees for referring a

1 consumer to the company;

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

6 (3) intentionally advertise materially false or  
7 misleading information regarding its products or services;

8 (4) refer, in furtherance of an initial consumer legal  
9 funding, a customer or potential customer to a specific  
10 attorney, law firm, medical provider, chiropractor, or  
11 physical therapist or any of their employees; however, if  
12 a customer needs legal representation, the company may  
13 refer the customer to a local or State bar association  
14 referral service;

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

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

1 arrangement in writing;

2 (7) receive any right to nor make any decisions with  
3 respect to the conduct of the underlying legal claim or  
4 any settlement or resolution of the legal claim; the right  
5 to make such decisions shall remain solely with the  
6 consumer and the attorney in the legal claim; or

7 (8) knowingly pay or offer to pay for court costs,  
8 filing fees, or attorney's fees either during or after the  
9 resolution of the legal claim using funds from the  
10 consumer legal funding transaction.

11 Section 20. Satisfaction of the contract. A consumer legal  
12 funding company shall require the resolution amount to be set  
13 as a predetermined amount, based upon intervals of time from  
14 the date of origination of the funding through the date of  
15 resolution of the legal claim, and not be determined as a  
16 percentage of the recovery from the legal claim.

17 Section 25. Fees.

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

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

1 terminating a consumer legal funding.

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

4 (d) No fees shall extend past 42 months after the funding  
5 date.

6 Section 30. Disclosures. All consumer legal funding  
7 contracts shall contain the disclosures specified in this  
8 Section, which shall constitute material terms of the  
9 contract. Unless otherwise specified, the disclosures shall be  
10 typed in at least 12-point bold-type font and be placed  
11 clearly and conspicuously within the contract as follows:

12 (1) On the front page under appropriate headings,  
13 language specifying:

14 (A) the funded amount to be paid to the consumer by  
15 the consumer legal funding company;

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

17 (C) the total amount to be paid by the consumer to  
18 the company, including the funded amount and all  
19 charges; and

20 (D) a payment schedule to include the resolution  
21 amount, listing dates, and the amount due at the end of  
22 each 6-month period from the funding date, until the  
23 date the maximum amount due to the company by the  
24 consumer to satisfy the amount due pursuant to the  
25 contract.



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

7                   (A) return to the consumer legal funding company  
8                   the full amount of the disbursed funds by delivering  
9                   the company's uncashed check to the company's office  
10                  in person; or

11                   (B) mail by insured, certified, or registered  
12                   United States mail, to the company at the address  
13                   specified in the contract, a notice of cancellation  
14                   and include in such mailing a return of the full amount  
15                   of disbursed funds in the form of the company's  
16                   uncashed check or a registered or certified check or  
17                   money order."

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

1 the attorney in the handling of the legal claim or any  
2 settlement thereof."

3 (4) Within the body of the contract, in all capital  
4 letters in at least 12-point bold-type font contained  
5 within a box: "THE FUNDED AMOUNT AND AGREED-UPON CHARGES  
6 SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM,  
7 AND SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE  
8 AVAILABLE PROCEEDS FROM YOUR LEGAL CLAIM. YOU WILL NOT OWE  
9 [INSERT NAME OF THE CONSUMER LEGAL FUNDING COMPANY]  
10 ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM,  
11 UNLESS YOU OR YOUR ATTORNEY HAVE VIOLATED ANY MATERIAL  
12 TERM OF THIS CONTRACT OR YOU HAVE COMMITTED FRAUD AGAINST  
13 THE CONSUMER LEGAL FUNDING COMPANY."

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

26 (6) The consumer legal funding company shall provide

1 the consumer with information on accessing a financial  
2 coaching program no later than the funding date.

3 Section 35. Violations.

4 (a) Nothing in this Act shall be construed to restrict the  
5 exercise of powers or the performance of the duties of the  
6 Illinois Attorney General that he or she is authorized to  
7 exercise or perform by law.

8 (b) If a court of competent jurisdiction determines that a  
9 consumer legal funding company has intentionally violated the  
10 provisions of this Act with regard to a specific consumer  
11 legal funding, the consumer legal funding company shall only  
12 be entitled to recover the funded amount provided to the  
13 consumer in that specific consumer legal funding and shall not  
14 be entitled to any additional charges.

15 Section 40. Assignability; liens.

16 (a) The contingent right to receive an amount of the  
17 potential proceeds of a legal claim is assignable by a  
18 consumer.

19 (b) Only liens related to the legal claim, including  
20 attorney's liens, Medicare, or other statutory liens, shall  
21 take priority over any lien of the consumer legal funding  
22 company. All other liens shall take priority by normal  
23 operation of law.

24 (c) A consumer legal funding transaction does not

1 constitute an assignment of a personal injury claim or chose  
2 in action.

3 (d) A consumer legal funding transaction does not  
4 constitute the assignment of any present right; the  
5 transaction constitutes the transfer of an unvested,  
6 contingent future interest in an amount of the potential  
7 proceeds of a legal claim or cause of action.

8 Section 45. Attorney prohibitions. An attorney or law firm  
9 retained by the consumer in the legal claim shall not have a  
10 financial interest in the consumer legal funding company  
11 offering consumer legal funding to that consumer.  
12 Additionally, any attorney who has referred the consumer to  
13 his or her retained attorney shall not have a financial  
14 interest in the consumer legal funding company offering  
15 consumer legal funding to that consumer.

16 Section 50. Effect of communication on privileges. No  
17 communication between the consumer's attorney in the legal  
18 claim and the consumer legal funding company as it pertains to  
19 the consumer legal funding shall limit, waive, or abrogate the  
20 scope or nature of any statutory or common law privilege,  
21 including the work product doctrine and the attorney-client  
22 privilege.

23 Section 55. Application; fees; positive net worth; new

1 funding application.

2 (a) An application for a consumer legal funding license  
3 shall be in writing and in the form prescribed by the Director.  
4 An applicant at the time of making such application shall pay  
5 to the Director the sum of \$300 as an application fee and the  
6 additional sum of \$450 as an annual license fee, for a period  
7 terminating on the last day of the current calendar year; if  
8 the application is filed after June 30 in any year, the license  
9 fee shall be one-half of the annual license fee for such year.

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

1           (c) A company may not engage in the business of consumer  
2 legal funding in this State until it has received a consumer  
3 legal funding license from the Division pursuant to this Act,  
4 except any company that has a license in good standing under  
5 the Consumer Installment Loan Act as of the effective date of  
6 this Act shall be entitled to engage in consumer legal  
7 fundings under the terms of this Act so long as that company  
8 files an application for a consumer legal funding license  
9 within 60 days after the Division issuing forms for the filing  
10 of such an application until the Division fully rules on the  
11 application and either approves or denies the application for  
12 a funding license.

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

1 licensee, the Director shall immediately notify the licensee  
2 by registered mail, enclosing the summons and specifying the  
3 hour and day of service.

4 Section 65. Investigation to determine whether to issue a  
5 consumer legal funding license. Upon the filing of an  
6 application and the payment of the fee, the Director shall  
7 investigate to determine:

8 (1) that the reputation of the applicant, including  
9 the reputation of the managers of a limited liability  
10 company, partners, owners, officers, or directors of the  
11 applicant, is such as to warrant belief that the business  
12 will be operated honestly and fairly within the purposes  
13 of this Act; and

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

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

23 Section 70. License. The license shall state the address,  
24 including city and State, at which the business is to be

1 conducted and shall state fully the name of the licensee. The  
2 license shall be conspicuously posted in the place of business  
3 of the licensee and shall not be transferable or assignable.

4 Section 75. More than one license to same licensee;  
5 changing place of business.

6 (a) Not more than one place of business shall be  
7 maintained under the same license, but the Director may issue  
8 more than one license to the same licensee upon compliance  
9 with all the provisions of this Act governing an original  
10 issuance of a license.

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

18 Section 80. Annual license fee; expenses; license  
19 expiration and reinstatement.

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



1           (b) In addition to the annual license fee, the reasonable  
2           expense of any examination, investigation, or custody by the  
3           Director under any provision of this Act shall be borne by the  
4           licensee.

5           (c) If a licensee fails to renew his or her license by  
6           December 31, it shall automatically expire and the licensee is  
7           not entitled to a hearing; however, the Director, in his or her  
8           discretion, may reinstate an expired license upon payment of  
9           the annual renewal fee and proof of good cause for failure to  
10          renew.

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

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

18               (1) the licensee has failed to comply with any  
19               provision of this Act or any order, decision, finding,  
20               rule, regulation, or direction of the Director lawfully  
21               made pursuant to the authority of this Act; or

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

1           (b) The Director may fine, suspend, or revoke only the  
2 particular license with respect to which grounds for the fine,  
3 revocation, or suspension occur or exist, but if the Director  
4 finds that grounds for revocation are of general application  
5 to all offices or to more than one office of the licensee, the  
6 Director shall fine, suspend, or revoke every license to which  
7 such grounds apply.

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

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

15           (e) In every case in which a license is suspended or  
16 revoked or an application for a license or renewal of a license  
17 is denied, the Director shall serve the licensee with notice  
18 of his or her action, including a statement of the reasons for  
19 his or her actions, either personally or by certified mail,  
20 return receipt requested. Service by certified mail shall be  
21 deemed completed when the notice is deposited in the United  
22 States mail.

23           (f) An order assessing a fine, an order revoking or  
24 suspending a license, or an order denying renewal of a license  
25 shall take effect upon service of the order unless the  
26 licensee requests a hearing in writing within 10 days after

1 the date of service. If a hearing is requested, the order shall  
2 be stayed until a final administrative order is entered.

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

6 (h) The hearing shall be held at the time and place  
7 designated by the Director. The Director and any  
8 administrative law judge designated by him or her shall have  
9 the power to administer oaths and affirmations, subpoena  
10 witnesses and compel their attendance, take evidence, and  
11 require the production of books, papers, correspondence, and  
12 other records or information that he or she considers relevant  
13 or material to the inquiry.

14 (i) The costs for the administrative hearing shall be set  
15 by rule.

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

18 (k) The Division shall establish by rule and publish a  
19 schedule of fines that are reasonably tailored to ensure  
20 compliance with the provisions of this Act and which include  
21 remedial measures intended to improve licensee compliance. The  
22 Division shall also set forth the standards and procedures to  
23 be used in imposing any such fines and remedies by rule.

24 Section 90. Closing of business; surrender of license. At  
25 least 10 days before a licensee ceases operations, closes

1 business, or files for bankruptcy:

2 (1) The licensee shall notify the Division of its  
3 action in writing.

4 (2) With the exception of filing for bankruptcy, the  
5 licensee shall surrender its license to the Director for  
6 cancellation; the surrender of the license shall not  
7 affect the licensee's civil or criminal liability for acts  
8 committed before surrender or entitle the licensee to a  
9 return of any part of the annual license fee.

10 (3) The licensee shall notify the Division of the  
11 location where the books, accounts, contracts, and records  
12 will be maintained and the procedure to ensure prompt  
13 return of contracts, titles, and releases to the  
14 customers.

15 (4) The accounts, books, records, and contracts shall  
16 be maintained and serviced by the licensee or another  
17 licensee under this Act or an entity exempt from licensure  
18 under this Act.

19 (5) The Division shall have the authority to conduct  
20 examinations of the books, records, and funding documents  
21 at any time after surrender of the license, filing of  
22 bankruptcy, or the cessation of operations.

23 Section 95. Investigation of conduct of business. For the  
24 purpose of discovering violations of this Act or securing  
25 information lawfully required by it, the Director may at any

1 time investigate the fundings and business and examine the  
2 books, accounts, records, and files used therein, of every  
3 licensee and of every person, partnership, association,  
4 limited liability company, and corporation engaged in the  
5 business described in Section 5, whether such person,  
6 partnership, association, limited liability company, or  
7 corporation shall act or claim to act as principal or agent or  
8 within or without the authority of this Act. For such purpose  
9 the Director shall have free access to the offices and places  
10 of business, books, accounts, papers, records, files, safes,  
11 and vaults of such persons, partnerships, associations,  
12 limited liability companies, and corporations. The Director  
13 may require the attendance of and examine under oath all  
14 persons whose testimony he or she may require relative to such  
15 fundings or such business, and in such cases the Director  
16 shall have power to administer oaths to all persons called as  
17 witnesses, and the Director may conduct such examinations.

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

1 otherwise required for licensees.

2 Section 100. Books and records; reports.

3 (a) Every licensee shall retain and use in his or her  
4 business or at another location approved by the Director such  
5 records as are required by the Director to enable the Director  
6 to determine whether the licensee is complying with the  
7 provisions of this Act and the rules adopted pursuant to this  
8 Act. Every licensee shall preserve the records of any funding  
9 for at least 2 years after making the final entry for such  
10 funding. Accounting systems maintained in whole or in part by  
11 mechanical or electronic data processing methods that provide  
12 information equivalent to that otherwise required and that  
13 follow generally accepted accounting principles are acceptable  
14 for that purpose if approved by the Director in writing.

15 (b) Each licensee shall annually, on or before March 1,  
16 file a report with the Director giving such relevant  
17 information as the Director may reasonably require concerning  
18 the business and operations during the preceding calendar year  
19 of each licensed place of business conducted by the licensee.  
20 The report must be received by the Division on or before March  
21 1. The report shall be made under oath and in a form prescribed  
22 by the Director. Whenever a licensee operates 2 or more  
23 licensed offices or whenever 2 or more affiliated licensees  
24 operate licensed offices, a composite report of such group of  
25 licensed offices may be filed instead of individual reports.

1 The Director may make and publish annually an analysis and  
2 recapitulation of such reports. The Director may fine each  
3 licensee \$25 for each day beyond March 1 the report is filed.

4 Section 105. Other businesses.

5 (a) Upon application by the licensee, the Director may  
6 approve the conduct of other businesses not specifically  
7 permitted by this Act in the licensee's place of business,  
8 unless the Director finds that such conduct will conceal or  
9 facilitate evasion or violation of this Act. The Director's  
10 approval shall be in writing and shall describe the other  
11 businesses which may be conducted in the licensed office.

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

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

17 (2) The business of soliciting or selling any type of  
18 insurance provided that all such insurance transactions  
19 are conducted in accordance with and are regulated under  
20 the Illinois Insurance Code.

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

22 (4) Offering and extending credit under a revolving  
23 credit plan pursuant to the Illinois Financial Services  
24 Development Act.

25 The Division shall adopt and enforce such reasonable rules

1 and regulations for the conduct of business under this Act in  
2 the same office with other businesses as may be necessary to  
3 prevent evasions or violations of this Act. The Director may  
4 investigate any business conducted in the licensed office to  
5 determine whether any evasion or violation of this Act has  
6 occurred.

7 Section 110. Cease and desist.

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

15 (b) The Director may issue a cease and desist order before  
16 a hearing.

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

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



1           (e) The Director shall schedule a hearing within 30 days  
2 after the request for a hearing unless otherwise agreed to by  
3 the parties.

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

6           (g) If it is determined that the Director had the  
7 authority to issue the cease and desist order, he or she may  
8 issue such orders as may be reasonably necessary to correct,  
9 eliminate, or remedy such conduct.

10          (h) The powers vested in the Director by this Section are  
11 additional to any and all other powers and remedies vested in  
12 the Director by law, and nothing in this Section shall be  
13 construed as requiring that the Director must employ the power  
14 conferred in this Section instead of or as a condition  
15 precedent to the exercise of any other power or remedy vested  
16 in the Director.

17          (i) The cost for the administrative hearing shall be set  
18 by rule.

19          Section 115. Rules and regulations. The Division may adopt  
20 and enforce such reasonable rules, regulations, directions,  
21 orders, decisions, and findings as the execution and  
22 enforcement of the provisions of this Act require, and as are  
23 not inconsistent therewith. In addition, the Division may  
24 adopt rules in connection with the activities of licensees  
25 that are necessary and appropriate for the protection of

1 consumers in this State. All rules, regulations, and  
2 directions of a general character shall be sent electronically  
3 to all licensees.

4 Section 120. Judicial review. All final administrative  
5 decisions of the Division under this Act, all amendments and  
6 modifications of final administrative decisions, and any rules  
7 adopted by the Division pursuant to this Act shall be subject  
8 to judicial review pursuant to the provisions of the  
9 Administrative Review Law.

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

20 Section 130. Severability. If any clause, sentence,  
21 provision or part of this Act or its application to any person  
22 or circumstance is adjudged to be unconstitutional or invalid  
23 for any reason by any court of competent jurisdiction, that

1 judgment shall not impair, affect, or invalidate other  
2 provisions or applications of this Act, which shall remain in  
3 full force and effect thereafter.

4 Section 999. Effective date. This Act takes effect upon  
5 becoming law.".