

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

IN THE MATTER OF:)	
)	
Peru Pawn and Loan Corporation)	No. 2013-DB-06
2724 4th Street)	
Peru, Illinois 61354)	

ORDER ASSESSING CIVIL MONETARY PENALTY
AND COMPELLING RESTITUTION

The Illinois Department of Financial and Professional Regulation (the "Department"), having conducted an investigation into the business affairs of Peru Pawn and Loan Corporation ("Peru Pawn"), Peru, Illinois, and having found that Peru Pawn has committed violations of Section 1, Section 2, Section 4, and Section 5 of the Pawnbroker Regulation Act [205 ILCS 510/0.01 to 510/15] (the "Act"), hereby issues this ORDER pursuant to the authority provided by Section 0.05 of the Act.

FINDINGS OF FACT

1. Peru Pawn, IDFPR license #446, is a pawnshop business located at 3724 4th Street, Peru, Illinois 61354.
2. Terry Mack is the owner and manages the business of Peru Pawn.
3. On or about February 12, 2013, the Department received a consumer complaint regarding the business activities and transactions of Peru Pawn.
4. On or about February 19, 2013, a representative of the Department conducted an examination of Peru Pawn to determine if Peru Pawn was in compliance with the applicable law and rules related to the operation of a pawnshop.
5. In the course of the examination, a representative of the Department discovered that Peru Pawn was loaning money on the deposit or pledge of the title of automobiles.
6. In the course of the examination, a representative of the Department reviewed various pawn tickets issued to customers by Peru Pawn.

7. In the course of the examination, Terry Mack was advised by a representative of the Department that multiple pawn tickets originated by Peru Pawn did not accurately recite the true rate of interest that Peru Pawn was charging.
8. In the course of the examination, Terry Mack was advised by a representative of the Department that the level of detail used to describe merchandise in multiple pawn tickets was insufficient or unacceptably vague.
9. In the course of the examination, Terry Mack was advised by a representative of the Department that Peru Pawn was charging interest rates that were in excess of the maximum amount permitted by law through the Act, which he did not dispute.
10. In the course of the examination, Terry Mack was advised by a representative of the Department that Peru Pawn was violating the Act each time it failed to include the serial number of merchandise that had been pawned in its record book, which he did not dispute.
11. Based on a Peru Pawn ticket issued to Customer A on 06/05/2012, the annual percentage rate to be charged was inaccurate by stating the following terms: amount financed was twenty (20.00) USD; finance charged was eight (8.00) USD; and annual percentage rate to be 240 percent (%); moreover, the description of the goods to be pawned failed to include the serial number of the merchandise by merely stating the description as "Samsung Phone."
12. Based on a Peru Pawn ticket issued to Customer B on 06/06/2012, the annual percentage rate to be charged was inaccurate by stating the following terms: amount financed was fifty (50.00) USD; finance charge was twenty (20.00) USD; and annual percentage rate to be 240 percent (%); moreover, the description of the goods to be pawned failed to include the serial number of the merchandise by merely stating the description as "Dell Laptop."
13. Based on a Peru Pawn ticket issued to Customer C on 08/01/2012, the description of the goods to be pawned failed to include the serial number of the merchandise by merely stating the description as "iPhone 4 White."
14. Based on a Peru Pawn ticket issued to Customer D on 08/11/2012, the description of the goods to be pawned failed to be an accurate account and description by merely stating the description as "Earrings."
15. Based on a Peru Pawn ticket issued to Customer E on 08/01/2012, the description of the goods to be pawned failed to include the serial number of the merchandise and failed to be an accurate account and description by merely stating the description as "Magna Mountain Bike."

16. Based on a Peru Pawn ticket issued to Customer G on 08/01/2012, the description of the goods to be pawned failed to include the serial number of the merchandise and failed to be an accurate account and description by mere stating the description as "Nintendo 3d."
17. Section 1 of the Act provides that the business of a pawnbroker does not include the lending of money on deposit or pledge of title to property.
18. Section 2 of the Act provides that a pawnbroker may contract for and receive a monthly finance charge, including interest and fees, on pawn loans not to exceed one-fifth of the loan amount.
19. Section 4 of the Act requires that a pawnbroker, at the time of making any advancement or loan, deliver to the person pawning or pledging any property, a memorandum, contract, or note, containing an accurate account and description of all the goods, articles or other things pawned or pledged.
20. Section 4 of the Act requires that a pawnbroker, at the time of making any advancement or loan, deliver to the person pawning or pledging any property, a memorandum, contract, or note, containing the rate of interest to be paid on the loan.
21. Section 5 of the Act requires that a pawnbroker record, in its record book, the serial number or identification number of every item pledged that bears such a number.

CONCLUSIONS OF LAW

Based on the above Findings of Fact, it is CONCLUDED:

1. That by lending money in exchange for automobile titles, Peru Pawn violated Section 1 of the Act.
2. That by contracting for and receiving a monthly finance charge in excess of one-fifth of the loan amount, Peru Pawn violated Section 2 of the Act.
3. That by failing to deliver to the person pawning or pledging any property, a memorandum, contract, or note, containing an accurate account and description or the rate of interest of all the goods, articles or other things pawned or pledged, Peru Pawn violated Section 4 of the Act.
4. That by failing to record, in its record book, the serial number or identification number of an item pledged, when it bore such a number, Peru Pawn violated Section 5 of the Act.

NOW THEREFORE IT IS HEREBY ORDERED:

1. Peru Pawn shall be and hereby is assessed a civil monetary penalty in the amount of \$1,000.00 pursuant to Section 0.05(a)(6) of the Act;
2. The civil monetary penalty in the amount of \$1,000.00 shall be paid no later than 60 days after service of this ORDER upon Peru Pawn;
3. The civil monetary penalty in the amount of \$1,000.00 shall be paid by means of a certified check or money order made payable to the Department;
4. Pursuant to Section 0.05(a)(2) of the Act, Peru Pawn shall make restitution to all persons who paid Peru Pawn a monthly finance charge in excess of the amount permitted by Section 2 of the Act;
5. The restitution to be made by Peru Pawn to each person affected as a violation of Section 2 of the Act, shall be in the amount which the monthly finance charge exceeded one-fifth of the loan amount, and shall be made no later than 60 days after service of this ORDER upon Peru Pawn;
6. Restitution payments shall be made in a manner satisfactory to the Department, and a copy of this ORDER shall accompany each restitution payment;
7. Peru Pawn shall supply the Department with written proof satisfactory to the Department that restitution has been made; and
8. Peru Pawn shall immediately release and return any automobile title that it has taken as collateral to the party who received a loan when it delivered the title to Peru Pawn.

ORDERED THIS 7th DAY of AUGUST, 2013.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION of the State of Illinois; MANUEL FLORES, ACTING SECRETARY

Manuel Flores

You are hereby notified that this Order is an administrative decision. Pursuant to 38 Ill. Adm. Code, Section 392, any party may file a request for a hearing on an administrative decision. The request for a hearing shall be filed with the Department at 320 West Washington Street Springfield, Illinois 62786, within 10 days after the receipt of an administrative decision. Absent a request for a hearing, this Order shall constitute a final administrative Order subject to the Administrative Review Law [735 ILCS 5/3-101, *et seq.*].