

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING
SPRINGFIELD, ILLINOIS

In the matter of:

Peru Pawn and Loan Corporation
2724 4th Street
Peru, Illinois 61354

Respondent

2013 DB-AR-01

CONSENT ORDER

The Illinois Department of Financial and Professional Regulation, Division of Banking ("Department") and Peru Pawn and Loan Corporation ("Peru Pawn") (or collectively, the "Parties") enter into this Consent Order pursuant to the Pawnbroker Regulation Act ("Act") [205 ILCS 510] and other applicable law and the rules promulgated thereunder ("Rules") [38 Ill. Adm. Code 360], and stipulate and agree to the following:

STIPULATIONS

1. On August 7, 2013, the Department issued Order No. 2013-DB-06 (Assessing Civil Money Penalties and Compelling Restitution) based on the factual findings therein and in accordance with the Act and other applicable laws and rules;
2. On August 7, 2013, the Department issued Order No. 2013-DB-16 (Denying License Renewal) based on the factual findings therein and in accordance with the Act and other applicable laws and rules;
3. By letter dated August 20, 2013, Peru Pawn, by its attorney, requested a hearing on Order No. 2013-DB-06 and on Order No. 2013-DB-16; and
4. By letter dated April 17, 2014, Peru Pawn, by its attorney, withdraws its request for hearing on Order No. 2013-DB-06 and on Order No. 2013-DB-16 and no longer wishes to contest these Orders.

TERMS AND CONDITIONS

WHEREFORE, the Department and Peru Pawn further agree as follows:

- A. Peru Pawn unequivocally states that it has ceased any and all activity licensable under the Act and will not engage in such activity unless duly licensed under the Act;
- B. Peru Pawn, including its owners, successors or assigns, with full knowledge of its rights at law, hereby waives any rights it may have under any law or rule to contest, modify, or appeal Order No. 2013-DB-06 or pursue any action against the Department on Order No. 2013-DB-06 or the facts, circumstances or matters related therein;
- C. Order No. 2013-DB-06 remains in effect and enforceable by the Department, except that (1) Peru Pawn shall pay a civil money penalty in the amount of \$1,000.00 as prescribed no later than 35 days after the effective date of this Consent Order and (2) payment of restitution as prescribed in Order No. 2013-DB-06 shall be to those individuals specified therein at Finding of Fact paragraph 11 and 12, no later than 60 days after the effective date of this Consent Order. If restitution is not made, Peru Pawn, in addition to being subject to any other action authorized under applicable law and this Consent Order, shall report and remit all property subject to restitution to the State Treasurer pursuant to Sections 2a and 11 of the Uniform Disposition of Unclaimed Property Act [765 ILCS 1025/2a and 11];
- D. Peru Pawn's request for hearing on Order No. 2013-DB-06 is dismissed with prejudice;
- E. Peru Pawn, including its owners, successors or assigns, after full evaluation with full knowledge of its rights, hereby waives any rights it may have under any law or rule to contest, modify, or appeal Order No. 2013-DB-16 or pursue any action against the Department on Order No. 2013-DB-16 or the facts, circumstances or matters related therein;
- F. Peru Pawn's request for hearing on Order No. 2013-DB-16 is dismissed with prejudice;
- G. Order No. 2013-DB-16 remains in effect and enforceable by the Department;
- H. This Consent Order is final and cannot be appealed;
- I. This Consent Order is enforceable by the Department pursuant to the Act and any other applicable law or rule;
- J. In addition to Items C and G, above, if any act or failure to act by Peru Pawn or its owner that is a subject of Order No. 2013-DB-06 or 2013-DB-16, is within the scope of any law, other than the Act or rules promulgated thereunder, which the

Department has authority to enforce, the Department shall not forbear from taking actions to enforce such law;

K. The Department does not forbear from taking actions against Peru Pawn for any conduct not within the scope of Order No. 2013-DB-06 or Order No. 2013-DB-16 or any future conduct that violates the Act or rules promulgated hereunder;


L. The Department enters into this Consent Order for the purpose of imposing measures that are fair and equitable in the circumstances and that are consistent with the best interests of the people of the State of Illinois;

M. This Consent Order is not confidential; and

N. This Consent Order is effective upon the date the last party hereinafter designated signs and dates the Consent Order.


The foregoing Consent Order is approved in full.

PERU PAWN AND LOAN CORPORATION


Terry Mack, Principal

date: Sept. 18, 2014

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
MANUEL FLORES, ACTING SECRETARY


Sheila Saegh Henretta
Acting Director
Division of Banking

date: 10/7/2014

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

IN THE MATTER OF:)
)

Peru Pawn and Loan Corporation)
2724 4th Street)
Peru, Illinois 61354)

No. 2013-DB-06

**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.*].

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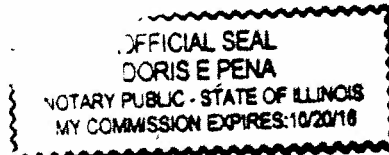
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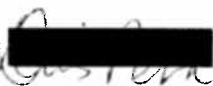
The undersigned, being duly sworn on oath, states that on 08 / 07 / 13, I mailed with sufficient postage affixed, a copy of the foregoing ORDER ASSESSING CIVIL MONETARY PENALTY AND COMPELLING RESTITUTION by certified mail, return receipt requested, at 100 West Randolph Street, 9th Floor, Chicago, Illinois 60601, to the applicant registered with the Illinois Department of Financial and Professional Regulation, Division of Banking, at the address listed below:



AFFIANT

Subscribed and sworn to before me,
this 7th day of August, 2013





NOTARY PUBLIC

Mr. Terry Mack
Peru Pawn and Loan Corporation
2724 4th Street
Peru, Illinois 61354

3. That one element of the licensing standards established by Part 360.130 is that each applicant and principal party must possess the character and general fitness necessary to warrant belief that the business will be operated in a lawful and fair manner;
4. That the principal party identified on the Peru Pawn license renewal application is Mr. Terry Mack;
5. That an unrelated investigation conducted in February 2013 by the Department revealed that Mr. Terry Mack, in his capacity as principal of Peru Pawn, had engaged in practices that violated the Act by charging rates of interest that exceeded the express statutory limit;
6. That the application of Peru Pawn, when evaluated with the evidence gathered by the Department in connection with its February 2013 investigation, demonstrates that Mr. Terry Mack does not possess the character and general fitness necessary to warrant a belief that the pawnbroker business conducted by Peru Pawn will be operated in a lawful and fair manner.

CONCLUSIONS OF LAW

The Secretary, through his duly authorized representative, makes the following Conclusions of Law:

1. That by virtue of the above referenced findings, and having applied the standards for licenses and renewals as required by law, the Secretary has determined that the pawnbroker license application submitted by Peru Pawn is subject to the entry of an Order of Denial; and
2. That the entry of the ORDER DENYING LICENSE RENEWAL with respect to Peru Pawn is authorized and appropriate, pursuant to the authority provided under Section 0.05(a)(2) of the Act and in accordance with the provisions that appear in the administrative rules related to the regulation of pawnbrokers in the State of Illinois.

NOW THEREFORE IT IS HEREBY ORDERED:

1. That the pawnbroker license renewal application submitted with respect to Peru Pawn shall be and hereby is DENIED.

ORDERED THIS 7th DAY OF AUGUST, 2013.

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

A handwritten signature in black ink, appearing to read 'Manuel Flores', is written over a solid black rectangular redaction box. The signature is written in a cursive style.

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.*].

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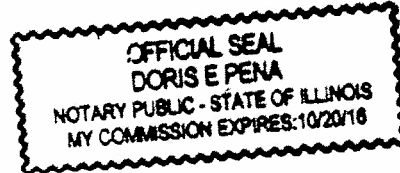
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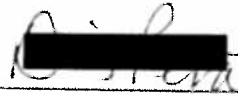
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AFFIANT

Subscribed and sworn to before me,
this 7th day of August, 2013





NOTARY PUBLIC

Mr. Terry Mack
Peru Pawn and Loan Corporation
2724 4th Street
Peru, Illinois 61354