2120 - Served
2220 - Not Served
2320 - Served By Mail
2420 - Served By Publication
SUMMONS

2121 - Served
2221 - Not Served
2321 - Served By Mail
2421 - Served By Publication
ALIAS - SUMMONS

(2/28/11) CCG N001

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION DIVISION

No. 12CH00929

See attached service list.

PEOPLE OF THE STATE OF ILLINOIS,
(Name all parties)

v.

P.N. FINANCIAL, INC., and NELSON MACWAN

(•) SUMMONS ( ) ALIAS SUMMONS

To each Defendant:

YOU ARE SUMMONED and required to file an answer to the complaint in this case, a copy of which is hereto attached, or otherwise file your appearance, and pay the required fee, in the Office of the Clerk of this Court at the following location:

(•) Richard J. Daley Center, 50 W. Washington, Room 802, Chicago, Illinois 60602

( ) District 2 - Skokie
5600 Old Orchard Rd.
Skokie, IL 60077

( ) District 3 - Rolling Meadows
2121 Euclid
Rolling Meadows, IL 60008

( ) District 4 - Maywood
1500 Maybrook Ave.
Maywood, IL 60153

( ) District 5 - Bridgeview
10220 S. 76th Ave.
Bridgeview, IL 60455

( ) District 6 - Markham
16501 S. Kedzie Pkwy.
Markham, IL 60428

( ) Child Support
28 North Clark St., Room 200
Chicago, Illinois 60602

You must file within 30 days after service of this Summons, not counting the day of service.
IF YOU FAIL TO DO SO, A JUDGMENT BY DEFAULT MAY BE ENTERED AGAINST YOU FOR THE RELIEF REQUESTED IN THE COMPLAINT.

To the officer:

This Summons must be returned by the officer or other person to whom it was given for service, with endorsement of service and fees, if any, immediately after service. If service cannot be made, this Summons shall be returned so endorsed. This Summons may not be served later than 30 days after its date.

Atty. No.: 99000
Name: Junko Minami, Assistant Attorney General
Atty. for: Plaintiff
Address: 100 West Randolph, 12th Floor
City/State/Zip: Chicago, IL 60601
Telephone: 312-814-7130

WITNESS, _____, _____

DOROTHY BROWN JAN 11 2012

Clerk of Court

Date of service: _____, _____
(To be inserted by officer on copy left with defendant or other person)

Service by Facsimile Transmission will be accepted at: _____
(Area Code) (Facsimile Telephone Number)

DOROTHY BROWN, CLERK OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

SERVICE LIST

Please serve:

Nelson Macwan, Individually and
as President of P.N. Financial, Inc.
7330 North Cicero Avenue
Suite 219 or 221
Lincolnwood, Illinois
or
8117 North Kenneth Avenue
Skokie, Illinois 60076

PN Financial, Inc.
c/o Nelson Macwan, President
or
Nina Youkhaana, Secretary
7330 North Cicero Avenue, Suite 219 or 221
Lincolnwood, Illinois 60712
or
Erik Swanson, Agent
1701 Golf road
Tower Two, Suite 100
Rolling Meadows, IL 60008

Attorney No. 99000

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT-CHANCERY DIVISION

THE PEOPLE OF THE STATE OF ILLINOIS,	)
Plaintiff,	)
	) 12CH 00929
v.	)
P.N. FINANCIAL INC., and NELSON MACWAN, individually and as President of P.N. FINANCIAL, INC.	)
Defendants.	)

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

NOW COMES the Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, and brings this action for injunctive and other relief against P.N. FINANCIAL INC., an Illinois corporation, and NELSON MACWAN, individually and as President of P.N. FINANCIAL, INC. for violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, the Illinois Collection Agency Act, and the federal Fair Credit Reporting Act.

FILED
CH-2809
JAN 11 2012
DOROTHY BROWN
CLERK OF THE CIRCUIT COURT

PUBLIC INTEREST

1. The Illinois Attorney General believes this action to be in the public interest of the citizens of the State of Illinois and brings this lawsuit pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7(a).

JURISDICTION AND VENUE

2. This action is brought for and on behalf of the PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, ATTORNEY GENERAL OF THE STATE OF ILLINOIS, pursuant to the provisions of the Consumer Fraud and Deceptive Business Practices Act

("Consumer Fraud Act"), 815 ILCS 505/1 *et seq.*, the Illinois Collection Agency Act, ("Collection Agency Act"), 225 ILCS 425/1 *et seq.*, the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. 1681 *et seq.*, and her common law authority as Attorney General to represent the People of the State of Illinois.

3. Venue for this action properly lies in Cook County, Illinois, pursuant to Sections 2-101 and 2-102(a) of the Illinois Code of Civil Procedure, 735 ILCS 5/2-101, 735 ILCS 5/2-102(a), in that Cook County is the county of residence of Defendant.

PARTIES

4. Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, the Attorney General of the State of Illinois is authorized to enforce the Consumer Fraud Act, 815 ILCS 505/1 *et seq.*

5. Defendant P.N. FINANCIAL INC. is an Illinois corporation with its principal place of business at 8117 North Kenneth Avenue, Skokie, Cook County, Illinois 60076.

6. Defendant NELSON MACWAN resides in Skokie, Illinois and is being sued individually and as the sole owner of P.N. FINANCIAL INC. MACWAN is the President of P.N. FINANCIAL INC. MACWAN, at all times material to this Complaint, formulated, directed, controlled, had the authority to control, and participated in the acts and practices of Defendant P.N. FINANCIAL INC., including the acts or practices set forth in this Complaint.

7. Defendants P.N. FINANCIAL INC. and NELSON MACWAN will be collectively referred to as "Defendants" throughout this Complaint.

8. For purposes of this Complaint for Injunctive and Other Relief, any references to the acts and practices of the Defendants shall mean that such acts and practices are by and through

the acts of P.N. FINANCIAL INC.'s and NELSON MACWAN's members, owners, directors, employees, salespersons, representatives and/or other agents.

TRADE AND COMMERCE

9. Section 1(f) of the Consumer Fraud Act, 815 ILCS 505/1(f), defines "trade" and "commerce" as follows:

> The terms 'trade' and 'commerce' mean the advertising, offering for sale, sale, or distribution of any services and any property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value wherever situated, and shall include any trade or commerce directly or indirectly affecting the people of this State.

10. Defendants were at all times relevant hereto engaged in trade and commerce in the State of Illinois by offering debt collection services in the State of Illinois.

DEFENDANTS' BUSINESS PRACTICES

11. As described below, in the course of trade or commerce in the State of Illinois, Defendants have engaged in acts or practices that violate Illinois law. Defendants' conduct is ongoing and has the potential to impact any Illinois consumers. Therefore, any examples provided of specific consumer experiences are simply illustrations and should not be construed as the only instance in which an Illinois consumer was harmed or could potentially be harmed by Defendants.

12. Since at least April 7, 2006 and continuing to date, Defendants have provided debt management and collection services.

13. P.N. FINANCIAL is a debt collection company comprised of approximately 13 employees.

14. Defendants engage in a variety of abusive practices in its contacts with consumers.

15. As the sole owner, NELSON MACWAN is responsible for the day-to-day operations and for implementing any training and monitoring programs of P.N. Financial's representatives.

Revealing Information About a Debt to a Third Party

16. Federal and Illinois collection laws prohibit Defendants from revealing to third parties that the telephone calls are regarding debts of others except to obtain location information.

17. On numerous occasions, in connection with the collection of debts, Defendants communicated with third parties for purposes other than acquiring location information about a consumer.

18.

Impersonating an Attorney and Failure to Reveal True Identity As a Debt Collector

19. On numerous occasions, in connection with the collection of debts, Defendants falsely represented or implied that their communication is from an attorney and/or used a name other than the true name of the debt collector's business, company, or organization.

20. Defendants left voice messages for consumers stating that their accounts were overdue and that they must call attorney, Thomas Mason, at a 1-866 telephone number.

21. When the 1-866 telephone number was dialed, a representative answered the call, "law firm," when, in fact, the 1-866 telephone number belonged to Defendants, a collection agency.

22. No attorney by the name of Thomas Mason is employed at P.N. Financial.

23. Defendants misrepresented that the debt collector is an attorney and that the communication is from an attorney.

24. Defendants failed to use its true name in attempting to collect on debts.

25. Under federal and Illinois collection laws, Defendants are prohibited from using a name other than the true name of the debt collector's business, company, or organization.

Threats About False Lawsuits

26. In numerous instances, Defendants threatened or implied that they will initiate lawsuits if consumers fail to pay them.

27. In many of the instances that Defendants make such threats, Defendants do not initiate legal action against consumers who fail to pay, and Defendants do not have the authority or intent to do so.

28. Defendants represented to consumers' family members that there were pending lawsuits against the consumers when, in fact, it was not true.

29. On numerous occasions, in connection with the collection of debts, Defendants represented in letters to consumers that judgments were pending when, in fact, it was not true.

30. On numerous occasions, in connection with the collection of debts, Defendants represented to consumers that those letters were from an attorney, when, in fact, it was not true.

31. Defendants sent debt collection letters falsely stating that a judgment is pending that contained falsified docket numbers and a judgment amount to consumers.

32. The outside of the envelope, in which these collection letters were sent also stated, "JUDGMENT PENDING," and included a false docket number. (Ex. A).

33. One debt collection letter stated:

> Our intentions are to seek whatever legal remedies are available. Additionally, you are cautioned that unless this balance is paid, our office will execute all interest, legal fees, and/or penalties allowable under the terms of the original contract...Since you have not made payment we have turned your account over to our attorneys and instructed them to commence suit without further delay. However, there is still time to avoid a judgment. To avoid the additional burden of legal proceedings, you must resolve this matter by January 20, 2010. This will be your final opportunity to stop lien, levy, and/or garnishments and the expense of court proceedings. Please be advised after January 20, 2010 the settlement offer will be null and void, and the above judgment will be due in full.

(Ex. B).

34. The letters are signed by "John T. Sullivan, PC, Attorney at Law," or "Robert S. Weinberg, PC, Attorney at Law" on P.N. Financial letterhead.

35. No attorneys by the names of John T. Sullivan or Robert S. Weinberg are employed by P.N. FINANCIAL.

False Threats of Seizure, Garnishment, Attachment, or Sale of Property or Wages

36. In numerous instances, Defendants contact consumers and claim to be attorneys or claim to work for attorneys. Defendants are not a law firm and the collectors are not attorneys. Defendants also do not work with attorneys.

37. In numerous instances, Defendants threatened or implied that they will seize or attach consumers' properties, garnish consumers' wages, or have consumers arrested if they fail to pay Defendants.

38. In many of the instances when Defendants make such threats, Defendants do not have the authority or intent to attach consumers' properties, to garnish consumers' wages, or to have consumers arrested if they fail to pay Defendants.

Harassing Consumers About a Debt at Their Workplace and Revealing Information About the Debt to Co-Workers

39. On numerous occasions, in connection with the collection of debts, Defendants communicated with consumers at times or places that Defendants knew or should have known to be inconvenient to the consumers, including their places of employment without prior consent from the consumer as required by law.

40. Defendants were not permitted by law or court order to contact the consumers' employers and they were not making contact solely to confirm the consumers' employment status.

41. Defendants called consumers at their place of employment even though they knew or had reason to know that the employers prohibited receiving such communication.

42. Defendants called and harassed consumers about payment on debts at their workplace, even after the consumers' requests that Defendants stop calling.

43. Defendants discussed the consumer's debt with co-workers at the consumers' workplace.

44. Consumers did not receive any written notice of Defendants' intention to communicate with their employers.

Using Abusive or Profane Language

45. On numerous occasions, in connection with the collection of debts, Defendants engaged in conduct the natural consequence of which is to harass, oppress, or abuse a person, including that Defendants used obscene or profane language, or language the natural consequence of which is to abuse the hearer.

46. During telephone calls, Defendants frequently used abusive or profane language to intimidate and induce consumers into paying the debt in question.

47. Defendants have admitted in correspondence with the Illinois Attorney General's office that their own debt collectors had made threatening calls to consumers. (Ex. C).

Unauthorized Withdrawal of Money

48. Defendants demanded that some consumers pay electronically through their bank accounts.

49. Because Defendants informed the consumers that they would only accept electronic payment, consumers provided Defendants with their bank account numbers to pay their debts.

50. However, Defendants withdrew money in amounts exceeding what was agreed upon with the consumer.

51. On numerous occasions, in connection with the collection of debts, Defendants accepted a check or other payment instrument postdated by more than five days without notifying the consumers in writing of their intent to deposit such check or instrument not more than ten nor less than three business days prior to such deposit.

52. Defendants withdrew money before the agreed upon date with the consumer.

53. Some consumers were charged overdraft fees from their banks, due to the unauthorized withdrawals from Defendants.

Failure to Send First Notice of Debt

54. On numerous occasions, in connection with the collection of debts and after the initial communication with Defendants, consumers stated that they never received the requisite first written notice of debt containing: (1) the amount of debt, (2) the name of creditor to whom debt owed, (3) a statement that unless consumer, within 30 days after receipt of notice, disputes the validity of the debt, or any portion, the debt will be assumed to be valid, (4) a statement that if the consumer notifies the collector in writing within the 30 day period that the debt, or any portion, is disputed, the collector will obtain verification of debt or a copy of judgment against consumer, and a copy will be mailed to consumer, and (5) a statement that, upon consumer's written request within 30 days, the collector will provide the consumer with the name and address of original creditor, if different from the current creditor.

55. Debt collectors are required by both federal and Illinois collection laws to send this first written notice of debt within five days of the initial communication with a consumer.

Misrepresenting the Nature of the Debt

56. On numerous occasions, in connection with the collection of debts, Defendants falsely represent the character of the debt by falsely stating that P.N. FINANCIAL is the original creditor of the debt on their collection letters.

57. Federal and Illinois collection laws prohibit Defendants from misrepresenting that they are the original creditor of debts.

Disclosure of Social Security Numbers

58. Defendants included full social security numbers of individuals in the debt collection letters sent to consumers.

Unauthorized Collection of Debts

59. Defendants have collected payments on debts that they had no authority to collect upon.

60. On numerous occasions, in connection with the collection of debts, Defendants falsely represent the character, amount or legal status of the debt by attempting to collect and collecting on already settled debt.

61. Defendants call consumers to offer a settlement on their alleged debt.

62. Defendants inform the consumers that they are a collection agency and that they are willing to work with the consumer on a payment plan for the debt.

63. Some consumers agree to pay Defendants with the belief that they are paying their debts.

64. However, the consumers' payments do not settle their debts because Defendants had no authority to collect these accounts.

65. Subsequently, consumers received collection calls from other collection agencies to collect on the same debt.

66. One of these collection agencies provided proof to the Illinois Attorney General's Office that it, and not Defendants, has authority to collect upon some of these debts.

67. Other creditors informed consumers that Defendants have no authority to collect on these debts.

68. Defendants refused to provide validation on any of the debts that they allegedly have authority to collect upon to the consumers or to the Illinois Attorney General's Office.

69. When consumers checked their credit report, there was no indication that their payments to Defendants had settled any of the debts for which Defendants allegedly had authority to collect.

Abusing Access to Credit Reports

70. Upon information and belief, Defendants access consumers' credit reports to collect on debts without authorization.

71. Federal credit reporting laws prohibit Defendants from using or obtaining consumer credit information for any purpose other than a permissible purpose.

72. Defendants are allowed to obtain and use consumer credit reports for legitimate collections of debt.

73. However, Defendants obtained and used consumers' credit reports for the unauthorized collection of debt, which is an impermissible purpose under federal law.

74. Defendants accessed consumers' credit reports so that they can use the information to intimidate consumers to pay.

75. Defendants called consumers in an attempt to collect on debts, and indicated to consumers that they know their bank account numbers and old addresses.

76. Defendants thereby led consumers to believe that they had authority to collect on the debts.

Consumer Illustrations

77. To date, the Illinois Attorney General's Office has received 52 consumer complaints. The following allegations in Paragraphs 78 through 124 are pled as examples of Defendants' unlawful business practices and are not meant to be exhaustive. The unlawful conduct of Defendants is ongoing and continuous. Plaintiff reserves the right to prove that consumers other than those who have complained to the Office of the Attorney General or the Better Business Bureau have been injured as a result of Defendants' unlawful business practices.

A. Consumer Melissa Anello

78. Melissa Anello had been in contact with Defendants concerning her own debt.

79. However, on October 25, 2010, Melissa Anello received a telephone voicemail from Jennifer Diaz at Attorney, Tom Mason's office for Renee Castillo, a debtor not known to her.

80. Jennifer Diaz explained in the voicemail that the call was about a "civil matter" and that Renee Castillo's "remaining payment did not go through."

81. Jennifer Diaz further stated in the voicemail that for her to "stop action" she needs Renee Castillo to call her at 866-588-2440. Jennifer Diaz concluded the voicemail stating, "If I'm in court, ask for the attorney, Tom Mason."

82. On October 26, 2010, the next day, Ms. Anello received another telephone voicemail for Renee Castillo from Jennifer at Attorney Tom Mason's office.

83. This time, Jennifer asked that the voicemail, regarding a civil matter, be forwarded to Mr. Castillo and that he contact her "in order to stop action."

84. Jennifer concluded the voicemail with a docket number, 235359-PX, and telephone number, 866-588-2440.

85. On October 29, 2010, Ms. Anello received a third telephone voicemail for Renee Castillo from Jennifer Diaz at Attorney Tom Mason's office.

86. Jennifer Diaz stated in the voicemail that the telephone call concerned "a civil matter for theft by deception."

87. Jennifer Diaz further stated that "your final payment did not go through again. I need to hear from you right away to stop action, phone number 866-588-2440. Ask for Jennifer. If I'm in court, I do have a couple of court cases this morning; ask for the Attorney Tom Mason."

88. Investigation into this telephone call revealed that the 1-866 telephone number belonged to Defendants and not to a law firm.

89. No attorneys by the names of Thomas Mason or Jennifer Diaz are employed at P.N. Financial.

B. Consumer Michael Medeiros

90. In January 2010, Michael Medeiros received a debt collection letter from Defendants.

91. The debt collection letter stated that it was a "FINAL NOTICE OF JUDGMENT" and included a docket number and a judgment amount of $992.43. (Ex. B).

92. The debt collection letter stated:

> Our intentions are to seek whatever legal remedies are available. Additionally, you are cautioned that unless this balance is paid, our office will execute all interest, legal fees, and/or penalties allowable under the terms of the original contract...Since you have not made payment we have turned your account over to our attorneys and instructed them to commence suit without further delay. However, there is still time to avoid a judgment. To avoid the additional burden of legal proceedings, you must resolve this matter by January 20, 2010. This will be your final opportunity to stop lien, levy, and/or garnishments and the expense of court proceedings. Please be advised after January 20,

2010 the settlement offer will be null and void, and the above judgment will be due in full.

(Ex. B).

93. The letter is signed by "John T. Sullivan, PC, Attorney at Law."

94. No attorney by the name of John T. Sullivan is employed by P.N. Financial.

95. Defendants falsely represented the legal status of the debts and had not taken any legal action against the consumers.

C. Consumer Mary Kendall

96. In December 2009, Mary Kendall received a telephone voicemail at her workplace from "Mike," a representative of Defendants.

97. In the voicemail, "Mike" falsely identified himself as a lawyer and threatened to sue Ms. Kendall over her debt and that he would send her a summons.

98. Defendants also called the customer service department at Ms. Kendall's workplace and disclosed that the call was about Ms. Kendall's debt.

99. Defendants yelled at Ms. Kendall and her co-workers and called them derogatory names.

100. Both Ms. Kendall and her employer told P.N. Financial to stop calling the workplace but the calls continued.

101. After Ms. Kendall filed a complaint with the Illinois Attorney General's office, P.N. Financial finally stopped calling her workplace.

D. Consumer Mindy Tran

102. On March 27, 2010, Mindy Tran received a debt collection letter from Defendants.

103. This was the first collection letter from Defendants but the letter was entitled, "FINAL NOTICE," from "John Powers" at P.N. Financial & Associates.

104. Ms. Tran contacted John Powers at P.N. FINANCIAL to pay the debt on a U.S. Bank account.

105. On April 28, 2010, Ms. Tran paid Defendants two checks of $200.00 each, for a total of $400.00.

106. On June 9, 2010, Ms. Tran received a "Letter of Release" from Legal Asset Recovery Group, Inc., an entirely different collection company.

107. After reading the "Letter of Release," Ms. Tran realized that she had already paid $400.00 to settle the same U.S. Bank account with Legal Asset Recovery Group, Inc.

108. Even though Ms. Tran had paid Defendants on April 28, 2010, Ms. Tran received another collection letter from Defendants for the same U.S. Bank account, demanding another payment of $217.99, on July 29, 2010.

109. Ms. Tran called Defendants to inform them that she had already settled the account with them, and also sent them a copy of the Letter of Release from Legal Asset Recovery Group, Inc.

110. Defendants responded that Ms. Tran was obligated to further pay on the account because "John Powers" was a rogue employee who had quit the company and had taken all of his files and payments with him.

111. Defendants also threatened Ms. Tran that they would sue her if she did not make a payment.

112. Ms. Tran received another collection letter from Defendants on February 9, 2011.

113. Thereafter, Ms. Tran filed a consumer complaint against Defendants with the Office of the Attorney General.

114. Only after Ms. Tran filed a consumer complaint, Defendants sent a letter to the Office of the Attorney General, stating that the debt collection account for Ms. Tran was closed and that Defendants had received Ms. Tran's Letter of Release.

E. Consumer Christine Cruz

115. On June 27, 2011, Christine Cruz received a voicemail from "Chris Adams" that she had a case in their office and that if she did not respond then action would be taken the next day.

116. Ms. Cruz called the telephone number left in the voicemail and talked to "Tom" who informed her that she owed $3,500 on a credit card account that she had opened between 2008 and 2009 with Orchard bank.

117. Ms. Cruz informed Defendants that she had paid all of her credit cards and asked them to validate the debt.

118. Defendants told Ms. Cruz that the only validation they needed to provide was the collection letter that they had sent to her.

119. Ms. Cruz had not received any collection letters.

120. Defendants threatened Ms. Cruz that they would get her money and that they knew Ms. Cruz's old addresses and bank account numbers.

121. Ms. Cruz immediately called her bank to place a fraud alert.

122. Ms. Cruz's bank informed her that there had been attempts to withdraw $125 and another $1,500, which the bank had declined.

123. For the next two weeks, Defendants harassed Ms. Cruz at her place of employment.

124. Defendants called Ms. Cruz's place of employment and revealed to her co-worker that she owed a debt.

APPLICABLE STATUTES

125. Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, provides:

Unfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment of any practice described in section 2 of the "Uniform Deceptive Trade Practices Act", approved August 5, 1965, in the conduct of any trade or commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby.

126. Section 2I of the Consumer Fraud Act, 815 ILCS 505/2I, provides:

§ 2I. No person may attempt to collect an obligation by communicating in any way with an employer with regard to the obligation owing by one of his employees unless there has been a default of the payment of the obligation for at least 30 days and at least 5 days prior notice of the intention to communicate with the employer has been given to the employee. Any person violating this Section commits an unlawful practice within the meaning of this Act and, in addition, is liable in a civil action for damages resulting to the employee about whom such a communication is wrongfully made.

127. Section 2RR of the Consumer Fraud Act, 815 ILCS 505/2RR, provides:

Use of Social Security numbers. (a) Except as otherwise provided in this Section, a person may not do any of the following:

...

(5) Print an individual's social security number on any materials that are mailed to the individual, unless State or federal law requires the social security number to be on the document to be mailed. Notwithstanding any provision in this Section to the contrary, social security numbers may be included in applications and forms sent by mail, including documents sent as part of an application or enrollment process or to establish, amend, or terminate an account, contract, or policy or to confirm the accuracy of the social security number. A social security number that may permissibly be mailed under this Section may not be printed, in whole or in part, on a postcard or other mailer that does not require an envelope or be visible on an envelope or visible without the envelope having been opened.

128. Section 9 of the Illinois Collection Agency Act, 225 ILCS 425/9, provides:

...

(12) Threatening the seizure, attachment or sale of a debtor's property where such action can only be taken pursuant to court order without disclosing that prior court proceedings are required.

...

(14) Initiating or threatening to initiate communication with a debtor's employer unless there has been a default of the payment of the obligation for at least 30 days and at least 5 days prior written notice, to the last known address of the debtor, of the intention to communicate with the employer has been given to the employee, except as expressly permitted by law or court order.

...

(16) Using profane, obscene or abusive language in communicating with a debtor, his or her family or others.
(17) Disclosing or threatening to disclose information relating to a debtor's indebtedness to any other person except where such other person has a legitimate business need for the information or except where such disclosure is regulated by law.

...

(20) Attempting or threatening to enforce a right or remedy with knowledge or reason to know that the right or remedy does not exist.
(21) Failing to disclose to the debtor or his or her family the corporate, partnership or proprietary name, or other trade or business name, under which the debt collector is engaging in debt collections and which he or she is legally authorized to use.
(22) Using any form of communication which simulates legal or judicial process or which gives the appearance of being authorized, issued or approved by a governmental agency or official or by an attorney at law when it is not.

...

(25) Failing to disclose, at the time of making any demand for payment, the name of the person to whom the claim is owed and at the request of the debtor, the address where payment is to be made and the address of the person to whom the claim is owed.

...

(28) Representing that the debt collector is an attorney at law or an agent for an attorney if he is not.

...

(31) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public.

129. Section 9.1 of the Illinois Collection Agency Act, 225 ILCS 425/9.1, provides:

§ 9.1. Communication with persons other than debtor. Any debt collector or collection agency communicating with any person other than the debtor for the purpose of acquiring location information about the debtor shall:

(1) identify himself or herself, state that he or she is confirming or correcting location information concerning the consumer, and, only if expressly requested, identify his or her employer;
(2) not state that the consumer owes any debt;
(3) not communicate with any person more than once unless requested to do so by the person or unless the debt collector or collection agency reasonably believes

that the earlier response of the person is erroneous or incomplete and that the person now has correct or complete location information;

...

130. Section 9.2 of the Illinois Collection Agency Act, 225 ILCS 425/9.2, provides:

§ 9.2. Communication in connection with debt collection.

(a) Without the prior consent of the debtor given directly to the debt collector or collection agency or the express permission of a court of competent jurisdiction, a debt collector or collection agency may not communicate with a debtor in connection with the collection of any debt in any of the following circumstances:

...

(3) At the debtor's place of employment, if the debt collector or collection agency knows or has reason to know that the debtor's employer prohibits the debtor from receiving such communication.

(b) Except as provided in Section 9.1 of this Act, without the prior consent of the debtor given directly to the debt collector or collection agency or the express permission of a court of competent jurisdiction or as reasonably necessary to effectuate a post judgment judicial remedy, a debt collector or collection agency may not communicate, in connection with the collection of any debt, with any person other than the debtor, the debtor's attorney, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the collection agency.

131. Section 2 of the Illinois Collection Agency Act, 225 ILCS 425/2, provides:

...

"Debt collection" means any act or practice in connection with the collection of consumer debts.

"Debt collector", "collection agency", or "agency" means any person who, in the ordinary course of business, regularly, on behalf of himself or herself or others, engages in debt collection.

...

132. Section 9.3 of the Illinois Collection Agency Act, 225 ILCS 425/9.3, provides:

§ 9.3. Validation of debts.

(a) Within 5 days after the initial communication with a debtor in connection with the collection of any debt, a debt collector or collection agency shall, unless the following information is contained in the initial communication or the debtor has paid the debt, send the debtor a written notice with each of the following disclosures:

(1) The amount of the debt.

(2) The name of the creditor to whom the debt is owed.
(3) That, unless the debtor, within 30 days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector or collection agency.
(4) That, if the debtor notifies the debt collector or collection agency in writing within the 30-day period that the debt, or any portion thereof, is disputed, the debt collector or collection agency will obtain verification of the debt or a copy of a judgment against the debtor and a copy of the verification or judgment will be mailed to the debtor by the debt collector or collection agency.
(5) That upon the debtor's written request within the 30-day period, the debt collector or collection agency will provide the debtor with the name and address of the original creditor, if different from the current creditor.
If the disclosures required under this subsection (a) are placed on the back of the notice, the front of the notice shall contain a statement notifying debtors of that fact.

133. Section 1681b(f) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(f), provides:

A person shall not use or obtain a consumer report for any purpose unless--

(1) the consumer report is obtained for a purpose for which the consumer report is authorized to be furnished under this section…

COUNT I

VIOLATIONS OF THE CONSUMER FRAUD ACT

134. The People reallege and incorporate by reference the allegations in Paragraphs 1 to 135.

135. While engaged in trade or commerce, Defendants have committed unfair and/or deceptive acts or practices declared unlawful under Section 2 of the Consumer Fraud Act, 815 ILCS 505/2 *et seq.*, by:

a. falsely representing itself as an attorney in an attempt to collect consumers debts;

b. sending collection letters to consumers that falsified the legal status of the debts ;

c. falsely representing that Defendant will file lawsuits against consumers in an attempt to collect consumer debt;

d. making unauthorized electronic charges of payments ahead of the date agreed

upon or in amounts over the agreed upon settlement with consumers;

e. unfairly harassing consumers about debts at their workplace in an attempt to collect consumer debt;

f. unfairly harassing consumers' co-workers or supervisors at their workplace in an attempt to collect consumer debt;

g. disclosing to consumers' co-workers, supervisors, and other third parties that the consumers owe debt in an attempt to collect debt;

h. failing to send first notice collection letters within five days of initial contact with consumers about a debt;

i. refusing to validate debts upon request from consumers;

j. knowingly collecting on unauthorized debts; and

k. using and obtaining consumers' credit reports for an impermissible purpose.

136. Defendants have engaged in the conduct of trade or commerce, which constitutes unfair and deceptive acts or practices declared unlawful under Section 2I of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2I, in that, Defendants attempted to collect on a debt by communicating with consumers' employers with regard to debts owed by the consumers, and no notice of the intention to communicate with the employers had been given to the consumers.

137. Defendants have engaged in the conduct of trade or commerce, which constitutes unfair and deceptive acts or practices declared unlawful under Section 2RR of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2RR, in that, Defendants printed individuals' social security numbers on materials that were mailed to the

individuals, and State law did not require the social security numbers to be on the document to be mailed.

STATUTORY REMEDIES—COUNT I

138. Section 7 of the Consumer Fraud Act, 815 ILCS 505/7, provides:

> Whenever the Attorney General has reason to believe that any person is using, has used, or is about to use any method, act or practice declared by the Act to be unlawful, and that proceedings would be in the public interest, he may bring an action in the name of the State against such person to restrain by preliminary or permanent injunction the use of such method, act or practice. The Court, in its discretion, may exercise all powers necessary, including but not limited to: injunction, revocation, forfeiture or suspension of any license, charter, franchise, certificate or other evidence of authority of any person to do business in this State; appointment of a receiver; dissolution of domestic corporations or association suspension or termination of the right of foreign corporations or associations to do business in this State; and restitution.
>
> In addition to the remedies provided herein, the Attorney General may request and this Court may impose a civil penalty in a sum not to exceed $50,000 against any person found by the Court to have engaged in any method, act or practice declared unlawful under this Act. In the event the court finds the method, act or practice to have been entered into with intent to defraud, the court has the authority to impose a civil penalty in a sum not to exceed $50,000 per violation.

139. Section 10 of the Consumer Fraud Act, 815 ILCS 505/10, provides that "[i]n any action brought under the provisions of this Act, the Attorney General is entitled to recover costs for the use of this State."

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff prays that this Honorable Court enter an Order:

A. finding that the Defendants have violated Sections 2, 2I, and 2RR of the Consumer Fraud Act, 815 ILCS 505/1, by, but not limited to, the unlawful acts and practices alleged herein;

B. permanently enjoining the Defendants from engaging in the deceptive and unfair acts and practices alleged herein;

C. declaring that all contracts entered into between the Defendants and Illinois consumers by the use of methods and practices are unlawful and rescinded and requiring that full restitution be made to said consumers;

D. assessing a civil penalty of $50,000 if the Court finds the Defendants have engaged in methods, acts or practices declared unlawful by the Act without the intent to defraud, if the Court finds Defendants have engaged in methods, acts or practices declared unlawful by the Act with the intent to defraud, then assessing a statutory civil penalty of $50,000, all as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

E. assessing an additional civil penalty in the amount of $10,000 per violation of the Consumer Fraud and Deceptive Business Practices Act found by the Court to have been committed by the Defendants against a person 65 years of age and older as provided in Section 7(c) of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7(c);

E. requiring the Defendants to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act, 815 ILCS 505/10; and

F. providing such other and further equitable relief as justice and equity may require.

COUNT II

VIOLATIONS OF THE CONSUMER FRAUD ACT

PURSUANT TO THE COLLECTION AGENCY ACT

140. The People reallege and incorporate by reference the allegations in Paragraphs 1 to 139.

141. While engaged in trade or commerce, Defendants have committed unfair and/or deceptive acts or practices declared unlawful under Section 2 of the Consumer Fraud Act (815

ILCS 505/2 *et seq.*) through violation of Section 9 of the Collection Agency Act (225 ILCS 425/9) by:

a. threatening the seizure, attachment or sale of a debtor's property where such action can only be taken pursuant to court order without disclosing that prior court proceedings are required, in violation of Section 9(a)(12) of the Collection Agency Act;

b. initiating or threatening to initiate communication with a consumer's employer without at least 5 days prior written notice, to the last known address of the debtor, of the intention to communicate with the employer has been given to the employee or express permission by law or court order, in violation of Section 9(a)(14) of the Collection Agency Act;

c. using profane, obscene or abusive language in communicating with a consumer, his or her family or others, in violation of Section 9(a)(16) of the Collection Agency Act;

d. disclosing or threatening to disclose information relating to a consumer's indebtedness to any other person without a legitimate business need for the information, in violation of Section 9(a)(17) of the Collection Agency Act;

e. attempting or threatening to enforce a right or remedy with knowledge or reason to know that the right or remedy does not exist, in violation of Section 9(a)(20) of the Collection Agency Act;

f. failing to disclose to the consumer or his or her family Defendants' name, under which they are engaging in debt collections and which Defendants are legally authorized to use, in violation of Section 9(a)(21);

g. using any form of communication which simulates legal or judicial process or which gives the appearance of being authorized, issued or approved by an attorney at law when it is not, in violation of Section 9(a)(22) of the Collection Agency Act;

h. failing to disclose, at the time of making any demand for payment, the name of the person to whom the claim is owed and at the request of the consumer, the address where payment is to be made and the address of the person to whom the claim is owed, in violation of Section 9(a)(25) of the Collection Agency Act;

i. representing that the debt collector is an attorney at law or an agent for an attorney if he is not, in violation of Section 9(a)(28) of the Collection Agency Act; and

j. engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public, in violation of Section 9(a)(31) of the Collection Agency Act.

142. While engaged in trade or commerce, Defendants have committed unfair and/or deceptive acts or practices declared unlawful under Section 2 of the Consumer Fraud Act (815 ILCS 505/2 *et seq.*) through violation of Section 9.1 of the Collection Agency Act (225 ILCS 425/9.1) by:

a. communicating with any third party other than the debtor without identifying himself or herself, without stating that he or she is confirming or correcting location information concerning the debtor, in violation of Section 9.1(1);

b. communicating with any third party other than the debtor that the debtor owes a debt, in violation of Section 9.1(2); and

c. communicating with any third party other than the debtor more than once without a request to do so by that third party or without a reasonable belief that the earlier

response of the third party is erroneous or incomplete and that the third party now has correct or complete location information, in violation of Section 9.1(3).

143. While engaged in trade or commerce, Defendants have committed unfair and/or deceptive acts or practices declared unlawful under Section 2 of the Consumer Fraud Act (815 ILCS 505/2 *et seq.*) through violation of Section 9.2 of the Collection Agency Act (225 ILCS 425/9.2) by:

a. communicating, in connection with the collection of any debt, with a consumer at the consumer's place of employment with knowledge or with reason to know that the consumer's employer prohibits the debtor from receiving such communication and without prior consent by the consumer or by a court of competent jurisdiction, in violation of Section 9.2(a)(3); and

b. communicating, in connection with the collection of any debt, with any person other than the debtor, the debtor's attorney, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the collection agency without prior consent of the consumer directly given to Defendants, without express permission of a court of competent jurisdiction, or without reasonable necessity to effectuate a post judgment judicial remedy in violation of Section 9.2(b).

144. While engaged in trade or commerce, Defendants have committed unfair and/or deceptive acts or practices declared unlawful under Section 2 of the Consumer Fraud Act (815 ILCS 505/2 *et seq.*) through violation of Section 9.3 of the Collection Agency Act (225 ILCS 425/9.3) by failing to, within 5 days after the initial communication with a consumer in

connection with the collection of any debt, send the consumer a written notice with each of the following disclosures that was not contained in the initial communication:

a. the amount of the debt;

b. the name of the creditor to whom the debt is owed;

c. that, unless the consumer, within 30 days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector or collection agency;

d. that, if the consumer notifies the debt collector or collection agency in writing within the 30-day period that the debt, or any portion thereof, is disputed, the debt collector or collection agency will obtain verification of the debt or a copy of a judgment against the debtor and a copy of the verification or judgment will be mailed to the consumer by the debt collector or collection agency; and

e. that upon the consumer's written request within the 30-day period, the debt collector or collection agency will provide the consumer with the name and address of the original creditor, if different from the current creditor. If the disclosures required under this subsection (a) are placed on the back of the notice, the front of the notice shall contain a statement notifying debtors of that fact.

STATUTORY REMEDIES--COUNT II

145. Section 9.7 of the Illinois Collection Agency Act, 225 ILCS 425/9.7, provides:

> § 9.7. Enforcement under the Consumer Fraud and Deceptive Business Practices Act. The Attorney General may enforce the knowing violation of Section 9 (except for items (1) through (9) and (19) of subsection (a)), 9.1, 9.2, 9.3, or 9.4 of this Act as an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff prays that this Honorable Court enter an Order:

A. finding that Defendant engaged in debt collection as defined by Section 2 of the Collection Agency Act;

B. finding that Defendants violated Sections 9, 9.1, 9.2, and 9.3 of the Collection Agency Act, and thereby violated Section 2 of the Consumer Fraud Act;

C. permanently enjoining the Defendants from engaging in the business of debt collection as defined in Section 2 of the Collection Agency Act;

D. permanently enjoining the Defendants from engaging in the deceptive and unfair acts and practices alleged herein;

E. declaring that all contracts entered into between the Defendants and Illinois consumers by the use of methods and practices are unlawful and rescinded and requiring that full restitution be made to said consumers;

F. assessing a civil penalty of $50,000 if the Court finds the Defendants have engaged in methods, acts or practices declared unlawful by the Act without the intent to defraud, if the Court finds Defendants have engaged in methods, acts or practices declared unlawful by the Act with the intent to defraud, then assessing a statutory civil penalty of $50,000, all as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

E. assessing an additional civil penalty in the amount of $10,000 per violation of the Consumer Fraud and Deceptive Business Practices Act found by the Court to have been committed by the Defendants against a person 65 years of age and older as provided in Section 7(c) of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7(c); and

G. requiring the Defendants to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act, 815 ILCS 505/10; and Providing such other and further equitable relief as justice and equity may require.

COUNT III

VIOLATIONS OF THE FAIR CREDIT REPORTING ACT

146. The People reallege and incorporate by reference the allegations in Paragraphs 1 to 145:

147. Defendants have engaged in practices declared unlawful under Section 1681b(f) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(f), by using and obtaining consumer credit reports for an impermissible purpose by collecting on alleged or falsified debts that Defendants had no authority to collect upon.

REMEDIES

147. Section 1681s(c)(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681s(c)(1), provides:

(c) State action for violations

> (1) Authority of States.--In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this subchapter, the State—
>
> > (A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;
> > (B) subject to paragraph (5), may bring an action on behalf of the residents of the State to recover—
> >
> > > (i) damages for which the person is liable to such residents under sections 1681n and 1681o of this title as a result of the violation;
> > > (ii) in the case of a violation described in any of paragraphs (1) through (3) of section 1681s–2 (c) of this title, damages for which the person would, but for section 1681s–2 (c) of this title, be liable to such residents as a result of the violation; or
> > > (iii) damages of not more than $1,000 for each willful or negligent violation; and

(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that this Honorable Court enter an Order:

A. finding that Defendants have violated Section b(f) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(f), by, but not limited to, the unlawful acts and practices alleged herein;

B. permanently enjoining Defendants from engaging in the impermissible use and obtaining of consumer credit reports herein;

C. declaring that all contracts entered into between Defendants and Illinois consumers by the use of methods and practices are unlawful and rescinded and requiring that full restitution be made to said consumers;

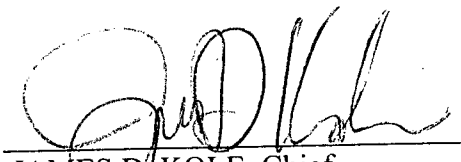
D. requiring Defendants to pay $1,000 for each willful or negligent violation;

E. requiring Defendants to pay all costs for the prosecution and investigation of this action, as provided by Section 1681s(c)(1)(C) of the Fair Credit Reporting Act, 15 U.S.C. §1681 s(c)(1)(C); and

F. providing such other and further equitable relief as justice and equity may require.

Respectfully Submitted,

THE PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, ATTORNEY GENERAL OF ILLINOIS



JAMES D. KOLE, Chief
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Assistant Attorney General
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Attorney No. #99000

LISA MADIGAN
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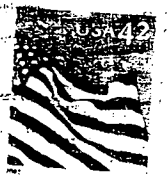
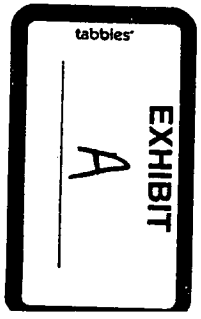
100 W. Randolph St., 12th floor
Chicago, IL 60601
312/814-7130

P.N. FINANCIAL INC.
P.O. BOX 1431
SKOKIE, IL 60076



Toni Brunker
4545 Green Grass Road
Madison, WI. 53718
****JUDGMENT PENDING****
Docket # 87711-WI-0142

53718+6518



P.N. FINANCIAL & ASSOCIATES
PO BOX 1431 SKOKIE IL 60076
PHONE 866-588-1446 FAX 847-675-5039

January 7, 2010

Docket Number: 164038-CT-0142
Creditor: HHBANK
Account: [redacted]
Judgment Amount: $992.43

J Medeiros
[redacted]

** NOTICE OF JUDGMENT **
Docket # 164038-CT-0142

****** FINAL NOTICE OF JUDGMENT ******

Because you have refused to address this debt despite being given every opportunity to do so, **be advised that by January 20, 2010 if you have not accepted our terms and conditions**, we will have exhausted all voluntary methods of resolution. Our intentions are to seek whatever legal remedies are available. Additionally, you are cautioned that unless this balance is paid, **our office will execute all interest, legal fees, and/or penalties** allowable under the terms of the original contract in accordance with the state laws in which you reside.

You have been repeatedly advised of your long overdue balance in the amount of **$992.43**. Since you have not made payment **we have turned your account over to our attorneys and instructed them to commence suit without further delay**. However, there is still time to avoid a judgment. To avoid the additional burden of legal proceedings, you must resolve this matter by **January 20, 2010**. This will be your final opportunity to stop **lien, levy, and/or garnishments and the expense of court proceedings. Please be advised after January 20, 2010 the settlement offer will be null and void, and the above judgment amount will be due in full.**

We agree to accept the **final settlement amount of $595.46**. In order to take advantage of this offer **you must have a check or credit card payment set up in our office by January 20, 2010 dated no later than January 29, 2010.** Upon clearance of your check or credit card payment, we will notify the major trades, where applicable, and provide you with a release letter showing a zero balance on the above referenced account. If you have been summoned with a "Notice to appear "in regards to this claim, please disregard this notice.

Sincerely,

John T. Sullivan, PC
Attorney at Law,
1-866-588-1446

Payment options:

- Credit card (Visa, MasterCard, Discover, debit card with Visa or MasterCard logo)
- Check-by-phone
- Money Gram instructions- receive code 5297, Company name "pnfinancial". PN Docket#.
- Mailing instructions: Make checks payable to
  PN Financial Inc
  Payment processing center-
  PO Box 1431
  Skokie, IL. 60076

EXHIBIT
B

P N. Financial Inc.
PO Box 1431
Skokie, IL 60076
Phone: 224-305-4330
Fax : 847-675-5039

September 9th 2009

BBB of Chicago & Northern Illinois
330 N Wabash Ave Ste 2006
Chicago, IL 60611-7621
Att. Nicole Tooks

RE: Case # 94252650 Russell Claxon

This letter is in response to a complaint for Mr. Russell Claxon. This account has been closed in our office and we have cease communication with Mr. Russell Claxon. We do not condone this type of behavior.
As the call was from an ex-employee from our company, he was released on July 31st 2009. We will try to avoid this in the future from occurring. I would like to apologize sincerely for any inconvenience this may have caused you. We have sent an apology letter to the consumer as well.

If you have any questions please feel free to contact me on my cell phone at (224) 305-4330

Sincerely,

Nelson Macwan /President P N Financial Inc.

EXHIBIT
C