

January 13, 2020

**ATTORNEY GENERAL RAOUL FILES LAWSUITS AGAINST CREDIT REPAIR COMPANIES FOR
FRAUDULENT AND DECEPTIVE BUSINESS PRACTICES**

Chicago — Attorney General Kwame Raoul today filed lawsuits against [Freedom Financial Solutions, Inc.](#), its owner, and an employee, as well as [Second Chance Financial Services, Inc.](#) and its owner alleging the companies engaged fraudulent and deceptive business practices that resulted in the total loss of at least \$173,000 from consumers.

Raoul filed the lawsuits in Cook County Circuit Court after receiving multiple complaints about Freedom Financial Solutions, its owner Desiree Hawkins, and employee Jean Johnson and Second Chance Financial Services and owner Emma Jones.

"I am committed to protecting consumers by holding these companies accountable for taking tens of thousands of dollars from consumers while failing to provide adequate services as promised," Raoul said. "These lawsuits seek to put an end to these fraudulent practices and provide restitution for consumers who were cheated out of money while trying to improve their credit."

Freedom Financial Solutions, primarily located in Matteson, Ill. with a second office in Chicago, describes itself as a credit counseling agency. Freedom Financial claims to provide a wide range of financial services to consumers, including credit repair services, but is not registered with the Illinois Secretary of State's office as a credit service organization as is required under Illinois law. Freedom Financial also operates as a debt collection agency without being licensed. In the lawsuit, Raoul alleges Freedom Financial charged unlawful upfront fees of \$1,000 or more for its credit repair services, but failed to perform any services or improve consumers' credit as promised. In addition, Hawkins allegedly refused to refund any money people paid for services they never received.

The lawsuit also alleges that Hawkins and Jones engaged in harassing and abusive collection practices, including threatening arrests, forcing consumers to pay Freedom Financial more than \$117,000 toward payday loan debt they did not owe.

Second Chance is a credit repair agency located in Flossmoor, Ill., but is not registered with the Illinois Secretary of State's office as a credit services organization. In the lawsuit, Raoul alleges that the company charged upfront costs of up to several thousand dollars with the promise of improving a consumer's credit or adding trade lines, but did not perform any services. After consumers complained, Jones and Second Chance failed to refund any money.

In both lawsuits, Raoul is seeking to permanently ban the companies and owners from engaging in the business of credit repair and debt collection, rescind all contracts entered into with consumers through unlawful practices, and obtain restitution for all affected consumers. Raoul is also seeking civil penalties.

Raoul encouraged consumers who believe they were defrauded by Freedom Financial or Second Chance to file a complaint on the [Attorney General's website](#) or by calling his Consumer Fraud Hotline at 1-800-243-0618.

Assistant Attorneys General Erin Grotheer and Thomas James are handling the lawsuits for Raoul's Consumer Protection Division.

Attorney No. 99000

**IN THE CIRCUIT COURT COOK COUNTY
COUNTY DEPARTMENT—CHANCERY DIVISION**

PEOPLE OF THE STATE OF ILLINOIS,)
)
)
Plaintiff,)
v.)
FREEDOM FINANCIAL SOLUTIONS, an)
Illinois Corporation;)
)
DESIREE HAWKINS, individually and as agent,)
owner, and president of FREEDOM FINANCIAL)
SOLUTIONS, INC; and)
)
JEAN JOHNSON,)
)
Defendants.)

No. ~~2019-CH~~ 2020CH00397

Hearing Date: 5/12/2020 9:30 AM - 9:30 AM
Courtroom Number: 2402
Location: District 1 Court
Cook County, IL

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

The Plaintiff, People of the State of Illinois, by Kwame Raoul, Attorney General of Illinois, brings this action for injunction and other relief against Defendants Freedom Financial Solutions, Inc.; Desiree Hawkins; and Jean Johnson for violations of the Consumer Fraud and Deceptive Business Practices Act (“Consumer Fraud Act”), 815 ILCS 505/1 *et seq.*, the Credit Services Organization Act (“Credit Services Act”), 815 ILCS 605/1 *et seq.*, and the Collection Agency Act, 225 ILCS 425/2 *et seq.*:

NATURE OF THE CASE

1. Freedom Financial Solutions, Inc., (“Freedom Financial”), describes itself as a “credit counseling agency” that purports to provide a wide range of financial services to consumers, including credit repair services.

2. Desiree Hawkins (“Hawkins”) is the owner and president of Freedom Financial and meets directly with consumers as well as manages the debt collection activity of Freedom Financial.

3. Jean Johnson (“Johnson”) is a former employee of Freedom Financial and controlled the debt collection activity of Freedom Financial.

4. Although Freedom Financial purports to provide credit repair services, Freedom Financial is not registered with the Illinois Secretary of State’s Office as a credit service organization, Freedom Financial charges unlawful upfront fees for its purported services, and Freedom Financial fails to improve consumers’ credit as promised.

5. Additionally, Freedom Financial operates as a debt collection agency. However, Freedom Financial is not licensed as a collection agency, and Defendants engage in harassing and abusive collection practices that lead consumers to pay Freedom Financial thousands of dollars towards payday loan debt they do not owe.

PUBLIC INTEREST

6. 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 Act, 815 ILCS 505/1 *et seq.*; the Illinois Collection Agency Act, 225 ILCS 425/1 *et seq.*; and the Illinois Credit Services Act, 815 ILCS 605/1 *et seq.*

JURISDICTION AND VENUE

7. This Complaint for Injunctive and Other Relief is brought for and on behalf of the People of the State of Illinois, by Kwame Raoul, Attorney General of the State of Illinois, pursuant to the provisions of the Consumer Fraud Act, 815 ILCS 505/1 *et seq.*; the Credit Services Act, 815 ILCS 605/1 *et seq.*; and the Collection Agency Act, 225 ILCS 425/1 *et seq.*

8. Venue for this action properly lies in Cook County, Illinois, pursuant to Section 2-101 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-101, in that some of the transactions out of which this action arose occurred in Cook County.

PARTIES

9. Kwame Raoul, the Illinois Attorney General, is authorized to bring this action in the name of the People of the State of Illinois to enforce the Consumer Fraud Act, 815 ILCS 505/7; the Credit Services Act, 815 ILCS 605/12; and the Collection Agency Act, 225 ILCS 425/14a and 9.7.

10. Defendant Freedom Financial is an Illinois corporation incorporated on September 26, 2014. Freedom Financial is a credit counseling agency that offers credit repair services to consumers and also operates as a debt collection agency with a prior principal place of business at 4440 Lincoln Highway, Suite 301A, Matteson, Illinois 60443 (“Matteson location”), and an additional office located at 9934 S. Western Avenue, Chicago, Illinois 60643 (“Chicago location”), both of which are in Cook County.

11. Defendant Desiree Hawkins is a resident of Cook County, Illinois, and is being sued individually and as the owner, agent, and president of Freedom Financial. At all times relevant to this Complaint, Hawkins formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Freedom Financial, including the acts and practices set forth in this complaint. To adhere to the fiction of a separate corporate existence between Freedom Financial and Hawkins would serve to sanction fraud and promote injustice.

12. Defendant Jean Johnson is a resident of Cook County, Illinois, and is being sued individually and as an employee of Freedom Financial who personally participated in the unlawful debt collection activity of Freedom Financial.

TRADE AND COMMERCE

13. The Consumer Fraud Act 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.

815 ILCS 505/1(f).

14. Freedom Financial, Hawkins, and Johnson engaged in trade and commerce in the State of Illinois by advertising, soliciting, offering for sale, or selling credit repair services and performing debt collection services to the general public of the State of Illinois.

FACTUAL BACKGROUND

Credit Repair Services

15. Hawkins has been involved in the credit repair business since at least 2011. Before Hawkins opened Freedom Financial, she and another individual, Emma Jones (“Jones”), ran a credit services organization called Hope Credit Solutions Inc. in Richton Park, Illinois.

16. Hope Credit was incorporated as an Illinois corporation in July of 2011. Hawkins is listed as the registered agent for Hope Credit with the Illinois Secretary of State.

17. On July 11, 2011, Hope Credit filed a Credit Services Organization Registration Statement with the Illinois Secretary of State’s Office. *See* Ex. A. On the Registration Statement, Jones is listed as the Registered Agent for Hope Credit. Jones and Hawkins are also listed as people who directly or indirectly own or control at least 10 percent of the stock in the credit services organization. *Id.* at 3. Hawkins and Jones both signed the Registration Statement submitted to be registered under the Credit Services Act.

18. Hawkins and Jones, however, failed to provide the requisite bond with their Registration Statement. Absent the statutory surety bond, Hope Credit was not permitted to

charge or receive any money upfront prior to full and complete credit repair services, pursuant to 815 ILCS 605/5(1).

19. Despite lacking the surety bond required under the Credit Services Act, Hawkins and Jones charged consumers high upfront fees for credit repair services and accepted payment of said fees before any credit repair services were performed.

20. Consumers filed complaints against Hope Credit, Hawkins, and Jones with the Illinois Attorney General's Office alleging that they were charged up to \$9,600 for credit repair services they never received.

21. These consumers alleged that Hope Credit, Hawkins, and Jones promised to add trade lines to their credit reports in exchange for steep upfront fees, but then failed to improve consumers' credit scores and did not respond to repeated requests for information.

22. In response to consumer complaints filed with the Illinois Attorney General's Office, Hawkins and Jones stated that Hope Credit had filed for Chapter 7 bankruptcy in July 2013. Subsequently, Hope Credit was involuntarily dissolved as a corporation in December 2014.

23. Meanwhile, in September 2014, Hawkins incorporated Freedom Financial. From at least September 2014, Freedom Financial and Hawkins engaged in advertising, offering for sale, and selling an array of financial services: debt settlement, bankruptcy services, student loan services, tax preparation, foreclosure assistance, automobile financing, and credit repair to businesses and consumers facing financial hardship.

24. From at least 2014 until approximately March 2017, Freedom Financial and Hawkins operated at the Matteson location. Freedom Financial operated out of its Chicago location until sometime in 2018.

25. Freedom Financial agreed to a commercial lease for the Western Avenue location on July 2, 2015. The lease states that Freedom Financial intended to use the space for “credit consulting.”

26. From 2014 until approximately March 2017, Freedom Financial and Hawkins promoted their services via internet websites www.freedomfinancialsolutions.net and www.livealavishlifestyle.com, which are no longer operational.

27. Freedom Financial and Hawkins also previously promoted their services on the Freedom Financial Facebook page, which no longer exists but existed until at least March 17, 2017.

28. The Freedom Financial Facebook page contained the following in the “About” section: “FFS has been helping people throughout the Chicago land area for over 10 yrs [sic]. We specialize in rebuilding Credit [sic].”

29. The following post appeared on Freedom Financial’s Facebook page on February 7, 2017:

Freedom Financial Solutions Inc.
Valentines [sic] day 72 hr. special
Friday Feb. 10th-12th

\$500.00 credit Restoration
(Exclusions apply)
\$250.00 business packages
Call 773-614-8765 or inbox to schedule your FREE consultation!

30. Freedom Financial also advertised its services through flyers that state, in relevant part:

TIRED OF BEING A SLAVE TO DEBT. Come get out of bondage with Freedom Financial

TIRED OF BEING TURNED DOWN FOR CREDIT? \$250 DOWN.
Freedom Financial Solutions, A Credit Consulting Agency. FREE
CONSULTATION RESULTS IN 45-60 DAYS.

FOR MOST CLIENTS WE CAN INCREASE YOUR PERSONAL
CREDIT SCORE IN A SHORT TIME.

31. Business cards also list services offered at Freedom Financial as:

- Credit Restoration
- Trade Lines
- Debt Settlement
- Bankruptcy
- Guaranteed Funding
- Business Start-up
- Grant Writing for 501c3

32. Freedom Financial also gives consumers a document that states:

[Freedom Financial] is a Credit Counseling Agency with a full range of products and services to suit all of your financial needs. Our endeavor is to partner with your organization to empower people to transform their lives by fiscal responsibility. Credit Mastery is our genre. This is the road to wealth and entrepreneurship. In our line of business, we come in contact with myriad clients that desire to purchase homes, buy cars, start new businesses or improve their financial status. When you have adverse credit history, you become a higher credit risk with higher interest rates, and no credit worthiness.

33. Because Freedom Financial offers credit services to consumers in the State of Illinois, it is operating a credit services organization, as that term is defined in Section 3(d) of the Credit Services Act, 815 ILCS 605/3(d).

34. Despite offering these services, Freedom Financial is not and has never been registered with the Illinois Secretary of State as a credit services organization. *See Ex. B.*

35. Freedom Financial and Hawkins have also failed to secure the statutorily required \$100,000 surety bond and to file a copy of the surety bond with the Secretary of State before taking upfront fees for their credit services from Illinois consumers. *See Id.*

36. Hawkins filed a Registration Statement to operate a credit services organization in Illinois when operating as Hope Credit. Therefore, Hawkins was aware of the registration requirements under the Credit Services Act.

37. Consumers who are looking to improve their credit call or visit one of Freedom Financial and Hawkins' locations in Matteson or Chicago, Illinois.

38. Freedom Financial and Hawkins have consumers interested in credit repair sign a "Credit Repair Contract." This Credit Repair Contract states that Freedom Financial will perform the following services for the client:

1. Originate an audit/dispute file for each client.
2. Once credit reports are received[,] . . . analyze and perform a general audit.
3. Prepare disputes for authorized clients against all inaccurate erroneous information on credit reports.
4. Prepare necessary documentation and forward disputes of inaccuracy to credit bureaus, erroneous and challenging letters to credit bureaus.

See, e.g., Ex. C.

39. The Freedom Financial Credit Repair Contract also requires consumers to pay a \$50.00 consultation fee in addition to:

"\$1,200.00 for the entire credit report if paid in full results will occur in 60 days.
\$100.00 for each item under 8 items.
\$250.00 down & partial payments will take 120 days to see results."

See, e.g., Id.

40. The Credit Repair Contract also specifies a timeline for the provision of Freedom Financial's services:

- a. The "First Step" was "credit consultation, review credit bureaus."

- b. The contracts state that “15 Days After: Reports received and disputed with credit bureaus.”
- c. Then “30 Days After: First results, re-challenge.”
- d. Finally, “60 Days Later and On: Second results, re-challenge.”

See, e.g., Id.

41. Freedom Financial and Hawkins have consumers sign a “Limited Power of Attorney” so that Freedom Financial and Hawkins can request and access consumers’ credit information from credit reporting agencies. *See Ex. D.*

42. Freedom Financial and Hawkins charge between \$1,000 and \$1,500 for their credit repair services and accept full payment up front or agree to accept installments until paid in full. Whether a consumer pays in one lump sum or in installments, Hawkins tells consumers that no work will be performed until payment is made in full.

43. Freedom Financial and Hawkins fail to provide consumers with the “Notice of Cancellation” required in credit services transactions by Section 7 of the Credit Services Act, 815 ILCS 605/7.

44. After receiving the upfront fee, Freedom Financial and Hawkins pull consumers’ credit reports but nevertheless fail to achieve the results they promise; Freedom Financial and Hawkins do not repair consumers’ credit.

45. Freedom Financial and Hawkins represent to consumers that they are able to remove derogatory items from consumers’ credit reports that lower consumers’ credit scores, but they are either unable to remove the items as promised or fail to take necessary steps to have them removed. For example, Freedom Financial and Hawkins claim to be able to remove judgments from a consumer’s credit report but do not take any action to remove them.

46. Freedom Financial and Hawkins represent that they can improve consumers' credit profiles by adding "trade lines" to the consumers' credit reports to make it appear that the consumers have active credit accounts on which payments are current.

47. However, the trade lines that Freedom Financial and Hawkins represent they will add to consumers' credit reports never appear on consumers' credit reports. When asked when the promised trade lines will appear, Hawkins tells consumers to wait but never reports back on the status of the promised "trade lines."

48. Nevertheless, Freedom Financial and Hawkins keep the large upfront fees paid by consumers for services never provided.

Defendants' Debt Collection Business

49. In addition to purporting to provide credit repair services, since at least February 2015, Hawkins used Freedom Financial to engage in harassing and threatening debt collection practices.

50. Johnson, an employee of Freedom Financial, helped launch Freedom Financial's debt collection business and acted as a debt collector for Freedom Financial.

51. Prior to her employment at Freedom Financial, Johnson worked as a debt collector placing debt-collection calls to consumers for a debt collection agency, Payday Loan Recovery Group, aka K.I.P.

52. On April 6, 2015, Plaintiff, along with the Federal Trade Commission ("FTC"), filed a lawsuit against Payday Loan Recovery Group. Among other things, that suit alleged violations of the Collection Agency Act. *See People, FTV v. K.I.P., et al.*, No. 1:15-cv-02985 [hereinafter "K.I.P. lawsuit"]. In that case, the federal district court hearing the matter in Chicago granted Plaintiffs' request for a Temporary Restraining Order, an Order for immediate

access, and the appointment of a receiver to take control of the business and shut down its collection operations.

53. In the K.I.P. lawsuit, collectors working for the collection agency engaged in harassing and threatening debt collection practices, including threatening consumers with arrest if they did not pay allegedly owed sham—or “phantom”—payday debt.¹

54. Johnson was one of the debt collectors who worked for the defendants in the K.I.P. lawsuit. After K.I.P. was shut down, Johnson moved to Freedom Financial, where she continued to engage in harassing and unlawful debt collection practices.

55. During debt-collection calls, Freedom Financial’s agents or employees represented to consumers that they were acting on behalf of “Freedom Financial Solutions” or “Freedom Financial.”

56. Starting in at least February 2015, agents or employees of Freedom Financial began calling consumers all over the country attempting to collect on phantom payday loan debt that consumers did not owe, that Freedom Financial did not have the legal right to collect or that was completely fabricated.

57. Freedom Financial agents or employees harassingly call consumers multiple times a week claiming that consumers owe Freedom Financial for delinquent payday loans.

58. Within five days after the first communication with consumers, Freedom Financial fails to send a written notice to the consumer containing the information and disclosures required by Section 9.3 of the Collection Agency Act, 225 ILCS 425/9.3.

59. Before calling targeted consumers directly, Freedom Financial’s collection agents or employees are instructed to call the consumer’s employer first. Then Freedom Financial’s

¹ See, <https://www.ftc.gov/news-events/press-releases/2015/04/ftc-illinois-attorney-general-halt-chicago-area-operation-charged> and <https://www.ftc.gov/system/files/documents/cases/150410paydaycmpt.pdf>

collection agents or employees threaten their victims with the specter that if the alleged debt is not immediately paid, Freedom Financial will continue to call the victim's employer.

60. Even though consumers demand that Freedom Financial stop calling their places of employment, Freedom Financial's agents and employees continue to make collection calls to consumers' employers.

61. Agents or employees of Freedom Financial intimidate consumers with the threat that if consumers do not pay the alleged payday loan debt immediately, someone will appear at their place of employment to serve them with a lawsuit or arrest them. Freedom Financial never actually files lawsuits against consumers and has neither authority nor ability to have anyone arrested.

62. During Freedom Financial's debt-collection calls, Freedom Financial's agents or employees threaten consumers with wage garnishment, with attaching liens on their property, and with threats to freeze consumers' bank and credit card accounts.

63. Freedom Financial has no right to place tax liens nor ability freeze bank or credit card accounts, and it does not garnish consumers' wages.

64. Freedom Financial representatives falsely assert that the putative payday loan debt a consumer originally owed was in the hundreds of dollars. But to put pressure on consumers to pay immediately, Freedom Financial representatives deceitfully inflate the debt allegedly owed by adding on supposed interest and fees, then claim that the consumer owes thousands more. However, they tell the consumers that Freedom Financial will compromise, but only for immediate payment, and settle the inflated claim for hundreds of dollars less.

65. Freedom Financial collectors use aliases when calling consumers. For example, Freedom Financial collectors have falsely represented themselves as, among others, Angela Fields, James Alexander, Alice Spann, and Shirley Spears.

66. Consumers are also told that the owner of Freedom Financial is “Tammy Sowaska” when, in truth and fact, Hawkins owns Freedom Financial.

67. Aside from harassing consumers with collection calls, Freedom Financial also sends collection letters to consumers via email. These “demand letters” have been sent to consumers from the email address “yourfreedomfinancial@yahoo.com.” These letters do not satisfy the written notice requirements required by Section 9.3 of the Collection Agency Act, 225 ILCS 425/9.3.

68. The user profile associated with yourfreedomfinancial@yahoo.com lists the Illinois zip code 60471 as the zip code associated with the account. This is the zip code for Richton Park, Illinois, which is the city where the Defendant Johnson resides. The user profile also lists 708-715-1431 as the telephone number associated with the account, which is Johnson’s telephone number.

69. Freedom Financial’s demand letters contain Freedom Financial’s logo and various purported business addresses. The addresses used on the demand letters include:

15941 Harlem Ave., #219
Tinley Park, IL 60477

24119 W. Riverwalk Ct
Plainfield, IL 60544

14855 S. Van Dyke Rd.
PO Box 29
Plainfield, IL 60544

5440 N Cumberland Ave #300
Chicago, IL 60656

70. The Tinley Park address is a UPS store where Freedom Financial had a P.O. Box. Johnson applied for the P.O. Box on January 27, 2015, listing herself as the applicant. Johnson also stated on the mailbox agreement that the firm or corporation associated with the box was “Freedom Financial.” Johnson provided a copy of her driver’s license and insurance card to verify her identity when applying for the P.O. Box.

71. Hawkins instructed Johnson to create the P.O. Box on behalf of Freedom Financial at the Tinley Park UPS Store to use in the debt collection business.

72. According to the Plainfield Post Office, the Plainfield P.O. Box address used by Freedom Financial in some of its demand letters to consumers is not a legitimate P.O. Box.

73. The Riverwalk Court address in Plainfield, Illinois, used by Freedom Financial is the site of an abandoned building.

74. The address on Cumberland Avenue in Chicago, Illinois, is associated with a licensed collection agency called Global Credit and Collection Corporation, which has no apparent connection to Freedom Financial.

75. Demand letters were also sent to consumers attached to an email from “Tammy Sowaska” at “tammysowaska.freedomfinancial@gmail.com.”

76. For example, in June 2016 consumer Audrey Allen received an email from tammysowaska.freedomfinancial@gmail.com with a demand letter attached from Freedom Financial stating:

This is a letter regarding your loan you took online with 24/7 Pro Loan & Green Lending Cash \$19,741 [sic] with interest & fees. I’m offering you a settlement today in the amount of \$2175 or \$8145 in 6 payments. This file was taken out on 5/15/2012, this file just came into our office yesterday so its [sic] up to you if you settle it or it will process out Thursday morning.

Thanks in Advance

Ms. Amanda
Legal

815-579-6936

Ex. E. Allen never took out a loan from the stated lender for any amount.

77. Freedom Financial's demand letters are often signed by an employee who purports to work for "Legal" or in the "Legal Department" of Freedom Financial, inaccurately suggesting that the correspondence was sent from an attorney or an agent of an attorney.

78. Freedom Financial represents in its demand letters that consumers owe thousands of dollars in payday loan debt and threatens consumers that if they do not pay immediately their file will be "processed out."

79. Freedom Financial also represents that "processing out" a file could include putting a lien on a consumer's vehicle, putting a lien on a consumer's bank account, or charging a consumer with check fraud.

80. Fearing that Freedom Financial would jeopardize their employment, seek their arrest, or put liens on their assets, consumers pay Freedom Financial for payday loan debt they do not owe.

81. At first, Freedom Financial accepted payments from consumers through various types of payment methods, including MoneyGram. For example, consumer Audrey Allen sent \$610.00 via MoneyGram in July 2015. The tracking receipt of the MoneyGram shows that Johnson received the \$610.00 Allen paid to Freedom Financial.

82. On June 14, 2015, however, Johnson created a PayPal account on behalf of Freedom Financial through which to accept payments from consumers.

83. Hawkins instructed Johnson to create the PayPal account in order to process payments generated by the Freedom Financial debt collection business.

84. On this PayPal account, Johnson listed the business email address for Freedom Financial as yourfreedomfinancial@yahoo.com, an address from which demand letters were sent to consumers. Johnson's cell phone number is also listed as a phone number on the account.

85. Johnson listed the Tinley Park P.O. Box address that appeared on demand letters to consumers, as well as her home address in Richton Park, Illinois, as Freedom Financial's business addresses when she applied for Freedom Financial's PayPal account. Johnson's MasterCard account is also linked to the Freedom Financial PayPal account.

86. Between July 2015 and July 2016, Freedom Financial collected \$159,635.00 in receipts through the PayPal account alone. This total does not reflect amounts that Freedom Financial may have collected through payment processors other than PayPal.

CONSUMER ILLUSTRATIONS

87. Consumers have filed complaints regarding Defendants' conduct with the Office of the Illinois Attorney General, the BBB and other government entities. The following examples of consumer experiences are taken from those complaints are illustrations and should not be construed as the only instances in which consumers were harmed or could be harmed by Defendants' persistent course of unlawful conduct. Plaintiff reserves the right to prove that other consumers have been victims of Defendants' unlawful practices.

Michelle and Keith Marshall

88. Michelle Marshall (f/k/a Michelle Weatherspoon) and Keith Marshall are married and live in Cook County, Illinois. They were looking for help to improve their credit in order to apply for a mortgage to purchase a home.

89. In or around September 2016 the Marshalls went to Freedom Financial's Matteson location to meet with Hawkins.

90. Hawkins represented to the Marshalls that she could remove derogatory items from their credit reports and improve their credit so that they could purchase a home.

91. Hawkins gave Michelle Marshall a flyer advertising Freedom Financial's services for "\$500 down." The Marshalls did not sign a contract with Hawkins or Freedom Financial.

92. Hawkins represented that she would add at least three trade lines to the Marshalls' respective credit reports, stated that it would cost the Marshalls \$500 per trade line added, and demanded \$3,000.00 from the Marshalls before any services would be rendered.

93. Michelle Marshall paid \$2,600 using her credit card. However, Hawkins changed her mind about accepting the lesser payment, refunded Michelle Marshall's credit card payment, and demanded that the Marshalls pay \$3,000.00 in cash.

94. The Marshalls returned to Freedom Financial's Matteson location and paid Hawkins \$3,000.00 in cash.

95. After receiving the upfront fee of \$3,000 from the Marshalls, Hawkins pulled the Marshalls' credit reports and again promised to add trade lines to the Marshalls' credit profiles to improve their respective credit scores.

96. In December 2016, Michelle Marshall contacted Hawkins because the Marshalls' credit reports had not changed and their overall credit had not improved.

97. On or around December 6, 2016, the Marshalls met with Hawkins at Freedom Financial's Chicago location and Hawkins advised the Marshalls to list Freedom Financial as their employer and use false paystubs that Hawkins provided to them.

98. The paystubs falsely represented that the Marshalls worked for Freedom Financial and included social security numbers that purported to be the Marshalls' social security numbers.

99. Hawkins advised the Marshalls to use these false social security numbers when applying for credit, such as for in-store credit cards.

100. At this point, the Marshalls asked for their \$3,000.00 back. Hawkins refused to refund the money and instead told them to wait while she added trade lines.

101. Michelle Marshall continued to call Hawkins from December 2016 through February 2017. Hawkins continued to represent that she was working on adding trade lines. Hawkins would not provide details about these supposed trade lines.

102. Sometime in February 2017, Hawkins began to ignore the Marshalls' phone calls. When Michelle Marshall was able to reach her, Hawkins refused to refund the \$3,000.00 and insisted she was still working on adding trade lines.

103. Hawkins and Freedom Financial have not performed any credit repair services for the Marshalls, have not returned any of the \$3,000.00 fee, and did not improve the Marshalls' credit.

104. The Marshalls filed complaints against Freedom Financial and Hawkins with the Illinois Attorney General's Office in March 2017.

Carmen Buzea and Junior Estimable

105. In September 2015, Carmen Buzea and her fiancé, Junior Estimable, were looking for help to improve their credit.

106. Carmen and Junior called Freedom Financial and spoke with Hawkins. They went to Freedom Financial's Matteson location for an initial consultation on September 10, 2015.

107. At this meeting, Hawkins pulled Carmen and Junior's respective credit reports. Hawkins represented that she could remove certain negative items from their credit reports and add credit lines to improve their credit.

108. Hawkins had Carmen and Junior sign separate "Credit Repair Contracts" with Freedom Financial on September 10, 2015. The contracts were identical, except that Carmen was charged a higher fee than Junior. *See* Ex. F.

109. Hawkins also had Carmen and Junior each sign a "Limited Power of Attorney" form. *See* Ex. G.

110. Hawkins charged Carmen \$1,500.00 to repair her credit and Junior \$1,200.00 to repair his credit, and asked for an upfront payment of \$2,700.00.

111. Because they could not afford that payment, Carmen and Junior entered into a payment plan with Hawkins in which Carmen paid \$250.00 as a down payment on September 10, 2015. Carmen and Junior agreed to pay \$250.00 every two weeks after the initial payment until the entire \$2,700.00 was paid. *Id.*

112. After the September 10, 2015 meeting with Hawkins, Carmen called Hawkins multiple times asking if Hawkins had performed any services related to the credit reports. Hawkins said that she could not start providing services until the entire \$2,700.00 up-front fee was paid in full.

113. In December, 2015, Carmen asked Hawkins whether she would begin working on either one or the other of Carmen and Junior's credit reports, considering Carmen and Junior had

paid enough at that point to pay the balance on one of their separate contracts. But, Hawkins refused to start the credit repair process until both accounts were paid in full.

114. Carmen and Junior contacted Kenneth Owens, who had originally referred them to Freedom Financial. They learned that Kenneth Owens was involved in the business. Kenneth Owens advised Carmen and Junior that Hawkins was unable to handle their file, so it was transferred to another Freedom Financial employee, Melissa Gholar.

115. When Carmen and Junior contacted Melissa Gholar, she stated that she could not begin the credit repair process until Freedom Financial received the total \$2,700.00.

116. Carmen and Junior made their bi-weekly payments of \$250.00 until March 2016. From September 2015 to March 2016, Freedom Financial and Hawkins did not perform any of the services detailed in the contracts Carmen and Junior signed on September 10, 2015.

117. In March 2016, after the \$2,700.00 was paid in full, Hawkins represented to Carmen and Junior that the “credit repair process” could commence, but the process would take 30-90 days.

118. Hawkins again represented that she would add trade lines to Carmen and Junior’s credit reports to repair and improve their credit.

119. After waiting several months, in July 2016, Carmen and Junior contacted Hawkins at Freedom Financial. At that point, neither Freedom Financial nor Hawkins had performed any credit repair services for Carmen or Junior.

120. Hawkins represented that she was working to put trade lines on Carmen and Junior’s respective credit reports, but that they would have to wait to see any results.

121. Carmen and Junior continued to wait for trade lines to appear on the credit reports; meanwhile, there was no improvement to their credit. In the fall of 2016, Carmen and

Junior again visited Freedom Financial's Matteson location. When they arrived at the Matteson location, there was no sign on the door and the door was locked.

122. The landlord at the Matteson location contacted Hawkins to let her know that Carmen and Junior were at the office looking for her.

123. Hawkins arrived at the Matteson location and Carmen and Junior demanded their money back. Hawkins refused.

124. Instead, Hawkins claimed that Freedom Financial had performed credit repair services for Carmen and Junior; but, when asked what services were performed, Hawkins could provide no details.

125. On January 4, 2017, an attorney representing Carmen and Junior sent a letter to Freedom Financial demanding a full refund of the \$2,700.00 paid to Hawkins; neither Hawkins nor Freedom Financial ever responded.

126. Finally, in April 2017, after Freedom Financial and Hawkins refused to return the \$2,700.00 despite having performed no credit repair services, Carmen and Junior filed complaints against Freedom Financial and Hawkins at the Office of the Illinois Attorney General.

Audrey Allen

127. Audrey Allen resides in Key West, Florida, and was 65 years or older when Freedom Financial began calling her in February 2015.

128. Allen had applied for loans in the past but believed they were paid off at the time Freedom Financial contacted her in February 2015.

129. However, Freedom Financial insisted that she owed unpaid debts, calling and emailing Allen several times a week at home and at work, in addition to sending demand letters.

130. Freedom Financial repeatedly threatened to sue Allen, garnish her wages, or send someone to her place of work to collect on her supposed debt.

131. Out of fear of losing her job or being sued, Allen succumbed to Freedom Financial's threats and intimidation, and made numerous payments—often multiple times a week—to Freedom Financial in amounts ranging from \$125 to \$900 each time.

132. In February 2016, Allen hired an attorney to send a letter of demand for proof of debt to Freedom Financial's Tinley Park address. The letter went unanswered.

133. Then in March 2016, Allen's attorney sent another letter of demand for proof of debt to Freedom Financial's Riverwalk address. This letter also went unanswered.

134. In April 2016, Allen re-sent both the February 2016 and March 2016 letters to Freedom Financial's Riverwalk address.

135. Instead of providing proof of the payday loans the consumer allegedly owed, in May 2016 Freedom Financial abruptly advised Allen that it would "cease all communication" with her and that all of her "files [were] paid in full."

136. Between February 2015 and May 2016, Allen made nearly 160 payments to Freedom Financial totaling over \$95,250.00 on putative debts that she did not owe.

137. In May 2016, Allen filed a complaint against Freedom Financial with the Office of the Illinois Attorney General.

Gwendolyn Forrest

138. Gwendolyn Forrest is an elderly consumer who resides in Rockford, Illinois.

139. Forrest applied for loans in the past but paid them off several years prior to the time Freedom Financial began contacting her in July 2015.

140. However, Freedom Financial insisted that Forrest still owed unpaid debts, calling and emailing her several times a week at home and at work, in addition to sending demand letters.

141. Freedom Financial repeatedly threatened to garnish Forrest's wages and to contact her employer about the supposed debt.

142. Forrest succumbed to Freedom Financial's threats and intimidation out of fear of losing her job and the fear that someone may have stolen her identity and was using her personal information to obtain payday loans.

143. Between July 2015 and June 2016, Forrest paid Freedom Financial \$22,416.00 on putative debts she did not owe.

144. In May 2016, Forrest filed a complaint against Freedom Financial with the Illinois Attorney General's Office.

VIOLATIONS OF LAW

COUNT I: CREDIT SERVICES ACT

As to Defendants Freedom Financial and Hawkins

145. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 126.

146. Freedom Financial and Hawkins at all times relevant hereto, operated as a "credit services organization" in Illinois in that they represented that they could provide services in return for the payment of money to improve or restore consumers' credit profile, history or scores.

147. In the course of advertising their credit services, Freedom Financial and Hawkins violated the Credit Services Act by:

- a. Failing to register as a credit services organization with the Illinois Secretary of

State as required by 815 ILCS 605/9, before acting as a credit services organization in Illinois;

- b. Charging and receiving money prior to full and complete performance of the services the credit services organization agreed to perform, in violation of 815 ILCS 605/5(1);
- c. Representing that they can improve consumers' credit scores without having the ability to do so, in violation of 815 ILCS 605/5(4);
- d. Advising consumers to make untrue and/or misleading statements with respect to a credit reporting agency, in violation of 815 ILCS 605/5(3);
- e. Holding themselves out as legally able to perform credit repair work within and from the state of Illinois, while not being registered to do such work as required by the Credit Services Act;
- f. Failing to provide to Illinois consumers, in writing and prior to accepting payment, a statement required by 815 ILCS 605/6 containing the following:
 - i. 815 ILCS 605/6(1): a complete and accurate statement of the buyer's right to review any file on the buyer maintained by a consumer reporting agency, as provided under the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.);
 - ii. 815 ILCS 605/6(2): a statement that the buyer may review his consumer reporting agency file at no charge if a request therefor is made to such agency within 30 days after receipt by the buyer of notice that credit has been denied and if such request is not made within the allotted time, the approximate charge to the buyer for such review;
 - iii. 815 ILCS 605/6(3): a complete and accurate statement of the buyer's right to dispute the completeness or accuracy of any item contained in any file on the buyer maintained by a consumer reporting agency;
 - iv. 815 ILCS 605/6(5): a statement notifying the buyer that: (i) credit reporting agencies have no obligation to remove information from credit reports unless the information is erroneous, cannot be verified or is more

- than 7 years old; and (ii) credit reporting agencies have no obligation to remove information concerning bankruptcies unless such information is more than 10 years old;
- v. 815 ILCS 605/6(6): a statement asserting the buyer's right to proceed against the surety bond required under Section 10;
 - vi. 815 ILCS 605/6(7): the name and business address of any such surety company together with the name and the number of the account; and
- g. Failing to incorporate in their contract to Illinois consumers the elements required by 815 ILCS 605/7:
- (a) Each contract between the buyer and a credit services organization for the purchase of the services of the credit services organization shall be in writing, dated, signed by the buyer, and shall include:
 - (1) a conspicuous statement in boldfaced type, in immediate proximity to the space reserved for the signature of the buyer, as follows:
"You, the buyer, may cancel this contract at any time before midnight of the third day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right";
 - (2) the terms and conditions of payment, including the total of all payments to be made by the buyer, whether to the credit services organization or to another person;
 - (3) a full and detailed description of the services to be performed by the credit services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated date by which the services are to be performed or the estimated length of time for performing the services; and
 - (4) the address of the credit services organization's principal place of business and the name and address of its agent in the State authorized to receive service of process.
 - (b) The contract must have two easily detachable copies of a notice of cancellation. The notice must be in boldfaced type and in the following form:

"Notice of Cancellation"

"You may cancel this contract, without any penalty or obligation, within three days after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within 10 days after the date of receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or other written notice to:

(name of seller) at (address of seller) (place of business) not later than midnight (date)

I hereby cancel this transaction."

.....
(date)

.....
(purchaser's signature)

PRAYER FOR RELIEF

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

- A. Finding that Freedom Financial and Hawkins operated a "Credit Services Organizations" within the meaning of Section 3 of the Credit Services Act, 815 ILCS 605;
- B. Finding that Freedom Financial and Hawkins violated the Credit Services Act, 815 ILCS 605/1 *et seq.*, by the unlawful acts and practices alleged in this Complaint;
- C. Preliminarily and permanently enjoining Freedom Financial and Hawkins from engaging, in any capacity, in the business of credit repair in or from the State of Illinois;
- D. Revoking, forfeiting or suspending any and all licenses, certificates, charters, franchises, certificates or other evidence of authority of Freedom Financial and Hawkins to do business in the State of Illinois;
- E. Declaring that all contracts entered into between Freedom Financial and consumers by the use of methods and practices described in this Complaint are unlawful and rescinded;
- F. Ordering Freedom Financial and Hawkins, jointly and severally, to pay full restitution to all affected consumers; and
- G. Providing such equitable and other relief as justice may require.

COUNT II: CONSUMER FRAUD ACT

*As to Defendants Financial Freedom and Hawkins
for unfair and deceptive practices relating to credit repair*

148. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 126.

149. While engaged in trade or commerce, Freedom Financial and Hawkins committed the following deceptive and/or unfair acts or practices, with the intent that consumers would rely upon the deceptive acts and practices, in violation of Sections 2 of the Consumer Fraud Act, 815 ILCS 505/2:

- a. Misrepresenting that they will add trade lines to improve consumers' credit reports;
- b. Misrepresenting that consumers' credit scores will be improved within a certain timeframe;
- c. Misrepresenting that consumers only need to pay "\$250 Down" to start receiving credit repair services;
- d. Misrepresenting that Freedom Financial is qualified to act as a credit services organization in Illinois;
- e. Advising consumers to use false employment documents and fraudulent social security numbers to falsify their credit profiles; and
- f. Failing to return money paid by consumers for promised credit repair work despite failing to perform the work.

150. While engaged in trade or commerce, Freedom Financial and Hawkins knowingly violated the Credit Services Act, as alleged in Paragraphs 1-95 above, which constitutes a violation of Section 2Z of the Consumer Fraud Act, 815 ILCS 505/2Z.

PRAYER FOR RELIEF

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

A. Finding that Freedom Financial and Hawkins engaged in trade or commerce within the meaning of Section 1(f) of the Consumer Fraud Act;

B. Finding that, in the conduct of trade or commerce, Freedom Financial and Hawkins engaged in unfair or deceptive acts or practices within the meaning of Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by the unlawful acts and practices alleged in this Complaint;

C. Finding that Freedom Financial and Hawkins operated “Credit Services Organizations” within the meaning of Section 3 of the Credit Services Act, 815 ILCS 605;

D. Finding that Freedom Financial and Hawkins knowingly violated the Credit Services Act by the unlawful acts and practices alleged in the Complaint and, therefore, violated Section 2Z of the Consumer Fraud Act, 815 ILCS 505/2Z;

E. Preliminarily and permanently enjoining Freedom Financial and Hawkins from engaging in the deceptive and unfair practices alleged in this Complaint, and permanently enjoin Freedom Financial and Hawkins from engaging, in any capacity, in the business of credit repair in or from the State of Illinois;

F. Revoking, forfeiting or suspending any and all licenses, certificates, charters, franchises, certificates or other evidence of authority of Freedom Financial and Hawkins to do business in the State of Illinois;

G. Declaring that all contracts entered into between Freedom Financial and consumers by the use of methods and practices described in this Complaint are unlawful and rescinded;

H. Ordering Freedom Financial and Hawkins, jointly and severally, to pay full restitution to all affected consumers;

I. Ordering each of Freedom Financial and Hawkins to pay \$50,000 per deceptive or unfair act or practice, and an additional amount of \$50,000 for each act or practice found to be have been committed with intent to defraud, as provided in Section 7(b) of the Consumer Fraud Act, 815 ILCS 505/7(b);

J. Ordering each of Freedom Financial and Hawkins to pay \$10,000 for any method, act, or practice declared unlawful under the Consumer Fraud Act and directed towards a person 65 years of age or older, as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);

K. Requiring Freedom Financial and Hawkins to pay all costs for the prosecution and investigation of this action; and

L. Providing such equitable and other relief as justice may require.

COUNT III: CONSUMER FRAUD ACT

***As to all Defendants Financial Freedom, Hawkins and Johnson
for unfair and deceptive practices relating to debt collection***

151. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 144.

152. Freedom Financial, Hawkins, and Johnson are unlicensed “debt collectors” or they act as an unlicensed “collection agency,” or both, in that in the ordinary course of business Freedom Financial, Hawkins, and Johnson engage in “debt collection” in Illinois, as defined in Section 2 of the Collection Agency Act, 225 ILCS 425/2.

153. Section 9.7 of the Collection Agency Act provides, “The Attorney General may enforce the knowing violation of Section 9 (except for items (2) through (4), (7) through (9), (11)

through (13), and (23) of subsection (a)), 9.1, 9.2, 9.3, or 9.4 of this Act as an unlawful practice under the [Consumer Fraud Act].” 225 ILCS 425/9.7.

154. Freedom Financial, Hawkins, and Johnson have knowingly violated the relevant portions of Section 9 of the Collection Agency Act, thereby committing an unlawful practice within the meaning of the Consumer Fraud Act, *see* 225 ILCS 425/9.7, by:

- a. Aiding or assisting another person in violating the Collection Agency Act, in violation of 225 ILCS 425/9(a)(5);
- b. Threatening to instigate arrest or criminal prosecution where no basis for a criminal complaint lawfully exists, in violation of 225 ILCS 425/9(a)(15);
- c. 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 violated of 225 ILCS 425/9(a)(16);
- d. Initiating or threatening to initiate communication with a debtor's employer without there being a default of the payment of the obligation for at least 30 days and without giving the employee at least 5 days’ prior written notice to the last known address of the debtor, of the intention to communicate with the employer, when not expressly permitted by law or court order, in violation of 225 ILCS 425/9(a)(18);
- 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 225 ILCS 425/9(a)(24);
- f. Misrepresenting the amount of the debt alleged to be owed, in violation of 225 ILCS 425/9(a)(30);

- g. Representing that the collection agency is an attorney at law or an agent for an attorney when he or she is not, in violation of 225 ILCS 425/9(a)(32);
- h. Collecting or attempting to collect any interest or other charge or fee in excess of the actual debt without such interest or other charge or fee being expressly authorized by the agreement creating the debt when not expressly authorized by law, in violation of 225 ILCS 425/9(a)(33); and
- i. Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud or harm the public, in violation of 225 ILCS 425/9(a)(35).

155. Freedom Financial, Hawkins, and Johnson knowingly violated Section 9.3 of the Collection Agency Act, 225 ILCS 425/9.3, thereby committing an unlawful practice within the meaning of the Consumer Fraud Act, by failing to, within 5 days after the initial communication with a debtor in connection with the collection of any debt, and without providing the following information contained in the initial communication, send the debtor a written notice with each of the following disclosures:

- a. The amount of the debt;
- b. The name of the creditor to whom the debt is owed;
- c. 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 collection agency;
- d. That, if the debtor notifies the collection agency in writing within the 30-day period that the debt, or any portion thereof, is disputed, the 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 collection agency; and
- e. That upon the debtor's written request within the 30-day period, the 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.

156. While engaged in trade or commerce, Freedom Financial, Hawkins, and Johnson committed the following deceptive and/or unfair acts or practices, with the intent that consumers would rely upon the deceptive acts and practices, in violation of Sections 2 of the Consumer Fraud Act, 815 ILCS 505/2:

- a. Misrepresenting the legal status of debts in demand letters sent to consumers;
- b. Misrepresenting that Freedom Financial will or could enforce a right or remedy despite knowledge that it has no basis for doing so;
- c. Creating the impression that demand letters are sent by someone who works in a legal capacity for Freedom Financial; and
- d. Intimidating consumers in order to collect on sham debts.

PRAYER FOR RELIEF

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

- A. Finding that Freedom Financial, Hawkins, and Johnson engaged in trade or commerce within the meaning of Section 1(f) of the Consumer Fraud Act;
- B. Finding that, in the conduct of trade or commerce, Freedom Financial, Hawkins, and Johnson engaged in unfair and/or deceptive acts or practices within the meaning of Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by the unlawful acts and practices alleged in this Complaint;
- C. Finding that Freedom Financial, Hawkins, and Johnson engaged in debt collection as defined by Section 2 of the Collection Agency Act;

D. Finding that Freedom Financial, Hawkins, and Johnson knowingly violated Section 9 of the Collection Agency Act, by the unlawful acts and practices alleged herein;

E. Finding that Freedom Financial, Hawkins, and Johnson violated Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by virtue of their knowing violations of portions of Section 9 of the Collection Agency Act;

F. Preliminarily and permanently enjoining Freedom Financial, Hawkins, and Johnson from engaging in the deceptive and unfair practices alleged in this Complaint, and permanently enjoining Freedom Financial, Hawkins, and Johnson from engaging, in any capacity, in the business of debt collection, as defined in Section 2 of the Collection Agency Act, in or from the State of Illinois;

G. Revoking, forfeiting or suspending any and all licenses, certificates, charters, franchises, certificates or other evidence of authority of each of Freedom Financial, Hawkins, and Johnson to do business in the State of Illinois;

H. Declaring that all contracts entered into between Freedom Financial, Hawkins, or Johnson and consumers by the use of methods and practices described herein are unlawful and rescinded;

I. Ordering Freedom Financial, Hawkins and Johnson, jointly and severally, to pay full restitution to all affected consumers;

J. Ordering each of Freedom Financial, Hawkins, and Johnson to pay \$50,000 per deceptive or unfair act or practice, and an additional amount of \$50,000 for each act or practice found to be have been committed with intent to defraud, as provided in Section 7(b) of the Consumer Fraud Act, 815 ILCS 505/7(b);

K. Ordering each of Freedom Financial, Hawkins, and Johnson to pay \$10,000 for any method, act, or practice declared unlawful under the Consumer Fraud Act and directed towards a person 65 years of age or older, as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);

L. Requiring Freedom Financial, Hawkins, and Johnson to pay all costs for the prosecution and investigation of this action; and

M. Providing such equitable and other relief as justice may require.

COUNT IV: COLLECTION AGENCY ACT

As to all Defendants Financial Freedom, Hawkins and Johnson

157. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 144.

158. Freedom Financial, Hawkins, and Johnson are unlicensed “debt collectors” or they act as an unlicensed “collection agency,” or both, in that in the ordinary course of business Freedom Financial, Hawkins, and Johnson engage in “debt collection” in Illinois, as defined in Section 2 of the Collection Agency Act, 225 ILCS 425/2.

159. Freedom Financial, Hawkins, and Johnson violated Section 4 of the Collection Agency Act, 225 ILCS 425/4, by acting as debt collectors or a collection agency without being licensed.

160. Section 14a of the Collection Agency Act provides that “the practice as a collection agency by any person not holding a valid and current license under this Act is declared to be inimical to the public welfare, to constitute a public nuisance, and to cause irreparable harm to the public welfare.” 225 ILCS 425/14a. Section 14a also provides that the Illinois Attorney

General's Office has the authority to bring an action in circuit court, asking the Court to enjoin such unlicensed activity.


PRAYER FOR RELIEF

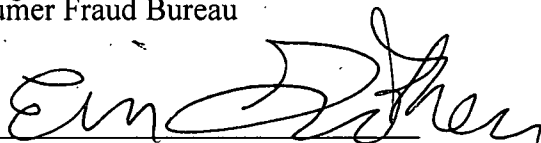
Wherefore, the Plaintiff prays that this Honorable Court enter an Order:

- A. Finding that Freedom Financial, Hawkins, and Johnson engaged in debt collection as defined by Section 2 of the Collection Agency Act;
- B. Finding that Freedom Financial, Hawkins, and Johnson violated Section 4 of the Collection Agency Act, by the unlawful acts and practices alleged herein;
- C. Preliminarily and permanently enjoining Freedom Financial, Hawkins, and Johnson from engaging in the deceptive and unfair practices alleged in this Complaint, and permanently enjoin Freedom Financial, Hawkins, and Johnson from engaging, in any capacity, in the business of debt collection, as defined in Section 2 of the Collection Agency Act, in or from the State of Illinois; and
- D. Providing such equitable and other relief as justice may require.

Respectfully Submitted,

The People of the State of Illinois,
by KWAME RAOUL
ATTORNEY GENERAL OF ILLINOIS

By: 
Greg Gizeskiewicz, Chief
Consumer Fraud Bureau

By: 
Erin Grotheer
Assistant Attorney General

Attorney No. 99000

KWAME RAOUL
ILLINOIS ATTORNEY GENERAL

Greg Grzeskiewicz, Chief
Consumer Fraud Bureau

Thomas P. James
Erin Grotheer
Assistant Attorneys General
Consumer Fraud Bureau
100 West Randolph Street, 12th floor
Chicago, Illinois 60601
312/814-4424

FILED
1/13/2020 9:57 AM
DOROTHY BROWN
CIRCUIT CLERK
COOK COUNTY, IL
2020CH00397

EXHIBIT A

FILED DATE: 1/13/2020 9:57 AM 2020CH00397



State of Illinois
Executive Department

CERTIFICATE

To All To Whom These Presents Shall Come, Greeting:

I, JESSE WHITE, Secretary of State of the State of Illinois, do hereby certify that the records of this office indicate that **Hope Credit Solutions and Desiree Hawkins, Emma Jones and Sukari Jones**, has filed a Registration Statement with no bond in this office on July 11, 2011, pursuant to the "Credit Services Organization Act", 815 ILCS 605/1 et. seq.

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois. Done at the City of Springfield, **June 19, 2019.**

A handwritten signature in cursive script that reads "Jesse White".

SECRETARY OF STATE





5MSF07/11/11:05:0301: 100.00 CK01
1033 CSO
FOR DEPOSIT ONLY

OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

July 11, 2011

Hope Credit Solutions
Attn: Emma Jones
22109 Governors Hwy.
Richton Park, IL 60471

Dear Ms. Jones:

Receipt is acknowledged of the Credit Services Organization Registration Statement, along with the statutory filing fee in the amount of \$100.00 for **Hope Credit Solutions**, 22109 Governors Hwy., Richton Park, Illinois 60471.

The said Credit Services Organization Registration Statement has been placed on file in this office, dated July 11, 2011, pursuant to 815 ILCS 605/9 of the Credit Services Organization Act.

Enclosed is a filed-stamped copy of the Registration Statement for your records.

Sincerely,

Lissa Richno
Public Records
Index Department

enclosure

FILED DATE: 1/13/2020 9:57 AM 2020CH00397

State of Illinois Credit Services Organization Registration Statement

Required by Public Act 85-1384, effective Jan. 1, 1989. 815 ILCS 605/9 - \$100 Filing Fee



FILED
INDEX DEPARTMENT

JUL 11 2011

IN THE OFFICE OF
SECRETARY OF STATE

Secretary of State Index Department
111 E. Monroe
Springfield, IL 62756
217-782-7017
www.cyberdriveillinois.com

When a change in the information contained in this statement occurs, the credit services organization is required to file an amended statement within 90 days. There is no fee for filing amended statements.

A credit services organization is required to continuously maintain a \$100,000 surety bond if that organization **charges or receives any money or other valuable consideration prior** to full and complete performance of the services the organization has agreed to perform. A bond also shall be maintained for two years after the date the organization ceases operations.

A file-stamped copy of this statement will be returned to the credit services organization who must maintain the copy in their files and allow a buyer to inspect the registration statement.

1. Name and Address of the Credit Services Organization:

Hope Credit Solutions

22109 Governors Hwy

Richton Park IL, 60471

2. Name and Address of the Registered Agent of Individual Authorized to Accept Service of Process on Behalf of the Credit Services Organization:

Emma Jones

21155 Vivienne Dr.

Matteson IL 60443

3. Name and Address of All Persons Who Directly or Indirectly Own or Control 10 Percent or More of the Outstanding Shares of Stock in the Credit Services Organization: (If more space is needed, attach additional sheets of this size.)

Desiree Hawkins

Emma Jones

Sukari Jones

4. If any, the Bond Number, Name and Location of the Surety Company Issuing a \$100,000 Surety Bond as Required by the Credit Services Organizations Act:

None

5. (A) Has there been any litigation or unresolved complaint filed with a governmental authority of this state, any other state or the United States relating to the operation of this Credit Services Organization?

- Yes — If yes, attach a full disclosure.
- No

(B) If there has been no litigation or unresolved complaint filed, the statement must be completed and notarized.

I, Desiree Hawkins, Emma Jones, Sukari Jones, Owner
Name Official Capacity

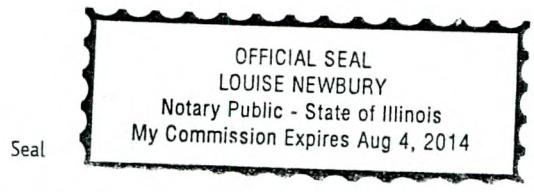
of Hope Credit Solutions
Name of Credit Services Organization

do hereby affirm that there has been no litigation or unresolved complaint filed with a governmental authority of this state, any other state or the United States relating to the operation of this Credit Services Organization.

Desiree Hawkins, Emma Jones, Sukari Jones
Signature

Subscribed and affirmed before me on 22 June 2011

Louise Newbury
Signature of Notary Public



FILED
INDEX DEPARTMENT
JUL 11 2011
IN THE OFFICE OF
SECRETARY OF STATE

6. I do hereby affirm that the foregoing statements and any attachments are true and correct.

Emma Jones, Sukari Jones, Desiree Hawkins
Signature

Official Capacity

Subscribed and affirmed before me on 22 June 2011

Louise Newbury
Signature of Notary Public



Return completed form and \$100 filing fee to:
Secretary of State, Index Department, 111 E. Monroe, Springfield, IL 62756 • 217-782-7017

FILED DATE: 1/13/2020 9:57 AM 2020CH00397

EXHIBIT B



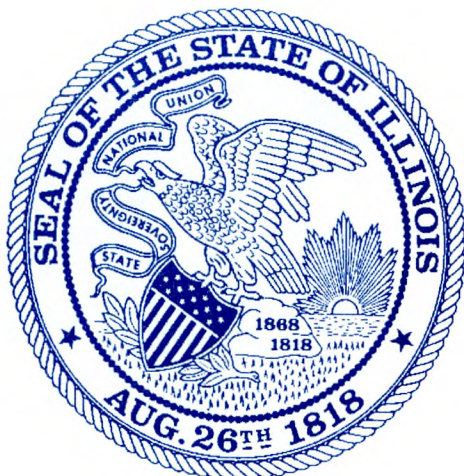
State of Illinois
Executive Department

CERTIFICATE

To All To Whom These Presents Shall Come, Greeting:

I, JESSE WHITE, Secretary of State of the State of Illinois, do hereby certify that a search of the Credit Services Organizations records of this office indicates that **Freedom Financial Solutions Inc.,** has not filed a Registration Statement or Bond, pursuant to the "Credit Services Organizations Act", 815 ILCS 605/1 et. seq.

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois. Done at the City of Springfield, Illinois on **June 19, 2019.**



Jesse White

SECRETARY OF STATE

EXHIBIT C

FREEDOM FINANCIAL SOLUTIONS

CREDIT REPAIR CONTRACT

Date: 01-10-15	File Number	Social Security
Applicant Last Name: Estimable	First Name: Junior	Middle Name: Antoine
Current Address	How long?	Previous Address
Home Phone	Work Phone	Work Fax
Company Name	Company Address	Position

SERVICE AGREEMENT FOR AUDITING CREDIT REPORT CREDIT ACCURACY VERIFICATION SERVICE

- Consultant will perform the following services for client:
1. Originate an audit/ Dispute file for each client.
 2. Once Credit reports are received we will then analyze and perform a general audit.
 3. Prepare disputes for authorized clients against all inaccurate erroneous information on credit reports.
 4. Prepare necessary documentation and forward disputes of inaccuracy to credit bureaus, erroneous and challenging letters to credit bureaus.

\$80.00 consultation fee
CREDIT RESTORATION CONTRACT
 \$1,200 for the entire credit report
 If paid in full results will occur in 60 days.
 \$100.00 for each item under 8 items
 \$250.00 down & partial payments will take 120 days to see results.

Other Services
 Stop Payday Loan Garnishments
 \$150.00 per payday loan
 Debt negotiation
 \$150.00 per item
 Loan Funding
 6% of the loan
 Trade Fees
 \$300.00-\$1,000
 \$500.00 for Judgements, tax liens, bankruptcies

FIRST STEP: Credit Computation, Review credit bureaus Equifax..... Experian..... Trans-Union.....	15 DAYS AFTER: Reports received and disputed with credit bureaus.	30 DAYS AFTER: First results Re-challenges	60 DAYS LATER AND ONE: Second results Re-challenge
--	---	---	---

BY SIGNING BELOW, I ACKNOWLEDGE HAVING RECEIVED A COPY OF THIS INFORMATION STATEMENT PRIOR TO EXECUTING AN AGREEMENT FOR ANY CREDIT SERVICES DESCRIBED ABOVE. I HEREBY AUTHORIZE FREEDOM FINANCIAL SOLUTIONS TO REQUEST AND USE MY CREDIT REPORTS TO IMPROVE MY CREDIT STATUS. I HEREBY UNDERSTAND THAT I MUST SUBMIT ANY CREDIT REPORT UPDATES IMMEDIATELY TO (FFS) UPON RECEIPT. I UNDERSTAND THAT MY PAYMENT COVERS 1 year credit monitoring. I ALSO UNDERSTAND THAT IS FFS REMOVES DEBT THAT IS MORE THAT WHAT WAS PAID THERE WILL BE NO REFUNDS ISSUED.

Client Name: Junior D. Estimable Client Signature: [Signature] Social Security: [Redacted] Date: 9/13/15

Sales Representative: <u>[Signature]</u>	Referred by: <u>KD</u>
Service Fee Non Refundable Payment: <u>1,200</u>	Payment: <u>100.00</u>
Total: <u>1,200</u>	Balance: <u>1,000.00</u>

NOTICE OF CANCELLATION BY LAW
 You may cancel this contract with no penalty or obligation, at any time prior to midnight of the 3rd day which begins after the date the contract is signed by you. To cancel this contract Certified mail or deliver, a signed & date copy of this cancellation notice, or any other written notice to:
 I hereby cancel this transaction: _____ Date: _____

FILED DATE: 1/13/2020 9:57 AM 2020CH00397

EXHIBIT D



Limited Power of Attorney

I/We, _____, appoint Freedom Financial Solutions, Inc., also known as ("Agent"), its officers, agents, employees, and designees as my Attorney-in-Fact, on the following terms and conditions only:

1. **Authority to Act.** The Agent is authorized to act for me under this Limited Power of Attorney as described herein.
2. **Limited Powers of Agent.** The Agent may act and exercise power, authority and control on my behalf, with regard to the assistance in disputing/challenging inaccurate, obsolete and unverifiable information on my credit bureau reports, limited to the following enumerated powers only.
 - **Signatory Rights.** Signing of correspondence addressed to the credit bureau, signing of correspondence addressed to creditors, obtaining credit information over the telephone, fax, and internet, through written or online correspondence from credit bureaus, creditors or collection agencies.
 - **Authority to Request Information.** To request information upon the presentation of this durable Limited Power of Attorney for purposes, including but not limited to, the Custodian of records, Repository of the Court Records, Credit Bureau (TransUnion, Equifax, Experian), consumer reporting agencies, retail business establishments, lending institutions, student loan agencies (public and/or private).
 - **Delegation of Authority.** If mediation of a debt is necessary, I/we give Agent, the right to discuss information to help resolve a dispute.
3. **Reliance by Third Parties.** Third parties may rely upon the representation of the Agent as to all matters regarding limited powers granted to Agent herein. No person who acts in reliance on the representations of the authority granted under this Limited Power of Attorney shall incur any liability to me or to any heirs, family or associates, for permitting the Agent to exercise any power prior to actual knowledge that the Limited Power of Attorney has been revoked or terminated by operation of law or otherwise.
4. **Indemnification of Agent.** No Agent named in this power shall incur any liability to me for acting under this limited power. I/we agree to indemnify and hold harmless any Agent named in this power for any court costs, civil judgments, or reasonable attorney fees that are incurred as a result of exercising the limited powers described herein.

I ratify and confirm that my Attorney-in-Fact or any successor shall woefully do or cause to be done by virtue of this Limited Power of Attorney the right and powers granted therein.

Therefore, I, hereby, give Freedom Financial Solutions, Inc., its officers, agents, employees, and designees, the authority to investigate and obtain any information or records related to my credit repair.

Signature: _____

Print Name: _____ Date: _____

FILED DATE: 1/13/2020 9:57 AM 2020CH00397

EXHIBIT E

Subject: needs your attention

From: tammy sowaska (tammysowaska.freedomfinancial@gmail.com)

To: [REDACTED]

Date: Wednesday, June 1, 2016 5:52 PM

its up to you if you settle this or not

--

Always end your day with a positive thought, No matter how hard things were today, tomorrow is a fresh opportunity to make it better.

Attachments

- audrey allen 0601.docx (114.19KB)



5440 N Cumberland Ave # 300
Chicago, IL 60656

Audrey Allen

This is a letter regarding your loan you took online with 24/7 Pro Loan & Green Lending Cash \$19,741 with interest & fees. I'm offering you a settlement today in the amount of \$2175 or \$8145 in 6 payments . This file was taken out on 05/15/2012,

this file just came into our office yesterday so its up to you if you settle it or it will process out Thursday morning.

Thanks in Advance

Ms. Amanda

Legal

815-579-6936

This is an attempt to collect a debt any information will be used for that purpose.

EXHIBIT F

FILED DATE: 1/13/2020 9:57 AM 2020CH00397

FREEDOM FINANCIAL SOLUTIONS

CREDIT REPAIR CONTRACT

Date: 9-10-15	File Number	Social Security
Applicant Last Name: BUZZA	First Name: Carmen	Middle Name
Current Address	Previous Address	How long?
City, State, Zip	Previous City, State, Zip	
Cell Phone	Fax	Email
Company Name	Work Fax	Work Email
Company Address	Position	

SERVICE AGREEMENT FOR AUDITING CREDIT REPORT CREDIT ACCURACY VERIFICATION SERVICE

- Consultant will perform the following services for client:
1. Originates an audit/ Dispute file for each client.
 2. Once Credit reports are received we will then analyze and perform a general audit.
 3. Prepare disputes for authorized clients against all inaccurate erroneous information on credit reports.
 4. Prepare necessary documentation and forward disputes of inaccuracy to credit bureaus, erroneous and challenging letters to credit bureaus.

\$50.00 consultation fee

CREDIT RESTORATION CONTRACT

\$1,200 for the entire credit report if paid in full results will occur in 60 days.

\$100.00 for each item under 6 items

\$250.00 down & partial payments will take 120 days to see results.

Other Services

Stop Payday Loan Garnishments \$150.00 per payday loan

Debt negotiation \$150.00 per item

Loan Funding 8% of the loan

Trade lines \$300.00-\$1,500

\$500.00 for Judgments, tax liens, bankruptcies

FIRST STEP: Credit Consultation, Review credit bureaus	15 DAYS AFTER: Reports received and disputed with credit bureaus.	30 DAYS AFTER: First results Re-challenge	60 DAYS LATER AND ON: Second results Re-challenge
--	---	---	---

BY SIGNING BELOW, I ACKNOWLEDGE HAVING RECEIVED A COPY OF THIS INFORMATION STATEMENT PRIOR TO EXECUTING AN AGREEMENT FOR ANY CREDIT SERVICES DESCRIBED ABOVE. I HEREBY AUTHORIZE FREEDOM FINANCIAL SOLUTIONS TO REQUEST AND USE MY CREDIT REPORTS TO IMPROVE MY CREDIT STATUS. I HEREBY UNDERSTAND THAT I MUST SUBMIT ANY CREDIT REPORT UPDATES IMMEDIATELY TO (FFS) UPON RECEIPT. I UNDERSTAND THAT MY PAYMENT COVERS 1 year credit monitoring. I ALSO UNDERSTAND THAT IS FFS REMOVES DEBT THAT IS MORE THAT WHAT WAS PAID THERE WILL BE NO REFUNDS ISSUED.

CARMEN BUZZA *C. Buzza* Client Signature 9/10/15 Date

Sales Representative: <i>[Signature]</i>	Referred by: <i>[Signature]</i>
Service Fee Non Refundable Payment: 1,500	Payment: 150.00
Total: 1,500	Balance: 1,350

NOTICE OF CANCELLATION BY LAW

You may cancel this contract with no penalty or obligation, at any time prior to midnight of the 3rd day which begins after the date the contract is signed by you. To cancel this contract Certified mail or deliver, a signed & date copy of this cancellation notice, or any other written notice to:

I hereby cancel this transaction: _____ Date: _____

FREEDOM FINANCIAL SOLUTIONS

CREDIT REPAIR CONTRACT

Date 9-10-15		File Number		Social Security	
Applicant Last Name Estimable		First Name Sunior		Middle Name Audrine	
Current Address		How long?		Previous Address	
Home Phone		Fax		Email	
Company Name		Work Phone		Work Fax	
Company Address		Work Email		Position	
<p>SERVICE AGREEMENT FOR AUDITING CREDIT REPORT CREDIT ACCURACY VERIFICATION SERVICE</p> <p>Consultant will perform the following services for client:</p> <ol style="list-style-type: none"> Originate an audit/ Dispute file for each client. Once Credit reports are received we will then analyze and perform a general audit. Prepare disputes for authorized clients against all inaccurate erroneous information on credit reports. Prepare necessary documentation and forward disputes of inaccuracy to credit bureaus, erroneous and challenging letters to credit bureaus. 		<p>\$50.00 consultation fee</p> <p>CREDIT RESTORATION CONTRACT</p> <p>\$1,200 for the entire credit report if paid in full results will occur in 60 days.</p> <p>\$100.00 for each item under 5 items</p> <p>\$250.00 down & partial payments will take 120 days to see results.</p>		<p>Other Services</p> <p>Stop Payday Loan Garnishments \$150.00 per payday loan</p> <p>Debt negotiation \$180.00 per item</p> <p>Loan Funding 6% of its loan</p> <p>Trade lines \$300.00-\$1,000</p> <p>\$500.00 for Judgements, tax liens, bankruptcies</p>	
<p>FIRST STEP:</p> <p>Credit Consultation, Review credit bureaus</p> <p>Equifax.....</p> <p>Experian.....</p> <p>Trans-Union.....</p>		<p>15 DAYS AFTER:</p> <p>Reports received and disputed with credit bureaus.</p>		<p>30 DAYS AFTER:</p> <p>First results</p> <p>Re-challenge</p>	
<p>60 DAYS LATER AND ONE</p> <p>Second results</p> <p>Re-challenge</p>					
<p>BY SIGNING BELOW, I ACKNOWLEDGE HAVING RECEIVED A COPY OF THIS INFORMATION STATEMENT PRIOR TO EXECUTING AN AGREEMENT FOR ANY CREDIT SERVICES DESCRIBED ABOVE. I HEREBY AUTHORIZE FREEDOM FINANCIAL SOLUTIONS TO REQUEST AND USE MY CREDIT REPORTS TO IMPROVE MY CREDIT STATUS. I HEREBY UNDERSTAND THAT I MUST SUBMIT ANY CREDIT REPORT UPDATES IMMEDIATELY TO (FFS) UPON RECEIPT. I UNDERSTAND THAT MY PAYMENT COVERS 1 year credit monitoring. I ALSO UNDERSTAND THAT IS FFS REMOVES DEBT THAT IS MORE THAT WHAT WAS PAID THERE WILL BE NO REFUNDS ISSUED.</p>					
Client Name Sunior A. Estimable		Client Signature		Date 9/10/15	
Referred by KD		Payment 100.00		Balance 1,000.00	
Total 1,200		Service Fee Non Refundable Payment			
<p>NOTICE OF CANCELLATION BY LAW</p> <p>You may cancel this contract with no penalty or obligation, at any time prior to midnight of the 3rd day which begins after the date the contract is signed by you. To cancel this contract Certified mail or deliver, a signed & date copy of this cancellation notice, or any other written notice to:</p> <p>I hereby cancel this transaction:</p> <p>Client's Signature _____ Date _____</p>					

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EXHIBIT G

Limited Power Of Attorney

I, Junior A Estimable hereby appoint Freedom Financial Solutions it's officers, agents, servants, employees, designees as my true and lawful attorney-in-fact, with full power of substitution, to act on my behalf in the following capacity.

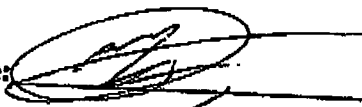
I hereby give Freedom Financial Solutions, hereby appoint Freedom Financial Solutions it's officers, agents, servants, employees, designees the authority to communicate and negotiate with my creditors and the credit bureaus, and to make decisions on my behalf, in connection with my accounts. This attorney is given. The signing of my name on my documents is as if I would have signed my name personally.

I declare by this instrument that any act or thing lawfully done under it by attorney-in-fact shall bind myself and my heirs, legal and personal representatives, and assigns. This authorization shall not terminate on my disability. This power of attorney may be filed for record in any appropriate public office.

I hereby ratify and confirm that my attorney-in-fact or any successor shall woefully do or cause to be done by virtue of this limited power of attorney in the right and powers granted herein.

I hereby bind myself to indemnify Freedom Financial Solutions, hereby appoint Freedom Financial Solutions it's officers, agents, servants, employees, designees and my attorney -in-fact and any successor who shall act against any and all claims, demand losses, damages, actions and causes of action, including expenses, cost, and responsible attorney's fees which my attorney -in-fact at any time may sustain or incur in connection with this carrying out the authority granted him in this Limited Power Of Attorney.

I hereby give Freedom Financial Solutions, hereby appoint Freedom Financial Solutions it's officers, agents, servants, employees, designees the authority to investigate and obtain any information or records necessary, related to my credit.

Signature: 

Printed Name: Junior A Estimable

Date: 9/10/15

FILED DATE: 1/13/2020 9:57 AM 2020CH00397

Attorney No. 99000

**IN THE CIRCUIT COURT COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT—CHANCERY DIVISION**

PEOPLE OF THE STATE OF ILLINOIS)
)
Plaintiff,)
v.)
SECOND CHANCE FINANCIAL SERVICES,)
INC, an Illinois Corporation, and)
)
EMMA JONES, a/k/a Emma Tucker-Jones,)
individually and as agent, owner, and president)
of SECOND CHANCE FINANCIAL SERVICES,)
INC.,)
)
Defendants.)

No. ~~2019-CH~~ 2020CH00396

Hearing Date: 5/12/2020 10:00 AM - 10:00 AM
Courtroom Number: 2302
Location: District 1 Court
Cook County, IL

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

The Plaintiff, People of the State of Illinois, by Kwame Raoul, Attorney General of Illinois, brings this action complaining of Second Chance Financial Services, Inc., an Illinois Corporation, and Emma Jones, a/k/a Emma Tucker-Jones, individually and as agent, owner, and president of Second Chance Financial Services, Inc.

NATURE OF THE CASE

1. Second Chance Financial Services, Inc. (“Second Chance”) is a credit repair agency that charges consumers a high upfront fee to purportedly improve their credit.
2. Emma Jones, a/k/a Emma Tucker-Jones (“Jones”) is the owner and president of Second Chance and meets directly with and accepts money from consumers seeking credit repair services.
3. Second Chance is not registered with the Illinois Secretary of State’s Office as a credit services organization, charges unlawful upfront fees, misrepresents the cost of its

FILED DATE: 1/13/2020 9:45 AM 2020CH00396

purported services to consumers, and then fails to perform the promised credit repair services or provide refunds to affected consumers, all in violation of the Credit Services Act and the Consumer Fraud Act.

PUBLIC INTEREST

4. 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 (“Consumer Fraud Act”), 815 ILCS 505/1 *et seq.* and the Illinois Credit Services Organizations Act (“Credit Services Act”), 815 ILCS 605/1 *et seq.*

JURISDICTION AND VENUE

5. This Complaint for Injunctive and Other Relief is brought for and on behalf of the People of the State of Illinois, by Kwame Raoul, Attorney General of the State of Illinois, pursuant to the provisions of the Consumer Fraud Act, 815 ILCS 505/1 *et seq.* and the Credit Services Act, 815 ILCS 605/1 *et seq.*

6. Venue for this action properly lies in Cook County, Illinois, pursuant to Section 2-101 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-101, in that some of the transactions out of which this action arose occurred in Cook County.

PARTIES

7. Kwame Raoul, the Illinois Attorney General, is authorized to bring this action in the name of the People of the State of Illinois to enforce the Consumer Fraud Act, 815 ILCS 505/7, and the Credit Services Act, 815 ILCS 605/12.

8. Defendant Second Chance is an Illinois corporation that incorporated on March 11, 2014. Second Chance is listed as not in good standing with the Secretary of State for 2019. Jones is listed as agent and president of Second Chance, a credit counseling agency that offers

credit repair services to consumers with a principal place of business at 19710 Governors Highway, Suite 3, Flossmoor, Illinois 60422 which is in Cook County.

9. Defendant Jones is a resident of Cook County, Illinois, and is being sued individually and as the owner, agent, and president of Second Chance. At all times relevant to this Complaint, Jones formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Second Chance, including the acts and practices set forth in this complaint. To adhere to the fiction of a separate corporate existence between Second Chance and Jones would serve to sanction fraud and promote injustice.

10. Defendant Jones and Defendant Second Chance are herein referred to collectively as “Defendants.”

TRADE AND COMMERCE

11. The Consumer Fraud Act 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.

815 ILCS 505/1(f).

12. Defendants engaged in trade and commerce in the State of Illinois by advertising, soliciting, offering for sale, or selling credit repair services to the general public of the State of Illinois.

FACTUAL BACKGROUND

13. Defendants represent online that they have been involved in the credit repair business since at least 2010. Before Jones opened Second Chance, she and another individual, Desiree Hawkins (“Hawkins”), ran a credit services organization called Hope Credit Solution Inc. in Richton Park, Illinois.

14. Hope Credit was incorporated as an Illinois corporation in July of 2011. Jones is listed as the President for Hope Credit with the Illinois Secretary of State.

15. On July 11, 2011, Hope Credit filed a Credit Services Organization Registration Statement with the Illinois Secretary of State's Office. *See* Ex. A, Hope Credit Registration Statement. On the Registration Statement, Jones is listed as the Registered Agent for Hope Credit. Jones and Hawkins are also listed as people who directly or indirectly own or control at least 10 percent of the stock in the credit services organization. *Id.* at 3. Jones and Hawkins both signed the Registration Statement submitted to be registered under the Credit Services Act.

16. Jones and Hawkins, however, failed to provide the requisite bond with their Registration Statement. Absent the statutory surety bond, Hope Credit was not authorized to charge or receive any money up front prior to full and complete credit repair services, pursuant to 815 ILCS 605/5(1).

17. Despite lacking the surety bond required under the Credit Services Act, Jones and Hawkins charged consumers high upfront fees for credit repair services and accepted payment of said fees before any credit repair services were performed.

18. Consumers filed complaints against Hope Credit, Jones, and Hawkins with the Illinois Attorney General's Office alleging that they were charged up to \$9,600 for credit repair services they never received.

19. These consumers alleged that Hope Credit, Jones, and Hawkins promised to add trade lines to their credit reports in exchange for steep upfront fees, but then failed to improve consumers' credit scores and did not respond to repeated requests for information.

20. In response to consumer complaints filed with the Illinois Attorney General's Office, Jones and Hawkins stated that Hope Credit had filed for Chapter 7 bankruptcy in July

2013. Subsequently, Hope Credit was involuntarily dissolved as a corporation in December 2014.

21. Then in March 2014, Jones incorporated Second Chance. From at least March 2014, Defendants engaged in advertising, offering for sale, and selling credit repair to businesses and consumers facing financial hardship.

22. Since at least 2014, Defendants have operated a credit repair agency at 19710 Governors Highway, Suite 3, Flossmoor, Illinois. Defendants have also operated at 19630 Governors Highway, Flossmoor, Illinois 60422.

23. Defendants promoted their services via Facebook on Jones' personal Facebook page and through the Second Chance business page until at least June 2019. On Facebook, Defendants claimed that they have provided credit repair services since the year 2000.

24. Defendants also promoted their services through an on-air interview broadcast on radio station Power 92.3 WPWX, which serves the Chicago metropolitan area and Northwest Indiana.

25. Defendants charge high upfront fees, starting at \$1,000, for credit repair services, which do not commence until consumers pay the full amount.

26. If a consumer cannot pay the entire fee up front, Defendants enter into a contract with consumers titled "Payment Agreement." *See, e.g.,* Ex. B, Hubbard Payment Agreement. This agreement states that "Second Chance will work diligently to help you (the client) restore and rebuild your (his/her) credit, but in order to do this, you must pay all obligations forward as they are due." *Id.*

27. Defendants are operating a credit services organization, as that term is defined in Section 3(d) of the Credit Services Act, 815 ILCS 605/3(d) by offering credit services to consumers in the State of Illinois..

28. Despite offering these services, Defendants are not and have never been registered with the Illinois Secretary of State as a credit services organization. *See Ex. C, Illinois Secretary of State Certifications.*

29. Defendants also failed to secure the statutorily required \$100,000 surety bond and to file a copy of the surety bond with the Secretary of State before taking upfront fees for their credit services from Illinois consumers. *See Id.*

30. Jones filed a Registration Statement to operate a credit services organization in Illinois when operating as Hope Credit. Therefore, Jones was aware of the registration requirements under the Credit Services Act.

31. Consumers who are looking to improve their credit call Defendants or visit their office in Flossmoor, Illinois. Defendants have represented to consumers that their credit repair service was no risk because of a 100% money back guarantee.

32. At the initial meeting, Defendants have consumers sign a document titled “Customer Terms and Conditions and Authorization of Credit Repair Action (“Terms and Conditions”). *See, e.g., Ex. D, Moultry Terms and Conditions.* In this document, Defendants agree:

- a. To evaluate Customer’s current credit reports as listed with applicable credit reporting agencies and to identify inaccurate, erroneous, false, or obsolete information. To advise customer as to the necessary steps to be taken on the part of Customer in conjunction with Second Chance Financial Services to dispute any inaccurate, erroneous, false or obsolete information contained in the customer’s credit reports.

- b. To prepare all necessary correspondence in dispute of inaccurate, erroneous, false, or obsolete information in customer's credit reports.
- c. To review credit profile status from the credit reporting agencies such as: Experian, Equifax and Transunion. Consulting, coaching, and monitoring services are conducted by personal meetings, webinars, video conferencing, telephone, email or by any other form of communication during normal business hours.

See Id.

33. Paragraph 3 of Defendants' Terms and Conditions states that "Second Chance Financial Services is granted POWER OF ATTORNEY by Customer _____" (with the contracting consumer's name written in the blank). *Id.* This provision also says that the consumer is granting a "Limited Power of Attorney to Second Chance Financial Service" to allow Defendants to access and request consumers' credit information and dispute account information. *Id.*

34. Defendants also have consumers interested in credit repair sign a "Service Agreement for Auditing Credit Report Credit Accuracy Verification Service" ("Service Agreement"). The Service Agreement states that Defendants will perform the following services for the client:

1. Originate an audit/dispute file for each client.
2. Once credit reports are received[,] we will then analyze and perform a general audit.
3. Prepare disputes for authorized clients against all inaccurate erroneous information on credit reports.
4. Prepare necessary documentation and forward disputes of inaccuracy to credit bureaus, erroneous and challenging letters to credit bureaus.

See, e.g., Ex. E, Walton Service Agreement.

35. The Service Agreement outlines the fees for credit repair services as follows:

OUR FEES

1 to 5 Accts [sic]	\$1200.00
5 to 10 Accts [sic]	\$1700.00
10 to 15 Accts [sic]	\$2200.00
More than 15 Accts [sic] (Negotiable)	

ADDITIONAL CHARGES

Judgments	\$500.00
Repossession.....	\$500.00
Bankruptcy.....	\$500.00
Foreclosures.....	\$500.00
Tax Liens.....	\$500.00

See, e.g., Id.

36. The Service Agreement also specifies a timeline for the provision of Defendants’ services. The “First Step” is “credit consultation, review credit bureaus.” The Contract states that “15 Days After: Reports received and disputed with credit bureaus.” Then “30 Days After: First results, re-challenge.” Finally, “60 Days Later and On: Second results, re-challenge.” *See, e.g., Id.*

37. Even though the Service Agreement outlines a timeline for services, Defendants, in contradiction to this purported timeline, tell consumers that it will take at least 45 days for any credit repair service to be performed. In some instances Defendants tell consumers that they must wait a year to see any results.

38. In addition to the fees assessed for credit repair services as outlined in the Service Agreement, Defendants also require consumers to pay an additional \$50 in cash up front. Defendants told consumers that this \$50 upfront cash payment was necessary to pull the consumer’s credit report.

39. Defendants charge between \$1,000 and \$2,200, sometimes more, for their credit repair services, and require full payment up front or through instalment payments until paid in full. Whether a consumer pays in one lump sum or in installments, Defendants tell consumers that no work will be performed until payment is made in full.

40. If a consumer cannot pay the entire upfront fee, Defendants have consumers enter in to a “Payment Agreement,” which states that a \$25 processing fee per payment will also be charged. *See, e.g.*, Ex. B. The Payment Agreement lists the amount of payments and the date by which payments must be paid. *See Id.* According to the Payment Agreement, Defendants charge an additional \$25 fee for any payment submitted past the due date and that also threatens that:

... any balances sixty days late will be sent to our collection department where all legal remedies may be used including filling suit which may result in a judgment appearing on the clients’ [sic] credit report and updated every month. It will also incur any filing fees, and legal fees.

See Id.

41. Defendants also state in the Payment Agreement that “consultation services and document preparation services may be discontinued for any client in arrears on their payment agreement.” *Id.* Regardless of the Payment Agreement, Defendants do not perform any credit repair service before the balance is paid in full.

42. After receiving the upfront fee, Defendants pull consumers’ credit reports but nevertheless fail to achieve the results promised and do not improve consumers’ credit.

43. For some consumers, Defendants fail to provide consumers with the “Notice of Cancellation” required in credit services transactions by Section 7 of the Credit Services Act, 815 ILCS 605/7. Some consumers received from Defendants a statement entitled “Customer Method of Cancellation”. *See, e.g.*, Ex. D, Moultry Terms and Conditions. However, this document does not comply with the cancellation notice requirements of the Credit Services Act as it lengthens the amount of time that Defendants have to pay refunds and is not presented to the consumer in bold face type.

44. At the initial meeting when a consumer contracts with Defendants for credit repair services, Defendants also require that consumers create a PrivacyGuard account. PrivacyGuard is

a third party credit monitoring company. While consumers create accounts in their own names, Defendants are given the account username and password and take control of the consumer's PrivacyGuard account.

45. In some instances, Defendants created a PrivacyGuard account in a consumer's name without informing the consumer ahead of time.

46. Defendants fail to tell consumers that the PrivacyGuard account requires a monthly fee of \$15 to \$20 on top of the amount they already paid Defendants for credit repair services. PrivacyGuard describes its service as:

... a comprehensive credit reporting, credit monitoring and identity theft protection service that helps you maintain control over your most critical information. Combining state-of-the-art credit and identity protection with superior customer service, PrivacyGuard offers the tools and support needed to help secure your life.¹

47. Defendants control consumers' PrivacyGuard accounts and therefore consumers do not have access to any information concerning their credit available on PrivacyGuard. Likewise consumers do not have access to information and resources related to their credit report that is available to them through their PrivacyGuard account.

48. Defendants represent to consumers that they are able to remove derogatory items from consumers' credit reports that lower consumers' credit scores, but they are either unable to remove the items as promised or fail to take necessary steps to have them removed. For example, Defendants claim to be able to remove judgments from a consumers' credit report but either do not take any action to remove them or misrepresent their ability to do so.

49. After consumers pay the upfront fee, Defendants fail to perform the credit repair services for which the consumers contracted. When consumers demand to know what

¹ PrivacyGuard website, available at <http://www.privacyguard.com/about-us.html>, last visited November 4, 2019.

Defendants are doing to improve the consumers' credit after the initial 45 day period expired, Defendants advise consumers that they need to wait another 45 days to see any results.

50. Even after these long waiting periods--lasting anywhere from 45 days to a year -- Defendants fail to improve consumers' credit. Instead, at this point, Defendants represent to consumers that their credit was not improving because they lacked "trade lines."

51. Defendants represent to consumers that they can improve their credit profiles by adding "trade lines" to their credit reports to make it appear that the consumers have active credit accounts on which payments are current.

52. Similar to their general credit repair services, Defendants charge consumers a high upfront fee, anywhere from \$1,000 to \$2,200, to add trade lines to their credit profiles. Defendants do not explain what the trade lines are or how they will be added to a consumer's credit report.

53. For this separate credit repair service, Defendants often do not have consumers enter into a new contract. Rather, Defendants give consumers an invoice on Second Chance letterhead addressed to the consumer that lists the amount owed. *See, e.g.,* Ex. F, Jones' trade line invoice.

54. However, Defendants fail to add trade lines to consumers' credit reports. When asked when the promised trade lines will appear, Defendants tell consumers to wait, but the promised trade lines never appear for these consumers.

55. Nevertheless, Defendants keep the large upfront fees paid by consumers for services never provided. Even after consumers make multiple demands for the return of their high fees, Defendants refuse to issue refunds to consumers.

CONSUMER ILLUSTRATIONS

56. Consumers have filed complaints regarding Defendants' conduct with the Office of the Illinois Attorney General and the Better Business Bureau. The following examples of consumer experiences taken from those complaints are illustrations and should not be construed as the only instances in which consumers were harmed or could be harmed by Defendants' persistent course of unlawful conduct. Plaintiff reserves the right to prove that consumers other than those exemplified here have been because the victim of Defendants' unlawful practices.

Katinka Jones

57. Katinka Jones ("Katinka") lives in Cook County, Illinois and in February of 2018 she was looking for help to improve her credit in order to apply for a mortgage to purchase a home.

58. In February, 2018, Katinka was listening to the radio station WPWX Power 92.3, when she heard Defendants being interviewed on an evening radio program. During this radio interview, Defendants advertised their credit repair services and represented that there was no risk because their services came with a 100% money-back guarantee.

59. Based on Defendants' representations on the radio that their credit repair services had a money-back guarantee, Katinka called Defendants to schedule an initial meeting to discuss improving her credit. During the call Defendants again promised that their services included a money-back guarantee, and they agreed to meet at Defendants' office on February 12, 2018.

60. Before the meeting, Defendants sent Katinka a text message advising her to bring a \$60.00 consultation fee, \$50.00 in cash and \$10.00 on a credit card, to the meeting scheduled for February 12, 2018.

61. On February 12, 2018, Katinka met Defendants at the Flossmoor, Illinois office. At this first meeting, Defendants represented to Katinka that Defendants could remove derogatory items from Katinka's credit report and improve her credit so that she could purchase a home.

62. Defendants had Katinka sign the Terms and Conditions document, in which Katinka signed a power of attorney, and signed a Service Agreement, which stated that Defendants' services would cost \$2,200.00. This fee was in addition to the upfront \$60.00 consultation fee that Katinka paid to Defendants on February 12, 2018.

63. At the meeting Defendants told Katinka that the \$2,200.00 fee needed to be paid in full before Defendants would perform any services to improve Katinka's credit. Because Katinka could not afford to pay the entire upfront fee, Defendants had her enter into a Payment Agreement. Pursuant to this Payment Agreement, Katinka paid Jones \$500.00 on February 12, 2018, and she was required to would pay \$300.00 a week thereafter until the total \$2,200.00 fee was paid.

64. On February 12, 2018, after receiving the \$500 upfront fee from Katinka, Defendants promised to remove negative accounts on Katinka's credit report and improve her credit. However, Defendants told Katinka that it would take at least 45 days to see any change on her report.

65. At this initial meeting, Defendants told Katinka that they would meet every 45 days in person to discuss what steps Defendants had taken to improve Katinka's credit.

66. Katinka paid Defendants the initial \$500.00 payment in cash and made weekly payments thereafter to Defendants through various payment transfer applications, such as Zelle,

CashApp and Google Pay. Katinka continued to make payments until she paid the full \$2,200.00.

67. At the end of March, 2018, after she paid \$2,200.00, Katinka contacted Defendants asking for an update on her file. More than 45 days had passed since Katinka entered into the contract with Defendants and her credit report had not changed and her overall credit had not improved. Defendants told Katinka that she needed to wait another 45 days to see any changes to her credit.

68. In April, 2018, Katinka asked Defendants when their next in person meeting would be, considering Defendants represented they would meet every 45 days. Defendants refused to schedule a second meeting and, instead, told Katinka that she needed to wait.

69. After several attempts at reaching Defendants on the phone, Katinka went to Defendants' office in Flossmoor in person. At Defendants' office, Katinka demanded to know what steps Defendants had taken to improve her credit. Defendants told Katinka that they had been working on her file, but that Katinka needed to be patient to see results.

70. At this point, around August, 2018, Katinka's credit report had not changed, her overall credit had not improved, and Defendants could not provide any information regarding any work allegedly performed to improve her credit.

71. After Katinka appeared at Defendants' Office, Defendants would not meet in person and kept telling Katinka to be patient. On November 9, 2018, nine months after entering into the Credit Repair Contract with Defendants, Katinka sent Defendants a text message asking if they could meet to discuss her file. Defendants responded that they would talk to Katinka after Thanksgiving.

72. On November 12, 2018, Katinka told Defendants via text message that it had been almost a year since she paid \$2,200.00 and nothing had changed on her credit report and her credit had not improved. Katinka advised Defendants that she would pursue a legal action against Defendants for their failure to improve her credit.

73. In November, 2018, Katinka paid a private attorney \$245.00 to send a demand letter to Defendants on her behalf, demanding a refund of her \$2,200.00. Defendants refused to issue a refund.

74. Defendants have not improved Katinka's credit and have not returned any of the \$2,200.00 fee.

75. Katinka filed a complaint against Defendants with the Illinois Attorney General's Office on November 12, 2018.

Kimberly Hubbard

76. Kimberly Hubbard ("Hubbard") lives in Cook County, Illinois and in February of 2016 she was looking for credit counseling and help to improve her credit.

77. Hubbard's friend recommended Defendants for credit repair services. Based on this recommendation, Hubbard arranged to meet Defendants at their Flossmoor, Illinois office.

78. On February 18, 2016, Hubbard met Defendants at their office. At this time, Defendants asked Ms. Hubbard to pay \$60 in cash, up front, to pull Ms. Hubbard's credit report, which Hubbard paid.

79. At this meeting, Defendants represented that they could remove old and negative accounts from Hubbard's credit report and increase her credit score. Defendants represented that these credit repair services would cost \$1,000.00 and that Hubbard needed to pay up front before Defendants would perform any services to improve her credit.

80. Hubbard could not afford to pay the entire amount on February 18, 2016.

Therefore, Defendants had Hubbard enter into a Payment Agreement, which required Hubbard to pay \$500.00 that day and \$500.00 on March 14, 2016. Hubbard paid Defendants \$550.00 that day.

81. At this time, Defendants represented that it would take them one year to complete the credit repair services for which Hubbard paid because, according to Defendants, it always takes one year to dispute anything on a credit report.

82. At this initial meeting, Defendants had Hubbard create a PrivacyGuard account in her name. Defendants required that Hubbard give Defendants access to the PrivacyGuard account.

83. Defendants insisted that Hubbard was not allowed to contact the credit reporting agencies on her own while Defendants were working on her file.

84. After the February 18, 2016, meeting, Hubbard paid Defendants another \$500.00 via personal check on March 2, 2016. Then Hubbard called Defendants every couple of months asking if Defendants had performed any services related to her credit report. Defendants told Hubbard that they were working on her file and that Hubbard needed to be patient.

85. At some point in 2016, Hubbard received a letter from a credit reporting agency saying that her disputes were denied because the accounts on her credit report were legitimate. Defendants would not provide Hubbard any information regarding this dispute process related to her credit report.

86. Almost a year after entering into an agreement with Defendants for credit repair services, no accounts were removed from Hubbard's credit report and her credit score had not improved. Aside from the response from the credit reporting agency denying her disputes,

Hubbard was not provided any information or documentation to show what efforts Defendants had been making to improve her credit throughout the year.

87. Throughout that first year, Hubbard continued to be billed for the PrivacyGuard account that Defendants required her to create. Unbeknownst to Hubbard at the time the account was created, she was charged a monthly fee of \$19.00 for the PrivacyGuard account that Defendants controlled.

88. About a year after their first meeting in February 2016, Hubbard called Defendants several times asking for an update on her file. In May 2017, Defendants told Hubbard that the reason her credit had not improved was because she needed trade lines added to her credit report. Defendants represented that they could add trade lines to Hubbard's credit report, but this service would cost an additional \$1,500.00.

89. On June 1, 2017, after Defendants gave her an invoice, Hubbard paid Defendants \$1,500.00 in cash to add trade lines to her credit report. Defendants promised that new trade lines would appear on Hubbard's credit report within 60 days.

90. Defendants did not provide any information to Hubbard regarding what the new trade lines on her credit report would be or how they would be added. Defendants represented that a third-party company would add the trade line, but Defendants would not disclose the third-party company.

91. In August 2017, more than 60 days after paying the additional \$1,500.00, Defendants had not added trade lines to Hubbard's credit report. Hubbard tried calling Defendants many times to inquire about the promised trade lines, but Defendants refused to talk to her.

92. In August 2017, after having paid over \$2,500.00 to Defendants, no accounts had been removed from Hubbard's credit report and her credit score had not improved. Hubbard went to Defendants' Flossmoor office in person demanding a refund.

93. Defendants refused to issue Hubbard a refund and represented that they were working with an unnamed third party to put trade lines on her credit report. Defendants said Hubbard would have to continue to wait to see any results.

94. At the end of August 2017, Hubbard demanded a refund from Defendants again, via text message, but Defendants refused.

95. Finally, after Defendants refused to return the \$2,500.00, Hubbard filed a complaint against Defendants with the Better Business Bureau in September 2017 and filed a complaint with the Office of the Illinois Attorney General in October 2017.

VIOLATIONS OF LAW

COUNT I: CREDIT SERVICES ACT

96. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 95.

97. Defendants at all times relevant hereto, operated a credit services organization, as that term is defined in [---] in Illinois in that they represented that they could provide services in return for the payment of money to improve or restore consumers' credit profile, history, or scores.

98. In the course of operating their credit services business, Defendants violated the Credit Services Act by:

- a. Failing to register as a credit services organization with the Illinois Secretary of State before acting as a credit services organization in Illinois, in violation of 815

ILCS 605/9;

- b. Charging and receiving money prior to full and complete performance of the services the credit services organization agreed to perform, in violation of 815 ILCS 605/5(1);
- c. Representing that they can improve consumers' credit scores without having the ability to do so, in violation of 815 ILCS 605/5(4);
- d. Failing to provide to Illinois consumers, in writing and prior to accepting payment, a statement required by 815 ILCS 605/6 containing the following:
 - i. 815 ILCS 605/6(1): a complete and accurate statement of the buyer's right to review any file on the buyer maintained by a consumer reporting agency, as provided under the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.);
 - ii. 815 ILCS 605/6(2): a statement that the buyer may review his consumer reporting agency file at no charge if a request therefor is made to such agency within 30 days after receipt by the buyer of notice that credit has been denied and if such request is not made within the allotted time, the approximate charge to the buyer for such review;
 - iii. 815 ILCS 605/6(3): a complete and accurate statement of the buyer's right to dispute the completeness or accuracy of any item contained in any file on the buyer maintained by a consumer reporting agency;
 - iv. 815 ILCS 605/6(5): a statement notifying the buyer that: (i) credit reporting agencies have no obligation to remove information from credit reports unless the information is erroneous, cannot be verified or is more than 7 years old; and (ii) credit reporting agencies have no obligation to remove information concerning bankruptcies unless such information is more than 10 years old;
 - v. 815 ILCS 605/6(6): a statement asserting the buyer's right to proceed against the surety bond required under Section 10;
 - vi. 815 ILCS 605/6(7): the name and business address of any such surety company together with the name and the number of the account;
- e. Failing to incorporate in their contract to Illinois consumers "a conspicuous

statement in boldfaced type, in immediate proximity to the space reserved for the signature of the buyer, as follows:

‘You, the buyer, may cancel this contract at any time before midnight of the third day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right,’”

in violation of 815 ILCS 605/7(1); and

- f. Holding themselves out as legally able to perform credit repair work within and from the state of Illinois, while not being registered to do such work as required by the Credit Services Act.

PRAYER FOR RELIEF

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

- A. Finding that Defendants operated “Credit Services Organizations” within the meaning of Section 3 of the Credit Services Act, 815 ILCS 605;
- B. Finding that Defendants violated the Credit Services Act, 815 ILCS 605, by the unlawful acts and practices alleged herein;
- C. Preliminarily and permanently enjoin Defendants from engaging, in any capacity, in the business of credit repair in or from the State of Illinois;
- D. Revoking, forfeiting or suspending any and all licenses, certificates, charters, franchises, certificates or other evidence of authority of Defendants to do business in the State of Illinois;
- E. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices described herein are unlawful and rescinded;
- F. Ordering each Defendant, jointly and severally, to pay full restitution to all consumers affected by Defendants’ unlawful practices; and

G. Providing such equitable and other relief as justice may require.

COUNT II: CONSUMER FRAUD ACT

99. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 95.

100. While engaged in trade or commerce, Defendants committed the following deceptive and/or unfair acts or practices, with the intent that consumers would rely upon those deceptive acts and practices, in violation of Sections 2 of the Consumer Fraud Act, 815 ILCS 505/2:

- a. Misrepresenting that they will add trade lines to improve consumers' credit reports;
- b. Misrepresenting that consumers' credit scores will be improved within a certain timeframe;
- c. Failing to disclose that the PrivacyGuard account required by Defendants requires an ongoing monthly fee to be paid by consumers;
- d. Misrepresenting that consumers needed to pay Defendants a fee in order to retrieve their own credit reports, while failing to disclose that consumers are entitled to a free credit report yearly;
- e. Misrepresenting that they are qualified to act as a credit services organization in Illinois;
- f. Misrepresenting the existence of a money-back guarantee attached to Defendants' services; and
- g. Failing to return money paid by consumers for promised credit repair work despite failing to perform the work.

101. While engaged in trade or commerce, Defendants knowingly violated the Credit Services Act, as alleged in Paragraphs 1-95 above, which constitutes a violation of Section 2Z of the Consumer Fraud Act.

PRAYER FOR RELIEF

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

- A. Finding that Defendants engaged in trade or commerce within the meaning of Section 1(f) of the Consumer Fraud Act;
- B. Finding that, in the conduct of trade or commerce, Defendants engaged in unfair and/or deceptive acts or practices within the meaning of Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by the unlawful acts and practices alleged herein;
- C. Finding that Defendants operated “Credit Services Organizations” within the meaning of Section 3 of the Credit Services Act, 815 ILCS 605;
- D. Finding that Defendants knowingly violated the Credit Services Act by the unlawful acts and practices alleged in the Complaint and, therefore, violated Section 2Z of the Consumer Fraud Act, 815 ILCS 505/2Z;
- E. Preliminarily and permanently Defendants from engaging in the deceptive and unfair practices alleged herein, and permanently enjoining each Defendant from engaging, in any capacity, in the business of credit repair in or from the State of Illinois;
- F. Revoking, forfeiting or suspending any and all licenses, certificates, charters, franchises, certificates or other evidence of authority of Defendants to do business in the State of Illinois;
- G. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices described herein are unlawful and rescinded;

H. Ordering each Defendant, jointly and severally, to pay full restitution to all consumers affected by Defendants' unlawful practices;

I. Ordering Defendants to pay \$50,000 per deceptive or unfair act or practice, and an additional amount of \$50,000 for each act or practice found to be have been committed with intent to defraud, as provided in Section 7(b) of the Consumer Fraud Act, 815 ILCS 505/7(b);

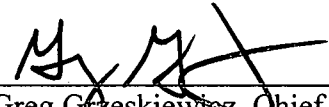
J. Ordering Defendants to pay \$10,000 for any method, act, or practice declared unlawful under the Consumer Fraud Act and directed towards a person 65 years of age or older, as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);

K. Requiring Defendants to pay all costs for the prosecution and investigation of this action; and


L. Providing such equitable and other relief as justice may require.

Respectfully Submitted,

People of the State of Illinois,
by Kwame Raoul
Attorney General of Illinois

By: 

Greg Gzeskiewicz, Chief
Consumer Fraud Bureau

By: 

Erin Grotheer
Assistant Attorney General

KWAME RAOUL
ILLINOIS ATTORNEY GENERAL

Greg Grzeskiewicz, Chief
Consumer Fraud Bureau

Thomas P. James
Erin Grotheer
Assistant Attorneys General
Consumer Fraud Bureau
100 West Randolph Street, 12th floor
Chicago, Illinois 60601
312/814-4424

FILED
1/13/2020 9:45 AM
DOROTHY BROWN
CIRCUIT CLERK
COOK COUNTY, IL
2020CH00396

EXHIBIT A

FILED DATE: 1/13/2020 9:45 AM 2020CH00396



State of Illinois
Executive Department

CERTIFICATE

To All To Whom These Presents Shall Come, Greeting:

I, JESSE WHITE, Secretary of State of the State of Illinois, do hereby certify that the records of this office indicate that **Hope Credit Solutions and Desiree Hawkins, Emma Jones and Sukari Jones**, has filed a Registration Statement with no bond in this office on July 11, 2011, pursuant to the "Credit Services Organization Act", 815 ILCS 605/1 et. seq.

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois. Done at the City of Springfield, **June 19, 2019.**

A handwritten signature in black ink that reads "Jesse White".

SECRETARY OF STATE





6MSF07/11/11:05:0301: 100.00 CK01
1033 CSO
FOR DEPOSIT ONLY

OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

July 11, 2011

Hope Credit Solutions
Attn: Emma Jones
22109 Governors Hwy.
Richton Park, IL 60471

Dear Ms. Jones:

Receipt is acknowledged of the Credit Services Organization Registration Statement, along with the statutory filing fee in the amount of \$100.00 for **Hope Credit Solutions**, 22109 Governors Hwy., Richton Park, Illinois 60471.

The said Credit Services Organization Registration Statement has been placed on file in this office, dated July 11, 2011, pursuant to 815 ILCS 605/9 of the Credit Services Organization Act.

Enclosed is a filed-stamped copy of the Registration Statement for your records.

Sincerely,

Lissa Richno
Public Records
Index Department

enclosure

FILED DATE: 1/13/2020 9:45 AM 2020CH00396

State of Illinois Credit Services Organization Registration Statement

Required by Public Act 85-1384, effective Jan. 1, 1989. 815 ILCS 605/9 - \$100 Filing Fee



FILED
INDEX DEPARTMENT

JUL 11 2011

IN THE OFFICE OF
SECRETARY OF STATE

Secretary of State Index Department
111 E. Monroe
Springfield, IL 62756
217-782-7017
www.cyberdriveillinois.com

When a change in the information contained in this statement occurs, the credit services organization is required to file an amended statement within 90 days. There is no fee for filing amended statements.

A credit services organization is required to continuously maintain a \$100,000 surety bond if that organization **charges or receives any money or other valuable consideration prior** to full and complete performance of the services the organization has agreed to perform. A bond also shall be maintained for two years after the date the organization ceases operations.

A file-stamped copy of this statement will be returned to the credit services organization who must maintain the copy in their files and allow a buyer to inspect the registration statement.

1. Name and Address of the Credit Services Organization:

Hope Credit Solutions

22109 Governors Hwy

Richton Park IL, 60471

2. Name and Address of the Registered Agent of Individual Authorized to Accept Service of Process on Behalf of the Credit Services Organization:

Emma Jones

21155 Vivienne Dr.

Matteson IL 60443

3. Name and Address of All Persons Who Directly or Indirectly Own or Control 10 Percent or More of the Outstanding Shares of Stock in the Credit Services Organization: (If more space is needed, attach additional sheets of this size.)

Desiree Hawkins

Emma Jones

Sukari Jones

4. If any, the Bond Number, Name and Location of the Surety Company Issuing a \$100,000 Surety Bond as Required by the Credit Services Organizations Act:

None

FILED DATE: 1/13/2020 9:45 AM 2020CH00396

5. (A) Has there been any litigation or unresolved complaint filed with a governmental authority of this state, any other state or the United States relating to the operation of this Credit Services Organization?
 Yes — If yes, attach a full disclosure.
 No

(B) If there has been no litigation or unresolved complaint filed, the statement must be completed and notarized.

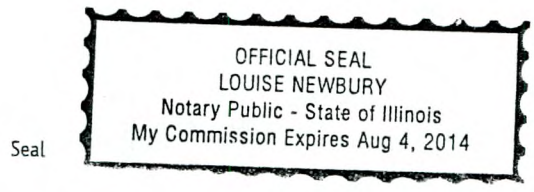
I, Desiree Hawkins, Emma Jones, Sukari Jones, _____
Name Official Capacity
Owner
of Hope Credit Solutions
Name of Credit Services Organization

do hereby affirm that there has been no litigation or unresolved complaint filed with a governmental authority of this state, any other state or the United States relating to the operation of this Credit Services Organization.

Desiree Hawkins, Emma Jones, Sukari Jones
Signature

Subscribed and affirmed before me on 22 June 2011

Louise Newbury
Signature of Notary Public



FILED
INDEX DEPARTMENT
JUL 11 2011
IN THE OFFICE OF
SECRETARY OF STATE

6. I do hereby affirm that the foregoing statements and any attachments are true and correct.

Emma Jones, Sukari Jones, Desiree Hawkins
Signature

Official Capacity

Subscribed and affirmed before me on 22 June 2011

Louise Newbury
Signature of Notary Public



Return completed form and \$100 filing fee to:
Secretary of State, Index Department, 111 E. Monroe, Springfield, IL 62756 • 217-782-7017

FILED DATE: 1/13/2020 9:45 AM 2020CH003996

EXHIBIT B

PAYMENT AGREEMENT

This agreement is between Kimberly Hubbard) and Second Chance Financial Services. (Second Chance Financial Services) and is a legally binding agreement.

The total amount due for services rendered is the total sum of \$ 1000.00. Second Chance has agreed to accept payments at the following terms.

A \$25.00 processing fee per payment will be charged if choosing the payment option as outlined below. Any sums not paid as agreed will accrue an additional fee of \$25.00 past 15 days. Second Chance will work diligently to help you (the client) restore and rebuild your (his/her) credit, but in order to do this, you () must pay all obligations forward as they are due.

**** All payments are due within 60 days (individual) & 90 days (couple) of the start date.

Individual: \$ _____ 1 payment (save \$25 or more)
Couple: \$ _____ 1 payment (save \$25 or more)

Individual: The following payments will be paid on:

\$ 500 1st payment Received. 18 February, 2006

\$ 500 On or before 4 March, 2006 (2nd pymt due within 30-45 days of 1st pymt)

Couple: The following payments will be paid on:

\$ _____ 1st payment Received, _____, 200__

\$ _____ On or before _____, 200__ (2nd pymt due within 30-45 days of 1st pymt)

If 3 payments need to be made instead of 2, please write it below:

Note: Mail MUST be postmarked by the due date in order to avoid late charges!
All Returned checks will be charged a \$25.00 fee in addition to late fees.

Any payments due Second Chance must be paid on or before their due date. Consultation services and document preparation services may be discontinued for any client in arrears on their payment agreement. All payments NOT received by the due date will accrue the late charges as outlined below. Any balances sixty days late will be sent to our collection department where all legal remedies may be used including filing suit which may result in a judgement appearing on the clients' credit report and updated every month. It will also incur any filing fees, and legal fees. This may appear a little harsh, but due to previous circumstances, Simple Solutions is now forced to take this action if necessary. Remember, we are in the business to assist you to get better credit, not to make it worse! So please take care of us - as we will take care of you!!

Kim Hubbard
Client Signature

Client Signature

18 FEB 2016
Date

Date

Second Chance Financial Services

Title Owner Emma

If you are mailing a cashier's check or money order please make it payable to:

Second Chance Financial Services Inc
19630 Governors Highway Suite 8 Flossmoor IL 60422

FILED DATE: 1/13/2020 9:45 AM 2020CH00396

EXHIBIT C



State of Illinois
Executive Department

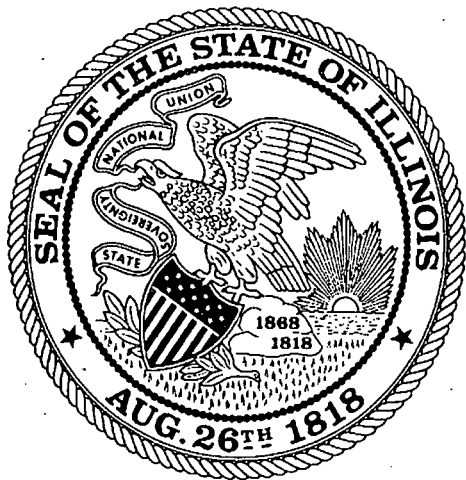
CERTIFICATE

To All To Whom These Presents Shall Come, Greeting:

I, JESSE WHITE, Secretary of State of the State of Illinois, do hereby certify that the records of this office indicate that the following have not filed a registration statement or bond in relation to the "Credit Services Organizations Act", 815 ILCS 605/1 et. seq.

1. **Second Chance Financial Services Inc. (Based In Flossmoor)**
2. **Emma Tucker Jones/Emma Jones (Owner Of Second Chance Financial Services Inc.) (Flossmoor).**

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois. Done at the City of Springfield, July 15, 2019.



Jesse White

SECRETARY OF STATE

EXHIBIT D

CUSTOMER TERMS AND CONDITIONS AND AUTHORIZATION OF CREDIT REPAIR ACTION

FILED DATE: 1/13/2020 9:45 AM 2020CH00396

1. Second Chance Financial Services agrees:
 - a. To evaluate Customer's current credit reports as listed with applicable credit reporting agencies and to identify inaccurate, erroneous, false, or obsolete information. To advise Customer as to the necessary steps to be taken on the part of Customer in conjunction with Second Chance Financial Services to dispute any inaccurate, erroneous, false or obsolete information contained in the customer's credit reports.
 - b. To prepare all necessary correspondence in dispute of inaccurate, erroneous, false, or obsolete information in customer's credit reports.
 - c. To review credit profile status from the credit reporting agencies such as: Experian, Equifax and Transunion. Consulting, coaching, and monitoring services are conducted by personal meetings, webinars, video conferencing, telephone, email, or by any other form of communication during normal business hours.

2. Customer agrees:
 - a. To provide Second Chance Financial Services within 14 calendar days with a copy of all correspondences received from credit reporting agencies or creditors relating to credit report entries which are the subject to matter of this subscription by virtue of the credit report entries challenged by Second Chance Financial Services for verification of accuracy and validity. If you do not receive any correspondence from the credit reporting agencies within 60 calendar days, notify Second Chance Financial Services immediately.
 - b. Not to contact credit reporting agencies (Equifax, Trans Union and Experian) for any reason. Not to apply for any type of credit, i.e., credit card, car loans, or secured financing such as a mortgage loan, during the period of this agreement without 7-day prior written notification to Second Chance Financial Service and an opportunity on the part of Second Chance Financial Service to consult with Customer with regard thereto.
 - c. To provide to Second Chance Financial Services within 14 calendar days of receipt thereof, all correspondence received from credit reporting agencies by Customer.
 - d. Customer understands that the results obtained by Second Chance Financial Services on behalf of Customer are dependent on numerous factors, including but not limited to Customer's ability to repay debts and loans, cooperation of Customer's creditors, and credit reporting agencies ability to verify information provided to them by Second Chance Financial Service on behalf of Customer.
 - e. Customer understands that accurate information may not be removed unless it is listed beyond a lawful time period.

3. Second Chance Financial Service is granted POWER OF ATTORNEY by Customer Adelus Moultrie. Be it known that I, the undersigned, am the individual/authorized officer of the business/personal entity listed below and as such do hereby grant a Limited Power of Attorney to Second Chance Financial Service, and any and all persons in their employ. Second Chance Financial Service shall have the necessary power and legal authority to undertake and perform the following acts on my behalf. I hereby give permission to Second Chance Financial Service to analyze and review any financial documentation related to my credit report and to sign my name on all letters written on my behalf. Second Chance Financial Service will act as a special agent on my behalf for the only purpose of communicating with credit reporting agencies and to inquire, solicit, investigate, analyze, review, verify, challenge, and dispute any account information held by my creditors, consumer credit reporting agencies and the three Credit Bureaus (Experian, Equifax, and TransUnion) as fully for all intents and purposes as I might or could do if personally present.

4. CUSTOMER METHOD OF CANCELLATION
You may cancel this transaction, without any penalty or obligation; within three business days from the date this contract is received by Second Chance Financial Service home office. To cancel this transaction, mail, or deliver a signed letter stating to cancel any further actions on your account to: Second Chance Financial Services Inc 19710 Governors Highway Suite 3, Flossmoor Il 60422

If you cancel during the allotted time frame, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 15 days following receipt of your cancellation notice. Any security interest arising out of the transaction will be cancelled.

I have read and understand all of the above listed items

I have reviewed the terms and conditions with the customer.

Customer Signature [Signature] Date 07-31-18

Agent: Emma Jones Date _____

EXHIBIT E

Second Chance Financial Service Inc.
 19630 Governors Highway Suite 8
 Pittsboro IL 60422 (Phone) 708-799-4000 Email - Secondchance4u@yahoo.com

FILED DATE: 1/13/2020 9:45 AM 2020CH00396

Date		File Number	Social Security
Applicant Last Name <i>Watton</i>		First Name <i>William</i>	Middle Name
Current Address		How long?	Previous Address
City, State, Zip		Previous City, State, Zip	
Cell Phone	Home Phone	Fax	Email
Company Name	Work Phone	Work Fax	Work Email
Company Address			Position

SERVICE AGREEMENT FOR AUDITING CREDIT REPORT CREDIT ACCURACY VERIFICATION SERVICE <u>Consistent will perform the following services for client:</u> 1. Originate an audit / Dispute file for each client. 2. Once Credit reports are received we will then analyze and perform a general audit. 3. Prepare disputes for authorized clients against all inaccurate erroneous information on credit reports. 4. Prepare necessary documentation and forward disputes of inaccuracy to credit bureaus, erroneous and challenging letters to credit bureaus.	Our Fees Credit consultation is \$60.00 Non Refundable 1 to 5 Accts..... \$1000.00 6 to 15 Accts \$1500.00 16 to 20 Accts\$2000.00 21 to 30 Accts\$2500.00 More than 30 Accts (Negotiable)	Additional Charges These requires extra effort. Judgements..... \$500.00 Repossession..... \$500.00 Bankruptcy.... \$500.00
	<i>2000.00</i>	

FIRST STEP:	15 DAYS AFTER*	30 DAYS AFTER:	60 DAYS LATER AND ON:
Reports requested from credit bureaus Equifax..... Experian..... Trans-Union.....	Reports received and disputed with credit bureaus.	First results Re-challenge	Second results Re-challenge

BY SIGNING BELOW, I ACKNOWLEDGE HAVING RECEIVED A COPY OF THIS INFORMATION STATEMENT PRIOR TO EXECUTING AN AGREEMENT FOR ANY CREDIT SERVICES DESCRIBED ABOVE. I HEREBY AUTHORIZE SECOND CHANCE FINANCIAL SERVICES TO REQUEST AND USE MY CREDIT REPORTS TO IMPROVE MY CREDIT STATUS. I HEREBY UNDERSTAND THAT I MUST SUBMIT THE CREDIT REPORTS IMMEDIATELY TO Second Chance Financial Services UPON RECEIPT. I UNDERSTAND THAT MY PAYMENT COVERS OFFICE EXPENSES FOR ONE (01) YEAR OF SERVICE. I also understand that more collections when be deleted off my credit report then the amount I paid for services.

<i>William R. Watton</i>	<i>William R. Watton</i>	[Redacted]	<i>4-18-17</i>
Client's Name	Client Signature	Social Security	Date

Sales Representative Email: [Redacted]	Referred by
Service Fee / or Refundable Payment	Payment: _____ Balance: _____

NOTICE OF CANCELLATION BY LAW (to be used to cancel this agreement)

We may cancel this contract without any penalty or obligation, at any time prior to midnight of the 3rd. day which begins after the date the contract is signed by you. To cancel this contract Certified mail or deliver, a signed & date copy of this cancellation notice, or any other written notice to:

to cancel this transaction:
William R. Watton *4-11-17*
 Client's Signature Date

PAYMENT AGREEMENT

This agreement is between Williams Watten () and Second Chance Financial Services. (Second Chance Financial Services) and is a legally binding agreement.

The total amount due for services rendered is the total sum of \$ 2000.00. Second Chance has agreed to accept payments at the following terms.

A \$25.00 processing fee per payment will be charged if choosing the payment option as outlined below. Any sums not paid as agreed will accrue an additional fee of \$25.00 past 15 days. Second Chance will work diligently to help you (the client) restore and rebuild your (his/her) credit, but in order to do this, you () must pay all obligations forward as they are due.

=== All payments are due within 60 days (individual) & 90 days (couple) of the start date.

Individual: \$ _____ 1 payment (save \$25 or more)
Couple: \$ _____ 1 payment (save \$25 or more)

Individual: The following payments will be paid on:

\$ 500.00 1st payment Received, 5 April 8, 200 17
\$ 500 On or before 5/20, 200 17 (2nd pymt due within 30-45 days of 1st pymt)

Couple: The following payments will be paid on:

\$ 500.00 1st payment Received, 6/20/17, 200
\$ 500.00 On or before 07/20/17, 200 (2nd pymt due within 30-45 days of 1st pymt)

If 3 payments need to be made instead of 2, please write it below:

Note: Mail MUST be postmarked by the due date in order to avoid late charges! All Returned checks will be charged a \$25.00 fee in addition to late fees.

Any payments due Second Chance must be paid on or before their due date. Consultation services and document preparation services may be discontinued for any client in arrears on their payment agreement. All payments NOT received by the due date will accrue the late charges as outlined below. Any balances sixty days late will be sent to our collection department where all legal remedies may be used including filing suit which may result in a judgement appearing on the clients' credit report and updated every month. It will also incur any filing fees, and legal fees. This may appear a little harsh, but due to previous circumstances, Simple Solutions is now forced to take this action if necessary. Remember, we are in the business to assist you to get better credit, not to make it worse! So please take care of us - as we will take care of you!!

Client Signature _____ Date _____
Client Signature _____ Date _____

Second Chance Financial Services Title Owner Emma

if you are mailing a cashier's check or money order please make it payable to:
Second Chance Financial Services Inc
19630 Governors Highway Suite 8 Flossmoor IL 60422

FILED DATE: 1/13/2020 9:45 AM 2020CH00396

EXHIBIT F



Second Chance Financial Services Inc
19710 Governors Highway Suite 3
IL US
(708) 799-4000
emmajonescredit@secondchance4u.com

BILL TO
Katinka Jones

[Redacted]

[Redacted]

DATE 02/12/2018

DUE DATE 02/12/2018

DATE	AMOUNT
02/12/2018	2,200.00

TOTAL DUE **\$1,700.00**

Cash APP
[Redacted]

FILED DATE: 1/13/2020 9:45 AM 2020CH00396