STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS

In the Matter of: )
Equity Sales Finance, Inc. )
) )
) ) Case # 20CC108
)

CONSENT ORDER

Recitals

WHEREAS, the Illinois Department of Financial and Professional Regulation, ("Department") administers and regulates the Sales Finance Agency Act, 205 ILCS § 660/1 and its implementing regulations.

WHEREAS, the Sales Finance Agency Act, 205 ILCS § 660/1 et seq. provides in part:

Section 2 . . . "Sales finance agency" means a person, irrespective of his or her state of domicile or place of business, engaged in this State, in whole or in part, in the business of purchasing, or making loans secured by, retail installment contracts, retail charge agreements or the outstanding balances under such contracts or agreements entered into in this State . . . .

Section 3. No person may engage in the business of a sales finance agency in this State without first obtaining a license as provided in this Act. A licensee under the Consumer Installment Loan Act may engage in the business of a sales finance agency without securing a license under this Act. A Consumer Installment Loan Act licensee engaged in the business of a sales finance agency is required to comply with this Act and violations of this Act may result in penalties, revocation of the licensee's authority to engage in sales finance agency activity, or revocation or suspension of the Consumer Installment Loan Act license.

WHEREAS, the Sales Finance Agency Act implementing regulations, 38 Ill. Admin. Code 160 et seq. provides in part:

Section 40 . . . (b) All legal instruments evidencing indebtedness in connection with a transaction and executed by an obligor, including a copy of the Disclosure Statement, if a separate instrument, must bear the transaction number.

Section 90 . . . All original legal documents executed by the obligor evidencing indebtedness shall be cancelled and returned to the obligor promptly following the
renewal or payment in full. Where prior written approval has been obtained from the Department and original documents are not available, a licensee shall substitute copies reproduced from any medium or format which accurately reproduces the original documents. Continuing security agreements shall be retained until subsequent debts are paid in full. If an executed copy of a legal document is retained following payment in full or renewal, it must be clearly marked “PAID”, “CANCELLED” or “RENEWED”, indicating the date of payment or renewal. Copies clearly identified with the legend “COPY NOT NEGOTIABLE” or similar language, may be used in lieu of this requirement.

WHEREAS, Equity Sales Finance, Inc. (“Equity Sales Finance) is not licensed under the Sales Finance Agency Act, 205 ILCS § 660/1 et seq.

WHEREAS, Equity Sales Finance is not exempt from licensure under the Sales Finance Agency Act.

WHEREAS, between on or about March 20, 2019, and on or about June 3, 2020, Equity Sales Finance violated the Sales Finance Agency Act, 205 ILCS § 660/1 et seq. by engaging in the State of Illinois, in whole or in part, in the business of purchasing, or making loans secured by, retail installment contracts, retail charge agreements or the outstanding balances under such contracts or agreements entered into in the State of Illinois without the required license.

WHEREAS, between on or about March 20, 2019, and on or about June 3, 2020, Equity Sales Finance violated the Sales Finance Agency Act, 205 ILCS § 660/1 et seq. and implementing regulations by failing to cancel and return all original legal documents evidencing indebtedness promptly following the renewal or payment in full and failing to clearly mark executed copies of any legal document retained “Paid”, “Cancelled,” or “Renewed” indicating the date of payment or renewal.

WHEREAS, between on or about March 20, 2019, and on or about June 3, 2019, Equity Sales Finance violated the Sales Finance Agency Act, 205 ILCS § 660/1 et seq. and implementing regulations by failing to ensure that all legal instruments evidencing indebtedness bear the transaction number.

WHEREAS, Equity Sales Finance, having been advised of its right to a hearing on the charges that it violated the Sales Finance Agency Act, 205 ILCS § 660/1 et seq. and implementing regulations has waived those rights and entered into an Agreement and Stipulation to Entry of a Consent Order attached hereto as Exhibit A.

Order

The Department hereby orders Equity Sales Finance as follows:

1. Within ten days of the Effective Date, Equity Sales Finance shall pay the sum of $5,000 (Five Thousand Dollars) to the Department by check. The check shall be payable to the “Illinois Department of Financial and Professional Regulation” and mailed with tracking to:
2. Equity Sales Finance shall cancel and return all original legal documents evidencing indebtedness promptly following renewal or payment in full and clearly mark executed copies of any legal document retained "Paid," "Cancelled," or "Renewed" indicating the date of payment or renewal.

3. Equity Sales Finance shall ensure that all legal instruments evidencing indebtedness bear the transaction number.

4. Equity Sales Finance shall not engage in the State of Illinois, in whole or in part, in the business of purchasing, or making loans secured by, retail installment contracts, retail charge agreements or the outstanding balances under such contracts or agreements entered into in the State of Illinois without the required license or engage in any other conduct requiring licensing by the Department unless and until it receives licensure the Department. Nothing herein shall be construed as entitling Equity Sales Finance to licensure by the Department.

The Effective Date of this Consent Order shall be the date it is signed by the Department and Equity Sales Finance. If the Consent Order is signed on different dates, the Effective Date shall be the date of the last signature.

The provisions of this Consent Order shall be binding upon Equity Sales Finance and the Department, and their successors and assigns, legatees, heirs, and personal representatives.

The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the Department.
This Consent Order may be executed by physical signatures or electronic signature in counterparts and by email, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with each of the other signed counterparts, shall constitute one Consent Order, which shall be binding and effective as to the Parties. Signatures emailed in portable document format (PDF) shall be acceptable and deemed binding on the Parties as if they were originals.

FRANCISCO MENCHACA
DIRECTOR, DIVISION OF FINANCIAL INSTITUTIONS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

Francisco Menchaca Digitally signed by Francisco
Menchaca as Director

Date: 2004-07-19 12:40:00-0600

EQUITY SALES FINANCE INC.

By, President

Date: 7-20-20
AGREEMENT AND STIPULATION FOR ENTRY OF CONSENT ORDER

This agreement and stipulation for entry of consent order (the "Agreement") is between the State of Illinois, Department of Financial & Professional Regulation, ("Department") and Equity Sales Finance, Inc. ("Equity Sales Finance").

DEFINITIONS

"Effective Date" shall mean the date this agreement is signed by the Department and Equity Sales Finance. If the Department and Equity Sales Finance sign this Agreement on different dates, the Effective Date shall be the last date listed.

RECITALS

WHEREAS, the Sales Finance Agency Act, 205 ILCS § 660/1 et seq provides in relevant part:

Section 2... "Sales finance agency" means a person, irrespective of his or her state of domicile or place of business, engaged in this State, in whole or in part, in the business of purchasing, or making loans secured by, retail installment contracts, retail charge agreements or the outstanding balances under such contracts or agreements entered into in this State...

Section 3. No person may engage in the business of a sales finance agency in this State without first obtaining a license as provided in this Act. A licensee under the Consumer Installment Loan Act may engage in the business of a sales finance agency without securing a license under this Act. A Consumer Installment Loan Act licensee engaged in the business of a sales finance agency is required to comply with this Act and violations of this Act may result in penalties, revocation of the licensee's authority to engage in sales finance agency activity, or revocation or suspension of the Consumer Installment Loan Act license.

WHEREAS, the Sales Finance Agency Act implementing regulations, 38 Ill. Admin. Code 160 et seq. provide in part:

Section 40...(b) All legal instruments evidencing indebtedness in connection with a transaction and executed by an obligor, including a copy of the Disclosure Statement, if a separate instrument, must bear the transaction number.

Section 90... All original legal documents executed by the obligor evidencing indebtedness shall be cancelled and returned to the obligor promptly following the
renewal or payment in full. Where prior written approval has been obtained from the Department and original documents are not available, a licensee shall substitute copies reproduced from any medium or format which accurately reproduces the original documents. Continuing security agreements shall be retained until subsequent debts are paid in full. If an executed copy of a legal document is retained following payment in full or renewal, it must be clearly marked “PAID”, “CANCELLED” or “RENEWED”, indicating the date of payment or renewal. Copies clearly identified with the legend “COPY NOT NEGOTIABLE” or similar language, may be used in lieu of this requirement.

WHEREAS, the Department has jurisdiction to administer the Sales Finance Agency Act, 205 ILCS § 660/1 et seq.

WHEREAS, Equity Sales Finance is not licensed under the Sales Finance Agency Act, 205 ILCS § 660/1 et seq.

WHEREAS, Equity Sales Finance is not exempt from licensure under the Sales Finance Agency Act, 205 ILCS § 660/1 et seq.

WHEREAS, between on or about March 20, 2019, and on or about June 3, 2020, Equity Sales Finance violated the Sales Finance Agency Act, 205 ILCS § 660/1 et seq. by engaging in the State of Illinois, in whole or in part, in the business of purchasing, or making loans secured by, retail installment contracts, retail charge agreements or the outstanding balances under such contracts or agreements entered into in the State of Illinois without the required license.

WHEREAS, between on or about March 20, 2019, and on or about June 3, 2020, Equity Sales Finance violated the Sales Finance Agency Act, 205 ILCS § 660/1 et seq. and implementing regulations by failing to cancel and return all original legal documents evidencing indebtedness promptly following the renewal or payment in full and failing to clearly mark executed copies of any legal document retained “Paid”, “Cancelled,” or “Renewed” indicating the date of payment or renewal.
WHEREAS, between on or about March 20, 2019, and on or about June 3, 2020, Equity Sales Finance violated the Sales Finance Agency Act, 205 ILCS § 660/1 et seq. and implementing regulations by failing to ensure that all legal instruments evidencing indebtedness bear the transaction number.

NOW, THEREFORE, in consideration of the recitals above and the mutual promises, covenants and statements set forth below the Department and Equity Sales Finance agree as follows:

AGREEMENT TERMS

1. Equity Sales Finance agrees to the entry of the Consent Order attached hereto as "Exhibit 1." Equity Sales Finance agrees that the Consent Order will become a final order, effective upon issuance, and will be fully enforceable by the Department.

2. Equity Sales Finance agrees that the Department has jurisdiction over Equity Sales Finance and the subject matter of this action. Equity Sales Finance waives any right to service of the Consent Order and agrees the issuance of the Consent Order will constitute notice to Equity Sales Finance of its terms and conditions.

3. Equity Sales Finance expressly waives its right to a hearing, any right to seek any administrative or judicial review of the Consent Order, or to otherwise challenge or contest the validity of the Consent Order.

4. Equity Sales Finance within ten days of the Effective Date, agrees to pay the sum of $5,000 (Five Thousand Dollars) to the Department by check. The check shall be payable to the “Illinois Department of Financial and Professional Regulation” and mailed with tracking to:

Illinois Department of Financial and Professional Regulation
Attn: Cash Unit
320 W. Washington St., Rm. 338
Springfield, Illinois 62786
5. Equity Sales Finance agrees that it shall not engage in the State of Illinois, in whole or in part, in the business of purchasing, or making loans secured by, retail installment contracts, retail charge agreements or the outstanding balances under such contracts or agreements entered into in the State of Illinois without the required license, or any other conduct requiring licensure by the Department unless and until it receives licensure from the Department. Nothing herein shall be construed as entitling Equity Sales Finance to licensure by the Department.

6. Equity Sales Finance agrees that it shall cancel and return all original legal documents evidencing indebtedness promptly following renewal or payment in full and clearly mark executed copies of any legal document retained “Paid,” “Cancelled,” or “Renewed” indicating the date of payment or renewal.

7. Equity Sales Finance agrees that it shall ensure that all legal instruments evidencing indebtedness bear the transaction number.

8. This Agreement and the Consent Order only resolves Equity Sales Finance potential liability to the Department for law violations that the Department has asserted or might have asserted based on the conduct specifically described in the recitals above, to the extent such conduct occurred before the Effective Date, and the Department has knowledge of them as of the Effective Date. Equity Sales Finance acknowledges that no promise or representation has been by the Department or any employee, agent, or representative of the Department, limiting liability outside of this action that may arise from the facts underlying this action.

9. Equity Sales Finance agrees that the recitals described above and included in the Consent Order will be taken as true and be given collateral estoppel effect, without further proof, in any proceeding before the Department to enforce the Consent Order, or any subsequent civil
litigation by the Department to enforce the Consent Order or the Departments right to any payment or monetary judgment under the Consent Order.

10. The Department, in its sole discretion, may rescind this Agreement and the Consent Order and subject Equity Sales Finance to further regulatory action if Equity Sales Finance fails to comply with any provision in this Agreement and the Consent Order, including but not limited to the timely payment of any fee, fine, or other payment to be made to the Department.

11. This Agreement consists of seven pages and embodies all the terms and conditions of this Agreement and constitutes the complete agreement and understanding among the parties.

12. Except for the payment required by Paragraph 4 of this Agreement and as further described in this paragraph, each of the parties hereby expressly waives any and all rights to costs, expenses and attorneys’ fees from the other. Notwithstanding any other provision of this Agreement, the Department and its agents may recover costs, expenses, and attorneys’ fees from Equity Sales Finance in any matter to enforce the Agreement and Consent Order.

13. This Agreement binds the parties and their respective successors, assigns, legatees, heirs, and personal representatives.

14. Neither this Agreement, nor any settlement terms that may have been discussed, is in force or has any effect until the Effective Date of this Agreement.

15. The signatories to this Agreement represent that they have had the opportunity to seek the advice of counsel, they are entering into this Agreement freely and voluntarily, and they have all necessary authority to execute this Agreement.

16. This Agreement may be executed by physical or electronic signature in counterparts and by email, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with each of the other
each counterpart shall be deemed an original and, when taken together with each of the
other signed counterparts, shall constitute one Agreement, which shall be binding and
effective as to the parties. Signatures emailed in portable document format (PDF) shall
be acceptable and deemed binding on the parties as if they were originals.

17. Neither Equity Sales Finance nor the Department shall be considered the drafter of this
Agreement or any of its provisions for the purpose of any statute, case law, or rule of
interpretation or construction that would or might cause any provision to be construed
against the drafter of this Agreement.

FRANCISCO MENCHACA
DIRECTOR, DIVISION OF FINANCIAL INSTITUTIONS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

Francisco Menchaca
By: Director

Dated: ____________________, 2020

EQUITY SALES FINANCE, INC.

By: ____________

Dated: ________, 2020

Its: ____________