



For Immediate Release

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**MADIGAN ALLEGES WILL COUNTY BUSINESSMAN LURED
CONSUMERS WITH PROMISE OF CASH LOANS AND THEN
FAILED TO DELIVER**

Chicago – Attorney General Lisa Madigan today filed a lawsuit in Cook County Circuit Court against a Will County man who allegedly misled consumers into believing he could provide them with cash loans regardless of their credit status, accepted their registration fees to join his credit association and then failed to deliver on his end of the deal.

Today’s lawsuit charges Zondrus Webb, of Crete, doing business as New Credit Association, with multiple violations of the Illinois Consumer Fraud and Deceptive Business Practices Act and the Illinois Credit Services Organization Act.

Madigan’s Consumer Protection Division has received 14 complaints related to the New Credit Association. While most of the victims that complained to Madigan’s office are from out of state, the two victims from Illinois reside in McLean County.

“Zondrus Webb preyed on people who were struggling to manage their finances and trying to obtain loans,” Madigan said. “No consumer, regardless of his or her credit history, can afford fraud.”

Madigan’s lawsuit alleges that since at least July 2005, Webb has placed advertisements in the Thrifty Nickel newspaper chain and other newspapers across the country. The advertisements allegedly stated: “CASH LOANS! Up to \$10,000. No credit checks. No upfront fees.” The advertisements directed consumers to call a telephone number to obtain additional information. At the number, consumers heard a recorded message stating that the consumer would be able to make loan payments as low as \$250 per month on a \$10,000 loan, and \$97 per month on a \$2,000 loan. Consumers were instructed to leave their names and addresses to receive additional information.

Consumers then reportedly received a package of information from the New Credit Association, which contained a “pre-approval” letter, a “loan activation form” and a “signature loan installment contract.” To apply for a loan, consumers were required to fill out the loan contract and pay \$97.69 as a “membership fee” to join Webb’s credit association.

After paying the fee, most consumers reportedly never received a loan or information on applying for a loan. Other consumers reportedly received a booklet, entitled “The All New Signature Loan Report,” which contained information on how and where to apply for loans and credit cards. In many instances, when a consumer requested a refund of the \$97.69 membership fee, Webb failed to refund the money.

In addition to the allegedly unfair and deceptive marketing tactics, Madigan’s lawsuit alleges Webb was not registered with the Illinois Secretary of State as a credit services organization, did not have the required \$100,000 surety bond and did not provide consumers with the required disclosure statement.

Madigan’s lawsuit asks the court to prohibit the defendant from engaging in the business of assisting consumers in obtaining loans or extensions of credit and from further violating Illinois’ consumer protection laws. The lawsuit seeks a civil penalty of \$50,000 and additional penalties of \$50,000 for each violation found to have been committed with the intent to defraud. Finally, Madigan’s lawsuit asks the court to order the defendants to pay restitution to consumers.

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