



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**CITY OF CHICAGO SUES DEBT RESOLUTION FIRMS FOR EXPLOITING CONSUMERS
WITH FAKE PROMISES TO SETTLE THEIR DEBT**

*Defendant's Deceitful and Unlawful Conduct Harmed Chicagoans Struggling with
Financial Hardship*

CHICAGO – The City of Chicago today announced it has filed a civil complaint in the Circuit Court of Cook County against Monarch Legal, Strategic Financial Solutions, and Timothy Burnette, the head of Monarch Legal, for running a fraudulent debt resolution scheme that preys on hardworking Chicagoans struggling to pay off debt.

The Defendants portray themselves as a legitimate business that negotiates with creditors to resolve consumer debt for less than the amount owed and defends consumers from creditor lawsuits. But instead, Defendants engaged in unfair and deceptive business practices such as deploying misleading marketing tactics, collecting exorbitant up-front and monthly fees, and refusing to provide the legal services that consumers pay for. The City is seeking injunctive, monetary, and equitable relief for violations of the Municipal Code.

“Chicagoans already financially strained by the impacts of the pandemic have been further exploited by the Defendants who make fake promises about debt resolution timelines and repayment plans that ultimately leave consumers worse off,” said Business Affairs and Consumer Protection Commissioner Kenneth J. Meyer. “Today we bring this action to hold these bad actors accountable and ensure they can no longer enrich themselves at the expense of vulnerable consumers.”

The City's complaint alleges the Defendants lure consumers into their debt resolution program by making false promises about their refund policy, misrepresenting the amount of money consumers will save in the program, and tricking consumers into believing that attorneys will negotiate their settlements when that work is actually performed by non-lawyer contractors. In addition, consumers told the City that Defendants refused to represent them in court when sued by a creditor, leaving consumers who had paid for legal services to defend themselves in court.



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“With the promise to negotiate settlements with creditors and defend consumers in court, financially-struggling Chicagoans are duped by these firms and many end up being sued, resulting in default judgments, wage garnishments and other negative consequences,” said Chicago Corporation Counsel Celia Meza. “The City will uphold the laws that protect consumers against these deceptive and harmful practices.”

The lawsuit claims the Defendants violate and continue to violate consumer protection laws and is asking the court to stop the Defendants from engaging in debt resolution activity in the City and assess fines for violations of the Chicago Municipal Code.

The City is represented in this lawsuit by in-house counsel from the Affirmative Litigation Division in its Department of Law.

If any Chicago resident wishes to inform the City about their experience with Monarch Legal or any other debt resolution program, they can do so by emailing consumerprotection@cityofchicago.org.

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