

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: AXFORD ENTERPRISES, INC.)
d/b/a MED LOAN FINANCE, d/b/a ITS OFFICERS,)
DIRECTORS, AGENTS,)
EMPLOYEES, AFFILIATES, SUCCESSORS AND)
ASSIGNS.)

FILE NO. C1400098

NOTICE OF HEARING

TO RESPONDENTS: Axford Enterprises, Inc.
 d/b/a Med Loan Finance
 Attn: James E. Axford
 10515 W. 148th Terracc
 Overland Park, KS 66221

You are hereby notified that pursuant to Section 15-45 of the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-15] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on August 24, 2016, at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopecky or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered prohibiting Axford Enterprises, Inc. from engaging in the business of loan brokcring in the State of Illinois, and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 15-55 of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

BACKGROUND FACTS

1. Axford Enterprises, Inc d/b/a MedLoanFinance ("Respondent Axford") is a Kansas corporation. Its last known address is 10515 West 148th Terrace, Overland Park, Kansas 66221.
2. Complainants, KM and GM are residents of the State of Illinois.

Notice of Hearing

3. During May 2013, Respondent, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, offered to procure a loans via the internet at www.medloanfinance.com (the "Ad"), which was viewed by at least one Borrower (the "Borrower").
4. On or about May 30, 2013, Complainant KM found and read Respondent Axford's brochure in her doctor's office advertising the company MedLoan Finance and Respondent's website.
5. Complainant KM went on Respondent's website and completed an online form to inquire as to the types of loans respondent offered. Respondent's form required Complainant's financial information.
6. On May 30, 2013, Complainant GM received a call from a representative at Respondent Axford informing him that he had been approved for two credit cards and a third credit card with an unknown balance through Bank of America.
7. Complainant GM states that he informed the representative that he was not interested in receiving any credit cards and that he had not applied for any credit cards.
8. Complainant GM spoke with a representative from Bank of America regarding the credit card and was informed that he had been approved for \$10,000.00. He informed the representative that he had not applied for the credit card through Bank of America.
9. On June 3, 2013, Respondent charged Complainants a fee of \$1,795.50 for "securing" credit cards in their name which was debited from the credit card issued by Bank of America without Complainants' permission.
10. That the above-referenced Respondent Axford is a loan broker as that term is defined pursuant to Section 15-5.15 of the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-1 et seq.] (the "Act").

COUNT I

815 ILCS 175/15-10 and 15-85(b) violations:

Respondent is an unregistered loan broker

- 1-10. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 10 above, as paragraphs 1 through 10 of this Count I.
11. Section 15-10 of the Illinois Loan Brokers Act of 1995, 815 ILCS 175/15-10 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for

Notice of Hearing

any person to “engage in the business of loan brokering unless registered under this.”

12. Section 15-85(b) of the Act provides, inter alia, that it is prohibited under the Act for a loan broker to either directly or indirectly act as a loan broker without registration under the Act unless exempt under the Act.
13. At all times relevant hereto, Respondent, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, failed to file an application for registration as a loan broker with the Secretary of State prior to the aforementioned loan offer from the State of Illinois.
14. By virtue of the foregoing, Respondent its Officers, Directors, Employees, Affiliates, Successors, Agents, Assigns, have violated Sections 15-10 and/or 15-85(b) of the Act.

COUNT II

815 ILCS 175/15-85(a) violation: Respondent employed a scheme to defraud in connection with the sale of securities

- 1-10. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 14 of Count I, as paragraphs 1 through 14 of this Count II.
11. Section 15-85(a) of the Act provides that it shall be a violation of the Act for a loan broker, in connection with a contract for the services of a loan broker, to either directly or indirectly:
 - (1) Employ any devices, scheme, or article to defraud;
 - (2) Make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or
 - (3) Engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon any person.
12. The facts alleged in paragraphs 1 through 11 above allege facts that show conduct by the Respondent that violate Section 15-85(a) of the Act. In particular: Respondent indicates on its website that it was a “one of the finest medical finance companies” and that it knew how to leverage lending companies to get competitive rates. When in fact, Respondent without the consent of complainants applied for credit cards in complainants’ names.

You are further notified that you are required pursuant Section 145.400 of the Rules and Regulations (14 Ill. Adm. Code 145) (the “Rules”), to file an answer to the allegations outlined

Notice of Hearing

above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be requested by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 6th day of July 2016.



JESSE WHITE
Secretary of State
State of Illinois

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