

#10295

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

PEOPLE OF THE STATE OF ILLINOIS,)
ex rel. Anita Alvarez, State's Attorney)
of Cook County, Illinois,)

Plaintiff,)

vs.)

INNER CITY BUILDERS & INVESTMENTS, Inc.;)
and MICHAEL RIVERA, individually and as)
President of INNER CITY BUILDERS &)
INVESTMENTS, Inc.)

Defendants.)

No:

09 CH 15887

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

NOW COMES the Plaintiff, the People of Illinois, ex rel. Anita Alvarez, State's Attorney of Cook County, and complains of Michael Rivera, individually and as agent of Inner City Builders (hereinafter "Defendant Rivera"), for violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 et seq. ("Consumer Fraud Act"), and the Illinois Home Repair and Remodeling Act, 815 ILCS 513/1 et seq. ("Home Repair Act").

FILED

COUNT I - VIOLATIONS OF THE CONSUMER FRAUD ACT

AUTHORITY

1. This action was filed by the Plaintiff, the People of the State of Illinois, ex rel. ANITA ALVAREZ, State's Attorney of Cook County, Illinois (the "State's Attorney") pursuant to paragraph 505/7 of the Consumer Fraud Act. See 815 ILCS 505/7.

2. Section 7 of the Consumer Fraud Act provides in relevant part:

(a) Whenever the Attorney General or a State's Attorney has reason to believe that any person is using, has used, or is about to use any method, act

or practice declared by this Act to be unlawful, and that proceedings would be in the public interest, he or she may bring an action in the name of the People of the State against such person to restrain by preliminary injunction the use of such method, act or practice. The Court, in its discretion, may exercise all powers necessary, including but not limited to: injunction; revocation, forfeiture or suspension of any license, charter, franchise, certificate or other evidence of authority of any person to do business in this State; appointment of a receiver; dissolution of domestic corporations or associations; suspension or termination of the right of foreign corporations or associations to do business in this State; and restitution.

(b) In addition to the remedies provided herein, the Attorney General or State's Attorney may request and the Court may impose a civil penalty in a sum not to exceed \$50,000 against any person found by the Court to have engaged in any method, act or practice declared unlawful under this Act. In the event the Court finds the method, act or practice to have been entered into with the intent to defraud, the Court has the authority to impose a civil penalty in a sum not to exceed \$50,000 per violation. Under the Consumer Fraud Act, the term "person" includes any natural person or his legal representative, partnership, corporation (domestic and foreign), company, trust, business entity or association, and any agent, employee, salesman, partner, officer, director, member, stockholder, associate, trustee or cestui que trust.

815 ILCS 505/7 (2008)

3. Section 2 of the Consumer Fraud Act provides as follows:

Unfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with the intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment of any practice described in Section 2 of the "Uniform Deceptive Trade Practice Act", approved August 5, 1965, in the conduct of any trade or commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby...

815 ILCS 505/2 (2008)

As defined in Section 2B(c) of the Consumer Fraud Act, it is an unlawful practice for persons who sell goods or services in excess of \$25.00 at a consumer's home to "[f]ail to inform each consumer orally, at the time he signs the contract or purchases or leases the goods or services, of his right to cancel." 815 ILCS 505/2B(c) (2008).

4. As defined in Section 2B of the Consumer Fraud Act,

Where a sale of merchandise involving \$25 or more is made or contracted to be made whether under a single contract or under multiple contracts, to a consumer by a seller who is physically present at the consumer's residence, that consumer may avoid the contract or transaction by notifying the seller within 3 full business days following that day on which the contract was signed or the sale was made and by returning to the person, in its original condition, any merchandise delivered to the consumer under the contract or sale. **At the time the transaction is made or the contract signed, the person shall furnish the consumer with a fully completed receipt or contract pertaining to the transaction, in substantially the same language as that principally used in the oral presentation to the consumer, containing a "Notice of Cancellation" informing the consumer that he may cancel the transaction at any time within 3 days and showing the date of the transaction with the name and address of the person, and in immediate proximity to the space reserved in the contract for the consumer's signature or on the front page of the receipt if a contract is not used, a statement which shall be in bold face type, in at least 10-point type...**

Attached to the receipt or contract shall be a completed form in duplicate, captioned "NOTICE OF CANCELLATION" which shall be easily detachable and which shall contain in 10-point bold face type the following information and statements in the same language as that used in the contract...

The 3 day period provided for in this Section does not commence until the consumer is furnished a "Notice of Cancellation", and the address at which such notice to the seller can be given.

815 ILCS 505/2B (2008)

5. As defined in Section 2B(f)(i) of the Consumer Fraud Act, it is an unlawful practice for persons to fail or refuse to honor any valid notice of cancellation by a consumer and, within 10 business days after the receipt of such, not refund all payments made under the contract or sale. 815 ILCS 505/2B(f)(i).

VENUE

6. Venue for this action properly lies in Cook County, Illinois, because this cause of action arose from the Defendants' activities in Cook County, Illinois.

DEFENDANTS

7. Defendant INNER CITY BUILDERS & INVESTMENTS, Inc., was incorporated on September 24, 2004, as an Illinois domestic corporation. (hereinafter "INNER CITY BUILDERS"). INNER CITY BUILDERS maintains its principal place of business at 7935 W. Grand Avenue, Chicago, IL, in Cook County.

8. Defendant RIVERA is the President and Secretary of Defendant INNER CITY BUILDERS. He is also the sole, or majority, shareholder of the company. Defendant Rivera resides at 1820 N. 74th Court, Elmwood Park, IL.

9. At all relevant times, Defendants INNER CITY BUILDERS and RIVERA purported to engage in the business of home repair and remodeling, and of arranging financing for customers.

10. At all relevant times, Defendant RIVERA managed and controlled the day-to-day affairs of Defendant INNER CITY BUILDERS in his capacity as President and primary or sole owner, operator, and salesman of Defendant INNER CITY BUILDERS. In these capacities, Defendant RIVERA devised and implemented the deceptive business practices complained of herein.

11. At all relevant times, Defendant RIVERA was an agent of Defendant INNER CITY BUILDERS.

12. At all relevant times, Defendant RIVERA acted within the scope of his agency with Defendant INNER CITY BUILDERS when he engaged in the unlawful and deceptive conduct complained of herein.

13. Defendant RIVERA manages and operates Defendant INNER CITY BUILDERS, Inc., as his alter ego.

14. At all relevant times, Defendant RIVERA and Defendant INNER CITY BUILDERS, Inc., engaged in a common scheme to defraud consumers such that to adhere to the fiction of a separate corporate existence between Defendant INNER CITY BUILDERS, Inc., and its President, Secretary, sole owner, Defendant RIVERA, would serve to sanction fraud and promote injustice.

DEFENDANTS' BUSINESS PRACTICES

15. In 2007 and 2008 Defendant INNER CITY BUILDERS, through its agent Defendant RIVERA, distributed flyers to homeowners throughout the Chicago land area. These flyers, written in both English and Spanish, promote the Defendants' comprehensive home repair and remodeling services, and attractive financing options that include 100% financing, "no money down" contracts, and debt consolidation. Defendant INNER CITY BUILDERS' materials also state the company is licensed, bonded, and insured. (Copies of Defendants' promotional materials are attached as Exhibit A)

16. Home owners relied on the representations in Defendants' flyers, and contacted INNER CITY BUILDERS to arrange a free estimate on their home repair and remodeling project. Home owners with limited incomes were particularly interested in INNER CITY BUILDERS' no money down, 100% financing contracts.

17. Defendant INNER CITY BUILDERS' principal sales agent, Defendant RIVERA, solicited prospective customers in English and in Spanish, and provided them with bilingual materials about the company.

18. As part of its regular business practices Defendant INNER CITY BUILDERS, through its agent Defendant RIVERA, provide consumers with both verbal and written warnings about the dangers of hiring unlicensed contractors. (A copy of the article Defendants routinely distribute to consumers is attached as Exhibit B).

19. When soliciting prospective customers, Defendant RIVERA displays a copy of INNER CITY BUILDERS' general contractor's license and certificate of liability insurance and states that his company, Defendant INNER CITY BUILDERS, is licensed, bonded, and insured to perform bathroom and kitchen remodeling work, as well as electrical, plumbing, and roofing work in the city of Chicago.

20. Defendant RIVERA also cites the following facts as to why consumers should hire his company for their project: "INNER CITY BUILDERS 1) has over twenty (20) years experience in the home repair and remodeling industry; 2) is licensed, bonded, and insured up to \$2 million; 3) offers "no-cost" home repair contracts; 4) guarantees all labor for 1 year; 5) handles the permit and architect process anywhere in Illinois; and 6) provides financing for good or bad credit". (A copy of Defendants' flyer, "*Why should you choose INNER CITY BUILDERS?*", is attached as Exhibit C).

21. At all relevant times, neither Defendant INNER CITY BUILDERS nor Defendant RIVERA maintained a current home repair license. (A copy of the City of Chicago's verification of the Defendants' non-licensure for home repair and non-licensure to conduct business is attached hereto as Exhibit D).

22. At all relevant times, Defendants INNER CITY BUILDERS and RIVERA did not subcontract any licensed home repair contractors to perform contracted work for Chicago residents Jose Ayala, and Mr. and Mrs. Arthur Jones.

23. A home repair contractor license is required by the City of Chicago of all contractors that repair or remodel residential homes in the city.

24. At all relevant times, neither Defendant INNER CITY BUILDERS nor Defendant RIVERA was licensed to perform roofing, electrical, or plumbing work in Illinois.

25. At all relevant times, Defendant RIVERA met with prospective customers at their homes, inspected the areas that needed repair or remodeling, and submitted detailed contract proposals on behalf of Defendant INNER CITY BUILDERS.

26. At all relevant times, Defendants INNER CITY BUILDERS and RIVERA offered to perform home repair and remodeling work pursuant to cash sales contracts, and contracts that were contingent upon financing. Under both types of contracts, Defendant RIVERA would handwrite the scope of the work to be completed, the total contract price, and the payment terms. Generally, Defendants INNER CITY BUILDERS and RIVERA increased the contract price if the customer's home repair contract was contingent upon financing.

27. On one or more occasions, Defendant RIVERA executed a \$21,250.00 cash sales contract on behalf of Defendant INNER CITY BUILDERS that required a retired couple, both of whom were on fixed incomes, to make an initial down payment of \$20,000.00.

28. When the customer was unable to make the required \$20,000.00 cash down payment, Defendant INNER CITY BUILDERS through its agent Defendant RIVERA, increased the contract price by roughly \$33,000.00 to perform the exact same work under a financing-contingent contract, instead of a cash sales contract.

29. On one or more occasions Defendant INNER CITY BUILDERS, through its agent Defendant RIVERA, took a substantial deposit after orally contracting to perform

\$55,000.00 in remodeling work, and subsequently failed to provide the consumer with a written contract which detailed the scope of the work, the amount of financing to be provided, the payment terms, or the consumer's right to cancel.

30. On one or more occasions Defendant INNER CITY BUILDERS, through its agent Defendant RIVERA, attempted to assert a \$125,000.00 lien on a customer's property by setting a contract price of \$125,000.00 to tear-down and replace a porch structure, knowing that the home owner had been sued by the City of Chicago, and did not have the means to pay him this sum of money.

31. On one or more occasions, Defendant RIVERA d/b/a INNER CITY BUILDERS received substantial deposits from customers who executed contracts contingent upon the Defendants obtaining financing for the proposed home repair and remodeling work. Thereafter, the Defendants failed to secure the financing and retained these customers' deposits as liquidated damages.

32. On one or more occasions, Defendant RIVERA d/b/a INNER CITY BUILDERS received substantial deposits from consumers to perform home repair and remodeling work, and later failed to perform the contracted work, and failed to refund deposits.

33. On one or more occasions Defendants INNER CITY BUILDERS and RIVERA executed contracts that were contingent upon financing, failed to secure the required financing, and later refused to honor a customer's notice of cancellation because more than (3) days had transpired since the contract had been signed.

34. On one or more occasions, Defendant INNER CITY BUILDERS through its agent Defendant RIVERA failed to provide consumers with a completed "Home Repair: Know Your Consumer Rights" pamphlet.

35. On one or more occasions, Defendants INNER CITY BUILDERS and RIVERA refused to take receipt of certified demand letters addressed to Defendant INNER CITY BUILDERS which cancelled consumers' contracts and requested refunds.

36. The following allegations in paragraphs 37 – 105 are pled merely as illustrations of the Defendants' deceptive and unlawful business practices. Because the Defendants' unlawful activities are ongoing, the People reserve the right to prove additional violations of Illinois law through other consumers who have been similarly injured by the Defendants.

Jose Ayala

37. Mr. Jose Ayala resides at 5016 W. Waveland, Chicago, IL, and is a homeowner.

38. Mr. Ayala is a Mexican national, and does not speak, read, or understand English very well.

39. In early 2008, Ayala decided to remodel his basement and obtained estimates from several home repair contractors to do the work. Because none of these contractors offered financing, however, his remodeling plans were put on hold.

40. Sometime in April 2008, Ayala received a flyer at his home, written in Spanish, which advertised Defendant INNER CITY BUILDERS' home repair and remodeling services and it's 100% financing of projects. Ayala dialed the number listed on the flyer (773) 622-5555 and arranged for a free estimate.

41. Soon thereafter, Defendant RIVERA met with Ayala at his home, took measurements of Ayala's basement, and discussed INNER CITY BUILDERS' qualifications to do the job. Defendant RIVERA conducted his entire sales solicitation in Spanish, which put Ayala at ease.

42. Defendant RIVERA told Ayala that he owned INNER CITY BUILDERS and that his company was licensed, bonded, and insured to do the proposed remodeling work, which would include plumbing, electrical, and HVAC work.

43. Defendant RIVERA reinforced his company's professional qualifications by presenting Ayala with a glossy folder containing information about INNER CITY BUILDERS' license, insurance, and many satisfied customers. (Copies of the Defendants' general contractor's license, certificate of insurance, job referrals, and "Price Protection Policy" that Ayala received are attached as Exhibits E, F, G, and H).

44. Defendant RIVERA told Ayala that he would have no problem securing financing on his behalf because Ayala was a homeowner. Defendant RIVERA further assured Ayala when he said, "I refinance homes on a regular basis and obtain good terms".

45. Ayala relied upon Defendant RIVERA's representations, and gave Defendant RIVERA authorization to perform a credit check. Ayala also provided his social security number and employment information.

46. On April 26, 2008, Defendant RIVERA returned to Ayala's home with a contract proposal written entirely in English. Under the proposal, Defendant INNER CITY BUILDERS offered to insulate, dry wall, and paint Ayala's unfinished basement, install 2 bedrooms and closets, a full bathroom, a starter kitchen, and install duct work to provide heat for a total price of \$27,750.00. The contract, which was contingent upon Defendant INNER CITY BUILDERS' securing \$25,750.00 in financing on Ayala's behalf, required an initial \$2,000.00 down payment. (A copy of the contract proposal is attached as Exhibit I).

47. Defendant RIVERA told Ayala he would secure financing for the project within fourteen (14) days. Defendant RIVERA also stated that if the financing terms he obtained were not acceptable, Ayala had the right to cancel within three (3) days of the loan's approval, at which time he would return Ayala's \$2,000.00 deposit.

48. Ayala relied on Defendant RIVERA's representations and INNER CITY BUILDERS' written materials, and signed the contract that same day. (See Exhibit I).

49. On April 26, 2008, Ayala gave Defendant RIVERA a personal check, made payable to INNER CITY BUILDERS, for \$2,000.00. (A copy of the front and back side of the check is attached as Exhibit J).

50. At no time prior to executing the contract did Defendant RIVERA provide Ayala with a completed "Home Repair: Know Your Consumer Rights" brochure and acknowledgement form.

51. On April 26, 2008, Defendant RIVERA cashed Ayala's \$2,000.00 deposit check and received the proceeds thereof. (See Exhibit J).

52. Over the next two (2) weeks, Defendant RIVERA failed to secure a loan on behalf of Ayala. Each time Ayala called INNER CITY BUILDERS, Defendant RIVERA would not confirm that he had been approved for a loan, or that a loan application had even been submitted on his behalf.

53. On May 16, 2008, Ayala informed Defendant RIVERA that he was canceling the contract, and requested a refund of his \$2,000.00 deposit.

54. Defendant RIVERA refused to honor Ayala's request to cancel the contract and obtain a refund, citing Ayala's failure to cancel within three (3) days of signing it.

55. At no time did Defendant RIVERA advise Ayala that he had three (3) days after the date he signed the contract to cancel.

56. Although the April 26, 2008, contract contains a written cancellation notice, the contract is contingent upon financing and does not list a date by when the right to cancel expires. (See Exhibit I).

57. Thereafter, Defendant RIVERA did not secure any financing for the project, pull any permits, or perform any of the contracted work.

58. Sometime in June 2008, Ayala sent the Defendants INNER CITY BUILDERS and RIVERA a demand letter requesting a refund of his deposit through his attorney. Neither INNER CITY BUILDERS nor RIVERA responded to the letter.

59. On December 23, 2008, the Cook County State's Attorney's Office sent the Defendants a certified demand letter canceling the contract, and requesting a refund of Mr. Ayala's deposit within ten (10) days. (A copy of the certified demand letter is attached as Exhibit K).

60. To date, Defendant RIVERA d/b/a INNER CITY BUILDERS has not performed any work, delivered any materials, or refunded any portion of Ayala's \$2,000.00 deposit.

Mrs. Estelle Jones

61. Estelle Jones currently resides at 8557 S. Ingleside, Chicago, IL. Mrs. Jones is sixty-four (64) years of age and lives on a fixed income.

62. At all relevant times to this complaint, Estelle and her husband, Arthur Jones, resided in a six unit building located at 8025- 8027 S. Maryland, Chicago, IL, which they owned outright but did not rent out.

63. At all relevant times to this complaint, Estelle's husband, Arthur, was sixty-seven (67) years of age. He is now deceased.

64. In early Spring 2007, the City of Chicago cited the Jones' for code violations because the rear porch structure of their building was falling apart, and was deemed "VERY DANGEROUS". (A photo of the rear porches is attached as Exhibit L).

65. The Jones' immediately solicited estimates from a number of contractors to do the work. One of these companies was Archway Construction.

66. On May 29, 2007, Defendant RIVERA came to the Jones' property and prepared a written estimate on behalf of Archway Construction to replace the entire rear porch structure of the building for \$34,750.00. (A copy of the Archway contract proposal is attached hereto as Exhibit M).

67. Because the Jones' were retired and on fixed incomes, Defendant Rivera suggested they finance the project through Archway. They agreed, and filled out a loan application which was later denied due to Arthur Jones' past credit issues.

68. By August 2007, the Jones had not yet found a contractor who would perform the porch replacement and provide them with financing for the project.

69. On August 16, 2007, the City of Chicago filed a complaint and summons against the Jones' for failure to repair the dilapidated porches, and set a hearing date of October 2, 2007.

70. Upon receiving this notification, the Jones' contacted Defendant RIVERA and asked whether Archway could reduce the price and resubmit their financing application.

71. Defendant RIVERA discouraged the Jones' from hiring Archway, stating they were "a bunch of crooks". Defendant RIVERA then told the Jones' that he had recently left Archway and started his own home repair and remodeling company, INNER CITY BUILDERS. Defendant RIVERA told the Jones' that if they hired his company to do the porch work, he would secure a lender to finance the project for them.

72. On September 25, 2007, Defendant RIVERA d/b/a INNER CITY BUILDERS, Inc., came to the Jones' home and prepared a written contract to replace the rear porches. Defendant RIVERA took the information from the Archway contract and re-wrote it on an INNER CITY BUILDERS' form contract, but he listed a new price: \$21,750.00. This contract price was \$13,000.00 less than Archway's price. (A copy of the September 25, 2007, contract proposal is attached hereto as Exhibit N).

73. Under the terms of the proposed cash sales contract, Defendant RIVERA required a \$20,000.00 deposit, and a final payment of \$1,750.00 upon the project's completion. (See Exhibit N).

74. During his sales solicitation, Defendant RIVERA stated that INNER CITY BUILDERS was licensed, bonded, and insured to do the work, and would pull the required permits to replace the rear porch structures. (Copies of INNER CITY BUILDERS' license and certificate of insurance he presented to the Jones are attached hereto as Exhibits O and P).

75. The Jones' relied upon Defendant RIVERA's representations, and signed the contract that same day. (A copy of the September 25, 2007, contract is attached hereto

as Exhibit N).

76. On September 25, 2007, Defendant RIVERA d/b/a INNER CITY BUILDERS took receipt of a \$20,000.00 Bank of America credit card check from Arthur Jones.

77. Approximately three days later, Defendant RIVERA informed Estelle Jones that the \$20,000.00 check had bounced. At the time, Arthur Jones didn't realize he would not be able to access the full \$20,000.00 line of credit on his Bank of America credit card because he had outstanding charges that had not yet been paid.

78. Defendant RIVERA asked Estelle how they intended to pay for the needed porch replacement, and put her on notice that if their down payment got smaller, the contract price would go up.

79. Because the Jones' did not have \$20,000.00 in cash, Defendant RIVERA instructed Estelle to come up with as much money as possible, and said he would obtain financing for the rest so the porch could be replaced. Defendant RIVERA told Estelle he would have to prepare another written contract listing a new price.

80. On October 4, 2007, Defendant RIVERA traveled to the Jones' property but did not bring a new contract for them to review and sign. Instead, Defendant RIVERA entered into an oral agreement with Arthur Jones to replace the porches for \$55,000.00, and collected a \$12,600.00 personal check, made payable to "INNER CITY BUILDERS", from Arthur. (A copy of the front and back sides of Jones' \$12,600.00 deposit check is attached hereto as Exhibit Q).

81. Estelle, who was not at home at the time, later learned that Defendant RIVERA had increased the contract price to \$55,000.00, but had not presented them with a written contract to sign. Estelle's husband relayed that RIVERA had promised to bring the new contract the following week, when he was scheduled to start the work.

82. On October 4, 2007, Defendant RIVERA deposited the Jones' \$12,600.00 check and received the proceeds thereof. (See Exhibit Q).

83. Thereafter, Defendants INNER CITY BUILDERS and RIVERA did not start work on the Jones' building. Nor did Defendant RIVERA submit a written contract on behalf of Defendant INNER CITY BUILDERS under the new price of \$55,000.00.

84. In January 2008, Arthur Jones passed away.

85. Soon thereafter, Estelle told Defendant RIVERA the news and informed

RIVERA that she no longer wanted to proceed with the work because she could not afford it on her current income.

86. When Estelle asked that he refund the deposit, Defendant RIVERA advised her to wait before making a final decision as she might be receiving some insurance money soon.

87. In the coming months, Estelle had no time to address the porch violations because soon after her husband passed, her daughter, Mortise, was left temporarily disabled from a bad car accident and required Estelle's constant care giving.

88. In April 2008, Estelle came across two men at her building whom she did not recognize. When she inquired, she was told that RIVERA had sent them.

89. Estelle immediately contacted Defendant RIVERA and reminded him that she had cancelled the contract in January 2008 and had asked for a refund of the deposit.

90. Defendant RIVERA replied, "you can't back out of the contract now because I've already started the work".

91. On April 7, 2008, Defendant RIVERA met with Estelle and her daughter and pressed them to go forward with the project, stating that the financing was already in place and all they needed to do was sign the paper work.

92. During this meeting, Defendant RIVERA stated that the contract price was now \$125,000.00 due to new city regulations and further deterioration of their building, all of which would require additional work on his part.

93. Estelle and her daughter objected, and told RIVERA they did not want INNER CITY BUILDERS to do the work. They also informed him that since they had been unable to obtain financing to replace the porches, they intended to sell the building.

94. Upon hearing this, Defendant RIVERA asked about the sales price. Over the course of this conversation, RIVERA succeeded in negotiating the Jones' original asking price of \$400,000.00 down to \$250,000.00, and stated he would talk to his investors and get back to them within a few weeks.

95. When Defendant RIVERA failed to get back to them regarding the purchase of their building, Estelle and Mortise Jones requested the return of their \$12,600.00 deposit. Each time they called INNER CITY BUILDERS, however, Defendant RIVERA either hung up, or redirected their calls to his secretary.

96. On June 23, 2008, Estelle and Mortise Jones hand delivered a demand letter to Defendant RIVERA at INNER CITY BUILDERS' office and requested a refund of their \$12,600.00 deposit through an attorney. (A copy of the June 23, 2008, demand letter is attached as Exhibit R).

97. The Defendants refused to return any portion of the Jones' deposit.

98. On October 21, 2008, the Cook County State's Attorney's Office sent Defendants INNER CITY BUILDERS and RIVERA a certified demand letter and cancelled the Defendants' oral contract of October 4, 2008, and again requested a refund of the Jones' deposit. (A copy of the October 21, 2008, certified demand letter is attached as Exhibit S).

99. This certified demand letter was later returned unopened after the Defendants refused to take its receipt. (A copy of the front side of the mailing envelope indicating the letter was "Unclaimed" is attached as Exhibit T).

100. At no time did Defendant RIVERA submit a written contract on behalf of Defendant INNER CITY BUILDERS to replace the rear porch structures for \$55,000.00.

101. At all relevant times, Defendants INNER CITY BUILDERS and RIVERA failed to qualify the Jones' for a \$42,400.00 loan to finance the porch replacement under the parties' October 4, 2007, oral contract.

102. At no time did the Defendants provide the Jones with a proper cancellation notice in connection with either the written contract of September 25, 2007, or the oral contract of October 4, 2007. (See Exhibit N).

103. At no time did Defendant RIVERA provide the Jones with a completed "Home Repair: Know Your Consumer Rights" brochure and acknowledgment form.

104. At all relevant times, the Defendants did not perform any contracted work at the Jones' property, deliver any materials, pull any permits, or secure financing on the Jones' behalf.

105. To date, Defendants INNER CITY BUILDERS and RIVERA have not refunded the Jones' \$12,600.00 deposit.

OFFENSES

106. Defendant INNER CITY BUILDERS and Defendant RIVERA, by taking part in the aforementioned conduct, violated the Consumer Fraud Act by engaging in unfair or deceptive acts or practices in the conduct of trade or commerce in that they, on one or more occasions:

- a. knowingly misrepresented to consumers that INNER CITY BUILDERS was a licensed home repair contractor, in violation of Section 2 of the Consumer Fraud Act;
- b. induced cash-strapped consumers to make substantial deposits by falsely promising to obtain financing for these consumers' home repair and remodeling projects, in violation of Section 2 of the Consumer Fraud Act;
- c. misrepresented to consumers that deposits made under financing-contingent contracts were fully refundable if the Defendants failed to obtain acceptable financing, in violation of Section 2 of the Consumer Fraud Act;
- d. took receipt of substantial down payments from consumers pursuant to oral and written home repair contracts, failed to perform the contracted work, and subsequently failed to refund consumers' deposit monies, in violation of Section 2 of the Consumer Fraud Act;
- e. failed to refund all payments made under a consumer contract within ten business days of having received a valid notice of cancellation, in violation of Section 2B(f)(i) of the Consumer Fraud Act;
- f. entered into home repair contracts valued in excess of \$25.00 at consumers' homes and failed to attach proper "Notice of Cancellation" forms to the contracts, in violation of Section 2B(a) of the Consumer Fraud Act;
- g. entered into home repair contracts valued in excess of \$25.00 at consumers' homes and failed to orally inform consumers of their three day right to cancel the contract, in violation of section 2B(c) of the Consumer Fraud Act.

PRAYER FOR RELIEF

WHEREFORE, the People of the State of Illinois pray this Court to enter an order against Defendants INNER CITY BUILDERS and RIVERA that:

- A. Finds the Defendants engaged in unfair and deceptive practices in the conduct of trade or commerce in Cook County, Illinois, in violation of

Sections 2, 2B(a), 2B(c), and 2B(f)(i), of the Consumer Fraud Act;

- B. Permanently enjoins the Defendants from engaging in unlawful and deceptive acts and practices in violation of the Consumer Fraud Act, or alternatively,
- C. Permanently enjoins the Defendants from engaging in the business of home repair and remodeling, and from engaging in the business of arranging financing for home repair and remodeling projects in Illinois;
- D. Requires the Defendants to pay restitution to all members of the public damaged by their violations of the Consumer Fraud Act;
Requires the Defendants to pay a civil penalty in the amount of \$50,000.00 for each violation of the Consumer Fraud Act, and an added \$50,000.00 penalty for each violation committed with intent to defraud;
- E. Requires the Defendants to pay all costs for the prosecution and investigation of this action, as provided for under Section 10 of the Consumer Fraud Act;
- G. Provides such other and further relief the Court deems necessary and just.

**COUNT II – VIOLATION OF THE
HOME REPAIR AND REMODELING ACT**

1. Section 35 of the Home Repair and Remodeling Act provides in relevant part:

(a) The Attorney General or the State's Attorney of any county in this State may bring an action in the name of the people of this State against any person to restrain and prevent any pattern or practice in violation of this Act....

815 ILCS 513/35(a)(2008)

2. Section 10 of the Home Repair and Remodeling Act provides in relevant part:

“Home repair and remodeling” means fixing, replacing, altering, converting, modernizing, improving, or making of an addition to any real property primarily designed or used as a residence other than maintenance, service, or repairs under \$500.00. “Home repair and remodeling” includes construction, installation, replacement, or improvements of driveways, swimming pools, porches, kitchens, bathrooms, basements, chimneys, chimney liners, garages, fences, fallout shelters, central air conditioning, central heating, boilers, furnaces, electrical wiring, plumbing fixtures, storm doors, windows, roofs, awnings, and other improvements to structures within the residence or upon the land adjacent to the residence. 815 ILCS 513/10 (2008)

3. Section 15 of the Home Repair and Remodeling Act provides:

Prior to initiating home repair or remodeling work for over \$1,000, a person engaged in the business of home repair or remodeling shall furnish to the customer for signature a written contract or work order that states the total cost, including parts and materials listed with reasonable particularity and any charge for an estimate. In addition, the contract shall state the business name and address of the person engaged in the business of home repair or remodeling. If the person engaged in the business of home repair and remodeling uses a post office box or mail receiving service or agent to receive home repair or remodeling business correspondence, the contract also shall state the residence of the person engaged in the business of home repair or remodeling.

815 ILCS 513/15 (2008)

4. Section 20 of the Home Repair and Remodeling Act provides in pertinent part:

(a) For any contract over \$1,000, any person engaging in the business of home repair and remodeling shall provide to its customers a copy of the "Home Repair: Know Your Consumer Rights" pamphlet prior to the execution of any home repair and remodeling contract. The consumer shall sign and date an acknowledgment form entitled "Consumer Rights Acknowledgment Form" that states: "I, the homeowner, have received from the contractor a copy of the pamphlet entitled 'Home Repair: Know Your Consumer Rights.'" The contractor or his or her representative shall also sign and date the acknowledgment form, which includes the name and address of the home repair and remodeling business. The acknowledgment form shall be in duplicate and incorporated into the pamphlet. The original acknowledgment form shall be retained by the contractor and the duplicate copy shall be retained within the pamphlet by the consumer.

815 ILCS 513/20 (2008)

VENUE

5. Venue for this action properly lies in Cook County, Illinois, because this cause of action arose from Defendants' activities in Cook County, Illinois.

DEFENDANTS

6. The Plaintiff realleges and incorporates paragraphs 7 - 36 of Count I as paragraphs 7- 36 of Count II.

DEFENDANTS' BUSINESS PRACTICES

37. The Plaintiff realleges and incorporates paragraphs 37 - 105 of Count I as paragraphs 38 - 106 of Count II.

107. At all relevant times, Defendant RIVERA knew that he was legally required to provide consumers with a "Home Repair: Know Your Consumer Rights" pamphlet, and a copy of the signed and dated "Consumer Rights Acknowledgement Form".

108. At all relevant times, Defendants INNER CITY BUILDERS and RIVERA distributed blank copies of the "Home Repair: Know Your Consumer Rights" pamphlet as part of INNER CITY BUILDERS' marketing materials, but did not provide customers with duplicate copies of the "Consumer Rights Acknowledgment Form", signed and dated by both the consumer and Defendant RIVERA.

OFFENSES

109. Defendant INNER CITY BUILDERS and Defendant RIVERA, by taking part in the aforementioned conduct, violated the Illinois Home Repair and Remodeling Act in that they, on one or more occasions:

- a. Failed to furnish a written contract on home repair or remodeling contracts valued in excess of \$1,000, in violation of Section 15 of the Home Repair and Remodeling Act;
- b. Knowingly failed to provide consumers with completed "Home Repair: Know Your Consumer Rights" pamphlets, and duplicate copies of properly signed and dated "Consumer Rights Acknowledgement" forms, in violation of Section 20(a) of the Home Repair and Remodeling Act.

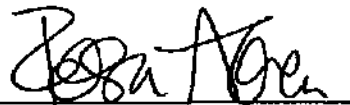
COUNT II – PRAYER FOR RELIEF

WHEREFORE, the People of the State of Illinois pray this Court to enter an order against Defendant INNER CITY BUILDERS and Defendant RIVERA that:

- A. Finds the Defendants knowingly engaged in acts or practices that violate the Home Repair and Remodeling Act;
- B. Permanently enjoins the Defendants from engaging in acts and practices which violate the Home Repair and Remodeling Act;
- C. Preliminarily and permanently enjoins Defendant Rivera from engaging in home repair and remodeling in Cook County;
- D. Grants such other relief as justice may require.

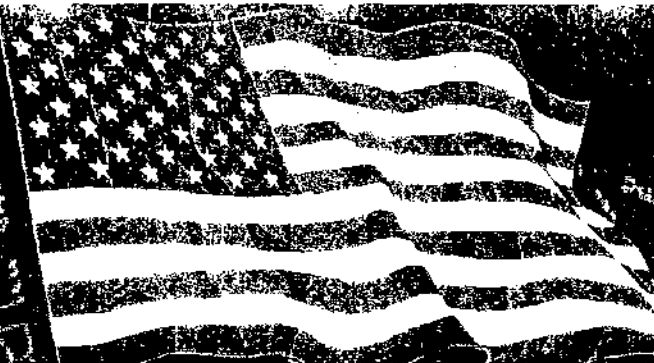
Respectfully submitted,

ANITA ALVAREZ
State's Attorney of Cook County

By: 
Rosa M. Abreu
Assistant State's Attorney

#10295
ANITA ALVAREZ
State's Attorney of Cook County
Consumer Fraud Division
69 W. Washington, Suite 3130
Chicago, IL 60602
(312) 603-8600

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OR YOUR
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ESTIMATES**



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AVAILABLE**
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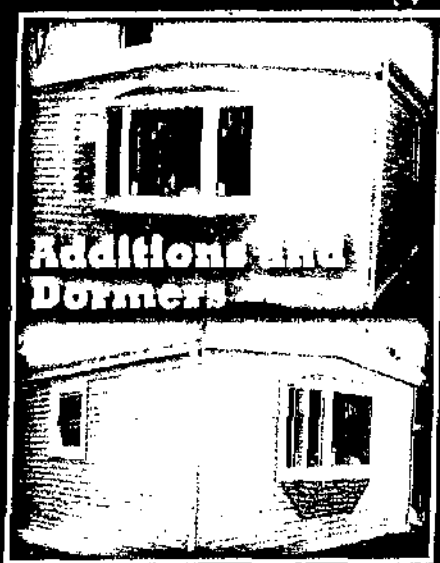
1000.00 OFF w/Flyer ★ \$500.00 OFF w/5 or More Windows



Customized Bathrooms



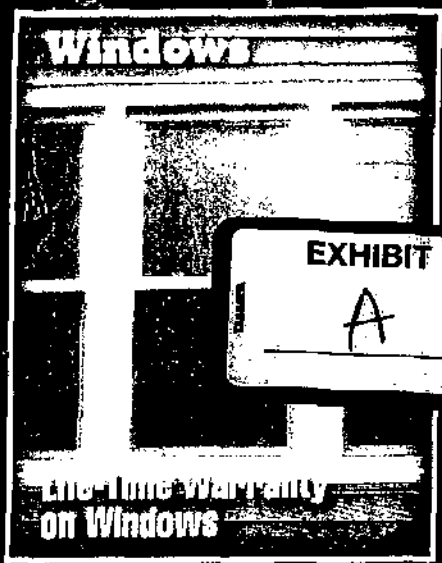
Kitchen Remodeling



**Additions and
Dormers**

**OUR
SERVICES**

- Bathrooms • Kitchens
- Decks & Porches
- Electrical • Plumbing
- Concrete Work • Siding
- Garages • Fences
- Roofing/All Types
- Tuckpointing
- Basement/Attic
- Painting • Soffit/Fascia
- Gutters & Downspouts



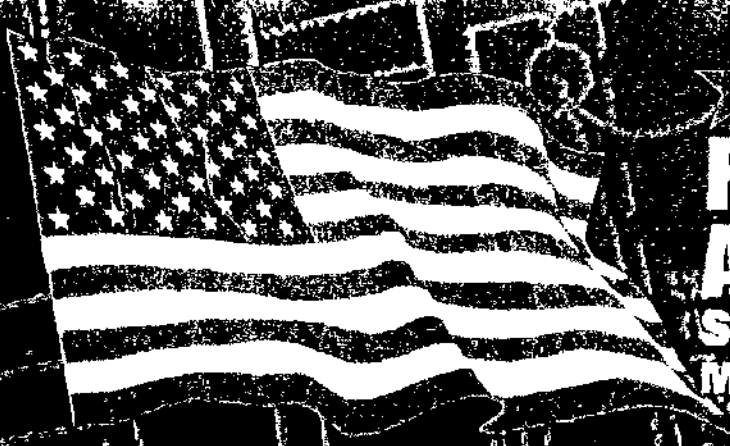
**Life-Time Warranty
on Windows**

Inner City Builders & Investments, Inc.

**(773) 622-5555 Main • (773) 622-5556 Fax • (708) 774-1342 Cell
7035 W. Grand Ave • Chicago, IL 60707**

Licensed & Insured

**LLAME
AHORA
ESTIMADOS
GRATIS**



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\$1000.⁰⁰ Meno Con Anuncio



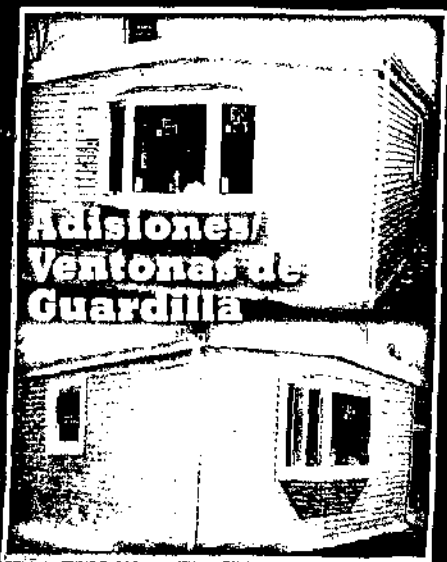
\$500.⁰⁰ Menos w/5 o Mas Ventanas



Baños Hechos a la orden



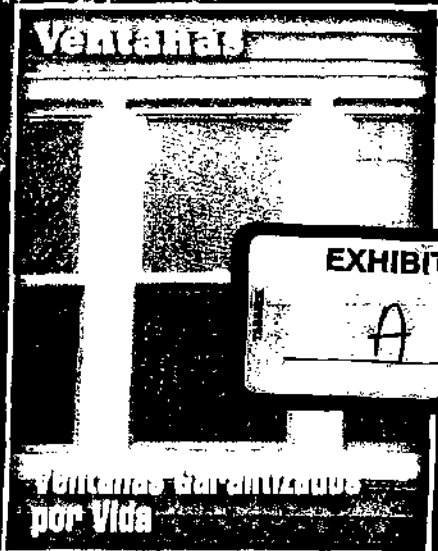
Cocinas Remodeladas



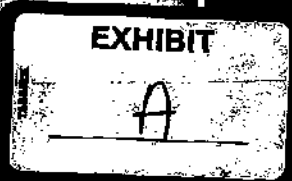
**Adiciones/
Ventanas de
Guardilla**

**Servicios
de**

- Baños • Cocinas
- Plataformas & Portales
- Electricidad • Plomeria
- Trabajos de Concreto
- Siding • Garajes
- Cercas • Pintar
- Techos de todo Tipo
- Remodeloacion de Ladrillo
- Sotanos y sobre tejados
- Fachada/Canales
- Alcantarilla



Ventanas



**Ventanas Garantizados
por Vida**

Inner City Builders & Investments, Inc.

(773) 622-5555 Main • (773) 622-5556 Fax • (708) 774-1342 Cell

7035 W. Grand Ave • Chicago, IL 60707

Con Licencia y
Asegurado

5052

To make pinson General contracting is best left to professionals

REALTY FORUM

BY MATT JANS

Building a dream home can quickly become a money pit for custom-home buyers who choose to self-manage the building process.

Consider these three tales from my custom-home clients.

■ One client acted as his own builder and racked up \$200,000 in cost overruns. A new builder had to be hired to complete the job. Meanwhile, the building permit expired.

■ Second-floor ceilings were a foot shorter than designed in one client's dream home. The builder misread the blueprints.

■ Five builders submitted bids on a \$1-million custom home. The cost spread between the high bidder and the low bidder was 18 percent. The low bidder didn't include some key items; the high bidder included them.

The moral of the stories?

Don't think of building your own home. The worst possible thing a client can do is try to save a few bucks by handling the building aspect on their own.

Ideally, designing a custom home should be a team effort. Home buyers should select an architect and builder at the beginning of the process.

In 1996, Michael and Judy Wisner built a custom house in Highland Park. The contemporary-styled home features a state-of-the-art kitchen, granite-faced fireplace and sprawling great room.

The initial construction bids were so varied, that I recommended the Wisers throw out all five bids. The builders were then asked to resubmit bids according to a line-item list.

This way the clients could see where their money was going. Other-

wise, the homeowner doesn't know what they're paying for, and that's when they get burned.

The bid review should ensure that items such as the cost of curb cuts, liability insurance and utility extensions are included.

For example, one low bidder failed to include hauling as part of the original excavation cost.

The line-item provision for hauling increased the price by \$10,000. Clients will pay me a whole lot less than that to review the bids, so they'll still come out ahead.

Most homeowners really don't have a clue about how to evaluate a bid.

Choosing the cheapest builder based on dollars per square foot is as absurd as buying a car based on price per pound.

For the professionals, fulfilling the buyer's desire is the biggest challenge.

I ask potential clients to bring in photos of designs they like and those they don't.

For example, traditional means a different visual to everyone, and we need examples in order to communicate.

Also, custom-home buyers should be prepared to discuss their lifestyle in detail.

Items such as whether they entertain formally or informally, should be addressed.

Architects and custom-home builders need to delve into their clients' habits in order to accurately determine the space to assign to closets, bathrooms, home offices and recreation space.

A conversation with clients should begin with basic questions like "What's your day like, and what's a typical week for you?"

■ Matt Jans is president of Matthias Jans Architect, Palatine. An architect for 17 years, Jans has designed more than 200 custom homes.

5050

To make pinsof

Why should you choose INNER CITY BUILDERS ?

*** INNER CITY BUILDERS HAS BEEN IN THE
REMODELING INDUSTRY FOR OVER 20
YEARS**

*** INNER CITY BUILDERS HAS
KNOWLEDGEABLE STAFF MEMBERS THAT
CAN PUT TOGETHER AN AFFORDABLE NO
COST WRITTEN PROPASAL FOR ANY PROJECT**

***INNER CITY BUILDERS GUARANTEES ALL
WORK FOR 12 MONTHS ON LABOR ONLY**

***INNER CITY BUILDERS IS LICENSED
BONDED & INSURED UP TO 2,000,000.00 FOR
ANY PROJECT**

***INNER CITY BUILDERS WILL HANDLE THE
PERMIT PROCESS & ARCHITECT PROCESS IF
NEED BE IN ANY VILLAGE IN ILLINIOS**

***INNER CITY BUILDERS WILL PROVIDE
FINANCING FOR GOOD OR BAD CREDIT**





City of Chicago
Richard M Daley, Mayor

Department of
Business Affairs & Licensing
121 N La Salle St Rm 800
Chicago, IL 60602

FREEDOM OF INFORMATION RESPONSE(FOLA)

TO: Cook County State's Attorney Office
Attn. Rosa Abreu
69 W. Washington, Suite 3130
Chicago, IL 60602

REQUEST DATED:-9-25-2008

SEARCH COMPLETED ON: 9-30-2008

**FOLLOWING IS IN RESPONSE TO YOUR REQUEST(Copy Attached) UNDER THE
FREEDOM OF INFORMATION ACT, TO THE DEPARTMENT OF BUSINESS AFFAIRS &
LICENSING FOR A BUSINESS LICENSE RECORDS SEARCH FOR THE FOLLOWING:
Michael Rivera d/b/a Inner City Builders & Investments, Inc., 7035 W. Grand Ave., Chicago, IL
We found the following at 3573 West Lyndale Street, Chicago 60647

LICENSEE(LEGAL NAME): Inner City Builders, Inc.
DOING BUSINESS AS (DBA): Inner City Builders

BUSINESS STRUCTURE: Corporation
Pres. Michael Rivera Sec. Lisette M. Rivera

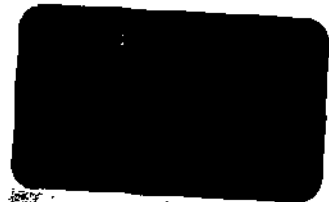
LICENSE TYPE AND EXPIRATION DATE:
Home Repair Expired 11-15-2000

BUSINESS LICENSE HOLDER AT THIS ADDRESS SINCE: 11-15-1997

PRINCIPAL BUSINESS ACTIVITY: Home Repair

Search Completed On: 9-30-2008 Completed By

Carolyn Madison
Carolyn Madison, Staff Assistant
Dept. of Business Affairs & Licensing
Tel: 312/744-7296 Fax:312/744-4788



**City of Chicago
Department of Buildings
General Contractor's Licenses**

BY THE AUTHORITY OF THE CITY OF CHICAGO, THE FOLLOWING LICENSE IS HEREBY GRANTED TO:

**INNER CITY BUILDERS &
INVESTMENTS, INC.
1820 N. 74TH CT.
ELMWOOD PARK IL 60707**

LICENSE CLASS: (D) \$2,000,000 PROJECT CEILING



LICENSE NUMBER: TGC063498

CERTIFICATE NUMBER: GC063498-3

FEE: \$ 500

DATE ISSUED: 03/05/2008

DATE EXPIRES: 03/31/2009

THIS LICENSE IS NON-TRANSFERABLE

THIS LICENSE IS ISSUED AND ACCEPTED SUBJECT TO THE REPRESENTATIONS MADE ON THE APPLICATION FOR SAID LICENSE. THIS LICENSE MAY BE SUSPENDED OR REVOKED FOR CAUSE AS PROVIDED BY LAW. THE ABOVE LICENSEE SHALL OBSERVE AND COMPLY WITH ALL LAWS, ORDINANCES, RULES AND REGULATIONS OF THE UNITED STATES, STATE OF ILLINOIS, COUNTY OF COOK AND CITY OF CHICAGO AND ALL AGENCIES THEREOF.

**Richard M. Daley
Mayor**

**R. L. Rodriguez
Commissioner**

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/30/07

PRODUCER 773/777-1532

Johnson-Mattes & Co., Inc.
3320 N. Central Ave.
Chicago, IL 60634

INSURED

Inner City Builders & Investments, Inc.
1820 N. 74th Ct.
Elmwood Park, IL 60707

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC#
INSURER A:	Penn Star Ins.	
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES CORRECTED

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF EACH POLICY. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSURANCE TYPE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR (GEN AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PER OCC <input type="checkbox"/> LOC	PAC5487797	4/26/07	4/26/08	EACH OCCURRENCE UNLIMITED (Per occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP PAGE \$ Incl
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Per accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
EXCESS UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROVISIONS PARTNER, EXECUTIVE OFFICER MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER EL EACH ACCIDENT \$ EL DISEASE - EA EMPLOYEE \$ EL DISEASE - POLICY LIMIT \$

OPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS:

Also add as Add'l. Insured THE CITY OF CHICAGO CERTIFICATE HOLDER

CERTIFICATE HOLDER

City of Chicago
General Contractor License Program
P.O. Box 388249
Chicago, IL 60638

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE ISSUER, ITS AGENTS OR REPRESENTATIVES.
 AUTHORIZED REPRESENTATIVE: *[Signature]*

505c.

To milce pinsof

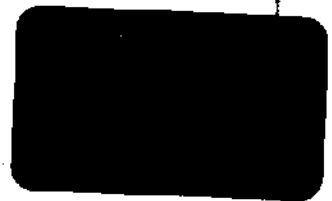
INNER CITY BUILDERS COMPLETED JOB REFFERALS

1. MAYWOOD; IL-116 S 16TH AVE — GLASS BLOCK WINDOWS, SOFFIT & FASIA, GUTTERS HOUSE & GARAGE BASEMENT REMODELING
2. MAYWOOD; IL- 1600 S 16TH AVE — TUCKPOINTING, KITCHEN & BATHROOM REMODELING
3. MAYWOOD; IL- 942 N 10TH AVE — PLUMBING; TUCKPOINTING; WINDOWS
4. CHICAGO; IL- 5046 W. WARWICK — SIDING; WINDOWS; DOORS; ROOFING; GUTTER SYSTEM HOUSE & GARAGE BASEMENT REMODELING
5. CHICAGO; IL 5045 W WARWICK — ROOFING; GUTTERS; RODIRON FENCING; FRONT & BACK TREATED WOLMINIZED PORCHES
6. CHICAGO; IL 3573 W LYNDAL — 9 UNIT BUILDING COMPLETE GUT REHABBED CONDO UNITS
7. CHICAGO; IL 3105 N CENTRAL PARK — 2 UNIT BUILDING WINDOWS, SIDING; BATHROOM REMODEL, KITCHEN REMODEL BOTH UNITS
8. CHICAGO, IL 5045 W WAVELAND — KITCHEN REMODELING, TUCKPOINTING
9. CHICAGO, IL 2854 N MCVICKER — BATH & KITCHEN REMODEL, WINDOWS, TUCKPOINTING,
10. CHICAGO, IL 7824 S INGLESIDE — COMPLETE GUT REHABB PROJECT ENTIRE INTERIOR & EXTERIOR OF HOUSE
11. CHICAGO, IL 1442 N LAWDALE — WINDOWS, DOORS, BATH & KITCHEN REMODELING
12. CHICAGO, IL 1438 W 50TH ST. — TUCKPOINTING, ROOFING, GUTTERS WINDOWS, PLUMBING

305e.

To Mike Pinsof.

- 13. ELMWOOD PARK, IL-1823 74TH CT-
TUCKPOINTING, WINDOWS, REAR ADDITION FAMILY
ROOM
- 14. ELMWOOD PARK, IL-1821 74TH
COURT, TUCKPOINTING, WINDOWS, KITCHEN & BATH
REMODEL
- 15. ELMWOOD PARK, IL-2021 N 77TH AVE.-
ROOF, GUTTERS, ELECTRICAL, PLUMBING
- 16. RIVER GROVE, IL-2423 PINE,-
WINDOWS, DOORS, TUCKPOINTING, CONCRETE
SIDEWALKS, DRIVEWAY
- 17. BELLWOOD, IL-2402 WASHINGTON BLVD-
WINDOWS, BASEMENT
REMODEL, SANDING & VARNISHING FLOORS
- 18. BELLWOOD, IL-2124 BELLWOOD AVE-
KITCHEN & BATH, WINDOWS, TUCKPOINTING
- 19. OAK PARK, IL-1910 N TAYLOR-SOFFIT & FASIA
SYSTEM, WINDOWS, ROOFING, TUCKPOINTING
- 20. OAK PARK, IL-1834 N TAYLOR-CONCRETE
DRIVEWAY, SIDEWALKS, ELECTRICAL, PLUMBING, BATH
REMODEL



INNER CITY BUILDERS PRICE PROTECTION POLICY *****

*****INNER CITY BUILDERS HOME IMPROVEMENT*****
GUARANTEES TO ALL IT'S CUSTOMERS THE BEST PRICE
WITH THE BEST QUALITY PERIOD!!!! TO INSURE THIS
OUR PROGRAM WAS DESIGNED TO GIVE OUR
CUSTOMERS PEACE OF MIND WHEN CHOOSING A HOME
IMPROVEMENT COMPANY. WE WILL GUARANTEE YOU
WILL NOT FIND A BETTER PRICE FOR YOUR HOME
IMPROVEMENT PROJECT PERIOD!!!! BUT YOU MUST
MATCH APPLES WITH APPLES THE COMPETING
COMPANY MUST BE A COMPANY OF EQUAL SIZE, WITH A
STAFFED OFFICE, PROPER LICENSING, PROPER
INSURANCE. THE ESTIMATES THAT YOU COLLECT FROM
OTHER COMPANIES MUST BE OF COMPARABLE
PRODUCT, COMPARABLE QUALITY AND COMPARABLE
WARRANTY AND BE DATED WITHIN 2 WEEKS OF THE
INNERCITY'S ESTIMATE. UPON VERIFICATION OF THESE
ITEMS INNERCITY WILL HONOR ANY COMPETITORS
PRICE WITHIN REASON!!!! ***** INNERCITY BUILDERS IS
THE ONLY COMPANY THAT STRIVES TO GO FOR A SLICE
OF BREAD NOT THE LOAF, IT WILL BE AN HONOR AND A
PLEASURE TO HANDLE ANY PROJECT..

THANKYOU SINCERELY
MICHAEL RIVERA
PRESIDENT OF INNERCITY BUILDERS & INVESTMENTS
INC.



Inner City Builders & Investments, Inc.

7035 W. Grand Ave.

Chicago, IL 60707

Main Phone: (773) 622-5555 Fax: (773) 622-5556 Cell (708) 774-1342

847 635 7257

Buyer(Owner) JOSE AYALA Phone: (773) 954-8919
Address: 5016 W. Waveland Date: 4/26/08
City: CHICAGO State: IL Zip Code: 60641
Job Address: 5016 W. Waveland City: CHICAGO

Inner City Builders & Investments, Inc. submits specifications for work as follows: (800 SQ FT)

- (1) WE WILL REMODEL BASEMENT AS FOLLOWS 2X4'S 16" ODD CORNER INSULATION, DRYWALL TAPE, SAND, PAINT,
- (2) WE WILL INSTALL 2 BEDROOMS + CLOSETS
- (3) ENCLOSE UNFINISHED FURNISH AREA WITH LEVERED DOOR
- (4) INSTALL FULL BATHROOM TOILET, VANITY + SINK MEDICINE CABINET LIGHT BAR, STAND-UP SEATWREN + GLASS SEATWREN DOOR TOWEL RACKS, TOILET PAPER HOLDER, SPONGE + TOOTH BRUSH HOLDER 12X12 CERAMIC TILES FOR FLOOR 4FT HIGH ON WALLS, ALL AROUND SEATWREN AREA, GFI OUTLETS, EXHAUST FAN, ^{CAN LIGHT} FIXTURES, SWIRLS
- (5) INSTALL STAINLESS KITCHEN GFI LOWER GFI UPPIERS, ^{FORMICA} COUNTER TOP, CERAMIC TILES FOR SPLASH GFI OUTLETS, HOOD RANGE EXHAUST FAN. CERAMIC TILES FLOOR (12X12)
- (6) WE WILL CUT INTO EXISTING DUCK WORK TO INSTALL HEAT FOR BEDROOM + OTHER AREA OF FINISHED 800 SQ FT AREA
- (7) INSTALL PADDING + CARPETING FOR BEDROOMS FROM INNER CITY STOCK
- (8) CUSTOMER TO CHOOSE COLOR FOR PAINT, CERAMIC TILES FROM INNER CITY STOCK TILE TO BE 3" SQ allowance
- (9) REMOVE ALL JOB RELATED DEBRIS
- (10) NO OTHER WORK WILL REMAIN

EXHIBIT "A" IS PART OF THIS CONTRACT.

NOTICE OF CANCELLATION:
You, the Buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. Cancellation must be done in writing. This contract is subject to terms on reverse side, which are part of this contract.

NOTICE TO BUYER:
1. Do not sign this agreement before you read it or if it contains any blank spaces.
2. You are entitled to an exact copy of the agreement you sign.
Buyer acknowledges receipt of a fully completed copy of this contract executed by both Seller and Buyer.
Co-Signer, if any acknowledges receipt of completed copies of this contract and explanation of co-signer obligation form.

Inner City Builders & Investments, Inc. hereby to furnish material and labor-complete in accordance with above specifications, for the sum of: \$ 27,750.00
\$2,000 DOWN CHECK # 1256 4/24/08
25,750.00 TO BE FINANCED

Payment to be made as follows:
15,750.00 ON APPROVAL
8,000 ON FINISH OF FINANCING
2,000 ON COMPLETION

CONTINGENT UPON FINANCING
CASH SALES CONTRACT

Dated 4/26 19 2008 X- JOSE AYALA
Buyer

Inner City Builders & Investments, Inc.
By: [Signature]
Authorized Signature

Buyer

TO MAKE PINSOR

TERMS OF CONTRACT

The occurrence of any of the following shall, at the option of the Holder and without notice or demand on the Buyer(s), constitute an event of default hereunder: failure of the Buyer(s) to make an installment payment hereunder punctually or its due date; failure of the Buyer(s) to observe or perform any of the Buyer's other obligations hereunder; any warranties or statements of the Buyer(s) contained herein or in the Buyer(s) credit application or statement shall prove to have been false; death of the Buyer or Co-Buyer or any Guarantor hereof; the Buyer(s) shall become insolvent or shall make an assignment for the benefit of creditors; there shall be instituted by or against the Buyer(s), bankruptcy, insolvency, reorganization, arrangement, debt adjustment or liquidation proceedings or the real property improved hereunder shall be subject to lien, encumbrance or charges or be subjected to or threatened with condemnation or foreclosure proceedings. Upon the occurrence of any event of default, the Holder may declare immediately due and payable any and all installments due and to become hereunder and any other sums lawfully due hereunder.

2. The Seller may assign the Contract and its accompanying Note, without notice to Buyer(s) and in the event of such assignment, the Buyer(s) shall perform all promises herein contained to such assignee as the owner hereof and Buyer(s) agrees that after such assignment, it will settle all claims against the Seller directly with it and not the Assignee hereof, and agrees not to set up any claim which it may have against the Seller as a defense, set-off, cross-complaint, or otherwise to any action for the purchase price or possession brought by the Assignee hereof except as otherwise provides herein. No delay or omission to exercise any right, power to remedy accruing to the Assignee upon any breach or default by the Buyer(s) under the Contract shall impair any such right, power or remedy of the Assignee, nor be construed as a waiver of any such breach of default or of any similar breach or default thereafter occurring, nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default. All waivers under the Contract must be in writing. All remedies either under this contract or by law afforded to the Seller of Assignee hereof shall be cumulative and not alternative.

3. The parties agree that there are no understandings, agreements, representations or warranties, express or implied, not specified herein, respecting this Contract and that this instrument, contains the entire agreement between the Seller and the Buyer(s) and that consequently no prior dealings, no usage of the trade and no subsequent course of performance between the parties shall be relevant to supplement or explain any terms used in the Contract.

4. In the event any term or provision of the Contract shall be found invalid or contrary to applicable law, the validity of the remaining provisions shall not be affected hereby.

5. The undersigned Buyer or Buyers, jointly and severally, hereby authorize irrevocably any attorney of any Court of Record to appear for the undersigned and each or any of them in such Court, in term time or vacation, after default hereon and to confess a judgement without process in favor of the holder hereof for such amount as may appear unpaid hereon, together with costs of suit and reasonable attorneys' fees and to release and waive all errors that may intervene and consent to immediate execution thereon.

6. In the event that this Contract is terminated or cancelled by the Buyer(s) before any work has commenced, the Buyer(s) shall pay INNER CITY BUILDERS & INVESTMENTS, INC. the sum of Fifteen (15%) percent of the total cash price as liquidated damages and not as a penalty. In the event that this Contract is terminated or cancelled after work has commenced, the Buyer(s) shall pay INNER CITY BUILDERS & INVESTMENTS, INC. the sum of Twenty-Five (25%) percent of the total cash price as liquidated damages and not as a penalty in addition to all sums expended by it, under this contract.

7. Buyer(s) represents he owns property on which structure is to be placed. Buyer will identify boundary lines and be responsible for obtaining all necessary permits and zoning variations before commencement of work. Buyer is solely responsible for structure conforming with dwelling codes and being constructed within boundary lines. Changes required by dwelling codes or boundary lines will be paid for by Buyer(s).

8. This Sales Contract shall not be binding upon Seller, until accepted by one of its duly authorized officers. Upon such acceptance, this Sales Contract shall be binding without notification to Buyer(s).

9. Seller is not responsible for damage to shrubbery or grass. Risk of loss for work and material installed in structure is on Buyer.

10. Seller warrants material is of standard quality and will transfer to Buyer(s) all manufacturer's written guarantees. Seller warrants workmanship for one year after date of substantial completion and will remedy substantial defects on written notice from Buyer within such one year period. Warranties do not cover cracking, peeling or pitting of cement work. Further, our warranty does not cover damages to concrete or asphalt from ground settling, frost heave, road salts, and the matching of the color of substance of various material or other conditions beyond our control. There are no other warranties expressed or implied.

11. No work done or material furnished except as specified herein or agreed to in writing. Changes requested by Buyer or required hereunder shall be paid by Buyer in addition to Deferred Payment Price. All Seller's rights and remedies extend to changes. Unless otherwise agreed in writing all changes are at Seller's regular price therefore.

12. Seller may make minor variations in work or substitute material of equal or better quality without consent of Buyer.

13. Seller is not responsible for delay or inability to perform caused by Acts of God, strikes, war, riots, shortages, weather conditions, public authorities or other causes or casualty beyond its control or due to Buyer(s) conduct.

14. If unusual subsoil conditions, obstructions above or below grades, or facts known to Buyer and not disclosed to Seller require change in work, any increase shall be paid for by Buyer at Seller's regular price therefore.

15. The Buyer(s) hereby waives trial by jury in any litigation arising out of the Contract, and voluntarily and expressly agrees that proper venue shall be in Cook County, Illinois.

16. All surplus material remains Seller's property. Rubbish removal is Buyer's responsibility. During work Seller may use Buyer(s) utilities and all charges shall be Buyer's responsibility.

17. Buyer(s) agrees that any fixtures, appliances, or equipment incorporated into the Property Improvement shall remain Personal Property subject to Seller's purchase money security interest.

18. Buyer(s) agrees to execute all other documents which Seller or lending institution may require in order to carry out the terms of this Contract and financing required including the signing of any notes or trust deeds on said property to be improved.

19. All rights, remedies and privileges of Seller hereunder inure to the benefit of and are enforceable by any assignee of this contract. Buyer and each co-signer hereby waives as against any assignee of Seller rights under this contract, all claims and defenses, whether new or hereafter existing of Buyer(s) against Seller.

20. The occurrence of any of the following events shall constitute a default (as such term is used herein): (a) Nonpayment, when due, of any amount payable by Buyer hereunder or Buyer's breach of any agreement, warranty or obligation contained herein; (b) any statement, representation or warranty of Buyer herein or in any application or other writing at any time furnished by or on behalf of Buyer or Seller in connection with the transaction evidenced by this contract is untrue in any material respect; (c) Buyer(s) becomes insolvent or unable to pay debts as they mature or make an assignment for the benefit of creditors or any proceeding is instituted by or against Buyer(s) alleging the Buyer(s) is insolvent or unable to pay debts as they mature, (d) Seller for any other reason whatsoever has reasonable cause to deem itself insecure. Subject to any restrictions imposed by applicable law, whenever a default shall be existing: all obligations of Buyer(s) hereunder pay, not withstanding any other provisions of this contract, at the option of seller, and without demand or notice of any kind, be declared and thereupon immediately shall be due and payable; Seller shall have and may exercise from time the rights and remedies provided in this contract or which may be available to Seller under applicable law.

21. Liquidated damages clause and confession clause not enforceable by Seller if Buyer(s) timely rescinds this contract under any applicable Federal Trade Regulation or State Statute.



OFFICE OF THE STATE'S ATTORNEY

ANITA ALVAREZ
STATE'S ATTORNEY of COOK COUNTY

PUBLIC INTEREST BUREAU
69 W. Washington, Suite 3130
Chicago, IL 60602
312-603-8600

December 23, 2008

Michael Rivera, President
Inner City Builders & Investments, Inc.
7035 W. Grand Avenue
Chicago, IL 60707

VIA CERTIFIED & REGULAR U.S. MAIL

Re: Cancellation of Contract and Refund Demand

Mr. Rivera:

Our office has received a complaint from Jose Ayala of 5016 W. Waveland, Chicago, IL concerning his home repair contract with Inner City Builders & Investments, Inc..

On or about April 26, 2008, you executed a written contract with Mr. Ayala at his home in your capacity as President of Inner City Builders & Investment, Inc., wherein Inner City Builders agreed to perform extensive basement remodeling work at his home. Under the terms of the contract you drafted, Inner City Builders, Inc., agreed to remodel Mr. Ayala's basement for a total contract price of \$27,750.00, upon receipt of a \$2,000.00 down payment, contingent upon your securing financing for the balance due on the contract, i.e., \$25,750.00, on behalf of Mr. Ayala. At the time you executed the contract, you told Mr. Ayala he would have three days after financing had been approved for him to either accept or reject the financing terms, along with the written contract. On that same day, you took receipt of a \$2,000.00 down payment check, #1256, from Jose Ayala and promised to secure the necessary financing. (See attached copy of executed contract, which reflects receipt of \$2,000 down payment).

After this date, neither you, nor anyone from Inner City Builders & Investments, Inc., qualified Mr. Ayala for financing to perform the contracted work; nor was any work performed or materials delivered to Mr. Ayala's home. When Mr. Ayala failed to receive confirmation that you had qualified him for financing, he contacted you on or about May 16, 2008, to cancel the contract and request a refund of his \$2,000.00 deposit. Despite your prior representation, you refused to honor his request to cancel the contract and refund his deposit.

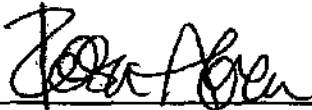


On behalf of Jose Ayala, the Cook County State's Attorney's Office is making a written demand for a refund of his \$2,00.00 deposit within the next ten (10) days, i.e., by January 2, 2009. The refund payment must be in the form of a certified check or money order, made payable to the Cook County State's Attorney's Office. Please forward payment to the Cook County State's Attorney's Office, Attn: Ms. Rosa Abreu, ASA, 69 W. Washington Street, Suite 3130, Chicago, IL 60602. The State's Attorney's Office will reimburse Mr. Ayala from the proceeds of your payment.

Through this letter, the Cook County State's Attorney's Office is also providing written notification of Jose Ayala's cancellation of the April 26, 2008, contract that was contingent upon financing to remodel his basement for \$27,750.00. Additionally, Mr. Ayala is revoking any prior permission he gave you, or any agents of Inner City Builders & Investments, Inc., to deliver materials or perform any work at 5016 W. Waveland, Chicago, IL. Should you have any questions regarding the above, please contact me at (312) 603-8684.

Sincerely,

RICHARD A. DEVINE
COOK COUNTY STATE'S ATTORNEY

BY: 
Rosa Abreu,
Assistant State's Attorney

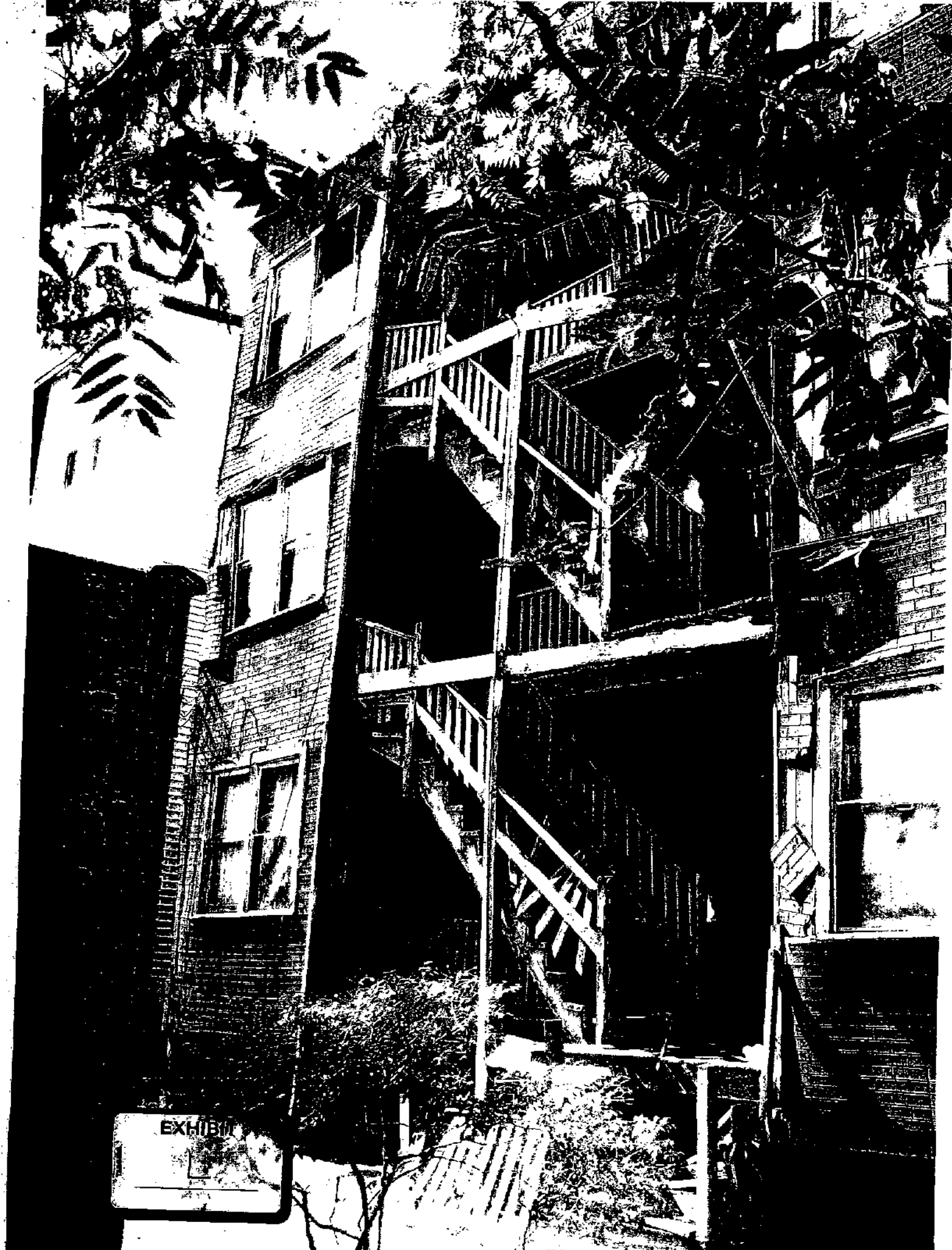
Encl.

Cc: Jose Ayala

CERTIFIED MAIL # 7005-0390-0000-9134-1925



EXHIBIT



MIKE (312) 388-6393
CASH SALES CONTRACT

ARCHWAY
CONSTRUCTION CO.
1962 N. CRYSTAL AVENUE
CHICAGO, ILLINOIS 60614
773-625-4444

Date 5/29 2007
Buyer(s) ARCHWAY + ESTERLE JONES
8025-8027 S. MARYLAND 3RD FL.
Address
CHICAGO, IL 60619
City
Phone
Work Phone (312) 874-0164

LICENSE NO. 0011447
CONTRACT NO. 1000
General Contractor
License # 0011447

hereinafter called the Buyer or Buyer's hereby agree with the Archway Construction Company, Inc., hereinafter called the "Seller" as follows: The Buyer agrees to furnish all materials and labor necessary to perform reconstruction or repair work on premises located at 8025-8027 S. MARYLAND according to the attached specifications.

- 1) WE WILL SUPPLY NEW HARDWOOD OF SWEET PINE LUMBER AS FURNISH DURING THE (30) X (3) (2) X 8 FOR ALL THESE LANDINGS
- 2) INSTALL (34) STEPS TO MAIN FLOOR, BRIDGE SKINNING TO OPEN PORCH
- 3) INSTALL NEW FOOTINGS, & BRACKETS FOR ALL EXISTING ARCHITECTURAL DRAWINGS WITH A NON-COMPLIANT ROOF
- 4) ON THE ENCLOSED (2) SECTIONS OF THE PLAN PORCH RECONSTRUCTION NEW BRICK FOR EXTERIOR AND INTERIOR SHEET METAL ROOFING & VINYL SIDING TRIM ROVERS (2) SQUARES) COLOR TO MATCH (15) WINDOWS
- 5) INSTALL NEW MEDICAL CABINETS, JITTERS & DOWN LIGHTS TO BACK PORCH PER LINEN PLAN
- 6) PERMITS, INSURANCE, DUES, ETC. INCLUDED

34,700.00 *cash*

Buyer agrees to pay the sum of \$ 34,700.00 (Cash Price).
Buyer agrees to pay the aforementioned cash price as follows:
On Date of Contract \$ _____
On Delivery of Materials \$ _____
On Completion \$ _____

cash
34,700.00

NOTICE OF CANCELLATION
YOU, BUYER MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE 3RD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

THIS CONTRACT IS SUBJECT TO TERMS ON REVERSE SIDE, WHICH ARE PART OF THIS CONTRACT.

NOTICE TO BUYER: 1. Do not sign this agreement before you read it or if it contains any blank spaces, 2. You are entitled to an exact copy of the agreement you sign.

Buyer acknowledges receipt of a fully completed copy of this contract executed by both Seller and Buyer. Co-Signer, if any, acknowledges receipt of completed copies of this contract and explanation of co-signer obligation form. Buyers acknowledge this contract binding on Seller until approved in writing by an authorized officer of Seller.

Dated _____ 20____
Archway Construction Company, Inc.
by _____

CASH SALES CONTRACT

Buyer _____
Buyer _____



Inner City Builders & Investments, Inc.

Main Phone: (773) 622-3555 Fax: (773) 622-5556 Call (708) 774-1342

Buyer (Owner) ARTHUR & ESTELLE JONES Phone: (773) 874-0764
 Address: 8025 S. Maryland Ave Date: 9/25/07
 City: CHICAGO State: IL Zip Code: 60619
 Job Address: 8025-8027 S. Maryland City, Chicago

Inner City Builders & Investments, Inc. admits specifications for work as follows:

- (1) WE WILL INSTALL NEW REAR OPEN STRUCTURE OF BACK PORCH EXACTLY THE WAY IT IS OUT OF TREATED LUMBER
- (3) 12X3.5 & 2X6 FOR ALL TRIM WORK
- (4) INSTALL (3) 2X6 STEPS FROM EXISTING SIDEWALK FOR BOTTOM OF OPEN STRUCTURE (4) INSTALL NEW FASTENERS & BRACKETS, BOLTS, SCREWS, NAILS INTO FLOORING PER ARCHITECTURAL DRAWINGS WHICH ARE A NON-REFUNDABLE \$3500 PERMIT
- (5) REMOVE ALL DEBRIS
- (6) NO OTHER WORK WILL REMAIN

(7) IF CUSTOMERS WANTS INSULATION OF VINYL SIDING, GUTTER & DOWNSPUTS + WINDOWS THERE IS AN EXTRA CHARGE FOR ADDITIONAL WORK

EXHIBIT 'A' IS PART OF THIS CONTRACT

NOTICE OF CANCELLATION:

You, the Buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. Cancellation must be done in writing. This contract is subject to terms on reverse side, which are part of this contract.

NOTICE TO BUYER:

1. Do not sign this agreement before you read it or if it contains any blank spaces.
2. You are entitled to an exact copy of the agreement you sign.

Buyer acknowledges receipt of a fully completed copy of this contract executed by both Seller and Buyer. Co-Signer, if any, acknowledges receipt of completed copies of this contract and explanation of co-signer obligation form.

Inner City Builders & Investments, Inc. hereby to furnish material and labor complete in accordance with above specifications, for the sum of \$ 21,000.

20,000.00 DOWN CHECK # 1042
10750.00 ON COMPLETION

Payment to be made as follows:

CONTINGENT UPON FINANCING
 CASH SALES CONTRACT

Dated: 9/25 192007

x Estelle M. Jones
 Buyer

Inner City Builders & Investments, Inc.
Michael [Signature]
 Authorized Signatory

x Arthur J. Jones
 Buyer

EX A-1

A-2

City of Chicago
Department of Buildings
General Contractor's Licenses

BY THE AUTHORITY OF THE CITY OF CHICAGO, THE FOLLOWING LICENSE IS HEREBY GRANTED TO:

ARCHWAY CONSTRUCTION COMPANY, INC.
1962 NORTH CLYBOURN AVENUE
CHICAGO, IL, 60614

LICENSE CLASS: (D) \$2,000,000 PROJECT CEILING



LICENSE NUMBER: TGC04494

CERTIFICATE NUMBER: GC04494-4

FEE: \$ 500

DATE ISSUED: 04/25/2007

DATE EXPIRES: 05/25/2008

THIS LICENSE IS NON-TRANSFERABLE

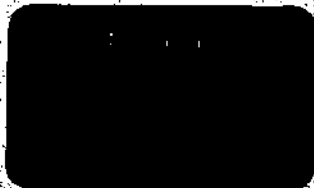
THIS LICENSE IS ISSUED AND ACCEPTED SUBJECT TO THE REPRESENTATIONS MADE ON THE APPLICATION FOR SAID LICENSE. THIS LICENSE MAY BE SUSPENDED OR REVOKED FOR CAUSE AS PROVIDED BY LAW. THE ABOVE LICENSEE SHALL OBSERVE AND COMPLY WITH ALL LAWS, ORDINANCES, RULES AND REGULATIONS OF THE UNITED STATES, STATE OF ILLINOIS, COUNTY OF COOK AND CITY OF CHICAGO AND ALL AGENCIES THEREOF.

Handwritten signature of Richard M Daley.

Richard M Daley
Mayor

Handwritten signature of Thomas Donnellan.

Thomas Donnellan
Acting Commissioner



ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
3/30/07

PRODUCER 713/777-1532

Johnson-Mattes & Co., Inc.
3320 N. Central Ave.
Chicago, IL 60634

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Inner City Builders & Investments, Inc.
1820 N. 74th Ct.
Elmhurst Park, IL 60707

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Penn Star Ins.

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

CORRECTED

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	PAC5487797	4/26/07	4/26/08	EACH OCCURRENCE: 1,000,000 DAMAGE TO RENTED PREMISES (Ex. Occurrence): 50,000 MED EXP (Any One Person): 5,000 PERSONAL ADVISORY: 1,000,000 GENERAL AGGREGATE: 2,000,000 PRODUCTS-COMP/OP AGG: Incl
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ex. Collision) BODILY INJURY (Per Person) BODILY INJURY (Per Accident) PROPERTY DAMAGE (Per Accident)
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO-ONLY - EA ACCIDENT OTHER THAN AUTO-ONLY: EA ACC AGG
EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE AGGREGATE WC/STATL TORT LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/>
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				EL EACH ACCIDENT EL DISEASE - EA EMPLOYEE EL DISEASE - POLICY LIMIT

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Also add as Add'l. Insured THE CITY OF CHICAGO CERTIFICATE HOLDER



CERTIFICATE HOLDER

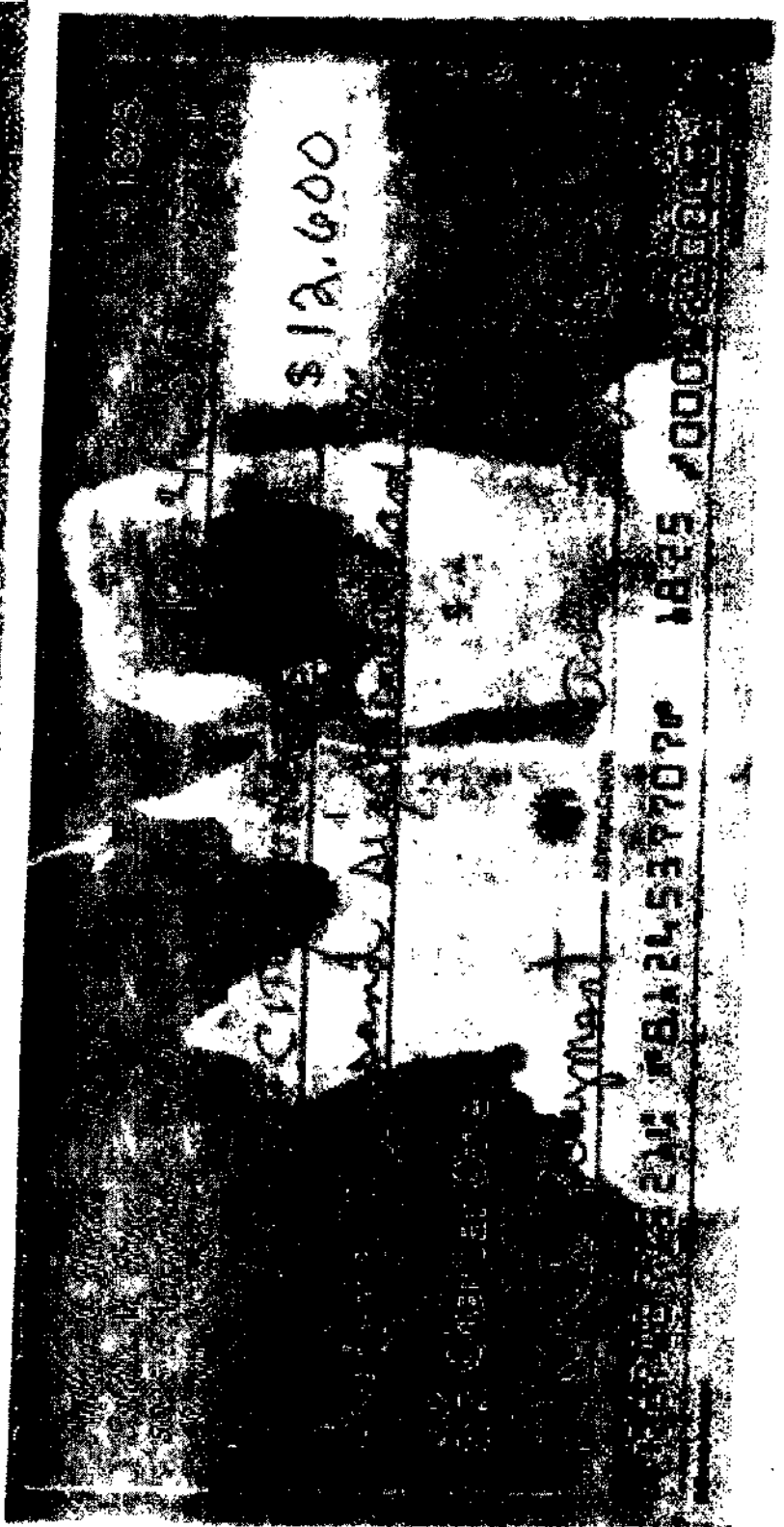
City of Chicago
General Contractor License Program
P.O. Box 388249
Chicago, IL 60638

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL endeavor to MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE ISSUER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]



Hand Delivered

June 23, 2008

Inner City Builders & Investments, Inc.
Attention: Mr. Michael Rivera
7035 West Grand Avenue
Chicago, IL 60607

Re: Estelle Jones—Claims against Michael Rivera and Inner City Builders & Investments, Inc.
Our File No. J03.00001

Dear Mr. Rivera:

S|K This firm represents Mrs. Estelle Jones in connection with that certain contract dated September 25, 2007 by and between Mr. Arthur Jones, Mrs. Estelle Jones and Inner City Builders & Investments, Inc. ("Inner City") to perform certain home repair services at their premises located at 8025-8027 South Maryland Avenue, Chicago, Illinois (the "Premises") for the amount of \$21,750.00 (the "Contract"). Pursuant to the Contract, Inner City proposed to install a "new rear open structure of back porch" at the Jones home.

On or about October 4, 2007, Mr. Arthur Jones (now deceased) provided you with a check in the amount of \$12,600 as a down payment for the porch renovation, which was cashed on October 5, 2007.

Shortly thereafter, you advised Mr. and Mrs. Jones that the original Contract price, which Inner City agreed to, was extremely under-priced. You explained that the cost of the renovation had increased to \$55,000. The work was to remain the same, but the price would more than double the Contract price.

At that time, you also communicated to my clients that Inner City was terminating the Contract. Further, Mr. and Mrs. Jones would be required to sign a new contract if they wanted to continue working with Inner City. My clients never signed a new contract.

On or around April 5, 2008, you advised Mrs. Jones that the previously quoted price of \$55,000 was under-priced and the cost of the work would increase to \$125,000. My clients did not sign a new contract at that time.

Inner City Builders & Investments, Inc.
June 23, 2008
Page 2

In January 2008, Mrs. Jones contacted you to obtain a refund of the \$12,600 down payment, since Inner City terminated the Contract months before. Although Inner City terminated the Contract, on April 2, 2008 Inner City sent a surveyor to the Jones home. Mrs. Jones again reminded you that the Contract had been terminated.

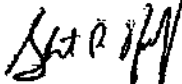
Despite repeated requests by Mrs. Jones and several members of her family, Inner City has failed and refused to return the down payment.

Based on the above conduct, Inner City has violated Illinois law, committed trespass and has attempted to take advantage of an elderly woman. Final demand is made for the refund of the down payment of \$12,600 in the form of a check, made payable to "Estelle Jones" and forwarded to my attention at the address listed below, within seven days from the date of this letter. If payment is not made within that time, we will have no option other than to recommend that Mrs. Jones file a lawsuit for the principal amount due and for all other sums to which she is entitled to by law.

We anticipate your prompt response.

Very truly yours,

SJK



Stuart P. Krauskopf

SPK:slo





OFFICE OF THE STATE'S ATTORNEY

RICHARD A. DEVINE
STATE'S ATTORNEY of COOK COUNTY

PUBLIC INTEREST BUREAU
69 W. Washington, Suite 3130
Chicago, IL 60602
312-603-8600

October 21, 2008

Michael Rivera, President
Inner City Builders & Investments, Inc.
7035 W. Grand Avenue
Chicago, IL 60707

VIA CERTIFIED & REGULAR U.S. MAIL

Re: Cancellation of Oral Contract and Refund Demand

Mr. Rivera:

Our office has received a complaint from Estelle Jones, age 63, of 8025 S. Maryland, Chicago, concerning her and her (now since deceased) husband, Arthur Jones', oral contract with you to perform needed porch repairs at their home.

In the Fall of 2007, the Jones' accepted your oral offer, as President of Inner City Builders & Investment, Inc., to perform extensive porch repairs that were needed to take care of building code violations on their property. On or about October 4, 2007, you visited the Jones' at their home and took receipt of a \$12,600.00 down payment check, #1825, from Arthur Jones to perform the needed repairs for an agreed total price of \$55,000.00.

Prior to taking receipt of the down payment check on October 4, 2007, you had promised Arthur and Estelle Jones that you would have a written contract for them to sign which detailed the scope of the work and listed the total contract price of \$55,000.00. Nevertheless, on October 4, 2007, you failed to provide the Jones' with a written contract, and subsequently deposited the Jones' \$12,600.00 check in your bank account. (See attached copy of the Jones' cancelled check).

After this date, neither you, nor anyone from Inner City Builders & Investments, Inc., returned to the Jones' residence to perform any work or deliver any materials throughout 2007.

In January 2008, Estelle Jones notified you by phone that her husband, Arthur, had passed away. During this phone call she told you she was canceling the oral

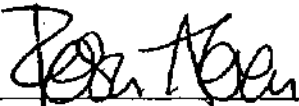
agreement that had been reached on or about October 4, 2007, and asked for a refund of their \$12,600.00 deposit. During this same phone conversation, Mrs. Jones told you she did not intend to proceed with any repairs and that she was planning to sell the building. To date, she has not received a refund.

On behalf of Estelle Jones, the Cook County State's Attorney's Office is making a written demand for a refund of her and her husband's \$12,600.00 deposit within the next ten (10) days, i.e., by October 31, 2008. The refund payment must be in the form of a certified check or money order, made payable to the Cook County State's Attorney's Office. Please forward payment to the Cook County State's Attorney's Office, Attn: Ms. Rosa Abreu, ASA, 69 W. Washington Street, Suite 3130, Chicago, IL 60602. The State's Attorney's Office will reimburse Mrs. Jones from the proceeds of your payment.

Through this letter, the Cook County State's Attorney's Office is also providing written notification of Estelle Jones' cancellation of the October 4, 2007, oral contract between you and the Jones' to perform porch repairs at their property for \$55,000.00. Additionally, Mrs. Jones is revoking any prior permission she or her husband gave you, or any agents of Inner City Builders & Investments, Inc., to deliver materials or perform any work at 8025 S. Maryland Avenue, Chicago, IL. Should you have any questions regarding the above, please contact me at (312) 603-8684.

Sincerely,

RICHARD A. DEVINE
COOK COUNTY STATE'S ATTORNEY

BY: 
Rosa Abreu,
Assistant State's Attorney

Encl.

Cc: Estelle Jones

CERTIFIED MAIL # 7003-1010-0003-7378-0967



U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: Michael Livick
 Street, Apt. No. or PO Box No.: 7035 W. Grand
 City, State, ZIP+4

2960 9232 7378 0003 0107 0967

