

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of
CREDIT USA, INC., DR. TERREL
L. ALEXANDER, NECO ALEXANDER
WILLIAM LOVE, III, EDITH MUNOZ,
LORENZO WRIGHT, DAVID SHEARS,
and RUTH SHANK,

PETITION FOR ORDER

Respondents.

File No. S-08039(FX)

The staff of the Bureau of Registration and Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to §553.55, Wis. Stats., and as a result thereof alleges as follows:

1. Credit USA, Inc., (“CUSA”) is a foreign business entity with a last known business address of One Cherry Hill, Suite 400, Cherry Hill, New Jersey 08002.
2. Dr. Terrel L. Alexander (“TAlexander”) is an individual with a last known business address of One Cherry Hill, Suite 400, Cherry Hill, New Jersey 08002, and has been CEO of CUSA at all times material hereto.
3. Neco Alexander (“NAlexander”) is an individual with a last known business address of One Cherry Hill, Suite 400, Cherry Hill, New Jersey 08002, and has been a President of CUSA at all times material hereto.
4. William Love III (“Love”) is an individual with a last known business address of One Cherry Hill, Suite 400, Cherry Hill, New Jersey 08002, and has been COO of CUSA at all times material hereto.
5. Edith Munoz (“Munoz”) is an individual with a last known business address of One Cherry Hill, Suite 400, Cherry Hill, New Jersey 08002, and has been Executive Vice President of the North Eastern Region of CUSA at all times material hereto.
6. Lorenzo Wright (“Wright”) is an individual with a last known business address of One Cherry Hill, Suite 400, Cherry Hill, New Jersey 08002, and has been Executive Vice President of the South Western Region of CUSA at all times material hereto.
7. David Shears (“Shears”) is an individual with a last known business address of One Cherry Hill, Suite 400, Cherry Hill, New Jersey 08002, and has been Executive Vice President of the South Eastern Region of CUSA at all times material hereto.

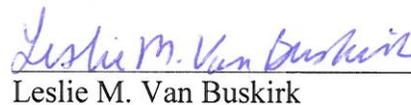
8. Ruth Shank ("Shank") is an individual with a last known business address of One Cherry Hill, Suite 400, Cherry Hill, New Jersey 08002, and has been Executive Vice President of the Mid Western Region of CUSA at all times material hereto.
9. Upon information and belief, in approximately January 2008, an investor in Wisconsin was contacted by persons affiliated with CUSA, including Munoz, offering to sell a franchise for the territory that included the whole state of Wisconsin.
10. Upon information and belief, in approximately February 2008, CUSA sent to the individual in Wisconsin a Franchise Agreement ("Agreement") between Credit USA, Inc. and subsidiaries (collectively "CUSA") and the Wisconsin investor for the purchase of the Wisconsin National Franchise.
11. Upon information and belief, the Agreement stated the purchase price of the Wisconsin National Franchise was \$250,000 total purchase price with \$125,000 non-refundable deposit toward the total purchase price. The franchisee must remit \$125,000 balance of 50% in certified funds less any deposits at final settlement, with the remaining balance of an additional \$125,000 to be paid with approved financing from Wall Street Global Finance, Inc. or an independent financial resource duly selected by the "Franchisee."
12. Upon information and belief, the person in Wisconsin wired \$25,000 to CUSA as a good faith deposit for the territory encompassing the whole State of Wisconsin.
13. Upon information and belief, the person in Wisconsin was not provided with an offering circular containing material information needed to make an informed decision prior to signing the agreement and paying the \$25,000.
14. Upon information and belief, the Agreement stated with regard to credit restoration, education and protection service plans, franchisee agrees to consult with franchisor and to keep franchisor reasonably apprised of its marketing plans and activities and to comply with franchisor's then current customary marketing support policies and practices to the extent they are reasonable and practicable. Franchisor shall have the right to approve such plans, and franchisee shall provide a timely opportunity for said approval by franchisor.
15. Upon information and belief, the Agreement states franchisor is willing to provide various marketing, advertising and promotional services and activities in support of franchisee; specifically promoting Regional and National events, presentations, and highly specialized trainings in the State of Wisconsin promoting that region and boosting sales revenue.
16. Upon acceptance as a franchisee, franchisee is given access to various promotional tools on the Credit USA's website, including the opportunity to order business cards identifying them as associates of Credit USA, letterhead stationery and sample letters to send to potential clients.

17. Since the person in Wisconsin paid a fee for the right to do business as Credit USA, Inc., operates the business according to a prescribed marketing plan, and operates the business using the trademark "Credit USA," the "business opportunity" described in the paragraphs above is a franchise as defined by §553.03(4), Wis. Stats.
18. Respondents have violated §553.21, Wis. Stats., which states no person may sell in this state any franchise unless the franchise has been registered under this chapter or is exempted under §553.23, §553.235 or §553.25.
19. Respondents have violated §553.27(4), Wis. Stats., by selling a franchise in this state without providing a copy of an offering circular to the prospective franchisee within at least ten business days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least ten business days prior to the receipt of any consideration, whichever first occurs.

Therefore, the staff of the Bureau of Registration and Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached order pursuant to Ch. 553, Wis. Stats.


Kathryn L. Denton
Examiner
Bureau of Registration and
Enforcement

8/29/08
Date


Leslie M. Van Buskirk
Staff Attorney
Bureau of Registration and
Enforcement

9/2/08
Date