

MARKS & WEINBERG, P.C.

AT&T Capital Leasing Services v. Brasch

912 F. Supp. 395 (N.D. Ill., 1996)

Late fee provision in a lease which stipulated that the amount of the late fee would be equal to ten percent (10%) of the late rental amount was held to be an unenforceable penalty under Illinois law. The Illinois court applied Illinois law with respect to this issue despite the governing law provision in the Lease which had stated that Massachusetts law applied. According to the Court, public policy required that it apply Illinois law on this issue. The Court did allow AT&T to impose late charges equal to twelve percent (12%) per annum interest on the late payments.

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