

1 MARY ANN SMITH
Deputy Commissioner
2 AMY J. WINN
Assistant Chief Counsel
3 UCHE L. ENENWALI (State Bar No. 235832)
Senior Counsel
4 Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 503-4203
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of:) CFL LICENSE NO. 60DBO-82330.
13 THE COMMISSIONER OF FINANCIAL) SETTLEMENT AGREEMENT
14 PROTECTION AND INNOVATION,)
15 Complainant,)
16 v.)
17 CREDITNINJA LENDING, LLC dba)
18 CREDITNINJA, a Limited Liability Company)
19 (Formerly, KMD PARTNERS, LLC),)
20 Respondent.)

21
22 The Commissioner of Financial Protection and Innovation (Commissioner) and CreditNinja
23 Lending, LLC dba CreditNinja (formerly, KMD Partners, LLC) (Respondent or CreditNinja)
24 (collectively the Parties), enter this Settlement Agreement with respect to the following facts:

25 ///
26 ///
27 ///
28 ///

RECITALS

A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of a finance lender or broker under the California Financing Law (CFL) (Fin. Code § 22000 et. seq).

B. CreditNinja Lending, LLC dba CreditNinja (CreditNinja) is a limited liability company licensed as a California finance lender as of April 27, 2018, with license number 60DBO-82330. CreditNinja’s principal place of business is located at 222 South Riverside Plaza, Suite 2200, Chicago, IL 60606. CreditNinja originates unsecured consumer loans.

C. Mark Friedgan is the chief executive officer of CreditNinja and a “control” person of CreditNinja as that term is defined by Corporations Code section 160.

D. On or about December 12, 2021, CreditNinja filed a name change amendment with the California Secretary of State, changing its name from KMD Partners, LLC to CreditNinja.

E. On May 5, 2022, the Commissioner commenced a regulatory examination of CreditNinja's books and records at its branch office located at 222 South Riverside Plaza, Suite 2200, Chicago, IL 60606 (the 2022 CFL regulatory examination). The 2022 CFL regulatory examination showed that CreditNinja conducted business as a finance lender in violation of the CFL by:

- (i) Failing to maintain a minimum net worth requirement of \$25,000, in violation of section 22104.
- (ii) Changing its name without first notifying the Commissioner, in violation of section 22155.
- (iii) Charging borrowers excess non-sufficient funds fee, in violation of section 22161(a)(1).
- (iv) Improperly engaging and paying compensation to unlicensed brokers or entities in their finance lending business, in violation of sections 22161 and 22337 and California Code of Regulations, Title 10, section 1451(c).
- (v) Failing to file accurate CFL annual reports, in violation of section 22161.
- (vi) Charging borrowers excess interest rate, in violation of sections 22303 and 22304.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- (vii) Charging borrowers excess Annual Percentage Rates, in violation of section 22304.5.
- (viii) Charging borrowers excess administrative fees, in violation of section 22305.
- (ix) Failing to update its business plan, in violation of sections 22108(a) and 22154.
- (x) Charging excess delinquency fees, in violation of 22320.5.
- (xi) Failing to demonstrate that its employees who negotiate loans are familiar with the laws and regulations governing the loan business, in violation of California Code of Regulations Section 1446.

F. The Commissioner directed CreditNinja to conduct a companywide review of all open and paid-off loans originated after September 1, 2018, and to identify violations identical to those discovered in the CFL regulatory examination. The Commissioner further directed CreditNinja to refund borrowers the excess interest it had charged and state the actions it had implemented to avoid a recurrence of the violations. CreditNinja failed to provide satisfactory evidence of compliance with the Commissioner’s requests.

G. CreditNinja asserts that since that time, it has enhanced its compliance management system by, including but not limited to, increasing the number of compliance professionals, enhancing its change management systems, and enhancing compliance training for relevant employees.

H. On March 22, 2025, the Commissioner issued an Accusation with supporting documents seeking to revoke CreditNinja’s CFL license (CFL Enforcement Action). On or about March 28, 2025, CreditNinja submitted a request for a hearing on the CFL Enforcement Action to preserve its rights.

I. Respondents neither admit nor deny any of the findings contained in this Settlement Agreement.

J. It is the intention and desire of the Parties to resolve the CFL Enforcement Action without the necessity of hearing and/or other litigation.

///

1 K. The Commissioner finds that entering into this Settlement Agreement is in the public
2 interest and consistent with the purposes fairly intended by the policies and provisions of the CFL.

3 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
4 forth herein, the Parties agree as follows:

5 **TERMS AND CONDITIONS**

6 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner,
7 set forth in paragraphs E-H, above, in a manner that avoids the expense of hearing and other possible
8 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
9 policies, and provisions of the CFL.

10 2. Finality of Settlement Agreement. CreditNinja agrees to comply with this Settlement
11 Agreement and stipulates that this Settlement Agreement is hereby deemed final.

12 3. Desist and Refrain Order. Pursuant to Financial Code section 22712, CreditNinja
13 Lending, LLC d/b/a CreditNinja is hereby ordered to desist and to refrain from further violating the
14 CFL, including the provisions set forth herein.

15 4. Penalties. CreditNinja shall pay penalties to the Commissioner in the amount of
16 \$650,000, payable in two equal installments of \$325,000 each. The first payment of \$325,000 shall
17 be paid no later than 10 days after the Effective Date set forth in Paragraph 32. The second
18 installment payment shall be due in the first quarter of 2026, but no later than February 27, 2026.
19 Each installment payment of \$325,000 must be made payable in the form of a cashier's check or
20 Automated Clearing House deposit transmitted to the attention of Accounting – Litigation, at the
21 Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300, Sacramento,
22 California 95811. Notice of the payment must be concurrently sent to Uche Enenwali, Senior
23 Counsel, Enforcement Division, via electronic mail at uche.enenwali@dfpi.ca.gov.

24 5. Administrative Cost. CreditNinja shall pay the Commissioner's Administrative Costs
25 (Costs) in the amount of \$50,000, no later than 10 days after the Effective Date set forth in
26 Paragraph 32. The investigative costs must be made payable in the form of a cashier's check or an
27 Automated Clearing House deposit, transmitted to the attention of Accounting – Litigation, at the
28 Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300, Sacramento,

1 California 95811. Notice of the payment must be concurrently sent to Uche Enenwali, Senior
2 Counsel, Enforcement Division, via electronic mail at uche.enenwali@dfpi.ca.gov.

3 6. Payment of Customer Refunds. CreditNinja affirms that it has refunded NSF fees
4 charged, interest rates, and administrative charges in excess of those permitted under sections
5 22161(a)(1), 22303, 22304, 22304.5, 22305, and 22320.5 for all loans identified in the self-audit
6 reports in paragraph F as having such NSF fees charges, interest rates, and administrative fee
7 overcharges, for a total amount of \$150,289.05. CreditNinja further affirms that for unsold loans, it
8 made balance adjustments to reflect an appropriate accrual of excess NSF fees, interest rates, and
9 administrative fees, or that for. For sold loans, it directed the buyer to make a balance sheet
10 adjustment for an appropriate accrual of NSF fees for a total amount of \$91,689. Pursuant to sections
11 22161(a)(1), 22303, 22304, 22304.5, 22305, and 22320.5, CreditNinja agrees to refund any
12 outstanding amounts of excess charges and fees identified in the CFL Enforcement Action,
13 including,

- 14 (i) NSF fees charged in excess of those permitted under section 22161(a)(1).
- 15 (ii) Interest rates charged in excess of those permitted under sections 22303 and
16 22304.
- 17 (iii) Annual Percentage Rates charged in excess of those permitted under section
18 22304.5.
- 19 (iv) Administrative fees charged in excess of those permitted under section 22305.
- 20 (v) Delinquency fees charged in excess of that permitted under section 22320.5.

21 CreditNinja agrees to refund the excess charges and fees referenced herein as follows:

22 (a) CreditiNinja shall issue refunds for all excess fees and charges it collected
23 from California customers in violation of Financial Code sections 22161(a)(1), 22303, 22304,
24 22304.5, 22305, and 22320.5, from date of the overcharge through the Effective Date, and which
25 CreditNinja had not already provided a consumer refund, by no later than 60 calendar days after the
26 Effective Date (Refunds).

27 (b) Except as to unsold accounts with negative balances exceeding the Refund
28 owed (for which CreditNinja shall adjust the account balance to reflect the full Refund amount), all

1 Refunds otherwise not already issued shall be paid via check to the California customer's credit/bank
2 account of record listed in CreditNinja's records. Should the check be rejected or otherwise fail to
3 process within 15 business days, CreditNinja, directly or through an agent, shall send a refund check
4 by first-class mail to the California customer's last known postal mail address listed in CreditNinja's
5 records, unless new address information has been provided by the customer pursuant to Paragraph
6 32. Each Refund check shall be mailed with a request for address correction on the outside of each
7 envelope. CreditNinja, directly or through an agent, shall resend all Refund checks returned by the
8 United States Postal Service with a forwarding or corrected address.

9 (c) No later than 70 calendar days after the Effective Date, notice of the refund
10 payments shall be sent to the Commissioner at the Notice address in Paragraph 29. With this notice,
11 CreditNinja shall also provide a report containing the customer's name, address, and the amount of
12 the refund.

13 7. No Consumer Waiver. Payment of a refund to any consumer under this Settlement
14 Agreement may not be conditioned on that consumer waiving any right.

15 8. Handling of Uncashed Checks. CreditNinja shall escheat any returned or unclaimed
16 refunds to the California State Controller's Office within the period provided by the Code of Civil
17 Procedure section 1520 of the Unclaimed Property Law (Cal. Civ. Proc. §§ 1500-1582). In the event
18 of escheat, notice shall be sent within five business days to the Commissioner at the Notice address
19 in Paragraph 32 and shall include a copy of any escheatment report(s) submitted to the California
20 State Controller.

21 9. Declaration of Policies and Procedures. CreditNinja agrees to submit to the
22 Commissioner a declaration under the penalty of perjury (Declaration) satisfactory to the
23 Commissioner from an officer with personal knowledge of CreditNinja's policies and procedures
24 that sets forth all policies and procedures that have been implemented as of the date of this Oder by
25 CreditNinja to ensure compliance with Financial Code sections 22161(a)(1), 22303, 22304, 22304.5,
26 22305, and 22320.5.

27 10. Failure to make Timely Refunds or Complete Reports Concerning Refunds.
28 CreditNinja agrees that if it fails to comply with the terms of this Settlement Agreement, including

1 the payment of penalties as set forth in Paragraph 4,5, and 6, the Commissioner may institute
2 proceedings for all violations otherwise resolved over this Settlement Agreement and summarily
3 revoke CreditNinja’s CFL license. CreditNinja waives any notice and hearing rights to contest the
4 summary revocation of CreditNinja’s CFL license which may be afforded under the CFL, the
5 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
6 provision of law in connection therewith.

7 11. Waiver of Hearing Rights. CreditNinja acknowledges the Commissioner is ready,
8 willing, and able to proceed with a hearing on the CFL Enforcement Actions and on the charges
9 contained in this Settlement Agreement. CreditNinja waives the right to any hearings, and to any
10 reconsideration, appeal, or other right to review which may be afforded pursuant to the CFL, the
11 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
12 provision of law; and by waiving such rights, CreditNinja effectively consents to this Settlement
13 Agreement becoming final, including those rights under the CFL, the California Administrative
14 Procedure Act, the California Code of Civil Procedure, or any other provision of law, and to judicial
15 review of this matter pursuant to California Code of Civil Procedure section 1094.5 with respect to
16 the issuance of this Settlement Agreement and the order to discontinue violations, order assessing
17 penalties contained herein.

18 12. Full and Final Settlement. The parties hereby acknowledge and agree that this
19 Settlement Agreement is intended to constitute a full, final, and complete resolution of the violations
20 described herein, and that no further proceedings or actions will be brought by the Commissioner in
21 connection with these matters except under CFL or any other provision of law, excepting therefrom
22 any proceeding to enforce compliance with the terms of this Consent Order.

23 13. Failure to Comply with Settlement Agreement. CreditNinja agrees that if it fails to
24 comply with the terms of this Settlement Agreement, the Commissioner may, in addition to all other
25 available remedies it may invoke under the CFL, summarily suspend/revoke CreditNinja’s CFL
26 license until CreditNinja is in compliance. CreditNinja waives any notice and hearing rights to
27 contest such summary suspensions, which may be afforded under the CFL, the California
28 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law

1 in connection therewith.

2 14. Third Party Actions. It is the intent and understanding of the parties that this
3 Settlement Agreement does not create any private rights or remedies against CreditNinja, impose
4 any liability on CreditNinja, or limit any defenses available to CreditNinja with respect to any person
5 or entity that is not a party to this Settlement Agreement.

6 15. Information Willfully Withheld or Misrepresented. Notwithstanding paragraph 23
7 below, this Settlement Agreement may be revoked, and the Commissioner may pursue any and all
8 remedies available under law against CreditNinja if the Commissioner discovers that CreditNinja
9 knowingly or willfully withheld or misrepresented material information.

10 16. Future Actions by Commissioner. If CreditNinja fails to comply with any terms of the
11 Settlement Agreement, the Commissioner may institute proceedings for any and all violations
12 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring
13 any future actions against CreditNinja, or any of its partners, owners, officers, shareholders,
14 directors, employees, or successors for any and all unknown violations of the CFL.

15 17. Assisting Other Agencies. Nothing in this Settlement Agreement limits the
16 Commissioner's ability to assist any other government agency (city, county, state, or federal) with
17 any prosecution, administrative, civil, or criminal action brought by that agency against CreditNinja
18 or any other person based upon any of the activities alleged in this matter or otherwise.

19 18. Headings. The headings to the paragraphs of this Settlement Agreement are inserted
20 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
21 of the provisions hereof.

22 19. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
23 successors in interest.

24 20. Reliance. Each of the parties represents, warrants, and agrees that in executing this
25 Settlement Agreement, it has relied solely on the statements set forth herein and the advice of its
26 own counsel, if represented. Each of the parties further represents, warrants, and agrees that in
27 executing this Settlement Agreement it has placed no reliance on any statement, representation,
28 promise of any other party, or any other person or entity not expressly set forth herein, or upon the

1 failure of any party or any other person or entity to make any statement, representation or disclosure
2 of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any
3 party was in any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude
4 the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
5 Settlement Agreement.

6 21. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
7 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
8 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
9 any other provision. No waiver by either party of any breach of, or of compliance with, any
10 condition or provision of this Settlement Agreement by the other party will be considered a waiver
11 of any other condition or provision or of the same condition or provision at another time.

12 22. Full Integration. This Settlement Agreement is the final written expression and the
13 complete and exclusive statement of all the agreements, conditions, promises, representations, and
14 covenant between the parties with respect to the subject matter hereof, and supersedes all prior or
15 contemporaneous agreements, negotiations, representations, understandings, and discussions
16 between and among the parties, their respective representatives, and any other person or entity, with
17 respect to the subject matter covered hereby.

18 23. No Presumption Against Drafting Party. Each party acknowledges that it has had the
19 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
20 Parties intend that no presumption for or against the drafting party will apply in construing any part
21 of this Settlement Agreement. The Parties waive the benefit of California Civil Code section 1654 as
22 amended or corresponding provisions of any successor statute, which provide that in cases of
23 uncertainty, language of a contract should be interpreted most strongly against the party that caused
24 the uncertainty to exist.

25 24. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it
26 has received, or had the opportunity to receive, independent advice from its or his or her attorney(s)
27 and/or representatives with respect to the advisability of executing this Settlement Agreement.

28 25. Governing Law. This Settlement Agreement will be governed by and construed in

1 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,
2 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
3 forum to the maintenance of such action or proceeding in such court.

4 26. Effect Upon Future Proceedings. If CreditNinja is the subject of any future action by
5 the Commissioner to enforce this Settlement Agreement, then the subject matter hereof may be used
6 to enforce the Settlement Agreement. In consideration for CreditNinja agreeing to the terms of this
7 Settlement Agreement, the Commissioner will timely review and consider any future or pending
8 application, and this Settlement Agreement will not be the sole basis of any action to deny such
9 application.

10 27. Voluntary Agreement. CreditNinja enters this Settlement Agreement voluntarily and
11 without coercion and acknowledges that no promises, threats or assurances have been made by the
12 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The parties each
13 represent and acknowledge that they are executing this Settlement Agreement completely voluntarily
14 and without any duress or undue influence of any kind from any source.

15 28. Counterparts. This Settlement Agreement may be executed in one or more separate
16 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
17 together constitute a single document.

18 29. Notice. Any notice required under this Settlement Agreement shall be provided to
19 each party at the following addresses:

20 To Respondents: Mark Friedgan, Chief Executive Officer
21 CreditNinja Lending, LLC d/b/a CreditNinja
22 222 South Riverside Plaza, Suite 2200
23 Chicago, IL 60606
24 Jstrickland@steptoe.com

25 To the Commissioner: Uche L. Enenwali, Senior Counsel
26 Department of Financial Protection and Innovation
27 320 West 4th Street, Suite 750
28 Los Angeles, California 90013
 Uche.Enenwali@dfpi.ca.gov.

30. Signatures. A fax or electronic mail signature shall be deemed the same as an original
signature.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

31. Public Record. CreditNinja hereby acknowledges that this Settlement Agreement is a matter of public record.

32. Effective Date. This Settlement Agreement shall become final and effective when signed by all parties and delivered by the Commissioner's agent via e-mail to Julie Strickland at Jstrickland@steptoe.com.

33. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the obligations set forth herein.

Dated: November 5, 2025
Los Angeles, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

CREDITNINJA LENDING, LLC DBA
CREDITNINJA

Dated: November 4, 2025

By _____
MARK FRIEDGAN
Chief Executive Officer
CreditNinja Lending, LLC d/b/a CreditNinja

Approved as to Form and Content:

By _____
Benjamin M. Saul, Esq.
Partner, Steptoe LLP
Attorneys for the Respondents