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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:)	DCLA LICENSE No.: 11132-99
)	
THE COMMISSIONER OF FINANCIAL)	SETTLEMENT AGREEMENT
PROTECTION AND INNOVATION,)	
)	
Complainant.)	
)	
v.)	
)	
KOHL’S, INC.)	
)	
Respondent.)	
	—)	

This Settlement Agreement is entered into between the Commissioner of Financial Protection and Innovation (Complainant or Commissioner) and Respondent Kohl’s, Inc. (Respondent) and is made with respect to the following facts:

I.
RECITALS

A. The Commissioner has jurisdiction over the licensing and regulation of persons engaged in the business of debt collection in California under the Debt Collection Licensing Act (DCLA) (Cal. Fin. Code §§ 100000 – 100025) and the rules and regulations promulgated thereunder.

B. The Commissioner also has jurisdiction over the regulation of persons who engage, have engaged, and propose to engage in offering or providing a consumer financial product or service in California and affiliated service providers under the California Consumer Financial Protection Law (CCFPL) (Cal. Fin. Code §§ 90000 – 90019).

C. Under the CCFPL, it is unlawful for a “covered person” to “[e]ngage, or propose to engage in any unlawful, unfair, deceptive, or abusive act or practice with respect to consumer financial products or services.” (Cal. Fin. Code § 90003(a)(1)).

1 D. A “covered person” is “[a]ny person that engages in offering or providing a consumer
2 financial product or service to a resident of this state.” (Cal. Fin. Code § 90005(f)(1)).

3 E. A “consumer financial product or service” is generally a “financial product or service
4 that is delivered, offered, or provided for use by consumers primarily for personal, family, or
5 household purposes.” (Cal. Fin. Code § 90005(e)(1)).

6 F. “Financial product or service” includes, among other things, “[c]ollecting debt
7 relating to a consumer financial product or service.” (Cal. Fin. Code § 90005(k)(10)).

8 G. “Financial product or service” also includes, among other things, [e]xtending credit
9 and servicing extensions of credit, including acquiring, purchasing, selling, brokering extensions of
10 credit, other than solely extending commercial credit to a person who originates consumer credit
11 transactions. (Cal. Fin. Code § 90005(k)(1)).

12 H. Respondent is a Delaware corporation.

13 I. Respondent has a principal place of business at N56 W 17000 Ridgewood Drive,
14 Menomonee Falls, Wisconsin 53051.

15 J. Respondent is licensed as a debt collector under the DCLA with license number
16 11132-99.

17 K. Respondent collects debt related to a consumer financial product or service, including
18 but not limited to extensions of credit. (Cal Fin. Code § 90005(k)(1), (10)).

19 L. Because Respondent collects debts relating to consumer financial products and
20 services, they are a covered person under the CCFPL (Cal Fin. Code § 90005(f)).

21 M. California Financial Code section 100021(a) requires all DCLA licensees to file an
22 annual report with the Commissioner, on or before March 15, that contains all relevant information
23 that the Commissioner reasonably requires concerning the business and operations conducted by the
24 licensee in the state during the preceding calendar year, including information regarding collection
25 activity (Annual Report).

26 N. Pursuant to California Financial Code section 100015(a), the Commissioner is
27 authorized to establish relationships or contracts with the Nationwide Multistate Licensing System
28

1 & Registry (NMLS)¹ to collect and maintain records and process transaction fees or other fees
2 related to licensees or other persons subject to this division. Pursuant to California Code of
3 Regulations, title 10, section 1850.16, the licensee shall establish an email for communications
4 from the Commissioner (Designated Email Address). The email account shall be established and
5 monitored in accordance with the requirements in California Financial Code section 331.5. By
6 registering the Designated Email Address, the applicant consents to receive information from the
7 Commissioner at that email address, including, but not limited to, assessment notices.

8 O. On September 16, 2024, the Commissioner instructed all DCLA licensees via their
9 Designated Email Address to verify that their current Designated Email Address meets the
10 requirements and to update as needed.

11 P. On October 17, 2024, the Commissioner notified all DCLA licensees who had not
12 yet provided a Designated Email Address via the email listed under Primary Company Contact on
13 NMLS that they must provide a Designated Email Address immediately.

14 Q. On December 6, 2024, the Commissioner provided all DCLA licensees via the
15 Designated Email Address with a sample of the Annual Report stating that detailed filing
16 instructions and access to the Annual Report will be provided on January 2, 2025. The email
17 reminded DCLA licensees that if they were licensed as of December 31, 2024, they must file the
18 Annual Report via the DFPI Self-Service Portal by March 15, 2025.

19 R. Also on December 6, 2024, the Commissioner again notified all DCLA licensees
20 who had not yet provided a Designated Email Address via the email listed under Primary Company
21 Contact on NMLS that they must provide a Designated Email Address immediately. The
22 Commissioner also provided these licensees with a sample of the Annual Report stating that
23 detailed filing instructions and access to the Annual Report will be provided on January 2, 2025, but
24 they will not receive detailed filing instructions and access to the annual report without a
25 Designated Email Address. The email reminded the DCLA licensees that if they were licensed as
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27 ¹ NMLS stands for Nationwide Multistate Licensing System & Registry and is the system of record for non-depository,
28 financial services licensing or registration in participating agencies, including the District of Columbia and U.S.
Territories of Puerto Rico, the U.S. Virgin Islands, and Guam. In these jurisdictions, NMLS is the official system for
companies and individuals seeking to apply for, amend, renew and surrender licenses authorities managed through
NMLS.

1 of December 31, 2024, they must file the Annual Report via the DFPI Self-Service Portal by March
2 15, 2025.

3 S. On January 3, 2025, the Commissioner notified all DCLA licensees via the
4 Designated Email Address that the Annual Report was accessible via the DFPI Self-Service Portal
5 and provided instructions for filing the Annual Report.

6 T. On February 14, 2025, the Commissioner again reminded all DCLA licensees via the
7 Designated Email Address that all DCLA licensees must file the Annual Report by the deadline of
8 March 15, 2025.

9 U. On March 3, 2025, the Commissioner gave a final reminder to all DCLA licensees
10 via the Designated Email Address that all DCLA licensees who were licensed as of December 31,
11 2024, must file the Annual Report by the deadline of March 15, 2025, stating that failure to file the
12 Annual Report may subject the DCLA licensee to suspension, revocation, penalties, or other
13 enforcement action.

14 V. As of March 16, 2025, Respondent, who was licensed as of February 16, 2024, had
15 not filed its Annual Report with the Commissioner, in violation of California Financial Code
16 section 100021(a). As a result, on March 18, 2025, the Commissioner issued a Notice of Failure to
17 File Annual Report by March 15, 2025 (Failure Notice) to Respondent via certified mail and the
18 email listed under Company Contact on NMLS notifying Respondent that the Department will issue
19 a Desist and Refrain Order and Order Assessing Penalties under California Financial Code section
20 90015(c) and (d)(1) and will also move to revoke Respondent’s DCLA license under California
21 Financial Code sections 100003(b)(3) and 100003.3(b)(1) if the Annual Report is not filed before
22 March 28, 2025.

23 W. On or around March 28, 2025, or ten calendar days after the Failure Notice,
24 Respondent filed its Annual Report with the Commissioner, in violation of California Financial
25 Code section 100021(a). Pursuant to California Financial Code section 90012(b)(8), a penalty may
26 be imposed for any unlawful act or practice with respect to consumer financial products or services
27 in violation of California Financial Code sections 90003(a)(1), (a)(2), and 100021(a).

28 X. Therefore, on April 7, 2025, the Commissioner issued a Desist and Refrain Order and

1 Order Assessing Penalties pursuant to California Financial Code section 90015(c) and (d)(1) (Desist
2 and Refrain Order), for DCLA license number 11132-99.

3 Y. On April 30, 2025, Respondent notified the Commissioner that Respondent wished to
4 resolve the Desist and Refrain Order without a hearing.

5 Z. The Commissioner finds that entering into this Settlement Agreement is in the public
6 interest and consistent with the purposes fairly intended by the policies and provisions of the CCFPL
7 and DCLA.

8 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
9 forth herein, the parties agree as follows:

10 **II.**

11 **TERMS AND CONDITIONS**

12 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy
13 and expediency and without the uncertainty and expense of a hearing or other litigation.

14 2. Finality of Desist and Refrain Order. Pursuant to California Financial Code section
15 90015(d), Respondent is hereby ordered to desist and refrain from engaging in unlawful acts and
16 practices with respect to consumer financial products or services in violation of the California
17 Financial Code section 90003(a)(1). Respondent is also hereby ordered to desist and refrain from
18 offering or providing to a consumer any financial product or service not in conformity with the
19 following consumer financial laws, including California Financial Code section 100021(a) of the
20 DCLA, in violation of California Financial Code section 90003(a)(2). This desist and refrain order is
21 final and effective from the effective date of this Settlement Agreement, as defined in paragraph 25
22 (Effective Date).

23 3. Administrative Penalty. Respondent shall pay an administrative penalty of \$3,500.00
24 by May 16, 2025. The penalty shall be invoiced through NMLS. The NMLS payment instructions
25 will reference 11132-99.

26 4. Failure to Pay Administrative Penalty. If Respondent fails to comply with paragraph
27 3, the Commissioner may summarily suspend Respondent from engaging in business under its
28 DCLA license until it provides evidence of compliance to the Commissioner’s satisfaction.

1 Respondent hereby waives any notice or hearing rights afforded under the Administrative Procedure
2 Act, including California Government Code section 11415.60(b); Code of Civil Procedure; or any
3 other provision of law to contest the summary suspension contemplated by this paragraph.

4 5. Waiver of Notice and Hearing Rights. Respondent acknowledges the Commissioner
5 is ready, willing, and able to proceed with a hearing on the Desist and Refrain Order on the charges
6 contained therein. Respondent hereby waives the right to any hearings, and to any reconsideration,
7 appeal, or other right to review which may be afforded pursuant to the CCFPL, DCLA, the
8 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
9 provision of law.

10 6. Full and Final Resolution. The parties hereby acknowledge and agree that this
11 Settlement Agreement is intended to constitute a full and final resolution of the violations described
12 herein, and that no further proceedings or actions will be brought by the Commissioner in connection
13 with these matters except under the CCFPL or DCLA or any other provision of law, excepting
14 therefrom any proceeding to enforce compliance with the terms of this Settlement Agreement.

15 7. Failure to Comply with Settlement Agreement. Respondent agrees that if it fails to
16 comply with the terms of this Settlement Agreement, the Commissioner may, in addition to all other
17 available remedies it may invoke under the CCFPL or DCLA, summarily suspend/revoke the DCLA
18 license of Respondent until Respondent is in compliance. Respondent waives any notice and
19 hearing rights to contest such summary suspensions/revocations which may be afforded under the
20 CCFPL, DCLA, the California Administrative Procedure Act, the California Code of Civil
21 Procedure, or any other provision of law in connection therewith.

22 8. Information Willfully Withheld or Misrepresented. This Settlement Agreement may
23 be revoked, and the Commissioner may pursue any and all remedies available under law against
24 Respondent if the Commissioner discovers that Respondent knowingly or willfully withheld or
25 misrepresented information used for and relied upon in this Settlement Agreement.

26 9. Future Actions by Commissioner. If Respondent fails to comply with the terms of the
27 Settlement Agreement, the Commissioner may institute proceedings for any and all violations
28 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring

1 any future actions against Respondent, or any of its partners, owners, officers, shareholders,
2 directors, employees, or successors for any and all unknown violations of the CCFPL or DCLA.

3 10. Assisting Other Agencies. Nothing in this Settlement Agreement limits the
4 Commissioner’s ability to assist any other government agency (city, county, state or federal) with
5 any prosecution, administrative, civil or criminal action brought by that agency against Respondent
6 or any other person based on any of the activities alleged in this matter or otherwise.

7 11. No Presumption Against Drafter. Each party acknowledges that it has had the
8 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
9 parties intend no presumption for or against the drafting party will apply in construing any part of
10 this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended or
11 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
12 language of a contract should be interpreted most strongly against the party who caused the
13 uncertainty to exist.

14 12. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
15 has had the opportunity to receive independent advice from an attorney(s) and/or representatives
16 with respect to the advisability of executing this Settlement Agreement.

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

20 14. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
21 successors in interest.

22 15. Reliance. Each of the parties represents, warrants, and agrees that in executing this
23 Settlement Agreement, it has relied solely on the statements set forth herein and the advice of its
24 own legal counsel, if represented. Each of the parties further represents, warrants, and agrees that in
25 executing this Settlement Agreement it has placed no reliance on any statement, representation, or
26 promise of any other party, or any other person or entity not expressly set forth herein, or upon the
27 failure of any party or any other person or entity to make any statement, representation, or disclosure
28 of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any

1 party was in any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude
2 the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
3 Settlement Agreement.

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

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

16 18. Governing Law. This Settlement Agreement will be governed by and construed in
17 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court
18 and thereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
19 forum to the maintenance of such action or proceeding in such court.

20 19. Counterparts. This Settlement Agreement may be executed in one or more separate
21 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
22 together constitute a single document.

23 20. Effect Upon Future Proceedings. If Respondent applies for any license, permit or
24 qualification under the Commissioner’s current jurisdiction, or are the subject of any future action by
25 the Commissioner to enforce this Settlement Agreement, then the subject matter hereof shall be
26 admitted for the purpose of such application(s) or enforcement proceeding(s).

27 21. Voluntary Agreement. Respondent hereby enters into this Settlement Agreement
28 voluntarily and without coercion and acknowledges that no promises, threats, or assurances have

1 been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement.
2 The parties each represent and acknowledge that he, she or it is executing this Settlement Agreement
3 completely voluntarily and without any duress or undue influence of any kind from any source.

4 22. Notice. Any notice required under this Settlement Agreement shall be provided to
5 each party at the following addresses:

6 To Respondent: Kohl’s, Inc.
7 Rebecca Hoeft, Vice President of Credit
8 N56 W 17000 Ridgewood Drive
9 Menomonee Falls, WI 53051
Rebecca.hoeft@kohls.com

10 To the Commissioner: Melinda Lee, Deputy Commissioner
11 Department of Financial Protection and Innovation
12 651 Bannon Street, Suite 300
13 Sacramento, CA 95811
Melinda.Lee@dfpi.ca.gov

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

16 24. Public Record. Respondent hereby acknowledges that the Settlement Agreement is
17 and will be a matter of public record.

18 25. Effective Date. This Settlement Agreement shall become final and effective when
19 signed by all parties and delivered by the Commissioner’s agent via e-mail to Respondent at the
20 following email address: Rebecca.hoeft@kohls.com.

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26. 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: May 5, 2025
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By _____
MELINDA LEE
Deputy Commissioner
Debt Collection Licensing Act

Dated: May 5, 2025

KOHL'S, INC.

By _____
Rebecca Hoefl, Vice President of Credit