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

11 In the Matter of:)

12 THE COMMISSIONER OF FINANCIAL)
13 PROTECTION AND INNOVATION,)

CONSENT ORDER

14 Complainant,)

15 v.)

16 THERMO FISHER FINANCIAL SERVICES)
17 INC.,)

18 Respondent.)
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25 This Consent Order is entered into between the Commissioner of Financial Protection and
26 Innovation (Commissioner) of the Department of Financial Protection and Innovation (Department)
27 and Respondent Thermo Fisher Financial Services Inc. (Thermo Fisher or Respondent) and is made
28 with respect to the following facts:

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I.
RECITALS

A. The Commissioner has jurisdiction over the licensing and regulation of persons engaged in the business of lending and brokering under the California Financing Law (CFL) (Cal. Fin. Code §§ 22000 – 22780.1) and the rules and regulations promulgated thereunder.

B. The Commissioner also has jurisdiction over implementation of Commercial Financing Disclosures (Cal. Fin. Code §§ 22800 – 22808) and the rules and regulations promulgated thereunder.

C. At all relevant times, Thermo Fisher is Delaware corporation with a principal place of business located at 168 Third Avenue, Waltham, Massachusetts 02451.

D. Julia Chen is the President and Secretary of Thermo Fisher and authorized to enter into this Consent Order on Thermo Fisher’s behalf.

E. On or around June 27, 2024, Thermo Fisher submitted an application for a finance lender license under the CFL (Application).

F. The Application disclosed that Thermo Fisher plans to “lease medical equipment manufactured and distributed by its parent company, Thermo Fisher Scientific, Inc. to businesses in all states . . . The leases will include both true leases as well as leases with bargain-purchase options at least termination (e.g., \$1-out leases). The leases will be secured by the equipment financed . . .”

G. Thermo Fisher also disclosed that from at least 2021 – 2024 it offered at least 221 leases to California entities with terms that made them loans under the CFL, in violation of California Financial Code section 22100.

H. At least 15 lease agreements offered by Thermo Fisher to California entities did not include commercial financing disclosures including, but not limited to, the total cost of financing expressed as an annualized rate, pursuant to California Financial Code section 22802 and California Code of Regulations, title 10, sections 901 and 915.

I. Thermo Fisher offered at least 15 lease agreements to California entities that included “charges” as defined in California Financial Code section 22500 in excess of the 10% annual interest permitted under article XV, section 1 of the California Constitution (Usurious Overcharge).

1 J. The Commissioner finds that entering into this Consent Order is in the public interest
2 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 **II.**

6 **TERMS AND CONDITIONS**

7 1. Purpose. This Consent Order resolves the issues before the Commissioner set forth in
8 Paragraphs A through I above in a manner that avoids the expense of a hearing and other possible
9 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
10 policies, and provisions of the CFL.

11 2. Desist and Refrain Order. Pursuant to California Financial Code section 22712,
12 Thermo Fisher is hereby ordered to desist and refrain from violating California Financial Code
13 sections 22100. This Desist and Refrain Order is final and effective from the effective date of this
14 Consent Order, as defined in Paragraph 27 (Effective Date).

15 3. Penalty. Thermo Fisher shall pay a penalty in the amount of \$221,000.00 for the
16 violations set forth in Paragraphs A through I above by no later than 30 days after the Effective Date
17 of this Consent Order as defined in Paragraph 27 below. The penalty shall be made payable in the
18 form of an Automated Clearing House (ACH), company check, cashier's check, or money order to
19 the Department of Financial Protection and Innovation and transmitted to the attention of
20 Accounting – Litigation, Department of Financial Protection and Innovation, 651 Bannon Street,
21 Suite 300, Sacramento, California 95811. Notice of the payment must be concurrently sent to
22 Sophia C. Kim via e-mail at: Sophia.Kim@dfpi.ca.gov.

23 4. Refunds. Thermo Fisher shall provide refunds to 15 California entities who entered
24 into lease agreements with Thermo Fisher from 2021 to 2024 and were charged a Usurious
25 Overcharge. The estimated total of Refund Amounts is \$10,754.68.

26 5. Payment of Refunds. Thermo Fisher shall administer refunds described in Paragraph
27 4 as follows:

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1 a. For a current California entity whose account has an outstanding balance that
2 is greater than the Refund Amount, Thermo Fisher shall reduce the account’s principal balance by
3 the Refund Amount or, alternatively, pay the Refund Amount to the California entity by Automated
4 Clearing House (ACH) transfer to the California entity’s bank account on record with Thermo
5 Fisher, or if ACH information is stale or unavailable, with a check sent by U.S. mail to the California
6 entity’s last known address;

7 b. For a current California entity whose account has an outstanding balance that
8 is less than the Refund Amount, Thermo Fisher shall reduce the account’s principal balance to zero
9 dollars and refund the remaining balance of the Refund Amount to the California entity by ACH
10 transfer to the California entity’s bank account on record with Thermo Fisher, or if ACH information
11 is stale or unavailable, with a check sent by U.S. mail to the California entity’s last known address;

12 c. For a former California entity whose account was paid in full and who does
13 not have any accounts from Thermo Fisher with an outstanding balance, Thermo Fisher shall pay the
14 Refund Amount to the former California entity by ACH transfer to the California entity’s bank
15 account on record with Thermo Fisher, or if ACH information is stale or unavailable, with a check
16 sent by U.S. mail to the California entity’s last known address;

17 d. For a California entity whose account was charged off and retained for
18 internal collection, Thermo Fisher shall reduce the charged-off balance by the Refund Amount.
19 Thermo Fisher shall notify the California entity of the reduced outstanding balance by electronic
20 mail or U.S. mail at the California entity’s last known address;

21 e. For a California entity whose account was charged off and assigned for
22 outside collection, Thermo Fisher shall direct the assignee to reduce the outstanding balance by the
23 Refund Amount. Thermo Fisher shall notify the California entity of the reduced outstanding balance
24 by electronic mail or U.S. mail at the California entity’s last known address;

25 f. Thermo Fisher shall pay the refunds described in Paragraphs 4 and 5 as
26 follows:

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1 i. For any Refund Amount greater than \$1,000.00, Thermo Fisher, at its
2 election, may make this refund in six equal monthly payments (within \$1.00) over the next 180 days
3 after the Effective Date as defined in Paragraph 27;

4 ii. For any Refund Amount less than or equal to \$1,000.00, Thermo
5 Fisher shall make this refund within 60 days after the Effective Date as defined in Paragraph 27;

6 g. Thermo Fisher shall submit evidence of payment of the Refund Amounts to
7 the Department by no later than 15 days after the final Refund Amount has been issued; and

8 h. Thermo Fisher shall escheat any unclaimed or undeliverable refunds to the
9 California State Controller’s Office within the period provided by the Unclaimed Property Law (Cal.
10 Code Civ. Proc. §§ 1500 – 1582).

11 6. Investigative Costs. Thermo Fisher shall pay the Commissioner’s investigative costs
12 in connection with the Application in the amount of \$2,160.00 by no later than 30 days after the
13 Effective Date of this Consent Order as defined in Paragraph 27.

14 7. Consideration. In consideration of Thermo Fisher’s execution of this Consent Order,
15 the Commissioner agrees to approve Thermo Fisher’s pending CFL application within 5 business
16 days of Thermo Fisher’s completion of any outstanding licensing requirements and compliance with
17 Paragraphs 3 – 6 above.

18 8. Waiver of Hearing Rights. Thermo Fisher acknowledges that the Commissioner is
19 ready, willing, and able to proceed with the filing of an administrative enforcement action on the
20 charges contained in this Consent Order. Thermo Fisher hereby waives the right to any hearings,
21 and to any reconsiderations, appeal, or other right to review which may be afforded pursuant to the
22 CFL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any
23 other provision of law. Thermo Fisher further expressly waives any requirement for the filing of an
24 Accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such
25 rights, Thermo Fisher effectively consents to this Consent Order and Desist and Refrain Order
26 becoming final.

27 9. Failure to Comply with Consent Order. Thermo Fisher agrees that if it fails to
28 comply with the terms of this Consent Order, the Commissioner may, in addition to all other

1 available remedies she may invoke under the CFL, deny any application and/or summarily suspend
2 or revoke any license granted by the Commissioner to Thermo Fisher until Thermo Fisher is in
3 compliance. Thermo Fisher waives any notice and hearing rights to contest such denial or summary
4 suspension or revocation which may be afforded under the CFL, the California Administrative
5 Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection
6 therewith.

7 10. Information Willfully Withheld or Misrepresented. This Consent Order may be
8 revoked and the Commissioner may pursue any and all remedies available under law against Thermo
9 Fisher if the Commissioner discovers that Thermo Fisher knowingly or willfully withheld or
10 misrepresented information used for and relied upon in this Consent Order.

11 11. Future Actions by Commissioner. If Thermo Fisher fails to comply with any terms of
12 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
13 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
14 against Thermo Fisher or any of their partners, owners, officers, shareholders, directors, employees
15 or successors for any and all unknown violations of the CFL and California Financial Code.

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

20 13. Headings. The headings to the paragraphs of this Consent Order are inserted for
21 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
22 the provisions hereof.

23 14. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
24 interest.

25 15. Reliance. Each of the parties represents, warrants, and agrees that in executing this
26 Consent Order it has relied solely on the statements set forth herein and the advice of its own
27 counsel. Each of the parties further represents, warrants, and agrees that in executing this Consent
28 Order it has placed no reliance on any statement, representation, or promise of any other party, or

1 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
2 person or entity to make any statement, representation or disclosure of anything whatsoever. The
3 parties have included this clause: (1) to preclude any claim that any party was in any way
4 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
5 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

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

13 17. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
14 has received independent advice from its attorney(s) and/or representatives with respect to the
15 advisability of executing this Consent Order.

16 18. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
17 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.
18 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
19 provision. No waiver by either party of any breach of, or of compliance with, any condition or
20 provision of this Consent Order by the other party will be considered a waiver of any other condition
21 or provision or of the same condition or provision at another time.

22 19. Full Integration. This Consent Order is the final written expression and the complete
23 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
24 between the parties with respect to the subject matter hereof, and supersedes all prior or
25 contemporaneous agreements, negotiations, representations, understandings, and discussions
26 between and among the parties, their respective representatives, and any other person or entity, with
27 respect to the subject matter covered hereby.

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1 20. Governing Law. This Consent Order shall be construed and enforced in accordance
2 with and governed by California law. Each of the parties hereto consents to the jurisdiction of such
3 court in California, administrative or otherwise, best suited to handle any action or proceeding under
4 this Consent Order, and hereby irrevocably waives, to the fullest extent permitted by law, the
5 defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

6 21. Counterparts. This Consent Order may be executed in one or more separate
7 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
8 together constitute a single document.

9 22. Effect Upon Future Proceedings. If Thermo Fisher applies for any license, permit or
10 qualification under the Commissioner’s current or future jurisdiction, or are the subject of any future
11 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
12 admitted for the purpose of such application(s) or enforcement proceeding(s).

13 23. Voluntary Agreement. Thermo Fisher enters into this Consent Order voluntarily and
14 without coercion and acknowledge that no promises, threats or assurances have been made by the
15 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
16 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
17 without any duress or undue influence of any kind from any source.

18 24. Notice. Any notice required under this Consent Order shall be provided to each party
19 at the following addresses:

20 To Thermo Fisher :

21 Thermo Fisher Financial Services Inc., Attention: Diane Stone, Finance Manager, 168
22 Third Avenue, Waltham, Massachusetts 02451; diane.stone@thermofisher.com;
23 mShah@sheppardmullin.com

24 To the Commissioner:

25 Sophia C. Kim, Senior Counsel, Enforcement Division, Department of Financial
26 Protection and Innovation, 320 West 4th Street, Suite 750, Los Angeles, California
27 90013; Sophia.Kim@dfpi.ca.gov

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

26. Public Record. Thermo Fisher hereby acknowledges that this Consent Order is and will be a matter of public record.

27. Effective Date. This Consent Order shall become final and effective when signed by all parties and delivered by the Commissioner’s counsel via e-mail to Thermo Fisher at mShah@sheppardmullin.com.

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

Dated: November 20, 2025

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: November 18, 2025

THERMO FISHER FINANCIAL SERVICES INC.

By _____
Julia Chen, President and Secretary