BEFORE THE ATTORNEY GENERAL AND
THE ADMINISTRATOR, COLORADO STUDENT LOAN EQUITY ACT

STIPULATION AND FINAL AGENCY ORDER

-and-

ASSURANCE OF DISCONTINUANCE

IN THE MATTER OF:

CLIMB INVESTCO, LLC

Respondent.

THIS STIPULATION AND FINAL AGENCY ORDER ("Order") is entered under C.R.S. § 5-20-114 by the Administrator of the Colorado Student Loan Equity Act, C.R.S. § 5-20-101, *et seq.* ("CSLEA") (collectively "Administrator"). The Order is agreed and stipulated to by Respondent Climb Investco, LLC ("Respondent" or "Climb") to resolve issues arising from Respondent's alleged violations of the CSLEA and the Colorado Consumer Protection Act, C.R.S. § 6-1-101, *et seq.* ("CCPA") described herein.

This ASSURANCE OF DISCONTINUANCE is made between the Attorney General for the State of Colorado under C.R.S. § 24-31-101 ("Attorney General"), and Respondent pursuant to C.R.S. § 6-1-110 ("AOD") arising out of the Attorney General and Administrator's review of alleged violations by Respondent of the Colorado Consumer Protection Act, C.R.S. § 6-1-101, *et seq.* ("CCPA"). Respondent has agreed that it will not engage in the alleged unlawful conduct described herein in the future.

SECTION I – Stipulation and Final Agency Order
Findings of Facts and Conclusions of Law

1. The Administrator is authorized to administer the CSLEA, which

includes the authority to enforce compliance with the CSLEA and its rules, and to conduct investigations of possible violations of them. *See* C.R.S. §§ 5-20-110. The Administrator is a government official whose position is created by statute, and who works on behalf of the Attorney General. *See* C.R.S. §§ 5-20-103.

2. Respondent is a Delaware company with a principal office located at 6543 S Las Vegas Blvd, Las Vegas, Nevada 89119.

3. Respondent is a registered private education lender in Colorado.

4. During the Applicable Period[1], Climb represented to consumers that it partnered with certain schools and verified the quality of these "Partner Schools." [2] In its marketing materials, it stated:

- "We evaluate every program, and we only partner with schools that have passed our verification process. Our goal is to make sure that when we finance a program, it's one that actually benefits the people who enroll in it."
- Climb "strive[s] to only work with programs that consistently improve graduates' earning potential and justify the cost of tuition."

5. The Administrator alleges that during the Applicable Period Climb did not verify the quality of its Partner Schools as represented. She found that Climb did not conduct any diligence on 32 out of the 63 Partner Schools during this timeframe. Further, even when Climb did conduct some diligence, there was a systemic failure, and the diligence it performed was incomplete and haphazard. Climb did not have an established process to remove partner schools. Climb used different data sources to

[1] The "Applicable Period" means September 1, 2021 to June 30, 2022.

[2] "Partner Schools" means schools with which Respondent has partnered to offer Climb Loans.

evaluate different institutions. Finally, during the Applicable Period Climb did not consistently respond to complaints or adverse news concerning Partner Schools subsequent to its diligence reviews.

6. The Administrator alleges that this conduct amounts to a violation of C.R.S. §5-20-210(b) for engaging in unfair, deceptive, or abusive act or practice related to misrepresentations about the verification process used to evaluate its Partner Schools.

7. The Administrator alleges that Respondent violated C.R.S. §§ 5-20-210(a), 5-20-210(b), and 12 C.F.R. § 1026.48(a)(1) during the Applicable Period by failing to perform or update due diligence on the quality of certain Partner Schools and by using the name, emblem, mascot, or logo of Partner Schools in a way that implied that the school endorsed Respondent.

8. The Administrator further alleges that, until 2019, for certain loans Respondent failed to include the origination fee in the finance charge provided on its TILA Disclosures.

9. Climb neither admits nor denies the Administrator's allegations.

Order

Pursuant to C.R.S. § 5-20-114, the Administrator hereby orders as follows:

10. Respondent and its officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them who receive actual notice of this Order, in connection with the advertising, marketing, promotion,

offering, or sale of any Consumer Financial Product or Service[3] on behalf of Respondent, including the distribution of advertising, marketing, or promotional materials to Partner Schools for use in communications with consumers, may not violate 12 U.S.C. §§ 5531 and 5536(a), 12 C.F.R. §§ 1026.17(a)(1), 1026.17(d), 1026.24(c), 1026.24(d), and 1026.48(a), or C.R.S. §§ 5-20-210(a) and 5-20-210(b), and are prohibited from:

a. representing or Assisting Others[4] in representing to consumers, expressly or impliedly:

    i. any outcomes achieved by graduates of educational programs at Partner Schools, including, but not limited to, representations related to salaries, median salaries, average salaries, increases in salaries, or rates of employment for such graduates; and

    ii. that Respondent evaluates or vets the quality or outcomes of educational programs at Partner Schools, including, but not limited

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[3] "Consumer Financial Product or Service" is synonymous in meaning and equal in scope to the definition of this term in 12 U.S.C. § 5481(5), but only as it pertains to products and services obtained by Colorado residents. Subject to applicable restrictions in the Consumer Financial Protection Act ("CFPA"), 12 U.S.C. § 5481 *et seq.*, this includes, but is not limited to: (a) extending consumer credit and servicing consumer loans to Colorado residents, including acquiring, purchasing, selling, or brokering loans or other extensions of credit to consumers (but not including solely extending commercial credit to a person who originates consumer credit transactions); and (b) providing financial advisory services to consumers in Colorado on individual consumer financial matters or relating to proprietary financial products or services, including providing credit counseling to consumers or providing services to assist consumers with managing or settling debt, modifying the terms of any extension of credit, or avoiding foreclosure.

[4] "Assisting Others" includes, but is not limited to: (a) consulting in any form whatsoever; (b) providing paralegal or administrative support services; (c) performing customer-service functions on behalf of another entity, including, but not limited to, receiving or responding to consumer complaints; (d) formulating, providing, or arranging for the formulation or provision of, any advertising or marketing material; and (e) acting or serving as an owner, officer, director, manager, or principal of any entity.

to, that Respondent (A) evaluates potential Partner Schools or programs for value and outcomes, (B) identifies quality educational programs for consumers, or (C) determines that a consumer's completion of a program at a Partner School would yield value for the consumer.

b. in any TILA Disclosure, misrepresenting or Assisting Others in misrepresenting, expressly or impliedly, the finance charge to consumers.

c. in any advertisement for closed-end credit, displaying the rate of finance charge for an advertised product without also displaying the applicable "annual percentage rate," using that term.

d. in any advertisement for closed-end credit, displaying trigger terms for an advertised product without also displaying the applicable "annual percentage rate," using that term.

e. in marketing of loans, using the name, emblem, or logo of a Partner School in a manner that implies that the Partner School endorses Climb Loans,[5] without a clear and conspicuous disclosure that is equally prominent and closely proximate to the reference to the Partner School that the Partner School does not endorse Climb Loans and that Respondent is not affiliated with the Partner School.

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[5] "Climb Loan" means any private student loan offered to consumers and originated by Climb in Colorado.

11. Respondent, in connection with the advertising, marketing, promotion, or offering of any Consumer Financial Product or Service, shall take the following affirmative actions:

a. Possess prior substantiation for all of Respondent's express and implied claims.

b. For a period of seven years from the Effective Date, clearly and prominently disclose on Respondent's website and in all consumer-facing marketing materials that Respondent provides to Partner Schools that consumers should not rely on Respondent to identify quality educational schools and programs.

c. Establish, implement, and maintain written policies and procedures to ensure that Respondent's advertisements, marketing materials, websites, and loan disclosures comply with TILA, and its implementing regulation, Regulation Z, and the CCPA's prohibition on unfair, deceptive, and abusive acts and practices.

d. Establish, implement, and maintain a process to assess all of Respondent's advertisements, marketing materials, and websites for compliance with TILA and its implementing regulation, Regulation Z, and the CFPA's prohibition on unfair, deceptive, and abusive acts and practices before such advertisements, marketing materials, and websites are sent, distributed, or displayed to consumers.

e. On at least a semi-annual basis, conduct an assessment of all of Respondent's previously disseminated advertisements, marketing materials, and websites for compliance with TILA, Regulation Z, and the CCPA's prohibition on unfair, deceptive, and abusive acts and practices.

12. Within 120 days of the Effective Date, Respondent shall conduct a self-audit to identify all marketing materials used during the Applicable Period by Respondent's Partner Schools that qualify as a Covered Educational Institution,[6] that did not comply with 12 C.F.R. § 1026.48(a)(1),[7] and that led to Climb originating a Climb Loan to a consumer in Colorado ("Affected Loans"[8]).[9] Within 60 days of completing the self-audit, Respondent shall identify for the Administrator all Affected Loans.

13. Within 120 days of the Effective Date, Respondent shall, for each Affected Consumer[10] whose Climb Loan is owned by Respondent and is either in repayment or pre-charge-off collections as of or after the Effective Date, adjust the

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6 "Covered Educational Institution" is synonymous in meaning and equal in scope to the definition of this term in 12 C.F.R. § 1026.46(b)(1), which defines the term as (i) an educational institution that meets the definition of an institution of higher education, as defined in 12 C.F.R. § 1026.46(b)(2), without regard to the institution's accreditation status, and (ii) includes an agent, officer, or employee of the institution of higher education.

7 For purposes of this self-audit requirement, a failure to comply with 12 C.F.R. § 1026.48(a)(1) means marketing material for a private education loan that used the name, emblem, mascot, or logo of a Covered Educational Institution that did not include a clear and proximate disclosure that the Covered Educational Institution does not endorse Respondent's loans and that Respondent is not affiliated with the Covered Educational Institution. *See* 12 C.F.R. § 1026.48(a).

8 "Affected Loans" means the loans identified through the self-audit described in Paragraph 12.

9 For purposes of this self-audit requirement, marketing materials that led to Climb originating a Climb Loan to a consumer in Colorado means that the consumer obtained a Climb Loan during the Applicable Period for the Partner School associated with the marketing material that failed to comply with 12 C.F.R. § 1026.48(a)(1).

10 "Affected Consumers" means Colorado consumers who were assessed an origination fee by Respondent from January 1, 2014 to November 19, 2019.

Affected Consumer's Climb Loan amount to eliminate the origination fee and recalculate the future interest owed on the loan based on the cost of the loan without the origination fee, and notify each Affected Consumer of that reformation and recalculation.

14. Respondent shall no longer collect on or sell any Climb Loan that Respondent originated to a Colorado consumer from January 1, 2021 to December 31, 2023 and that is owned by Respondent and has been charged off as of the Effective Date. Respondent shall identify these consumers and provide a list to the Administrator within 14 business days of the Effective Date of this Order.

15. Within 45 business days of the Effective Date of this Order, Respondent shall e-mail at the last known e-mail address each of the consumers identified in paragraph 14, except for those consumers whose accounts have already been discharged in bankruptcy or are the subject of an open bankruptcy case, a written notice, in a form approved by the Administrator. If any e-mail is returned as undeliverable, or Respondent does not have an e-mail address for the consumer, it shall send the notice via first-class U.S. Mail. The notice will inform the consumer of the following:

a. Respondent originated a student loan for the consumer;
b. Respondent has entered into an agreement with the Administrator (who works on behalf of the Colorado Attorney General) concerning this loan;
c. Respondent has agreed not to collect or attempt to collect any additional payments on this loan;

d. Respondent has agreed not to assign or transfer its right to collect payment on this loan;

e. Respondent requested deletion of the tradeline for the loan if it had previously reported it to any credit reporting agency; the credit reporting agencies are not obligated to honor the request and Respondent does not control the timing of any deletion;

f. Respondent cannot provide any advice on the potential tax consequences of the prohibition on additional collection;

g. Instructions to contact the Colorado Attorney General's Office and the Administrator for questions relating to the Order.

16. Respondent shall, six months after the Effective Date:

a. Provide a compliance update on all affirmative requirements identified in Paragraphs 11 through 14;

b. Provide a compliance plan assuring continued compliance with Colorado law and the terms of this Order; and

c. Notify the Administrator of any developments that may impact compliance obligations under this Order.

17. Respondent agrees to pay to the Office of the Attorney General a payment of $500,000, which will be suspended upon satisfaction of the obligations in Paragraphs 11(b), 12, and 13 above. Any payment received by the Office of the Attorney General under the terms of this Order shall be held, along with any interest thereon, in trust by the Attorney General to be used in the Attorney General's sole discretion for attorneys' fees and costs, restitution, future consumer or creditor

educational purposes, future consumer credit, consumer protection enforcement, or public welfare purposes.

18. The suspension of the monetary payment in paragraph 17 is expressly premised on the truthfulness, accuracy, and completeness of Respondent's sworn financial statements and supporting documents submitted to the Administrator, which Respondent asserts are truthful, accurate, and complete, and which include the most recent audited financial statement of Respondent Climb Investco, LLC, and the most recent audited financial statement of Respondent's parent company, Climb Credit, Inc.

19. Unless otherwise directed in writing by the Administrator, Respondent must provide all submissions, requests, communications, or other documents relating to this Order in writing, with the subject line, "Climb Investco, LLC (License – PEL - 8000004)," and send them by email to kevin.burns@coag.gov.

SECTION II
ASSURANCE OF DISCONTINUANCE

20. The Attorney General is the Attorney General for the State of Colorado. C.R.S. § 24-31-101. The Attorney General is responsible for the enforcement of the CCPA. C.R.S. § 6-1-103.

21. The Attorney General has jurisdiction over Respondent and the subject matter of this AOD under C.R.S. § 6-1-101 *et seq*.

22. The Attorney General incorporates here paragraphs 4 through 6 above.

23. The CCPA protects consumers from unfair and deceptive trade practices. C.R.S. § 6-1-105(rrr).

24. The Attorney General alleges based on the conduct described above that Respondent's practices during the Applicable Period are unfair and deceptive trade practices that violate the CCPA.

25. Respondent denies these allegations, and states that it desires to avoid the inconvenience and expense of a dispute with the Attorney General, and has therefore agreed to enter into this AOD.

26. To resolve these issues, Respondent has agreed to the above injunctive and monetary terms. The amount in paragraph 17 shall be held, along with any interest thereon, in trust by the Attorney General to be used in the Attorney General's sole discretion for attorneys' fees and costs, restitution, for future consumer or creditor educational purposes, for future consumer credit or consumer protection enforcement, public welfare purposes.

SECTION III
Stipulation and Release

27. Respondent agrees and stipulates to this Order/AOD and all requirements contained herein.

28. This Order fully resolves all of the issues between the Administrator, the Attorney General and Respondent arising out of the particular issues, allegations, or charges raised by the Administrator or Attorney General as set forth herein and only those issues. The omission from this Order of other acts, conduct, or practices which might constitute violations of the CSLEA or CCPA shall not be deemed or construed as approval by the Administrator or Attorney General of such acts, conduct, or practices.

29. The Administrator and the Attorney General fully and finally release Respondent, its past or present officers, agents, servants, employees, attorneys, affiliates, owners, successors, and/or assigns from all liability to the Administrator and/or the Attorney General for all claims that were asserted or could have been asserted based on the conduct described herein occurring prior to the Effective Date.

30. Respondent acknowledges that it has a right to request an evidentiary hearing in this matter, present evidence, examine witnesses, and appeal from any adverse action and waives those rights.

31. This Order/AOD shall be disclosed in any application to the Administrator and in response to any question from the Administrator regarding state disciplinary or administrative action.

32. Respondent's obligations under this Order/AOD are binding upon all of Respondent's officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them, who receive actual notice of the Order/AOD.

33. Should Respondent seek to transfer or assign any part of its operations that are subject to this Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Order/AOD.

34. This Order/AOD represents the entire agreement between the parties. No party is relying on any prior statement, representation, agreement, or understanding of any kind that is not contained in this Order/AOD. No prior

statement, representation, agreement, or understanding of any kind that is not contained in this Order/AOD shall have any force or effect.

35. This Order/AOD may be executed in counterparts and may be executed by facsimile or by electronic transmission of signature pages, and as so executed shall constitute one agreement.

36. To be effective, any waiver, modification, or amendment to this Order must be made in writing and signed by each of the parties or by an authorized representative of each of the parties.

37. This Order shall be governed by the laws of the State of Colorado. Any claims or causes of action arising out of or based upon this Order shall be commenced before the Colorado Office of Administrative Courts or in Denver District Court for the State of Colorado, as appropriate. The parties hereby consent to the jurisdiction, venue, and process of the Colorado Office of Administrative Courts and the Denver District Court for such an action brought by the other party. In the event of any action or proceeding alleging or asserting a violation of or failure to comply with this Order, this Order shall be admissible in full.

38. This Order shall be effective on the later of the date it is signed by the Administrator and the date it is signed by Respondent ("Effective Date").

EXECUTED AND SO ORDERED by the Administrator this __6th__ day of November, 2025.

Martha Fulford
Administrator
Colorado Student Loan Equity Act

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AGREED AND STIPULATED (SECTIONS I AND III) BY:

RESPONDENT CLIMB INVESTCO, LLC

BY: Casey Powers
CASEY POWERS
Chief Executive Officer
Climb Investco, LLC, dba Climb Credit

DATE: 11/05/2025

APPROVED (SECTIONS I AND III) AS TO FORM:

RESPONDENT CLIMB INVESTCO, LLC

BY: Casey Powers
CASEY POWERS
Chief Executive Officer
Climb Investco, LLC, dba Climb Credit

DATE: 11/05/2025

COLORADO ATTORNEY GENERAL ADMINISTRATOR, CSLEA

BY: Kevin J. Burns
KEVIN J. BURNS
Senior Assistant Attorney General
Department of Law
Consumer Credit Enforcement Unit
Consumer Protection
Phone: (720) 508-6110
Email: kevin.burns@coag.gov

DATE: 11/7/2025

AGREED AND STIPULATED TO (SECTIONS II and III) BY:

RESPONDENT CLIMB INVESTCO, LLC

BY: Casey Powers
CASEY POWERS
Chief Executive Officer
Climb Investco, LLC, dba Climb Credit

DATE: 11/05/2025

COLORADO ATTORNEY GENERAL ADMINISTRATOR, CSLEA

BY: Kevin J. Burns
KEVIN J. BURNS
Senior Assistant Attorney General
Department of Law
Consumer Credit Enforcement Unit
Consumer Protection
Phone: (720) 508-6110
Email: kevin.burns@coag.gov

DATE: 11/7/2025

APPROVED (SECTIONS II AND III) AS TO FORM:

RESPONDENT CLIMB INVESTCO, LLC

BY: Casey Powers
CASEY POWERS
Chief Executive Officer
Climb Investco, LLC, dba Climb Credit