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THE ADMINISTRATOR
UNIFORM CONSUMER CREDIT CODE
STATE OF COLORADO

ASSURANCE OF DISCONTINUANCE

IN THE MATTER OF THE INVESTIGATION OF UNLOCK PARTNERSHIP SOLUTIONS, INC.

Respondent.

THIS ASSURANCE OF DISCONTINUANCE ("AOD") is made between the Administrator of the Uniform Consumer Credit Code, C.R.S. § 5-1-101, *et seq*. ("UCCC") and Respondent Unlock Partnership Solutions, Inc. ("Respondent" or "Unlock") arising out of the Administrator's review of Respondent's compliance with the UCCC and its rules. Pursuant to C.R.S. § 5-6-110 Respondent has agreed that it will not engage in the conduct described herein in the future.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED, by and between the Administrator and the Respondent, as follows:

1. The Administrator is authorized to administer the UCCC. *See* C.R.S. § 5-6-103. Among other things, she is authorized to enforce compliance with the UCCC and its rules, and conduct investigations of possible violations of them. *See* C.R.S. § 5-6-101, *et seq*.

2. Respondent is a foreign corporation with a principal office located at 1230 W Washington St Ste 310, Tempe, Arizona 85288.

3. Unlock agrees for the purposes of this settlement that the Administrator has jurisdiction over Respondent and the subject matter of this AOD under C.R.S. §§ 5-6-109 through 114. This AOD applies to all transactions with Colorado consumers that are made by Respondent in this state. C.R.S. § 5-1-201.

4. Unlock began operating in Colorado in 2021.

5. Unlock offers to consumers what it calls a home equity agreement ("HEA").

6. Unlock structures the HEA as a transaction where, in exchange for a lump sum payment to the consumer, Unlock gets a "percentage interest in the future value" of the home.

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7. Unlock secures its interest under its HEAs with a lien by filing a Deed of Trust on the home.

8. Unlock calculates the value of the investor interest by dividing the lump sum payment by the home's starting value. It then takes this percentage and applies a multiplier which in the past has ranged from 1.6 to 2.4, and receives the resulting percentage of the home's ending value upon settlement of an HEA.

9. Unlock provides examples in its Product Guide, which is a brochure given to all prospective consumers. In the first example in the Product Guide, the consumer has a $600,000 home. The consumer gets a $60,000 lump sum payment with a 2.3 multiplier. The home appreciates at 3% a year and after ten years sells for $806,000. Because Unlock gave the consumers 10% of the home's starting value in cash, its "investor interest amounts to $185,380 (10% x 2.3 = 23% x $806,000 = $185,380).

10. The HEAs have a ten-year term with an option given to the consumer to buy out Unlock sooner. At year 10, unless a settlement event has occurred during the term (such as a home sale or the consumer's death), the consumer is obligated to settle the Unlock HEA at the end of the term.

11. Consumers can stay in the home during the term, and do not make any recurring payments to Unlock.

12. Consumers are responsible for closing costs, including costs for an appraisal, inspection, title report or insurance, settlement and escrow fees, and recording fees.

13. Consumers are responsible for ongoing expenses to maintain the home and must pay home insurance premiums and property taxes.

14. Historically, Unlock's HEAs had a high settlement rate in Colorado. Based on the HEAs reviewed in Colorado that closed, Unlock was repaid 89% of the time.

15. Accordingly, the Administrator alleges that the HEAs are: (a) "consumer credit transactions" under Colorado law; and (b) "variable rate transactions" as that term is defined and used 12. C.F.R. Part 1026.

16. Unlock did not make disclosures prior to making HEA transactions in accordance with the UCCC.

17. Unlock discloses to consumers an "annualized cost" and not an annual percentage rate. The "annualized cost" table displays various possible cost scenarios based on different assumptions for future home value and term length, and not a loan finance charge rate. The "annualized cost" calculation does not include the 3% to 4.9%

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origination fee.

18. The Administrator sent Unlock a cease-and-desist letter on November 1, 2024. The Administrator asserted that the HEA was a loan under the UCCC and *Oasis Legal Fin. Group, L.L.C. v. Coffman*, 361 P.3d 400, 407 (Colo. 2015). Following receipt of the letter, Unlock stopped making new HEAs in Colorado.

19. Unlock denies any and all liability for the conduct described herein, and specifically denies that HEAs are consumer credit transactions under the UCCC, but desires to avoid the inconvenience and expense of a dispute with the Administrator and has therefore agreed to enter this AOD.

20. While maintaining its denials and solely for the purposes of settlement, the Respondent agrees to take the following actions:

a. together with all related or affiliated entities, and its officers, directors, shareholders, managers, members, principals, subsidiaries, heirs, successors, and assigns, together with all other officers, agents, servants, employees, and, and upon those persons in active concert or participation with them who receive actual notice of the AOD by personal service or otherwise, hereby agrees to comply with Colorado law, including the UCCC in all respects, including but not limited to C.R.S. § 5-3.5-101, et seq. (the Consumer Equity Protection Act ("CEPA") in accordance with C.R.S. § 5-3.5-101(2). Unlock is prohibited and permanently enjoined from engaging in any conduct not permitted under Colorado law, including the UCCC, and shall immediately cease and desist from engaging in or committing such conduct, and shall not in the future engage in or commit conduct that is not permitted by Colorado law, including the UCCC. Without limitation, Respondent's compliance with the UCCC shall include:

i. Respondent agrees to comply with the rate cap in C.R.S. § 5-2-201, including by counting the origination fee in the calculation of the loan finance charge on HEAs subject to the UCCC.

ii. Respondent agrees to make disclosures to Colorado HEA consumers required by the UCCC. The disclosures will also provide "*It is agreed that the maximum total of all loan finance charges you will pay on this transaction are governed by the Colorado UCCC, and in no case will your total loan finance charges exceed those permitted by the Colorado UCCC.*"

iii. Respondent agrees to apply for all licenses required under the Colorado Uniform Consumer Credit Code, C.R.S. §§ 5-1-101 to 5-9-103 to operate in Colorado , including a supervised lender license under C.R.S. § 5-2-301, *et seq*., before resuming operations in Colorado If Unlock resumes operations in Colorado it will

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operate in full compliance with applicable Colorado law in addition to the terms of this Assurance of Discontinuance (AOD).

b. Respondent has voluntarily performed a self-audit of all HEA transactions entered into by consumers in Colorado that Respondent administered for the Applicable Period.[1] Respondent identified all consumers covered by this AOD, who paid Unlock finance charges that exceed the limitations on finance charges set forth in C.R.S. § 5-2-201. For each consumer identified, Respondent voluntarily provided the Administrator a list of all such consumer transactions, identifying for each (i) the name, mailing address, phone number and e-mail address of the consumer, and (ii) the origination and maturity dates. Respondent has also divided the list into two groups as follows: "Settled Transactions" identifying all transactions that have already been settled by the consumer, and "Outstanding Transactions" which include all other transactions. Respondent has also identified all Settled Transactions where the consumer paid Unlock the equivalent of a loan finance charge that exceeded the limitations on loan finance charges set forth in C.R.S. § 5-2-201. For each consumer so identified, Respondent has included in the list the total amount of the settlement payment made by the consumer to Respondent (x), the maximum loan finance charge as determined under C.R.S. § 5-2-201 (y), and an amount equal to 62.5% of the difference between (x) and (y) (which difference constitutes the payment amount applicable under subparagraph (c) below). Respondent represents and affirms that the information contained in this list is true, accurate and complete. Respondent will provide the list to the Administrator in Microsoft Excel within 14 days of the Effective Date of this AOD.

c. Respondent shall attempt or cause attempts to be made to make payments to consumers identified in subparagraph (b) above. The total payment amounts currently agreed to be made to consumers pursuant to subparagraph (b) above is $390,783, to 167 consumers.

d. All payments hereunder are payable to the Administrator, in trust, to be used in the Administrator's sole discretion for attorneys' fees and costs, consumer restitution, if any, for consumer or creditor educational purposes, consumer credit or consumer protection enforcement efforts, or public welfare purposes. The Administrator, however, elects in lieu of making payment directly to the Administrator in the first instance, to direct Respondent to attempt to make payments directly to consumers on behalf of the Administrator. Any amount returned as undeliverable, unclaimed,

[1] The Applicable Period means transactions for which the due date of the last scheduled payment was within four years of the Effective Date, or will occur after the Effective Date.

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uncashed, or undeposited shall revert to the Administrator as provided herein.

i. Outstanding Transactions will eventually settle after the Effective Date of this AOD. After settlement of each such transaction pursuant to its terms, Respondent will make the same calculations as done in connection with Settled Transactions as set forth in subparagraph (b) above, and Respondent shall ensure that transactions that settle after the date of this AOD do not result in the consumer paying Unlock the equivalent of a loan finance charge that exceeds the limitations on loan finance charges set forth in C.R.S. § 5-2-201. Respondent must submit written reports to the Administrator identifying the consumers' name, contact information (address, phone number, e-mail), the date of the payment, the amount of the payment and the calculations performed to determine the payment. Respondent will provide the report to the Administrator in a native and sortable Microsoft Excel Spreadsheet. Respondent will submit these reports every three (3) months.

21. Respondent shall make the payments, as follows:

a. Consumer Payments. Respondent shall attempt to make or cause to be made the payments pursuant to Settled Transactions within thirty (30) days after the Effective Date of this AOD, and for any payments relating to Outstanding Transactions, within thirty (30) days after the settlement date of any specific Outstanding Transaction. Prior to issuing any payments, Respondent shall attempt to update the consumer's contact information and use the most current information available. All payments shall be made by check. If any payment is returned or not processed on the first attempt, Respondent shall exercise reasonable efforts and due diligence, consistent with Colorado Department of Treasury regulations related to Unclaimed Property (see CCR 1508-1), to re-attempt the payment for ninety (90) days after the first attempted payment.

b. Transmittal Letter. Concurrently with any payments sent by Respondent, Respondent shall send each consumer a letter, the form, and contents of which has been pre-approved by the Administrator. The letter shall inform the consumer that the Respondent is working with the Administrator to identify consumers that paid additional loan finance charges, and Respondent is issuing payments to consumers as agreed with the Administrator. The letter shall provide consumers with a point of contact to address consumers' questions and concerns. A template of the transmittal letter is attached as **Exhibit A**.

c. Proof of Payments . Within one-hundred and fifty (150) days after the first attempted payment, Respondent shall provide the Administrator, if requested, with documentation reasonably acceptable to the Administrator

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showing that Respondent timely sent payments to consumers, such as copies of checks. Additionally, Respondent shall update the list referenced in paragraph 19.b. updating any consumer contact information (mailing address, phone number, e-mail address), stating the date payment was issued, identifying the check number, the date the payments cleared, and identifying any payments sent that were returned as undeliverable, unclaimed, uncashed, undeposited, or otherwise.

d. Payments Outstanding Beyond One-Hundred and Fifty (150) Days. One-hundred and fifty (150) days after the first attempted payment, Respondent shall stop payment on outstanding payment checks, and pay to the Administrator within thirty (30) days the total amount of any and all payment amounts that remain outstanding, whether they were returned as undeliverable, unclaimed, uncashed, undeposited, or otherwise. Any amounts paid to the Administrator shall be used in the Administrator's sole discretion for attorneys' fees and costs, consumer restitution, if any, for consumer or creditor educational purposes, consumer credit or consumer protection enforcement efforts, or public welfare purposes. Upon remittance of any unclaimed payments to the Administrator, the Administrator assumes sole custody and responsibility for the unclaimed payments and Respondent shall be relieved of all liability to the extent of the value of the payments delivered for any claim with respect to those monies and shall be relieved of any further payment obligation to the related consumer(s).

22. Respondent shall pay to the Office of the Attorney General thirty-seven thousand five hundred dollars ($37,500) to the Office of the Attorney General. This amount shall be held, along with any interest thereon, in trust by the Colorado 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, or for public welfare purposes. This amount shall be due within 7 days of the Effective Date.

23. At Respondent's reasonable expense and at the Administrator's option, Respondent shall permit the Administrator to inspect its books and records once, at any time within normal business hours, to conduct a follow-up inspection upon reasonable prior written notice to Respondent's counsel. The inspection must occur within one (1) year of the Effective Date of this AOD, and shall be conducted solely to enable the Administrator to determine and verify the accuracy and thoroughness of Respondent's self-audit and its compliance with this AOD. This provision is in addition to the Administrator's powers over supervised lenders in the UCCC.

24. All payments due to the Administrator shall be deemed paid upon the Administrator's receipt of the payment. Respondent shall make one payment. Respondent may pay by check or a wire payment. Payments by check shall be made

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payable to the "Colorado Department of Law," and mailed to "Administrator, UCCC, Attn: Kevin Burns and Miriam Burnett, 1300 Broadway, 9th Floor, Denver, Colorado 80203." All such payments are to be held, in trust, to be used in the Administrator's sole discretion for attorneys' fees and costs, consumer restitution, if any, and for consumer or creditor educational purposes, consumer credit or consumer protection enforcement efforts, or public welfare purposes.

25. This AOD fully resolves all the issues between the Administrator and Respondent arising out of the particular issues, allegations, or charges raised by the Administrator as set forth herein and only those issues. The Administrator releases Respondent, including any subsidiaries, officers, or employees, from any and all further investigation, claims, violations, allegations, fines, fees and penalties which accrued or may have accrued as a result of any consumer credit transaction entered into or administered by Respondent on or before the Effective Date of this AOD.

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

27. This 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 AOD or its exhibits. No prior statement, representation, agreement, or understanding of any kind that is not contained in this AOD shall have any force or effect.

28. This 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.

29. For the purpose of construing or interpreting this AOD, the parties agree that it is to be deemed to have been drafted equally by all parties hereto and shall not be construed strictly for or against any party.

30. The date this AOD is executed by both of the parties shall be the Effective Date of this AOD for all purposes hereunder.

31. Any modification of this AOD must be in writing, signed by each of the parties or by authorized representatives of each of the parties hereto.

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AGREED AND STIPULATED TO BY:

RESPONDENT UNLOCK

By: DocuSigned by: James Riccitelli C8AC81B55721412...
JIM RICCITELLI, CEO
Unlock Partnership Solutions, Inc.

DATE: 6/22/2026

ADMINISTRATOR, UCCC

By: Kevin J. Burns
KEVIN J. BURNS
Department of Law
Consumer Protection Section
Consumer Credit Unit
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 6th Floor
Denver, CO 80203
Telephone: (720) 508-6110
E-Mail: kevin.burns@coag.gov

DATE: 6/22/2026

APPROVED AS TO FORM:

Counsel for RESPONDENT

By:
JASON R. DUNN
Brownstein Hyatt Farber Schreck LLP

DATE: 6/22/2026