

Furthermore, Section 46 of the Illinois Banking Act (the “Act”) (205 ILCS 5/46) prohibits any person or entity that is not a bank from transacting business in Illinois in a manner which has the substantial likelihood of misleading the public by implying that the business is a bank and prohibits any person or entity that is not a bank from using the words “bank,” “banker” or “banking” in connection with the business without the prior approval of DOB.

D. At all relevant times herein, Chime did not have and does not have licensure to operate as a bank in Illinois or any other jurisdiction nor did Chime have approval of DOB to use the words “bank,” “banker” or “banking” in connection with its business.

E. In 2020, the State commenced an inquiry of Chime for apparent violations of the State’s law, as noted above, governing Chime’s use of the term “bank,” “banker” and “banking” in the course of Chime’s business.

F. As a result of such inquiry, the State is of the following opinions:

1. The State finds that Chime’s use of the URL address of “chimebank.com” is in violation of Section 46 of the Act.
2. In addition, the State alleges that Chime’s usage of the words “bank” and “banking” in certain other aspects of Chime’s business violates Section 46 of the Act.

G. Chime has cooperated with the State’s inquiry, has represented that it is willing to work with regulatory agencies for the benefit of consumers, and has agreed to comply with the State’s law. While neither admitting nor denying the State’s findings and allegations, Chime agrees to comply this Agreement, as outlined below under “II. TERMS AND CONDITIONS”.

II.

TERMS AND CONDITIONS

1. Purpose. This Agreement resolves the issues before the State in a manner that avoids the business disruption and expense of a hearing and other possible court proceedings, protects consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of the applicable law.

2. Cease and Desist. The Acting Director of the Department of Financial and Professional Regulation – Division of Banking hereby orders Chime, and Chime agrees that in accordance with Section 46 of the Act, Chime will cease and desist from using the name “chimebank.com” in its business unless and until it becomes licensed or otherwise authorized to engage in the business of banking under the laws of any state or of the United States. Chime agrees that the Order to Cease and Desist is hereby deemed a final order.

3. Chime’s Review of its Webpage and Advertising. Chime agrees to perform the following review and make changes to its webpage, mobile app, and advertising by May 15, 2021. Chime agrees to perform quality control and testing of such changes by June 15, 2021 and promptly thereafter make further changes to address any exceptions identified. Chime agrees as follows:

- a. Chime shall distance itself from use of the term “banking” and its derivatives by clarifying statements on its website, on its mobile app, and in advertising to address the following:
 - i. Where “banking” terminology is used, Chime shall place a disclosure stating that Chime is not a bank, and banking services are provided by Chime’s Banking Partner(s). The disclosure shall be in bold and/or increased font size in a clear and conspicuous manner proximate to the use of the “banking” terminology.

- ii. Chime shall enhance its internal review and approval process for presenting testimonials that may be perceived as representing Chime as a bank.
 - iii. Chime shall clarify or annotate in all testimonials it affirmatively markets that use “banking” terminology that Chime is a financial technology company, not a bank, and banking services are provided by Chime’s Banking Partner(s). Further, Chime shall monitor affiliates and agents who publish other testimonials and provide clarifying information that Chime is not a bank in response to such testimonials that use “banking” terminology.
 - iv. Where appropriate, Chime shall revise website language to state that customers can open an account “through” Chime, where existing language states “opening a Chime bank account” or “how to open a bank account with Chime” or similar language.
 - v. In Google search results that are paid advertisements, Chime shall place a statement that banking services are provided by its Banking Partner(s), which it will identify by name.
 - vi. Chime shall include in its website Frequently Asked Questions (FAQs) an answer that clearly explains that the bank accounts are held at its Banking Partner(s), which it will identify by name.
 - vii. Chime shall provide a clear and prominent disclaimer during the account set up process to inform the consumer that Chime is a financial technology company, not a bank, and banking services are provided by Chime’s Banking Partner(s).
- b. Chime shall enhance its description of Chime’s role as a technology, business processor, and marketing service provider to its Banking Partner(s) and make clear that Chime itself is not a bank. The description shall be clear and conspicuous wherever it is used.

4. Compliance and Reporting. Chime shall establish, implement, enhance and maintain testing policies, procedures, and standards reasonably designed to, at a minimum, ensure compliance with the provisions of this Agreement and with Section 46 of the Act. Furthermore, by June 15, 2021, and again one year after the Effective Date of this Agreement (as defined in paragraph 22), Chime shall submit to the State an accurate written compliance progress report, which, at a minimum describes in detail the manner in which Chime has

complied with this Agreement.

5. Civil Penalty. Chime shall pay a civil penalty of \$200,000.00 to the State no later than 10 days after the Effective Date of this Agreement (as defined in paragraph 22). The penalty must be made payable in the form of a cashier's check to the Illinois Department of Financial and Professional Regulation and delivered via FedEx or UPS to the following address: IDFPR Division of Banking, Cash Unit, Attn: Kara Oldham/Christina Smith, 320 W. Washington St., Rm. 338, Springfield, Illinois 62786. Notice of the payment and tracking number must be concurrently sent to David W. DeCarlo at David.DeCarlo@Illinois.gov.

6. Waiver of Hearing Rights. Chime hereby waives its right to any hearings, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to 205 ILCS 5/1 et seq, 38 IAC Part 392, 735 ILCS 5/3-101 through 3-113, or any other rights to hearing, reconsideration, appeal, or other action pertaining to the alleged violations as set forth in the Recitals ("Violations"). By waiving such rights, Chime effectively consents to the Agreement becoming final and unappealable and fully enforceable by the State pursuant to the Act, and Chime agrees to not file any petition for administrative hearing or judicial review of, or in connection with, this Agreement, except in any proceeding by the State to enforce compliance with the terms of this Agreement.

7. Full and Final Settlement. Chime hereby acknowledges and agrees that the Agreement is intended to constitute a full, final, and complete resolution of the Violations, and that no further proceedings or actions will be brought by the State against Chime based on the Violations, excepting any proceeding to enforce compliance with the terms of this Agreement or if such proceeding is based upon discovery of new and further violations of the law or regulation that do not form the basis for the Agreement and which Chime knowingly concealed

from the State.

8. Information Willfully Withheld. This Agreement may be revoked if the State later finds out that Chime knowingly or willfully withheld information used and relied upon in the Agreement.

9. Assisting Other Agencies. The Parties further acknowledge and agree that nothing in the Agreement shall limit the State's ability to assist any other agency (city, county, state, or federal) with any prosecution, administrative, civil, or criminal action, brought by any such agency against Chime or any other person based upon any of the activities alleged in this matter or otherwise.

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

11. Binding. The Agreement is binding on all heirs, assigns, or successors in interest.

12. Reliance. Each of the Parties represents, warrants, and agrees that in executing this Agreement, it has relied solely on the statements set forth herein and the advice of their own counsel. Each of the Parties further represents, warrants, and agrees that in executing this Agreement, it has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The Parties have included this clause: (1) to preclude (except as provided in paragraphs 7 and 8 of this Agreement) any claim that any party was in any way fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of this Agreement will be valid or binding unless it is in writing and signed by each of the Parties. The waiver of any provision of this Agreement will not be deemed a waiver of any other provision. No waiver by each of the Parties of any breach of, or of compliance with, any condition or provision of this Agreement by another party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

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

15. Governing Law. This Agreement will be governed by and construed in accordance with Illinois law. Further, for all intents and purposes under Illinois law, the Agreement is a final and unappealable order issued pursuant to the Act. Each of the parties hereto consents to the jurisdiction of such court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

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

17. Effect Upon Future Proceedings. If Chime applies for any license, permit or qualification under DOB's current or future jurisdiction, or is the subject of any future action by

such agency to enforce this Agreement, then Chime agrees that this Agreement and its contents are relevant to such application(s) and admissible in such enforcement proceeding(s) and will not contest such uses.

18. Voluntary Agreement. Chime enters into the Agreement voluntarily and without coercion and acknowledges that no promises, threats, or assurances have been made by the State, or any officer or agent thereof, about the Agreement.

19. Notice. Any notices required under the Agreement shall be provided to each party at the following addresses:

If to Chime to: Jonice Gray Tucker, Esq.
2001 M Street NW, Suite 500
Washington, DC 20036
(202) 349-8005
jtucker@buckleyfirm.com

John Kromer, Esq.
2001 M Street NW, Suite 500
Washington, DC 20036
(202) 349-8040
jkromer@buckleyfirm.com

If to the State to: David W. DeCarlo
Deputy General Counsel
Illinois Department of Financial and Professional
Regulation
100 West Randolph, 9th Floor
Chicago, IL 60601
(312) 793-4921
David.DeCarlo@Illinois.gov

Robert Stearn
Associate General Counsel
Illinois Department of Financial and Professional
Regulation
100 West Randolph, 9th Floor
Chicago, IL 60601
(312) 793-1454
Robert.Stearn@Illinois.gov

If to Chime, a courtesy copy shall also be provided to:

Kate Karas
General Counsel
Chime
77 Maiden Lane
San Francisco, CA 94108
kkaras@chime.com

20. Signatures. An electronic signature, or a faxed, photocopied, or scanned copy of an original signature, shall be deemed the same as an original signature.

21. Public Record. Chime acknowledges that this Agreement shall be a matter of public record.

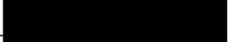
22. Effective Date. The Agreement shall become final and effective when signed by all Parties and delivered by the State to Chime's counsels of record via e-mail at: jtucker@buckleyfirm.com and jkromer@buckleyfirm.com.

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

IN WITNESS WHEREOF, the Parties hereto have approved and executed the Agreement on the dates set forth opposite their respective signatures.

Dated: 3-25-2021

CHIME FINANCIAL, INC.

By  _____
Kate Karas
General Counsel

Dated: _____

DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION
DIVISION OF BANKING

By _____
Chasse Rehwinkel
Acting Director
Department of Financial and
Professional Regulation
Division of Banking

IN WITNESS WHEREOF, the Parties hereto have approved and executed the Agreement on the dates set forth opposite their respective signatures.

Dated: _____

CHIME FINANCIAL, INC.

By _____

Kate Karas
General Counsel

Dated: March 25, 2021

DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION
DIVISION OF BANKING

By _____


Chasse Rehwinkel
Acting Director
Department of Financial and
Professional Regulation
Division of Banking