

IN THE MATTER OF:

EQUIFAX INC.,

EQUIFAX INFORMATION SERVICES  
LLC, and

EQUIFAX CONSUMER SERVICES LLC,

Respondents.

BEFORE THE MARYLAND

COMMISSIONER OF

FINANCIAL REGULATION

Case No.: CFR-FY2018-006

**AGREEMENT AND CONSENT ORDER**

This Agreement and Consent Order (the "Agreement") is entered into this 13<sup>th</sup> day of May, 2019, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner" or the "Agency"), and Equifax Inc., Equifax Information Services LLC, and Equifax Consumer Services LLC (collectively, "Respondents"). Equifax Inc. ("Equifax") is the parent company of Equifax Information Services LLC ("EIS") and Equifax Consumer Services LLC ("ECS"). EIS is a credit reporting agency registered with the Commissioner to operate in Maryland. Respondents represent that ECS is an affiliate of EIS and, under CL § 14-1201(e)(2), is not registered, nor is it required to register, as a credit reporting agency under Maryland law. Respondents further assert that Equifax is not a registered credit reporting agency, nor is it required to register, as a credit reporting agency under Maryland law. The Commissioner and Respondents (collectively, the "Parties") consent to the entry of the Agreement as a final resolution of the matters discussed below. The terms of the Agreement are contractual and not mere recitals, and unless stated otherwise herein, shall apply for five

(5) years from the date of this Agreement. Notwithstanding the foregoing, Respondents will continue to comply with all applicable Maryland laws and regulations following the conclusion of this period.

1. Pursuant to the Consumer Credit Reporting Agencies provisions codified in Md. Code Ann., Comm. Law ("CL"), § 14-1201, *et seq.*, (the "CCRA"), the Commissioner has supervisory and regulatory, *inter alia*, authority over consumer reporting agencies operating in the State of Maryland (the "State"). Pursuant to COMAR 09.03.07.03, consumer reporting agencies are required to register annually with the Commissioner.

2. At all times relevant hereto, EIS was duly registered with the Commissioner as a Maryland consumer reporting agency providing consumer credit reporting services in the State as defined by CL § 14-1201(e). Equifax Workforce Solutions a/k/a TALX Corporation ("EWS"), a subsidiary of Equifax, is also duly registered with the Commissioner as a Maryland consumer reporting agency providing consumer credit reporting services in the State as defined by CL § 14-1201(e). Additionally, Equifax recently acquired DataX Ltd., which will be registered with the Commissioner as a Maryland consumer reporting agency providing consumer credit reporting services in the State as defined by CL § 14-1201(e). Respondents represent that, as of the signing of this Agreement, no other parent companies, affiliates, or subsidiaries of either EIS or EWS, including Equifax and ECS, meet the definition of a consumer reporting agency as provided by CL § 14-1201(e). In the event, Respondents form, acquire, and/or merge with an entity constituting a consumer reporting agency under Maryland law and/or regulation, it shall be registered with the Commissioner within a reasonable period of time.

3. As a result of the data breach disclosed by Equifax in September of 2017, the Agency commenced an investigation into the manner in which Respondents responded to the breach and to evaluate their compliance with existing Maryland laws and regulations.

4. On January 31, 2018, ECS launched a new product offering which enables consumers to control access, with certain exceptions, to their EIS credit report by certain third parties ("Lock & Alert"). Respondents represented to the Agency, and continue to represent, that the EIS credit report of a consumer enrolled in Lock & Alert, including the information contained within the credit report, is maintained by EIS and that information will continue to be subject to regulation under state and federal consumer credit reporting laws and regulations. Respondents further represent that they do not offer Maryland consumers any standalone credit lock products or services comparable to Lock & Alert as of the date of the Agreement.

5. As a result of its investigation, the Agency raised potential violations of the CCRA regarding the provision of Lock & Alert and security freezes for protected consumers. Specifically, such violations include, but are not limited to, the amount of information and documentation required by EIS regarding protected consumers and their representatives to determine sufficient proof of identification and that Lock & Alert may violate CL § 14-1212.1.

6. Respondents deny any violations of the CCRA, or any other laws or regulations. Respondents assert that Lock & Alert is not a security freeze under state law, including as defined under Maryland law in CL § 14-1212.1(a)(3). However Respondents

wish to resolve the violations alleged herein without the need for administrative or other legal proceedings. Respondents therefore agree to resolve this matter in accordance with this Agreement; further, Respondents accept and agree to abide by the requirements set forth in this Agreement. In turn, the Agreement shall resolve all matters identified herein, including any matters that the Agency could have brought against Respondents or their affiliates related to those issues.

7. The Commissioner desires to ensure that Respondents will comply with all applicable statutes, regulations, and other laws governing consumer credit reporting services in the State, and further wishes to avoid the costs to Maryland taxpayers of an administrative hearing and any potential appeals. By entering this Agreement, the Commissioner does not expressly nor implicitly endorse, ratify, recommend or otherwise support Respondents' consumer credit reporting products or "Lock & Alert," nor does the Commissioner release any statutory rights or obligations not expressly enumerated in the Agreement.

8. Respondents agree to comply with the following terms and conditions in exchange for final resolution of this matter:

a. Any and all credit reporting products and services available to residents of the State from Respondents, as well as the operations and other activities conducted by them within the State shall comply with applicable federal and Maryland laws and regulations.

b. Respondents, any parents, affiliates, subsidiaries and/or third-party vendors shall not require any payment, fee, surcharge, or otherwise seek consideration or

compensation in exchange for providing the Lock & Alert product, or any product intended to replace or act as a substitute for or alternative to Lock & Alert, to Maryland consumers;

c. Although Respondents assert that the Lock & Alert product does not currently maintain any consumer credit information, to the extent Lock & Alert maintains such information in the future, Respondents shall not sell, trade, exchange or otherwise release any such information obtained through the Lock & Alert product or any product intended to replace or act as a substitute for or alternative to Lock & Alert in violation of any provisions relating to the sale of consumer credit information in the CCRA as well as other similar applicable regulations with respect to such consumer credit information;

d. Although Respondents assert that the Lock & Alert product does not currently maintain any consumer credit information, to the extent Lock & Alert maintains such information in the future, such consumer credit information shall be subject to and maintained in accordance with the CCRA, State regulations and any applicable federal law;

e. For the purposes of placing a security freeze for a protected consumer, including a minor or incapacitated person, Respondent responsible for placing security freezes shall establish reasonable measures to sufficiently identify the protected consumers and protected consumers' representatives, and may treat as sufficient proof of identification one or more of the designated forms of information and/or documentation authorized under the CCRA and Economic Growth, Regulatory Relief, and Consumer Protection Act, Pub. L. No. 115-174. Respondents shall designate a department or group

to act as the point of contact for the Commissioner to directly contact in the case of receiving a consumer complaint regarding issues placing a security freeze. The Respondents' designated department or group shall then ensure that it responds promptly to any Commissioner referred complaint and shall remain a point of contact for the Commissioner for any subsequent inquiries related to a referred complaint. In the event that a court of competent jurisdiction rules that the Economic Growth, Regulatory Relief, and Consumer Protection Act, Pub. L. No. 115-174, preempts the CCRA, in whole or relevant part, the Parties agree that Respondents' obligations under this Agreement shall be consistent with such a ruling as it relates to protected consumers.

f. If Respondent responsible for placing security freezes has cause to reasonably doubt the authenticity of the information or documentation as sufficient proof of identification provided by a protected consumer or a protected consumer's representative, Respondent may require a second source of sufficient proof of identification described above in subparagraph (e);

g. If upon receiving and reviewing a second form of identification from a protected consumer or a protected consumer's representative, Respondents still have cause to reasonably doubt the authenticity of the information or documentation as sufficient proof of identification provided, Respondents may accept any reasonable and suitable form of information or documentation as sufficient proof of identification; and

h. Absent exigent circumstances, Respondents shall maintain at all times sufficient staff and resources to reasonably and effectively comply with and meet any applicable legal obligation under the CCRA as set forth in CL § 14-1201, *et seq.*, as

well as all applicable Maryland regulations.

9. The Respondents acknowledge that they have voluntarily entered into this Agreement with full knowledge of their rights to a hearing pursuant to FI § 2-115(a) and pursuant to the Maryland Administrative Procedures Act – Contested Cases, Md. Code Ann., State Gov't. ("SG") § 10-201 *et seq.*, and that Respondents hereby waive their right to a hearing. Respondents further acknowledge that they have had an opportunity to consult with independent legal counsel in connection with their waiver of rights and with the negotiation and execution of this Agreement, and that Respondents have either consulted with independent legal counsel or have knowingly elected not to do so.

10. Respondents acknowledge that the Commissioner is relying, in part, upon Respondents' representations stated herein in making his determinations in this matter. Respondents further acknowledge that this Agreement may be revoked and the Commissioner may pursue any and all remedies available under the law against Respondents if the Commissioner later finds that Respondents knowingly or willfully withheld information from the Commissioner.

11. Respondents represent that, to the best of their knowledge, they are currently in compliance, in all material respects, with statutes, regulations, and other laws governing consumer reporting agencies in the State to the extent applicable to them, and that they will continue to act in compliance at all future times.

12. The Parties agree that the Agreement shall be binding upon the Parties and enforceable in a court of competent jurisdiction by the Commissioner. The Agreement shall be admissible in court, and shall be binding upon any of Respondents' present and

future owners, principals, directors, officers, members, partners, managers, agents, successors, and assigns.

13. The Parties acknowledge that the Agreement does not in any way relate to, impact, or otherwise affect the legal rights of, or preclude the Commissioner from bringing or continuing to pursue actions against persons not Parties to the Agreement. Further, the Agreement is by and between the Commissioner and Respondents and shall not inure to the benefit of any person not a Party.

14. The Parties agree that any notices hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation  
500 North Calvert Street, Suite 402  
Baltimore, Maryland 21202-3651  
Attn: Dana Allen, Director of Enforcement

*And*

Kevin McGivern  
Assistant Attorney General  
500 North Calvert Street, Suite 406  
Baltimore, Maryland 21202-3651

b. To the Company:

Equifax  
General Counsel  
1550 Peachtree St, NW  
Atlanta, GA 30309

**NOW, THEREFORE,** it is, by the Maryland Commissioner of Financial Regulation, hereby



**ORDERED** that Respondents shall adhere to all terms of the Agreement; and it is further

**ORDERED** that Respondents shall conduct business in full compliance with all statutes, regulations, and other laws governing consumer credit reporting services in the State of Maryland to the extent applicable to them; and it is further

**ORDERED** that, in the event Respondents violate any provision of the Agreement, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available to the Commissioner under applicable laws and regulations; and it is further


**ORDERED** that this matter shall be resolved in accordance with the terms of this Agreement and Consent Order and that the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

**ORDERED** that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, and that the Commissioner may consider this Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any examination, action, or proceeding before the Commissioner; and that this Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

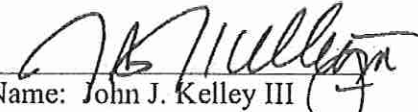
It is so **ORDERED**.

**IN WITNESS WHEREOF**, this Agreement and Consent Order is executed on the day and year indicated above.


**MARYLAND COMMISSIONER OF  
FINANCIAL REGULATION**

By:   
Antonio P. Salazar  
Commissioner  
of Financial Regulation


**EQUIFAX, INC.**

By:   
Name: John J. Kelley III  
Title: Corporate Vice President,  
Chief Legal Officer and Corporate  
Secretary

**EQUIFAX INFORMATION SERVICES  
LLC**

By:   
Name: John J. Kelley III  
Title: Corporate Vice President,  
Chief Legal Officer and Corporate  
Secretary

**EQUIFAX CONSUMER SERVICES LLC**

By:   
Name: John J. Kelley III  
Title: Corporate Vice President,  
Chief Legal Officer and Corporate  
Secretary