UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

Bureau of Consumer Financial Protection and the Commonwealth of Massachusetts *ex rel.* Maura Healey, Attorney General, Plaintiffs, v. Commonwealth Equity Group, LLC (d/b/a Key Credit Repair) and Nikitas Tsoukales (a/k/a Nikitas Tsoukalis), Defendants.	Case No. 1:20-cv-10991-IT

PLAINTIFFS' NOTICE OF SUPPLEMENTAL AUTHORITY

Plaintiff Consumer Financial Protection Bureau writes to notify the Court of the Supreme Court's decision in *CFPB v. Community Financial Services Ass'n of Am., Ltd.*, No. 22-448, 2024 WL 2193873 (U.S. May 16, 2024) ("*CFSA*"), which squarely forecloses an argument raised in Defendants' pending Memorandum of Law in Support of Their Motion for Summary Judgment (ECF No. 111), filed July 28, 2023.

In their motion for summary judgment, Defendants argue that "the Bureau has employed, and is continuing to employ, unappropriated and unconstitutional funding sourced from the Federal Reserve."[1] But, in *CFSA*, the Supreme Court—with Justice Thomas writing for a seven-justice majority—rejected this exact attack on the Bureau's statutory method of funding and

[1] Defs.' Mem. of Law in Support of Defs.' Mot. Summ. J. at 27 (ECF No. 111).

upheld the validity of the Bureau's funding.[2] Relying on constitutional text and history, the Court explained that "appropriations need only identify a source of public funds and authorize the expenditure of those funds for designated purposes to satisfy the Appropriations Clause."[3] The Court had no difficulty concluding that "[t]he Bureau's funding statute contains the requisite features of a congressional appropriation" and "fits comfortably with the First Congress' appropriations practice."[4] The Court thus affirmed "that the requirements of the Appropriations Clause are satisfied" by the Bureau's statute.[5] It accordingly reversed the contrary judgment of the Fifth Circuit that Defendants' have relied on here.[6]

CFSA therefore confirms that this Court should reject Defendants' challenge to the Bureau's method of funding and deny Defendants' motion for summary judgment.

s/ Nelle Rohlich
Nelle Rohlich
(WI Bar No. 1047522)
(202) 435-7280
Nelle.Rohlich@cfpb.gov
Consumer Financial Protection Bureau

s/ Lilia V. DuBois
Lilia V. DuBois
(MA Bar No. 688848)
(617) 963-2239
Lilia.DuBois@state.ma.us
Commonwealth of Massachusetts

[2] Defs.' Mem. of Law in Support of Defs.' Mot. Summ. J. at 27-32 (ECF No. 111).
[3] *CFSA*, 2024 WL 2193873, at *5.
[4] *Id.* at *9.
[5] *Id.*
[6] *See id.* at 12.