IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

Consumer Financial Protection Bureau 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-RWZ

PLAINTIFFS' NOTICE OF SUPPLEMENTAL AUTHORITY

Plaintiffs the Consumer Financial Protection Bureau and the Commonwealth of Massachusetts write to notify the Court of recent authority relevant to Defendants' pending motion for partial judgment on the pleadings, in which they claim that the Bureau's statutory method of funding is unconstitutional. *See* ECF Nos. 95, 96.

On March 23, the Second Circuit rejected that argument and upheld the validity of the Bureau's funding. *See CFPB v. Law Offices of Crystal Moroney, P.C.*, --- F.4th ---- 2023 WL 2604254 (2d Cir. March 23, 2023) (attached). "Because the CFPB's funding structure was authorized by Congress and bound by specific statutory provisions," the Second Circuit explained, "we find that the CFPB's funding structure does not offend the Appropriations Clause." *Id.* at *4.

The Second Circuit explained at length why it found unpersuasive the Fifth Circuit's contrary view, stating that "we cannot find any support for the Fifth Circuit's

conclusion in Supreme Court precedent," or "in the Constitution's text," or "in the history of the Appropriations Clause." *Id.* at *5.

In so ruling, the Second Circuit joined every court to have considered the issue (except for the Fifth Circuit) in upholding the Bureau's funding. *See* ECF No. 97 at 5-6.

Dated: March 24, 2023

Respectfully submitted,

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