

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

BUREAU OF CONSUMER
FINANCIAL PROTECTION,

Petitioner,

v.

LAW OFFICES OF
CRYSTAL MORONEY, P.C.,

Respondent.

Case No. 7:20-cv-03240-KMK

NOTICE OF RATIFICATION

Petitioner Bureau of Consumer Financial Protection submits this notice to inform the Court of two developments relevant to an issue that Respondent Law Offices of Crystal Moroney (LOCM) has indicated will feature prominently in its forthcoming response to the Bureau’s petition to enforce the civil investigative demand (CID).

First, on June 29, the Supreme Court issued a decision in *Seila Law LLC v. CFPB*, No. 19-7, 2020 WL 3492641 (U.S.), which held, consistent with the Bureau’s position on this issue, that a provision of the Bureau’s statute permitting the President to remove the Bureau’s Director only for “inefficiency, neglect of duty, or malfeasance in office” was unconstitutional. The Court went on to hold, also consistent with the Bureau’s position, that the provision could be severed from the rest of the statute. In doing so, the Supreme Court made clear that, in light of its decision, “[t]he agency may ... continue to operate,” with a Director who is now “removable by the President at will.” *Id.* at *5.

Second, in the wake of the decision in *Seila Law* rendering her removable at will, the Bureau’s Director has considered the basis for the decisions to issue the CID, to deny

LOCM's administrative petition seeking to modify or set aside the CID, and to file this petition to enforce the CID, and has ratified those decisions. The Director's declaration of ratification is attached.

Now that the Supreme Court has issued its decision, and the Bureau's Director issued her ratification, the Bureau may proceed with this CID-enforcement action under the leadership of a Director who is fully accountable to the President.

Dated: July 2, 2020

Respectfully submitted,

THOMAS WARD
Enforcement Director

DEBORAH MORRIS
Deputy Enforcement Director

ALUSHEYI WHEELER
Assistant Deputy Enforcement Director

/s/ Kevin E. Friedl
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**DECLARATION OF KATHLEEN L. KRANINGER, DIRECTOR OF
PETITIONER CONSUMER FINANCIAL PROTECTION BUREAU,
REGARDING RATIFICATION**

I, Kathleen L. Kraninger, declare as follows, pursuant to 28 U.S.C. § 1746:

1. I am the Director of the Consumer Financial Protection Bureau. I have served in that capacity since December 11, 2018. I was nominated to this position by the President on June 20, 2018 and confirmed by the Senate on December 6, 2018.
2. In April 2020, the Bureau filed the above-captioned petition to enforce a civil investigative demand issued to Respondent Law Offices of Crystal Moroney, P.C.
3. On June 29, 2020, the Supreme Court issued a decision in *Seila Law LLC v. Consumer Financial Protection Bureau*, No. 19-7, 2020 WL 3492641 (U.S.). That decision held that a provision of the Bureau's organic statute that permitted the President to remove the Bureau's Director only for "inefficiency, neglect of duty, or malfeasance in office" was unconstitutional. The Court accordingly severed that

provision from the statute. In light of this decision, I understand that the President may now remove me with or without cause.

4. In my capacity as the Bureau's Director, I have considered the basis for the Bureau's decisions to issue the civil investigative demand to Respondent, to deny Respondent's request to modify or set aside the CID, and to file a petition requesting that the district court enforce the CID.

5. On behalf of the Bureau, I hereby ratify the decisions to issue the civil investigative demand to Respondent, to deny Respondent's request to modify or set aside the CID, and to file a petition requesting that the district court enforce the CID.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 1, 2020.



Kathleen L. Kraninger
Director
Consumer Financial Protection Bureau