

The Trump-CFPB Created A Taskforce On Consumer Law Full Of Industry Insiders And Longtime Critics Of The Bureau In Order To Recommend Potential Changes To Its Work.

In January 2020, The CFPB Created The Taskforce On Federal Consumer Financial Law In Order To Develop Policy Recommendations For The Bureau After An Examination Of The "Existing Legal And Regulatory Environment Facing Consumers And Financial Services Providers."

In January 2020, The CFPB Announced That Dr. J. Howard Beales, Dr. Thomas Durkin, L. Jean Noonan, And William MacLeod Would Service On Its Taskforce On Federal Consumer Financial Law. With Todd Zywicki Serving As Its Chair.

January 9, 2020: The CFPB Announced That Dr. J. Howard Beales, Dr. Thomas Durkin, L. Jean Noonan, Would Serve On Its Taskforce On Federal Consumer Financial Law With Todd Zywicki Serving As The Taskforce Chair. "The Consumer Financial Protection Bureau (CFPB) today announced four members who will serve on the Taskforce on Federal Consumer Financial Law. [...] The Taskforce members are: [...] Dr. J.

Howard Beales, III, former Professor of Strategic Management and Public Policy at the George Washington University and former Director of the Bureau of Consumer Protection at the Federal Trade Commission; [...] Dr. Thomas Durkin, Senior Economist (Retired) at the Federal Reserve Board; [...] L. Jean Noonan, Partner at Hudson Cook, former General Counsel at the Farm Credit Administration, and former Associate Director of the Bureau of Consumer Protection's Credit Practice at the Federal Trade Commission; [...] The Bureau also announced the designation of Todd Zywicki to serve as the Chair of the Taskforce and the appointment of Matt Cameron to serve as Staff Director of the Taskforce." [Consumer Financial Protection Bureau Press Release, [01/09/20](#)]

- **January 17, 2020: The CFPB Announced That William MacLeod Would Serve As An Additional Member Of Its Taskforce On Federal Consumer Financial Law.** "The Consumer Financial Protection Bureau (CFPB) today announced an additional member who will serve on the Taskforce on Federal Consumer Financial Law. The addition is: [...] William MacLeod, partner at Kelley Drye & Warren, LLP, Past Chair of the Antitrust Section of the American Bar Association, and former Bureau Director at the U.S. Federal Trade Commission." [Consumer Financial Protection Bureau Press Release, [01/17/20](#)]

This Taskforce Is Charged With Examining The "Existing Legal And Regulatory Environment Facing Consumers And Financial Services Providers." And Subsequently Recommending Potential Bureau-Wide Changes To Director Kraninger.

The Taskforce "Will Examine The Existing Legal And Regulatory Environment Facing Consumers And Financial Services Providers And Report To Director Kraninger Its Recommendations." "The Taskforce on Federal Consumer Financial Law will examine the existing legal and regulatory environment facing consumers and financial services providers and report to Director Kraninger its recommendations for ways to improve and strengthen consumer financial laws and regulations." [[Press Release](#), Consumer Financial Protection Bureau, 01/09/20]

The Taskforce Will Focus On "Harmonizing, Modernizing, And Updating The Federal Consumer Financial Laws—And Their Implementing Regulations." "The Taskforce will produce new research and legal analysis of consumer financial laws in the United States, focusing specifically on harmonizing, modernizing, and updating the federal consumer financial laws—and their implementing regulations—and identifying gaps in knowledge that should be addressed through research, ways to improve consumer understanding of markets and products, and potential conflicts or inconsistencies in existing regulations and guidance." [[Press Release](#), Consumer Financial Protection Bureau, 01/09/20]

CFPB Director Kathy Kraninger Said "The Taskforce Will Conduct A Thorough Examination Of Our Current Regulatory Framework And Report On How We Can Improve Federal Consumer Financial Laws To Benefit And Protect Consumers." "The Taskforce will conduct a thorough examination of our current regulatory framework and report on how we can improve federal consumer financial laws to benefit and protect consumers," said Director Kathleen L. Kraninger. "I look forward to the work the Taskforce will undertake and reviewing their recommendations." [[Press Release](#), Consumer Financial Protection Bureau, 01/09/20]

Chair of the Taskforce on Federal Consumer Financial Law Todd Zywicki Is Too Extreme To Put His Hands On Our Consumer Protection Laws

While In College In 1987, Todd Zywicki Wrote That "Those Who Are Really Concerned About Aiding Oppressed Citizens Would Concentrate On Freeing

The...Citizens Of Nicaragua, Rather Than South Africa's Blacks.'”

While An Undergrad At Dartmouth, Todd Zywicki Wrote A Column That Said “Those Who Are Really Concerned About Aiding Oppressed Citizens Would Concentrate On Freeing The...Citizens Of Nicaragua, Rather Than South Africa's Blacks.”

In 1987, Todd Zywicki Wrote In An Opinion Column For *The Dartmouth* Student Newspaper That “Those Who Are Really Concerned About Aiding Oppressed Citizens Would Concentrate On Freeing The More Highly-Victimized Citizens Of Nicaragua, Rather Than South Africa's Blacks.” “While at the College, Zywicki worked for The Dartmouth as an opinion columnist, sports writer and advertising director. An opinion piece he authored in 1987 highlights his resistance to the atmosphere of political correctness at the College during a time when students were protesting the College's investment in companies that supported apartheid. ‘It should be obvious that those who are really concerned about aiding oppressed citizens would concentrate on freeing the more highly-victimized citizens of Nicaragua, rather than South Africa's blacks,’ Zywicki wrote in his column.” [Susan Matthews, [“Peers describe Zywicki '88 as outspoken undergrad,”](#) *The Dartmouth*, 06/01/09]

Todd Zywicki Has Called The CFPB A “Tragic’ Failure,” And Implied That The CFPB Should Not Take Enforcement Actions – Even Though The Bureau Has Returned Billions Of Dollars To Wronged Consumers.

Todd Zywicki Has Called The CFPB A “Tragic’ Failure.”

Todd Zywicki Has Called The CFPB A “Tragic’ Failure.” “The administration has spoken to Todd Zywicki, executive director of the Law & Economics Center at George Mason University, about succeeding Cordray. Zywicki, who has called the [CFPB] a 'tragic' failure, has not been offered a job.” [Lorraine Woellert, [“Trump's allies building case to oust consumer protection head,”](#) *Politico*, 02/06/17]

Todd Zywicki Implied That The CFPB Should Not Take Enforcement Actions, Despite Having Returned Billions Of Dollars To Millions Of Wronged Consumers, And Should Instead Serve As A “Resource” For “Accurate Information On Financial Products.”

In March 2014, Todd Zywicki, Alongside Adam C. Smith, Wrote That “The CFPB Is Best Placed As A Resource For Guiding Consumers To Accurate Information On Financial Products.” “And as Klick and Mitchell (2006) argue, paternalist intervention is likely to be most error-prone in environments with heterogeneous goods like consumer credit (p. 1657). The CFPB is best placed as a resource for guiding consumers to accurate information on financial products. As it deviates from this function, it ironically loses control over the choice context consumers face, forcing consumers to pursue even riskier options.” [Adam C. Smith and Todd Zywicki, [“Behavior, Paternalism, and Policy: Evaluating Consumer Financial Protection,”](#) *Mercatus Center*, March 2014]

Since 2011, The CFPB Has “Returned Nearly \$12 Billion To 29 Million People Wronged By Financial Institutions.” “Since 2011, the CFPB has received more than 1.2 million consumer complaints about their dealings with financial firms. It has returned nearly \$12 billion to 29 million people wronged by financial institutions, including credit card companies and banks. Most of the complaints received by the agency relate to debt collection (27 percent) and mortgages (23 percent).” [Sarah O'Brien, [“The Consumer Financial Protection Bureau has been under siege for years. Here's why.”](#) *CNBC*, 11/27/17]

Todd Zywicki Has Claimed That “Payday Loan Pricing Is Simple And Easily Understood” Even Though CFPB Director Kathy Kraninger Could Not Calculate A Typical Payday Loan APR When Asked By A Member Of Congress.

Todd Zywicki Wrote That “Payday Loan Pricing Is Simple And Easily Understood.”

In July 2009, Todd Zywicki Wrote That “Payday-Loan Pricing Is Simple And Easily Understood.” “Those who used payday loans most often were also most likely to know the reported APR on their loan. Whatever concerns have been expressed about payday loans, lack of transparency is not one: Payday-loan pricing is simple and easily understood.” [Todd Zywicki, “[The Case Against New Restrictions on Payday Lending.](#)” Mercatus Center, July 2009]

“Calculating The Lifetime Cost Of A Payday Loan Is Not A Straightforward Process”—It’s So Difficult That CFPB Director Kathy Kraninger “Refused” To Answer When Asked To Calculate The Real Annual Percentage Of A Payday Loan In A Congressional Hearing. “Calculating the lifetime cost of a payday loan is not a straightforward process. Determining the true annual percentage of a payday loan is so difficult that CFPB director Kathy Kraninger, when asked to perform the calculation during her 2019 testimony with the House Financial Services Committee, refused, dismissing the request as a ‘math exercise.’” [Kelly Anne Smith, “[The True Cost Of Payday Loans—And Some Borrowing Alternatives.](#)” *Forbes*, 10/27/19]

Todd Zywicki Believes That The Foreclosure Crisis Was Not “A Consumer Protection Problem” And That Many Borrowers Who Were Foreclosed On “Were Not Victims.”

Todd Zywicki Believes That Most Of The Borrowers Whose Homes Were Foreclosed On During The Financial Crisis “Were Not Victims” As Borrowers Who Walked Away From Their Mortgages Were “Just Rationally Responding To Incentives.”

In November 2013, Todd Zywicki Stated At The Hillsdale College 2013 Free Market Forum That Borrowers Whose Homes Were Foreclosed On During The Financial Crisis Were Not “Hapless Consumers That Got Screwed By The Banks” But Were “Just Rationally Responding To Incentives” By Walking Away From Their Mortgages. “I just wanted to comment on one last thing, with respect to consumers. The narrative that came out of Dodd-Frank is that there were all these hapless consumers that got screwed by the banks...The borrower as victim sort of narrative. But next to that is this whole other view that Gene was describing which is that if I make you an, if I'm a bank and I make you an interest only mortgage with nothing down and your house goes down in value by \$50,000, and you walk away from that loan, that's probably the best investment you are ever gonna make in your life. Right? You're just rationally responding to incentives.” [“[The Economic and Political Significance of the Dodd-Frank Act.](#)” Hillsdale College via YouTube, 11/26/13 (1:25:05)]

Todd Zywicki Believes That The Foreclosure Crisis Did Not Present “A Consumer Protection Problem” And That Many Of Those Foreclosed On “Were Not Victims.”

At This Same Hillsdale Free Market Forum, Todd Zywicki Went On To State That The Foreclosure Crisis Was Not “A Consumer Protection Problem” And That Many Of Those Foreclosed On “Were Not

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Victims.” “Foreclosures have been caused by people whose homes were under water. Now sure there were

people who got defrauded and that sort of thing, but a lot of foreclosures were caused by people's homes were underwater. Now if you rationally respond to incentives, whatever that is it's not a consumer protection problem, and its not you being a victim...We've created a whole edifice based on the idea that people are victims, when in fact many of these people were not victims. And we are creating a whole set of problems, the moral hazard problems, and all kind of problems by buying in to that mentality in our regulation." [[The Economic and Political Significance of the Dodd-Frank Act](#)," Hillsdale College via YouTube, 11/26/13(1:25:38)]

Todd Zywicki Co-Authored A Paper Supporting The “Efficien[cy]” Of Prepayment Penalties For Mortgages; The CFPB Ultimately Banned Most Prepayment Penalties After The Financial Crisis.

Todd Zywicki Co-Authored A Paper That Argued That Prepayment Penalties For Mortgages Were “Efficient” And Were Designed To “Compensate Lenders For The Risk Of Having To Reinvest Funds” At A Lower Interest Rate If A Borrower Paid Their Mortgage Early.

In An Academic Paper, Todd Zywicki And A Co-Author Wrote That An Article Advocating For Banning Pre-Payment Penalties Was “Faulty Economic Logic And Fails To Recognize The Overwhelming Economic Evidence Supporting The Efficiency Of Prepayment Penalties.” "Prepayment penalties are a common term in many subprime mortgages, although they remain uncommon in most prime mortgages in the United States. Prepayment penalties are also included in most commercial loans and are present in virtually all European mortgages. Yet the White Paper contemplates banning prepayment penalties in mortgages. This reasoning is based on faulty economic logic and fails to recognize the overwhelming economic evidence supporting the efficiency of prepayment penalties." [Joshua D. Wright and Todd J. Zywicki, "[Three Problematic Truths About the Consumer Financial Protection Agency Act of 2009](#)," George Mason University School of Law, Lombard Street, Vol. 1, No. 12, 09/14/09]

Zywicki And His Co-Author Wrote That “Borrowers Pay This Premium To Compensate Lenders For The Risk Of Having To Reinvest Funds At Lower Market Interest Rates When Interest Rates Fall.” The traditional American right to prepay and refinance a mortgage is relatively unique in the world. Available empirical evidence indicates that American consumers pay a substantial premium for this unlimited prepayment right. Borrowers pay a premium for the unlimited right to prepay of approximately 20 to 50 basis points (.2 to .5 percentage points) with subprime borrowers generally paying a higher premium for the right to prepay than prime borrowers because of the increased risk of subprime borrower prepayment. Borrowers pay this premium to compensate lenders for the risk of having to reinvest funds at lower market interest rates when interest rates fall. Where prepayment penalties are banned lenders also take other precautions to guard against the risk of prepayment, such as charging increased points or upfront fees at the time of the loan, which raise the initial cost of the loan." [Joshua D. Wright and Todd J. Zywicki, "[Three Problematic Truths About the Consumer Financial Protection Agency Act of 2009](#)," George Mason University School of Law, Lombard Street, Vol. 1, No. 12, 09/14/09]

The CFPB Ultimately Banned “Most Prepayment Penalties” On Mortgage Loans.

A CFPB Rule Ultimately Banned “Most Prepayment Penalties” Except Those On Generally Lower Priced Mortgages With Fixed Or Step Rates. "...the rule bans most prepayment penalties, except on certain non-higher-priced Qualified Mortgages with either fixed or step rates. Prepayment penalties are allowed on these non-higher priced loans only if the penalties satisfy certain restrictions and are permitted under law and if the creditor has offered the consumer an alternative loan without such penalties." [Manual, “Ability-to-Repay and Qualified Mortgage Rule - SMALL ENTITY COMPLIANCE GUIDE,” *Consumer Financial Protection Bureau*, 01/08/14]

Todd Zywicki Was A Director At A Consulting Firm That Worked For Visa, Bank of America and Citigroup.

Todd Zywicki Served As A “Director” At Global Economic Group, A Consulting Firm With Clients That Included Visa, Bank of America and Citigroup.

In 2013, It Was Reported That Todd Zywicki Was “Director Of The Global Economics Group, A Consulting Business That Boasts In A Brochure That Its Experts Have Been Hired By Industry To Influence The CFPB And Other Regulatory Agencies.” “What isn't contained in Zywicki's university profile, CV, byline or congressional testimony is the law professor's other job: he is a director of the Global Economics Group, a consulting business that boasts in a brochure that its experts have been hired by industry to influence the CFPB and other regulatory agencies. [Lee Fang, "[The Scholars Who Shill for Wall Street](#)," *The Nation*, 10/23/13]

Global Economics Group's Clients Included Visa, Bank of America and Citigroup. Nor does Zywicki advertise Global's client list, which includes some of the biggest names in the financial industry, among them Visa, Bank of America and Citigroup." [Lee Fang, "[The Scholars Who Shill for Wall Street](#)," *The Nation*, 10/23/13]

J. Howard Beales III Is A Long Time Skeptic Of Regulation And Has Frequently Worked To Help Various Corporations Including R.J. Reynolds Tobacco Company, American Express, And Visa.

As Far Back As 2001, J. Howard Beales III Has Been Seen As A “Sharp Skeptic Of Regulation” Whose Work Has Helped Industry To “Fight Federal Regulations.”

As Early As 2001, Ahead Of His Appointment As Director Of The Federal Trade Commission's (FTC's) Bureau Of Consumer Protection, J. Howard Beales III Was Seen As A “Sharp Skeptic Of Regulation” Whose Work Helped Companies To “Fight Federal Regulations.”

In 2001, J. Howard Beales III Was Characterized As “A Sharp Skeptic Of Regulation [...] Whose Studies Have Been Used By A Tobacco Company And Other Large Consumer-Goods Makers To Fight Federal Regulations.” “Incoming Federal Trade Commission Chairman Timothy Muris is expected to appoint a sharp skeptic of regulation as the agency's new consumer-protection chief. J. Howard Beales III, an academic whose studies have been used by a tobacco company and other large consumer-goods makers to fight federal regulations, could assume the post as early as next week, a government official said.” [Glenn R. Simpson and Gordon Fairclough, "[New FTC Chief Is Expected to Name Regulatory Skeptic to Consumer Post](#)," *The Wall Street Journal*, 05/31/01]

The Wall Street Journal Said That Beales Repeatedly Argued “Consumers Are Smarter Than Regulators Think, And Thus Need Less Protection From Washington.”

The Wall Street Journal Said That Beales' Analyses Repeatedly Argued That "Consumers Are Smarter Than Regulators Think, And Thus Need Less Protection From Washington." "He's incredibly articulate, creative and trenchant in his analysis ... and has a very interesting grasp of economic analysis as applied to consumer protection,' [former Justice Department antitrust chief] James Rill said. More often than not, that analysis is that consumers are smarter than regulators think, and thus need less protection from Washington. That has been the gist of his findings on Reynolds cigarette advertising and has been repeatedly articulated in other contexts." [Glenn R. Simpson and Gordon Fairclough, "[New FTC Chief Is Expected to Name Regulatory Skeptic to Consumer Post](#)," *The Wall Street Journal*, 05/31/01]

In 1993, Beales' Work Was Used By R.J. Reynolds Tobacco Company As It Fought Charges That Its "Joe Camel" Ad Campaign Encouraged Children To Smoke—In 2001, The President Of The Campaign For Tobacco-Free Kids Said Putting Beales In Charge Of Consumer Protection At The FTC Was "Like Putting The Wolf In Charge Of The Henhouse."

Beales' Work Was Used To Defend R.J. Reynolds Tobacco Company As It Fought Claims That Its "Joe Camel" Advertising Campaign Encouraged Minors To Smoke.

Beales' Work Was Used "In An Effort To Fend Off Deceptive Advertising Charges Regarding The 'Joe Camel' Cigarette Ad Campaign Run By R.J. Reynolds Tobacco Company, Which Was Accused Of Encouraging Minors To Smoke. "In 1993, former Justice Department antitrust chief James Rill submitted a Beales paper to the FTC in an effort to fend off deceptive advertising charges regarding the 'Joe Camel' campaign for R.J. Reynolds Tobacco Co. The study, which concluded that the ad campaign didn't encourage minors to smoke, used a statistical analysis 'largely conducted in connection with a consulting project for R.J. Reynolds Tobacco Company,' Mr. Beales stated in a footnote; he also thanked Mr. Muris 'for many helpful suggestions.' The FTC remains the primary federal regulator of the tobacco industry." [Glenn R. Simpson and Gordon Fairclough, "[New FTC Chief Is Expected to Name Regulatory Skeptic to Consumer Post](#)," *The Wall Street Journal*, 05/31/01]

The President Of The Campaign For Tobacco-Free Kids Said Putting Beales In Charge Of Consumer Protection Was "Like Putting The Wolf In Charge Of The Henhouse."

The President Of The Campaign For Tobacco-Free Kids Said Beales "Cannot Be Counted On To Protect Kids" And Putting Him In Charge Of Consumer Protection Was "Like Putting The Wolf In Charge Of The Henhouse." "Matthew L. Myers, president of the Campaign for Tobacco-Free Kids, said that naming Mr. Beales to the consumer-protection post is 'like putting the wolf in charge of the henhouse.' He said 'a person with those kind of ties to the tobacco industry' and who doesn't believe cigarette advertising influences children's decisions to smoke 'cannot be counted on to protect kids.'" [Glenn R. Simpson and Gordon Fairclough, "[New FTC Chief Is Expected to Name Regulatory Skeptic to Consumer Post](#)," *The Wall Street Journal*, 05/31/01]

As Beales Was About To Be Appointed To Lead The FTC's Consumer Protection Bureau, The Agency Was About To Investigate R.J. Reynolds For Claiming One Of Its Products "May Present Less Risk Of Cancer"—But Studies Found The Product Actually Contained "Higher Levels Of Some Cancer-Causing Chemicals" Than Some Conventional Cigarette Brands.

Ahead Of Beales' Appointment, The FTC Was Poised To Investigate R.J. Reynolds' Claims That Its "Unconventional" Eclipse Product, "Which Mostly Heats Tobacco Instead Of Burning It," "May Present Less Risk Of Cancer." "One of Mr. Beales's first decisions will be whether to participate in a major tobacco issue before the agency. Massachusetts's health department and others last year asked the FTC to investigate R.J. Reynolds's claims that its unconventional Eclipse cigarette is potentially safer for smokers. Ads running in Dallas, where Reynolds is testing Eclipse, say the cigarette, which mostly heats tobacco instead of burning it, 'may present less risk of cancer.'" [Glenn R. Simpson and Gordon Fairclough, "[New FTC Chief Is Expected to Name Regulatory Skeptic to Consumer Post](#)," *The Wall Street Journal*, 05/31/01]

However, Tests Commissioned By Massachusetts Health Officials "Found That Eclipse Contains Higher Levels Of Some Cancer-Causing Chemicals Than Two Regular Ultralight Brands."

Massachusetts' "State health officials said a series of tests they commissioned found that Eclipse contains higher levels of some cancer-causing chemicals than two regular ultralight brands." [Glenn R. Simpson and Gordon Fairclough, "[New FTC Chief Is Expected to Name Regulatory Skeptic to Consumer Post](#)," *The Wall Street Journal*, 05/31/01]

J. Howard Beales III's Work Has Also Helped Defend Looser Standards On Companies' "Made In The USA" Claims.

J. Howard Beales III Advocated For Looser Standards On Companies Claiming Their Products Were "Made In The USA."

In 1996, J. Howard Beales III Wrote A Paper On FTC Regulations On "Made In The USA" Claims In Which He Defended Looser Standards For Companies To Claim Their Products Were Made Domestically. "In addition to his tobacco work, Mr. Beales wrote a long paper in 1996 on FTC regulations regarding 'Made in the USA' claims. He endorsed a standard that there be a 'reasonable basis' for such claims, rather than requiring that 'all, or virtually all' of a product's components be made in the U.S. The paper was submitted to the FTC by Collier Shannon on behalf of the Bicycle Manufacturers of America." [Glenn R. Simpson and Gordon Fairclough, "[New FTC Chief Is Expected to Name Regulatory Skeptic to Consumer Post](#)," *The Wall Street Journal*, 05/31/01]

J. Howard Beales III Served As A Corporate Consultant For Financial Services Companies Like Visa And American Express—In Addition To Giant Corporations Like Exxon Mobil, Disney, And PepsiCo.

J. Howard Beales III Was A Consultant For Giant Corporations Like Visa, American Express, Exxon Mobil, Disney, PepsiCo, And Others.

J. Howard Beales III Claims In His Curriculum Vita That He Served As A Consultant For Large Corporations, Including Disney, PepsiCo, American Express, Visa, Exxon Mobil, Mortgage Insurance Companies Of America, Ford Motor Company, And R.J. Reynolds. "Consultant for Walt Disney Company, PepsiCo, American Express, Visa, Exxon Mobil, America Online, Primerica, Mortgage Insurance Companies of America, Federated Department Stores, Ford Motor Co., General Mills, Grocery Manufacturers of America, R. J. Reynolds, and others." [[J. Howard Beales III Curriculum Vita](#), U.S. House of Representatives, February 28, 2014]

J. Howard Beales III Served As A Consultant For American Express, Whose Subsidiaries Were Subject To CFPB Orders To Pay Over \$165 Million In

J. Howard Beales III Has Served As A Consultant For American Express, Whose Subsidiaries Were Ordered By The CFPB To Pay Back Over \$165 Million In Fines And Consumer Relief.

J. Howard Beales Has Served As A “Consultant” For American Express. [[“J. Howard Beales, III Curriculum Vita,”](#) U.S. House of Representatives, accessed 02/10/20]

In August 2017, The CFPB Ordered Two American Express Banking Subsidiaries To Pay A Total Of \$96 Million In Consumer Redress For “Discriminating Against Consumers In Puerto Rico, The U.S. Virgin Islands, And Other U.S. Territories By Providing Them With Credit And Charge Card Terms That Were Inferior To Those Available In The 50 U.S. States.” “The Consumer Financial Protection Bureau (CFPB) took action against American Express Centurion Bank and American Express Bank, FSB for discriminating against consumers in Puerto Rico, the U.S. Virgin Islands, and other U.S. territories by providing them with credit and charge card terms that were inferior to those available in the 50 U.S. states. [...] American Express has paid approximately \$95 million in consumer redress during the course of the Bureau’s review and American Express’ review, and the Bureau’s order requires it to pay at least another \$1 million to fully compensate harmed consumers.” [[“American Express Centurion Bank and American Express Bank, FSB,”](#) Consumer Financial Protection Bureau, 08/23/17]

- **American Express Centurion Bank And American Express Bank, FSB Are “American Express Banking Subsidiaries.”** “The Consumer Financial Protection Bureau (CFPB) today took action against two American Express banking subsidiaries for discriminating against consumers in Puerto Rico, the U.S. Virgin Islands, and other U.S. territories by providing them with credit and charge card terms that were inferior to those available in the 50 states.” [[Press Release](#), Consumer Financial Protection Bureau, 08/23/17]

In December 2013, America Express Centurion Bank Was Fined “\$9.6 Million In Civil Penalties” And Ordered To Refund “An Estimated \$59.5 Million To More Than 335,000 Consumers For Illegal Credit Card Practices,” Including “Unfair Billing Tactics And Deceptive Marketing With Respect To Credit Card ‘Add-On Products.’” “The CFPB ordered American Express to refund an estimated \$59.5 million to more than 335,000 consumers for illegal credit card practices. These practices included unfair billing tactics and deceptive marketing with respect to credit card ‘add-on products’ such as payment protection and credit monitoring. American Express will pay an additional \$9.6 million in civil penalties to the CFPB.” [[“American Express Centurion Bank,”](#) Consumer Financial Protection Bureau, 12/24/13]

- **American Express Centurion Bank Is One Of American Express’ “Banking Subsidiaries.”** “The Consumer Financial Protection Bureau (CFPB) today took action against two American Express banking subsidiaries for discriminating against consumers in Puerto Rico, the U.S. Virgin Islands, and other U.S. territories by providing them with credit and charge card terms that were inferior to those available in the 50 states.” [[Press Release](#), Consumer Financial Protection Bureau, 08/23/17]

J. Howard Beales III Worked Alongside His Former Federal Trade Commission Boss In Submitting A Comment Letter To Their Former Agency Defending A “Multi-Level Marketing (MLM) Company For Finance.”

J. Howard Beales III Worked Alongside Timothy Muris, The Former Chairman of the Federal Trade Commission (FTC), In Submitting A Comment Letter Commission On Behalf Of Primerica Financial Services, Inc.

In May 2008, J. Howard Beales III Submitted A Comment To The Federal Trade Commission On Behalf Of Primerica Financial Services, Inc. Alongside Timothy J. Muris, A Consultant For O’Melveny & Myers

LLP. [[“Comment Of Primerica Financial Services, Inc. On The Revised Notice Of Proposed Rulemaking On The Business Opportunity Rule,”](#) Federal Trade Commission, 05/27/08]

From 2004 To 2011, Timothy Muris, The Former Chairman Of The Federal Trade Commission, Served As “Of Counsel” For O’Melveny & Myers LLP. “Professor Timothy J. Muris, a George Mason University Foundation Professor of Law, served from 2000-2004 as Chairman of the Federal Trade Commission. [...] He was also Of Counsel with the law firm of Collier, Shannon, Rill & Scott (1992-2000), Howrey Simon Arnold & White (2000-2001), O’Melveny & Myers (2004-2011), Kirkland & Ellis LLP (2011-2017), and Senior Counsel, Sidley Austin LLP (2017- present).” [[“Timothy J. Muris,”](#) George Mason University Antonin Scalia Law School, accessed 02/10/20]

Primerica Financial Services Is A “Multi-Level Marketing (MLM) Company For Finance.”

Primerica Financial Services, Inc. Has Been Called A “Multi-Level Marketing (MLM) Company For Finance.” “They’ll deny it, but basically, it’s a multi-level marketing (MLM) company for finance. Primerica employs, according to their prospectus, over 100,000 representatives who go out and sell financial products like term life insurance, mutual funds, life insurance, and annuities. Almost all the products offered by Primerica are from Citigroup, its corporate parent.” [Vince Veneziani, [“Meet Primerica, The New Wall Street IPO That’s Really A Multi-Level Marketing Scheme,”](#) *Business Insider*, 04/01/10]

While Chair Of The FTC, Timothy Muris Had Even Appointed Beales To Head Its Consumer Protection Bureau In 2001.

J. Howard Beales Was Appointed Head Of The Federal Trade Commission’s Bureau Of Consumer Protection By Timothy Muris In May 2001. “Incoming Federal Trade Commission Chairman Timothy Muris is expected to appoint a sharp skeptic of regulation as the agency’s new consumer-protection chief. J. Howard Beales III, an academic whose studies have been used by a tobacco company and other large consumer-goods makers to fight federal regulations, could assume the post as early as next week, a government official said.” [Glenn R. Simpson and Gordon Fairclough, [“New FTC Chief Is Expected to Name Regulatory Skeptic to Consumer Post,”](#) *The Wall Street Journal*, 05/31/01]

- **J. Howard Beales III’s Official Title Was Director of The Federal Trade Commission’s Bureau Of Consumer Protection.** [[“J. Howard Beales Biography,”](#) Consumer Financial Protection Bureau, accessed 01/23/20]

Thomas Durkin Has Frequently Defended High-Interest Loans Such As Those Offered By Payday Lenders Regulated By The CFPB.

Thomas Durkin Served As The “Chief Economist” And “Director Of Research” For The American Financial Services Association, An Industry Trade Group That Represented The “Consumer Credit Industry.”

Thomas A. Durkin Is The Former “Chief Economist” And “Director Of Research” For The American Financial Services Association, A Trade Association Representing The “Consumer Credit Industry.”

Thomas A. Durkin Is The Former “Chief Economist” and “Director Of Research” For The American

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Financial Services Association. “Thomas Durkin has specialized in the economics and regulation of

consumer financial services, in the federal government as Senior Economist at the Federal Reserve Board, in the academic area as Associate Professor of Finance at the Pennsylvania State University, and in the private sector as Chief Economist of the American Financial Services Association.” [[Truth in Lending](#),” Oxford University Press, accessed 01/10/20]

- **Thomas Durkin Was Identified As The AFSA’s Director Of Research As Far Back As 1983, When He Appeared In Congressional Testimony Alongside The Group’s President.** “The first panel we have before us is Mr. Robert B. Evans, president of the American Financial Services Association, accompanied by Dr. Thomas Durkin, Director of research, American Financial Services Association [...]” [[Hearings before the Committee on Banking, Housing, And Urban Affairs](#),” U.S. Senate Committee on Banking, Housing and Urban Affairs via Google Books, 06/09/83]

The American Financial Services Association Is A Trade Association Representing The “Consumer Credit Industry,” Including Those Offering “Traditional Installment Loans, Direct And Indirect Vehicle Financing, Mortgages, Payment Cards, And Credit For Non-Vehicle Retail Customers.” “Founded in 1916, the American Financial Services Association (AFSA) is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. [...] AFSA members provide consumers with many kinds of credit, including traditional installment loans, direct and indirect vehicle financing, mortgages, payment cards, and credit for non-vehicle retail customers.” [[About AFSA](#),” American Financial Services Association, accessed 02/11/20]

Members Of The American Financial Services Association Have Paid Over \$11 Million In Civil Penalties And Over \$70 Million In Consumer Restitution As A Result Of CFPB Enforcement Actions.

Members Of The American Financial Services Association Have Paid Over \$11 Million In Civil Penalties And Over \$70 Million In Consumer Restitution Following CFPB Enforcement Actions.

In June 2018, Security Group Inc. And Its Subsidiaries Security Finance Corporation Of Spartanburg And Professional Financial Services Corp Agreed To Pay A “\$5 Million Civil Money Penalty” After The CFPB Found They Had Made “Improper In-Person And Telephonic Collection Attempts On Consumer Installment Loans And Retail Sales Installment Contracts.” “Today the Bureau of Consumer Financial Protection (Bureau) announced a settlement with Security Group Inc., a South Carolina corporation, and its subsidiaries, Security Finance Corporation of Spartanburg and Professional Financial Services Corp. As described in the consent order, the Bureau found that the Security Group entities violated the Consumer Financial Protection Act by making improper in-person and telephonic collection attempts on consumer installment loans and retail sales installment contracts. [...] Under the terms of the consent order, Security Group and its subsidiaries are barred from certain collection practices, and must correct certain inaccurate information about consumers they furnished to credit reporting agencies, and pay a \$5 million civil money penalty.” [[Press Release](#), Consumer Financial Protection Bureau, 06/13/18]

- **Security Finance Corporation Of Spartanburg Was A Member Of The American Financial Services Association As Recently As August 2019.** [[Finance Company & Affiliate Member List August 2019](#),” American Financial Services Association, August 2019]

In July 2015, The CFPB and Department Of Justice (DOJ) Ordered American Honda Finance Corporation To Pay “\$24 Million In Restitution” To Minority Borrowers Who Ended Up “Paying Higher Interest Rates Than White Borrowers For Their Auto Loans, Without Regard To Their Creditworthiness.” “Today the Consumer Financial Protection Bureau (CFPB) and Department of Justice (DOJ) resolved an action with American Honda Finance Corporation that will put new measures in place to address discretionary auto loan pricing and compensation practices. Honda’s past practices resulted in

thousands of African-American, Hispanic, and Asian and Pacific Islander borrowers paying higher interest

rates than white borrowers for their auto loans, without regard to their creditworthiness. As part of today's order, Honda will change its pricing and compensation system to substantially reduce dealer discretion and minimize the risks of discrimination, and will pay \$24 million in restitution to affected borrowers." [[Press Release](#), Consumer Financial Protection Bureau, 07/14/15]

- **American Honda Finance Corporation Was A Member Of The American Financial Services Association As Recently As August 2019.** [[Finance Company & Affiliate Member List August 2019](#)," American Financial Services Association, August 2019]

In October 2015, The CFPB Ordered Security National Automotive Acceptance Company Pay A "Penalty Of \$1 Million" And "Refund Or Credit About \$2.28 Million" To Harmed Consumers After It Used "Aggressive Tactics, Such As Exaggeration, Deception, And Threats To Contact Commanding Officers, To Coerce Servicemembers Into Making Payments." "Today the Consumer Financial Protection Bureau (CFPB) filed an administrative order against Security National Automotive Acceptance Company (SNAAC), an auto lender specializing in loans to servicemembers, for engaging in illegal debt collection practices. The order requires the company to refund or credit about \$2.28 million to servicemembers and other consumers who were allegedly harmed, and pay a penalty of \$1 million. A separate court order bans SNAAC from using aggressive tactics, such as exaggeration, deception, and threats to contact commanding officers, to coerce servicemembers into making payments." [[Press Release](#), Consumer Financial Protection Bureau, 10/28/15]

- **In April 2017, The CFPB Ordered Security National Automotive Acceptance Company To Pay An "Additional \$1.25 Million Penalty" For Violating The 2015 Consent Order By Failing To "Provide More Than \$1 Million In Refunds And Credits, Affecting More Than 1,000 Consumers."** "The Consumer Financial Protection Bureau (CFPB) today took action against Security National Automotive Acceptance Company (SNAAC), an auto lender specializing in loans to servicemembers, for violating a Bureau consent order. In 2015, the CFPB ordered SNAAC to pay both redress and a civil penalty for illegal debt collection tactics, including making threats to contact servicemembers' commanding officers about debts and exaggerating the consequences of not paying. SNAAC violated the 2015 order by failing to provide more than \$1 million in refunds and credits, affecting more than 1,000 consumers. Today's consent order requires SNAAC to make good on the redress it owes to those consumers and pay an additional \$1.25 million penalty." [[Press Release](#), Consumer Financial Protection Bureau, 04/26/17]
- **Security National Automotive Acceptance Company Was A Member Of The American Financial Services Association As Recently As August 2019.** [[Finance Company & Affiliate Member List August 2019](#)," American Financial Services Association, August 2019]

In October 2015, The CFPB Ordered Westlake Services, LLC And Wilshire Consumer Credit, LLC Pay A "Civil Penalty Of \$4.25 Million" And "Provide Consumers \$44.1 Million In Cash Relief And Balance Reductions" For Using "Illegal Debt Collection Tactics," Such As "Calling Under False Pretenses And Using Phony Caller ID Information, Falsely Threatened To Refer Borrowers For Investigation Or Criminal Prosecution, And Illegally Disclosed Information About Debts To Borrowers' Employers, Friends, And Family." "Today the Consumer Financial Protection Bureau (CFPB) announced an enforcement action against an indirect auto finance company and its auto title lending subsidiary for pressuring borrowers using illegal debt collection tactics. The CFPB found that Westlake Services, LLC and Wilshire Consumer Credit, LLC deceived consumers by calling under false pretenses and using phony caller ID information, falsely threatened to refer borrowers for investigation or criminal prosecution, and illegally disclosed information about debts to borrowers' employers, friends, and family. The Bureau ordered the companies to overhaul their debt collection practices and to provide consumers \$44.1 million in cash relief and balance reductions. The companies will also pay a civil penalty of \$4.25 million." [[Press Release](#), Consumer Financial Protection Bureau, 10/01/15]

- **Westlake Services Was A Member Of The American Financial Services Association As Recently As August 2019.** [["Finance Company & Affiliate Member List August 2019,"](#) American Financial Services Association, August 2019]

The U.S. Chamber Of Commerce, "The World's Largest Business Association," Enlisted Thomas Durkin As Part Of Its Fight Against The Bill That Created The CFPB—The Group Commissioned Durkin To Conduct A Study And Then Cited Him In Congressional Testimony And An Official Statement Against The Legislation.

The U.S. Chamber Of Commerce, "The World's Largest Business Association," Commissioned A Study By Thomas Durkin As Part Of Its Opposition To The Legislation That Would Create The Consumer Financial Protection Bureau (CFPB), Citing Durkin In Congressional Testimony And In Its Official Statement Against The Creation Of The Bureau.

In September 2009, The U.S. Chamber Of Commerce, "The World's Largest Business Organization," Issued A Statement In Strong Opposition To H.R. 3126, The Legislation To Create The Consumer Financial Protection Bureau. "We oppose H.R. 3126, the Consumer Financial Protection Agency Act of 2009, because we believe it is the wrong way to enhance consumer protections and will have significant and harmful unintended consequences for consumers, for the business community, and for the overall economy." [[Statement on "The Proposed Consumer Financial Protection Agency \(CFPA\),"](#) The U.S. Chamber of Commerce, 09/23/09]

- **H.R. 3126 Was Folded Into The Wall Street Reform And Consumer Protection Act Of 2009.** "Following House committee markups on various bills addressing specific issues, then-Chairman Barney Frank of the House Committee on Financial Services introduced the Wall Street Reform and Consumer Protection Act of 2009 (H.R. 4173), incorporating elements of numerous previous bills. [...] Initially incorporated bills included H.R. 2609, H.R. 3126, H.R. 3269, H.R. 3817, H.R. 3818, H.R. 3890, and H.R. 3996." [Baird Webel, "[The Dodd-Frank Wall Street Reform and Consumer Protection Act: Background and Summary,](#)" 04/21/17]
- **The U.S. Chamber Of Commerce "Is The World's Largest Business Organization," With Membership That Includes "Leading Industry Associations And Large Corporations."** "The U.S. Chamber of Commerce is the world's largest business organization representing the interests of more than 3 million businesses of all sizes, sectors, and regions. Our members range from mom-and-pop shops and local chambers to leading industry associations and large corporations." [["About the U.S. Chamber of Commerce,"](#) U.S. Chamber of Commerce, accessed 01/10/20]

The U.S. Chamber Of Commerce Commissioned A Thomas Durkin Study On The "Potential Effect On Small Business Access To Credit"—It Prominently Cited The Study In Its Statement Against The Legislation To Create A Consumer Bureau. "We are particularly concerned that these unintended consequences may fall disproportionately upon small businesses. As such, the Chamber commissioned a study to examine the CFPA and its potential effect on small business access to credit, 'The Impact of the Consumer Financial Protection Agency on Small Businesses.' The study was authored by Thomas Durkin, an economist that spent more than 20 years at the Federal Reserve Board, serving as Senior Economist in the Division of Research and Statistics." [[Statement on "The Proposed Consumer Financial Protection Agency \(CFPA\),"](#) The U.S. Chamber of Commerce, 09/23/09]

The U.S. Chamber's Statement Said Thomas Durkin's Study "Concludes That The CFPA Would Create

Considerable New Risks To Lenders Of Regulatory Fines And Litigation From Extending Credit.”

“Taken together, Durkin concludes that the CFPA would create considerable new risks to lenders of regulatory

finances and litigation from extending credit. This would increase the cost to lenders of making credit available, and create pressure for lenders to raise prices on consumer credit products. Durkin also concludes that the CFPB would cause lenders to withdraw some credit products from the market.” [[Statement on “The Proposed Consumer Financial Protection Agency \(CFPA\)”](#), The U.S. Chamber of Commerce, 09/23/09]

In A September 2009 Congressional Hearing On The Legislation, A Lawyer Testifying On Behalf Of The U.S. Chamber Of Commerce Focused On Thomas Durkin’s Study, Claiming It Showed “Would Reduce Consumer Credit And Would Likely Increase The Cost Of Credit That Is Available.” In A September 2009 hearing on the legislation to create the Consumer Financial Protection Bureau, Andrew J. Pincus, A Partner for Mayer Brown LLP, testified on behalf of the U.S. Chamber of Commerce, “The Chamber opposes H.R. 3126 because it believes the bill will have significant and harmful unintended consequences for consumers, for the business community, and for the overall economy. Last week, the Chamber released a study by Thomas Durkin, an economist who spent 20 years at the Federal Reserve. He concluded that H.R. 2136 [sic] would reduce consumer credit and would likely increase the cost of credit that is available. Small businesses’ access to credit would be hurt as well.” [[“Perspectives on the Consumer Financial Protection Agency,”](#) Hearing of the House Financial Services Committee, 09/30/09]

Thomas Durkin Co-Authored An Article Disputing The Value Of The Equal Credit Opportunity Act (ECOA)—The Principal Federal Law To Prevent Discrimination In Lending—Arguing “Equal Credit Opportunity Legislation Probably Has Done Little To Enhance Credit Opportunities Overall.”

In 1989, Thomas Durkin Co-Authored An Article On The Equal Credit Opportunity Act (ECOA), The Principal Federal Antidiscrimination Law For Most Forms Of Lending.

In 1989, Thomas A. Durkin Co-Wrote An Article On The Equal Credit Opportunity Act (ECOA) Which Claimed That Studies About The Law’s Effects “Do Not Offer Any More Grounds For Optimism About The Law’s Impacts” Than Studies About The Law’s Theoretical Impacts. “In conclusion, although available statistical studies have merely touched the surface of the empirical questions raised by the Equal Credit Opportunity Act, they do not offer any more grounds for optimism about the law’s impacts than the theoretical ones do.” [Gregory E. Elliehausen and Thomas A. Durkin, [“Theory and Evidence of the Impact of Equal Credit Opportunity: An Agnostic Review of the Literature,”](#) *Journal of Financial Services Research*, Volume 2, Issue 2, June 1989]

- **From 1988 To 1998, Thomas Durkin Was “Regulatory Planning and Review Director in the Federal Reserve Office of the Secretary.”** “From 1988 to 1998 he was Regulatory Planning and Review Director in the Federal Reserve Office of the Secretary.” [[“Bios,”](#) Federal Trade Commission, 08/02/11]

“ECOA Is The Principle [sic] Federal Antidiscrimination Law” For All Forms Of Credit Beyond Home Mortgages And “Forbids Discrimination By Creditors On The Basis Of Characteristics Including Race, Color, Religion, National Origin, Sex, Marital Status, And Age.” “Enforcement of ECOA, which forbids discrimination by creditors on the basis of characteristics including race, color, religion, national origin, sex, marital status, and age, is the primary authority by which CFPB can meet that Congressional charge. Although the Fair Housing Act (FHA) provides complementary, robust protections against discrimination in home mortgage lending, ECOA is the principle [sic] federal antidiscrimination law applicable to all other forms of credit.” [[Letter from Josh Stein et. al. to Mick Mulvaney,](#) 09/05/18]

Thomas Durkin’s Article Claimed, “Equal Credit Opportunity Legislation Probably Has Done Little To Enhance Credit Opportunities Overall.”

Thomas Durkin's Paper Said, "Equal Credit Opportunity Legislation Probably Has Done Little To Enhance Credit Opportunities Overall." "Third, Equal Credit Opportunity legislation probably has done little to enhance credit opportunities overall. Although society has now given itself a club to use on creditors with tastes for discrimination, it has also, in effect, required each creditor's acceptance criteria to reflect characteristics of the firm's majority customers. Although Regulation B permits special credit programs for protected groups, little doubt exists that the law has complicated 'signaling' of creditworthiness by minorities." [Gregory E. Elliehausen and Thomas A. Durkin, "[Theory and Evidence of the Impact of Equal Credit Opportunity: An Agnostic Review of the Literature](#)," *Journal of Financial Services Research*, Volume 2, Issue 2, June 1989]

Thomas Durkin's Paper Claimed "There Is No Evidence" That ECOA Improved Credit Availability For Protected Classes And Dismissed The Law As Merely "A Monument To Principles."

Thomas Durkin's Paper Argued. "There Is No Evidence Currently Available That ECOA Has Actually Improved Credit Availability For Anyone," Even Claiming The Law Has "Raised Costs And Made Credit Evaluation More Bureaucratic."

Durkin's Paper Argued That "There Is No Evidence Currently Available That ECOA Has Actually Improved Credit Availability For Anyone" And It "Apparently Has Raised Costs And Made Credit Evaluation More Bureaucratic." "Even if Chandler and Ewert, and Shinkel, are not correct that ECOA has absolutely decreased credit availability for protected groups, ECOA apparently has raised costs and made credit evaluation more bureaucratic. And, unfortunately, there is no evidence currently available that ECOA has actually improved credit availability for anyone." [Gregory E. Elliehausen and Thomas A. Durkin, "[Theory and Evidence of the Impact of Equal Credit Opportunity: An Agnostic Review of the Literature](#)," *Journal of Financial Services Research*, Volume 2, Issue 2, June 1989]

Thomas Durkin's Article Dismissed ECOA's Role In "Profoundly Impacting Credit Availability" For Protected Classes. Saying The Law Merely "Stands As A Monument To Principles."

Durkin's Paper Concluded, "Rather Than Profoundly Impacting Credit Availability, The ECOA Stands As A Monument To Principles." [Gregory E. Elliehausen and Thomas A. Durkin, "[Theory and Evidence of the Impact of Equal Credit Opportunity: An Agnostic Review of the Literature](#)," *Journal of Financial Services Research*, Volume 2, Issue 2, June 1989]

Thomas Durkin Claimed It Was A "Mythology" To Call Small Lenders' High Interest Rates "Predatory"—Defending The Industry's Overhead Costs And "Costly Regulatory Compliance Needs."

Thomas Durkin Said It Was A "Mythology" To Say That "Installment Cash Loans With High APRs Are Necessarily Predatory."

Durkin Said It Was A "Mythology" To Say That "Installment Cash Loans With High APRs Are Necessarily Predatory." "Suitcase Number Two: Mythology That Installment Cash Loans with High APRs Are Necessarily Predatory." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#)," Mercatus Center of George Mason University, December 2016]

Thomas Durkin Defended Small Lenders' High Interest Rates By Citing Their Overhead Costs And The Increase Of "Costly Regulatory Compliance Needs."

Thomas Durkin Rationalized The Industry's High APRs By Detailing Its "Production Costs," Such As Rent, Personnel, And Office Supplies. "For small loans, the production cost per dollar of the loan looms large not in total but rather relative to the dollars of the loan. Much of the production cost arises because lenders must maintain lending locations, pay rent, employ personnel, and acquire office supplies and equipment with prices and amortizations. In addition, there are the cost [sic] of the lending capital itself and the cost of risk, which can also be substantial relative to the loan amount for small loans. Almost by definition, a borrower in need of a small loan is going to be a risky borrower." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#)," Mercatus Center of George Mason University, December 2016]

Thomas Durkin Explained That Increased "Costly Regulatory Compliance Needs" Have Offset Any Savings That Lenders Have Experienced Through "Office Automation." "Loans are still made from storefront offices with three to four employees. Underwriting, interviewing of borrowers, collections, management structure, and sources of funding remain the same as they have for decades. Office automation is used for record keeping, but costly regulatory compliance needs have increased, offsetting any cost savings there." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#)," Mercatus Center of George Mason University, December 2016]

Thomas Durkin Co-Authored A Study Justifying Interest Rates As High As 91.36%, Just So Industry Could "Break-Even"—He Said These Rates "Certainly Are Economically Justifiable" From The Perspective Of The Industry.

Thomas Durkin Co-Authored A Study On What Interest Rates Small Lenders Would Have To Charge Just To "Break-Even"—His Study Justified Interest Rates As High As 91.36%

Thomas Durkin Co-Authored A Study To "Calculate Break-Even APRs For Different Loan Sizes" To Demonstrate Costs Experienced By Small Lenders. "Durkin, Elliehausen, and Hwang constructed a series of APRs recommended by the NCCF [National Commission on Consumer Finance] as necessary for small loan lenders to produce loans of various sizes, with adjustments for inflation. Adjusting cost and loan-size dollars for inflation since the commission issued its report seems like a reasonable approach in this case because the industry has changed little. Thus, the NCCF estimated a \$370 fixed cost per loan (2013 dollars) plus a variable cost of about 11 percent of the loan amount for a one-year loan (the average loan term). This makes it possible to calculate break-even APRs for different loan sizes." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#)," Mercatus Center of George Mason University, December 2016]

- "At the direction of Congress in the Consumer Credit Protection Act, the same act that established Truth in Lending, a federal National Commission on Consumer Finance (NCCF) studied lending costs at length some decades ago." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#)," Mercatus Center of George Mason University, December 2016]

Durkin's Study Claimed That A \$739 Loan Should Have A 91.36% Interest Rate. "A \$739 loan has a break-even APR of 91.36 percent." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#)," Mercatus Center of George Mason University, December 2016]

Durkin's Study Claimed That A \$1,000 Loan Should Have A 77.86% Interest Rate. "A \$1,000 loan has a break-even APR of 77.86 percent." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#),"

Durkin's Study Claimed A \$2,100 Loan Should Have A 42% Interest Rate. "A \$2,100 loan has a break-even APR of 42.00 percent." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#)," Mercatus Center of George Mason University, December 2016]

Durkin Then Dismissed Claims That These High Interest Rates Are "Predatory" And Claimed They "Certainly Are Economically Justifiable" From The Perspective Of The Lender.

Durkin Then Argued "Whether These High APR Rates For Small Loans Are 'Predatory' Depends On The Viewpoint Of The Observer" And Claimed High Rates "Certainly Are Economically Justifiable."

"Whether these high APR rates for small loans are 'predatory' depends on the viewpoint of the observer. From the production side, they certainly are economically justifiable if cash installment loans of these sizes are to be available in the marketplace. From the consumer side, whether these rates are worth paying depends on how badly the individual needs or wants the lending service, the same as with the price of anything else. If the price is too high for a consumer's preference, the individual can refuse to pay it (or, for loans, refuse to borrow the amount and undertake the spending) or look for a lower-priced lending source." [Thomas A. Durkin, "[Baggage of Consumer Installment Cash Lending](#)," Mercatus Center of George Mason University, December 2016]

L. Jean Noonan Is A Partner At An Elite Financial Services Law Firm That Has Defended Clients Such As Payday Lenders, Installment Lenders, And Others In At Least 50 Investigations, Including Those Conducted By The CFPB.

L. Jean Noonan Is A Partner At Hudson Cook, LLP, Where She Counsels The Financial Industry And Represents Firms In "Government Investigations, Examinations, And Enforcement Actions Before Federal Agencies, Including The Consumer Financial Protection Bureau."

L. Jean Noonan Is A Partner At Hudson Cook, LLP, A Large Financial Services Law Firm, Focusing On "Consumer Financial Services, Fair Lending [...] And Consumer Protection Matters."

L. Jean Noonan Is A Partner In Hudson Cook, LLP's Washington, DC Office, Where She "Advises Clients On Consumer Financial Services, Fair Lending [...] And Consumer Protection Matters." "Jean is a partner in the firm's Washington, DC office. Jean advises clients on consumer financial services, fair lending, marketing, financial privacy, and consumer protection matters." ["[L. Jean Noonan](#)," Hudson Cook, LLP, accessed 01/10/20]

- **Hudson Cook, LLP "Focuses Its Practice On Banking, Consumer Financial Services And Privacy Law" In 13 Offices Nationwide.** "Established in 1997, Hudson Cook, LLP is a law firm that focuses its practice on banking, consumer financial services and privacy law, both state and federal, from its 13 offices across the country." ["[Overview](#)," Hudson Cook, LLP, accessed 01/10/20]

L. Jean Noonan "Counsels Financial Institutions" And "Represents Clients In Government Investigations, Examinations, And Enforcement Actions Before Federal Agencies, Including The Consumer Financial Protection Bureau."

L. Jean Noonan “Counsels Financial Institutions And Others In Complying With Laws Related To Consumer Credit, Privacy, Telemarketing, And Unfair Trade Practices.” [[L. Jean Noonan](#),” Hudson Cook, LLP, accessed 01/10/20]

L. Jean Noonan “Represents Clients In Government Investigations, Examinations, And Enforcement Actions Before Federal Agencies, Including The Consumer Financial Protection Bureau.” “Jean represents clients in government investigations, examinations, and enforcement actions before federal agencies, including the Consumer Financial Protection Bureau, Federal Trade Commission, and federal prudential regulators, and in other ancillary matters.” [[L. Jean Noonan](#),” Hudson Cook, LLP, accessed 01/10/20]

L. Jean Noonan Is In Hudson Cook, LLP’s “Government Investigations, Examinations And Enforcement” Practice Group, Which Has Defended Clients Such As Payday Lenders, Installment Lenders, And Others In At Least 50 Investigations, Including Those Conducted By The CFPB.

L. Jean Noonan Is In Hudson Cook, LLP’s “Government Investigations, Examinations And Enforcement” Practice Group, Which Has Defended Clients In “More Than 50 Government Investigations”...

L. Jean Noonan Is In Hudson Cook’s “Government Investigations, Examinations And Enforcement” Practice Group. [[L. Jean Noonan](#),” Hudson Cook, LLP, accessed 01/10/20]

The “Government Investigations, Examinations And Enforcement” Practice Group Has “Represented Clients In More Than 50 Government Investigations” Since 2012, Working To Achieve “Efficient Resolution Of Government Actions.” “Since 2012, we have represented clients in more than 50 government investigations. Our experience in consumer financial services regulation and our familiarity with state and federal regulatory agencies help us work towards efficient resolution of government actions.” [[Government Investigations, Examinations And Enforcement](#),” Hudson Cook, LLP, accessed 01/10/20]

...Including CFPB Actions Against Small Dollar Lenders, Installment Lenders, Mortgage Industry Firms, Auto Finance Companies, And Auto Title Companies.

The “Representative Engagements” Of Hudson Cook, LLP’s Government Investigations, Examinations And Enforcement Practice Include:

- “a CFPB investigation of a large installment lender that was closed with no action;”
- “a CFPB investigation regarding mortgage advertising claims that resulted in no action;”
- “an FTC investigation involving online lead generation that was closed with no action;”
- “a State AG investigation of an installment lender that was closed with no action.”
- “Defending CFPB district court litigation against an auto finance company relating to military lending practices;”
- “Defending a mortgage company in CFPB litigation to enforce a Civil Investigative Demand;”
- “Defending auto title companies in CFPB administrative adjudications;”

- “Drafting CFPB PARR responses for auto finance companies, small dollar lenders, and others, in some cases resulting in no public action and the elimination of supervisory findings;”
- “Assisting banks and service providers in preparing for and responding to OCC, Federal Reserve Board, FDIC, and state prudential regulators’ exams;”
- “Assisting clients in preparing for and navigating CFPB exams”

[“[Government Investigations, Examinations And Enforcement](#),” Hudson Cook, LLP, accessed 01/10/20]

L. Jean Noonan Represented Freedom Stores, Inc. And Its Affiliates In A \$2.6 Million Settlement With The CFPB And Two Attorneys General For “Illegal Debt Collection Practices” Against Members Of The Armed Services—including “Using The Military Chain Of Command To Pressure And Humiliate Servicemembers.”

L. Jean Noonan Represented Freedom Stores, Inc. And Its Affiliates In A \$2.6 Million Settlement With The CFPB And Two State Attorneys General For Allegations They Engaged In “Illegal Debt Collection Practices” Against Military Servicemembers.

In December 2014, The Consumer Financial Protection Bureau (CFPB) And Attorneys General From North Carolina And Virginia Accused Freedom Stores, Inc. And Its Affiliates Of Engaging In “Illegal Debt Collection Practices” Against Servicemembers, “Including Filing Illegal Lawsuits, Debiting Consumers’ Accounts Without Authorization, And Contacting Servicemembers’ Commanding Officers.” “The Consumer Financial Protection Bureau (CFPB) and the Attorneys General of North Carolina and Virginia took action today to protect military servicemembers from illegal debt collection practices. The CFPB alleges that Freedom Stores, Inc., Freedom Acceptance Corporation, and Military Credit Services LLC used illegal tactics to collect debts, including filing illegal lawsuits, debiting consumers’ accounts without authorization, and contacting servicemembers’ commanding officers.” [[Press Release](#), Consumer Financial Protection Bureau, 12/18/14]

The CFPB And Attorneys General Filed A Consent Order Requiring Freedom Stores, Inc. And Its Affiliates To Pay “Over \$2.5 Million In Consumer Redress And To Pay A \$100,000 Civil Penalty.” “The CFPB and the states filed a consent order in federal court to require the three companies and their owners and chief officers, John Melley and Leonard Melley, Jr. to provide over \$2.5 million in consumer redress and to pay a \$100,000 civil penalty.” [[Press Release](#), Consumer Financial Protection Bureau, 12/18/14]

L. Jean Noonan Represented Freedom Stores, Inc. And Its Affiliates In The Case:

FOR DEFENDANTS:

By:



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John F. Melley, and Leonard B. Melley, Jr.

[\[Stipulated Final Judgment and Order\]](#), Consumer Financial Protection Bureau et al. v. Freedom Stores, Inc. et al., 12/18/14]

Then-Director Richard Cordray Said Freedom Stores, Inc. And Its Affiliates Were “Using The Military Chain Of Command To Pressure And Humiliate Servicemembers.” Withdrawing From Consumers’ Bank Accounts “Without Permission.” And “Filing Thousands Of Lawsuits In Virginia Against Consumers Not From There.”

Former CFPB Director Richard Cordray “Freedom Stores And Its Affiliated Companies Were Filing Thousands Of Lawsuits In Virginia Against Consumers Not From There, Taking Money From Some Consumers’ Bank Accounts Without Permission, And Using The Military Chain Of Command To Pressure And Humiliate Servicemembers.” “Our nation’s servicemembers deserve better than to be targeted with illegal collections tactics when they are struggling to pay their bills,” said CFPB Director Cordray. “Freedom Stores and its affiliated companies were filing thousands of lawsuits in Virginia against consumers not from there, taking money from some consumers’ bank accounts without permission, and using the military chain of command to pressure and humiliate servicemembers. Today’s action sends a clear message that the Consumer Bureau will continue to aggressively defend the rights of servicemembers and all consumers.”

[\[Press Release\]](#), Consumer Financial Protection Bureau, 12/18/14]

L. Jean Noonan Represented Nissan Motor Acceptance Corporation (Nissan MAC) In A \$3 Million Settlement With The U.S. Department Of Justice Over Charges It Repossessed Servicemembers’ Vehicles Without Court Orders And Refusing To Refund Lease Payments To Which They Were Entitled.

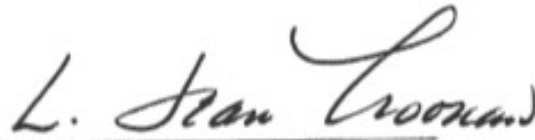
L. Jean Noonan Represented Nissan Motor Acceptance Corporation (Nissan MAC) In A \$3 Million Settlement With The U.S. Department Of Justice For Allegations It Violated The Servicemembers Civil Relief Act (SCRA).

In August 2019, The U.S. Department Of Justice Announced A \$3 Million Settlement With Nissan Motor Acceptance Corporation (Nissan MAC) Over Allegations That It Violated The Servicemembers Civil Relief Act (SCRA). “The Department of Justice announced today that Nissan Motor Acceptance Corporation (Nissan MAC) has agreed to pay \$3 million to resolve allegations that it violated the Servicemembers Civil Relief Act (SCRA). The suit alleges that Nissan MAC repossessed 113 vehicles owned by SCRA-protected servicemembers without first obtaining the required court orders, and failed to refund up-front capitalized cost reduction (CCR) amounts to servicemembers who lawfully terminated their motor vehicle leases early after receiving military orders.” [[Press Release](#), U.S. Department of Justice, 08/01/19]

L. Jean Noonan Represented Nissan MAC In The Settlement:

For Nissan Motor Acceptance Corporation:

Dated: 8/1/2019



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[[Settlement Agreement](#), U.S. v. v. Nissan Motor Acceptance Corp., N.A., L.L.C, 08/01/19]

Nissan MAC Allegedly Repossessed More Than 113 Servicemembers' Vehicles Without A Required Court Order And Failed To Refund Servicemembers' Upfront Payments For Their Leases. Such As The Value Of Any Vehicles They May Have Traded In To Reduce Their Monthly Payments.

The Lawsuit Alleged That Nissan MAC “Repossessed At Least 113 Servicemembers' Vehicles Without A Court Order And Failed To Refund Certain Upfront Payments After Many Service Members Terminated Their Leases.” “The lawsuit alleged that Nissan repossessed at least 113 service members' vehicles without a court order and failed to refund certain upfront payments after many service members terminated their leases, as required by law.” [Holly Baker, “[Cash settlement for troops whose cars were repossessed](#),” *Military Times*, 08/06/19]

- **The SCRA Prohibits Companies From Repossessing Active Servicemembers' Vehicles Without A Court Order If They Have Made An Installment Payment Or Deposit On Their Lease Before Entering Service.** “The SCRA prohibits repossessing a motor vehicle from a servicemember during military service without a court order if the individual made a deposit or installment payment on the loan before entering military service. The SCRA also permits servicemembers to terminate motor vehicle leases early without penalty after entering military service or receiving qualifying military orders for a permanent change of station or to deploy.” [[Press Release](#), U.S. Department of Justice, 08/01/19]

Nissan MAC Allegedly Failed To Refund “Initial Payments, Including The Value Of A Trade-In, Intended

To Reduce The Cost Of Financing.” “The amounts the government contended Nissan failed to refund were

capitalized cost reduction (CCR) payments, which are initial payments, including the value of a trade-in, intended to reduce the cost of financing.” [Holly Baker, “[Cash settlement for troops whose cars were repossessed](#),” *Military Times*, 08/06/19]

Nissan MAC Claimed Those Initial Payments “Do Not Qualify As ‘Lease Amounts’ That Need To Be Refunded” To Servicemembers Under The SCRA. “Nissan argued that those payments do not qualify as ‘lease amounts’ that need to be refunded under the law. Nonetheless, Nissan revised its policy effective November 2018 to conform to the government’s interpretation, according to the settlement.” [Holly Baker, “[Cash settlement for troops whose cars were repossessed](#),” *Military Times*, 08/06/19]

L. Jean Noonan Is “A Founding Member” And President-Elect Of The American College Of Consumer Financial Services Lawyers (ACCFSL), An Elite Association Of Attorneys “Particularly Skilled And Experienced In Handling Consumer Financial Services Matters.”

L. Jean Noonan Is “A Founding Member” And President-Elect Of The American College Of Consumer Financial Services Lawyers (ACCFSL) And Has Held Other Leadership Roles For The Elite Legal Association.

L. Jean Noonan Is President-Elect And “Founding Member” Of The American College Of Consumer Financial Services Lawyers (ACCFSL) And Served As “Treasurer, Secretary And Chair” For The Group’s Lifetime Achievement Award And Writing Award Committees. [“[About the College](#),” American College Of Consumer Financial Services Lawyers, accessed 01/13/20]

- L. Jean Noonan “serves as President-Elect and has served as Treasurer, Secretary and Chair to the ACCFSL’s [American College of Financial Services Lawyer’s] Lifetime Achievement Award Committee and the Writing Competition Committee.” [“[L. Jean Noonan](#),” Hudson Cook, LLP, accessed 01/10/20]
- “Jean Is A Founding Member Of The American College Of Consumer Financial Services Lawyers (ACCFSL).” [“[L. Jean Noonan](#),” Hudson Cook, LLP, accessed 01/10/20]

ACCFSL Is “A Professional Association Of Lawyers Particularly Skilled And Experienced In Handling Consumer Financial Services Matters.” “Founded in 1996, The American College of Consumer Financial Service Lawyers, Inc. is a professional association of lawyers particularly skilled and experienced in handling consumer financial services matters and dedicated to the improvement and enhancement of the skill and practice of consumer financial services law and the ethics of the profession.” [“[About the College](#),” American College Of Consumer Financial Services Lawyers, accessed 01/13/20]

“Invitation Is By Membership Only, And Is Limited To Those Lawyers Whose Principal Practice Is In The Field Of Consumer Financial Services Law, And Who Have Achieved Preeminence In The Field.” [“[Press Release](#),” Ballard Spahr LLP, 04/16/18]

William C. MacLeod Has Defended Financial Trade Associations And The Debt Collection Industry Against “Onerous Regulations” And Both State and Federal Investigations.

William C. MacLeod Has Defended Financial Trade Associations And Companies Against “Onerous Regulations.”

As Chair Of Kelley Drye & Warren’s Antitrust And Competition Practice Group, William C. MacLeod Has Defended Trade Associations And Financial Companies Against “Onerous Regulations.”

William C. MacLeod Is A Partner At Kelley Drye & Warren LLP Where He Chairs Its Antitrust And Competition Practice Group. “William MacLeod is a Partner in Kelley Drye & Warren LLP’s Washington, D.C., and Chicago offices and Chair of the Antitrust and Competition practice group. A former Bureau Director at the U.S. Federal Trade Commission (FTC), Mr. MacLeod focuses his practice on competition law, trade regulation, advertising, privacy and security.” [[“William C. MacLeod Esq.”](#), Bloomberg Industry Group, accessed 01/17/19]

William C. MacLeod Has Defended Trade Associations And Financial Companies Against “Onerous Regulations.” “In his work with trade associations and their members, he has fought onerous regulations and advocated sensible policies on competition, biotechnology, health and privacy. In his work on privacy and security, he has defended the practices of major retailers, manufacturers and financial companies.” [[“William C. MacLeod Esq.”](#), Bloomberg Industry Group, accessed 01/17/19]

One of William MacLeod’s Practice Areas At Kelley Drye & Warren – Consumer Financial Protection Regulation – Has Represented The Debt Collection Industry In Various CFPB And FTC Investigations.

Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Group Has Represented The Debt Collection Industry – Including “One Of The Largest Debt Collection Agencies” – In CFPB And FTC Investigations.

Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Group Has “Represented One Of The Largest Debt Collection Agencies To Settle FTC Allegations That The Company’s Collection Techniques Violated The FTC Act And FDCPA. [[“Consumer Financial Protection Regulation,”](#) Kelley Drye & Warren, accessed 01/22/20]

Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Group Has “Represented A Major Third-Party Servicer In A Confidential Investigation Before The CFPB.” [[“Consumer Financial Protection Regulation,”](#) Kelley Drye & Warren, accessed 01/22/20]

Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Group “Represented Numerous Credit Counseling Companies As Defendants That Resulted In Settlement Of FTC And State Attorneys General Allegations Regarding Unfair And Deceptive Practices In The Offering Of Credit Counseling And Debt Management Programs.” [[“Consumer Financial Protection Regulation,”](#) Kelley Drye & Warren, accessed 01/22/20]

Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Group “Advise[d] A Peer-To-Peer Lending Platform On FCRA And TILA Compliance.” [[“Consumer Financial Protection Regulation,”](#) Kelley Drye & Warren, accessed 01/22/20]

Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Group Has “Represent[ed] [A] Debt Portfolio Management Company Regarding Information Requests Under Section 6(B) Of The FTC Act.” [[“Consumer Financial Protection Regulation,”](#) Kelley Drye & Warren, accessed 01/22/20]

Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Area Has Also Helped The Debt Collection Industry Create A “Self-Regulatory Program.”

Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Group “Assisted An Association Of Credit And Collection Professionals In The Development Of A Self-Regulatory Program For The Debt Collection Industry.” [[Consumer Financial Protection Regulation](#),” Kelley Drye & Warren, accessed 01/22/20]

William MacLeod Is A Primary Contact For The “Consumer Financial Protection Regulation” Practice At Kelley Drye & Warren.

William MacLeod’s Practice Areas Include “Consumer Financial Protection Regulation.” [[William C. MacLeod](#),” Kelley Drye & Warren LLP, accessed 01/22/20]

William MacLeod Also Serves As A Primary Contact For Kelley Drye & Warren’s Consumer Financial Protection Regulation Practice Group. [[Consumer Financial Protection Regulation](#),” Kelley Drye & Warren, accessed 01/22/20]

CONSUMER FINANCIAL PROTECTION REGULATION

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[[Consumer Financial Protection Regulation](#),” Kelley Drye & Warren, accessed 01/22/20]

William MacLeod’s Law Firm, Kelley Drye & Warren, Has Represented A “Sub-Prime Lender” Against Lawsuits From Federal And State Authorities And Against Class Actions.

Kelley Drye & Warren Has Represented A “Sub-Prime Lender” In Litigation From The Federal Trade Commission [FTC], Six State Attorneys General, And Against Class Action Lawsuits.

Kelley Drye & Warren “Represented A Sub-Prime Lender In Litigation Filed By The FTC, Six State Attorneys General, AARP And Related Consumer Class Actions.” [[State Attorneys General](#),” Kelley Drye & Warren, accessed 01/22/20]

William MacLeod Represented Office Depot In A \$25 Million Federal Trade Commission Settlement Over Claims The Company “Conned Customers Into Paying Millions To Resolve Malware Problems That Often Didn’t Exist.”

William MacLeod Represented Office Depot During A \$25 Million Settlement With The FTC After It Allegedly “Conned Customers Into Paying Millions To Resolve Malware Problems That Often Didn’t Exist.”

In March 2019, William MacLeod Represented Office Depot After It Was Sued For Allegedly “Conn[ing] Customers Into Paying Millions To Resolve Malware Problems That Often Didn’t Exist” – Office Depot Settled This Case For \$25 Million And Its Tech Support Provider Separately Agreed To \$10 Million.

“Office Depot will shell out \$25 million and its tech support software provider will pay \$10 million to end a Federal Trade Commission suit alleging they conned customers into paying millions to resolve malware problems that often didn’t exist, the FTC announced Wednesday. The FTC had alleged Florida-based Office Depot Inc. and California-based Support.com deceptively told customers they found malware symptoms on the customers’ computers despite the fact they were not actually scanning their computers for malware, according to the complaint.” [[“Office Depot Inks \\$25M Deal With FTC Over Computer Repairs,” Law360, 03/27/19](#)]

- **“William MacLeod Of Kelley Drye & Warren, Along With Katrina Lindsey, Senior Vice President And Deputy GC At Office Depot, Represented The Company In The Case.”** [[“FTC Settlement: Office Depot Could Have Saved \\$25M by Heeding Employees’ Concerns,” Yahoo Finance, accessed 01/22/20](#)]

For Settling Defendant:



William MacLeod, Esq.
Kelley Drye & Warren LLP
Washington Harbour
3050 K Street NW, Suite 400
Washington, DC 20007
COUNSEL for Office Depot, Inc.

Date: 2/18/19

[[Stipulated Order for Permanent Injunction and Monetary Judgment](#), Federal Trade Commission v. Office Depot, Inc. and Support.com, 03/29/19]

Office Depot And Its Tech Support Provider Offered Customers Free Computer Check-Ups As A Way To “Aggressively Sell Diagnostic And Repair Services To Customers That, In Many Cases, They Didn’t Need.”

The FTC Alleged That For At Least 7 Years, Office Depot And Support.com Offered Customers Free Computer Check-ups As A Means To “Aggressively Sell Diagnostic And Repair Services To Customers That, In Many Cases, They Didn’t Need.” “Although not admitting any wrongdoing, Office Depot and California-based Support.com have agreed to pay \$35 million to settle the claim that they deceived customers into believing their computers were infected with malicious malware and vulnerable to other security threats. [...] The FTC alleged that from at least 2009 to late 2016, the companies would offer customers a free ‘PC Health Check Program’ to determine if their computers had any performance problems. But the real purpose was to aggressively sell diagnostic and repair services to customers that, in many cases, they didn’t need, according to Claire Wack, the FTC’s lead attorney on the case.” [Michelle Singletary, [“Office Depot and Support.com to pay \\$35 million to settle charges of tech support scam,” The Washington Post, 03/28/19](#)]

[...] The FTC alleged that from at least 2009 to late 2016, the companies would offer customers a free ‘PC Health Check Program’ to determine if their computers had any performance problems. But the real purpose was to aggressively sell diagnostic and repair services to customers that, in many cases, they didn’t need, according to Claire Wack, the FTC’s lead attorney on the case.” [Michelle Singletary, [“Office Depot and Support.com to pay \\$35 million to settle charges of tech support scam,” The Washington Post, 03/28/19](#)]

Complaints About These Sales Tactics Even Came From Office Depot’s Own Employees. With One Writing, “I Cannot Justify Lying To A Customer Or Being TRICKED Into Lying To Them For Our Store To Make A Few Extra Dollars.”

Even Office Depot Employees Complained About Their Company's Tactics, Including One Employee Who Wrote, "I Cannot Justify Lying To A Customer Or Being TRICKED Into Lying To Them For Our Store To Make A Few Extra Dollars." "To their credit, it appears that some Office Depot employees complained about the ruse, the FTC lawsuit said. 'I cannot justify lying to a customer or being TRICKED into lying to them for our store to make a few extra dollars,' one employee wrote to OfficeMax's corporate management. In 2013, one Office Depot employee told the Florida attorney general's office that the company was using a software program that 'will make consumers believe their computer has a virus,' according to the FTC. A year later, yet another employee told management that the PC checkup program 'finds malware symptoms but independent scans reveal no issues.'" [Michelle Singletary, "[Office Depot and Support.com to pay \\$35 million to settle charges of tech support scam](#)," *The Washington Post*, 03/28/19]

William MacLeod Has Criticized Efforts To Regulate Advertisements, Even Calling Such Efforts An "Abundance Of Reckless Regulation That Suppresses Information, Restricts Competition And Stifles Innovation" While He Led Consumer Protection At The FTC.

In 2006, William MacLeod Criticized Efforts To Regulate Food Advertisements As A Method To Combat Obesity—He Complained Consumer Advocates Were "Targeting Marketers," "Threatening Litigation," And "Massive Fines And Crippling Injunctions."

In February 2006, William Macleod wrote an op-ed criticizing efforts to regulate the advertisement of food in order to end obesity, complaining consumer advocates were "targeting marketers one by one, threatening litigation, ugly publicity, massive fines and crippling injunctions." "Today, we hear politicians saying that if marketers don't do something about obesity, government should do something about marketing. And the tactics of the advocates are different. They are not asking a federal agency to draft new advertising rules. They are targeting marketers one by one, threatening litigation, ugly publicity, massive fines and crippling injunctions. The prospect of this ordeal will be too much for some marketers to bear. [...] A comprehensive review of the evidence is just in, from an Institute of Medicine committee that studied marketing and obesity. The experts' conclusion was surprisingly consistent with the FTC's old assessment: the evidence does not support the proposition that advertising causes obesity." [William MacLeod, "Does Advertising Make Us Fat? No!," *BrandWeek.com*, 02/20/06]

While Director Of The FTC's Bureau Of Consumer Protection In 1988, William MacLeod Criticized Efforts To Regulate The Advertising Industry As Leading To An "Abundance Of Reckless Regulation That Suppresses Information, Restricts Competition And Stifles Innovation" ...

While Director Of The FTC's Bureau Of Consumer Protection In 1988, William MacLeod defended the advertising industry in an article complaining about the "abundance of reckless regulation that suppresses information, restricts competition and stifles innovation." "The advertising industry has indeed come under a shadow, not from an abundance of misleading ads, but from an abundance of reckless regulation that suppresses information, restricts competition and stifles innovation. The shadow lengthens everytime the industry surrenders a right to communicate truthful information. But it is the consumer, more than the advertiser, who is left in the dark." [William MacLeod, "FTC Official Questions Consumer Suspicion," *AdWeek*, 10/31/88]

- **William MacLeod Was Director Of The FTC's Bureau of Consumer Protection At This Time.** [[Linkedin Profile for William MacLeod](#), accessed 02/26/20]

...William MacLeod Also Complained About “A New Wave Of Consumer Protectors On The Prowl.”

William Macleod Complained That “A New Wave Of Consumer Protectors On The Prowl” And “A Growing Number Of Government Lawyers Are Writing Ad Copy Rather Than Drafting Legal Briefs.” “On the other hand, there is evidence of a new wave of consumer protectors on the prowl. Whether consumers like it or not, a growing number of government lawyers are writing ad copy rather than drafting legal briefs. How have the new consumer protectors done?” [William MacLeod, “FTC Official Questions Consumer Suspicion,” *AdWeek*, 10/31/88]