

UNITED STATES OF AMERICA  
Before the  
BUREAU OF CONSUMER FINANCIAL PROTECTION

ADMINISTRATIVE PROCEEDING  
File No. 2015-CFPB-0029

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In the Matter of )  
INTEGRITY ADVANCE, LLC, and ) ORDER DIRECTING PARTIES  
JAMES R. CARNES ) TO RESPOND  
)  
)

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On March 14, 2018, I signed an Order that directed the Bureau's Office of Administrative Adjudication to maintain the current status of this matter. As a result, the 90-day period within which the "Director's final decision" must issue has not commenced. *See id.* 12 C.F.R. § 1081.405. As I explained in that Order, although the D.C. Circuit's *en banc* decision in *PHH Corp. v. CFPB*, 881 F.3d 75 (D.C. Cir. 2018), reversed some parts of the panel's decision, it reinstated the portion on which Respondents based their statute of limitations argument. *See id.* at 83. In their appeal, Respondents also argued that the administrative law judge who presided over their administrative trial had not been constitutionally appointed. The same issue was raised by the petitioners in *PHH*, but the D.C. Circuit declined to address it. *Id.* In my Order, I noted that the Supreme Court had agreed to address that issue, and that its decision would likely be relevant to Respondents' argument. The Supreme Court has now addressed the issue in *Lucia v. SEC*, No. 17-130, 2018 WL 3057893 (S. Ct. June 21, 2018). The Court held that the ALJ who presided over the SEC's administrative proceeding was an inferior officer, and that he had not been appointed in a manner required by the Appointments Clause of the Constitution.

Accordingly, I direct that, within 30 days of the date this order is issued, the Bureau's Enforcement counsel and Respondents file a joint statement of no more than 20 pages in length regarding further proceedings in this matter. The statement should address the applicability of *PHH* and *Lucia* to this proceeding, and should also address whether there is any possibility that this matter may be resolved through settlement. If the parties are unable to agree as to any of these matters, they may set forth their respective positions.

SO ORDERED.

  
Mick Mulvaney  
Acting Director  
Bureau of Consumer Financial Protection

   
July 10, 2018

**CERTIFICATE OF SERVICE**

I hereby certify that I have served a true and correct copy of the *Order Directing Parties to Respond* upon the following parties and entities in Administrative Proceeding 2015-CFPB-0029 as indicated in the manner described below:

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Jameelah  
Morgan

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**Jameelah Morgan**  
**Docket Clerk**  
**Office of Administrative Adjudication**  
**Bureau of Consumer Financial Protection**

Signed and dated on this 12<sup>th</sup> day of July, 2018 at  
Washington, D.C.