

UNITED STATES OF AMERICA
Before the
BUREAU OF CONSUMER FINANCIAL PROTECTION

ADMINISTRATIVE PROCEEDING
File No. 2015-CFPB-0029

JOINT STATUS UPDATE

On June 3, 2019, Administrative Law Judge (ALJ) Christine L. Kirby ordered the parties to confer and submit a joint statement by June 21, 2019, addressing three questions: (1) what are the current charges against Respondents, (2) is settlement now a possibility, and (3) if settlement is not a possibility, what preliminary issues need to be addressed before proceeding to a formal hearing. The parties submitted a joint statement on June 19, 2019, stating that Enforcement Counsel intends to pursue all charges set forth in the November 18, 2015 Notice of Charges and requesting an extension so the parties could discuss settlement. On June 24, 2019, ALJ Kirby granted the parties an extension and ordered them to submit a joint status update by July 19, 2019.

The parties' settlement discussions have been unsuccessful and there does not appear to be a possibility of settlement at this moment. Therefore, the parties have conferred to identify preliminary issues that need to be addressed before proceeding to any formal hearing in this matter.

Process and Record. The parties seek from the ALJ a determination of the current status of the record and the pre-hearing process that will be available to the parties. Enforcement Counsel believes that the pre-hearing factual record is largely complete. Respondents disagree. Respondents intend to seek additional discovery in this matter in accordance with 12 C.F.R. § 1081.206 - § 1081.210 and other provisions as applicable, which Enforcement Counsel may oppose. Respondents have recently engaged new counsel who are developing the scope of discovery requests. Given these issues, and to provide Respondents' appropriate time to prepare, the parties request a Scheduling Hearing, as described in the 'Scheduling' section below. The parties intend to confer and identify any parts of the record to which they can stipulate.

Dispositive Motions. Before any public hearing, the parties intend to file dispositive motions. Enforcement Counsel intends to move for summary disposition under 12 C.F.R. § 1081.212(c) for all claims asserted in the Notice of Charges. Respondents intend to file a motion to dismiss the Notice of Charges and/or for summary disposition pursuant to 12 C.F.R. § 1081.212.

Scheduling. The parties request that the ALJ hold a scheduling conference as authorized by 12 C.F.R. § 1081.203(b) on or after August 16, 2019 to establish any process that should occur before any public hearing and set deadlines as appropriate.

Respectfully submitted,

*Attorneys for Plaintiff
Bureau of Consumer Financial Protection*

CARA PETERSEN
Acting Enforcement Director

/s/ Richard Zack

Richard Zack, Esq.
zackr@pepperlaw.com
215-981-4726

DEBORAH MORRIS
Deputy Enforcement Director

ALUSHEYI J. WHEELER
Assistant Litigation Deputy

Michael A. Schwartz, Esq.
schwarma@pepperlaw.com
215-981-4494

/s/ Benjamin J. Clark
Stephen C. Jacques
Enforcement Attorney
stephen.jacques@cfpb.gov
202-435-7368

Christen Tuttle, Esq.
tuttlec@pepperlaw.com
215-981-4285

Benjamin J. Clark
Enforcement Attorney
benjamin.clark@cfpb.gov
202-435-7871

Pepper Hamilton LLP
3000 Two Logan Square
Philadelphia, PA 19103

Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

*Attorneys for Respondents
Integrity Advance, LLC, and
James R. Carnes*

Enforcement Counsel

CERTIFICATE OF SERVICE

I hereby certify that on the 19th day of July 2019, I caused a copy of the foregoing Joint Status Update to be filed by electronic transmission (email) with the Office of Administrative Adjudication (CFPB_electronic_filings@cfpb.gov), and served by email on Respondents' counsel at the following addresses:

Richard Zack, Esq.
zackr@pepperlaw.com

Michael A. Schwartz, Esq.
schwarma@pepperlaw.com

Christen Tuttle, Esq.
tuttlec@pepperlaw.com

Allyson B. Baker, Esq.
abbaker@venable.com

Joanna P. Boyd, Esq.
jpboyd@venable.com

Danielle R. Foley, Esq.
drfoley@venable.com

Peter S. Frechette, Esq.
psfrechette@venable.com

Andrew T. Hernacki, Esq.
athernacki@venable.com

Hillary S. Profita, Esq.
hsprofita@venable.com

Christine E. White, Esq.
cewhite@venable.com

/s/ Benjamin J. Clark
Benjamin J. Clark