

[Banking and Finance Law Daily Wrap Up, CONSUMER FINANCIAL PROTECTION BUREAU—D.D.C.: Nexus Services agrees to enforcement of CFPB's civil investigative demand, \(Dec. 6, 2018\)](#)

Banking and Finance Law Daily Wrap Up

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By [J. Preston Carter, J.D., LL.M.](#)

Nexus Services, Inc., and Libre by Nexus, Inc., have entered into a stipulation and proposed order with the Consumer Financial Protection Bureau, in the U.S. District Court for the District of Columbia, granting the Bureau's petition to enforce its civil investigative demand and dismissing their claims against the Bureau ([Consumer Financial Protection Bureau v. Nexus Services, Inc.](#), Dec. 4, 2018, Jackson, A.).

According to Libre, a subsidiary of Nexus Services, it is the largest and most successful for-profit program providing services for persons detained in immigration proceedings in the United States. One of its services is to assist its clients in securing bonds through licensed and regulated bond companies.

CID. On Aug. 22, 2017, the CFPB served the companies with a CID. According to the Bureau, the purpose of the investigation was to determine whether persons who provide products or services related to bonds posted on behalf of detainees are extending credit or offering to extend credit and, if so, whether those persons have committed unfair, deceptive, or abusive acts or practices in connection with the marketing or selling of the products or services (see [Banking and Finance Law Daily](#), Oct. 20, 2017).

Complaint to set aside. On Oct. 25, 2017, Nexus and Libre filed a [complaint](#) against the Bureau arguing that the CID is premised on the mistaken belief that Libre provides or extends credit to consumers. The complaint claimed that the CID is invalid for three reasons: (1) the CID is a product of the CFPB, an unconstitutionally structured agency, and therefore unenforceable; (2) the CFPB lacks jurisdictional supervisory and enforcement authority over the companies because they do not offer or provide consumer financial products or services; and (3) the CID is excessively vague and overbroad.

Petition to enforce. The CFPB filed a petition on Oct. 30, 2017, asking the court to enforce the CID, claiming that the CID is within the Bureau's authority, it seeks reasonably relevant information, and it is neither too indefinite nor unduly burdensome (see [Banking and Finance Law Daily](#), Nov. 13, 2017).

Stipulation and order. The stipulation and proposed order grants the Bureau's petition and notes that the court retains jurisdiction to enforce the terms of the CID. It also states that the dismissal has claim-preclusive but not issue-preclusive effect, and that Nexus may assert any of the issues contained in its complaint in any future action on other claims.

This case is [No. 1:17-cv-02215-ABJ](#) and [No. 1:17-cv-02238-ABJ](#).

Attorneys: David A. King Jr., Hai Binh T. Nguyen for CFPB. Mary Donne Peters (Gorby Peters Law), Anthony Francis Troy (Eckert Seamans Cherin & Mellott, LLC), Jeffrey P. Brundage (Eckert Seamans Cherin & Mellott, LLC) for Nexus Services, Inc., and Libre by Nexus, Inc.

Companies: Nexus Services, Inc.; Libre by Nexus, Inc.

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