

UNITED STATES OF AMERICA
BEFORE THE CONSUMER FINANCIAL
PROTECTION BUREAU

IN THE MATTER OF
NEXUS SERVICES, INC. and
LIBRE BY NEXUS, INC.

PETITION TO SET ASIDE OR MODIFY CIVIL INVESTIGATIVE DEMAND

INTRODUCTION

On August 22, 2017 the Consumer Financial Protection Bureau (“CFPB”) served Nexus Services, Inc. (“Nexus”) and Libre by Nexus, Inc. (“Libre”), with a civil investigative demand (the “CID”) in asserting its purported authority under 12 C.F.R. § 1080.6 and 12 U.S.C. § 5562. Respondents, pursuant to 12 C.F.R. § 1080.6(e) and 12 U.S.C. § 5562(f), hereby petition to set aside or modify the CID.

The CFPB should set aside the CID on numerous grounds. First, the CFPB itself is unconstitutionally structured. The CFPB's structure, an agency with a single director removable by the President only for cause, is wholly inconsistent with Article II of the Constitution. The U.S. Court of Appeals for the District of Columbia held as such in PHH Corp. v. Consumer Fin. Prot. Bureau, 839 F.3d 1 (D.C. Cir. 2016).¹ Because the CFPB is unconstitutionally structured, the CID is void.

Second, the CID should be set aside because the CFPB lacks supervisory and enforcement authority over Respondents. 12 U.S.C. § 5517(f)(1); 12 U.S.C. § 5531(a). The CFPB has authority to prevent a covered person or service provider from committing or engaging in an unfair, deceptive, or abusive act or practice under Federal law in connection with any transaction with a consumer for a “consumer financial product or service,” or the offering of a consumer financial product or service. Respondents (1) are not a “covered person”; and (2) Respondents do not offer or provide “consumer financial products or services, and therefore, are not subject to the demands of the CFPB, including the CID.

¹ The Court of Appeals vacated this ruling pending a rehearing *en banc* which was argued on May 24, 2017.

Third, the CID should be set aside because it is excessively vague and overbroad. A CID must “state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.” 12 U.S.C. § 5562(c)(2); see also U.S. v. Morton Salt Co., 338 U.S. 632, 652 (1950). Here, the CID targets “persons” who may provide “services” to bonding companies. The CID does not provide Respondents proper notice as to the subject of the investigation, and therefore, the CID should be set aside.

Alternatively, if the CFPB Director finds all three above grounds insufficient, the CFPB should modify its CID to ease the excessive burden its production requests would place on Nexus.

BACKGROUND

Respondent Nexus Services, Inc. was incorporated in the state of Virginia on December 30, 2013. All of its immigration bond securitization services are provided by Respondent Libre by Nexus, Inc., which is a subsidiary of Nexus Services, Inc. Respondents assist detained persons in obtaining immigration bonds. These immigration bonds are issued by licensed bonding and surety companies, which have no relation to Respondents. The bonding and surety companies, to Respondents’ knowledge, are all licensed and regulated by state insurance regulators.

Immigration bonds have historically been difficult to obtain due to the lack of resources available to either the detainee or his or her family members, and the perceived high risk of the detainee failing to comply with the terms of a bond. Typically, the full amount of an immigration bond must be posted as collateral before an immigration detainee will be released, making the posting of immigration bonds very difficult in many cases. (See Declaration of Erik Schneider, attached hereto as Exhibit A, paras. 1-3).

In an effort to address the historical difficulty that immigration detainees face in obtaining a bond, Libre provides a bond securitization program for persons detained in immigration proceedings in the United States through its GPS program. Libre does not act as a bail bondsman, nor does it post bonds, and it is not a surety company. Rather, Libre assists detainees in obtaining an immigration bond by providing a bonding company and its surety with financial guarantees, so that rather than the full amount of the bond, the detainee pays a bond premium of typically 10-15% of the face value of the bond to the bondsman, in addition to Libre's GPS program fees. (Exhibit A, paras. 4-6)

Libre's GPS program includes the use of GPS bracelets to provide assurances to the bond companies and surety companies that the detainee will honor the terms of his or her bond agreement. Libre's program, which is provided at a cost, allows the Program Participants to remain free from incarceration to be with their families and loved ones. However, Libre does more than just provide bond securitization for its Program Participants. Libre also provides a variety of other services including language translation, assistance with travel arrangements, counseling, pre-paid telephone services, and life coaching. Libre does not extend credit of any kind, nor does it make loans. (Exhibit A, paras. 7-9)

Because Libre secures immigration bonds with a financial guaranty to pay the face value of the bond if it is breached, its Program Participants agree to wear a GPS device and pay a fee for its use, its monitoring, and for other services provided by Libre that help the clients and assure that they appear in court. Without Libre's services, thousands of people would be subject to detention in increasingly unsafe, overcrowded, and frankly inhumane immigration detention facilities. Libre's GPS program has proven to be successful, with a very low failure to appear rate of less than 1.3% of its clients. (Exhibit A, paras. 10-11)

On August 22, 2017, Gentry Locke, counsel for Nexus, received the CID. The CID sets forth the CFPB's purpose in issuing the CID as follows:

"...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] whether such persons, in connection with marketing or selling these products or services to consumers or enforcing their terms and conditions have engaged or are engaging in unfair, deceptive or abusive acts and practices..."

On August 30, 2017, counsel for Nexus and a Nexus representative participated on a lengthy phone conference in accordance with CFPB requirements. To date, Nexus and CFPB have not come to an agreement regarding any production related to the CID following the meet and confer process.

ARGUMENT

I. The CFPB, as an agency, is unconstitutionally structured.

Congress established the CFPB under the Dodd-Frank Act of 2010. Instead of establishing the CFPB to be led by a multi-member commission, Congress decided that the CFPB would be controlled by a single Director. As noted in PHH Corp. v. Consumer Fin. Prot. Bureau, 839 F.3d 1, 6 (D.C. Cir. 2016) *reh'g en banc granted, order vacated* (Feb. 16, 2017), "the Director of the CFPB possesses more unilateral authority — that is, authority to take action on one's own, subject to no check — than any single commissioner or board member in any other independent agency in the U.S. Government." In PHH Corp. the court found that the CFPB's structure, headed by a single director removable by the President only for cause was unconstitutional. Recently, in Intercollegiate Broadcast Systems v. Copyright

Royalty Board, 684 F.3d 1332 (D.C. Cir. 2012), *cert. den.* 133 S.Ct. 2735 (2013), the U.S. Court of Appeals for the District of Columbia Circuit vacated a prior determination made by an unconstitutionally structured agency, because “the Board’s structure was unconstitutional at the time it issued its determination.” *Id* at 1342.

Given that the PHH Corp. decision has been vacated pending *en banc* review, the CFPB has not remedied its constitutional structure, and at this time, the constitutional issue remains. Consistent with Intercollegiate Broadcast Systems, actions by an unconstitutionally structured agency, such as the CFPB, are not valid and the CID should therefore be set aside.

II. The CFPB does not have jurisdiction or authority over Respondents.

If the scope of a civil demand is jurisdictionally defective, such demand is subject to challenge. Associated Container Transp., Ltd. v. United States, 502 F. Supp. 505, 510 (S.D.N.Y. 1980). The CFPB is tasked with regulating the offering and provision of “consumer financial products or services” under the federal consumer financial laws. 12 U.S.C. § 5491(a). The CFPB has authority to prevent a covered person or service provider from committing or engaging in an unfair, deceptive, or abusive act or practice under Federal law in connection with any transaction with a consumer for a “consumer financial product or service,” or the offering of a consumer financial product or service. 12 U.S.C. § 5531(a). If an entity is not a “covered person,” under 12 U.S.C. § 5517(a), the CFPB is expressly excluded from exercising rulemaking, supervisory, enforcement or other authority “with respect to a person who is a merchant, retailer, or seller of any nonfinancial good or service.” At issue is whether either Respondent is considered a “covered person.” If neither Respondent is a covered person, the CFPB does not have authority to issue a CID to Respondents.

The term “covered person” means-

(A) any person that engages in offering or providing a consumer financial product or

service; and

(B) any affiliate of a person described in subparagraph (A) if such affiliate acts as a service provider to such person.

12 U.S.C. § 5481(6).

Importantly, the definition of covered person under 12 U.S.C. § 5481(6), incorporates the defined term “consumer financial product or service.” This term, in pertinent part, is defined by a laundry list of financial products or services, with the condition that such products or services must be offered or provided for use by consumers primarily for personal, family, or household purposes. 12 U.S.C. § 5481(15).

As discussed above, Respondents merely assists Program Participants by facilitating the immigration bond process via the GPS program. Respondents provide “nonfinancial goods or services” within the meaning of 12 U.S.C. § 5517(a), and therefore, the CFPB does not have authority over Respondents.

Additionally, Respondents are neither an affiliate of, or a service provider to, a covered person within the meaning of 12 U.S.C. § 5481(6). First, under 12 U.S.C. § 5481(6)(B), in order to be subject to the CFPB’s authority, Respondents would need to be an “affiliate” of any covered person. The term “affiliate” means any person that controls, is controlled by, or is under common control with another person. 12 U.S.C. § 5481(6). The only entities with whom Respondents conduct business are third party bonding and surety companies. Nexus has no relation with these companies, other than on a contractual basis. Nexus certainly is does not control, nor is it controlled, or under common control with, any of these third party bonding companies. (Exhibit A, para. 12)

Second, even if Respondents were affiliated with these bonding companies, neither

Respondent is a “service provider.” The term “service provider” means “any person that provides a material service to a covered person in connection with the offering” of a financial product or service, “including a person that—(i) participates in designing, operating, or maintaining the consumer financial product or service; or (ii) processes transactions relating to the consumer financial product or service.” 12 U.S.C. § 5481(26) (emphasis added). Simply put, in order to be a “service provider” an entity must provide such services to a “covered person.” The bonding companies with which Respondents deal are not covered persons. Pursuant to 12 U.S.C. § 5517(f), the CFPB has no authority to exercise any power “with respect to a person regulated by a State insurance regulator.” To Respondents’ knowledge the bonding companies with which it transacts business are regulated by state insurance regulators, at least with respect to immigration surety bonds obtained by Program Participants, and are therefore not subject to CFPB authority and cannot be covered persons. Because these bonding companies are not covered persons, Respondents cannot be a “service provider.”

Based on the above discussion, the CID is far beyond the CFPB’s jurisdictional reach. Therefore, the CID should be set aside.

III. The CID is excessively vague and overbroad.

A CID must “state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.” 12 U.S.C. § 5562(c)(2); see also *U.S. v. Morton Salt Co.*, 338 U.S. at 652.

This clear statutory and common law requirement is vital to the Respondents’ ability to understand and respond to the CID, as well as to formulate objections to the same.

The CID targets “persons” who may provide “services” to bonding companies. The CID does not identify which persons it targets, nor which services such persons provide. Additionally,

the CID states its purpose is to determine whether such persons are engaging in unfair deceptive or abusive practices, without identifying which practices it may be targeting. Because it is excessively burdensome to understand the nature and scope of the CID, the CID should be set aside.

At a minimum, if the CFPB does not set aside the CID, the CID should be modified. As provided in Counsel's 12 C.F.R § 1080.6 Statement attached hereto as Exhibit B, Counsel for Respondents and a number of representatives of the CFPB had a teleconference on August 30, 2017 to discuss Respondents' concerns with the CID. In addition to providing the reasons that the CID should be set aside as described in the preceding section, Respondents' corporate representative, Erik Schneider, explained in detail how certain requests in the CID would be extraordinarily burdensome, prohibitively expensive, and significantly time-consuming for Respondents to comply with, especially in the limited one month production time.

Specifically, the requests that were discussed on August 30, 2017 ("the requests at issue") as being overly broad and unduly burdensome are:

Interrogatory 6. Identify the number of new clients who obtained products or services related to an immigration bond from the Company during each month of the Applicable Period².

Requests for Written Reports 1. In a spreadsheet, provide the following information for all former employees of the Company who were employed by the Company at any point during the Applicable Period:

- a. The name of the individual;
- b. The individual's last known contact information (address, telephone numbers, email addresses);
- c. All positions held by the individual and the associated geographic territory, if any;
- d. The time period during which the individual was employed by the Company;
- e. Whether the individual was involuntarily terminated, and if so, the reason for termination.

² The Applicable Period is defined in the CID as from January 1, 2014 until the date of full and complete compliance with the CID. This is essentially the entire period of time that Respondents have been in business.

Requests for Written Reports 2. In a spreadsheet, provide the following information for all current employees whose job responsibilities include meeting clients in person:

- a. The name of the individual;
- b. The individual's contact information (address, telephone numbers, email addresses);
- c. All positions held by the individual at the Company and the associated geographic territory, if any;
- d. The time period during which the individual held each position identified in subpart (c).

Requests for Written Reports 4. In a spreadsheet, provide the following information for all individuals who are current clients or were clients of the Company at any point during the Applicable Period who obtained products or services related to an immigration bond from the Company:

- a. The name of the individual;
- b. The individual's contact information (address, telephone numbers, email addresses);
- c. Whether the individual is a current or former client;
- d. All products or services related to an immigration bond that the individual obtained from the Company;
- e. Date of enrollment in each product or service identified in subpart (d);
- f. Date of termination of each product or service identified in subpart (d);
- g. All payments made by or on behalf of the client to the Company, and for each payment, state:
 - i. The date of the payment;
 - ii. The amount of the payment;
 - iii. The purpose of the payment.

Request for Documents 3. All collateralization agreements between the Company and any client.

Requests for Documents 4. All documents, other than collateralization agreements and bank statements, memorializing any payment to the Company by a client (a) credited toward the client's bond, or (b) over and above the monthly GPS fee, other than initial payments to enroll in the Company's immigration bond program.

Requests for Documents 7. All documents memorializing communications with clients or potential clients who were offered products or services related to an immigration bond, including, without limitation, written logs, databases, sound recordings of phone calls, text messages, emails, and instant and social media messages.

While Respondents recognize that CFPB has broad power to investigate within the purview of its regulatory authority, there is a limit to this power. In addition to the requirements that a CID

seek only reasonably relevant information and be sufficiently definite, a CID cannot be unduly burdensome or unreasonably broad. Consumer Financial Protection Bureau v. Accrediting Council for Independent Colleges and Schools, 854 F.3d 683, 688-689 (D.C. Cir. 2017). A

First, the requests at issue do not seek reasonably relevant information. The requests are not fashioned to specifically address the purpose of the investigation as provided in the CID, which is “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 whether persons who provide these goods or services are engaged in unfair or deceptive acts or practices which violate the Consumer Financial Protection Act of 2010. Documents sought by CFPB must be “relevant to the investigation,” which investigation must be sufficiently described in the Notification of Purpose in a CID. Consumer Financial Protection Bureau v. Source for Public Data, LP, 2010 WL 2443135 (N.D. Tx. 2017).

The requests at issue are not tailored to determine whether any person or entity involved in Respondents’ GPS program is extending credit or offering to extend credit to detainees. Rather, the objectionable requests seek irrelevant employee data for nearly every current and former employee of Respondents, burdensome compilations of information from every single Program Participant file of Respondents, in excess of 15,000 files, copies of documents from each Program Participant file and all communications records (paper and electronic) for all Program Participants, again, in excess of 15,000 files. Respondent respectfully asserts that if it is determined that Respondents are subject to CFPB regulation, the requests at issue should be modified in such a way as to be tailored to the Notification of Purpose, such as an example of the contract or contracts used by Respondents with Program Participants, or a random sampling of Program Participant contracts and payment information.

In considering the burden of a CID, courts weigh the likely relevance of the requested information requested against the burden of producing the material. If there is a "strong likelihood" that the requested information is "relevant" to the investigation, then a respondent must make a specific showing that the request is unduly burdensome, rather than offer general or conclusory claims of burden. Consumer Financial Protection Bureau v. Harbour Portfolio Advisors, LLC, 2017 WL 631914 (E.D. Mich. 2017). Here, Respondents assert that the requests at issue are not relevant to the investigation. Further, as is clear from the information provided by Respondents' Representative Erik Schneider, the requests at issue are extremely broad and overly burdensome.

As stated by Mr. Schneider, Respondents do not use a computer software program that will simply generate reports with the requested information, either for Program Participant file management which is done with a program called "Capsule" or for Program Participant payment tracking which is done with a program called "Lightspeed." These are two separate computer programs that do not link up or share information. Lightspeed is not a traditional accounts receivable or billing software program and cannot create a report of payment history of payments made by any specific Program Participant. (Exhibit B, paras. 15-16)

Because of the limitations on the Capsule and Lightspeed programs, to respond to the requests at issue, a knowledgeable employee of Respondents would have to review every single paper file and each Capsule file of every Program Participant that Respondents have had since beginning operations in January 2014, and the contract and Program Participant contact information pulled for Interrogatory 6, Request for Written Report 4, and Requests for Documents 3, 4 and 5. Mr. Schneider indicates that this is in excess of 15,000 Program Participant files. Mr. Schneider estimated that even with a very optimistic estimate of ten minutes per file to check the electronic and paper copies, pull the requested documents, and save them in an acceptable format

for production, it would take nearly 4000 man hours, or 70 days of two employees working full time on this project to complete those requests. (Exhibit B, paras. 17-18)

This same function would need to happen with the Lightspeed accounts of each Program Participant as well to obtain the requested payment history information, in essence doubling the estimated employee time to complete these requests. (Exhibit B, para. 18)

Finally, with respect to Requests for Written Reports 1 and 2, a similar process would need to happen with several hundred employee files. Each paper and electronic file would need to be cross-referenced to ensure the accuracy of the information, and would then need to be saved in a format to respond to the requests, which is at least another 60 man hours of work. (Exhibit B, para. 19)

Therefore, even with a very optimistic estimate, responding to the requests at issue will take at least 8060 hours. The average hourly rate of an employee qualified to gather the information requested is \$25.33/hr. (Exhibit B, paras. 20-21). Even if Respondents had two employees to spare for 2.5 months to solely focus on gathering the information, or four employees to spare for 5 weeks, the cost would be \$204,160.00. However, simply put, Respondents do not have two or more qualified employees that it can spare for weeks. There are only 3 employees who Respondents consider qualified to accomplish this task. These are employees who have significant day-to-day management and operational duties such that taking any one or two of them away from their traditional duties for even a fraction of the time required would seriously hinder the normal operations of Respondents' business. (Exhibit B, para. 22).³ This is beyond the reasonable regulatory authority of the CFPB.

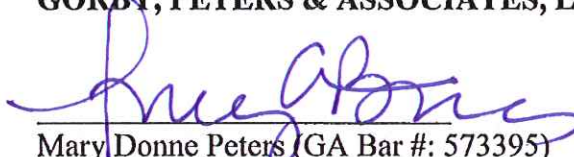
³ As an aside, Respondents' employees have been deployed to South Florida and Texas to provide urgent, and in some cases, life saving support for their clients.

CONCLUSION

Therefore, for all of the foregoing reasons, Respondents respectfully assert that CFPB should set aside the CID. However, if CFPB does not set aside the CID and this decision is upheld on appeal, Respondents further assert that the CID should be modified to requests that are reasonably related to the Notification of Purpose, and would not seriously hinder Respondents' business operations.

Respectfully submitted this 8th day of September, 2017.

GORBY, PETERS & ASSOCIATES, LLC



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REQUEST FOR CONFIDENTIAL TREATMENT

Pursuant to 12 C.F.R. § 1080.6(g), Respondents requests confidential treatment of the CID, this Petition, and the CFPB's response to this Petition. The circumstances surrounding this CID, and the blatant lack of authority the CFPB has to issue this CID warrant the confidential treatment of this Petition. A public dissemination of this CID could only cause harm to Respondents, which should not have been served with the CID in the first place. It would be patently unfair to disclose the nature of a potential investigation by an agency which is (a) unconstitutional; and (b) does not have the slightest jurisdictional authority over Respondents.

The CFPB therefore should treat the CID, this Petition, and the CFPB's response to this Petition as confidential.

**CONSUMER FINANCIAL PROTECTION BUREAU
DISTRICT OF COLUMBIA**

IN THE MATTER OF:

CIVIL INVESTIGATIVE DEMAND

NEXUS SERVICES, INC., and
LIBRE BY NEXUS, INC.

Respondents.

**DECLARATION OF ERIK SCHNEIDER IN SUPPORT OF RESPONDENTS'
PETITION FOR AN ORDER SETTING ASIDE OR MODIFYING CIVIL
INVESTIGATIVE DEMAND**

COMES NOW Erik Schneider, Corporate Representative of Respondents, and hereby declares under penalty of perjury as follows:

1. This Declaration is in support of Respondents' Petition for an Order Setting Aside or Modifying the August 21, 2017 Civil Investigative Demand served on Respondents' Virginia counsel.
2. Respondent Nexus Services, Inc. was incorporated in the state of Virginia on December 30, 2013. All of its immigration bond services are provided by Respondent Libre by Nexus, Inc. (Libre), which is a wholly-owned subsidiary of Nexus Services, Inc.
3. Typically, the full amount of an immigration bond must be posted as collateral before an immigration detainee will be released, making the posting of immigration bonds very difficult in many cases.
4. Libre provides a bond securitization program for persons detained in immigration proceedings in the United States through its GPS program.
5. Libre does not act as a bail bondsman, nor does it post bonds, and it is not a surety company.

6. Libre assists detainees in obtaining an immigration bond by providing a bonding company and its surety with financial guarantees, so that rather than the full amount of the bond, the detainee pays a bond premium of typically 10-15% of the face value of the bond to the bondsman, in addition to Libre's GPS program fees.
7. Libre GPS program includes the use of GPS bracelets to provide assurances to the bond companies and surety companies that the detainee will honor the terms of his or her bond agreement.
8. Libre does more than just provide bond securitization for its Program Participants. Libre also provides a variety of other service including language translation, assistance with travel arrangements, counseling, pre-paid telephone services, life coaching and referral to pro-bono legal services offered by Nexus Caridades Attorneys, Inc., an independent law firm that is funded by Nexus Services, Inc.
9. Libre does not extend credit of any kind, nor does it make loans.
10. Because Libre secures immigration bonds with a financial guaranty to pay the face value of the bond if it is breached, its Program Participants agree to wear a GPS device and pay a fee for its use, its monitoring, and for other services provided by Libre that help the clients and assure that they appear in court.
11. Libre's GPS program has proven to be successful, with a failure to appear rate of less than 1.3%.
12. With respect to the GPS program and immigration bonding, the only entities with whom Respondents conduct business are third party bonding and surety companies. Respondents have no relation with these companies, other than on a contractual basis. Respondents do not control, nor are they controlled, or under common control with,

any of these third party bonding companies.

13. I have reviewed the CID and based on my knowledge of the computer programs used by Respondents have made certain estimates regarding the steps that would need to be taken to comply with the requests and the amount of time and cost associated with these steps.
14. I believe these estimates are reasonable, and frankly optimistic, given the sheer volume of files that Respondents have that would be responsive.
15. Respondents do not use a computer software program that will generate reports with the requested information, either for Program Participant file management which is done with a program called "Capsule" or for Program Participant payment tracking which is done with a program called "Lightspeed." These are two separate computer programs that do not link up or share information.
16. Lightspeed is not a traditional accounts receivable or billing software program and cannot create a report of payment history of payments made by any specific client.
17. Because of the limitations on the Capsule and Lightspeed programs, to respond to the requests, a sufficiently knowledgeable employee of Respondents would have to review every paper file and each Capsule file of every Program Participant that Respondents have had since beginning operations in January 2014, and the contract and client contact information pulled to respond to Interrogatory 6, Request for Written Report 4, and Requests for Documents 3, 4 and 5.
18. This is in excess of 15,000 Program Participants. Even with a very optimistic

estimate of ten minutes per file to check the electronic and paper copies, pull the requested documents, and save them in an acceptable format for production, it would take nearly 4000 man hours, or 70 days of two employees working full time on this project to complete those requests. This same function would need to happen with the Lightspeed accounts of each Program Participant as well to obtain the requested payment history information, in essence doubling the estimated employee time to complete these requests.

19. With respect to Requests for Written Reports 1 and 2, a similar process would need to happen with several hundred employee files. Each paper and electronic file would need to be cross-referenced to ensure the accuracy of the information, which would then need to be saved in a format to respond to the requests, which is at least another 60 man hours of work.
20. Given these assumptions, responding to the Interrogatory 6, Request for Written Report 1, 2 and 4, and Requests for Documents 3, 4 and 5 will take at least 8060 hours.
21. The lowest hourly rate of the employees qualified to gather the information requested is \$15.63 to \$33.65/hr or an average of \$25.33/hr
22. Respondents do not have two or more qualified employees that it can spare for weeks to complete this project. There are only three employees who are knowledgeable enough regarding the programs used and qualified to accomplish this task. These three employees are employees who have significant day-to-day management and operational duties such that taking any one or two of them away from their traditional duties for even a fraction of the


time required would seriously hinder the normal operations of Respondents' business.

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

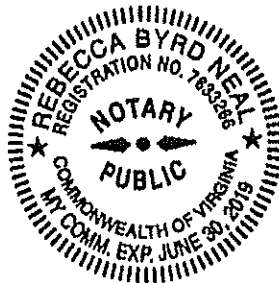
Executed on this 8th day of Sept, 2017.


ERIK SCHNEIDER

Sworn to and subscribed before me
this 8th day of September, 2017.


Notary Public

My Commission Expires:
6-30-2019



**CONSUMER FINANCIAL PROTECTION BUREAU
DISTRICT OF COLUMBIA**

IN THE MATTER OF:

CIVIL INVESTIGATIVE DEMAND

NEXUS SERVICES, INC., and
LIBRE BY NEXUS, INC.

Respondents.

12 C.F.R. § 1080.6 STATEMENT

COMES NOW, Amy C. M. Burns, Esquire, and pursuant to 12 C.F.R § 1080.6 makes the following statement in support of Respondents' Petition for Order Setting Aside or Modifying Demand:

1.

I am an attorney at law and represent Respondents in the above-styled matter.

2.

I hereby certify that prior to the filing of Respondents' Petition for Order Setting Aside or Modifying Demand, Petitioner conferred with a number of representatives of the Consumer Financial Protection Bureau (CFPB), including counsel, in a good faith attempt to resolve the issues raised by the Petition.

3.

Specifically, On Wednesday, August 30, 2017, a conference call was held between counsel for Respondents and several employees of the CFPB, in keeping with the requirements of 12 C.F.R § 1080.6(c).

4.

The conference call included the following participants; undersigned, Mary Donne Peters, William "Bill" Gust, and Chris Kozlowski, who are all counsel for Respondents, Erik Schneider,

corporate representative of Respondents, and CFPB employees Hai Binh Nguyen, Donald Gordon, Sammy Batra, Roshonza Gonsalves and court reporter Shawn Fleck.

5.

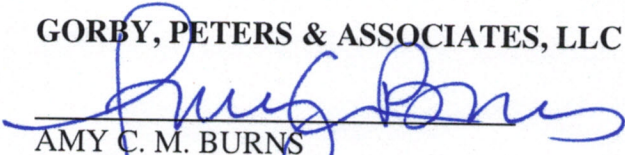
During the August 30, 2017 call, Respondents' counsel discussed with the CFPB representatives both the reasons that the CID should be set aside and the reasons that certain requests were overly broad and unduly burdensome and should therefore be modified as fully described on the Petition.

6.

The CFPB employees indicated that they were not authorized to set aside or modify the request in any way at the conclusion of the telephone conference.

This 8th day of September, 2017.

GORBY, PETERS & ASSOCIATES, LLC


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