

# The CFPB Is Under Threat From Justice Alito's Ties To Hedge Fund Billionaire Paul Singer, Whose Firm Holds At Least \$90 Million In Financial Companies Overseen By The Bureau

**SUMMARY:** In its upcoming term, the U.S. Supreme Court will hear [Consumer Financial Protection Bureau \(CFPB\) v. Community Financial Services Association Of America \(CFSA\)](#), a [challenge](#) against the constitutionality of the CFPB's funding structure.

An Accountable.US review raises new concerns about Justice Samuel Alito's role in deciding this case. Recent reporting revealed that Alito failed to report a luxury Alaska fishing trip—including private jet travel valued at over [\\$100,000](#) each way from “[billionaire hedge fund manager](#)” Paul Singer. Singer's interests [routinely](#) come before the Supreme Court. Most notably, his firm netted \$2.4 billion when the Court resolved a “[decade-long battle](#)” between his hedge fund and the Argentinian government.

Singer's influence now looms over the Supreme Court's CFPB case. **Singer's investment management firm, Elliott Investment Management, has [called for the end of the CFPB's independence](#) and has criticized Dodd-Frank financial reforms**—which [created](#) the Bureau—as “[dysfunctional dictates](#).”

Singer's hedge fund is invested in financial industry interests that would benefit from a crippled CFPB:

## Fidelity National Information Services Inc.

- August 2023: Elliott Investment Management [disclosed](#) owning nearly [\\$60 million](#) in Fidelity National Information Services Inc. (FIS), which “[specializes in services for larger banks](#)” and served over [70 institutions](#) with assets of \$10 billion or more as of April 2022.
- FIS—which has over [5,000 complaints](#) in the CFPB's complaint database—is [subject to](#) CFPB rules and regulations, has disclosed that CFPB oversight could have “[an adverse impact](#)” on its business, and counts the Bureau among “[risk factors](#)” facing its business.
- FIS and other payment processing “[giants](#)” have been in the CFPB's “[cross-hairs](#)” for dominating the bank services industry, [raising costs](#) for smaller banks and credit unions, and for “[troublesome](#)” practices “[ripe for regulatory action](#).”
- FIS [offers](#) “Buy Now Pay Later” (BNPL) services, a form of installment lending that “[exploded in popularity](#)” during the pandemic, and has [partnered](#) with major BNPL company Affirm. The BNPL industry suffered a “[blow](#)” when the CFPB announced it would begin regulating BNPL lending in 2022.
- FIS has [disclosed](#) that its subsidiary ChexSystems, a [major](#) bank screening credit reporting agency, is subject to CFPB oversight under the Fair Credit Reporting Act (FCRA) and CFPB oversight of Unfair, Deceptive or Abusive Acts or Practices (UDAAP).

## Q2 Holdings Inc.

- As of June 2023, Elliott Investment Management held over [\\$30 million](#) in Q2 Holdings Inc., a [digital banking solutions provider](#) for financial institutions and fintechs.
- Q2 has [disclosed](#) it may be subject to CFPB rules and enforcement in SEC filings.

- Q2 is a “[platinum](#)” member of the American Bankers Association, which has issued a [statement](#) on the CFPB Supreme Court case in support of undoing the Bureau’s independence.

**PLUM Inc.**

- 2018: PLUM Inc., a fintech lender in the commercial real estate mortgage market, [announced](#) an investment by Elliott Management. As Of 2020, it appeared that Elliott Management was [still invested](#).
  - The CFPB has begun supervising fintech companies, “[dusting off](#)” a “[previously unused Dodd-Frank Power](#)” to quickly supervise fast-evolving fintechs without going through the rulemaking process.

Additionally, Elliott Management only recently [dissolved](#) its up-to-[\\$2 billion](#) activist shareholder stake in “[payments giant](#)” PayPal in mid-2023. PayPal has over [20,000 CFPB complaints](#), is currently in an “[ongoing court battle](#)” with the Bureau over digital wallets, faced a [CFPB investigative demand](#) in 2021, and has been subject to [Bureau scrutiny](#) of big tech platforms.

**In Its Upcoming Term, The Supreme Court Will Hear Consumer Financial Protection Bureau (CFPB) v. Community Financial Services Association Of America (CFSA), A Challenge Against The CFPB’s Constitutionality.**

**In Its Upcoming Term, The Supreme Court Will Hear Consumer Financial Protection Bureau (CFPB) v. Community Financial Services Association Of America (CFSA), A Predatory Payday Lender Group’s Challenge Against The Constitutionality Of The CFPB’s Funding.**

February 27, 2023: The Supreme Court Agreed To Review *Consumer Financial Protection Bureau (CFPB) V. Community Financial Services Association Of America (CFSA)*:

[22-448](#)

**CFX**

**CFPB V. COMMUNITY FINANCIAL SERVICES ASSN. OF AM.**

Court: USCA-5

Granted: 2/27/23

[Supreme Court of the United States, [04/24/23](#)]

**At Issue In The Case Is Whether The Fifth Circuit Court Of Appeals Erred In Ruling That The CFPB’s Funding Structure Is Unconstitutional, In Favor Of “Payday Lending Group” CFSA.** “Issue(s): Whether the court of appeals erred in holding that the statute providing funding to the Consumer Financial Protection Bureau, 12 U.S.C. § 5497, violates the appropriations clause in Article I, Section 9 of the Constitution, and in vacating a regulation promulgated at a time when the Bureau was receiving such funding.” [SCOTUSblog, accessed [05/04/23](#)]

- **October 19, 2022: A Three-Judge Panel Of The Fifth Circuit Court Of Appeals Ruled That The Consumer Financial Protection Bureau’s Funding Structure Was Unconstitutional After Hearing A Case Brought By Payday Industry Group, The Community Financial Services Association Of America.** “A federal appeals court has ruled that the funding structure of the nation’s most powerful financial watchdog agency, the Consumer Financial Protection Bureau, is unconstitutional. In a case brought by a payday lending group, a three-judge panel of the 5th U.S. Circuit Court of Appeals threw out a CFPB regulation governing those high-interest-rate lenders and ruled that the way the bureau is funded, ‘violates the Constitution’s structural separation of powers.’” [NPR, [10/19/22](#)]

**Supreme Court Justice Samuel Alito Failed To Disclose A Luxury Alaska Fishing Trip—including Private Jet Travel Valued At Over \$100,000 Each Way—from Conservative Hedge Fund Billionaire Paul Singer, Whose Firm Called On The Trump Administration To Undo The Consumer Financial Protection Bureau’s (CFPB’s) Independence.**

**Supreme Court Justice Samuel Alito Failed To Disclose A Luxury Alaska Fishing Trip—including Private Jet Travel Valued At Over \$100,000 Each Way, \$1,000 A Night Accommodations, And \$1,000 Wine—from Conservative Billionaire Hedge Fund Manager Paul Singer.**

**2008: Supreme Court Justice Samuel Alito Accepted A Trip From “Billionaire Hedge Fund Manager And Republican Donor” Paul Singer, Using Singer’s Private Jet To Travel To A “More-Than-\$1,000-A-Night Luxury Resort” In Alaska.** “The Supreme Court ethics crisis continues, not with Clarence Thomas but with his right-wing comrade, Justice Samuel Alito. In 2008, according to a recent ProPublica investigation, Justice Alito took a trip to a more-than-\$1,000-a-night luxury resort in a remote region of Alaska, arriving there on the private jet of Paul Singer, a billionaire hedge fund manager and Republican donor.” [The New York Times, [06/27/23](#)]

- **If Justice Alito Had Chartered Singer’s Private Jet Himself, It Would Have Cost Over \$100,000 To And From The Alaska Destination.** “Singer was more than a fellow angler. He flew Alito to Alaska on a private jet. If the justice chartered the plane himself, the cost could have exceeded \$100,000 one way.” [ProPublica, [06/20/23](#)]
- **The Trip Included “Free Lodging At A High-End Alaskan Fishing Lodge” And “Complimentary Meals Including \$1,000 Wine.”** “Leo also helped to organize an undisclosed luxury vacation for Justice Samuel Alito paid for by Republican billionaire Paul Singer. The vacation included lavish travel on Singer’s private jet valued at more than \$200,000, free lodging at a high-end Alaskan fishing lodge valued at more than \$1,000 a night and complimentary meals including \$1,000 wine.” [The Hill, [08/02/23](#)]



[ProPublica, [06/20/23](#)]

**Paul Singer Is A “Hedge Fund Magnate” Who Founded Elliott Investment Management, Which Had About \$56 Billion In Assets Under Management As Of August 2023.** “Hedge fund magnate Paul Singer is known for his high-profile, and often combative, dealmaking. He founded his hedge fund firm, Elliott Management, in 1977 with \$1.3 million. The firm now has some \$56 billion in assets under management.” [Forbes, accessed [08/10/23](#)]

- **Paul Singer Is Founder, President, Co-CEO And Co-Chief Investment Officer At Elliott Investment Management.** “Prior to starting his hedge fund, Elliott Investment Management, in 1977, Singer received a law degree from Harvard and worked as an attorney. As of Dec. 31, 2022, Elliot said it manages nearly \$55.2 billion in assets and employs more than 500 people, according to the company's website. Singer also holds the title of president, co-CEO and co-chief investment officer at Elliott.” [NPR, [07/21/23](#)]
- **Paul Singer Was Worth \$5.5 Billion As Of August 2023:**

**F** PROFILE

## Paul Singer

Founder, Elliott Management

**\$5.5B** Real Time Net Worth  
as of 8/10/23  
#503 in the world today



[Forbes, accessed [08/10/23](#)]

**Justice Alito Did Not Report The 2008 Trip And “Appears To Have Violated A Federal Law That Requires Justices To Disclose Most Gifts,” Including Private Jet Flights.** “Alito did not report the 2008 fishing trip on his annual financial disclosures. By failing to disclose the private jet flight Singer provided, Alito appears to have violated a federal law that requires justices to disclose most gifts, according to ethics law experts.” [ProPublica, [06/20/23](#)]

- **A Post-Watergate Federal Law Requires Supreme Court Justices To Report Most Gifts, “Clearly” Requiring Disclosure Of Private Jet Flights Given As Gifts.** “A federal law passed after Watergate requires federal officials including Supreme Court justices to publicly report most gifts. (The year before, Alito reported getting \$500 of Italian food and wine from a friend, noting that his friend was unlikely to ‘appear before this Court.’) The law has a ‘personal hospitality’ exemption: If someone hosts a justice on their own property, free ‘food, lodging, or entertainment’ don’t always have to be disclosed. But the law clearly requires disclosure for gifts of private jet flights, according to seven ethics law experts, and Alito appears to have violated it.” [ProPublica, [06/20/23](#)]

## **Paul Singer And His Hedge Fund Called On The Trump Administration To Undo The Consumer Financial Protection Bureau’s (CFPB’s) Independence And Have Vocally Criticized Dodd-Frank Financial Reforms As “Dysfunctional Dictates” And “Entirely Nutty.”**

**2017: Paul Singer’s Elliott Management’s Fourth Quarter Letter To Investors Called On The Trump Administration To Undo Of The Consumer Financial Protection Bureau’s (CFPB’s) Independence While Claiming “The Financial System Needs To Be Freed From The Dysfunctional Dictates Of” Dodd-Frank Financial Reforms Which Created The CFPB.** “The billionaire hedge fund manager and big Republican donor Paul Singer has long criticized Dodd-Frank, the post-financial-crisis regulation intended to prevent another meltdown. Now that President Donald Trump’s administration is expected to dismantle the regulation, Singer’s \$31.6 billion hedge fund is weighing in again, calling to revamp the law formally known as the Dodd-Frank Wall Street Reform and Consumer Protection Act. ‘The financial system needs to be freed from the dysfunctional dictates of this ineffective law and properly and efficiently regulated instead,’ Elliott Management said in its fourth-quarter letter to investors. A copy of the letter, dated this month, was obtained by Business Insider.” [Insider, [01/30/17](#)]

- **Among The Many “Solutions” That Elliott Management Proposed, It Said The Consumer Financial Protection Bureau “Should Instead Be Directly Accountable To Executive And Congressional Oversight Just Like Any Other Federal Agency,” Instead Of Functioning As An Independent Bureau Within The Federal Reserve.** “Here are the solutions that Elliott proposes, according to the letter: [...] ‘The Consumer Financial Protection Bureau, currently an ‘independent bureau’ within the Fed, should instead be directly accountable to executive and congressional oversight just like any other federal agency.’” [Insider, [01/30/17](#)]
- **2010: Congress Passed The Dodd-Frank Wall Street Reform and Consumer Protection Act, Which Created The CFPB And Advanced Other Financial Industry Reforms.** “In July 2010, Congress passed and President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act. The law – often referred to as the Dodd-Frank Act – created the Consumer Financial Protection Bureau (the CFPB).” [Consumer Financial Protection Bureau, accessed [08/16/23](#)]

**2011: Paul Singer Criticized Dodd-Frank Provisions To Oversee Institutions Which Pose A Systemic Risk To Financial Markets, Calling It “Entirely Nutty.”** “One song Elliott Management’s Paul Singer still isn’t singing is the praises of the Dodd-Frank bill, especially its attempts to identify which institutions could pose systemic risk to the financial markets. ‘I think it’s entirely nutty, and I’m using that term in the most technical sense,’ the hedge fund manager said Friday during a panel discussion on the ‘too big to fail’ legislation at the American Bankruptcy Institute’s annual New York conference in Midtown Manhattan.” [The Wall Street Journal, [05/06/11](#)]

**Justice Alito Wrote A Wall Street Journal Op-Ed Claiming He Had “No Obligation” To Recuse Himself From Any Of The Cases Paul Singer Cases, Arguing The Facts “Would Not Cause A Reasonable And Unbiased Person To Doubt My Ability To Decide The Matters In Question Impartially.”**

“Hours Before” Reporting Of The Alaska Trip Emerged, Justice Alito Argued In A *Wall Street Journal* Op-Ed That He Had “No Obligation” To Recuse Himself From Any Of The Cases Involving Paul Singer’s Companies. “Alito, who along with the Supreme Court’s press office declined to comment to ProPublica for its article, argued in an op-ed in The Wall Street Journal hours before the ProPublica report was published that he had ‘no obligation’ to recuse himself from any of the cases Singer’s companies pursued before the Supreme Court.” [CNBC, [07/21/23](#)]

**Justice Alito Claimed He Was Not Aware Of Singer’s Interests In The Cases And Argued Singer Allowed Him “To Occupy What Would Have Otherwise Been An Unoccupied Seat On A Private Flight To Alaska.”** ““The conservative justice said he was not aware of Singer’s connection to the companies that pursued cases at the Supreme Court, and that even if he did there would not have been even the appearance of impropriety in him considering the cases. ‘He allowed me to occupy what would have otherwise been an unoccupied seat on a private flight to Alaska,’ Alito wrote.” [CNBC, [07/21/23](#)]

**Alito Claimed, “These Facts Would Not Cause A Reasonable And Unbiased Person To Doubt My Ability To Decide The Matters In Question Impartially.”** “It was and is my judgment that these facts would not cause a reasonable and unbiased person to doubt my ability to decide the matters in question impartially.” [CNBC, [07/21/23](#)]

**After The 2008 Trip, Paul Singer’s Hedge Fund Appeared Before The Supreme Court At Least 10 Times, Including A 2014 Decision Which Resolved A “Decade-Long Battle” Between Elliott Management And Argentina’s Government, Netting \$2.4 Billion For Singer’s Hedge Fund.**

**After The 2008 Trip, Paul Singer’s Hedge Fund Appeared Before The Supreme Court At Least 10 Times.** “In the years that followed, Singer’s hedge fund came before the court at least 10 times in cases where his role was often covered by the legal press and mainstream media.” [ProPublica, [06/20/23](#)]

**In 2014, The Supreme Court Decided In Singer’s Favor In A “Decade-Long Battle Between Singer’s Hedge Fund And The Nation Of Argentina,” Resulting In A \$2.4 Billion Payment To The Fund.** “In 2014, the court agreed to resolve a key issue in a decade-long battle between Singer’s hedge fund and the nation of Argentina. Alito did not recuse himself from the case and voted with the 7-1 majority in Singer’s favor. The hedge fund was ultimately paid \$2.4 billion.” [ProPublica, [06/20/23](#)]

- **Amid Singer’s “Aggressive Legal Campaign” To Force Argentina To Repay The Debt, His “Personal Involvement In The Case Attracted Widespread Media Attention.”** “The fight played out on familiar turf for Singer: the U.S. courts. He launched an aggressive legal campaign to force Argentina to pay in full, and his personal involvement in the case attracted widespread media attention.” [ProPublica, [06/20/23](#)]
- **The Case Had Included What “Appears To Be The Only Supreme Court Friend-Of-The-Court Brief” In The History Of Leonard Leo’s Judicial Crisis Network, Which Filed An Amicus Brief In Support Of Paul Singer’s Fund.** “The case featured an unusual intervention by the Judicial Crisis Network, a group affiliated with Leo known for spending millions on judicial confirmation fights. The group filed a brief supporting Singer, which appears to be the only Supreme Court friend-of-the-court brief in the organization’s history.” [ProPublica, [06/20/23](#)]

## **Paul Singer Has Given “Huge Sums To Causes On The Right,” Including To Right-Wing Court “Architect” Leonard Leo’s Federalist Society—Leo “Played An Important Role” In Alito’s Ascension To The Supreme Court And “Attended And Helped Organize” The Alaska Trip.**

**Leonard Leo, The “Architect” Of The Conservative Federal Courts Who “Played An Important Role” In Alito’s Supreme Court Confirmation, “Attended And Helped Organize” Alito’s 2008 Trip, Inviting And Asking Paul Singer For Use Of His Private Jet.** “Leonard Leo, the longtime leader of the conservative Federalist Society, attended and helped organize the Alaska fishing vacation. Leo invited Singer to join, according to a person familiar with the trip, and asked Singer if he and Alito could fly on the billionaire’s jet. Leo had recently played an important role in the justice’s confirmation to the court. Singer and the lodge owner were both major donors to Leo’s political groups.” [ProPublica, [06/20/23](#)]

- **Leonard Leo Has Been “The Quiet Architect Of A Pivotal Shift To The Right Throughout The Federal Judiciary” And The Federalist Society’s “Roughly 70,000 Members Represent A Vast Web Of Conservative Legal Power.”** “As executive vice president of the Federalist Society, Leo has been the quiet architect of a pivotal shift to the right throughout the federal judiciary. He was still at Cornell Law School in 1989 when he joined the society, a network of fresh legal minds who believed limited government was the best way to protect freedom and personal liberty. Today, under Leo’s leadership, the group’s roughly 70,000 members represent a vast web of conservative legal power.” [Politico Magazine, [2018](#)]
- **Leo Has “Played An Outsized Role In The Installation Of The Supreme Court’s Six-Member Conservative Supermajority.”** “Leo played an outsized role in the installation of the Supreme Court’s six-member conservative supermajority.” [The Hill (Opinion), [06/26/23](#)]

**Paul Singer Has Directed “Huge Sums To Causes On The Right,” Including To Leonard Leo’s Federalist Society.** “After starting a hedge fund that eventually made him one of the richest people in the country, he began directing huge sums to causes on the right. That included groups, like the Federalist Society, dedicated to fostering the conservative legal movement and putting its followers on the bench.” [ProPublica, [06/20/23](#)]

**Singer Has Given Over \$80 Million To Republican Political Organizations, Including “Millions To The Manhattan Institute,” Where He Been Chairman Since 2008 And Which Filed At Least 15 Supreme Court Amicus Briefs In The Court’s Most Recent Term.** “In the last decade, Singer has contributed over \$80 million to Republican political groups. He has also given millions to the Manhattan Institute, a conservative think tank where he has served as chairman since 2008.” [ProPublica, [06/20/23](#)]

- **Singer Was Still Chair Of The Manhattan Institute As Of August 16, 2023:**



**Paul Singer**

Chairman, Manhattan Institute;  
Founder, President, and Co-CEO,  
Elliott Investment Management L.P.

[Manhattan Institute, accessed [08/16/23](#)]

- **The Manhattan Institute Filed At Least 15 Supreme Court Amicus Briefs In The Court’s Most Recent Term.** “The institute regularly files friend-of-the-court briefs with the Supreme Court — at least 15 this term, including one asking the court to block student loan relief.” [ProPublica, [06/20/23](#)]



Paul Singer (left) of New York chats with Justice Samuel Alito, Jr. after introducing him at the Annual Dinner.

Singer and Alito appeared together at a 2009 Federalist Society event. The Federalist Society 2009 Annual Report

[ProPublica, [06/20/23](#)]

**Following The Trip, Paul Singer Warmly Introduced Justice Alito At Multiple Events, Including A Keynote Speech Where Singer Called Alito “A Model Supreme Court Justice” And Said Alito Was Part Of “Critical And Much-Appreciated Bulwark Of Our Freedom.”**

**The Year After The Alaska Trip, Paul Singer Introduced Justice Alito At The Federalist Society’s Annual Dinner, Where Alito’s Speech Mentioned The Fishing Trip With Singer.** “When Alito spoke at the annual dinner of the Federalist Society lawyers convention the following year, the billionaire introduced him. The justice told a story about having an encounter with bears during a fishing trip with Singer, according to the legal



blog Above the Law. He recalled asking himself: ‘Do you really want to go down in history as the first Supreme Court justice to be devoured by a bear?’” [ProPublica, [06/20/23](#)]

**In 2010, Justice Alito Gave The Keynote Speech At A Manhattan Institute Donor Dinner, Where Then-Chairman Paul Singer Called Alito “A Model Supreme Court Justice” And Said He And Other Conservative Justices Were A “Critical And Much-Appreciated Bulwark Of Our Freedom.”** “The year after that, in 2010, Alito delivered the keynote speech at a dinner for donors to the Manhattan Institute. Once again, Singer delivered a flattering introduction. ‘He and his small band of like-minded justices are a critical and much-appreciated bulwark of our freedom,’ Singer told the crowd. ‘Samuel Alito is a model Supreme Court justice.’” [ProPublica, [06/20/23](#)]

- **Paul Singer Has Been Chairman Of The Manhattan Institute Since 2008.** “He has also given millions to the Manhattan Institute, a conservative think tank where he has served as chairman since 2008.” [ProPublica, [06/20/23](#)]

**As Of August 2023, Elliott Investment Management Disclosed A Near-\$60 Million Stake In Fidelity National Information Services Inc. (FIS), A Leading Financial Technology Company Which Serves “95% Of The World’s Banks” And Has Been In The CFPB’s “Cross-Hairs” For Raising Banking Costs—FIS Offers CFPB-Regulated Services Like “Buy Now Pay Later” Installment Loans And Credit Reporting.**

**August 2023: Elliott Investment Management Disclosed Owning Nearly \$60 Million In Fidelity National Information Services Inc. (FIS), Which “Specializes In Services For Larger Banks” And Serves Over 70 Institutions With Assets Of \$10 Billion Or More.**

**August 2023: Elliott Investment Management “Revealed A Fresh Position In” Fidelity National Information Services Inc. (FIS), A Financial Services Company, Holding Nearly \$59.7 Million As Of June 30, 2023:**

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
NAME OF ISSUER	TITLE OF CLASS	CUSIP	FIGI (to the nearest dollar)
FIDELITY NATL INFORMATION SV	COM	31620M106	59,659,211

[Elliott Investment Management L.P. Form 13F Information Table, [08/14/23](#)]

- **The Filing Was For The Period Ending June 30, 2023:**

Form 13F-HR - Quarterly report filed by institutional managers, Holdings:	
<b>Filing Date</b> 2023-08-14	<b>Period of Report</b> 2023-06-30
<b>Accepted</b> 2023-08-14 16:30:50	<b>Effectiveness Date</b> 2023-08-14

[Elliott Investment Management L.P. 13F Filing Detail, [08/14/23](#)]

- **Fidelity National Information Services Inc. (FIS) Is A Financial Services Company.** “Meanwhile, Elliott appears to see other ways to play the financial-services space. The firm revealed a fresh position

in Fidelity National Information Services Inc. (FIS) amounting to about 1.1 million shares, worth nearly \$60 million as of the end of the second quarter.” [Morningstar, [08/16/23](#)]

### **FIS, Based In Jacksonville, Florida, Is “One Of The Largest Providers Of Technology To Banks.”**

“Jacksonville-based FIS is one of the largest providers of technology to banks, but the company sought to widen its reach with the acquisition of Cincinnati-based Worldpay and its technology services for merchants.” [Jacksonville Daily Record, [12/15/22](#)]

- **FIS’s “Software And Services Are Involved In Everyday Financial Activities, Like When Consumers Check Their Bank-Account Balances.”** “FIS is a provider of data and technology services to banks and other financial institutions. Its software and services are involved in everyday financial activities, like when consumers check their bank-account balances.” [The Wall Street Journal, [07/06/23](#)]

### **FIS Claims That It Works With “95% Of The World’s Leading Banks” And Provides “Innovative Fintech For Fortune 50 Corporations,” “Global Banks,” And Other Entities:**



Innovative fintech for Fortune 50 corporations, for the hottest startups. For global banks, for local retailers. We are FIS. We put innovation to work for you.

[Fidelity National Information Services, accessed [08/16/23](#)]

- **FIS Claims It Works With “95% Of The World’s Leading Banks” And Over “One Million Merchants Around The Globe.”** “We work with 95% of the world’s leading banks. We support more than one million merchants around the globe.” [Fidelity National Information Services, accessed [08/16/23](#)]
- **FIS Claims That Its “Asset Management Technology Processes \$40T On An Annual Basis,” Which It Says Is “Nearly Half The World’s Total And Over 1.5x The GDP Of The U.S.”** “Our uptime is over 99%, keeping our systems safe for over 220k clients globally. Our asset management technology processes \$40T on an annual basis. That’s nearly half the world’s total and over 1.5x the GDP of the U.S.” [Fidelity National Information Services, accessed [08/16/23](#)]

### **According To The CFPB, FIS “Specializes In Services For Larger Banks,” With Over 70 Of Its Clients Holding Assets Of Over \$10 Billion As Of 2022:**

- FIS <sup>(2)</sup>
  - Specializes in services for larger banks; over 70 of its clients have assets over \$10bn

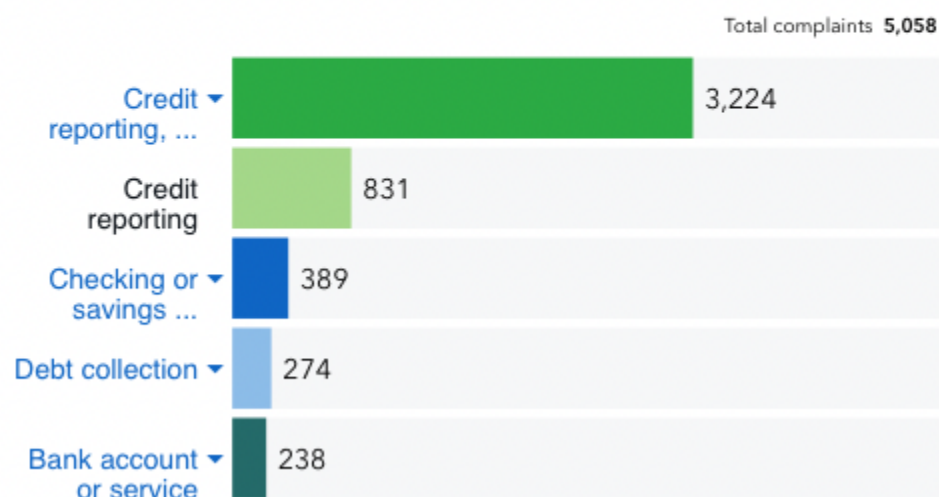
[Consumer Financial Protection Bureau, [April 2022](#)]

### **FIS—Which Has Over 5,000 Complaints In The CFPB’s Complaint Database—Is Subject To CFPB Rules And Regulations, Has Disclosed CFPB Oversight Could Have “An Adverse Impact” On Its Business, And Counts The Bureau Among “Risk Factors” Facing Its Business.**

The CFPB Has Received Over 5,000 Complaints About FIS Since December 2011, Including Over 4,000 Related To Credit Reporting, Nearly 400 On Checking Or Savings, Nearly 300 On Debt Collection, And Over 200 Related To A Bank Account Or Service:

## Sub-products, by product from 12/1/2011 to 8/15/2023

Product and sub-product the consumer identified in the complaint. Click on a product to expand sub-products.



[Consumer Financial Protection Bureau, accessed [08/17/23](#)]

**In Its Most Recent Annual Report, FIS Has Disclosed That It Is Subject To “The Rules And Regulations Of” The CFPB, As Well As Oversight Under A “Broad Range Of Complex Federal, State, And International Regulations And Requirements” Under The Dodd-Frank Wall Street Reform And Consumer Protection Act And Several Other Federal Laws.** “Government Regulation [...] Our solutions are subject to a broad range of complex federal, state, and international regulations and requirements, as well as requirements under the rules of self-regulatory organizations including, without limitation, federal truth-in-lending and truth-in-savings rules, federal, state and international money transmission laws, state cybersecurity protection laws, data protection and privacy laws, usury laws, laws governing state trust charters, the Equal Credit Opportunity Act, the Electronic Funds Transfer Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Bank Service Company Act, the Bank Secrecy Act, the USA Patriot Act, the U.K. Criminal Finances Act, the EU 6th Anti-Money Laundering Directive (“EU 6th AMLD”), the Internal Revenue Code, the Employee Retirement Income Security Act, the Health Insurance Portability and Accountability Act, the Community Reinvestment Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the Securities Exchange Act of 1934, the Investment Advisors Act of 1940 (the “1940 Act”), anti-corruption laws including the U.S. Foreign Corrupt Practices Act of 1977 (the “FCPA”) and the U.K. Bribery Act 2010 (the “U.K. Bribery Act”), the rules and regulations of the Financial Industry Regulatory Authority (“FINRA”), the Securities and Exchange Commission (“SEC”), the Federal Financial Institutions Examination Council (“FFIEC”), the Consumer Financial Protection Bureau (“CFPB”), the Financial Conduct Authority in the U.K. (“FCA”), the Payment Systems Regulator in the U.K. (“PSR”), De Nederlandsche Bank (“DNB”) in the Netherlands, the Ministry of Economy, Trade and Industry in Japan (“METI”), Bank Negara in Malaysia and state financial services regulators (including enforcement of state cybersecurity laws).” [Fidelity National Information Services, Inc. SEC Form 10-K, [02/26/23](#)]

**FIS Has Included The CFPB Among “Risk Factors” Facing Its Business, Claiming “We May Be Subject To Additional Expense To Ensure Continued Compliance With Applicable Laws And Regulations And To Investigate, Defend And/Or Remedy Actual Or Alleged Violations” By The Bureau.** “Risk Factors [...] The Company is subject to regulation, supervision, and enforcement authority of numerous governmental and regulatory bodies in the jurisdictions in which it operates. [...] The Consumer Financial Protection Bureau (“CFPB”) continues to establish rules and regulations for regulating financial and non-financial institutions and providers to those institutions to ensure adequate protection of consumer privacy and to ensure consumers are

not impacted by deceptive business practices, as well as provide examination and supervisory authority over consumer reporting agencies, including ChexSystems. These rules and regulations govern our clients or potential clients and also govern certain of our businesses. These regulations have resulted, and may further result, in the need for FIS to make capital investments to modify our solutions to facilitate our clients' and potential clients' compliance, as well as to deploy additional processes or reporting to comply with these regulations. In the future, we may be subject to additional expense to ensure continued compliance with applicable laws and regulations and to investigate, defend and/or remedy actual or alleged violations." [Fidelity National Information Services, Inc. SEC Form 10-K, [02/26/23](#)]

- **FIS Disclosed That CFPB Regulations “Have Resulted, And Could Further Result, In Changes In Our Business Practices, Our Clients' Business Practices And Those Of Other Marketplace Participants.”** “Further, requirements of these regulations have resulted, and could further result, in changes in our business practices, our clients' business practices and those of other marketplace participants that may alter the delivery of services to consumers, which have impacted, and could further impact, the demand for our solutions and services as well as alter the types or volume of transactions that we process on behalf of our clients.” [Fidelity National Information Services, Inc. SEC Form 10-K, [02/26/23](#)]
- **FIS Disclosed That CFPB Requirements “Could Have An Adverse Impact On Our Financial Condition, Revenue, Results Of Operations, Prospects For Future Growth And Overall Business.”** “As a result, these requirements, or proposed or future requirements, could have an adverse impact on our financial condition, revenue, results of operations, prospects for future growth and overall business.” [Fidelity National Information Services, Inc. SEC Form 10-K, [02/26/23](#)]

### **FIS And Other Payments Processing “Giants” Have Been In The CFPB’s “Cross-Hairs” For Dominating The Bank Services Industry, Raising Costs For Smaller Banks And Credit Unions, And For “Troublesome” Practices “Ripe For Regulatory Action” Under The Biden Administration’s Broader Efforts Against Anticompetitive Practices.**

**CFPB Director Rohit Chopra Has “Called Out The Concentration Of Power Among Big Processors Fidelity National Information Services (FIS)” And Companies.** “The report also flagged market domination concerns in payments, noting the current ecosystem involves ‘four large card networks for payment processing and two major facilities for processing bank-to-bank transactions.’ The CFPB spokesperson identified those companies as Visa, Mastercard, American Express and Discover, and Nacha and The Clearing House. Addressing similar market domination in a recent blog post, Chopra called out the concentration of power among big processors Fidelity National Information Services (FIS), Fiserv, Jack Henry and Finastra.” [PaymentsDive, [08/22/22](#)]

**July 2022: In A Blog Post On “Troublesome” Payments Industry Practices, CFPB Director Chopra Said FIS And Other Banking Core Service Providers Were In The Bureau’s “Cross-Hairs” As He Warned Of Concentration Where The Top Four Providers “Collectively Service 78% Of The Nation’s Banks” And Can “Raise Costs For Many Small Financial Institutions.”** “Consumer Financial Protection Bureau Director Rohit Chopra reminded players in the payments and banking industries this week that some of them are in his agency’s cross-hairs. Chopra in a July 11 blog post reiterated industry practices that his agency considers troublesome and ripe for regulatory action. He framed the agency’s agenda as part of President Joe Biden’s effort to crack down on anticompetitive business practices. He noted three areas that have attracted the agency’s attention, and not in a good way. One of the areas of CFPB focus is on the concentration of power that has occurred with respect to ‘core service providers,’ including FIS, Fiserv, Jack Henry and Finastra. He noted those four payments processors collectively service 78% of the nation’s banks. In catering to mainly small local banks, Chopra expressed concern about the negative impact those payments processors’ practices may be having on local communities. ‘These platforms can limit flexibility and raise costs for many

small financial institutions seeking to fairly compete,' he said in the July 11 blog post." [PaymentsDive, [07/14/22](#)]

- **In The Post, Chopra Noted That The CFPB Has Ordered Big Tech Payments “Giants” To Turn Over Information On How They Run Their Platforms.** “Third, the CFPB is looking to identify the roadblocks that small financial institutions and new entrants face when challenging dominant players. With the arrival of Big Tech into payments and banking, we have ordered many of these giants to turn over information about their practices and plans on their payment systems. The information will help the CFPB shed light on how they will decide who they kick off their platform and how they will use the data of individual consumers and any competing businesses.” [Consumer Financial Protection Bureau, [07/11/22](#)]
- **Chopra Said The CFPB Was “Working With Community Banks To Understand The Impacts Of The Highly Concentrated Core Service Provider Market,” Adding That It Could “Raise Costs For Many Small Financial Institutions Seeking To Fairly Compete.”** “In addition, we are working with community banks to understand the impacts of the highly concentrated core service provider market. These platforms can limit flexibility and raise costs for many small financial institutions seeking to fairly compete.” [Consumer Financial Protection Bureau, [07/11/22](#)]

**April 2022: Chopra Expressed Concern About Payment Processors’ High Costs As He Said The CFPB May Refer Complaints About Them “To Other Law Enforcement Agencies.”** “Back in April, when he called out his concern about the core service providers at a Community Bank Advisory Council and Credit Union Advisory Council meeting, Chopra said the agency might potentially refer complaints ‘to other law enforcement agencies.’ Specifically, he called out those payments processors’ high costs, numerous contracts and poor client satisfaction feedback.” [PaymentsDive, [07/14/22](#)]

- **Chopra Said, “The Consolidation Of The Providers Among These Four Is Affecting Service And Cost – With One Community Bank CEO Aptly Framing The Problem As ‘Stand-In-Line And Write A Big Check.’”** “The consolidation of the providers among these four is affecting service and cost – with one community bank CEO aptly framing the problem as ‘stand-in-line and write a big check,’ he said at the meeting.” [PaymentsDive, [07/14/22](#)]

**FIS Offers “Buy Now Pay Later” (BNPL) Services, A Form Of Installment Lending That “Exploded In Popularity” During The Pandemic, To Financial Institutions And Has Partnered With Major BNPL Company Affirm—The Industry Suffered A “Blow” When The CFPB Announced It Would Begin Regulating BNPL Lending In 2022.**

FIS Offers A “Buy Now Pay Later” (BNPL) Service To Financial Institutions, Offering A “Short-Term Loan Option” They Can Offer Consumers Which Can Generate “New Fee Revenue”:

## **FIS BUY NOW PAY LATER FOR POST PURCHASE**

Give welcome relief to cardholders facing unexpected, high-ticket expenses with a buy now pay later option.

Increase cardholder engagement and loyalty

[...]

About

A winning buy now pay later (BNPL) solution for consumers, merchants and your institution

[Fidelity National Information Services Inc., accessed [08/17/23](#)]

- **FIS Describes Its BNPL Services As A “Short-Term Loan Option,” Claiming Financial Institutions Can Create “New Fee Revenue” Through This Product.** “Consumers are reluctant to go into unmanageable debt; to the contrary, they want control over their money and a way to track their spending. With FIS® BNPL for Post Purchase, you can offer them a short-term loan option that helps them manage their finances and, at the same time, creates new fee revenue for your institution.” [Fidelity National Information Services Inc., accessed [08/17/23](#)]

**July 2023: FIS Sold 55% Of Its Stake In WorldPay Merchant Solutions, Which Offers BNPL Services, But Retained A 45% Stake In The Company.** “Fidelity National Information Services, Inc. FIS agreed to divest a majority stake in its Worldpay Merchant Solutions business, its merchant payments arm, to the private equity firm, GTCR. The deal puts the business’ value at \$18.5 billion. [...] Per the deal, Fidelity National will divest 55% of the business to GTCR and retain the remaining 45%.” [Yahoo! Finance, [07/07/23](#)]

- **“WorldPay From FIS” Offers BNPL Services:**



[WorldPay, accessed [08/17/23](#)]

**June 2023: FIS Announced A Multi-Year Partnership With BNPL Company Affirm Holdings.** “Fidelity National Information Services, Inc. FIS recently announced its multi-year partnership with Affirm Holdings, Inc. AFRM to integrate Adaptive Checkout in Worldpay. Affirm is a payment network which uplifts customers and assists merchants in driving growth. Fidelity’s partnership with Affirm will enable its merchants to offer suitable customers monthly payments and bi-weekly options in a seamless way.” [Yahoo! Finance, [06/01/23](#)]

**BNPL Services, A Form Of Installment Lending, “Exploded In Popularity” During The Pandemic, Growing By 200% To Over \$24 Billion Among Five Major BNPL Providers From 2019 To 2021, According To The CFPB.** “PANDEMIC POPULARIZED BUY-NOW, PAY LATER COMPANIES [...] BNPL services, which allow consumers to split purchase payments into installments, exploded in popularity as Americans turned to online shopping during the coronavirus pandemic. Providers charge online retailers a fee for each transaction. Following an inquiry last year, the CFPB found that BNPL providers Affirm Holdings, Block’s (SQ.N) Afterpay, Klarna, PayPal (PYPL.O) and Australia’s Zip Co (ZIP.AX) originated a combined 180 million loans in 2021, totaling \$24.2 billion, a more than 200% annual increase from 2019.” [Reuters, [09/15/22](#)]

**September 2022: The CFPB Planned To Start Regulating BNPL Companies, Such As Affirm And Klarna, Amid “Worries Their Fast-Growing Financing Products Are Harming Consumers.”** “The U.S. Consumer Financial Protection Bureau (CFPB) plans to start regulating ‘buy-now, pay-later’ (BNPL) companies like Klarna

and Affirm Holdings (AFRM.O) due to worries their fast-growing financing products are harming consumers, the agency said on Thursday.” [Reuters, [09/15/22](#)]

**The CFPB Was Concerned That BNPL Products “Could Pose Risks To Consumers, Highlighting A Lack Of Standardized Disclosures” And “The Potential For Consumers To Become Overextended.”** “The CFPB in its report, however, said it was concerned their products could pose risks to consumers, highlighting a lack of standardized disclosures across the five companies surveyed and the potential for consumers to become overextended.” [Reuters, [09/15/22](#)]

**The CFPB Said It Would Issue Guidance Or A BNPL Rule To “Align Sector Standards With Those Of Credit Card Companies” And That It Would Begin Supervisory Examinations Of BNPL Firms.** “The watchdog, which does not currently oversee BNPL companies or products, will issue guidance or a rule to align sector standards with those of credit card companies, it said. The agency also said it would implement appropriate supervisory examinations.” [Reuters, [09/15/22](#)]

**The CFPB’s Announcement Was Seen As “A Blow” For The BNPL Sector And A “Major Offensive” For CFPB Director Rohit Chopra, Who “Pledged To Scrutinize Tech-Driven Companies” Moving In On The Financial Sector.** “The development will be a blow for the sector, which is already under pressure due to rising funding costs and lower American consumer spending during soaring inflation. It also marks a major offensive for CFPB director Rohit Chopra, who has pledged to scrutinize tech-driven companies as they increasingly encroach on the traditional financial sector.” [Reuters, [09/15/22](#)]

### **FIS Has Disclosed That Its Subsidiary ChexSystems, A Major Bank Screening Credit Reporting Agency, Is Subject To CFPB Oversight Under The Fair Credit Reporting Act (FCRA) And CFPB Oversight Of Unfair, Deceptive or Abusive Acts or Practices (UDAAP).**

**In Its Most Recent Annual Report, FIS Disclosed That ChexSystems, Its “Decision Solutions Subsidiary,” Is Subject To CFPB Oversight Under The Federal Fair Credit Reporting Act (FCRA).** “Consumer Reporting and Protection. Our decision solutions subsidiary, ChexSystems, maintains a database of consumer information used to provide various account opening services including credit scoring analysis and is subject to the Federal Fair Credit Reporting Act (‘FCRA’) and similar state laws. The FCRA regulates consumer reporting agencies (‘CRAs’), including ChexSystems, and governs the accuracy, fairness, and privacy of information in the files of CRAs that engage in the practice of assembling or evaluating certain information relating to consumers for certain specified purposes. [...] Regulatory enforcement of the FCRA is under the purview of the United States Federal Trade Commission, the CFPB, and state attorneys general, acting alone or in concert with one another.” [Fidelity National Information Services, Inc. SEC Form 10-K, [02/26/23](#)]


- **FIS Disclosed That Its “Consumer Reporting And Consumer-Facing Businesses Are Subject To CFPB Bulletin 2013-7,” Which Defines Unfair, Deceptive or Abusive Acts or Practices (UDAAP).** “Our consumer reporting and consumer-facing businesses are subject to CFPB Bulletin 2013-7 (a successor to the former Regulation AA - Unfair Deceptive Acts or Practices), which defines Unfair, Deceptive or Abusive Acts or Practices (‘UDAAP’). This specific bulletin states that UDAAPs can cause significant financial injury to consumers, erode consumer confidence, and undermine fair competition in the financial marketplace.” [Fidelity National Information Services, Inc. SEC Form 10-K, [02/26/23](#)]

**FIS Subsidiary ChexSystems Has Been Among The “Two Most Prominent” Bank Screening Credit Reporting Agencies (CRAs), Which Handle “A Consumer’s History Dealing With Bank Accounts,” Including Overdrafts Or Nonsufficient Funds (NSF) Transactions, As Well As Other Personal Information.** “What is a bank account screening consumer reporting agency (CRA)? It is a database that contains information about a consumer’s history dealing with bank accounts. Bank account screening CRAs mostly include information on negative events, such as having an account closed due to too many overdrafts

or nonsufficient funds (NSF) transactions, or, in rare cases, fraud. These databases might also include personal identifying information, driver's license numbers, history of check orders, and checks to retailers that were returned for insufficient funds. The two most prominent bank account screening CRAs are: ChexSystems and Early Warning Services. ChexSystems is a subsidiary of Fidelity National Information Services (FNIS), a large multinational conglomerate." [National Consumer Law Center, [October 2014](#)]

**According To The CFPB, ChexSystems Is A Consumer Reporting Company “Provides Account Verification Services Primarily For Financial Institutions” And “Collects And Reports Data On Checking Account Applications, Openings, And Closures, Including Reasons For Account Closure”:**

<b>ChexSystems, Inc.</b>	<b>Website</b>
Provides account verification services primarily for financial institutions. Collects and reports data on checking account applications, openings, and closures, including reasons for account closure.	<a href="http://chexsystems.com">chexsystems.com</a>
ChexSystems is owned by the eFunds subsidiary of Fidelity National Information Services, Inc. (FNIS).	<b>Phone</b>
	800-428-9623
	<b>Address</b>
	ChexSystems, Inc.
	Attn: Consumer Relations
	P.O. Box 583399
	Minneapolis, MN 55458

 **Free report and score:**  
The company will provide one free report every 12 months if you request it. A free score will be provided upon request too.

[Consumer Financial Protection Bureau, [2023](#)]

**FIS Has Faced A Lawsuit For “Exploit[ing]” And “Steal[ing] From A Company It Was Auditing, Expensing “Meals At Strip Clubs And Casinos”—FIS Has Separately Faced A Class Action Lawsuit For “Negligence” In A Data Breach Affecting As Many As 8.5 Million People.**

**2017: Ocwen Financial Corp. Filed A Lawsuit Against FIS, Claiming It “Padded Time Sheets And Claimed Excessive And Improper Expenses, Including Lengthy Travel And Meals At Strip Clubs And Casinos” While Conducting A State-Mandated Audit Of Ocwen’s Business.** “Auditors performing a review of Ocwen Financial Corp. padded time sheets and claimed excessive and improper expenses, including lengthy travel and meals at strip clubs and casinos, according to a lawsuit filed against Fidelity Information Services LLC.” [American Banker, [05/30/17](#)]

- **After Ocwen Agreed To Pay FIS Nearly \$45 Million Over Two Years To Conduct An Audit Mandated By The State Of California, FIS Allegedly “Blew Through That Budget In Less Than A Year By Inflating Their Hours Worked And Claiming Excessive Expenses For Travel, Lodging And Meals.”** “The California Department of Business Oversight selected FIS to review servicing practices of mortgages in the state in June 2015. Ocwen was to pay for the independent audit, which was budgeted to cost nearly \$45 million and take two years to review 50,000 loans. Instead, FIS employees blew through that budget in less than a year by inflating their hours worked and claiming excessive expenses for travel, lodging and meals, while reviewing only about half of the loans required during the engagement, Ocwen claims in the lawsuit, filed May 18 in California's Superior Court in Sacramento.” [American Banker, [05/30/17](#)]
- **Ocwen’s Lawsuit Claimed “FIS Exploited Its Position To Enrich Itself At Ocwen's Expense. It Viewed This Engagement As A License To Steal From Ocwen.”** “FIS exploited its position to enrich itself at Ocwen's expense. It viewed this engagement as a license to steal from Ocwen,’ it reads.” [American Banker, [05/30/17](#)]



**2007: FIS Faced A Class Action Lawsuit For “Negligence In Connection With A Data Breach That Exposed Personal Data Of As Many As 8.5 Million People.”** “A California law firm has filed a class-action suit charging Fidelity National Information Services (FIS) and one of its subsidiaries with negligence in connection with a data breach that exposed personal data of as many as 8.5 million people. The lawsuit, filed in federal court in California, also accuses the Jacksonville, Fla.-based transaction processor and outsourcer and its Certegy Check Services subsidiary of invasion of privacy and breach of implied contract. [...] The complaint was filed by San Francisco-based Girard Gibbs LLP on behalf of the 8.5 million consumers.” [Computerworld, [08/27/07](#)]

**While The CFPB Has Expanded Supervision Of Fintech Companies, Elliott Management Disclosed Holding Over \$30 Million In Q2 Holdings, A Digital Banking Company That Has Disclosed It May Be Subject To CFPB Oversight And Is A “Platinum” Member Of Major Anti-CFPB Trade Group The American Bankers Association—Elliott May Also Hold A Stake In Real Estate Fintech Company PLUM Inc.**

**The CFPB Has Begun Supervision Of Fintech Companies, “Dusting Off” A “Previously Unused Dodd-Frank Power” To Quickly Supervise Fintechs Without Going Through The Rulemaking Process—As Of Mid-2023, The CFPB Was Already Using This Power To Oversee A Big Tech Company, A BNPL Company, And An Earned Wage Access Company.**

**July 2023: The CFPB Was “Dusting Off Its Previously Untapped Authority To Examine Financial Technology Companies,” And The Bureau Had Already Started Supervising Multiple Fintechs.** “The Consumer Financial Protection Bureau is dusting off its previously untapped authority to examine financial technology companies, including at least one unnamed tech giant, to determine if their emerging financial products are risky to consumers. Supervision of several companies has already begun and the agency has been ‘gratified’ by their cooperation, CFPB Director Rohit Chopra said in a July 17 interview in his Washington office.” [Bloomberg Law, [07/20/23](#)]

- **CFPB Director Rohit Chopra Previously Stated That The Bureau Planned To Use “A Previously Unused Dodd-Frank Power To Quickly Require Companies In New Financial Markets To Undergo Agency Exams Without Going Through The Rulemaking Process.”** “Chopra telegraphed the move in April 2022, when he said the agency plans to use a previously unused Dodd-Frank power to quickly require companies in new financial markets to undergo agency exams without going through the rulemaking process.” [Bloomberg Law, [07/20/23](#)]

**As Of July 2023, The CFPB Was Supervising At Least Three Fintech Companies, Including A BNPL Companies, An Earned Wage Access Company, And A “Big Tech” Company.** “Chopra declined to provide the number or type of companies the agency is supervising. But at least three companies—one buy now, pay later business; one earned wage access provider; and a big tech company—had agreed to CFPB supervision, according to an industry source, declining to identify the companies.” [Bloomberg Law, [07/20/23](#)]

**As Of June 2023, Elliott Investment Management Held Over \$30 Million In Q2 Holdings Inc., A Digital Banking Solutions Provider For Financial Institutions And Fintechs That Has Disclosed It May Be Subject To CFPB Rules And Enforcement And Is A “Platinum” Member Of The American Bankers Association, Which Has Issued A Statement In Support Of The CFPB Supreme Court Case.**

As Of June 30, 2023, Elliott Investment Management L.P. Held Nearly \$30.8 Million In Q2 Holdings Inc.:

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
NAME OF ISSUER	TITLE OF CLASS	CUSIP	FIGI (to the nearest dollar)
	[...]		
Q2 HLDGS INC	NOTE 0.125% 11/1	74736LAF6	16,465,029
Q2 HLDGS INC	NOTE 0.750% 6/0	74736LAD1	14,316,162

[Elliott Investment Management L.P. Form 13F Information Table, [08/14/23](#)]

- The Filing Was For The Period Ending June 30, 2023:

Form 13F-HR - Quarterly report filed by institutional managers, Holdings:	
<b>Filing Date</b> 2023-08-14	<b>Period of Report</b> 2023-06-30
<b>Accepted</b> 2023-08-14 16:30:50	<b>Effectiveness Date</b> 2023-08-14

[Elliott Investment Management L.P. 13F Filing Detail, [08/14/23](#)]

**Q2 Holdings Inc. Claims To Be “A Leading Provider Of Digital Banking And Lending Solutions To Banks, Credit Unions, Alternative Finance Companies, And Fintechs.”** “About Q2 Holdings, Inc. Q2 is a leading provider of digital banking and lending solutions to banks, credit unions, alternative finance companies, and fintechs in the U.S. and internationally.” [Q2, [08/01/23](#)]

**Today, one out of 10 digital banking customers in America is using Q2’s single platform to bank.**

[Q2, accessed [08/18/23](#)]

**In Its Most Recent Annual Report, Q2 Holdings Disclosed That Some Of Its Products May Be Subject To CFPB Rules And May Be Subject To CFPB Examination And Supervision.** “The Dodd-Frank Act granted the Consumer Financial Protection Bureau, or CFPB, authority to promulgate rules and interpret certain federal consumer financial protection laws, some of which apply to the solutions we offer. In certain circumstances, the CFPB also has examination and supervision powers with respect to service providers who provide a material service to a financial institution offering consumer financial products and services.” [Q2 Holdings, Inc. SEC Form 10-K, [02/21/23](#)]

**Q2 Holdings Has Disclosed That It Is Subject To The Dodd-Frank Wall Street Reform and Consumer Protection Act—including Its Unfair, Deceptive, Or Abusive Acts Or Practices (UDAAP) Provisions— As**

**Well As The Fair Credit Reporting Act (FCRA), Both Of Which Are Overseen And Enforced By The CFPB.** “Our solutions must enable our customers to comply with applicable requirements such as the following: [...] the Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act; [...] the Fair Credit Reporting Act; [...] laws against unfair, deceptive, or abusive acts or practices; [...]” [Q2 Holdings, Inc. SEC Form 10-K, [02/21/23](#)]

- **The CFPB, Along With The Federal Trade Commission, Is Responsible For Overseeing And Enforcing The Fair Credit Reporting Act (FCRA).** “The Fair Credit Reporting Act (FCRA) is the primary federal law that governs the collection and reporting of credit information about consumers. [...] The Federal Trade Commission (FTC) and the Consumer Financial Protection Bureau (CFPB) are the two federal agencies charged with overseeing and enforcing the provisions of the law.” [Investopedia, [02/27/23](#)]
- **Under The Dodd-Frank Act, The CFPB Has Rule-Making And Enforcement Authority Over Unfair, Deceptive, Or Abusive Acts Or Practices (UDAAP).** “Under the Dodd-Frank Act, it is unlawful for any provider of consumer financial products or services or a service provider to engage in any unfair, deceptive, or abusive act or practice. The Act also provides the Consumer Financial Protection Bureau (CFPB) with rule-making authority and, with respect to entities within its jurisdiction, enforcement authority to prevent unfair, deceptive, or abusive acts or practices 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.” [Consumer Financial Protection Bureau, [03/16/22](#)]

**Q2 Holdings Inc. Is A “Platinum Associate Member” Of The American Bankers Association (ABA), Whose President And CEO Issued A Statement Praising The Supreme Court’s CFPB Case, Claiming “We Have Seen The Bureau Repeatedly Ignore Legal Boundaries Established By Congress” And Adding That ABA Has “Long Advocated” To Undo The Bureau’s Independence:**



[American Bankers Association, accessed [08/18/23](#)]

- **February 2023: ABA President And CEO Rob Nichols Issued A Statement On The Supreme Court’s CFPB Case, Calling It “A Step Toward Resolving Longstanding Questions Surrounding The Bureau. We Have Seen The Bureau Repeatedly Ignore Legal Boundaries Established By Congress.”** “ABA Statement on CFPB Funding Case Heading to Supreme Court [...] By Rob Nichols, President and CEO [...] ‘The separation of powers – and related accountability of executive power – is a hallmark of American democracy. Today’s announcement that the Supreme Court will consider the constitutionality of the CFPB’s funding is a step toward resolving longstanding questions surrounding the Bureau. We have seen the Bureau repeatedly ignore legal boundaries established by Congress.’” [American Bankers Association, [02/27/23](#)]
- **Nichols Added, “ABA Has Long Advocated For A Board Or Commission Structure And For The Bureau To Be Subject To The Appropriations Process.”** “To bolster the CFPB’s accountability, ABA has long advocated for a board or commission structure and for the Bureau to be subject to the appropriations process. We hope that the resolution of this case will take heed of these critical issues while ensuring Americans continue to have access to the financial products they want and need, along with the protections they deserve.” [American Bankers Association, [02/27/23](#)]

- **The ABA Claims To Be “The Voice Of The Nation’s \$23.7 Trillion Banking Industry.”** “The American Bankers Association is the voice of the nation’s \$23.7 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2.1 million people, safeguard \$18.7 trillion in deposits and extend \$12.2 trillion in loans.” [American Bankers Association, [02/27/23](#)]

## **Elliott Management Has Been An Investor In PLUM Inc., A Commercial Real Estate Mortgage Fintech.**

**2018: PLUM Inc., A Fintech Lender In The Commercial Real Estate Mortgage Market, Announced An Investment By Elliott Management.** “PLUM Inc., a San Francisco based fintech lender, announced today a Series B equity investment by the \$35 billion hedge fund, Elliott Management. [...] PLUM is using data science and artificial intelligence to re-imagine the \$4 trillion commercial real estate mortgage market. To learn more, visit [plumlending.com](#).” [PLUM Inc., [04/17/18](#)]

**PLUM Founder And CEO Bill Fisher Praised Elliott As He Said, “PLUM Is Proud To Partner With Them In Rapidly Scaling Our Breakthrough Business Model Into A National Commercial Real Estate Franchise.”** “Bill Fisher, PLUMs founder and CEO, said ‘Elliott Management is generally recognized as one of the savviest investors of the modern era, and PLUM is proud to partner with them in rapidly scaling our breakthrough business model into a national commercial real estate franchise’. Elliott’s decision follows earlier investments in PLUM by QED Investors and Renren Inc.” [PLUM Inc., [04/17/18](#)]

**As Of 2020, It Appeared That Elliott Was Still Invested In PLUM.** “Resolute Capital Partners (‘RCP’), announced today the company has joined Elliott Management, a hedge fund manager, and Soft Bank, a high-tech funding firm, by investing alongside them in PLUM® Lending (‘PLUM’).” [Cision, [03/31/20](#)]

**Elliott Management Only Recently Dissolved Its Up To \$2 Billion Activist Shareholder Stake In “Payments Giant” PayPal, Which Has Over 20,000 CFPB Complaints, Is Currently In An “Ongoing Court Battle” With The Bureau Over Digital Wallets, Faced A CFPB Investigative Demand In 2021, Has Been Subject To Bureau Scrutiny Of Big Tech Platforms.**

## **Elliott Management Has Only Recently Dissolved Its Major Activist Shareholder Stake—Which Was \$2 Billion In 2022—In “Payments Giant” PayPal, Which Is The Subject Of Over 20,000 Complaints In The CFPB Complaint Database.**

**August 2023: Reuters Reported That Elliott Management Dissolved Its Investment In “Payments Giant” Paypal After Reportedly Investing In 2022.** “Activist investor Elliott Investment Management has dissolved its stake in payments giant PayPal (PYPL.O), according to a filing with the U.S. Securities and Exchange Commission.” [Reuters, [08/14/23](#)]

- **Elliott Reportedly Bought Its PayPal Stake In 2022.** “Activist investor Elliott Management Corp. has a stake in PayPal increase; green up pointing triangle Holdings Inc., according to people familiar with the matter. The size of Elliott’s stake and its intentions couldn’t be learned.” [The Wall Street Journal, [07/26/22](#)]

**August 2022: Elliott Was Revealed To Be Among PayPal’s Largest Shareholders, With A \$2 Billion Stake—Elliott, An Activist Investor, Was Also Expected To Push PayPal For Managerial Changes.** “Digital payments pioneer PayPal reported a second-quarter net loss on Tuesday and pledged its allegiance to

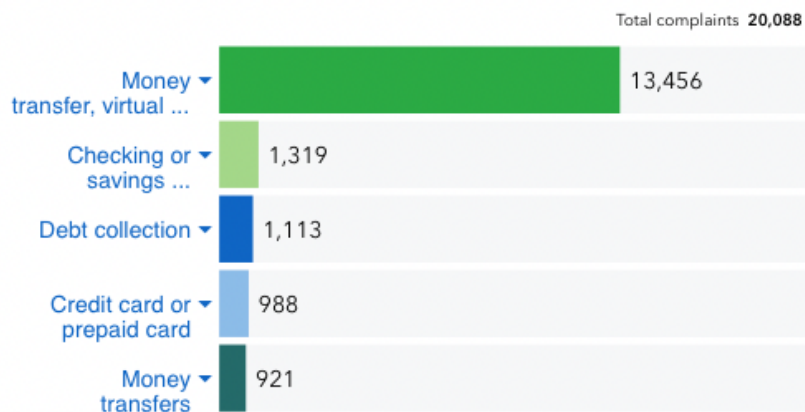
goals recently set with activist investor Elliott Investment Management, which the company revealed is now one of its largest shareholders with a \$2 billion ownership stake.” [PaymentsDive, [08/03/22](#)]

- **Elliott Management, Known As An Activist Investor, Was Expected To “Prod PayPal Toward Boosting Its Sagging Stock Price.”** “As is the case with most activist investors, Elliott is likely to prod PayPal toward boosting its sagging stock price.” [PaymentsDive, [08/03/22](#)]
- **Elliott And PayPal “Entered Into An Information-Sharing Agreement.”** “Those new priorities and savings initiatives follow ‘constructive and collaborative’ discussions with Elliott Investment, the CEO said. He also noted that PayPal had entered into an information-sharing agreement with Elliott as part of their plan to continue working together.” [PaymentsDive, [08/03/22](#)]

**The CFPB Has Received Over 20,000 Complaints About PayPal Holdings Inc. Since December 2011, Including Over 13,400 Related To Money Transfers, Virtual Currencies, And Money Services:**

Issues, by product from 12/1/2011 to 8/17/2023

Product and issue the consumer identified in the complaint. Click on a product to expand issues.



[Consumer Financial Protection Bureau, accessed [08/18/23](#)]

**Paypal Was In An “Ongoing Court Battle” With The CFPB Over Digital Wallets In 2023, Faced A CFPB Civil Investigative Demand In 2021, Is Subject To CFPB Scrutiny Of Big Tech Payment Platforms, And Faced A \$25 Million CFPB Consent Order In 2015.**

**June 2023: PayPal And The CFPB Resumed Their “Ongoing Court Battle Over Disclosure Requirements For Digital Wallets In The Bureau’s Prepaid Card Rule,” A Lawsuit Originated By PayPal In 2019 And Expected To Be Resolved By Late 2023 Or Early 2024.** “PayPal Holdings and the Consumer Financial Protection Bureau have refiled legal claims in their ongoing court battle over disclosure requirements for digital wallets in the bureau's prepaid card rule. The CFPB and PayPal filed a round of legal arguments late last month with the U.S. District Court for the District of Columbia to resolve remaining claims stemming from a lawsuit PayPal filed in 2019.” [American Banker, [06/01/23](#)]

- **A Decision In The Lawsuit Was Expected By Late 2023 Or Early 2023.** “The case is now moving quickly with oral arguments expected on July 6 and a decision expected by year-end or early 2024, experts said.” [American Banker, [06/01/23](#)]
- **February 2023: The D.C. Circuit Court Of Appeals Ruled In Favor Of The CFPB, Holding That It Complied With Electronic Fund Transfer Act Requirements, And Remanded Remaining Claims**

**Back To D.C.’s U.S. District Court.** “In February, a federal appeals court ruled in favor of the CFPB, finding that the bureau's prepaid card rule did not mandate specific fee disclosures for digital wallets. A three-judge panel of the U.S. Court of Appeals for the D.C. Circuit said the CFPB had complied with requirements of the Electronic Fund Transfer Act and remanded the remaining claims back to the district court.” [American Banker, [06/01/23](#)]

**October 2021: The CFPB Ordered PayPal And Five Other Big Tech Payment Platforms To Provide Information On Their Business Practices, Noting That “The Scale And Market Power Of Large Technology Companies Raise Concerns About Potential New Risks To Consumers And To Broader Competition.”** “In October 2021, the CFPB ordered six large technology and peer-to-peer platforms that operate payment services (Amazon, Apple, Facebook, Google, PayPal and Square) to provide information about their business practices, including their data collection and use, their policies for removing individuals or businesses from their platforms, and their policies and practices for adhering to key consumer protections like addressing disputes and errors.” [Consumer Financial Protection Bureau, [10/31/22](#)]

- **The CFPB Noted That “The Scale And Market Power Of Large Technology Companies Raise Concerns About Potential New Risks To Consumers And To Broader Competition In The Marketplace.”** “Faster payment systems are increasingly popular and offer many benefits to consumers, like sending money directly to other consumers or engaging in quicker transactions. But the scale and market power of large technology companies raise concerns about potential new risks to consumers and to broader competition in the marketplace.” [Consumer Financial Protection Bureau, [10/31/22](#)]

**June 2023: The CFPB Released An “Issue Spotlight” On Consumer Risks Posed By Nonbank Digital Payment Applications That Lack Federal Insurance, Including PayPal, With Director Rohit Chopra Noting That The Bureau Was “Sharpening Its Focus” On These Apps.** “The Consumer Financial Protection Bureau (CFPB) published an issue spotlight on digital payment apps heavily used by consumers and businesses. The analysis finds that funds stored on these apps may not be safe in the event of financial distress, since the funds may not be held in accounts with federal deposit insurance coverage. The CFPB also issued a consumer advisory for customers holding funds in these apps and how they can make sure their funds remain safe. [...] Use of nonbank payment apps such as PayPal, Venmo, and Cash App have rapidly grown in the past few years.” [Consumer Financial Protection Bureau, [06/01/23](#)]

- **CFPB Director Rohit Chopra Said The CFPB Was “Sharpening Its Focus” On Payment Apps “That Sidestep The Safeguards That Local Banks And Credit Unions Have Long Adhered To.”** “Popular digital payment apps are increasingly used as substitutes for a traditional bank or credit union account but lack the same protections to ensure that funds are safe,’ said CFPB Director Rohit Chopra. ‘As tech companies expand into banking and payments, the CFPB is sharpening its focus on those that sidestep the safeguards that local banks and credit unions have long adhered to.’” [Consumer Financial Protection Bureau, [06/01/23](#)]
- **CFPB Press Release Headline: CFPB Finds that Billions of Dollars Stored on Popular Payment Apps May Lack Federal Insurance** [Consumer Financial Protection Bureau, [06/01/23](#)]

**January 2021: PayPal Received A CFPB Civil Investigative Demand “Related To Venmo's Unauthorized Funds Transfers And Collections Processes.”** “PayPal Holdings Inc. on Jan. 21 received a civil investigative demand from the Consumer Financial Protection Bureau related to Venmo's unauthorized funds transfers and collections processes, and related matters. The company said in a regulatory filing that it is cooperating with the CFPB in connection with the matter.” [S&P Global, [02/08/21](#)]

**2015: The CFPB Issued A Proposed Consent Order Against PayPal For “Illegally Signing Consumers For Online Credit” And Then Failing To Address Consumers’ Disputes—The Order Requested \$15 Million In Redress And A \$10 Million Fine.** “Today the Consumer Financial Protection Bureau (CFPB) filed a complaint and proposed consent order in federal court against PayPal, Inc. for illegally signing up consumers

for its online credit product, PayPal Credit, formerly known as Bill Me Later. The CFPB alleges that PayPal deceptively advertised promotional benefits that it failed to honor, signed consumers up for credit without their permission, made them use PayPal Credit instead of their preferred payment method, and then mishandled billing disputes. Under the proposed order, PayPal would pay \$15 million in consumer redress and a \$10 million penalty, and it would be required to improve its disclosures and procedures.” [Consumer Financial Protection Bureau, [05/19/15](#)]

- **Then-CFPB Director Richard Cordray Noted That “PayPal Illegally Signed Up Consumers For Its Online Credit Product Without Their Permission And Failed To Address Disputes When They Complained.”** “PayPal illegally signed up consumers for its online credit product without their permission and failed to address disputes when they complained,’ said CFPB Director Richard Cordray.” [Consumer Financial Protection Bureau, [05/19/15](#)]
- **CFPB Press Release Headline: CFPB Takes Action Against PayPal for Illegally Signing Up Consumers for Unwanted Online Credit** [Consumer Financial Protection Bureau, [05/19/15](#)]