

# Consumers At Risk As House Financial Services Chair Patrick McHenry Ascends To Interim House Speaker

Following the [historic removal](#) of House Speaker Kevin McCarthy, House Financial Services Chair Patrick McHenry, a staunch McCarthy ally, became speaker pro tempore. In his first act as interim speaker, McHenry sought [vengeance](#) against his perceived enemies, including several former and current members of House Democratic leadership. These actions follow a pattern of vindictiveness and cruelty that has long shaded his work as a member, and eventual chair, of the House Financial Services Committee.

As outlined in Accountable.US's "[MAGA Economics](#)" project, McHenry has a long history of anti-consumer actions taken at the behest of industry donors, including vicious attacks against the Consumer Financial Protection Bureau and its leadership, while siding with industry in their efforts to harm consumers. Rep. McHenry's most anti-consumer actions include:

- As House Financial Services Committee Chair, Rep. McHenry [followed](#) major [banking trade groups](#) in attacking the CFPB's [proposed credit card rule](#) while using similar rhetoric in defense of credit card late fees.
- One of McHenry's first acts as chair of the House Financial Services Committee was [stacking](#) the majority staff with industry insiders and lobbyists, including those formerly lobbying for the American Bankers Association and JPMorgan Chase.
- In July 2017, Rep. Patrick McHenry (R-NC) called the [CFPB's arbitration rule](#)—which would have made it easier for harmed consumers to join together in class-action lawsuits against abusive financial services companies— "[deeply flawed](#)" and [co-sponsored](#) a resolution that eventually invalidated the rule.
- Rep. McHenry has [twice introduced](#) legislation meant to help payday lenders get around state interest rate caps.
- In July 2023, House Financial Services Chair McHenry [co-led](#) a group of over 130 congressional Republicans in filing an [amicus brief](#) in support of the payday industry's [lawsuit](#) against the CFPB's funding structure.

**As House Financial Services Committee Chair, Rep. McHenry Followed Major Banking Trade Groups In Attacking The CFPB's Proposed Credit Card Rule While Using Similar Rhetoric In Defense Of Credit Card Late Fees.**

**Major Banking Trade Groups—including The American Bankers Association (ABA), The Independent Community Bankers Of America (ICBA), And The Consumer Bankers Association (CBA)—Came Out Against The CFPB's Proposed Credit Card Rule Just Hours After Its Announcement.**

**February 1, 2023: The American Bankers Association Came Out Against The CFPB Proposed Rule, With Its President And CEO, Rob Nichols, Saying The Rule Would "Harm Consumers By Reducing Competition And Access To Credit."** "Against strong objections from the American Bankers Association, the Consumer Financial Protection Bureau and the White House today proposed to eliminate a longstanding safe

harbor that banks of all sizes rely upon when setting late fees on credit card payments. Citing “excessive credit card late fees,” the CFPB proposed slashing the safe harbor dollar amount for late fees from \$30 to \$8 and eliminating a higher safe harbor dollar amount for late fees for subsequent violations of the same type; eliminating the annual inflation adjustment for the safe harbor amount that was provided by the Federal Reserve Board in 2010; and capping late fee amounts at 25% of the required payment. [...] ABA President and CEO Rob Nichols blasted the agency’s decision, saying it would harm consumers by reducing competition and access to credit. ‘If the proposal is enacted, credit card issuers will be forced to adjust to the new risks by reducing credit lines, tightening standards for new accounts and raising APRs for all consumers, including the millions who pay on time,’ he said.” [ABA Banking Journal, [02/01/23](#)]

**February 1, 2023: Independent Community Bankers Of America (ICBA) President And CEO Rebeca Romero Rainey Issued A Statement Voicing Opposition To The CFPB’s Proposed Rule, Stating The Association “‘Caution[s] Against Adversely Affecting Small Issuers, Needlessly Restricting Access To Credit In Local Communities, And Misrepresenting How Community Banks Meet The Credit Card Needs Of Their Customers.’”** “Independent Community Bankers of America (ICBA) President and CEO Rebeca Romero Rainey issued the following statement on today’s Consumer Financial Protection Bureau proposed rule on credit card fees for late payments. ‘While ICBA and the nation’s community banks review today’s Consumer Financial Protection Bureau proposed rule on credit card late fees, we caution against adversely affecting small issuers, needlessly restricting access to credit in local communities, and misrepresenting how community banks meet the credit card needs of their customers.’” [ICBA, [02/01/23](#)]

- **Romero Rainey Went On To Defend Credit Card Late Fees As “‘Deter[ring] Late Payments And Help[ing] Offset The Significant Costs To Issuers.’”** “‘As relationship bankers, community banks offer credit cards as a service to their customers under contracts voluntarily entered into by these consumers. Credit card late fees — which are clearly disclosed and represent a small portion of the cost of credit cards to customers — deter late payments and help offset the significant costs to issuers. Considering these costs, current practices are appropriate and do not constitute ‘junk fees,’ despite the CFPB’s misrepresentation of the community bank business model.’” [ICBA, [02/01/23](#)]

**February 1, 2023: Consumer Bankers Association (CBA) President and CEO Lindsey Johnson Slammed The CFPB’s Proposed Rule As “‘The Latest Example Of The Bureau Seeking To Advance A Political Agenda That Will Harm, Rather Than Help, The Very People They Are Responsible For Serving,’”** Adding That “‘It Is Deeply Unfortunate And Puzzling That Policymakers Would Take Action That Could Ultimately Limit Consumers’ Access To [Credit Cards] At A Time When They Are Needed Most.’” “Consumer Bankers Association (CBA) President and CEO Lindsey Johnson today released the following statement after the Consumer Financial Protection Bureau (CFPB) announced a Notice of Proposed Rulemaking (NPRM) that would limit the safe harbor amount credit card issuers can charge consumers for overdue payments: ‘This announcement is just the latest example of the Bureau seeking to advance a political agenda that will harm, rather than help, the very people they are responsible for serving. Millions of Americans rely on credit cards to make everyday purchases and cover emergency expenses. It is deeply unfortunate and puzzling that policymakers would take action that could ultimately limit consumers’ access to these valued financial products at a time when they are needed most.’” [Consumer Bankers Association, [02/01/23](#)]

## **The Day After Banking Industry Groups Came Out Against The CFPB’s Proposed Rule, House Financial Services Chair Patrick McHenry (R-NC) Released A Statement Slamming the Rule As “‘Limit[ing] Consumer Options, Benefits, And Punish[ing] Borrowers In Good Standing.’”**

**February 2, 2023: House Financials Services Committee Chair Patrick McHenry (R-NC) Released A Statement Attacking The CFPB’s Proposed Rule As “‘Limit[ing] Consumer Options, Benefits, And Punish[ing] Borrowers In Good Standing.’”** “Today, the Chairman of the House Financial Services Committee, Patrick McHenry (NC-10), issued the following statement in response to the Consumer Financial Protection Bureau’s (CFPB) Notice of Proposed Rulemaking regarding credit card fees, which would limit

consumer options, benefits, and punish borrowers in good standing.” [House Financial Services Committee, [02/02/23](#)]

**McHenry’s Statement Went On To Criticize The Proposal As “Limit[ing] Loyalty Benefits For Consumers, While Forcing Borrowers In Good Standing To Foot The Bill For Those Who May Be Late On Their Payments.”** “At a time when more American families are carrying credit card debt due to Democrat-induced inflation, Director Chopra is pushing a proposed rule that would raise costs for all credit card users,’ said Chairman McHenry. ‘This proposal would also limit loyalty benefits for consumers, while forcing borrowers in good standing to foot the bill for those who may be late on their payments. In fact, Director Chopra is attacking the same tool—fees—that the IRS uses to deter late tax payments.” [House Financial Services Committee, [02/02/23](#)]

**McHenry’s Statement Ended With Him Vowing That The “House Financial Services Committee Will Not Allow Director Chopra To Punish Consumers Solely To Placate Progressive Activists.”** “Additionally, it’s troubling that this supposedly independent agency is coordinating this announcement with the White House for political purposes. Under my leadership, the House Financial Services Committee will not allow Director Chopra to punish consumers solely to placate progressive activists.” [House Financial Services Committee, [02/02/23](#)]

**One Of McHenry’s First Acts As Chair Of The House Financial Services Committee Was Stacking The Majority Staff With Industry Insiders And Lobbyists, Including Those Formerly Lobbying For The American Bankers Association And JPMorgan Chase.**

**Late January 2023: House Financial Services Committee (HFSC) Chairman Patrick McHenry (R-NC) Announced His New Majority Committee Staff, Claiming They Would Help “Conduct Robust Oversight Of The Biden Administration.”**

**January 27, 2023: House Financial Services Committee (HFSC) Chairman Patrick McHenry (R-NC) Announced The Majority Committee Staff For The 118th Congress.** “Today, the Chairman of the House Financial Services Committee, Patrick McHenry (NC-10), announced the majority Committee staff for the 118th Congress.” [House Financial Services Committee, [01/27/23](#)]

**McHenry Said Of The Staff, “Each Individual Brings A Unique Background And Expertise That Will Help Committee Republicans Deliver On Our Agenda To Conduct Robust Oversight Of The Biden Administration.”** “I’m a firm believer that talented staff makes the work of members, and Congress as a whole, possible,’ said Chairman McHenry. ‘Each individual brings a unique background and expertise that will help Committee Republicans deliver on our agenda to conduct robust oversight of the Biden administration, foster innovation, and expand opportunity for all Americans. I look forward to working with this distinguished team to advance commonsense solutions to the most pressing issues facing our financial system.” [House Financial Services Committee, [01/27/23](#)]

**HFSC Majority Staff Director Matthew Hoffman Was A Vice President And Principal Of Major Lobbying Firm BGR Group, Which Was Paid Nearly \$30 Million By Corporate Clients—including Investment Bank Credit Suisse— During Hoffman’s Tenure.**

*HFSC Majority Staff Director Matthew Hoffman Was A Lobbyist For The BGR Group, A Lobbying Firm That Claims To "Have The Skills To Achieve Results" Whether Clients "Seek New Legislation, Need To Modify Regulation, Or Want To Put A Stop To Adverse Legislation."*

**January 27, 2023: Matthew Hoffman Was Selected As Majority Staff Director Of The House Financial Services Committee Majority Staff.** [House Financial Services Committee, [01/27/23](#)]

**April 14, 2021: Rep. Patrick McHenry (R-NC), Then-Ranking Member Of The House Financial Services Committee, Named Matt Hoffman To Serve As The New Staff Director For The House Financial Services Committee Republicans.** "Today, the top Republican on the House Financial Services Committee, Patrick McHenry (NC-10), named Matt Hoffmann as the new staff director for Financial Services Committee Republicans: [...]" [House Financial Services Committee Republicans, [04/14/21](#)]

**The BGR Group is A Washington, DC Lobbying And Public Affairs Firm Which Proudly "Specialize[s] In Creating, Implementing And Changing Public Policy."** "With senior-level experience in the White House, Congress and the Executive Branch, coupled with uncommon strategic vision, policy expertise and close working relationships with decision-makers around the world, the BGR Government Affairs team is prepared to take on your greatest challenges. Our reputation for excellence is known in the nation's capital and around the globe. A bipartisan lobbying firm, we specialize in creating, implementing and changing public policy." [BGR Group, accessed [12/14/22](#)]

**BGR Claims To "Have The Skills To Achieve Results" Whether Clients "Seek New Legislation, Need To Modify Regulation, Or Want To Put A Stop To Adverse Legislation."** "Whether you seek new legislation, need to modify regulation, or want to put a stop to adverse legislation, we have the skills to achieve results under the most difficult circumstances." [BGR Group, accessed [12/14/22](#)]

*From May 2018 To April 2021, Matt Hoffman Worked As A Vice President And Principal Of The BGR Group "Where He Co-Led The Market Access And Reimbursement Team" And "Also Played A Key Role In BGR's Tax And Trade Activities."*

**According To LegiStorm, Matt Hoffman Worked As A Vice President And Principal Of The BGR Group From May 2018 To April 2021:**

Employment History
<ul style="list-style-type: none"><li>House Financial Services Committee (April 2021-) <i>Rep. Patrick McHenry (R-NC)</i> <i>Staff Director, Republican</i></li><li>BGR Group (Feb. 2021-April 2021) <i>Principal</i></li><li>BGR Group (May 2018-Feb. 2021) <i>Vice President</i></li></ul>

[LegiStorm, accessed [12/14/22](#)]

**In Announcing His Appointment, House Financial Committee Republicans Noted Hoffman Had Recently "Worked At The BGR Group As A Principal And A Member Of The Firm's Health Care Practice, Where He Co-Led The Market Access And Reimbursement Team" And Had "Also Played A Key Role In BGR's Tax And Trade Activities."** "Matt previously served as Policy Director at the Senate Finance Committee and for former Speaker Paul Ryan on the House Budget Committee, Ways and Means Committee,

and in the Speaker's office. Most recently, he worked at the BGR Group as a principal and a member of the firm's health care practice, where he co-lead the Market Access and Reimbursement team. He also played a key role in BGR's tax and trade activities." [House Financial Services Committee Republicans, [04/14/21](#)]

*While Matt Hoffman Served As A Lobbyist, Corporate Clients Paid BGR Nearly \$30 Million, Including \$120,000 From Credit Suisse Securities USA, An Investment Banking Company Offering A Variety Of Financial Services.*

**In Total, Corporate Clients Paid BGR Government Affairs \$29,370,000 As Matt Hoffman Lobbied Congress On Their Interests.** [Senate Lobbying Disclosure Database, accessed [12/15/22](#)]

**BGR Government Affairs Received \$120,000 From Credit Suisse Securities USA As Matt Hoffman Lobbied Congress On "Legislative And Regulatory Initiative Of Interest To The Company And Its Subsidiaries":**

Registrant Name	Client Name	Report Type	Amount Reported	Filing Year
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	1st Quarter - Report	\$20,000.00	2019
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	2nd Quarter - Report	\$10,000.00	2019
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	3rd Quarter - Report	\$10,000.00	2019
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	4th Quarter - Report	\$10,000.00	2019
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	1st Quarter - Report	\$10,000.00	2020
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	2nd Quarter - Report	\$10,000.00	2020
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	3rd Quarter - Report	\$10,000.00	2020
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	4th Quarter - Report	\$10,000.00	2020
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	1st Quarter - Report	\$10,000.00	2021
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	2nd Quarter - Report	\$10,000.00	2021
<a href="#">BGR Government Affairs</a>	Credit Suisse Securities (USA) LLC	3rd Quarter - Report	\$10,000.00	2021
		<b>Total:</b>	<b>\$120,000</b>	

**Credit Suisse Securities (USA) LLC Is An Investment Banking Company Offering A Variety Of Financial Services, Including "Strategic Planning, Consolidations, Reorganization, Financial, Capital Market, Wealth And Asset Management, Capital Raising, Funds, And Private Banking Services."** "Credit Suisse Securities (USA) LLC operates as an investment banking company. The Company offers strategic planning, consolidations, reorganization, financial, capital market, wealth and asset management, capital raising, funds, and private banking services. Credit Suisse Securities (USA) serves clients worldwide." [Bloomberg, accessed [12/14/22](#)]



**HFSC Chief Counsel And Policy Director Kimberly Betz Was Senior Director Of Public Policy For PepsiCo Inc. And Lobbied While The Corporation Reported Spending \$2.3 Million Influencing Federal Policymakers.**

January 27, 2023: Kimberly Betz Was Selected As Chief Counsel And Policy Director Of The House Financial Services Committee Majority Staff. [House Financial Services Committee, [01/27/23](#)]

Kimberly Betz Was A Senior Director Of Public Policy And Government Affairs For PepsiCo Inc. In 2012. [LegiStorm, accessed [01/30/23](#)]

While Kimberly Betz Appeared On PepsiCo, Inc.'s Lobbying Disclosures, It Reported Spending \$2.3 Million On Influencing Federal Policymakers:

Lobbying Client	Report Type	Report Year	Amount Reported
<a href="#">PEPSICO.INC</a>	4th Quarter - Amendment	2012	\$630,000.00
<a href="#">PEPSICO.INC</a>	3rd Quarter - Amendment	2012	\$740,000.00
<a href="#">PEPSICO.INC</a>	2nd Quarter - Amendment	2012	\$930,000.00
		<b>Total:</b>	<b>\$2,300,000.00</b>

[U.S. Senate Lobbying Disclosure Database, accessed [01/30/23](#)]

**HFSC Director Of Member Services And Coalitions Larry Seyfried Was The American Bankers Association's SVP For Congressional Relations For A Decade—Since Just 2017, Seyfried Has Appeared On The Group's Lobbying Disclosures Showing Nearly \$56.7 Million In Spending.**

January 27, 2023: Larry Seyfried Was Selected As Director Of Member Services And Coalitions For The House Financial Services Committee Majority Staff. [House Financial Services Committee, [01/27/23](#)]

Larry Seyfried Worked For The American Bankers Association From 2004 Through September 2022, First As Senior Legislative Representative And Then As Senior Vice President For Congressional Relations:

- Lawrence (Larry) Seyfried Was Senior Vice President For Congressional Relations For The American Bankers Association From December 2012 To September 2022. [LegiStorm, accessed [01/30/23](#)]
- Larry Seyfried Was Senior Legislative Representative For The American Bankers Association From 2004 To December 2012. [LegiStorm, accessed [01/30/23](#)]

Employment History
<ul style="list-style-type: none"> <li>American Bankers Association (Dec. 2012-Sept. 2022) <i>Senior Vice President for Congressional Relations</i></li> <li>American Bankers Association (2004-Dec. 2012) <i>Senior Legislative Representative</i></li> <li>Rep. Eric Cantor (R-VA) (Oct. 2001-Sept. 2004) <i>Legislative Assistant</i></li> <li>Rep. Eric Cantor (R-VA) (April 2001-Sept. 2001) <i>Legislative Correspondent</i></li> </ul>

[LegiStorm, accessed [01/30/23](#)]

**The American Bankers Association “Represents Banks Of All Sizes.”** “The American Bankers Association (ABA) proudly represents banks of all sizes. Learn more about how we support America's banks, our mission and history, and how to become a member.” [American Bankers Association, accessed [01/30/23](#)]

**Larry Seyfried Appears On The American Bankers Association’s Lobbying Reports As Early As February 2005:**

**Larry Seyfried** [New]

[U.S. Senate Lobbying Disclosure Database, [02/25/05](#)]

**Lawrence (Larry) Seyfried Appears On The American Bankers Association’s Lobbying Reports As Recently As October 2022:**

Lawrence Seyfried

[U.S. Senate Lobbying Disclosure Database, [10/19/22](#)]

**Since Q1 2017 Alone, Seyfried Has Appeared In American Bankers Association Lobbying Disclosures Where It Has Reported Spending Nearly \$56.7 Million To Influence Federal Lawmakers:**

Lobbying Client	Report Type	Report Year	Amount Reported
<a href="#">American Bankers Association</a>	3rd Quarter - Report	2022	\$2,870,000.00
<a href="#">American Bankers Association</a>	2nd Quarter - Report	2022	\$1,740,000.00
<a href="#">American Bankers Association</a>	1st Quarter - Amendment	2022	\$1,666,000.00
<a href="#">American Bankers Association</a>	4th Quarter - Report	2021	\$2,450,000.00
<a href="#">American Bankers Association</a>	3rd Quarter - Report	2021	\$2,600,000.00
<a href="#">American Bankers Association</a>	2nd Quarter - Report	2021	\$2,500,000.00
<a href="#">American Bankers Association</a>	1st Quarter - Report	2021	\$1,870,000.00
<a href="#">American Bankers Association</a>	4th Quarter - Report	2020	\$2,940,000.00
<a href="#">American Bankers Association</a>	3rd Quarter - Report	2020	\$2,930,000.00
<a href="#">American Bankers Association</a>	2nd Quarter - Report	2020	\$2,730,000.00
<a href="#">American Bankers Association</a>	1st Quarter - Report	2020	\$2,400,000.00
<a href="#">American Bankers Association</a>	4th Quarter - Report	2019	\$2,435,000.00

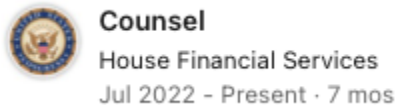
<a href="#">American Bankers Association</a>	3rd Quarter - Report	2019	\$2,161,000.00
<a href="#">American Bankers Association</a>	2nd Quarter - Report	2019	\$2,800,000.00
<a href="#">American Bankers Association</a>	1st Quarter - Report	2019	\$2,194,000.00
<a href="#">American Bankers Association</a>	4th Quarter - Report	2018	\$2,130,000.00
<a href="#">American Bankers Association</a>	3rd Quarter - Report	2018	\$2,130,000.00
<a href="#">American Bankers Association</a>	2nd Quarter - Report	2018	\$2,500,000.00
<a href="#">American Bankers Association</a>	1st Quarter - Report	2018	\$2,592,000.00
<a href="#">American Bankers Association</a>	4th Quarter - Report	2017	\$3,200,000.00
<a href="#">American Bankers Association</a>	3rd Quarter - Report	2017	\$2,540,000.00
<a href="#">American Bankers Association</a>	2nd Quarter - Report	2017	\$3,010,000.00
<a href="#">American Bankers Association</a>	1st Quarter - Report	2017	\$2,290,000.00
		<b>Total:</b>	<b>\$56,678,000.00</b>

[U.S. Senate Lobbying Disclosure Database, accessed [01/30/23](#)]

**HFSC Capital Markets Counsel Michael Lucia Previously Worked At Law Firms That Provided “In-Depth, Hands-On Legal Counsel” For The Financial Services Industry And Defended Multinational Corporations Against Government Oversight, In Addition To Interning For Libertarian Think Tank The Cato Institute.**

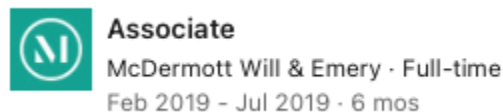
**January 27, 2023: Michael Lucia Was Selected As Capital Markets Counsel For The House Financial Services Committee Majority Staff.** [House Financial Services Committee, [01/27/23](#)]

- **Lucia Has Been Counsel For The House Financial Services Committee Since July 2022:**



[Michael Lucia LinkedIn Profile, accessed [01/30/23](#)]

**In 2019, Michael Lucia Was An Associate At McDermott Will & Emery, Which Touts “Multinational Corporations” As Clients And Highlights Its Reputation For Defending Clients Against “Government Agencies, Congressional Committees, The Executive And Legislative Branches, And Federal Courts”:**



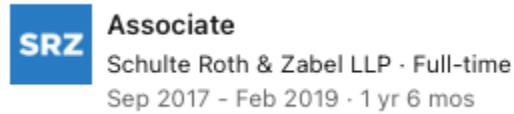
[Michael Lucia LinkedIn Profile, accessed [01/30/23](#)]

- **McDermott, Will & Emery Touts Its Washington DC Office’s “Reputation For Providing Effective Client Representation Before Government Agencies, Congressional Committees, The Executive And Legislative Branches, And Federal Courts.”** “Our Washington, DC, office has a long history of growth that allows us to remain a step ahead of emerging legal, business and regulatory trends and to meet all our clients’ ongoing needs. From the earliest years in the District, we have developed a reputation for providing effective client representation before government agencies, congressional committees, the executive and legislative branches, and federal courts.” [McDermott, Will & Emery, accessed [01/30/23](#)]



- **McDermott, Will & Emery States That Its “Legal Professionals Serve Clients In A Broad Spectrum Of Industries, Including Multinational Corporations” And Other Entities.** “Our legal professionals serve clients in a broad spectrum of industries, including multinational corporations, government and political institutions, health care, environmental agencies, international organizations and technology companies.” [McDermott, Will & Emery, accessed [01/30/23](#)]

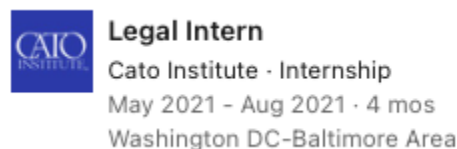
**From September 2017 To February 2019, Michael Lucia Was An Associate At Schulte Roth & Zabel LLP, Which Provides “In-Depth, Hands-On Legal Counsel” For The Financial Services Industry:**



[Michael Lucia LinkedIn Profile, accessed [01/30/23](#)]

- **Schulte Roth & Zabel LLP Claims It Provides “In-Depth, Hands-On Legal Counsel Throughout The Financial Services Sector.”** “Firm Overview [...] Instead of trying to be everything to everybody, we’ve made a name for ourselves by delivering what our clients need most: in-depth, hands-on legal counsel throughout the financial services sector — and beyond.” [Schulte Roth & Zabel, accessed [01/30/23](#)]
- **Schulte Roth & Zabel LLP Provides Counsel On “Securities Regulatory Compliance, Enforcement, And Investigative Issues.”** “Today, we regularly advise clients on investment management, corporate, and transactional matters. We also provide counsel on securities regulatory compliance, enforcement, and investigative issues, as well as targeted specialty areas that we have developed over time.” [Schulte Roth & Zabel, accessed [01/30/23](#)]
- **Schulte Roth & Zabel LLP’s Clients Include Public And Private Companies, Investment Banks, Hedge And Private Equity Funds, And Other Entities.** “Our clients include: [...] Public and private companies [...] Investment banks [...] Hedge and private equity funds” [Schulte Roth & Zabel, accessed [01/30/23](#)]

**From May 2021 To August 2021, Michael Lucia Was A Legal Intern At The Cato Institute, A “Libertarian Think Tank” Co-Founded By One Of The Koch Brothers:**



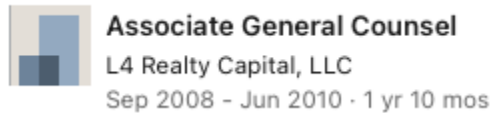
[Michael Lucia LinkedIn Profile, accessed [01/30/23](#)]

- **The Cato Institute Is "A Libertarian Think Tank" That Has "A Mission Of Promoting Limited Government."** "The Cato Institute, a libertarian think tank, decided not to apply for a loan, arguing in an op-ed in The Wall Street Journal that accepting the funds would be anathema to the group’s mission of promoting limited government." [The New York Times, [04/24/20](#)]
- **The Cato Institute's Original Corporate Name Was "The Charles Koch Foundation, Inc."** "Cato was co-founded by Edward Crane and Charles Koch, in the nineteen-seventies, with Koch’s money; the lawsuit notes that the original corporate name was the Charles Koch Foundation, Inc." [The New Yorker, [03/01/12](#)]

**HFSC Capital Markets Detailee Johnny Gharib Was A Corporate Attorney For Cadwalader, Wickersham & Taft LLP, Which Claims To Be “One Of The World's Most Prominent Financial Services Law Firms” And That Its Clientele Is “A Virtual ‘Who's Who’ Of The World's Top Banks” And Other Institutions.**

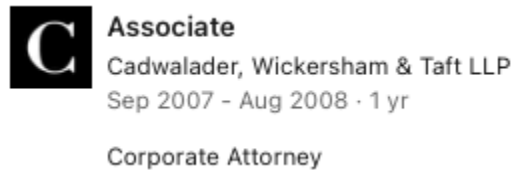
January 27, 2023: Johnny Gharib Was Selected As A Capital Markets Detailee For The House Financial Services Committee Majority Staff. [House Financial Services Committee, [01/27/23](#)]

Johnny Gharib Was An Associate General Counsel For L4 Realty Capital, LLC From September 2008 To June 2010:



[Johnny Gharib LinkedIn Profile, accessed [01/30/23](#)]

Johnny Gharib Was An Associate And Corporate Attorney At Cadwalader, Wickersham & Taft LLP From September 2007 To August 2008:



[Johnny Gharib LinkedIn Profile, accessed [01/30/23](#)]

**Cadwalader, Wickersham & Taft LLP Claims To Be “One Of The World's Most Prominent Financial Services Law Firms,” With “Long-Standing Client Relationships With Premier Financial Institutions, Funds, Fortune 500 Companies And Other Leading Corporations.”** “At Cadwalader, Wickersham & Taft LLP, we put over 225 years of legal experience and innovation to work for you today. As one of the world's most prominent financial services law firms, we have long-standing client relationships with premier financial institutions, funds, Fortune 500 companies and other leading corporations, and individual private clients.” [Cadwalader, Wickersham & Taft LLP, accessed [01/30/23](#)]

**Cadwalader Claims That Its Financial Industry Clientele Is “A Virtual ‘Who's Who’ Of The World's Top Banks, U.S. And Foreign Bank Holding Companies, Securities And Commodities Firms,” And Other Financial Institutions.** “Financial Institutions: Our wide range of financial institution clients is a virtual ‘who's who’ of the world's top banks, U.S. and foreign bank holding companies, securities and commodities firms, thrift institutions, funds, brokerage houses, institutional investors, insurance and finance companies, savings and loan associations, and mortgage banks.” [Cadwalader, Wickersham & Taft LLP, accessed [01/30/23](#)]

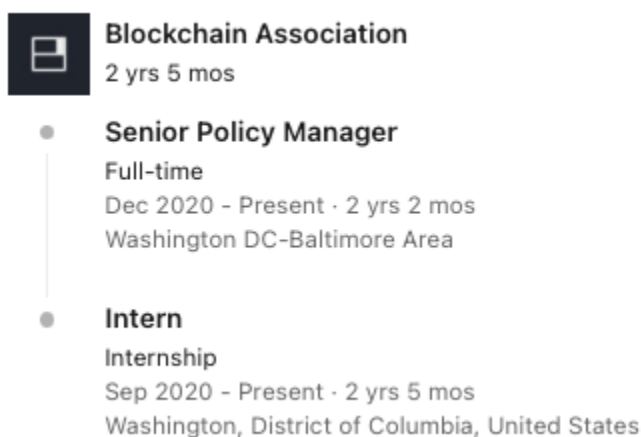
**Cadwalader Claims That Its Corporate Clientele “Span Practically Every Industry And Sector, And Include Numerous Fortune 500 And Other Leading Corporations,” Including Companies In The Financial Products And Services Sector.** “Corporations: Our corporate clients span practically every industry and sector, and include numerous Fortune 500 and other leading corporations in the aerospace and air transportation, commodities, consumer products, electronics, entertainment, financial products and services, food and beverage, gaming and resorts, health care, insurance, manufacturing, media, military and defense, oil and gas, pharmaceutical, rail, real estate, retail, shipping, steel, technology and utilities industries.” [Cadwalader, Wickersham & Taft LLP, accessed [01/30/23](#)]

**HFSC Digital Assets, Financial Technology, And Inclusion Professional Staff Member Lindsey Kelleher Was Senior Policy Manager For The Blockchain Association, “The Collective Voice Of The Crypto Industry,” And Has Been Called A Friend By A Top Lobbyist For The Group.**

*HFSC Digital Assets, Financial Technology, And Inclusion Professional Staff Member Lindsey Kelleher Was Previously Senior Policy Manager—Promoted To That Position After Interning For About Three Months—For The Blockchain Association, “The Collective Voice Of The Crypto Industry.”*

**January 27, 2023: Lindsey Kelleher Was Selected As Digital Assets, Financial Technology, And Inclusion Professional Staff For The House Financial Services Committee Majority.** [House Financial Services Committee, [01/27/23](#)]

**Lindsey Kelleher Was Senior Policy Manager At The Blockchain Association Since December 2020, Starting At The Organization As An Intern Just Months Prior In September 2020:**



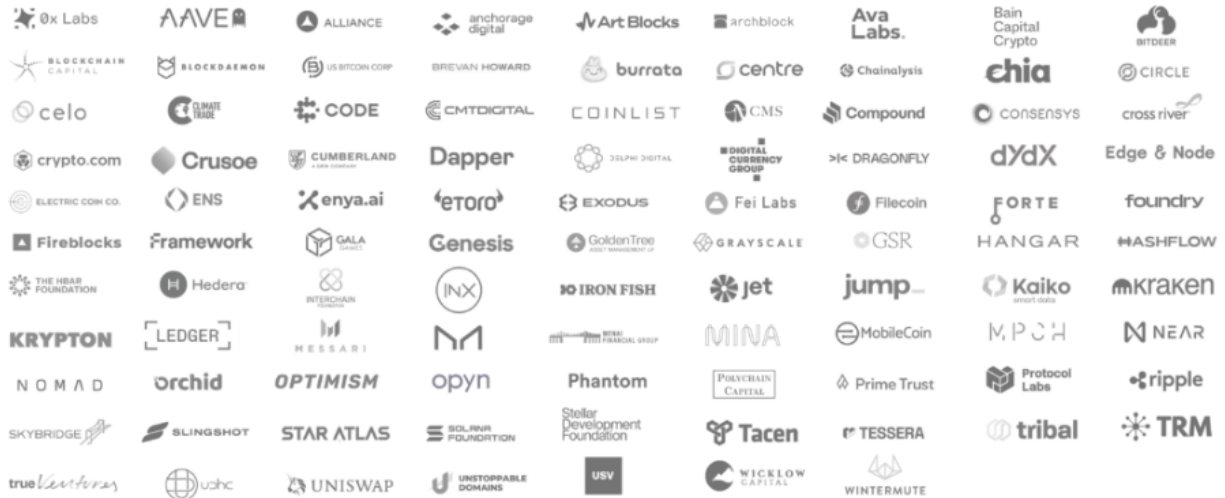
The image shows a LinkedIn profile section for the Blockchain Association. It features a dark square icon with a white document symbol. To the right of the icon, the text reads "Blockchain Association" and "2 yrs 5 mos". Below this, there are two job entries listed with a vertical line and circular markers. The first entry is "Senior Policy Manager", which is a full-time position from Dec 2020 to Present (2 yrs 2 mos) in the Washington DC-Baltimore Area. The second entry is "Intern", an internship from Sep 2020 to Present (2 yrs 5 mos) in Washington, District of Columbia, United States.

[Lindsey Kelleher LinkedIn Profile, accessed [01/30/23](#)]

**The Blockchain Association Claims To Be “The Leading Nonprofit Organization Dedicated To Promoting A Pro-Innovation Policy Environment For The Digital Asset Economy,” And Works To “Educate Policymakers About Blockchain Technology.”** “We are the leading nonprofit organization dedicated to promoting a pro-innovation policy environment for the digital asset economy. We work with our members to educate policymakers about blockchain technology and its ability to pave the way for a more secure, competitive, and consumer-friendly digital marketplace. [...] Our mission is to forge consensus on key policy solutions among regulators, lawmakers, and the public so that the digital asset economy can flourish in the United States.” [Blockchain Association, accessed [01/30/23](#)]

**The Blockchain Association Claims To Be “The Collective Voice Of The Crypto Industry,” With Over 100 Companies And Other Entities As Members.** “Blockchain Association is the collective voice of the crypto industry. Our more than 100 members include the sector’s leading investors, companies, and projects, working together to support a future-forward, pro-innovation national policy and regulatory framework for the crypto economy.” [Blockchain Association, accessed [01/30/23](#)]

# MEMBERS



[Blockchain Association, accessed [01/30/23](#)]

*The Blockchain Association’s Director Of Government Relations Personally Congratulated Kelleher, Calling Her A Former Colleague And A “Better Friend.”*

**January 27, 2023: The Blockchain Association’s Director Of Government Relations Tweeted A Personal Congratulations To Lindsey Kelleher, Calling Her A Former Colleague And “Better Friend”:**



11:09 AM · Jan 27, 2023 · 3,678 Views

[Tweet by Ron Hammond, 01/27/23, accessed [01/30/23](#)]

- Ron Hammond Is The Blockchain Association’s Director Of Government Relations :

**Ron Hammond**

@RonwHammond

Director of Government Relations at @BlockchainAssn, Author of the Token Taxonomy Act, Former Rep. Warren Davidson (OH-8), and contributor @HODLpac

[Ron Hammond Twitter Profile, accessed [01/30/23](#)]

**HFSC Financial Institutions and Monetary Policy Senior Professional Staff Member Kathleen (Carlson) Palmer Lobbied For JPMorgan Chase & Co. For Nearly Three Years, Appearing On The Company’s Lobbying Disclosures As It Reported Spending Over \$6.7 Million On Federal Lobbying.**

*HFSC Financial Institutions and Monetary Policy Senior Professional Staff Member Kathleen (Carlson) Palmer Lobbied For JPMorgan Chase & Co. For Nearly Three Years.*

**January 27, 2023: Kathleen Palmer Was Selected As Financial Institutions and Monetary Policy Senior Professional Staff For The House Financial Services Committee Majority.** [House Financial Services Committee, [01/27/23](#)]

**Kathleen (Carlson) Palmer Worked For JPMorgan Chase & Co. For 2 Years And 10 Months, Including As A Government Relations Association From February 2018 To July 2019 And As A Government Relations Specialist From October 2016 To February 2018:**



[Kathleen (Carlson) Palmer LinkedIn Profile, accessed [01/30/23](#)]

*Kathleen (Carlson) Palmer Appeared On JPMorgan Chase’s Lobbying Disclosures As It Reported Spending Over \$6.7 Million To Influence Federal Policymakers.*

**Kathleen (Carlson) Palmer Appeared On JPMorgan Chase Holdings LLC’s Lobbying Disclosures As It Reported Spending \$6.71 Million To Influence Federal Policymakers:**

Lobbying Client	Report Type	Report Year	Amount Reported
<a href="#">JPMorgan Chase Holdings LLC</a>	2nd Quarter - Report	2019	\$760,000.00
<a href="#">JPMorgan Chase Holdings LLC</a>	1st Quarter - Report	2019	\$700,000.00
<a href="#">JPMorgan Chase Holdings LLC</a>	4th Quarter - Report	2018	\$690,000.00



<a href="#">JPMorgan Chase Holdings LLC</a>	2nd Quarter - Amendment	2018	\$820,000.00
<a href="#">JPMorgan Chase Holdings LLC</a>	3rd Quarter - Report	2018	\$730,000.00
<a href="#">JPMorgan Chase Holdings LLC</a>	1st Quarter - Report	2018	\$730,000.00
<a href="#">JPMorgan Chase Holdings LLC</a>	4th Quarter - Report	2017	\$780,000.00
<a href="#">JPMorgan Chase Holdings LLC</a>	3rd Quarter - Report	2017	\$740,000.00
<a href="#">JPMorgan Chase Holdings LLC</a>	2nd Quarter - Report	2017	\$760,000.00
		<b>Total:</b>	<b>\$6,710,000.00</b>

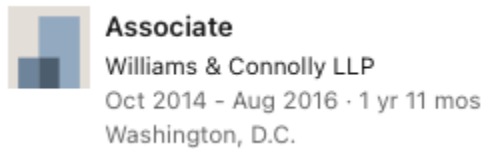
[U.S. Senate Lobbying Disclosure Database, accessed [01/30/23](#)]

**HFSC Financial Institutions and Monetary Policy Detailee Lucas Beirne Was An Associate At Williams & Connolly LLP, Which Has Represented “Major Global Companies From Virtually Every Sector,” Including Bank Of America And HSBC, And Has Represented Companies Against “Government Investigations And Prosecutions Of All Types.”**

*HFSC Financial Institutions and Monetary Policy Detailee Luca Beirne Was An Associate At Major Law Firm Williams & Connolly LLP, Which Has Represented “Major Global Companies From Virtually Every Sector,” Including Bank Of America And HSBC.*

**January 27, 2023: Lucas Beirne Was Selected As Financial Institutions and Monetary Policy Detailee For The House Financial Services Committee Majority Staff.** [House Financial Services Committee, [01/27/23](#)]

**Lucas Beirne Was An Associate At Williams & Connolly LLP From October 2014 To August 2016**



[Lucas Beirne LinkedIn Profile, accessed [01/30/23](#)]

**Williams & Connolly LLP’s Clients Include “Major Global Companies From Virtually Every Sector,” Including Bank Of America, HSBC, And Others.** “The firm’s clients include major global companies from virtually every sector, including Pfizer, Disney, Samsung, Intel, Bank of America, Google, The Carlyle Group, Medtronic, AstraZeneca, Genentech, Eli Lilly, 21st Century Fox, and HSBC.” [Williams & Connolly LLP, accessed [01/30/23](#)]

*Williams & Connolly Claims To Have Represented Companies Against “Government Investigations And Prosecutions Of All Types,” To Have Handled Cases Stemming From The 2008 Global Financial Crisis, And To Have Represented Major Medical And Consumer Corporations Against Class Actions And Other Major Lawsuits.*

**Williams & Connolly Claims To Have “Handled Many Of The Most Complex Corporate, Financial, And Securities Disputes Stemming From The Global Financial Crisis” And Has Represented Companies Against “Government Investigations And Prosecutions Of All Types.”** “We have handled many of the most complex corporate, financial, and securities disputes stemming from the global financial crisis. We represent companies and individuals in government investigations and prosecutions of all types, including allegations of fraud, corruption, and FCPA violations.” [Williams & Connolly LLP, accessed [01/30/23](#)]

**Williams & Connolly Claims To Have Represented “Major Pharmaceutical, Medical Device, Pharmacy, Technology, And Consumer Products Companies In Mass Torts, Multi-District Litigation, And Class Actions.”** “The firm’s robust intellectual property practice successfully represents clients in patent litigation matters worth billions of dollars. In the healthcare and consumer industries, Williams & Connolly serves as national coordinating, trial, and/or resolution counsel for major pharmaceutical, medical device, pharmacy, technology, and consumer products companies in mass torts, multi-district litigation, and class actions.” [Williams & Connolly LLP, accessed [01/30/23](#)]

**In July 2017, Rep. Patrick McHenry (R-NC) Called The CFPB’s Arbitration Rule—Which Made It Easier For Harmed Consumers To Join Together In Class-Action Lawsuits Against Abusive Financial Services Companies—“Deeply Flawed” And Co-Sponsored A Resolution That Eventually Invalidated The Rule.**

**2017: Rep. McHenry Called The CFPB’s Arbitration Rule—Which Made It Easier For Harmed Consumers To Join Together In Class-Action Lawsuits Against Abusive Financial Services Companies— “Deeply Flawed” And Co-Sponsored A Resolution That Eventually Invalidated The Rule.**

**The CFPB’s Arbitration Rule, Issued In July 2017, Made It “Easier For Consumers To File Or Join An Existing Group Lawsuit If They Are Harmed By A Financial Service Provider.”** “Our new arbitration rule will make it easier for consumers to file or join an existing group lawsuit if they are harmed by a financial service provider, such as a bank or credit card company.” [Consumer Financial Protection Bureau, accessed [01/20/23](#)]

- **The CFPB Issued Its Final Rule On Arbitration Agreements On July 10, 2017.** [Consumer Financial Protection Bureau, accessed [01/20/23](#)]

**The CFPB’s Arbitration Rule Prevented Financial Services Companies From “Inserting Agreements In Contracts That Prevent Customers From Filing Class-Action Lawsuits.”** “The Republican-led House passed a resolution on Tuesday to block a Consumer Financial Protection Bureau (CFPB) rule that was published earlier this month; that rule prohibits financial service companies from inserting agreements in contracts that prevent customers from filing class-action lawsuits against a company. Those agreements, which have become popular in recent years, instead require consumers to settle complaints through arbitration, a less public and often less costly process favored by financial institutions.” [The Center for Public Integrity, [07/28/17](#)]

**July 2017: Rep. McHenry Co-Sponsored H.J. Res. 111, A Resolution To Disapprove Of The CFPB’s Arbitration Rule.** [Congress.gov, accessed [01/10/23](#)]

- **H.J. Res 111 Passed The House On July 25, 2017, And Became Law On November 1, 2017.** [Congress.gov, accessed [01/20/23](#)]

**After H.J. Res. 111 Was Signed Into Law, The CFPB’s Arbitration Rule Was Invalidated.** “On Nov. 1, 2017, the President signed a joint resolution passed by Congress disapproving the Arbitration Agreements Rule under the Congressional Review Act (CRA). Pursuant to the joint resolution, the Arbitration Agreements Rule has no force or effect. On Nov. 22, 2017, the Bureau published a notice removing the Arbitration Agreements Rule from the Code of Federal Regulations.” [Consumer Financial Protection Bureau, accessed [01/20/23](#)]

**July 2017: After H.J. Res. 111 Passed The House, Rep. McHenry Issued A Statement Calling The Arbitration Rule A “Deeply Flawed Regulation That Is Little More Than A Handout To Trial Lawyers And Special Interests,” Adding That The CFPB Was “Constitutionally Suspect.”** “Chief Deputy Whip Patrick

McHenry (NC-10) released the following statement on the passage of H.J. Res. 111, providing for Congressional disapproval of the CFPB's rule relating to 'Arbitration Agreements': 'Today, for the fifteenth time this year, the House has used the Congressional Review Act to undo misguided, eleventh-hour rulemaking by Obama-era bureaucrats. This time it was the Constitutionally suspect CFPB's anti-arbitration rule, a deeply flawed regulation that is little more than a handout to trial lawyers and special interests. By undoing this rule, the House has acted to actually advance the CFPB's stated goal: protecting American consumers.'" [Rep. Patrick McHenry, [07/25/17](#)]

**The Leadership Conference On Civil And Human Rights Urged Congress To Reject H.J. Res. 111, Arguing That "Overturning The CFPB's Rule Will Enable Big Banks, Payday Lenders, And Other Financial Companies To Force Victims Of Fraud, Discrimination, Or Other Unlawful Conduct Into A 'Kangaroo Court' Process."** "On behalf of The Leadership Conference on Civil and Human Rights, I urge you to oppose H.J. Res. 111, a resolution providing for Congressional disapproval of the Consumer Financial Protection Bureau's final rule on forced arbitration clauses. Overturning the CFPB's rule will enable big banks, payday lenders, and other financial companies to force victims of fraud, discrimination, or other unlawful conduct into a 'kangaroo court' process where their claims are decided by hired arbitration firms rather than by judges and juries – harming consumers and undermining civil rights and consumer protection laws." [The Leadership Conference on Civil and Human Rights, [07/25/17](#)]

## **Rep. McHenry Has Twice Introduced Legislation Meant To Help Payday Lenders Get Around State Interest Rate Caps.**

### **Rep. McHenry Has Introduced Two Versions Of The Protecting Consumers' Access To Credit Act, Legislation That Over 150 Organizations Urged Congress To Reject Because It Would Expand "Rent-A-Bank" Arrangements Which Allow High-Cost Lenders To Avoid State Interest Rate Caps.**

**Rep. McHenry Has Introduced Two Versions Of The Protecting Consumer Access To Credit Act, One Of Which Passed The House In February 2018:**

- **July 2017: During The 115th Congress, Rep. McHenry Introduced H.R. 3299, The Protecting Consumers' Access To Credit Act Of 2017, Which Passed The House With A Vote Of 245-171 In February 2018.** [Congress.gov, accessed [01/10/23](#)]
- **July 2016: During The 114th Congress, Rep. McHenry Introduced H.R. 5724, The Protecting Consumers' Access To Credit Act Of 2016, Which Did Not Proceed Past The House Financial Services Committee.** [Congress.gov, accessed [01/10/23](#)]

**February 2018: After The 2017 Version Of His Protecting Consumers' Access To Credit Act Passed The U.S. House, McHenry Issued A Statement Claiming The Bill "Marks An Important Step Towards Modernizing Our Financial System."** "Chief Deputy Whip Patrick McHenry (NC-10), the Vice Chairman of the House Financial Services Committee released the following statement on the House passage of H.R. 3299, the Protecting Consumers' Access to Credit Act of 2017: 'The Protecting Consumers' Access to Credit Act is a simple bill that can have an outsized impact on American families and small businesses. This legislation merely restores consistency to our nation's banking laws after activist judges upended nearly 200 years of legal precedent.' 'The practical effect of this bipartisan bill is much more significant. Its passage marks an important step towards modernizing our financial system and ensuring financial inclusion for all Americans.'" [Rep. Patrick McHenry, [02/14/18](#)]

**September 2017: The Center For Responsible Lending (CRL) And 150 Organizations Urged Congress To Reject H.R. 3299, The Protecting Consumers' Access To Credit Act Of 2017, Arguing It Would Make It Easier For Predatory Lenders To "Use Rent-A Bank Arrangements To Ignore State Interest Rate Caps**

**And Make High-Rate Loans.”** “The Center for Responsible Lending (CRL), the National Consumer Law Center (NCLC), and 150 national and state organizations urge Members of Congress to reject S. 1642 and H.R. 3299, legislation that pose serious risks of enabling a vast expansion of predatory lending across the country. Specifically, the legislation makes it easier for payday lenders and other nonbanks to use rent-a bank arrangements to ignore state interest rate caps and make high-rate loans.” [Center for Responsible Lending, [09/11/17](#)]

- **CRL And The Other Organizations Noted The Legislation Could Undermine Interest Rate Caps In 15 States And The District Of Columbia That Save Consumers Over \$2.2 Billion In Payday Loan Fees Per Year.** “The potential costs and damage to consumers are significant, the groups warn. S. 1642 and H.R. 3299 could potentially expand short-term payday lending to the 15 states plus the District of Columbia whose state interest rate limits currently save borrowers over \$2.2 billion annually in payday loan fees.” [Center for Responsible Lending, [09/11/17](#)]

**In July 2023, House Financial Services Chair McHenry Co-Led A Group Of Over 130 Congressional Republicans In Filing An Amicus Brief In Support of the Payday Industry’s Lawsuit Against The CFPB’s Funding Structure.**

**In July 2023, House Financial Services Chair McHenry Co-Led A Group Of Over 130 Congressional Republicans In Filing An Amicus Brief Urging The Supreme Court To Rule The CFPB’s Funding Unconstitutional, Bringing It Under Regular Congressional Appropriations.**

**July 2023: House Financial Services Chair Patrick McHenry Helped Lead A Group Of Over 130 Congressional Republicans In Filing An Amicus Brief In Support Of The Community Financial Services Association Of America’s Lawsuit Against The CFPB’s Funding Structure.** “Congressman Patrick McHenry (R-NC-10), Chairman of the House Financial Services Committee; Representative Andy Barr (R-KY-06), the Chairman of the Subcommittee on Financial Institutions and Monetary Policy; Representative Bill Huizenga (R-MI-04), the Chairman of the Subcommittee on Oversight and Investigations; and Ranking Member Tim Scott (R-SC) of the Senate Committee on Banking, Housing, and Urban Affairs led a bicameral group of 132 members of Congress in filing an amicus curiae brief to the Supreme Court in *Consumer Financial Protection Bureau, et al., v. Community Financial Services Association of America, Limited, et al.* The brief urges the Court to uphold the Fifth Circuit’s decision that the Consumer Financial Protection Bureau’s (CFPB) funding structure is unconstitutional and to make the Bureau’s funding subject to congressional appropriations.” [Rep. Patrick McHenry, [07/11/23](#)]

**In Their Brief, Rep. McHenry And Other Signatories Urged The Supreme Court To Rule The CFPB’s Funding Unconstitutional In Order To “Return The Matter Of The CFPB’s Funding To The Normal Political And Legislative Channels, As Article I And The Appropriations Clause Require.”** “The brief states, ‘The Court need not determine which particular aspect of the CFPB’s funding scheme is the most problematic. This is the easy case. The CFPB ‘is in an entirely different league’ from other entities when it comes to its insulation from Congress... to the point that the CFPB currently operates as ‘a sort of junior-varsity Congress’ setting its own funding levels in perpetuity... Such insulation means that Congress itself is not determining the CFPB’s funding. The Court should affirm the judgment below, which will return the matter of the CFPB’s funding to the normal political and legislative channels, as Article I and the Appropriations Clause require.’” [Rep. Patrick McHenry, [07/11/23](#)]