

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

ACA INTERNATIONAL and  
SPECIALIZED COLLECTION SYSTEMS,  
INC.,

*Plaintiffs,*

v.

CONSUMER FINANCIAL PROTECTION  
BUREAU and RUSSELL VOUGHT, in his  
official capacity as Acting Director of the  
CFPB,

*Defendants.*

No. 4:25-cv-00094

**MOTION TO STAY PROCEEDINGS**

Defendants the Consumer Financial Protection Bureau and Russell Vought, in his official capacity as Acting Director of the Bureau,<sup>1</sup> respectfully move for a 90-day stay of this litigation to allow the Bureau's newly designated Acting Director time to consider the rule challenged by Plaintiffs in this action, "Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)" (Rule), 90 Fed. Reg. 3276 (Jan. 14, 2025). Because the effective date of the Rule has already been stayed for a 90-day period by another court, Plaintiffs will not be prejudiced by a short stay of this matter, and the stay will preserve the Court's and the parties' resources by not having to consider or brief an agency action before the agency has determined whether to revisit it.

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<sup>1</sup> Pursuant to Federal Rule of Civil Procedure 25(d), Acting Director Vought is automatically substituted as a party in this action.

## **I. Nature and Stage of the Proceedings**

Plaintiffs ACA International and Specialized Collection Systems, Inc. initiated this action on January 8, 2025 challenging the validity of the Rule on multiple grounds. *See* Compl., ECF No. 1. Over two weeks later, on January 24, Plaintiffs moved for a preliminary injunction, seeking to stay the rule pursuant to 5 U.S.C. § 705. *See* Mot. at 6, ECF No. 14. Defendants' opposition to Plaintiffs' motion for preliminary injunction is currently due February 14. *See* L.R. 7.3, 7.4(A).

## **II. Statement of Relevant Facts**

On February 7, 2025, the President designated Director of the Office of Management and Budget Russell Vought to serve as Acting Director of the Bureau. The Bureau's new leadership needs time to review and consider its position on various agency actions, including the Rule.

An earlier-filed action challenging the same Rule is pending in the U.S. District Court for the Eastern District of Texas. *Cornerstone Credit Union League, et al. v. Consumer Financial Protection Bureau, et al.*, No. 4:25-cv-00016-SDJ. To preserve the status quo while allowing the Acting Director time to consider the Rule, Defendants agreed in that action to a 90-day stay of the effective date of the Rule under 5 U.S.C. § 705. *Cornerstone Credit Union League, et al. v. Consumer Financial Protection Bureau, et al.*, No. 4:25-cv-00016-SDJ, ECF No. 23 (Feb. 5, 2025) (attached as Exhibit A). On February 6, 2025, the court in that action entered such a stay, thereby extending the Rule's effective date from March 17, 2025 until June 15, 2025—and correspondingly stayed that litigation for 90 days. *See Cornerstone*, No. 4:25-cv-00016-SDJ, ECF No. 24 (Feb. 6, 2025) (attached as Exhibit B).

### **III. Statement of Issues**

The sole question presented in this motion is whether the Court should stay proceedings in this action, where Plaintiffs will face no prejudice from a brief stay, and a stay would allow time for the Bureau's Acting Director to determine whether to reconsider the Rule, thus preventing the Court from having to consider the validity of an agency action before the agency has had time to revisit it. The decision to stay a case is an issue left to this Court's discretion. *See Dominguez v. Hartford Fin. Servs. Grp., Inc.*, 530 F. Supp. 2d 902, 905 (S.D. Tex. 2008).

### **IV. Summary of Argument**

The effective date of the Rule challenged by Plaintiffs in this action has already been stayed for 90 days by another court. Because the status quo has thus been preserved for 90 days, Plaintiffs will suffer no prejudice if the Court were to grant Defendants' request for a 90-day stay of this litigation. Denial of a stay, however, would prejudice Defendants and the public, as it would deprive the Acting Director time to consider the Rule to ensure it is consistent with the public interest, and it would waste judicial resources, requiring the Court to consider an issue before the agency has determined whether to revisit it.

### **V. Argument**

"A district court has the inherent power to stay cases to control its docket and promote efficient use of judicial resources." *Coker v. Select Energy Servs., LLC*, 161 F. Supp. 3d 492, 494–95 (S.D. Tex. 2015). The decision on whether to stay a pending matter "is ordinarily within the trial court's wide discretion to control the course of litigation[.]" *Dominguez*, 530 F. Supp. 2d at 905. In determining whether to grant a stay, courts in this district generally consider three factors: "(1) the potential prejudice to plaintiffs from a brief stay; (2) the hardship to defendants if the stay is denied; and (3) the judicial efficiency in terms of the simplifying or complicating of

issues, proof, and questions of law which could be expected to result from a stay.” *Coker*, 161 F. Supp. 3d at 495. Each of these factors counsels in favor of granting a stay of this action.

First, Plaintiffs will face no prejudice from a 90-day stay of this litigation compared to the status quo ante before the Bureau agreed to stay the effective date of the Rule. The effective date of the Rule they challenge has already been stayed for a 90-day period, and its effective date now is not until June 15. *See* Exhibit B. Accordingly, a stay of this litigation leaves Plaintiffs in the same position they would have been in had the Rule’s effective date not been extended: Their preliminary injunction motion was slated to be fully briefed 24 days before the original effective date, and if these proceedings are stayed, it will be fully briefed 24 days before the extended effective date.

Second, Defendants and the public would face significant hardship if a stay is not granted. Defendants’ opposition to Plaintiffs’ Motion for Preliminary Injunction is due February 14, and the Bureau’s Acting Director will not have had time to review the Rule and determine whether revisiting the Rule would be in the public interest in that time.

Third, a stay will promote judicial efficiency, as it will allow the Court to avoid having to determine issues about an agency regulation before the agency has had a chance to determine whether to revisit it.

Because the status quo has thus been preserved for 90 days, and to afford the Acting Director time to consider the Rule to ensure it is consistent with the public interest, the Bureau requests that this Court stay this matter for a period of 90 days from the date of the Court’s order, and that the stay toll all briefing deadlines, including Defendants’ deadline to oppose Plaintiffs’ pending Motion on Application for Preliminary Injunction (ECF No. 14) for the duration of the stay.

## VI. Conclusion

For the reasons described above, Defendants respectfully request that the Court: (1) grant Defendants' Motion to Stay and stay this matter for a period of 90 days from the date of the Court's order; and (2) toll all current deadlines, such that Defendants' deadline to oppose Plaintiffs' pending Motion on Application for Preliminary Injunction (ECF No. 14) will be due on May 15, 2025.

Date: February 12, 2025

Respectfully submitted,

Steven Y. Bressler

*Deputy General Counsel*

Kristin Bateman

*Assistant General Counsel*

/s/ Amanda J. Krause

Amanda J. Krause (N.Y. Reg. No. 5323357)

(Attorney in charge; *pro hac vice*)

Andrea J. Matthews (M.A. Bar No. 694538)

(*pro hac vice*)

*Senior Counsel*

Consumer Financial Protection Bureau

1700 G Street, NW

Washington, DC 20552

(202) 435-7965 (phone) (Krause)

(202) 407-2324 (phone) (Matthews)

(202) 435-7024 (fax)

Amanda.Krause@cfpb.gov

Andrea.Matthews@cfpb.gov

*Counsel for Defendants the Consumer*

*Financial Protection Bureau and Russell Vought*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this Motion to Stay Proceedings was filed electronically through the Court's ECF system.

DATE: February 12, 2025

/s/ Amanda J. Krause

**CERTIFICATE OF CONFERENCE**

Pursuant to Local Rule 7.1(D), I hereby certify that on February 7, 2025, I conferred with counsel for Plaintiffs, Sarah Auchterlonie, by email and attempted to reach her by telephone. The parties were unable to reach an agreement on the relief sought in this Motion to Stay Proceedings, and thus Plaintiffs oppose this Motion.

DATE: February 12, 2025

/s/ Amanda J. Krause

# **Exhibit A**

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

CORNERSTONE CREDIT UNION  
LEAGUE AND CONSUMER DATA  
INDUSTRY ASSOCIATION,

*Plaintiffs,*

v.

CONSUMER FINANCIAL PROTECTION  
BUREAU and SCOTT BESSENT, in his  
official capacity as Acting Director of the  
CFPB,

*Defendants.*

No. 4:25-cv-00016-SDJ

**NOTICE OF RELEVANT DEVELOPMENTS AND  
UNOPPOSED MOTION TO STAY PROCEEDINGS**

Defendants the Consumer Financial Protection Bureau and Scott Bessent, in his official capacity as Acting Director of the Bureau, respectfully submit this Notice to inform the Court of recent developments relevant to this matter. The President removed the prior Director of the Bureau and designated Secretary of the Treasury Scott Bessent to serve as Acting Director, effective as of January 31, 2025. The Bureau's new leadership needs time to review and consider its position on various agency actions.

To allow the Acting Director time to consider the rule that Plaintiffs challenge in this case, "Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)" (Rule), 90 Fed. Reg. 3276 (Jan. 14, 2025), while preserving the status quo, Defendants will not oppose Plaintiffs' pending request for preliminary relief in part, insofar as Defendants do not oppose a 90-day stay of the Rule's March 17, 2025, effective date

(i.e., a stay of the effective date until June 15, 2025). *See* 90 Fed. Reg. 8173 (Jan. 27, 2025) (providing effective date).

In addition, Defendants respectfully request that the Court stay this litigation for 90 days. A stay of the litigation is warranted because it will not prejudice any party if the Court enters the preliminary relief requested herein, and it will conserve the Court’s resources by not having to consider an agency action before the agency has determined whether to revisit it. *See, e.g., Headwater Rsch. LLC v. Samsung Elecs. Co.*, No. 2:23-CV-00103-JRG-RSP, 2024 WL 5080240, at \*1 (E.D. Tex. Dec. 11, 2024) (in determining whether to stay litigation, district courts typically consider: “(1) whether the stay will unduly prejudice the nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, ... and (3) whether the stay will simplify issues in question in the litigation”); *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 WL 1069179, at \*1 (E.D. Tex. Mar. 11, 2015) (“A district court has the inherent power to control its own docket, including the power to stay proceedings before it.”).

In addition, because the Acting Director has not yet had an opportunity to review the Rule, counsel for the Bureau are not authorized to present any arguments on the merits of Plaintiffs’ pending preliminary injunction motion at the hearing scheduled for Monday, February 10. Should the Court grant the request provided herein, Defendants further respectfully request that the Court vacate the February 10 hearing on Plaintiffs’ Motion for Preliminary Injunction.

Counsel for Defendants have conferred with Counsel for Plaintiffs, and Plaintiffs do not oppose Defendants’ requests contained herein. Plaintiffs request, however, that the Court reschedule the February 10 hearing on Plaintiffs’ Motion for Preliminary Injunction to occur in 90 days. Defendants do not oppose Plaintiffs’ request to reschedule the February 10 hearing.

Accordingly, Defendants respectfully request that the Court:

1. Grant Plaintiffs' Motion for Preliminary Injunction in part by staying the effective date of the Rule pursuant to 5 U.S.C. § 705 for 90 days, *i.e.*, until June 15, 2025, and reserving consideration of the remainder of the relief requested;
2. Grant Defendants' Motion to Stay, and stay this matter for a period of 90 days from the date of the Court's order; and
3. Vacate the February 10 hearing and, if the Court wishes, continue it for approximately 90 days as Plaintiffs request.

Date: February 5, 2025

Respectfully submitted,

Steven Y. Bressler

*Deputy General Counsel*

Kristin Bateman

*Assistant General Counsel*

/s/ Amanda J. Krause

Amanda J. Krause (N.Y. Reg. No. 5323357)

*Pro hac vice*

Andrea J. Matthews (M.A. Bar No. 694538)

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*Senior Counsel*

Consumer Financial Protection Bureau

1700 G Street, NW

Washington, DC 20552

(202) 435-7965 (phone) (Krause)

(202) 407-2324 (phone) (Matthews)

(202) 435-7024 (fax)

Amanda.Krause@cfpb.gov

Andrea.Matthews@cfpb.gov

*Counsel for Defendants the Consumer*

*Financial Protection Bureau and Scott Bessent*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this Notice of Recent Developments and Unopposed Motion to Stay Proceedings was served electronically through the Court's ECF system.

Date: February 5, 2025

/s/ Amanda J. Krause

**CERTIFICATE OF CONFERENCE**

I hereby certify that, on February 4, 2025 and February 5, 2025, counsel for Defendants conferred by email and by telephone with counsel for Plaintiffs regarding the attached Notice of Recent Developments and Unopposed Motion to Stay Proceedings. Plaintiffs do not oppose the relief requested therein.

Date: February 5, 2025

/s/ Amanda J. Krause

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

CORNERSTONE CREDIT UNION  
LEAGUE AND CONSUMER DATA  
INDUSTRY ASSOCIATION,

*Plaintiffs,*

v.

CONSUMER FINANCIAL PROTECTION  
BUREAU and ROHIT CHOPRA in his  
official capacity as Director of the CFPB,

*Defendants.*

No. 4:25-cv-00016-SDJ

**[PROPOSED] ORDER GRANTING IN PART PLAINTIFFS' MOTION FOR  
PRELIMINARY INJUNCTION AND GRANTING DEFENDANTS' MOTION TO STAY  
PROCEEDINGS**

Before the Court is Plaintiffs' Motion for a Preliminary Injunction, ECF No. 9, and Defendants' Notice of Relevant Developments and Unopposed Motion to Stay Proceedings, ECF No. 23. Upon consideration of the papers submitted, it is hereby **ORDERED** that:

1. Plaintiffs' Motion for Preliminary Injunction is **GRANTED IN PART** and **RESERVED IN PART**. Pursuant to 5 U.S.C. § 705, the Court **STAYS** the Effective Date of the "Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)," 90 Fed. Reg. 3276 (Jan. 14, 2025) until June 15, 2025 and **RESERVES** consideration of the remainder of the relief requested; and
2. Defendants' Motion to Stay this matter is **GRANTED**. This action is stayed for a period of 90 days from the date of this Order; and

3. The February 10, 2025 hearing scheduled on Plaintiffs' Motion for Preliminary Injunction is **VACATED** and **CONTINUED** to May \_\_\_\_, 2025 to consider the remainder of the relief requested in Plaintiff's Motion for a Preliminary Injunction, ECF No. 9.

Dated: \_\_\_\_\_

\_\_\_\_\_  
SEAN D. JORDAN  
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

ACA INTERNATIONAL and  
SPECIALIZED COLLECTION SYSTEMS,  
INC.,

*Plaintiffs,*

v.

No. 4:25-cv-00094

CONSUMER FINANCIAL PROTECTION  
BUREAU and RUSSELL VOUGHT, in his  
official capacity as Acting Director of the  
CFPB,

*Defendants.*

**[PROPOSED] ORDER GRANTING DEFENDANTS’  
MOTION TO STAY PROCEEDINGS**

Before the Court is Defendants’ Motion to Stay Proceedings, ECF No. 24. Upon consideration of the papers submitted, it is hereby **ORDERED** that:

1. Defendants’ Motion to Stay this matter is **GRANTED**. This action is **STAYED** for a period of 90 days from the date of this Order; and
2. Defendants’ opposition to Plaintiffs’ Motion on Application for Preliminary Injunction, ECF No. 14, shall be due on **May 15, 2025**.

Dated: \_\_\_\_\_

\_\_\_\_\_  
SIM LAKE  
SENIOR UNITED STATES DISTRICT JUDGE

# **Exhibit B**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

CORNERSTONE CREDIT UNION  
LEAGUE, ET AL.

v.

CONSUMER FINANCIAL  
PROTECTION BUREAU, ET AL.

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CIVIL NO. 4:25-CV-16-SDJ

**ORDER**

Before the Court is Defendants’ Notice of Relevant Developments and Unopposed Motion to Stay Proceedings. (Dkt. #23).<sup>1</sup> In the motion, Defendants request three types of relief, all of which are agreed-to by Plaintiffs Cornerstone Credit Union League and Consumer Data Industry Association. First, Defendants request that the Court enter an agreed-upon “90-day stay of the Rule’s<sup>2</sup> March 17, 2025, effective date (*i.e.*, a stay of the effective date until June 15, 2025).” (Dkt. #23 at 1–2). Second, Defendants request a 90-day stay of this litigation. (Dkt. #23 at 2). Third, Defendants request the Court to “vacate the February 10 hearing on Plaintiffs’ motion for Preliminary Injunction.” (Dkt. #23 at 2). After full consideration, Defendants’ motion is **GRANTED**.

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<sup>1</sup> Defendants are the Consumer Financial Protection Bureau (CFPB) and Scott Bessent, in his official capacity as Acting Director of the Bureau. This suit was filed against the CFPB and Rohit Chopra in his official capacity as Director of the CFPB. Chopra has been replaced by Acting Director of the Bureau Scott Bessent, who is automatically substituted as a party under Federal Rule of Civil Procedure 25(d).

<sup>2</sup> Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 3276 (Jan. 14, 2025).

It is therefore **ORDERED** that Defendants' request for the entry of an agreed-upon, 90-day preliminary injunction is **GRANTED**, and the effective date of the Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 90 Fed. Reg. 3276 (Jan. 14, 2025), is **STAYED** under 5 U.S.C. § 705 until **June 15, 2025**.

It is further **ORDERED** that all deadlines scheduled in this matter are **STAYED** until **May 7, 2025**.

It is further **ORDERED** that the hearing on Plaintiffs' Motion for a Preliminary Injunction is rescheduled to **May 12, 2025**, at **1:00 p.m.** at the United States Courthouse located at 7940 Preston Road, Courtroom 105, Plano, Texas.