No. ____

In the Supreme Court of the United States

EMMANUEL G. LOUIS and TAMARAH C. LOUIS,
Petitioners,

v.

BLUEGREEN VACATIONS UNLIMITED, INC., and
BLUEGREEN VACATIONS CORPORATION,
Respondents.

On Petition for Writ of Certiorari to the
United States Court of Appeals for the Eleventh Circuit

PETITION FOR A WRIT OF CERTIORARI

MATTHEW W.H. WESSLER
GUPTA WESSLER LLP
2001 K St NW
Washington, DC 20006
(202) 888-1741

JENNIFER D. BENNETT
Counsel of Record
GUPTA WESSLER LLP
505 Montgomery Street
Suite 625
San Francisco, CA 94111
(415) 573-0336
jennifer@guptawessler.com

Counsel for Petitioners

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(Additional counsel listed on inside cover)

IRA RHEINGOLD
NATIONAL ASSOCIATION OF CONSUMER ADVOCATES.
1215 17th Street NW
5th Floor
Washington, DC 20036
(202) 452-1989

JANET R. VARNELL
BRIAN W. WARWICK
CHRISTOPHER J. BROCHU
JEFFREY L. NEWSOME
PAMELA G. LEVINSON
VARNELL & WARWICK, P.A.
400 N. Ashley Drive
Suite 1900
Tampa, FL 33602
(352) 753-8600

QUESTION PRESENTED

Do plaintiffs who paid money under a void contract have Article III standing to challenge the enforcement of that contract and seek restitution of their payment in federal court?

RELATED PROCEEDINGS

This case arises out of the following proceedings:

- *Louis v. Bluegreen Vacations Unlimited, Inc.*, No. 21-cv-61938 (M.D. Fla.), judgment entered May 31, 2022
- *Louis v. Bluegreen Vacations Unlimited, Inc.*, No. 22-12217 (11th Cir.), judgment entered June 7, 2024

There are no related proceedings within the meaning of this Court's Rule 14.1(b)(iii).

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INTRODUCTION

Congress and the states have determined that some requirements are so important that any agreement that violates them is void. Take, for example, the Military Lending Act. Congress passed the Military Lending Act because unscrupulous lenders were specifically targeting service members—leading soldiers and sailors to fall into debt, lose their security clearances, and in some cases, be discharged from the military entirely. Congress determined that predatory lending poses such a great risk to our national defense that it not only prohibited several provisions characteristic of predatory loans; it mandated that any loan to a service member that contains any of these provisions is "void from the inception." 10 U.S.C. § 987(f)(3). Legally, the contract does not exist and never did.

Perhaps unsurprisingly, companies willing to impose contracts prohibited by state or federal law also frequently try to collect money under those contracts—even though the contract is void and thus provides no right to payment. So those seeking to avoid the enforcement of these void contracts must file a lawsuit to do so. But the circuits are split over federal courts' power to hear these lawsuits. Specifically, the courts of appeal disagree about whether a person who has paid money under a void contract has Article III standing to challenge the enforcement of that contract and seek their money back.

The Second, Eighth, and Ninth Circuits have held that they do. Those courts reason that a party challenging a void contract meets all three of the well-established standing requirements: They have been injured by paying money they do not owe; that injury is traceable to the defendant, who enforced the void contract and collected

the money; and the injury can be redressed by a court order requiring that the payment be returned and prohibiting future collection efforts. That, these courts hold, is all that's necessary for standing.

The Eleventh Circuit, however, has rejected this approach. According to the Eleventh Circuit, where a plaintiff challenges the enforcement of a void contract, it is not enough that they have suffered an injury traceable to the defendant and redressable by the court. They must also show that their injury is traceable to the specific statutory provision that the defendant allegedly violated.

This additional requirement has no basis in the Constitution's text or this Court's precedent. To the contrary, this Court has held that a plaintiff's injury need only be traceable to the defendant, *not* the specific statutory provision the defendant violated. Indeed, Anglo-American courts have been hearing suits seeking rescission of illegal contracts and restitution of the payments made under them for hundreds of years—without any requirement that the plaintiff's injury be traceable to the specific statutory provision that renders the contract void.

This case is an ideal vehicle for this Court to resolve the circuit split and decide whether Article III mandates this additional requirement. Not long after Private Emmanuel Louis joined the army, Bluegreen Vacations pressured him and his wife into signing a contract for a loan that would fund future vacations at Bluegreen properties. This loan has several of the hallmarks of predatory loans that Congress prohibited in the Military Lending Act: Bluegreen misrepresented the true cost of credit; it failed to provide required oral and written disclosures; and it forced the Louises to waive their legal

rights. Each of these is prohibited by the Military Lending Act. The Louises' loan, therefore, was "void from inception." 10 U.S.C. § 987(f)(3). The Louises tried to cancel the loan, but Bluegreen refused. So they were forced to file a lawsuit, seeking rescission of the contract and restitution of the money Bluegreen collected on it.

In the Second, Eighth, and Ninth Circuits, the Louises would have been permitted to proceed with their lawsuit. They suffered a traditional pocketbook injury (they paid money); caused by the defendant's conduct (Bluegreen's collection on a void loan); that's redressable by the relief they seek (rescission of the contract and restitution of their payment). But the Eleventh Circuit held that the Louises lacked standing because they did not allege that their injury was traceable to the specific provisions of the Military Lending Act that Bluegreen violated.

This case thus squarely tees up the question presented. And it does so in the context in which it matters most: the military. As the government explained below, grafting a statutory-nexus requirement onto the standing inquiry is likely to be particularly harmful to service members and, ultimately, the military itself. It "may be very difficult, if not impossible, for servicemembers to demonstrate that certain [Military Lending Act] violations had a direct effect on their decision to procure a financial product or caused them to pay money they would not otherwise have paid." Gov't Br. 29.

But those violations are paradigmatic indicators of the kinds of low-value, high-cost loans that, before the Act was passed, were causing service members to fall so deep into debt that they lost their security clearances or were discharged entirely. That's why Congress—at the Defense Department's urging—enacted a statute

rendering loans with these characteristics void in the first place. It should not be that when service members stationed in California or Missouri are targeted with these predatory loans, they can go to court to prevent their enforcement, while service members in Georgia or Florida cannot.

This Court should grant certiorari.

OPINIONS BELOW

The Eleventh Circuit's unreported decision is available at 2024 WL 2873778 and reproduced at App. 2a. The district court's unreported decision is available at 2022 WL 1793058 and reproduced at App. 8a. And the magistrate judge's report and recommendation is available at 2022 WL 2340958 and reproduced at App. 13a.

JURISDICTION

The Eleventh Circuit entered judgment on June 7, 2024. On August 27, 2024, Justice Thomas extended the time within which to file a petition for a writ of certiorari to October 4, 2024, and on September 24, 2024, Justice Thomas again extended the time within which to file that petition to October 18, 2024. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL PROVISION INVOLVED

Article III, section 2 of the U.S. Constitution provides in relevant part:

> The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority;—to all Cases affecting Ambassadors, other public Ministers and Consuls;—to all Cases of admiralty and maritime Jurisdiction;—to Controversies to

> which the United States shall be a Party;—to Controversies between two or more States;—between a State and Citizens of another State,—between Citizens of different States,—between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

STATEMENT

I. Congress enacts the Military Lending Act to protect service members—and the military itself—from predatory lending.

In 2006, the Department of Defense asked Congress for its help. *See* U.S. Dep't of Def., *Rep. on Predatory Lending Pracs. Directed at Members of the Armed Forces and their Dependents* 46 (2006) ("Def. Dep't Predatory Lending Report"). Unscrupulous lenders were intentionally targeting service members with high-cost, low-value loans. *See id.* at 4, 45. The lenders sought "out young and financially inexperienced borrowers who," due to their military service, nevertheless "ha[d] bank accounts and steady jobs." *Id.* at 21.[1]

And they issued these young, financially inexperienced service members products that were often "pack[ed]" with "excessive charges"; had high fees or interest rates; and required them to waive their legal rights. *Id.* at 7, 22, 46. The lenders "obfuscate[d] the comparative cost of their product with other options available." *Id.* at 22. And so

[1] Internal quotation marks, citations, alterations, and emphases are omitted from quotations throughout this brief. Citations to Doc. are to documents filed in the district court.

service members frequently did "not realize the financial ramifications of using these products." *Id.*

The Defense Department was concerned that these loans were leaving service members with "enormous debt, family problems, difficulty maintaining personal readiness and a tarnished career." *Id.* at 39. This was a problem not just for the service members themselves but also for the military and the country. Predatory lending, the Department emphasized, not only "harms the morale of troops and their families"; it "undermines military readiness" and "adds to the cost of fielding an all volunteer fighting force." *Id.* at 53. A Navy study had found that "financial reasons" accounted for 80% of security-clearance revocations and denials, and that debt-related denials had jumped nearly 850% in just three years. *Id.* at 39.

According to news reports during the Iraq War, "[t]housands of U.S. troops [were] being barred from overseas duty because they [were] so deep in debt they [were] considered security risks." *See* Associated Press, *Debt holds U.S. troops back from overseas duty*, NBC News (Oct. 19, 2006), https://perma.cc/MA6U-82RH. Predatory lending was causing the military a real and "unacceptable loss of valuable talent and resources." Def. Dep't Predatory Lending Report at 87.

The Department identified common characteristics of the predatory loans that were harming its service members: for example, inadequate disclosures, a high cost of credit, and arbitration clauses. *See id.* at 50–53. So it asked Congress to prohibit lenders from including any of these features in loans to service members. *Id.*

Congress agreed. The same year that the Defense Department submitted its request, Congress passed the

Military Lending Act on a bipartisan basis. Nat. Def. Authorization Act for Fiscal Year 2007, H.R. 5122, 109th Cong. (as passed by House, Sept. 29, 2006). And President George W. Bush signed the statute into law. Presidential Statement on Signing H.R. 5122, 42 Weekly Comp. Pres. Doc. 1836 (Oct. 17, 2006). The statute tracks the Defense Department's request: It caps the interest rate lenders can charge to service members and their families; it requires clear disclosure of the cost of credit; and it forbids lenders from requiring service members to waive their legal rights, including the right to go to court, as a condition of securing a loan. 10 U.S.C. § 987.

The Defense Department had warned that merely regulating "collection actions" would be insufficient "to address the inherent problems associated with predatory loans." Def. Dep't Predatory Lending Report at 52. So the Military Lending Act does not just provide a defense to collection actions or damages for its violation. It mandates that loans that violate the statute are "void from the inception." 10 U.S.C. § 987(f)(3).

II. Bluegreen pressures Private Louis and his wife into a high-cost, low-value loan that violates the Military Lending Act.

Just months after Emmanuel Louis, Jr. joined the army as a private—while he was still in training—Bluegreen Vacations called and offered him a "good deal" on a vacation. Doc. 46–1 at 61. As its name suggests, Bluegreen Vacations is a company that sells vacations. Doc. 16 at 1. But unlike a typical travel company, Bluegreen tries to get people to enter into contracts committing to years of vacations at Bluegreen resorts, with Bluegreen itself providing a loan to pay for it. *See id.* at 1–2, 27. Bluegreen has repeatedly been sued for

engaging in "hard sell" tactics—misleading, deceiving, and coercing consumers into entering contracts with the company. *See, e.g.*, Compl., *Miles v. Bluegreen Vacations Unltd., Inc.*, No. 16-cv-00937, 2016 WL 3541139 (E.D. Cal. Jun. 28, 2016); *Noblitt v. Bluegreen Vacations Unltd., Inc.*, 2019 WL 7290474, at *1–*2 (E.D. Tenn. Mar. 20, 2019).

But Private Louis didn't know any of this when Bluegreen called him shortly after his enlistment and offered him a discount vacation. So he took the company up on its offer, and Private Louis, his wife Tamarah, and their infant son went to a Bluegreen resort in Florida. Doc. 46-1 at 61–62, 75.

It turns out that the "discount" vacation was not Bluegreen's way of showing support to servicemembers; it was a ruse to get the Louises to its property, so it could pressure them into enrolling in its Vacation Club. *Id.* at 76. The morning after the Louises arrived, Bluegreen required them to attend a sales presentation. *Id.* at 78. And then it trapped them there for hours, without food or breaks, lobbing high-pressure sales tactics at them until they finally relented and signed the papers Bluegreen wanted them to sign. *Id.* at 66, 74, 77–79. As Private Louis later put it, "they trick and they trap me" until eventually "whatever paper they gave me that day, they would still make me sign it." *Id.* at 66.

The papers Bluegreen made the Louises sign turned out to be a contract to purchase membership in Bluegreen's Vacation Club, financed by a loan from Bluegreen. Doc. 16 at 27–28. The Vacation Club operates through a complicated series of transactions seemingly designed to obscure its true purpose. But essentially, membership allows the purchaser the option to make a reservation at a Bluegreen vacation property—and

provides the purchaser a limited number of Bluegreen "points" they can spend on doing so. *Id.* at 2. In exchange, Bluegreen charged the Louises $11,950.00—including a "down payment" of $1,150.00 and an "administrative fee" of $450.00. *Id.* at 28. To fund the up-front payments, Bluegreen required Private Louis to open a Bluegreen-branded credit card account. Doc. 46–1 at 91, 96. The remaining amount was financed by a loan from Bluegreen. Doc. 16 at 9, 28. That loan obligates the Louises to pay Bluegreen $25,573.60 over ten years. *Id.* at 19.

Not long after the Louises' vacation-turned-high-pressure sales pitch—as soon as Private Louis was able to actually read the documents Bluegreen pressured him into signing—he tried to cancel. Doc. 46-1 at 59, 62, 99. But Bluegreen refused. *See id.* at 99, 107. Instead, it kept the Louises' money and, to this day, continues to try to collect on the loan.

III. This lawsuit

Unable to get relief directly from Bluegreen, the Louises sued. They alleged that Bluegreen's loan violates the Military Lending Act in several ways: Bluegreen misrepresented the interest rate, it failed to provide the written and oral disclosures the statute requires, and its contract contains an arbitration clause, which the Military Lending Act explicitly prohibits. *See* Doc. 16 at 17–22. Therefore, Bluegreen's loan contract was "void from the inception of such contract." 10 U.S.C. § 987(f)(3). For that reason, the Louises explained, Bluegreen does not have the right to collect any money from them—and never did. *See* Doc. 16 at 4, 11, 17, 22. They asked the court for a declaration that the contract is illegal, rescission of the void contract, restitution of the payment they had made

under it, damages, and an injunction to prevent Bluegreen from continuing to harm servicemembers. *Id.* at 23–24.

But the district court dismissed the complaint. App. 12a. In its view, the Louises had not alleged a sufficiently concrete harm to support Article III standing. *Id.* at 9a–11a. The court acknowledged the Louises' allegations that Bluegreen's enforcement of its void contract caused them to pay money they did not actually owe. *Id.* at 10a. And it did not dispute that paying money is a paradigmatic pocketbook injury that has long been understood as a concrete harm. But in the court's view, that harm didn't count. According to the district court, it was not enough that Bluegreen's conduct—collecting on a void loan—harmed the Louises. The Louises had to allege a harm that stemmed directly from the specific Military Lending Act provisions Bluegreen violated. *Id.* at 10a–11a. Because the Louises did not do so, the Court held, they lacked standing. *Id.*

The Eleventh Circuit affirmed. App. 7a. Although the court couched its opinion in terms of traceability, rather than concrete injury, its reasoning was the same as the district court's: It was not enough, the Eleventh Circuit held, that the Louises alleged that Bluegreen caused them to pay money they did not owe by enforcing a void contract. They were required to allege that their injuries were traceable to the specific statutory provisions Bluegreen violated. *Id.* at 3a–7a.

REASONS FOR GRANTING THE PETITION

I. The courts of appeal are divided on the question presented.

A. Three circuits have held that plaintiffs who allege they made payments on a void contract have Article III standing—without requiring that the plaintiff's harm

stem from the specific statutory provision that the defendant allegedly violated. As these circuits explain, paying money you do not owe is a paradigmatic pocketbook injury. That injury is traceable to the defendant's conduct: collecting money on a void contract. And it is redressable by restitution of the payments and rescission of the contract. That is all that's necessary for standing.

In *Graham v. Catamaran Health Solutions LLC*, for example, the plaintiff alleged that his insurance policy was "void *ab initio*" because the insurer failed to comply with Arkansas law governing group insurance policies. 940 F.3d 401, 404–405 (8th Cir. 2017). He therefore paid insurance premiums he did not actually owe and sought the return of these premiums. *See id.* at 404. The Eighth Circuit held that these allegations were sufficient to support standing. *Id.* at 407–408. The court did not require the plaintiff to prove a nexus between his harm and the specific provision of state law that the insurer allegedly violated. Rather, it recognized that "if the policy is deemed void *ab initio* due to non-compliance with state law, then [the plaintiff] will have suffered a compensable economic injury"—making payments he did not owe. *Id.* at 408. And that injury is "fairly traceable to the defendants' actions"—collecting that payment. *Id.* That, the Eighth Circuit held, is all that's required for standing. *Id.*

The Second Circuit has held the same. In *Dubuisson v. Stonebridge Life Insurance Company*, the court held that payment on a void contract is "a concrete, economic injury." 887 F.3d 567, 574 (2d Cir. 2018). And plaintiffs who allege they made such a payment, therefore, allege "sufficient facts to establish the elements of standing." *Id.* at 577. No additional harm or statutory nexus is required.

After all, the court explained, the purpose of standing is to "ensure that the plaintiff has 'a personal stake in the outcome of the controversy.'" *Id.* (quoting *Susan B. Anthony List v. Driehaus*, 573 U.S. 149, 158 (2014)). And a plaintiff who paid money they do not owe—and seeks to have that money returned—certainly has a personal stake in the outcome.

The Ninth Circuit has come to the same conclusion. A plaintiff has "standing to seek relief for [a defendant's] wrongful possession of his money resulting from purchases [the plaintiff] contends were void *ab initio*." *V.R. v. Roblox Corp.*, 2023 WL 8821300, at *2 (9th Cir. Dec. 21, 2023).

In reaching this conclusion, these circuits have emphasized that "[s]tanding analysis does not permit consideration of the actual merits of a plaintiff's claim." *Graham*, 940 F.3d at 407; *Dubuisson*, 887 F.3d at 573–74, 576. Rather, courts must assume that the plaintiff "would be successful on the merits"—that is, that the plaintiff in fact paid money they did not owe because the contract is actually void. *Dubuisson*, 887 F.3d at 574. As the Eighth Circuit explained, the only questions that are relevant to standing are "whether the plaintiff has properly alleged an injury that is fairly traceable to the named defendants, and whether that injury can be redressed by a judgment against those defendants." *Graham*, 940 F.3d at 407. Where a plaintiff alleges that they have made payments on a void contract, the Second, Eighth, and Ninth Circuits hold, the answers to those questions are yes.

B. In the decision below, the Eleventh Circuit explicitly rejected this approach. The court did not dispute that a plaintiff who alleges payments under a void contract with the defendant alleges "an injury that is fairly

traceable to the named defendant[] . . . that . . . can be redressed by a judgment against" that defendant, *Graham*, 940 F.3d at 407. *See* App. 6a. But, in its view, more is required. App. 4a–7a. A plaintiff must also allege a harm that is caused directly by the statutory violation that renders the contract void. *Id.*

In grafting this additional requirement onto the standing inquiry, the Eleventh Circuit has done precisely what the Second Circuit has warned against: expanded the "scope of judicial authority" to undermine what should be "legislative decisions," implicating the very separation of powers concerns that give rise to standing doctrine in the first place. *Dubuisson*, 887 F.3d at 573–74. The Military Lending Act is the perfect example. The Defense Department identified the hallmarks of loans that threaten service members' financial security and, therefore, our national security. And Congress enacted a statute prohibiting loans with these hallmarks and rendering them void from inception.

If Private Louis had been at Camp Pendleton in California or Fort Leonard Wood in Missouri, when he took out Bluegreen's loan, he could have challenged it in federal court. But because he was in Florida when Bluegreen targeted him, Bluegreen can continue to enforce a loan Congress has declared illegal—without any concern that a federal court will stop it. Service members should not be subject to one set of rules when they are stationed in one state and another when they are stationed elsewhere. This split cannot stand. This Court should grant review.

II. The decision below is wrong.

In addition to resolving the circuit split, this Court should also grant review because the Eleventh Circuit's decision is wrong.

A. As this Court has explained, the ability to go to court to rescind a void contract and seek restitution has long been understood to be "the customary legal incident[]" of voidness. *Transam. Mortg. Advisors, Inc. (TAMA) v. Lewis*, 444 U.S. 11, 18–19 (1979). Thus, for hundreds of years, American courts—and English courts before them—have invalidated illegal contracts and awarded restitution. *See, e.g.*, *Cong. & Empire Spring Co. v. Knowlton*, 103 U.S. 49, 58–60 (1880); *Thomas v. City of Richmond*, 79 U.S. 349, 355 (1870) (explaining that the rules regarding when an illegal contract will be set aside by courts were "laid down" in Lord Mansfield's 1760 decision in *Smith v. Bromley*).

That includes contracts that were void because they violated a statute. *See, e.g.*, *Cong. & Empire Spring Co.*, 103 U.S. at 58–60; *White v. President of Franklin Bank*, 39 Mass. (22 Pick.) 181, 184 (1839). But there has never been any requirement that the plaintiff's injury stem from the statutory violation that rendered the contract illegal. *See, e.g.*, *Cong. & Empire Spring Co.*, 103 U.S. at 58–60; *White*, 39 Mass. at 184–190; *Tucker v. Mowrey*, 12 Mich. 378, 380–81 (1864).

The Eleventh Circuit's rule to the contrary breaks with the understanding of Anglo-American courts since before the founding. *Cf. Uzuegbunam v. Preczewski*, 592 U.S. 279, 285 (2021) (Article III "is properly understood" to mean that federal courts may resolve "cases and controversies of the sort traditionally amenable to, and resolved by, the judicial process").

B. It also conflicts with this Court's standing precedent. "Article III requires a plaintiff to . . . answer a basic question: 'What's it to you?'" *Food & Drug Admin. v. All. for Hippocratic Med.*, 602 U.S. 367, 379 (2024). Standing doctrine—as this Court has repeatedly explained—thus ensures that a plaintiff has a "personal stake in the dispute." *Id.*; *see, e.g.*, *Mass. v. EPA*, 549 U.S. 497, 517 (2007) ("At bottom, the gist of the question of standing is whether petitioners have such a personal stake in the outcome of the controversy as to assure that concrete adverseness."). That personal stake, in turn, ensures that courts do not "usurp the powers of the political branches" by deciding questions that do not need to be decided. *Clapper v. Amnesty Int'l USA*, 568 U.S. 398, 408 (2013).

At the same time, however, "[f]ederal courts . . . have 'no more right to decline the exercise of jurisdiction which is given, than to usurp that which is not given.'" *Sprint Commc'ns, Inc. v. Jacobs*, 571 U.S. 69, 77 (2013) (quoting *Cohens v. Virginia*, 19 U.S. (6 Wheat.) 264, 404 (1821)). Just as federal courts undermine the separation of powers when they resolve cases over which they lack jurisdiction, they also undermine the separation of powers when they wrongfully refuse to exercise the jurisdiction that Congress has conferred. *See England v. La. State Bd. of Med. Exam'rs*, 375 U.S. 411, 415 (1964).

This Court has long held that there are three requirements for a plaintiff to establish a sufficient personal stake to invoke a federal court's jurisdiction: "[A] plaintiff must show (i) that he suffered an injury in fact that is concrete, particularized, and actual or imminent; (ii) that the injury was likely caused by the defendant; and (iii) that the injury would likely be redressed by judicial

relief." *TransUnion LLC v. Ramirez*, 594 U.S. 413, 423 (2021). A plaintiff alleging that they paid money on a void contract with the defendant satisfies all three: They are injured by paying money they don't owe; that injury was caused by the defendant's conduct in collecting the money; and it will be redressed by the court ordering the money to be returned.

The Eleventh Circuit didn't contend otherwise. Instead, it held that there is an additional requirement: Plaintiffs must also allege some causal nexus between their injury and the specific statutory provision that the defendant violated. The Eleventh Circuit's rule thus grafts an additional requirement onto the standing inquiry that is unnecessary to ensure that plaintiffs have a personal stake in the outcome. That runs afoul of federal courts' "virtually unflagging" "obligation" to "hear and decide" cases over which they have jurisdiction. *Sprint Commc'ns*, 571 U.S. at 77.

C. Indeed, this Court has repeatedly rejected the contention that in addition to the ordinary standing requirements, plaintiffs asserting a statutory or constitutional violation "must demonstrate a connection between the injuries they claim and the constitutional" or statutory provision that the defendant allegedly violated. *Duke Power Co. v. Carolina Env't Study Grp.*, 438 U.S. 59, 78–79 (1978); *see Collins v. Yellen*, 594 U.S. 220, 243 (2021).

Take, for example, this Court's decision in *Duke Power*, in which the plaintiffs sued to block the construction of two nuclear power plants. Their legal theory was that the statute enabling the power plants' construction violated the Due Process Clause because it imposed an arbitrary limitation on liability for nuclear

accidents. *Duke Power*, 438 U.S. at 69. But the plaintiffs were not injured by the arbitrariness of the liability cap. *See id.* at 78. They were injured because the nuclear power plants would adversely affect their health and the lakes they used for recreation. *Id.* at 73, 78.

This Court nevertheless held that the plaintiffs had standing. The Court forcefully rejected the contention that the plaintiffs were required to demonstrate that they were injured by the alleged due process violation. *Id.* at 78–79. Outside the context of taxpayer lawsuits, the Court explained, standing has never "demanded this type of subject-matter nexus between the right asserted and the injury alleged." *Id.* at 79. To the contrary, all that a plaintiff must show is "injury in fact" traceable to the defendants' challenged action "and a substantial likelihood that the judicial relief requested will prevent or redress the claimed injury." *Id.*

This Court reaffirmed this rule in *Collins*. 594 U.S. at 243. The plaintiffs in *Collins* were shareholders of Fannie Mae and Freddie Mac, who challenged an agreement between the Federal Housing Financing Agency and the Treasury Department that they alleged transferred the companies' wealth to the government. *Id.* at 226. The shareholders' injury was monetary—the value of their property interest in the companies was transferred to the Treasury Department. *Id.* at 243. But that's not the reason that the agreement was allegedly unenforceable. The agreement was unenforceable, they contended, because the head of the Federal Housing Financing Agency was unconstitutionally appointed. *See id.*

This Court *rejected* the assertion that the shareholders lacked standing because there was no connection between the shareholders' injury and the

agency's alleged constitutional violation. *Id.* at 243–244. The shareholders were concretely injured by the agency's agreement, and their injury would be redressed by invalidating that agreement and returning the payments made under it. Put differently, they paid money under a contract they alleged was void—and they'd be made whole by rescinding the contract and returning the money. That, this Court held, was enough for standing. *See id.*

But that's exactly what the Eleventh Circuit holds is not enough. Thus, the Eleventh Circuit's rule not only divides the circuits and flies in the face of longstanding tradition, it directly conflicts with this Court's case law.

III. The question presented is important.

It's no small thing to enact a statute declaring that contracts that do not comply are void. Legislatures do so when they believe that the statute's requirements are particularly important—that it's not enough to remedy a statutory violation after the fact. Rather, contracts that do not comply must not exist. Congress has decided that drastic step is warranted for, for example, loan contracts with military personnel, 10 U.S.C. § 987(f)(3); employment agreements with seamen, 46 U.S.C. § 11107; and certain contracts with Native American tribes, *see, e.g.*, 25 U.S.C. § 2711(f). As the government made clear below, these statutes will not serve their purpose if plaintiffs cannot enforce them. *See* Gov't Br. 29–30.

The question presented is particularly important to service members—and the military itself. "[U]nder the Uniform Code of Military Justice, military personnel that do not meet their financial commitments may be subjected to confinement, clearance revocation, court martial, transfer, or even discharge." *Id* at 6. When service members are struggling to pay their debts, when they are

confined, lose their security clearance, or are discharged due to their inability to pay their loans, those service members suffer. And so too does the "military's operational readiness." *Id.* at 15, 28. As noted above, during the Iraq War, "[t]housands of U.S. troops" were "barred from overseas duty because they [were] so deep in debt they [were] considered security risks." *Supra* page 6.

Congress and the Defense Department concluded that "predatory lending pose[s] a real threat to our national defense." Gov't Br. 6. That's why they enacted the Military Lending Act: to bar contracts with the features characteristic of the high-cost, low-value loans that threaten service members' financial security. *See id.* at 7, 28; *supra* pages 6–7. And that's why Congress mandated that those loans were "void *ab initio*." 10 U.S.C. § 987(f)(3). Predatory loans pose such a threat to service members and to our national defense that Congress decided they could not exist. *See supra* page 7.

As the government explained below, requiring service members to show not just that they paid money under a void contract, but that they were harmed by the specific statutory provision a lender violated, undermines their ability to enforce the protections Congress enacted—and ultimately military readiness. Gov't Br. 29–30. After all, it "may be very difficult, if not impossible, for servicemembers to demonstrate that certain MLA violations had a direct effect on their decision to procure a financial product or caused them to pay money they would not otherwise have paid." *Id* at 29. But those violations, the Defense Department and Congress found, are telltale signs of the kinds of low-value, high-cost loans that before the Act was passed, were causing service members to fall

so deep into debt that they lost their security clearances or were discharged entirely.

This Court should grant review not just to resolve the circuit split and reject the Eleventh Circuit's novel traceability requirement, but to ensure that all service members—no matter where they're stationed—have the protections that Congress and the Defense Department have concluded are crucial to our national defense.

CONCLUSION

This Court should grant certiorari.

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Respectfully submitted,

JENNIFER BENNETT
Counsel of Record
GUPTA WESSLER LLP
505 Montgomery Street
Suite 625
San Francisco, CA 94111
(415) 573-0336
jennifer@guptawessler.com

MATTHEW W.H. WESSLER
GUPTA WESSLER LLP
2001 K Street NW
Washington, DC 20006
(202) 888-1741

JANET R. VARNELL
BRIAN W. WARWICK
CHRISTOPHER J. BROCHU
JEFFREY L. NEWSOME
PAMELA G. LEVINSON

VARNELL & WARWICK, P.A.
400 N. Ashley Drive
Suite 1900
Tampa, FL 33602
(352) 753-8600

IRA RHEINGOLD
NATIONAL ASSOCIATION OF
CONSUMER ADVOCATES.
1215 17th Street NW
5th Floor
Washington, DC 20036
(202) 452-1989