

## SCOTUS Opinion: Federal Trade Commission Act Does Not Permit Awards Of Monetary Relief

23 Apr 2021

In *AMG Capital Management, LLC v. FTC*, the Federal Trade Commission sued Scott Tucker and his companies for deceptive payday lending practices in violation of the Federal Trade Commission Act. The district court granted an injunction to stop further such practices, and also invoked Section 13(b) of the Act to order Tucker to pay \$1.27 billion in restitution and disgorgement. Tucker argued that Section 13(b) only permitted the injunction—another part of the Act allowed the FTC to seek civil fines after an administrative proceeding, which was not used here. The Ninth Circuit denied Tucker relief.

The Court, in a unanimous decision by Justice Breyer, reversed, and held that Section 13(b) expressly only permitted prospective injunctive relief, and did not allow retrospective monetary relief. The Commission's habit of using Section 13(b) to seek monetary sanctions was improper, given the structure and purpose of the Act. The fact that the FTC could seek civil fines through administrative proceedings weighed against any further expansion of Section 13(b).

A link to the opinion is here: [https://www.supremecourt.gov/opinions/20pdf/19-508\\_l6gn.pdf](https://www.supremecourt.gov/opinions/20pdf/19-508_l6gn.pdf)

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**TAGGED:** Restitution, Disgorgement, Federal Trade Commission Act, AMG Capital Management LLC v. FTC, Federal Trade Commission