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## In Victory For WLF, Supreme Court Holds That District Courts May Hear Constitutional Challenges To Administrative Agencies' Structures

(*SEC v. Cochran* and *Axon v. FTC*)

**“This ruling will ensure that parties don’t have to throw money down the drain by challenging the constitutionality of an agency’s structure in the administrative proceeding.”**

—John Masslon, WLF Senior Litigation Counsel

WASHINGTON, DC—The U.S. Supreme Court today held that parties may challenge the constitutionality of a federal agency’s structure in federal court. This outcome was a victory for Washington Legal Foundation, which filed amicus curiae briefs supporting the challengers in both cases.

The cases concern application of the Supreme Court’s *Thunder Basin* decision, which outlines when federal courts lack jurisdiction to consider suits brought by parties facing administrative charges. The Ninth Circuit held that the FTC Act bars federal courts from hearing these constitutional challenges, while the Fifth Circuit held that the Securities Exchange Act does not bar federal courts from hearing the constitutional challenges.

In its amicus briefs, WLF argued that defendants have a right to have their constitutional challenges to an agency’s structure adjudicated by an Article III tribunal. The briefs urged the Supreme Court to require lower courts properly consider whether a claim is wholly collateral to the merits of a case and whether the agency has expertise on the question. The briefs also argued that illusory review does not satisfy the meaningful-judicial-review factor. Finally, WLF’s briefs explained why requiring such claims to be brought before administrative agencies discourages parties from raising Appointments Clause violations. The Supreme Court’s unanimous opinion touches on all the points that WLF raised in its briefs. In short, the decision is a welcome victory for WLF and the rule of law.

*Celebrating its 46th year, WLF is America’s premier public-interest law firm and policy center advocating for free-market principles, limited government, individual liberty, and the rule of law.*

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