

**In the Supreme Court of the United States**

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DONALD J. TRUMP,  
President of the United States, *et al.*  
*Applicants,*

v.

LISA D. COOK,  
member of the Board of Governors of the Federal Reserve System.

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**BRIEF OF *AMICI CURIAE* AZORIA CAPITAL, INC. AND JAMES T.  
FISHBACK IN SUPPORT OF APPLICANTS**

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## IDENTITY AND INTEREST OF *AMICI CURIAE*<sup>1</sup>

Azoria Capital, Inc. (“Azoria”) is an American investment firm that actively manages investments in U.S. Treasury securities and interest rate derivatives. James T. Fishback, Azoria’s CEO, leads these efforts, drawing on his expertise in capital markets to navigate the economic impacts of monetary policy and regulatory decisions.

Azoria and Mr. Fishback have a profound interest in this case, as their business is directly and materially impacted not only by decisions of the Federal Reserve Board of Governors (“Board”), but also by the Board’s integrity—both actual and perceived. Azoria’s success hinges on the Board’s ability to maintain market confidence through sound, impartial oversight—free from the taint of misconduct that could erode investor trust and disrupt financial flows. These interests are directly implicated by the President’s application for a stay, which seeks to prevent disruption to the financial system while this case is adjudicated. The President’s authority to remove a Federal Reserve Governor for cause, particularly when substantiated allegations involve mortgage fraud, serves to directly safeguard the integrity essential to Azoria’s investments and the broader American economy.

As active market participants, Azoria and Mr. Fishback offer a unique perspective on how unchecked ethical lapses at the Board level could impact the

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<sup>1</sup> No counsel for a party authored this brief in whole or in part, and no person other than *amici curiae* or their counsel made a monetary contribution to its preparation or submission.

regulated community, undermine forward guidance, and raise borrowing costs—far-reaching impacts that are not represented in the briefing before this Court.

## SUMMARY OF ARGUMENT

On the evening of Monday, August 25, 2025, President Donald J. Trump exercised his lawful authority under Section 10 of the Federal Reserve Act to remove Governor Lisa Cook from her post—for cause—after documentary evidence surfaced showing that she had purportedly falsified mortgage documents to secure favorable loan terms. The evidence was so serious that the Director of the Federal Housing Finance Agency issued a criminal referral to the Department of Justice, which has since confirmed an active criminal investigation into Cook and, according to the Wall Street Journal’s Brian Schwartz, has issued subpoenas as part of their inquiry into whether Cook submitted fraudulent information on her mortgage applications.<sup>2</sup> As *amici* detailed in a legal memorandum issued the preceding Friday,<sup>3</sup> substantiated evidence of a Governor being investigated for potential felonies rises to the level of justifying “for cause” removal under the Federal Reserve Act.

While much has been written about how no President has ever before removed a Federal Reserve Governor, that is not the true anomaly here. What is truly unprecedented is the fact that a sitting Governor of the Federal Reserve System—an

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<sup>2</sup> Brian Schwartz, *et al.*, *DOJ Opens Criminal Investigation Into Fed’s Cook, Issues Subpoenas*, Wall St. J. (Sept. 4, 2025), [https://www.wsj.com/politics/policy/lisa-cook-justice-department-probe-e7e801a6?reflink=desktopwebshare\\_permalink](https://www.wsj.com/politics/policy/lisa-cook-justice-department-probe-e7e801a6?reflink=desktopwebshare_permalink).

<sup>3</sup> Steve Roberts, *et al.*, *Memorandum to James T. Fishback, CEO, Azoria Capital, Inc.: President Trump’s Authority to Remove Governor Lisa D. Cook “For Cause” Under 12 U.S.C. § 242*, Lex Politica, PLLC (Aug. 22, 2025), <https://investazoria.com/wp-content/uploads/2025/08/Azoria-Legal-Memo-Governor-Cook.pdf>.

institution entrusted with the stewardship of the American financial system—has been publicly referred for criminal prosecution *for financial crimes*.

This lawsuit has never denied this referral is real or public, nor has it directly denied any of the contemporaneous documentation supporting the referral. Instead, this lawsuit asserts that even if the conduct occurred, it is irrelevant to Dr. Cook’s statutory duties and thus cannot constitute “cause” for removal under 12 U.S.C. § 242. That contention not only misinterprets the text of the Federal Reserve Act and the authority granted to the President thereunder, it misunderstands the nature of central banking in modern practice. The integrity of the Federal Reserve is not an abstract or peripheral matter. Credibility is the currency through which monetary policy works, supervisory authority commands compliance, and capital flows to U.S. markets. Integrity is not incidental to the job of a Federal Reserve Governor—it *is* the job.

When a Governor is referred for prosecution for fraud among the very kind that she is duty-bound to deter, the institution itself has become compromised. The Federal Reserve Act’s plain text gives the President authority to remove such a Governor—and never has that authority been more necessary.

## ARGUMENT

### **I. A Governor Accused of Mortgage Fraud Cannot Credibly Supervise the Financial System and the President has Removal Authority to Preserve Institutional Integrity.**

The Federal Reserve Act provides that members of the Board of Governors serve fourteen-year terms, “*unless sooner removed for cause by the President.*”<sup>4</sup> This language makes clear that the President has independent authority under the Federal Reserve Act to remove members of the Board of Governors if “cause” exists for removal. The circumstances here merit such removal.

The Board of Governors is not a body of detached academics. It is the nation’s top banking regulator. Its responsibilities include stress testing the largest financial institutions, setting capital requirements, and enforcing the Supplementary Leverage Ratio. The successful execution of these important responsibilities to keep our financial system credible and honest presupposes that the individuals carrying them out are themselves credible and honest.

In light of the criminal referral and active federal criminal investigation into Dr. Cook, *amici* believe that she can no longer be perceived as a credible or honest policymaker by the institutions she was entrusted to supervise.

In *amici*’s view, allowing Dr. Cook to remain on the Board despite a credible criminal referral to the Department of Justice would tell markets and supervised institutions that the Board holds itself to a lower standard than the banks it regulates. That double standard would erode confidence in supervisory enforcement,

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<sup>4</sup> 12 U.S.C. § 242 (emphasis added).



encourage skepticism of stress-test results, and weaken the effectiveness of regulatory oversight. The President’s removal power exists precisely to prevent such an outcome. By removing Dr. Cook, he worked to preserve the institution’s credibility; by withholding action until such time that a criminal conviction is ascertained, the damage would already be done.

Dr. Cook’s response to the allegations so far has been troubling. If she did not misrepresent her mortgage application, she could have readily filed a declaration under penalty of perjury pursuant to 18 U.S.C. § 1621 affirming as much with the district court. A truthful affidavit would directly address the credible allegation underlying President Trump’s “for cause” removal of her. She has not done so.

Rather, in opposing the President’s request for a stay—both here and in the Court of Appeals—Dr. Cook has relied on media reports.<sup>5</sup> Specifically, it has been reported that Dr. Cook “referred to a condominium ... as a ‘vacation home’ in a loan estimate.”<sup>6</sup> But a “loan estimate” is a preliminary, non-binding offer provided by a

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<sup>5</sup> See Opposition at 12, n. 3 (citing Chris Prentice, et al., *Exclusive: Fed Governor Cook Declared Her Atlanta Property as “Vacation Home,” Documents Show*, Reuters (Sept. 13, 2025), <https://perma.cc/93WS-XSAW> and similar); Plaintiff-Appellee’s Opposition to Mot. for Stay Pending Appeal at 15, n.6, *Cook v. Trump*, No. 25-5326 (D.C. Cir. Sep. 13, 2025) (citing Lindsay Whitehurst & Christopher Rugaber, *Fed Governor Lisa Cook claimed 2nd residence as ‘vacation home,’ undercutting Trump fraud claims*, AP News (Sept. 12, 2025), <https://apnews.com/article/federal-reserve-lisa-cook-trump852820c83e5001ec3b6e2d14047965c9>).

<sup>6</sup> Lindsay Whitehurst & Christopher Rugaber, *Fed Governor Lisa Cook claimed 2nd residence as ‘vacation home,’ undercutting Trump fraud claims*, AP News (Sept. 12, 2025), <https://apnews.com/article/federal-reserve-lisa-cook-trump852820c83e5001ec3b6e2d14047965c9>; see also Chris Prentice, et al., *Exclusive: Fed Governor Cook Declared Her Atlanta Property as “Vacation Home,” Documents Show*, Reuters (Sept. 13, 2025), <https://perma.cc/93WS-XSAW> (similar).

bank to a prospective borrower, generated from information supplied by the borrower, and typically expiring within ten business days due to fluctuations in mortgage and interest rate markets. A loan estimate (1) contains no signature declaration by the borrower; (2) requires no sworn statement; and, (3) solicits no affirmation or attestation of truthfulness from the borrower. It is merely a provisional document created by the lender. As such, any loan estimate, by definition, cannot serve as exonerating evidence in a case concerning whether a borrower—including Dr. Cook—made a false statement on an executed mortgage application.

Dr. Cook also urges that “further factual development” is necessary before the Court may enter a stay. Opposition at 13. However, throughout proceedings in the district court, the Court of Appeals, and this Court, Dr. Cook has *never*:

1. Filed any exonerating materials;
2. Filed any related information, including especially the purported “loan estimate” that the media has reported on; or,
3. Filed any sworn affidavit, under penalty of perjury, that she did not in fact falsely inform her bank that her second property was a primary residence.

Moreover, *amici* are concerned about the provenance of the “loan estimate” and the manner in which it surfaced. A loan estimate is a private, pre-closing disclosure—not a recorded instrument—and it does not appear in the record; in the ordinary course, copies exist only with the borrower and the originating lender. If Dr. Cook or her agents selectively provided that document (or excerpts) to the press on the eve of

briefing to advance a narrative of “exoneration,” and later in this lawsuit relied upon the resulting news articles as independent corroboration, that is self-sourced bootstrapping that warrants no weight. Unsworn, unauthenticated press accounts are not evidence, and a litigant may not manufacture “third-party” support by leaking materials and then citing the coverage. At minimum, those materials should have been disregarded by the Court of Appeals, and the wholesale lack of anything in the record to exonerate Dr. Cook should inform this Court’s consideration of the application before it.

## **II. Forward Guidance—the Federal Reserve’s Principal Monetary Tool—Depends Entirely on Credibility.**

Forward guidance is the practice by which central bankers such as Federal Reserve Governors signal their expectations for the future path of policy rates. In modern monetary policy, this communication is not ancillary but central. Extensive empirical research has shown that forward guidance influences household and market expectations about the future path of interest rates.<sup>7</sup> Under the “expectations hypothesis,” the yield on the two-year Treasury note equals the expected federal funds rate over that period.<sup>8</sup> In other words, the cost of borrowing for households and

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<sup>7</sup> Alisdair McKay, Emi Nakamura & Jón Steinsson, The Power of Forward Guidance Revisited, 106 AM. ECON. REV. 3133 (2016); Edward Nelson, *The Emergence of Forward Guidance as a Monetary Policy Tool*, Fin. & Econ. Discussion Series, 2021-033 (Bd. of Governors of the Fed. Rsrv. Sys. 2021), <https://doi.org/10.17016/FEDS.2021.033>.

<sup>8</sup> Antonios Sangvinatsos, *The Expectations Hypothesis* (Univ. of S. Cal., Marshall Sch. of Bus., Working Paper, Mar. 29, 2008), <https://pages.stern.nyu.edu/~sternfin/asangvin/ExpHyp.pdf>.

businesses is influenced not just by current policy, but by what market participants believe policymakers like Federal Reserve Governors will do in the future.

When a Governor speaks, markets listen. But they do so only if they believe her. If the speaker stands credibly accused of financial fraud, the speaker's words lose power. The transmission channel that connects public statements and policy speeches to market outcomes is severed. Without credibility, forward guidance ceases to function as a policy instrument.

This matters profoundly to Americans. Without forward guidance, interest rates can jump unpredictably and tighten financial conditions. Stability in financial conditions depends on credible voices. A Governor criminally referred to the DOJ over her own mortgages cannot provide that credibility. When her conduct is under federal investigation, her integrity is compromised—and so is the Fed's guidance. By removing Dr. Cook, President Trump is restoring credibility and integrity to the Federal Reserve, and in turn, its ability to set expectations about the future path of interest rates and maintain trust in America's financial system.

The President's removal authority under Section 242 ensures that the Board as an institution can continue to use its most important tool effectively.

### **III. Dr. Cook's Claims About Independence and Market Stability Invert the Real Risks.**

Throughout this case, Dr. Cook has argued that her removal threatens central bank independence and could destabilize markets.<sup>9</sup> The opposite is true.

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<sup>9</sup> See, e.g., Compl. (Doc. 1) ¶ 10, *Cook v. Trump*, No. 1:25-cv-02903-JMC (D.D.C., filed Aug. 28, 2025).

Independence was designed to insulate Governors from dismissal over policy disagreements. It was never intended to immunize officials from the consequences of the kind of malfeasance that Dr. Cook has been criminally referred to the DOJ over. Recent history underscores this point. The Federal Reserve tolerated Wells Fargo's pervasive and persistent misconduct for years before acting, and it admitted that supervisors failed to take forceful enough action before the collapse of Silicon Valley Bank.<sup>10</sup>

These supervisory failures have already weakened the Board's credibility. To now permit a Governor credibly accused of mortgage fraud to remain in office would confirm the view that the Fed selectively enforces its standards—some banks, some of the time, and never on its own officials entrusted with the awesome responsibility of overseeing supervision and setting rates that influence every mortgage, credit card, and business loan in America. That perception would do far more to shake markets than a decisive and lawful act of removal.

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<sup>10</sup> Board of Governors of the Federal Reserve System, *Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank* (Apr. 28, 2023), <https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf>.

## CONCLUSION

President Trump’s removal of Dr. Cook “for cause” under 12 U.S.C. § 242 is statutorily authorized, grounded in substantiated allegations of serious misconduct that directly implicate her fitness for office. Far from eroding the Federal Reserve’s independence or market stability, this action preserves the Board’s credibility—a vital interest for investors like *amici*. Upholding the removal serves the public interest and aligns with the Federal Reserve Act’s text and purpose.

Moreover, Dr. Cook is entitled to the presumption of innocence in any criminal trial. But that presumption protects her liberty, not her tenure in high office. No one has a constitutional right to remain a Governor of the Board, to draw a taxpayer salary, or to cast binding votes on the trajectory of interest rates while credibly accused of conduct that strikes at the core of the Board’s statutory mission.

In the interests of safeguarding the integrity of the Board and maintaining stability in the financial markets, *amici* respectfully request that the Court grant the President’s application for a stay and maintain the President’s statutorily authorized removal of a compromised Federal Reserve Governor.

Date: September 30, 2025

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