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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

ELETTRA MEEKS, JOSEPH DE
LA CRUZ, STEPHANIE LAGUNA,
and AMBER LEONARD, *on behalf
of themselves and others similarly
situated,*

Plaintiffs,

v.

EQUIFAX INFORMATION
SERVICES, LLC,

Defendant.

Case No.: _____

**PLAINTIFFS’ CLASS ACTION
COMPLAINT FOR FCRA AND
CCRAA VIOLATIONS**

JURY TRIAL DEMANDED

The Plaintiffs, Elettra Meeks, Joseph De La Cruz, Stephanie Laguna, and Amber Leonard (collectively “Plaintiffs”), *individually and on behalf of others similarly situated*, by Counsel, hereby file this action against Defendant Equifax Information Services, LLC. In support thereof, Plaintiffs allege as follows:

PRELIMINARY STATEMENT

1. This action arises from Defendant’s reporting of adverse, outdated, and inaccurate information related to illegal payday loans in Plaintiffs’ credit reports. Even though these loans were forgiven as part of a nationwide class settlement, Midwest Recovery and Consumer Adjustment Company, Inc. (“CACI”) reported these unenforceable debts on Plaintiffs’ credit reports in order to coerce repayment of the debts. In addition, Midwest Recovery deceptively “re-aged” the debt, which is a common practice where a creditor or debt collector alters the “date of delinquency”

1 to make it appear as a newer debt and, thus, avoid removal of the debt from
2 consumers' credit reports in accordance with the Fair Credit Reporting Act.

3 2. Similar to this matter, the Federal Trade Commission recently initiated
4 an action against Midwest Recovery for placing "bogus or highly questionable debts
5 onto consumers' credit reports to coerce them to pay the debts."¹ In its complaint,
6 the FTC alleged that "Midwest Recovery collected more than \$24 million from
7 consumers" on these bogus debts, largely by coercing consumers through the
8 negative impacts on their credit reports. *Id.* As the Director of the FTC's Bureau of
9 Consumer Protection explained: Midwest Recovery and its owners "parked fake debt
10 or questionable debts on people's credit reports and then waited for them to notice
11 the damage when they were trying to get a loan or a job" in order to "coerce people
12 to pay debts they didn't owe or didn't recognize." *Id.*

13 3. Congress enacted the Fair Credit Reporting Act to prevent this type of
14 misconduct. Finding that consumer reporting agencies "have assumed a vital role" in
15 society, Congress sought to "insure that consumer reporting agencies exercise their
16 grave responsibilities with fairness, impartiality, and a respect for the consumer's
17 right to privacy." 15 U.S.C. § 1681(b).

18 4. The FCRA contains a variety of requirements to to accomplish
19 Congress' goals of protecting consumers, including §§ 1681c and 1681e(a), which
20 are two of the cornerstone provisions of the FCRA. Absent several narrow
21 exceptions, § 1681c prohibits consumer reporting agencies from reporting adverse
22 items of information that antedate the report by more than seven years. This section
23 of the FCRA "reflects a policy choice to allow dated adverse credit data to 'age off'
24 a credit report because such information might otherwise indefinitely hamper the
25 borrowing capabilities of now-reformed individuals." *Beseke v. Equifax Info. Servs.*
26 *LLC*, No. CV 17-4971 (DWF/KMM), 2019 WL 6250756, at *3 (D. Minn. Nov. 22,

27 ¹ *Press Release*, Fed. Tr. Comm'n, *FTC Stops Debt Collector's Alleged "Debt*
28 *Parking" Scheme, Requires it to Delete Debts it Placed on Consumers' Credit*
Reports (Nov. 30, 2020), available at: <https://www.ftc.gov/news-events/press-releases/2020/11/ftc-stops-debt-collectors-alleged-debt-parking-scheme-requires-it>.

1 2019) (quoting *Seamans v. Temple Univ.*, 744 F.3d 853, 863 (3d Cir. 2014)). To
2 further strengthen the protections of § 1681c, the FCRA also requires consumer
3 reporting agencies to “maintain reasonable procedures designed to avoid violations”
4 of § 1681c. 15 U.S.C. § 1681e(a).

5 5. Here, Equifax disregarded these requirements. It allowed Midwest
6 Recovery to report adverse and outdated information regarding Plaintiffs’ accounts,
7 which were more than seven years old. Equifax violated § 1681c because it allowed
8 Midwest Recovery to re-age this adverse information—missed payments, past due
9 amounts, and delinquent payment histories—that should have been removed from
10 Plaintiffs’ credit reports within seven years as required by the FCRA. If Equifax had
11 reasonable procedures as required by § 1681e(a), it would have discovered that
12 Midwest Recovery was placing these “bogus or highly questionable debts onto
13 consumers’ credit reports to coerce them to pay the debts.”²

14 6. In addition, Equifax never should have allowed Midwest Recovery or
15 CACI to report the debts in the first place because they were cancelled as a result of
16 a nationwide class settlement.³ Equifax nonetheless allowed debt collectors, such as
17 Midwest Recovery and CACI, to inaccurately report that consumers had outstanding
18 balances on loans *after* the announcement of a nationwide class action settlement.

19 7. The class action settlement placed Equifax on notice that the loans were
20 void, and Equifax should have maintained reasonable procedures to ensure that it did
21 not include any information pertaining to these loans in Plaintiffs’ or the class
22 members’ reports. Indeed, several of the Plaintiffs disputed the accounts with
23 Equifax, explaining that the debt was void and had been the subject of a class action
24 settlement involving Think Finance, Great Plains, Plain Green, and MobiLoans.

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26 ² Press Release, *supra* n.1.

27 ³ See generally *Gibbs v. Plain Green, LLC*, No. 3:17-cv-495 (E.D. Va.), Dec. 13,
28 2019 Order at Dkt. 141 (granting final approval of the class settlement); see also
David Rees, *Historic settlement sees online lenders wiping out \$380 million in debt.*
Virginians led the way, The Virginian Pilot, available at
[https://www.pilotonline.com/business/consumer/dp-nw-online-lender-settlement-
20191212-n7khtxn7tbbsbauzirehwmpgly-story.html](https://www.pilotonline.com/business/consumer/dp-nw-online-lender-settlement-20191212-n7khtxn7tbbsbauzirehwmpgly-story.html).

1 Although Equifax deleted the accounts in response to these disputes—a concession
2 of the accuracy of their disputes—it nonetheless continued to report the same
3 inaccurate information regarding other consumers as evidenced by the reports of the
4 other named Plaintiffs.

5 8. The reporting of these debts violated § 1681e(b) of the FCRA, which
6 requires consumer reporting agencies to use “reasonable procedures to assure
7 maximum possible accuracy of the information concerning the individual about
8 whom the report relates.” 15 U.S.C. § 1681e(b). With respect to California
9 consumers, Equifax’s conduct also violated California’s Consumer Credit Reporting
10 Agencies Act, which imposes similar obligations on consumer reporting agencies.
11 *See* CAL. CIV. CODE § 1785.14(b).

12 JURISDICTION AND VENUE

13 9. This Court has jurisdiction pursuant to 28 U.S.C. § 1331, 15 U.S.C.
14 § 1681p, and 15 U.S.C. § 1692k(d). The Court also has supplemental jurisdiction
15 over the state law claims pursuant to 28 U.S.C. § 1367.

16 10. Venue is proper in this Court under 28 U.S.C. § 1391(b)(2) as Plaintiff
17 Meeks is a resident of this Division and a substantial part of the events giving rise to
18 Plaintiff Meeks’ claims occurred in this Division.

19 PARTIES

20 11. Plaintiff Elettra Meeks is a natural person and a consumer as defined by
21 15 U.S.C. § 1681a(c). Ms. Meeks resides in Antioch, California.

22 12. Plaintiff Joseph De La Cruz is a natural person and a consumer as
23 defined by 15 U.S.C. § 1681a(c). Mr. De La Cruz resides in Corona, California.

24 13. Plaintiff Stephanie Laguna is a natural person and a consumer as defined
25 by 15 U.S.C. § 1681a(c). Ms. Laguna resides in Kansas City, Missouri.

26 14. Plaintiff Amber Leonard is a natural person and a consumer as defined
27 by 15 U.S.C. § 1681a(c). Ms. Leonard resides in Rochester, New York.

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1 22. To further strengthen the protections of § 1681c, the FCRA also requires
2 consumer reporting agencies to “maintain reasonable procedures designed to avoid
3 violations” of § 1681c. 15 U.S.C. § 1681e(a).

4 23. In addition to these provisions, the FCRA sets out requirements and
5 obligations for consumer reporting and requires that all consumer reports be
6 furnished using “reasonable procedures to assure maximum possible accuracy.”
7 15 U.S.C. § 1681e(b).

8 24. Section 1681e(b) imposes a high, and often disregarded, standard on
9 consumer reporting agencies. *See, e.g., Burke v. Experian Info. Sols., Inc.*, No. 1:10-
10 cv-1064(AJT/TRJ), 2011 WL 1085874, at *4 (E.D. Va. Mar. 18, 2011) (breaking
11 down the requirements of § 1681e(b), and explaining that “‘assure’ means ‘to make
12 sure or certain: put beyond all doubt,’ . . . ‘[m]aximum’ means the ‘greatest in
13 quantity or highest degree attainable[,]’ and ‘possible’ means something ‘falling
14 within the bounds of what may be done, occur or be conceived’”) (quoting *Webster’s*
15 *Third New Int’l Dictionary* 133, 1396, 1771 (1993)).

16 **B. Allegations Regarding the Class Claims for Violations of §§ 1681c and**
17 **1681e(a).**

18 25. Because collection accounts are purged from credit reports after seven
19 years, creditors and debt collectors often attempt to “re-age” a debt to make it appear
20 as a newer debt, thereby preventing the aging-off of the debt from the consumer’s
21 report. John Ulzheimer, *Born-Again Debt: What Is Re-Aging, and Is It Legal?* (Nov.
22 13, 2019) (explaining that “[r]e-aging occurs when the ‘purge from’ date on a
23 derogatory account is changed to be more current than the date of the original default,
24 resulting in the account hanging around on your credit reports longer than allowed
25 under the law”).⁴

26 26. “Not only does the re-aging cause the negative credit report entry to
27 remain on” the consumer’s credit report longer than permitted by the FCRA, but it

28 ⁴ Available at: <https://www.thesimpledollar.com/credit/debt-collection/re-aging-debt-collection-accounts-illegal/>

1 also “will most likely have an unfairly negative impact” on the consumer’s credit
2 score because “the item will be interpreted as being more recent and not in the distant
3 past.” *Id.*

4 27. This improper continued reporting of debts unfairly, and by design,
5 pressures consumers into paying debts so that they will stop appearing on their credit,
6 dragging down their credit scores.

7 28. To re-age a debt, creditors or debt collectors typically change the “date
8 of first delinquency” information, which is one of the standard data entry fields on
9 all credit reports with the “Big 3” consumer reporting agencies.

10 29. Upon information and belief, Equifax has a procedure to suppress the
11 reporting of this information when the date in the “date of 1st delinquency” field
12 antedates the report by more than seven years. In other words, if a creditor requested
13 a copy of a consumer’s credit report more than seven and a half years from the “date
14 of 1st delinquency,” Equifax’s procedures would automatically block the inclusion
15 of the account in the consumer’s credit reports.

16 30. To prevent the suppression of the credit information, a creditor or debt
17 collector simply needs to change the date in the “date of 1st delinquency” field to
18 make that event appear to have occurred more recently.

19 31. Upon information and belief and as reflected by Plaintiffs’
20 circumstances, Equifax freely allows furnishers to select and/or change the date of
21 first delinquency field without providing any explanation or justification for the
22 initial entry or change.

23 32. Additionally, upon information and belief, Equifax does not have any
24 policy, practice, or procedure to ensure that it detects when a furnisher re-ages a debt
25 even though Equifax knows that it is a prevalent practice from creditors and debt
26 collectors to re-age debts to keep these adverse items on consumers’ reports.

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1 33. Equifax also knew or should have known that Midwest Recovery was
2 an unreliable source of information and that it placed “bogus or highly questionable
3 debts onto consumers’ credit reports to coerce them to pay the debts.”⁵

4 34. By way of example, the Consumer Financial Protection Bureau’s
5 website shows that more than 200 consumers have lodged complaints against
6 Midwest Recovery related to “credit reporting” and 800 complaints related to “debt
7 collection.”

8 35. These complaints demonstrate that Midwest is an unreliable source of
9 data, including more than 20 specific complaints indicating that “[o]ld information
10 reappears or never goes away.”

11 36. For example, on June 13, 2018, one consumer filed a complaint
12 indicating that Midwest Recovery was “reporting old debts” and “re-aging them and
13 placing them on my credit report.”

14 37. Similarly, another consumer complained on July 19, 2020, that Midwest
15 Recovery “has placed this in my credit report several times even though the original
16 debt is over 7 years old and it was disputed and removed from my credit report over
17 2 years ago!”

18 38. On May 29, 2020, another consumer similar complained that “Midwest
19 Recovery Systems has illegally placed this account . . . on my credit reports by using
20 fraudulent, illegal and unfair debt collection practices such as negative re-aging of
21 debt, breaking the statute of limitations in the State of Michigan, communicating false
22 credit information and failing to disclose that I have disputed this debt on several
23 occasions.”

24 39. Upon information and belief, many consumers have also sent similar
25 disputes directly to Equifax about Midwest Recovery’s re-aging of the debts.

26 40. Despite these complaints, Equifax continued to allow Midwest
27 Recovery to report information to it and, upon information and belief, without
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⁵ *Press Release, supra* n.1.

1 establishing reasonable procedures to ensure that Midwest Recovery was providing
2 accurate information to Equifax.

3 **C. Allegations Regarding the Class Claim for Violations of § 1681e(b).**

4 41. The loans at issue in this case arise from a rent-a-tribe enterprise that
5 was established to evade state usury laws.

6 42. For close to eight years, Think Finance operated a rent-a-tribe scheme,
7 which sought to evade the usury laws of certain states by using the Chippewa Cree,
8 Otoe-Missouria, and Tunica-Biloxi Tribe as the conduit for its illegal loans.

9 43. Under the tribal lending model, loans were made in the name of Plain
10 Green, Great Plains, and Mobiloans—three entities formed under tribal law to serve
11 as the fronts to disguise Think Finance’s role and to ostensibly shield the scheme by
12 exploiting tribal sovereign immunity. In return for the use of their name, the tribal
13 companies received a nominal fee of the revenue from the loans, but they otherwise
14 had no control over the income, expenses, or day-to-day operations of the businesses.

15 44. Even though regulatory enforcement efforts and private lawsuits
16 uncovered their misconduct as early as August 2013, Think Finance and others
17 continued to engage in the scheme even though “[n]o one appear[ed] to seriously
18 dispute” that these rent-a-tribe “loans violated a host of state and federal lending
19 laws.” *Hayes v. Delbert Servs. Corp.*, 811 F.3d 666, 669 (4th Cir. 2016).

20 45. Extensive litigation against Think Finance and the tribal lenders further
21 placed Equifax on notice about the unenforceability of these debts. As early as August
22 2013, the New York Department of Financial Services issued a cease and desist letter
23 to 35 online lending companies, including Great Plains.⁶ The cease and desist letter
24 was issued after an “extensive” investigation “uncovered that those companies were
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27 ⁶ The Official Website of New York State, Press Room, *Cuomo Administration*
28 *Demands 35 Companies Cease and Desist Offering Illegal Online Payday Loans*
That Harm New York Consumers (Aug. 6, 2013), available at
[https://www.governor.ny.gov/news/cuomo-administration-demands-35-companies-
cease-and-desist-offering-illegal-online-payday-loans](https://www.governor.ny.gov/news/cuomo-administration-demands-35-companies-cease-and-desist-offering-illegal-online-payday-loans).

1 offering payday loans to consumers over the Internet in violation of New York law,
2 including some loans with annual interest rates as high as 1,095 percent.” *Id.*

3 46. In response, two tribal lending businesses sought declaratory relief and
4 a preliminary injunction that tribal businesses were inherently sovereign nations and
5 not subject to New York law. *See Otoe-Missouria Tribe of Indians v. N.Y. State Dept.*
6 *of Fin. Servs.*, 974 F. Supp. 2d 353, 361 (S.D.N.Y. 2013), *aff’d*, 769 F.3d 105 (2d
7 Cir. 2014).

8 47. On September 30, 2013, the district court denied the tribal plaintiffs’
9 request for a preliminary injunction, finding that the “undisputed facts
10 demonstrate[d]” that the illegal activity was “taking place in New York, off of the
11 Tribes’ lands,” and thus, the loans were “subject to the State’s non-discriminatory
12 anti-usury laws.” *Id.*

13 48. The court reasoned: “There is simply no basis . . . that the Tribes are
14 treated differently from any other individuals or entities that enter New York to lend
15 to New York residents.” *Id.*

16 49. Over the next six years, dozens of cases—including enforcement actions
17 filed by the Attorney General for Pennsylvania and the Consumer Financial
18 Protection Bureau—established that these loans violated state and federal laws. *See*
19 *e.g., Commonwealth of Pa. v. Think Finance, Inc.*, Case No. 141101359 (removed to
20 federal court and docketed on Dec. 17, 2014); *CFPB v. Think Finance, LLC*, Case
21 No. 4:27-cv-00127-BMM (D. Mon.) (2018); *Gibbs v. Plain Green, LLC*, Case No.
22 3:17-cv-495 (E.D. Va.).⁷

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24 ⁷ *See also, e.g., Dillon v. BMO Harris Bank, N.A.*, 856 F.3d 330, 337 (4th Cir. 2017)
25 (“We conclude that the Great Plains Agreement contains unenforceable choice of law
26 provisions, which are not severable from the broader arbitration agreement and render
27 the entire arbitration agreement unenforceable.”); *Brice v. Plain Green, LLC*, 372 F.
28 Supp. 3d 955, 971 (N.D. Cal. 2019) (holding that the choice-of-law provisions in
Plain Green and *Great Plains*’ loan contracts were unenforceable); *Gibbs v. Haynes*
Invs., LLC, 368 F. Supp. 3d 901, 907 (E.D. Va. 2019) (same), *aff’d*, 967 F.3d 332
(4th Cir. 2020); *Gibbs v. Stinson*, 421 F. Supp. 3d 267, 308 (E.D. Va. 2019) (same),
aff’d sub nom. Gibbs v. Sequoia Cap. Operations, LLC, 966 F.3d 286 (4th Cir. 2020);
Commonwealth of Pennsylvania v. Think Fin., Inc., No. 14-CV-7139, 2016 WL
183289, at *1 (E.D. Pa. Jan. 14, 2016) (denying a motion to dismiss).

1 50. As a result of this litigation, the various constituencies involved in the
2 litigation entered into a groundbreaking nationwide class settlement, which canceled
3 the debt. *See generally Gibbs v. Plain Green, LLC*, No. 3:17-cv-495 (E.D. Va.), Final
4 Settlement Agreement at Dkt. 114-1.

5 51. Despite the widely known and publicized settlement, Equifax
6 nonetheless allowed debt collectors, such as Midwest Recovery and CACI, to
7 inaccurately report that consumers had outstanding balances on loans originated in
8 the name of Plain Green, Great Plains, and MobiLoans.

9 52. This conduct violated the FCRA, which required Equifax to use
10 “reasonable procedures to assure maximum possible accuracy of the information
11 concerning the individual about whom the report relates.” 15 U.S.C. § 1681e(b).

12 **D. Plaintiffs’ Experiences.**

13 53. Within the past two years, Equifax allowed CACI to report adverse
14 information about Ms. Meeks.

15 54. In particular, Equifax allowed CACI to report that Ms. Meeks was
16 seriously past due on a loan originated by MobiLoans, including a past due amount
17 of \$1,362.

18 55. Equifax allowed CACI’s reporting to be added to Ms. Meeks’s credit
19 file, even though it knew or should have known that the debt was cancelled as a result
20 of the nationwide settlement.

21 56. Ms. Meeks disputed the CACI accounts with Equifax stating that the
22 MobiLoans debt was part of a class action lawsuit and that she did not owe any
23 outstanding balance on the loan.

24 57. In response to Ms. Meeks’s dispute, Equifax failed to conduct a
25 substantive investigation of her dispute. Instead, it relied entirely on CACI to
26 investigate the dispute and once CACI verified the information it was already
27 reporting, Equifax took no additional steps to investigate or make sure that the
28 information that CACI provided was actually correct.

1 58. As a result, the inaccurate information regarding the CACI account
2 remained on Ms. Meeks's credit file.

3 59. To be clear, this information should not have appeared in Ms. Meeks's
4 credit reports after the nationwide class settlement because the debt was canceled.

5 60. Equifax later changed how it reported the account and listed the original
6 creditor as "Consumer Adjustment" and the debt collector as "Consumer Adjustment
7 Company." This reporting is inaccurate and misleading because MobiLoans is the
8 original creditor.

9 61. Because of this inaccurate reporting, Ms. Meeks would not be able to
10 demonstrate the invalidity of this collection account to a creditor.

11 62. Within the past two years, Equifax permitted Midwest Recovery to
12 report adverse information about Mr. De La Cruz.

13 63. Specifically, Midwest Recovery claimed that Mr. De La Cruz was
14 seriously past due on a loan originated by MobiLoans, including a past due amount
15 of \$1,075.

16 64. Equifax allowed Midwest Recovery's reporting to be added to Mr. De
17 La Cruz's credit file, even though it knew or should have known that the debt was
18 canceled as a result of the nationwide settlement.

19 65. After Mr. De La Cruz disputed the Midwest Recovery account, Equifax
20 temporarily removed the information from his credit report, but it allowed the same
21 information to be reported by CACI, including the past due balance information.

22 66. Mr. De La Cruz also disputed Equifax's reporting of the CACI account.
23 However, Equifax failed to delete the account from his credit report.

24 67. In response, Equifax failed to conduct a substantive investigation of Mr.
25 De La Cruz's dispute. Instead, it relied entirely on CACI to investigate the dispute
26 and once CACI verified the information it was already reporting, Equifax took no
27 additional steps to investigate or make sure that the information that CACI provided
28 was correct.

1 68. As a result, the inaccurate information regarding the CACI account
2 remained on Mr. De La Cruz's credit file.

3 69. To be clear, this information should not have appeared in Mr. De La
4 Cruz's credit reports after the nationwide class settlement because the debt was
5 canceled.

6 70. Within the past two years, Equifax permitted Midwest Recovery to
7 report adverse information about Ms. Laguna.

8 71. For example, when Ms. Laguna applied for a mortgage on June 4, 2020,
9 Equifax reported a collection account with Midwest Recovery that was seriously past
10 due on a loan originated by Great Plains, including a past due amount of \$1,105.

11 72. Equifax allowed Midwest Recovery's reporting to be added to Ms.
12 Laguna's credit file, even though it knew or should have known that the debt was
13 cancelled as a result of the nationwide settlement.

14 73. Moreover, this information should not have appeared in Ms. Laguna's
15 credit reports because she stopped paying the illegal loan in 2011 and because it was
16 charged off in May 2012. Because Ms. Laguna did not make any payments on the
17 loan after 2011, the adverse information should not have been reported in her credit
18 reports after seven and a half years.

19 74. Upon information and belief, Midwest Recovery re-aged the debt to
20 keep the account on Ms. Laguna's credit report for a longer duration and to coerce
21 her into paying the amount outstanding on the loan.

22 75. On or about July 30, 2020, Ms. Laguna disputed the debt with Equifax,
23 explaining that the debt was void and had been the subject of a class action settlement.

24 76. Although Equifax deleted the account from Ms. Laguna's file—a
25 concession of the accuracy of her dispute—it nonetheless continued to report the
26 same inaccurate information regarding other consumers as evidenced by the reports
27 of the other named Plaintiffs.
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1 77. Within the past two years, Equifax allowed Midwest Recovery to report
2 adverse information about Ms. Leonard.

3 78. Equifax reported a collection account with Midwest Recovery that was
4 seriously past due on a loan originated by Great Plains, including a past due amount
5 of \$1,572.

6 79. Equifax allowed Midwest Recovery's reporting to be added to Ms.
7 Leonard's credit file, even though it knew or should have known that the debt was
8 cancelled as a result of the nationwide settlement.

9 80. Moreover, this information should not have appeared in Ms. Leonard's
10 credit reports because she stopped paying the illegal loan by April 2012 (at the latest)
11 and because it was charged off in September 2012. Because Ms. Leonard did not
12 make any payments on the loan after April 2012, the adverse information should not
13 have been reported in her credit reports after seven and a half years, including when
14 she applied for credit in August 2020.

15 81. Upon information and belief, Midwest Recovery re-aged the debt to
16 keep the account on Ms. Leonard's credit report for a longer duration and to coerce
17 her into paying the amount outstanding on the loan.

18 82. In July 2020, Ms. Leonard disputed the debt with Equifax, explaining
19 that the debt was void and had been the subject of a class action settlement.

20 83. Although Equifax deleted the account from Ms. Leonard's file—a
21 concession of the accuracy of her dispute—it nonetheless continued to report the
22 same inaccurate information regarding other consumers as evidenced by the reports
23 of the other named Plaintiffs.

24 **E. Equifax's Violations Were Willful.**

25 84. Equifax's reporting of these accounts and processing of consumer
26 disputes was willful and carried out in reckless disregard for the consumers' rights
27 under the FCRA. Equifax's conduct was willful because it was accomplished through
28 intended procedures that prioritize its own profitability over accuracy.

1 85. In addition, the willful nature of Equifax’s FCRA violations can be
2 established by, for example:

- 3 a. The FCRA was enacted in 1970; Equifax has had 51 years to
4 become compliant;
- 5 b. Equifax is a corporation with access to legal advice through its
6 own general counsel’s office and/or outside litigation counsel.
7 Yet, there is no contemporaneous evidence that it determined that
8 its conduct was lawful;
- 9 c. Equifax knew or had reason to know that its conduct was
10 inconsistent with FTC guidance, case law, and the plain language
11 of the FCRA;
- 12 d. Equifax voluntarily ran a risk of violating the law substantially
13 greater than the risk associated with a reading that was merely
14 careless; and
- 15 e. Equifax’s violations of the FCRA were repeated and systematic.

16 **CLAIMS FOR RELIEF**

17 **COUNT ONE:**
18 **VIOLATION OF FCRA, 15 U.S.C. § 1681c(a)**
19 **(Class Claim)**

20 86. Plaintiffs incorporate by reference each of the allegations set forth in the
21 preceding paragraphs.

22 87. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiffs
23 bring this action for themselves and on behalf of a class initially defined as:

24 **1681c Class:** All persons located in the United States (1) for whom
25 Equifax furnished a consumer report; (2) within the two years prior to
26 the filing of this action and during its pendency; (3) containing an
27 account with Midwest Recovery; (4) where the original creditor of the
28 loan was either Plain Green, Great Plains, or MobiLoans; and (5)
where the consumer’s delinquency commenced more than seven and a
half years before the date of the report.

29 88. Plaintiffs Laguna and Leonard are members of the 1681c(a) Class.

1 89. **Numerosity. FED. R. CIV. P. 23(a)(1).** Upon information and belief,
2 Plaintiffs allege that the class members are so numerous that joinder of all their claims
3 is impractical. The class members’ names and addresses are identifiable through
4 Midwest Recovery’s internal business records, as well as the records of Plain Green,
5 Great Plains, and MobiLoans, and they may be notified of the pendency of this action
6 by published and/or mailed notice.

7 90. **Predominance of Common Questions of Law and Fact. FED. R. CIV.**
8 **P. 23(a)(2).** Common questions of law and fact exist as to all putative class members,
9 and there are no factual or legal issues that differ between the putative class members.
10 These common questions predominate over the questions affecting only individual
11 class members. The common questions include (1) whether Equifax’s conduct
12 violated § 1681c(a) by reporting information that antedated the report by more than
13 seven years; (2) whether Equifax’s conduct was willful or negligent violation; and
14 (3) the appropriate amount of damages to be awarded to each consumer.

15 91. **Typicality. FED. R. CIV. P. 23(a)(3).** Plaintiffs’ claims are typical of the
16 claims of each putative class member. Plaintiffs are entitled to relief under the same
17 causes of action as the other putative class members. Additionally, Plaintiffs’ claims
18 are based on the same facts and legal theories as each of the class members’ claims.

19 92. **Adequacy of Representation. FED. R. CIV. P. 23(a)(4).** Plaintiffs are
20 adequate representatives of the putative class because their interests coincide with,
21 and are not antagonistic to, the interests of the other putative class members. Plaintiffs
22 have retained counsel competent and experienced in such litigation and intends, with
23 their counsel, to continue to prosecute the action vigorously. Plaintiffs and their
24 counsel will fairly and adequately protect the class members’ interests. Neither
25 Plaintiffs nor their counsel have any interest that might conflict with their vigorous
26 pursuit of this action.

27 93. **Superiority. FED. R. CIV. P. 23(b)(3).** Questions of law and fact
28 common to the class members predominate over questions affecting only individual

1 members, and a class action is superior to other available methods for fair and
2 efficient adjudication of the controversy. The damages sought by each class member
3 are such that individual prosecution would prove burdensome and expensive. It
4 would be virtually impossible for individual class members to effectively redress the
5 wrongs done to them. Even if the class members could afford individual litigation, it
6 would be an unnecessary burden on the courts. Furthermore, individualized litigation
7 presents a potential for inconsistent or contradictory judgments and increases the
8 delay and expense to all parties and to the court system presented by the legal and
9 factual issues raised by Equifax's conduct. By contrast, the class-action device will
10 result in substantial benefits to the litigants and the Court by allowing the Court to
11 resolve numerous individual claims based upon a single set of proof in a case.

12 94. As described above, Equifax reported adverse account information that
13 antedated the report by more than seven years.

14 95. Equifax violated § 1681c of the FCRA as to Plaintiffs Laguna and
15 Leonard, and each of the class members by adverse account information that
16 antedated the report by more than seven years.

17 96. Plaintiffs and each putative class member suffered real and actual harm
18 and injury.

19 97. For example, the rights at issue were determined by Congress to be
20 important measures to ensure continued accuracy and completeness in Equifax's files
21 and reports.

22 98. In each instance, each class member's credit report contained derogatory
23 information that Equifax was legally obligated to remove.

24 99. Equifax's conduct was willful, rendering it liable for statutory and
25 punitive damages in an amount to be determined by the Court pursuant to 15 U.S.C.
26 § 1681n. In the alternative, the violation was negligent, rendering Equifax liable
27 under 15 U.S.C. § 1681o.
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1 100. As a result of these FCRA violations, Equifax is liable for statutory
2 damages from \$100.00 to \$1,000.00 for Plaintiffs and each class member, punitive
3 damages, attorney's fees, and costs pursuant to 15 U.S.C. § 1681n.

4
5 **COUNT TWO:**
6 **VIOLATION OF FCRA, 15 U.S.C. § 1681e(a)**
7 **(Class Claim)**

8 101. Plaintiffs incorporate by reference each of the allegations set forth in the
9 preceding paragraphs.

10 102. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiffs
11 bring this action for themselves and on behalf of a class initially defined as:

12 **1681e(a) Class:** All persons located in the United States (1) for whom
13 Equifax furnished a consumer report; (2) within the two years prior to
14 the filing of this action and during its pendency; (3) containing an
15 account with Midwest Recovery; (4) where the original creditor of the
16 loan was either Plain Green, Great Plains, or MobiLoans; and (5)
17 where the consumer's delinquency commenced more than seven and a
18 half years before the date of the report.

19 103. Plaintiffs Laguna and Leonard are members of the 1681e(a) Class.

20 104. **Numerosity. FED. R. CIV. P. 23(a)(1).** Upon information and belief,
21 Plaintiffs allege that the class members are so numerous that joinder of all their claims
22 is impractical. The class members' names and addresses are identifiable through
23 Midwest Recovery's internal business records, as well as the records of Plain Green,
24 Great Plains, and MobiLoans, and they may be notified of the pendency of this action
25 by published and/or mailed notice.

26 105. **Predominance of Common Questions of Law and Fact. FED. R. CIV.**
27 **P. 23(a)(2).** Common questions of law and fact exist as to all putative class members,
28 and there are no factual or legal issues that differ between the putative class members.
These common questions predominate over the questions affecting only individual
class members. The common questions include (1) whether Equifax's conduct
violated § 1681c by reporting information that antedated the report by more than
seven years; (2) whether Equifax maintained reasonable procedures designed to

1 avoid violations of § 1681c; (3) whether Equifax's conduct was willful or negligent
2 violation; and (4) the appropriate amount of damages to be awarded to each
3 consumer.

4 106. **Typicality. FED. R. CIV. P. 23(a)(3).** Plaintiffs' claims are typical of the
5 claims of each putative class member. Plaintiffs are entitled to relief under the same
6 causes of action as the other putative class members. Additionally, Plaintiffs' claims
7 are based on the same facts and legal theories as each of the class members' claims.

8 107. **Adequacy of Representation. FED. R. CIV. P. 23(a)(4).** Plaintiffs are
9 adequate representatives of the putative class because their interests coincide with,
10 and are not antagonistic to, the interests of the other putative class members. Plaintiffs
11 have retained counsel competent and experienced in such litigation and intends, with
12 their counsel, to continue to prosecute the action vigorously. Plaintiffs and their
13 counsel will fairly and adequately protect the class members' interests. Neither
14 Plaintiffs nor their counsel have any interest that might conflict with their vigorous
15 pursuit of this action.

16 108. **Superiority. FED. R. CIV. P. 23(b)(3).** Questions of law and fact
17 common to the class members predominate over questions affecting only individual
18 members, and a class action is superior to other available methods for fair and
19 efficient adjudication of the controversy. The damages sought by each class member
20 are such that individual prosecution would prove burdensome and expensive. It
21 would be virtually impossible for individual class members to effectively redress the
22 wrongs done to them. Even if the class members could afford individual litigation, it
23 would be an unnecessary burden on the courts. Furthermore, individualized litigation
24 presents a potential for inconsistent or contradictory judgments and increases the
25 delay and expense to all parties and to the court system presented by the legal and
26 factual issues raised by Equifax's conduct. By contrast, the class-action device will
27 result in substantial benefits to the litigants and the Court by allowing the Court to
28 resolve numerous individual claims based upon a single set of proof in a case.

1 109. As described above, Equifax reported adverse account information that
2 antedated the report by more than seven years.

3 110. Equifax violated § 1681e(a) by failing to maintain any procedure to
4 prevent Midwest Recovery and CACI from altering the information provided in the
5 date of first delinquency field.

6 111. Upon information and belief, Equifax allows furnishers to
7 systematically change the date of first delinquency field without providing any
8 explanation or justification for the change.

9 112. Additionally, upon information and belief, Equifax does not have any
10 policy, practice, or procedure to ensure that it detects when a furnisher re-ages a debt
11 even though Equifax knows that it is a prevalent practice from creditors and debt
12 collectors to re-age debts to keep these adverse items on consumers' reports.

13 113. Plaintiffs and each putative class member suffered real and actual harm
14 and injury.

15 114. For example, the rights at issue were determined by Congress to be
16 important measures to ensure continued accuracy and completeness in Equifax's files
17 and reports.

18 115. In each instance, each class member's credit report contained derogatory
19 information that Equifax was legally obligated to remove.

20 116. Equifax's conduct was willful, rendering it liable for statutory and
21 punitive damages in an amount to be determined by the Court pursuant to 15 U.S.C.
22 § 1681n. In the alternative, the violation was negligent, rendering Equifax liable
23 under 15 U.S.C. § 1681o.

24 117. As a result of these FCRA violations, Equifax is liable for statutory
25 damages from \$100.00 to \$1,000.00 for Plaintiffs and each class member, punitive
26 damages, attorney's fees, and costs pursuant to 15 U.S.C. § 1681n.

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28

**COUNT THREE:
VIOLATION OF FCRA, 15 U.S.C. § 1681e(b)
(Class Claim)**

118. Plaintiffs incorporate by reference each of the allegations set forth in the preceding paragraphs.

119. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiffs bring this action for themselves and on behalf of a class initially defined as:

1681e(b) Class: All persons located in the United States (1) for whom Equifax furnished a consumer report; (2) since December 19, 2019; and (3) containing an account where the original creditor of the loan was either Plain Green, Great Plains, or MobiLoans.

120. Plaintiffs are all members of the 1681e(b) Class.

121. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiffs bring this action for themselves and on behalf of a subclass initially defined as:

1681e(b) Subclass: All persons located in the United States (1) for whom Equifax furnished a consumer report; (2) since December 19, 2019; (3) containing an account where the original creditor of the loan was either Plain Green, Great Plains, or MobiLoans; and (4) that was removed as a result of a dispute.

122. Plaintiffs Laguna, De La Cruz and Leonard are members of this subclass.

123. **Numerosity. FED. R. CIV. P. 23(a)(1).** Upon information and belief, Plaintiffs allege that the class members are so numerous that joinder of all their claims is impractical. The class members' names and addresses are identifiable through Equifax's internal business records, and they may be notified of the pendency of this action by published and/or mailed notice.

124. **Predominance of Common Questions of Law and Fact. FED. R. CIV. P. 23(a)(2).** Common questions of law and fact exist as to all putative class members, and there are no factual or legal issues that differ between the putative class members. These common questions predominate over the questions affecting only individual class members. The common questions include (1) whether Equifax's conduct violated § 1681e(b) by reporting information related to Plain Green, Great Plains, and MobiLoans after the nationwide settlement; (2) whether Equifax maintained

1 reasonable procedures designed to avoid violations of § 1681e(b); (3) whether
2 Equifax's conduct was willful or negligent violation; and (4) the appropriate amount
3 of damages to be awarded to each consumer.

4 125. **Typicality. FED. R. CIV. P. 23(a)(3).** Plaintiffs' claims are typical of the
5 claims of each putative class member. Plaintiffs are entitled to relief under the same
6 causes of action as the other putative class members. Additionally, Plaintiffs' claims
7 are based on the same facts and legal theories as each of the class members' claims.

8 126. **Adequacy of Representation. FED. R. CIV. P. 23(a)(4).** Plaintiffs are
9 adequate representatives of the putative class because their interests coincide with,
10 and are not antagonistic to, the interests of the other putative class members. Plaintiffs
11 have retained counsel competent and experienced in such litigation and intends, with
12 their counsel, to continue to prosecute the action vigorously. Plaintiffs and their
13 counsel will fairly and adequately protect the class members' interests. Neither
14 Plaintiffs nor their counsel have any interest that might conflict with their vigorous
15 pursuit of this action.

16 127. **Superiority. FED. R. CIV. P. 23(b)(3).** Questions of law and fact
17 common to the class members predominate over questions affecting only individual
18 members, and a class action is superior to other available methods for fair and
19 efficient adjudication of the controversy. The damages sought by each class member
20 are such that individual prosecution would prove burdensome and expensive. It
21 would be virtually impossible for individual class members to effectively redress the
22 wrongs done to them. Even if the class members could afford individual litigation, it
23 would be an unnecessary burden on the courts. Furthermore, individualized litigation
24 presents a potential for inconsistent or contradictory judgments and increases the
25 delay and expense to all parties and to the court system presented by the legal and
26 factual issues raised by Equifax's conduct. By contrast, the class-action device will
27 result in substantial benefits to the litigants and the Court by allowing the Court to
28 resolve numerous individual claims based upon a single set of proof in a case.

1 128. As described above, Equifax violated § 1681e(b) of the FCRA by failing
2 to establish or to follow reasonable procedures to assure maximum possible accuracy
3 in the preparation of the credit reports and credit files it published and maintained
4 concerning the Plaintiffs.

5 129. Plaintiffs and each putative class member suffered real and actual harm
6 and injury.

7 130. For example, the rights at issue were determined by Congress to be
8 important measures to ensure continued accuracy and completeness in Equifax's files
9 and reports.

10 131. In each instance, each class member's credit report contained derogatory
11 information that Equifax was legally obligated to remove.

12 132. Equifax's conduct was willful, rendering it liable for statutory and
13 punitive damages in an amount to be determined by the Court pursuant to 15 U.S.C.
14 § 1681n. In the alternative, the violation was negligent, rendering Equifax liable
15 under 15 U.S.C. § 1681o.

16 133. As a result of these FCRA violations, Equifax is liable for statutory
17 damages from \$100.00 to \$1,000.00 for Plaintiffs and each class member, punitive
18 damages, attorney's fees, and costs pursuant to 15 U.S.C. § 1681n.

19 **COUNT FOUR:**
20 **VIOLATION OF Cal. Civ. Code § 1785.13(b)**
(Class Claim)

21 134. Plaintiffs incorporate by reference each of the allegations set forth in the
22 preceding paragraphs.

23 135. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiffs
24 bring this action for themselves and on behalf of a class initially defined as:

25 **Section 1785.13(b) Class:** All persons located in California (1) for
26 whom Equifax furnished a consumer report; (2) since December 19,
27 2019; and (3) containing an account where the original creditor of the
loan was either Plain Green, Great Plains, or MobiLoans.

28 136. Plaintiffs Meeks and De La Cruz are members of the § 1785.13(b) Class.

1 137. **Numerosity. FED. R. CIV. P. 23(a)(1).** Upon information and belief,
2 Plaintiffs allege that the class members are so numerous that joinder of all their claims
3 is impractical. The class members' names and addresses are identifiable through
4 Equifax's internal business records, and they may be notified of the pendency of this
5 action by published and/or mailed notice.

6 138. **Predominance of Common Questions of Law and Fact. FED. R. CIV.**
7 **P. 23(a)(2).** Common questions of law and fact exist as to all putative class members,
8 and there are no factual or legal issues that differ between the putative class members.
9 These common questions predominate over the questions affecting only individual
10 class members. The common questions include (1) whether Equifax's conduct
11 violated § 1785.13(b) by reporting loan information from Plain Green, Great Plains,
12 and MobiLoans after the nationwide settlement; (2) whether Equifax's conduct was
13 willful or negligent violation; (3) the appropriate amount of damages to be awarded
14 to each consumer; and (4) whether injunctive relief should be awarded to Plaintiffs
15 and other class members who reside in California.

16 139. **Typicality. FED. R. CIV. P. 23(a)(3).** Plaintiffs' claims are typical of the
17 claims of each putative class member. Plaintiffs are entitled to relief under the same
18 causes of action as the other putative class members. Additionally, Plaintiffs' claims
19 are based on the same facts and legal theories as each of the class members' claims.

20 140. **Adequacy of Representation. FED. R. CIV. P. 23(a)(4).** Plaintiffs are
21 adequate representatives of the putative class because their interests coincide with,
22 and are not antagonistic to, the interests of the other putative class members. Plaintiffs
23 have retained counsel competent and experienced in such litigation and intends, with
24 their counsel, to continue to prosecute the action vigorously. Plaintiffs and their
25 counsel will fairly and adequately protect the class members' interests. Neither
26 Plaintiffs nor their counsel have any interest that might conflict with their vigorous
27 pursuit of this action.

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1 141. **Superiority. FED. R. CIV. P. 23(b)(3).** Questions of law and fact
2 common to the class members predominate over questions affecting only individual
3 members, and a class action is superior to other available methods for fair and
4 efficient adjudication of the controversy. The damages sought by each class member
5 are such that individual prosecution would prove burdensome and expensive. It
6 would be virtually impossible for individual class members to effectively redress the
7 wrongs done to them. Even if the class members could afford individual litigation, it
8 would be an unnecessary burden on the courts. Furthermore, individualized litigation
9 presents a potential for inconsistent or contradictory judgments and increases the
10 delay and expense to all parties and to the court system presented by the legal and
11 factual issues raised by Equifax's conduct. By contrast, the class-action device will
12 result in substantial benefits to the litigants and the Court by allowing the Court to
13 resolve numerous individual claims based upon a single set of proof in a case.

14 142. As described above, Equifax violated § 1785.13(b) of the CCCRA by
15 reporting loan information arising from debts with Plain Green, Great Plains, and
16 MobiLoans after the nationwide settlement in December 2019.

17 143. Plaintiffs and each putative class member suffered real and actual harm
18 and injury.

19 144. Equifax's conduct was willful, rendering it liable for actual and punitive
20 damages in an amount to be determined by the Court pursuant to § 1785.31(a)(2) of
21 the CCCRA. In the alternative, the violation was negligent, rendering Equifax liable
22 under § 1785.31(a)(1) of the CCCRA.

23 145. In addition, Plaintiffs and class members are entitled to injunctive relief
24 pursuant to § 1785.31(b) of the CCCRA. On behalf of themselves and other
25 consumers in California, Plaintiffs seek an order from the Court prohibiting Equifax
26 from continuing to report any loan information arising from debts with Plain Green,
27 Great Plains, and MobiLoans and requiring them to send notice to class members
28 indicating that they will no longer report this information.

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**COUNT FIVE:
VIOLATION OF FCRA, 15 U.S.C. § 1681i
(Individual Claim of Meeks and De La Cruz)**

146. Plaintiffs Meeks and De La Cruz incorporate by reference each of the allegations set forth in the preceding paragraphs.

147. Equifax violated multiple sections of § 1681i, including but not limited to: (1) failing to conduct a reasonable reinvestigation to determine whether the disputed information was inaccurate in violation of § 1681i(a)(1); (2) failing to provide CACI with all the relevant information regarding Plaintiffs Meeks' and De La Cruz's disputes in violation of § 1681i(a)(2); (3) failing to review and consider all relevant information submitted by Plaintiffs Meeks and Delacruz in violation of § 1681i(a)(4); and (4) failing to promptly delete the disputed inaccurate item from Plaintiffs Meeks' and De La Cruz's credit files upon a lawful reinvestigation of § 1681i(a)(5)(A).

148. Because of Equifax's violations of § 1681i, Plaintiffs Meeks and De La Cruz suffered actual damages, including but not limited to: loss of credit, damage to reputation, embarrassment, humiliation, and other emotional distress.

149. Equifax's violations of § 1681i were willful, rendering it liable to Plaintiffs Meeks and De La Cruz for actual damages, statutory damages, punitive damages, costs, and attorney's fees in an amount to be determined pursuant to 15 U.S.C. § 1681n. In the alternative, Equifax was negligent, entitling Plaintiffs Meeks and De La Cruz to recovery under 15 U.S.C. § 1681o.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs request that the Court enter judgment on behalf of themselves and the class they seek to represent against Defendant for: (1) certification for this matter to proceed as a class action under Rule 23; (2) actual, statutory, and/or punitive damages as pled above; (3) for injunctive relief as requested above; (4) for attorneys' litigation expenses and costs of suit; and (5) such other or further relief as the Court deems proper.

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TRIAL BY JURY IS DEMANDED.

Respectfully submitted,

PLAINTIFFS,

By: /s/ Craig C. Marchiando
Craig C. Marchiando (SBN 283829)
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