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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA**

**KELLIE GADOMSKI,
INDIVIDUALLY AND ON
BEHALF OF ALL OTHERS
SIMILARLY SITUATED,**

Plaintiff,

v.

TRANS UNION LLC,

Defendant.

Case No.:

**CLASS ACTION COMPLAINT
FOR DAMAGES AND
INJUNCTIVE RELIEF FOR
VIOLATIONS OF THE FAIR
CREDIT REPORTING ACT, 15
U.S.C. § 1681, ET SEQ.**

JURY TRIAL DEMANDED

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INTRODUCTION

1. The United States Congress has found the banking system is dependent upon fair and accurate credit reporting. Inaccurate credit reports directly impair the efficiency of the banking system, and unfair credit reporting methods undermine the public confidence, which is essential to the continued functioning of the banking system. Congress enacted the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.* (“FCRA”), to insure fair and accurate reporting, promote efficiency in the banking system, and protect consumer privacy. The FCRA seeks to ensure consumer reporting agencies exercise their grave responsibilities with fairness, impartiality, and a respect for the consumer’s right to privacy because consumer reporting agencies have assumed such a vital role in assembling and evaluating consumer credit and other information on consumers. The FCRA also imposes duties on the sources that provide credit information to credit reporting agencies (“CRAs”), called “furnishers.”
2. There exists today in the United States a pervasive and fundamental misunderstanding about the long-term impact filing a consumer bankruptcy has on a consumer’s credit worthiness. Specifically, many consumers believe that because a bankruptcy can be reported on their credit report for ten years their credit worthiness will be ruined for the same length of time. This is not true.
3. The *majority* of consumer debtors who actually file consumer bankruptcy do so to raise their credit score and remedy their poor credit worthiness.
4. It is entirely possible for consumer debtors to have over a 700 Fico Score within as little as 12 months after filing a consumer bankruptcy (Chapter 7 or Chapter 13).

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- 1 5. Plaintiff **KELLIE GADOMSKI** (“Plaintiff”), through her attorneys, brings
2 this Class Action Complaint for damages, injunctive relief, and any other
3 available legal or equitable remedies on behalf of herself and on behalf of all
4 others similarly situated (the “Class” or “Class Members”), resulting from the
5 illegal actions of Defendant **TRANS UNION LLC** (“**TransUnion**” or
6 “**Defendant**”), with regard to TransUnion’s reporting of erroneous negative
7 and derogatory reports to Plaintiff’s credit report, as that term is defined by 15
8 U.S.C. § 1681a(g); TransUnion’s willful and negligent failure to properly
9 investigate the repeated disputes of Plaintiff concerning the inaccurate data
10 TransUnion is reporting in consumers’ credit files, and TransUnion’s failure
11 to correct such, which TransUnion knew or should have known was erroneous
12 and which caused Plaintiff and the Class damages.
- 13 6. More specifically, Plaintiff, on behalf of herself and all others similarly
14 situated, bring this complaint, by and through her attorneys, for damages
15 arising out of the systematic issuance of erroneous credit reports by
16 TransUnion. TransUnion has erroneously reported legally and properly
17 discharged debts of Plaintiff and the Class as legally owed, with consistent
18 and knowing disregard for Plaintiff’s rights and their own statutory
19 obligations. TransUnion has negligently and willfully failed to employ
20 reasonable procedures—including procedures readily available to them of
21 which they are aware—to ensure maximum possible accuracy of their credit
22 reports. Even after Plaintiff and the Class have informed TransUnion of the
23 falsely reported discharged debts as due and owing, TransUnion has
24 negligently and willfully failed to consistently and adequately correct the
25 erroneous information. TransUnion’s conduct violates the FCRA.
- 26 7. Plaintiff makes these allegations on information and belief, with the exception
27 of allegations that pertain to Plaintiff, or to Plaintiff’s counsel, which Plaintiff
28 alleges on personal knowledge.

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1 8. While many violations are described below with specificity, this Complaint
2 alleges violations of the statutes cited in their entirety.

3 9. Unless otherwise stated, all the conduct engaged in by TransUnion occurred in
4 California.

5 10. Any violations by TransUnion were knowing and intentional, and that
6 TransUnion did not maintain procedures reasonably adapted to avoid any such
7 violation.

8 11. Unless otherwise indicated, the use of any TransUnion's name in this
9 Complaint includes all agents, employees, officers, members, directors, heirs,
10 successors, assigns, principals, trustees, sureties, subrogees, representatives,
11 and insurers of TransUnion.

12 **JURISDICTION AND VENUE**

13 12. Original jurisdiction is conferred on this Court by 28 U.S.C. § 1331, as a civil
14 action arising under the laws of the United States, and by 15 U.S.C. § 1681(p),
15 as a civil action to enforce a liability created under the FCRA.

16 13. The Court has personal jurisdiction over TransUnion as TransUnion conducts
17 business within the State of California and has purposefully availed
18 themselves of the laws and markets of the State of California and this district.

19 14. Venue is proper in the United States District Court, Eastern District of
20 California pursuant to 28 U.S.C. § 1391 for the following reasons: (i) Plaintiff
21 resides in the County of San Joaquin, State of California, which is within this
22 judicial district; (ii) the conduct complained of herein occurred within this
23 judicial district; and, (iii) TransUnion conducted business within this judicial
24 district at all times relevant.

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PARTIES

15. Plaintiff is a natural person who resides in the City of Tracy, County of San Joaquin, in the State of California. In addition, Plaintiff is a “consumer” as that term is defined by 15 U.S.C. § 1681a(c).

16. Defendant TransUnion is a corporation incorporated under the laws of the State of Delaware and authorized to do business in the State of California.

17. TransUnion is regularly engaged in the practice of assembling and evaluating consumer credit information for the purpose of furnishing to third parties reports of consumers’ credit histories, commonly referred to as “credit reports,” and defined as “consumer reports” under 15 U.S.C. § 1681a (hereinafter, “Credit Reports”). TransUnion’s use means and facilities of interstate commerce for the purpose of preparing and furnishing Credit Reports and, hence, is each a “consumer reporting agency” within the meaning of FCRA, 15 U.S.C. § 1681a(f).

18. The FCRA and the facts alleged in this Complaint relates to inaccurate and materially misleading credit information that was allowed to be reported by TransUnion regarding specific transactions and/or experiences pertaining to Plaintiff and Plaintiff’s credit worthiness, credit standing, and credit capacity. Such credit information was used or was expected to be used, or collected in whole or in part, for the purposes of serving as a factor in establishing Plaintiff’s eligibility for, among other things, credit to be used primarily for personal, family, household and employment purposes.

GENERAL CREDIT REPORTING INDUSTRY ALLEGATIONS

19. Plaintiff alleges that TransUnion is familiar with credit reporting industry standards and subscribes thereto.

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1 20. Plaintiff alleges that TransUnion understands that deviation from credit
2 reporting industry standards can and often does result in denial of credit,
3 higher interest rates, and prompts those making credit decisions to draw a
4 more negative inference from the reported data than if TransUnion reported in
5 accordance with the recognized industry standard.

6 21. Plaintiff alleges that all actions alleged herein by TransUnion was done
7 knowingly, intentionally, and in reckless disregard for credit reporting
8 industry standards in an attempt to purposefully undermine Plaintiff's ability
9 to reorganize and repair Plaintiff's FICO Score.

10 22. In the alternative, Plaintiff alleges that TransUnion's actions were the result of
11 reckless policies and procedures that inevitably led to inaccurate, misleading,
12 or incomplete credit reporting.

13 **a. FICO**

14 23. FICO Inc. ("FICO") is a leading analytics software company with its principal
15 headquarters located in San Jose California. FICO has over 130 patents related
16 to their analytics and decision management technology, and regularly uses
17 mathematical algorithms to predict consumer behavior including credit risk.

18 24. The FICO Score has become the standard measure of consumer credit risk in
19 the United States and is used in ninety percent of lending decisions.

20 25. A FICO score consists of a three-digit number summarizing a consumer's
21 credit risk or likelihood to repay a loan. FICO periodically updates its scoring
22 models resulting in multiple FICO Score versions.

23 26. Base FICO Scores range from 300 to 850, while industry-specific FICO
24 Scores range from 250-900. A higher FICO Score demonstrates lower credit
25 risk or less likelihood of default.

26 27. Different lenders use different versions of FICO Scores when evaluating a
27 consumer's credit worthiness.

28 28. There are 28 FICO Scores that are commonly used by lenders.

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- 1 29. A consumer's FICO Score is calculated based solely on information in
- 2 consumer credit reports maintained at credit reporting agencies ("CRAs").
- 3 30. The three largest CRAs are Equifax, Experian, and TransUnion.
- 4 31. FICO does not control what information is provided on a consumer's credit
- 5 report. Instead, the scoring models or algorithms are based on the premise that
- 6 information provided by the CRAs is accurate and complies with credit
- 7 reporting industry standards.
- 8 32. There are five key factors that a FICO Score considers: 1) Payment history; 2)
- 9 Amount of Debt; 3) Length of Credit History; 4) New Credit; and 5) Credit
- 10 Mix.
- 11 33. Each of the five factors is weighted differently by FICO.
- 12 34. 35% of a consumer's FICO Score relates to payment history, 30% relates to
- 13 the amount of debt, 15% relates to the length of credit history, 10% relates to
- 14 new credit, and the last 10% relates to a consumer's credit mix or the different
- 15 types of debts reported.
- 16 35. Payment history refers to whether a consumer has paid their bills in the past,
- 17 on time, late or missed payments. The more severe, recent, and frequent the
- 18 late payment information, the greater the impact on a FICO Score. Public
- 19 record items such as bankruptcy, foreclosure, judgments, and wage
- 20 garnishments are also considered part of a consumer's payment history.
- 21 36. In factoring the severity of delinquent payments, a FICO Score considers how
- 22 late the payment continues to be, how much is owed, how recently this
- 23 occurred, and how many delinquent accounts exist.
- 24 37. Once a delinquent account has been remedied the longer the account stays
- 25 current the more a consumer's FICO Score should increase.
- 26 38. FICO Scores are entirely dependent upon information provided by Data
- 27 Furnishers ("DFs") to CRAs.
- 28

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1 39. The FICO scoring formula treats both Chapter 7 and Chapter 13 Bankruptcies
2 similarly in terms of their impact on one’s FICO Score. Specifically, both
3 “Chapters” have the same level of severity with respect to their FICO Score
4 and for both, FICO uses the FILING DATE to determine how long ago the
5 bankruptcy took place.

6 **b. Metro 2**

7 40. The Consumer Data Industry Association (“CDIA”) is an international trade
8 association representing the consumer credit, mortgage reporting, employment
9 and tenant screening and collection service industries.

10 41. The credit reporting industry has adopted a standard electronic data reporting
11 format called the Metro 2 format. The Metro 2 format was developed by the
12 CDIA in an effort to universally report debts in a particular manner that is
13 understood to be the most accurate way in which to report a debt. Specifically,
14 Metro 2 format was designed to allow reporting of the most accurate and
15 complete information on consumers’ credit history.

16 42. The Consumer Data Industry Association’s (“CDIA”) Metro 2 format is *the*
17 credit industry’s standardized, objective reporting format used by furnishers to
18 provide information about consumer accounts to consumer reporting
19 agencies.¹

20 43. Therefore, the credit reporting industry at large depends upon Metro 2 and the
21 CDIA’s recommendations for reporting debt accurately.

22 44. The CDIA is *the* expert on accurate credit reporting. In support of this
23 allegation, Plaintiff avers the following:

- 24 a. The CDIA offers an FCRA certificate program for all CRAs
- 25 b. The CDIA offers an FCRA awareness program for all CRAs.
- 26 c. The CDIA offers an FCRA certificate program for DFs.

27 ¹ See Consumer Financial Protection Bureau, Key Dimensions and Processes in
28 the U.S. Credit Reporting System, available at:
http://files.consumerfinance.gov/f/201212_cfpb_credit-reporting-white-paper.pdf

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- 1 d. The CDIA offers an FCRA awareness program for DFs.
- 2 e. The CDIA offers a Metro 2 Learning system to provide detailed
- 3 instructions on the use of Metro 2 format to ensure understanding of
- 4 the reporting guidelines for each field of the Metro 2 Format as well
- 5 as the relationship between multiple fields.
- 6 f. The CDIA hosts workshops developed and authorized by Equifax,
- 7 Experian, Innovis, and TransUnion.
- 8 g. The CDIA developed a credit reporting resource guide for accurately
- 9 reporting credit.

10 45. The CDIA's Metro 2 is accepted by all CRAs.

11 46. The credit reporting accepted industry standards for reporting Metro 2
12 accurately are found in the CDIA's Credit Reporting Resource Guide
13 ("CRRG").

14 47. The CRRG outlines the industry standards for most accurately reporting debts
15 using Metro 2.

16 48. The CRRG is not readily available to the public. It can be purchased online
17 for approximately \$229.45.

18 49. Even if a buyer is ready and able to pay for the CRRG, the CDIA will NOT
19 grant access to the guide unless the buyer represents an organization included
20 in the Metro 2 Access Policy.

21 50. When FICO calculates credit scores the algorithms use Metro 2 information
22 based on industry standards established by the CDIA.

23 51. The algorithms used by FICO in determining a consumer's credit score are
24 premised on the Metro 2 data received comporting with the CDIA's
25 recommendations for accurate credit reporting.

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1 52. If the Metro 2 data received by FICO deviates from industry standards an
2 inaccurate or incorrect FICO Score results. If the resulting FICO Score is
3 lower, a consumer will be considered a higher credit risk, resulting in less
4 favorable lending terms.

5 **c. e-Oscar**

6 53. E-OSCAR is the web based Metro 2 compliant system developed by the
7 CRAs that enables DFs and CRAs to create and respond to consumer credit
8 disputes.

9 54. When a consumer sends a dispute letter to a CRA, the CRA then sends an
10 automated credit dispute verification (“ACDV”) via e-Oscar to the DF.

11 55. The ACDV contains within it Metro 2 codes next to certain data fields
12 associated with a credit file, e.g. “Account Type - 07” (07 in Metro 2 refers to
13 a Charge Account).

14 **d. Bankruptcy Credit Reporting Industry Standards & Consumer**
15 **Information Indicator (“CII”)**

16 56. When a consumer files bankruptcy, certain credit reporting industry standards
17 exist.

18 57. Certain Metro 2 data is regularly expected and calculated by FICO when
19 determining a consumer’s credit worthiness.

20 58. The Consumer Information Indicator (“CII”) is a critical *status* field in the
21 Metro 2 Format that indicates a special condition that applies to a specific
22 consumer.

23 59. Under Metro 2, the CII must be reported only on the consumer to whom the
24 information applies.

25 60. It is the credit reporting industry standard to report a very specific CII upon
26 the occurrence of critical events during a consumer bankruptcy, such as the
27 filing of the bankruptcy and the bankruptcy discharge.
28

- 1 61. In a consumer bankruptcy context, CII Metro 2 Code “A” denotes that a
2 petition for Chapter 7 has been filed, is active, but no discharge has been
3 entered.
- 4 62. Such a reporting alerts end users, including potential creditors, that the
5 account is no longer in a collectable status, but is rather being handled by a
6 Chapter 7 trustee.
- 7 63. CII Metro 2 Code “E” denotes that a Chapter 7 bankruptcy has been
8 discharged and therefore no longer legally owed.
- 9 64. The CII field is a critical field for consumers and directly relates to and
10 impacts a consumer’s credit worthiness.
- 11 65. The lack of an accurate reporting of the CII field makes it appear that a
12 consumer has not addressed outstanding debt obligations through the
13 bankruptcy process.
- 14 66. The lack of an accurate reporting of the CII field also suggests that creditors
15 are free to collect against a consumer per their pre-bankruptcy contract terms,
16 which is inaccurate and materially misleading due to the effect of the
17 bankruptcy orders, such as the automatic stay of section 362 of Title 11, that
18 exist to prevent post-petition collection activity, and the discharge order which
19 enjoins post-discharge collection upon any *in personam* liability for a claim.
- 20 67. Accordingly, failure to report the correct CII indicator would prompt those
21 making credit decisions to draw a more negative inference regarding a
22 consumer’s credit worthiness.
- 23 68. Under the FCRA, a bankruptcy can be reported for ten years.
- 24 69. The ten-year rule for reporting runs from the date the bankruptcy was *filed*.
- 25 70. A consumer’s FICO Score is directly related to the date on which a petition is
26 filed and acknowledged.
- 27 71. The more time that has passed since the filing of the bankruptcy, the less
28 negative impact the bankruptcy will have on a consumer’s FICO Score.

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1 72. Failure to reference the bankruptcy filing and/or discharge in the CII field
2 and/or the correct petition date shall result in a lower FICO Score resulting in
3 those making credit decisions to draw a more negative inference regarding a
4 consumer's credit worthiness.

5 73. As explained in more detail below, TransUnion failed to reference the
6 bankruptcy filing and discharge in the CII field in Plaintiff's TransUnion
7 Credit Report in respect to a consumer credit account successfully discharged
8 through Plaintiff's Chapter 7 Bankruptcy.

9 74. Instead, TransUnion allowed the furnisher of the discharged account to report
10 that the *current* pay status of the discharged debt was "Charged Off", i.e. still
11 legally owed, as opposed to "Discharged in Bankruptcy."

12 75. The "Charge Off" status reported by TransUnion, as opposed to the correct
13 status of "Discharged in Bankruptcy", inaccurately and misleadingly suggests
14 that Plaintiff still has a personal legal liability to pay the alleged debt, which is
15 the opposite effect of receiving a Chapter 7 bankruptcy discharge.

16 **GENERAL ALLEGATIONS**

17 76. Plaintiff is among the millions of persons throughout the United States who
18 have filed "no asset" bankruptcies pursuant to Chapter 7 of the U.S.
19 Bankruptcy Code and who have been granted orders of discharge by a U.S.
20 Bankruptcy Court. Under federal bankruptcy laws, such an order fully and
21 completely discharges all statutorily dischargeable debts incurred prior to the
22 filing of such "no asset" bankruptcies, except for those that have been: (1)
23 reaffirmed by the debtor in a reaffirmation agreement; or (2) successfully
24 challenged by one of his creditors in a related adversary proceeding. Plaintiff
25 and the Class are persons for whom such debts have been discharged through
26 bankruptcy.

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1 77. Through the computerized court reporting service known as PACER,
2 TransUnion obtain access to each and every discharge order issued by a U.S.
3 Bankruptcy Court in Chapter 7 proceedings. They similarly obtain from a
4 consumer's bankruptcy schedules other specific information including dates
5 of filing and discharge, total liabilities and total exemptions, and even the
6 identity of the debtor's attorney. TransUnion accurately records this
7 information and those orders in the public records section of their Credit
8 Reports.

9 78. The diligence that TransUnion exercises in recording bankruptcy filings in the
10 Credit Reports of Plaintiff and the Class is not replicated in TransUnion's
11 reporting of the effect of those orders upon the status of their discharged debts.
12 That is, TransUnion grossly over-reports as due and owing debts that have
13 been discharged.

14 79. TransUnion is well aware that the effect of a discharge order in a no asset
15 bankruptcy under Chapter 7 is to discharge all statutorily dischargeable debts
16 other than those that have been reaffirmed in a reaffirmation agreement or
17 successfully challenged in an adversary proceeding. Information relating to
18 whether a debt has been reaffirmed or successfully challenged is retrievable
19 from PACER through automated, computerized means (just like information
20 establishing the existence of a filed petition for a Chapter 7 no asset
21 bankruptcy, a discharge order granting that petition and the date of such
22 discharge). Thus, were TransUnion to employ procedures of which they are
23 fully aware, TransUnion could achieve close to 100 percent accuracy in the
24 reporting of the status of pre-bankruptcy debts.

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1 80. TransUnion, however, has failed to reasonably use available procedures
2 including, but not limited to, services within PACER, to determine which
3 dischargeable debts have, in fact, been discharged and which, if any, remain
4 due and owing on account of their having been reaffirmed or successfully
5 challenged in an adversary proceeding. Instead, TransUnion reports
6 information regarding pre-bankruptcy debts furnished by consumers' creditors,
7 even if that information ignores or contradicts information contained in public
8 court records that TransUnion has obtained or could easily have obtained
9 through PACER.

10 81. One of the most serious consumer reporting problems in recent years was the
11 failure of the reporting system to provide consumers a "fresh start" after a
12 bankruptcy discharge. Creditors frequently fail to report an updated status for
13 discharged accounts or continue to report their pre-discharge status and
14 balance. CRAs did not update accounts and judgments they otherwise knew
15 had been discharged.²

16 82. The failure and further refusal to update credit report tradelines for many
17 thousands of consumers to reflect that their debts were, in fact, discharged in
18 Bankruptcy, as opposed to reporting a *current* pay status of "charged off" or
19 "past due", runs afoul to Section 727 of the Bankruptcy Code and *the* primary
20 purpose of the protection offered by the Bankruptcy Code—the discharge of a
21 debt. *Marrama v. Citizens Bank of Massachusetts*, 549 U.S. 365, 367 (2007).

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23
24 ² *Acosta v. Trans Union*, 243 F.R.D. 377, at n.3 (C.D. Cal. 2007) (bankruptcy
25 lawyer's survey of approximately 900 clients found that 64% of Trans Union
26 reports and 66% of Equifax reports erroneously list one or more discharged debts
27 as due and owing); *White v. Trans Union*, 462 F. Supp. 2d 1079 (C.D. Cal. 2006)
28 (same survey; number of incorrectly reported discharged debts was between three
and four per consumer for Trans Union reports, with some consumers having as
many as ten or more errors).

1 83. As a result of a major class action settlement in 2008, the three nationwide
2 CRAs, including TransUnion, have been required to revise their procedures as
3 to how they report debts discharged in a chapter 7 bankruptcy.³ The
4 settlements essentially reverse the presumption of non-dischargeability that
5 the CRAs had been applying to chapter 7 bankruptcies. They require the
6 CRAs to treat all prebankruptcy debts as discharged, unless furnishers provide
7 information showing that a debt was excludable from discharge. The CRAs
8 are to no longer report as charged off or placed in collection debts that in fact
9 have been discharged in bankruptcy.

10 84. These procedures rely on the fact that furnishers are contractually obligated to
11 report debts with codes that correspond to the major categories of non-
12 dischargeable debt (that is, student loans, unpaid taxes, domestic support
13 obligations, and debts subject to reaffirmation agreements). Using what is
14 termed an “Agreed Bankruptcy Coding,” the CRAs are to set to zero the stated
15 balance owed for other debts—those that usually are dischargeable—and
16 show them as having been discharged. This whole process is easily automated
17 because the CRAs normally can ascertain from the information in their own
18 credit files when a consumer’s prebankruptcy debt has not in fact been
19 discharged.

20 85. These revised procedures and assumptions were applied both retroactively
21 and prospectively. With respect to current credit files, the three major CRAs
22 were directed to retroactively “scrub” existing data to remove improper
23 tradelines and civil judgments.

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26 ³ *White v. Experian Info. Solutions, Inc.*, Case No. CV 05-01070 (C.D. Cal. Aug.
27 19, 2008) (lead case number); *White v. Equifax Info. Serv., L.L.C.*, Case. No. CV
28 05-7821 (C.D. Cal. Aug. 19, 2008); *White v. Trans Union, L.L.C.*, Case No. CV
05-1073 (Aug. 19, 2008); *Hernandez v. Equifax Info. Serv., L.L.C.*, Case. No. CV
06-3924 (C.D. Cal. Aug. 19, 2008).

1 86. Despite this reform, there continue to be problems with improper reporting of
 2 discharged debts, including allegations that creditors have deliberately
 3 engaged in the practice to in order to pressure debtors to pay off discharged
 4 debts, and even refusals to correct the reporting after being requested to do so
 5 by the debtor.⁴

6 87. TransUnion know or should know that the Credit Reports they have issued
 7 regarding Plaintiff and the Class are grossly inaccurate with respect to the
 8 status of pre-bankruptcy debts. Over the years, TransUnion has received
 9 thousands of dispute letters from consumers informing them that they have
 10 erroneously recorded one or more of their pre-bankruptcy debts as due and
 11 owing on TransUnion's credit reports. Moreover, many of these consumers
 12 have brought suit against TransUnion, including previous class actions
 13 referenced in this Complaint, seeking damages and other relief based on the
 14 same inaccurate reporting procedures that are being challenged here.

15 88. TransUnion, therefore, know or should know that their procedures for
 16 reporting the status of pre-bankruptcy debts fail to assure maximum possible
 17 accuracy. Despite knowing that their procedures contravene the statutory
 18 rights of consumers or in reckless disregard of whether they contravene those
 19 rights, TransUnion continues to employ inaccurate reporting procedures.

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 23 ⁴ See, e.g., *Belton v. GE Capital Consumer Lending (In re Belton)*, 2014 WL
 24 5819586 (Bankr. S.D.N.Y. Nov. 10, 2014). See also Jessica Silver Greenberg,
 25 Debts Canceled by Bankruptcy Still Mar Consumer Credit Scores, N.Y. Times,
 26 Nov. 12, 2014. *Keil v. Equifax Info. Serv.*, 2014 WL 4477610 (N.D. Cal. Sept. 10,
 27 2014) (in response to debtor's dispute, credit union stated its policy was to report
 28 all charged-off debts as unpaid, irrespective of bankruptcy discharge); *In re*
Haynes, 2014 WL 3608891 (Bankr. S.D.N.Y. July 22, 2014) (debtor alleged that
 creditor refused his request to remove charge-off notation from account discharged
 in bankruptcy).

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1 89. TransUnion has also failed to fulfill their legal and statutory obligation to
2 reasonably reinvestigate and correct the status of the discharged debts they
3 have falsely reported as due and owing. TransUnion's practices regarding the
4 reinvestigation of those debts are woefully inadequate.

5 90. Over the past several years, thousands of consumers have written dispute
6 letters to TransUnion requesting that TransUnion correct their erroneous
7 reporting of discharged debts as due and owing because those debts had, in
8 fact, been discharged in bankruptcy. Upon information and belief, in response
9 to such disputes, TransUnion frequently continued to falsely report those
10 debts as due and owing, despite the fact that the bankruptcy court records
11 show that the debts at issue had been discharged.

12 91. By failing to adopt and maintain reasonable reinvestigation practices for
13 correcting the erroneous information they record in their Credit Reports
14 concerning the status of discharged debts of individuals with court-approved
15 bankruptcy petitions, TransUnion has acted in willful and reckless disregard
16 of their rights and obligations under the FCRA.

17 92. As a direct consequence of TransUnion's grossly inadequate and inaccurate
18 initial reporting and reinvestigation practices and procedures, Plaintiff and the
19 Class have been effectively denied the fresh start to which they are legally
20 entitled under the U.S. Bankruptcy Code.

21 93. In enacting the FCRA, Congress identified individual interests that the
22 increased use of credit reporting agencies stood to jeopardize, including
23 interests in privacy and economic self-determination. Congress created
24 individual statutory rights in the FCRA to enforce those interests.

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1 94. As a direct consequence of TransUnion’s grossly inadequate and inaccurate
2 reporting and reinvestigation practices and procedures, Plaintiff and the Class
3 have been effectively denied the protection Congress intended to afford
4 consumers from inaccurate or arbitrary information in consumer reports that
5 are used as a factor in determining individuals’ eligibility for credit, insurance
6 or employment.

7 95. In each case described above, Plaintiff and the Class members’ legally
8 protected interests in being able to apply for credit based on accurate
9 information have been violated, placing them at an increased risk of not being
10 able to obtain valuable credit and in many cases adversely affecting their
11 credit ratings. TransUnion’s publication of false and potentially damaging
12 credit information concerning the Plaintiff and the Class violates their
13 statutorily mandated rights and has caused them particularized and concrete
14 harm.

15 **BANKRUPTCY ALLEGATIONS RELATING TO KELLIE GADOMSKI**

16 96. At all times relevant to this matter, Plaintiff was an individual residing within
17 the State of California.

18 97. Furthermore, TransUnion conducted business within the State of California at
19 all times relevant.

20 98. On or about April 24, 2013, Plaintiff filed for a no asset Chapter 7 bankruptcy
21 in the U.S. Bankruptcy Court for the Eastern District of California in Fresno.
22 Plaintiff’s case was assigned Case Number 13-bk-25655 (the “Bankruptcy”).⁵

23 99. The obligations (“Debt”) to Wells Fargo for a consumer credit card were
24 scheduled in the Bankruptcy.

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27 ⁵ The District Court has discretion to take judicial notice of the documents
28 electronically filed in the bankruptcy case. *See, Atwood v. Chase Manahattan
Mortg. Co. (In re Atwood)*, 293 B.R. 227, 233 n.9 (B.A.P. 9th Cir.2003).

1 100. Wells Fargo did not have their Debt ordered to be “non dischargeable”
2 pursuant to 11 U.S.C. § 523 *et seq.*

3 101. Wells Fargo also did not request relief from the “automatic stay” codified at
4 11 U.S.C. §362 *et seq.*, which prohibits creditors included in a consumer’s
5 bankruptcy from engaging in collection activities, while the Plaintiff’s
6 Bankruptcy was pending to pursue the Plaintiff on any *personal* liability for
7 any of the underlying Debts.

8 102. Wells Fargo also did not request or receive relief from the “automatic stay”
9 codified at 11 U.S.C. §362 *et seq.* while the Plaintiff’s Bankruptcy was
10 pending to pursue the Plaintiff for any of the underlying Debts in their pre-
11 bankruptcy form.

12 103. Accordingly, the Debt to Wells Fargo was discharged through the Bankruptcy.

13 104. Further, while the automatic stay was in effect during the Bankruptcy, it was
14 illegal and inaccurate for Wells Fargo to report any post-Bankruptcy
15 derogatory collection information, which was inconsistent with the
16 Bankruptcy Orders entered by the Bankruptcy Court, including the initial
17 Petition for Relief for Bankruptcy protection, the automatic stay, and the
18 Discharge Order (collectively the “Bankruptcy Orders”).

19 105. Reporting credit information to a CRA is a collection activity.

20 106. Wells Fargo either reported or caused to be reported inaccurate information
21 after the Bankruptcy was filed *and* discharged, in the form of reporting the
22 *current* account (pay) status of the Debt as being “charged off”, as opposed to
23 “Discharged in Bankruptcy” (or the equivalent).

24 107. The derogatory information reported by Wells Fargo after the Bankruptcy was
25 discharged indicates to potential creditors that the Debt was somehow not
26 discharged in the Bankruptcy and Plaintiff was being actively delinquent in
27 respect to Wells Fargo Debt, which is inaccurate and materially misleading
28 reporting.

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1 108. Wells Fargo’s attempt to collect upon their respective Debt by reporting post-
2 Bankruptcy derogatory information on Plaintiff’s TransUnion Credit Report,
3 which is a collection activity, was therefore inaccurate and prohibited by the
4 Bankruptcy discharge.

5 109. Wells Fargo’s reporting of post-Bankruptcy derogatory information was also
6 inaccurate because a default on an account included in a bankruptcy can occur
7 no later than the bankruptcy filing date, at which point the accounts included
8 in the Bankruptcy were no longer collectable due to the effect of the automatic
9 stay and ultimate discharge.

10 110. Thus, by reporting post-Bankruptcy derogatory information, Wells Fargo
11 effectively reported: (1) Plaintiff was being financially irresponsible by failing
12 to pay the debt *after* the Bankruptcy was discharged; and (2) that Plaintiff’s
13 Debt was more recently subject to collection than it really was, which is
14 inaccurate and misleading under the FCRA.

15 111. Wells Fargo’s attempt to collect upon the Debt by reporting post-Bankruptcy
16 derogatory information on Plaintiff’s TransUnion Credit Report, which is a
17 collection activity, was therefore inaccurate and materially misleading.

18 112. Wells Fargo’s reporting of post-Bankruptcy derogatory information was also
19 inaccurate and materially misleading because Wells Fargo continued reporting
20 information based on Wells Fargo’s pre-bankruptcy contract terms with the
21 Plaintiff, which were no longer enforceable upon the filing of the Bankruptcy
22 and ultimate successful discharge, thereby rendering the disputed information
23 inaccurate and materially misleading.

24 113. For decades, courts have recognized that when a bankruptcy discharge is
25 granted, the order relates back to the date of filing the petition and relieves the
26 debtor from personal liability as of this date.

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1 114. This is because when a debtor voluntarily files for bankruptcy, the petition
2 constitutes an “order for relief” under the particular chapter the debtor wishes
3 to proceed per Bankruptcy Code 11 U.S.C. § 301(a)-(b).

4 115. When a debtor such as Plaintiff files a Chapter 7 petition, Section 727(b) of
5 the Bankruptcy Code provides that the discharge, when entered, applies to “all
6 debts that arose *before the date of the order for relief.*” In other words, the
7 discharge relieves the debtor of personal liability for all prepetition debts.

8 116. Thus, in relation to the FCRA, the discharge order rendered the information
9 reported by Wells Fargo following the bankruptcy discharge inaccurate and
10 patently misleading because the discharge order relieved Plaintiff from any
11 personal obligation to pay Wells Fargo as of the date of filing the Bankruptcy
12 petition—April 24, 2013.

13 117. Moreover, the derogatory, delinquent information furnished by Wells Fargo
14 following the Bankruptcy Discharge was inaccurate and misleading because
15 end users, including potential creditors, may interpret the reported information
16 to mean that Plaintiff incurred new debt during the Bankruptcy or that
17 Plaintiff reaffirmed the Debt with Wells Fargo notwithstanding the discharge.

18 118. However, Plaintiff did not incur new debt with Wells Fargo during the
19 pendency of the Bankruptcy or reaffirm the Debt in the Bankruptcy.

20 **TRANSUNION’S PRODUCTION OF ERRONEOUS CREDIT REPORTS RELATING TO**
21 **KELLIE GADOMSKI’S WELLS FARGO ACCOUNT NO. 57744216***
22 **(THE “ACCOUNT”)**

23 119. On or about September 2009, Plaintiff opened the Account with Wells Fargo,
24 which was for a consumer credit card.

25 120. On or about 2012, Plaintiff fell behind on her payments and Wells Fargo
26 ultimately “Charged Off” the Account on or about August 2012.

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1 121. In a TransUnion Credit Report dated November 13, 2016, Wells Fargo
2 reported the following inaccurate, derogatory information for the above-
3 referenced account number as of December 2012:

- 4 • (Current) Pay Status – Charged Off

5 122. Although it was “accurate” for Wells Fargo to report that the Account was
6 previously “Charged Off” as a *historical* fact, it was inaccurate and materially
7 misleading to report that the *current* pay status of the Account was “Charged
8 Off”, because the true and correct statuses of the Accounts were “Discharged
9 in Bankruptcy” as of August 23, 2013.

10 123. There was no notation, status update, or any other indication in the tradeline
11 that the Account was discharged in Plaintiff’s Bankruptcy.

12 124. Again, the Account in question was not subject to a reaffirmation agreement
13 with Wells Fargo or a successful adversary proceeding brought by Wells
14 Fargo, but rather was successfully discharged through Plaintiff’s Bankruptcy.
15 Therefore, in all material respects, Plaintiff’s “Charged Off” Account is an
16 example of an incorrect status notation on her credit report that is suffered by
17 all the Class Members.

18 125. For the reasons stated in more detail above, it was inaccurate and misleading
19 for Wells Fargo to report derogatory information on Plaintiff’s account after
20 April 24, 2013, because Plaintiff filed for bankruptcy on April 24, 2013.

21 126. Wells Fargo and TransUnion’s inaccurate and negative reporting damaged
22 Plaintiff’s creditworthiness.

23 127. TransUnion even reported the Bankruptcy in the “Public Records” section of
24 Plaintiff’s credit report, and reflected that the Bankruptcy was filed in April
25 2013 and discharged in August 2013. Therefore, TransUnion had notice of the
26 Bankruptcy.

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1 128. Moreover, TransUnion had notice of the Bankruptcy due to multiple other
2 accounts reporting in Plaintiff’s TransUnion Credit Report notating the
3 Bankruptcy.

4 129. However, even with notice of the Bankruptcy, TransUnion reported the above
5 information, which erroneously listed Plaintiff’s discharged debt as due and
6 owing or in an inaccurate charge off status.

7 130. Plaintiff incurred monetary expenses, time, and effort in an attempt to dispute
8 and seek correction of the inaccuracies on TransUnion’s Credit Report.

9 131. Following the date of her discharge, Plaintiff’s statutory right to be able to
10 apply for credit based on accurate information has been violated, placing her
11 at increased risk of not being able to obtain valuable credit and adversely
12 affecting her credit rating.

13 132. Accordingly, TransUnion failed to follow reasonable procedures to assure
14 maximum possible accuracy of the information concerning Plaintiff and
15 violated 15 U.S.C. § 1681e(b).

16 133. Plaintiff incurred monetary expenses, time, and effort in an attempt to dispute
17 and seek correction of the inaccuracies on TransUnion’s Credit Report.

18 134. On or about November 2016, Plaintiff disputed Wells Fargo’s reported
19 information regarding the Debt pursuant to 15 U.S.C. § 1681i(a)(2) by
20 notifying TransUnion, in writing, of the incorrect and inaccurate credit
21 information furnished by Wells Fargo.

22 135. Specifically, Plaintiff sent a letter, via certified mail, to TransUnion (the
23 “TransUnion Dispute Letter”), requesting the above inaccurate information be
24 removed.

25 136. Upon information and belief, TransUnion timely notified Wells Fargo of
26 Plaintiff’s dispute, but Wells Fargo continued reporting inaccurate, derogatory
27 information.
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1 137. Wells Fargo was required to conduct a reasonable investigation into this
2 specific account on Plaintiff’s consumer report pursuant to 15 U.S.C. § 1681s-
3 2(b)(1)(A).

4 138. TransUnion was required to conduct a reasonable reinvestigation into this
5 specific account on Plaintiff’s consumer report pursuant to 15 U.S.C. §1681i.

6 139. On or about December 15, 2016, Plaintiff received notification from
7 TransUnion that Wells Fargo and TransUnion received notice of Plaintiff’s
8 dispute pursuant to 15 U.S.C. § 1681i(a)(6) and were providing the results of
9 the reinvestigation.

10 140. However, rather than remove all the above inaccurate and materially
11 misleading, derogatory information from Plaintiff’s report, TransUnion
12 simply left inaccurate and materially misleading information on Plaintiff’s
13 report.

14 141. Specifically, TransUnion continued to report the following inaccurate and
15 derogatory information for the Account on Plaintiff’s TransUnion Credit
16 Report:

- 17 • (Current) Pay Status – Charged Off

18 142. Following TransUnion’s FCRA investigation, there was again no notation,
19 status update, or any other indication in the tradeline that the Account was
20 discharged in Plaintiff’s Bankruptcy.

21 143. Therefore, end users, including potential creditors, would continue to unfairly
22 interpret that the “*Current Pay Status*” of the Account was “Charged Off”, as
23 opposed to “Discharged in Bankruptcy”, which is inaccurate and materially
24 misleading under the FCRA for the reasons discussed.

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1 144. Upon information and belief, TransUnion’s investigation was not reasonable.
2 More specifically, TransUnion, should have discovered from its records,
3 including Plaintiff’s official TransUnion Dispute letter, that the information
4 TransUnion was reporting was inaccurate and materially misleading. After all,
5 TransUnion could have easily ascertained that the Account was included and
6 discharged in Plaintiff’s Bankruptcy by reviewing Plaintiff’s public
7 bankruptcy records cited in Plaintiff’s Dispute Letter. Therefore, it would be
8 erroneous to list Plaintiff’s discharged debt as due and owing or in an
9 inaccurate charge off status.

10 145. A reasonable investigation would have also led to TransUnion consulting with
11 the CRRG’s Metro 2 instructions to determine the accurate and proper
12 reporting of the current pay status of the Accounts, which would have
13 revealed that TransUnion should have reported the CII status as “Discharged
14 in Bankruptcy.”

15 146. Instead, TransUnion “double-downed” on their original inaccurate and
16 misleading reporting by reporting that the current (pay) status of the Account,
17 following their November/December 2016 FCRA investigation, was “Charged
18 Off”, as opposed to “Discharged in Bankruptcy” (or the equivalent).

19 147. Accordingly, TransUnion failed to follow reasonable procedures to assure
20 maximum possible accuracy of the information concerning Plaintiff and
21 violated 15 U.S.C. § 1681e(b).

22 148. Accordingly, TransUnion failed to conduct a reasonable investigation with
23 respect to the disputed information as required by 15 U.S.C. §1681i.

24 149. Plaintiff’s continued efforts to correct TransUnion’s erroneous and negative
25 reporting of the Debt by communicating Plaintiff’s dispute with TransUnion
26 were fruitless.

27 150. TransUnion’s continued inaccurate and negative reporting of the Debt in light
28 of its knowledge of the actual error was willful.

1 151. TransUnion’s failure to correct the previously disclosed inaccuracies on
2 Plaintiff’s credit report was intentional and in reckless disregard of its duty to
3 refrain from reporting inaccurate information. Accordingly, TransUnion
4 willfully and negligently failed to comply with its duty to reasonably
5 investigate Plaintiff’s dispute.

6 152. TransUnion’s inaccurate and negative reporting damaged Plaintiff’s
7 creditworthiness.

8 **CLASS ALLEGATIONS**

9 153. Plaintiff seeks to maintain this action as a class action (including, any
10 appropriate subclasses) representing a class (the “Class”) consisting of the
11 following:

12 All individuals who, on or after February 2012 have had a
13 consumer report relating to them prepared by TransUnion in
14 which one or more of their tradeline accounts or debts was not
15 reported as discharged despite the fact that such debts had been
discharged as a result of their bankruptcy under Chapter 7 and
Chapter 13 of the Bankruptcy Code.

16 154. This suit seeks only damages and injunctive relief for recovery of economic
17 injury on behalf of the Class, and it expressly is not intended to request any
18 recovery for personal injury and claims related thereto. Plaintiff reserves the
19 right to expand the Class definition to seek recovery on behalf of additional
20 persons as warranted as facts are learned in further investigation and
21 discovery.

22 155. Ascertainability/Numerosity: The Class is ascertainable in that it is comprised
23 of individuals who can be identified by reference to purely objective criteria.
24 Plaintiff does not know the number of members in the Class, but believes the
25 Class members number in the hundreds of thousands, if not more. Thus, this
26 matter should be certified as a Class action to assist in the expeditious
27 litigation of this matter.
28

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1 156. Typicality: The claims of the named Plaintiff is typical of the claims of each
2 member of the Class they seek to represent because: (1) they have all been
3 injured in the same manner as a result of TransUnion’s uniform and woefully
4 inadequate procedure regarding the reporting of debts that have been
5 discharged in bankruptcy; and (2) their claims are all based on the same legal
6 theory.

7 157. Adequacy of Representation: Plaintiff is an adequate representative of the
8 class they seek to represent because: (a) she is willing and able to represent
9 the proposed class and has every incentive to pursue this action to a successful
10 conclusion; (b) her interests are not in any way antagonistic to those of the
11 other class members; and (c) she is represented by counsel experienced in
12 litigating major class actions and claims under the FCRA and other consumer
13 protection statutes.

14 158. Commonality: There are questions of law and fact common to all members of
15 the Class. The overarching questions of law and fact that are common to all
16 members of the Class are whether: (a) in preparing consumer reports
17 concerning individuals whose debts have been discharged in bankruptcy,
18 TransUnion has failed to follow reasonable procedures to assure maximum
19 possible accuracy of the information pertaining to the status of those debts in
20 accordance with the requirements of 15 U.S.C. § 1681e(b); (b) TransUnion’s
21 failure to comply with the requirements of 15 U.S.C. § 1681e(b) is negligent
22 pursuant to 15 U.S.C. § 1681o(a); and (c) TransUnion’s failure to comply
23 with the requirements of 15 U.S.C. § 1681e(b) is willful pursuant to 15 U.S.C.
24 § 1681n(a).

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1 159. Propriety of Class Certification: Under FED. R. CIV. P. 23(b)(3). Class
2 certification of Plaintiff's claims for willful failure to employ reasonable
3 reporting procedures in violation of 15 U.S.C. § 1681e(b) is also appropriate
4 under FED. R. CIV. P. 23(b)(3). The common questions of law and fact
5 relating to Plaintiff's willful violation claims predominate over questions
6 affecting only individual members. Moreover, the class action vehicle is
7 superior to other available methods for the fair and efficient adjudication of
8 these claims. For the vast majority of members of the Class, the amount of any
9 potential recovery is too small to justify the cost of prosecuting their claims
10 individually, despite the availability of costs and attorney fees in the event
11 they were to prevail on the merits. Further, requiring each Class member to
12 pursue his or her claim individually would entail needless duplication of effort,
13 would waste the resources of both the parties and the Court, and would risk
14 inconsistent adjudications.

15 **SUBCLASS ALLEGATIONS**

16 160. Plaintiff also seeks to maintain this action on behalf of a subclass consisting of
17 the following Dispute Subclass:

18 All individuals included in the Class described above whose
19 discharged debts continued to be erroneously reported by
20 TransUnion as due and owing any time after 30 days from the
21 date that TransUnion had received a dispute letter informing
22 them that those debts had, in fact, been discharged.

23 161. Ascertainability/Numerosity: The Dispute Subclass is ascertainable in that it is
24 comprised of individuals who can be identified by reference to purely
25 objective criteria. There are thousands of members of the Subclass and,
26 therefore, it would be impracticable to bring all, or even a substantial
27 percentage of, such persons before the Court as individual plaintiffs.

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1 162. Typicality: Plaintiff's claims are typical of the claims of each member of the
2 Dispute Subclass because: (1) they have all been injured in the same manner
3 as a result of TransUnion's uniform and woefully inadequate reinvestigation
4 procedures regarding the reporting of debts that have been discharged in
5 bankruptcy; and (2) their claims are all based on the same legal theory.

6 163. Adequacy of Representation: Plaintiff is an adequate representative of the
7 Subclass she seeks to represent because: (a) she is willing and able to
8 represent the proposed subclass and has every incentive to pursue this action
9 to a successful conclusion; (b) her interests are not in any way antagonistic to
10 those of the other Subclass members; and (c) she is represented by counsel
11 experienced in litigating major class actions and claims under the FCRA and
12 other consumer protection statutes.

13 164. Commonality: There are questions of law and fact common to all members of
14 the Subclass. The overarching questions of law and fact that are common to
15 all members of the Subclass are whether: (a) in responding to dispute letters of
16 individuals whose debts have been discharged in bankruptcy, TransUnion has
17 violated 15 U.S.C. § 1681i(a) by failing to follow reasonable reinvestigation
18 procedures for ascertaining the accuracy of information pertaining to those
19 debts in its credit reports; (b) TransUnion's failure to comply with the
20 requirements of 15 U.S.C. § 1681i(a) is negligent pursuant to 15 U.S.C. §
21 1681o(a); and, (c) TransUnion's failure to comply with the requirements of 15
22 U.S.C. § 1681i(a) is willful pursuant to 15 U.S.C. § 1681n(a).

23 165. Propriety of Class Certification Under FED. R. CIV. P. 23(b)(3). Class
24 certification of the Subclass' claims for willful failure to employ reasonable
25 reinvestigation procedures in violation of 15 U.S.C. § 1681e(b) is appropriate
26 under FED. R. CIV. P. 23(b)(3). The common questions of law and fact
27 relating to the Subclass' willful violation claims predominate over questions
28 affecting only individual members. Moreover, the class action vehicle is

1 superior to other available methods for the fair and efficient adjudication of
2 the claims of members of the proposed subclass. For the vast majority of
3 members of the Subclass, the amount of any potential recovery is too small to
4 justify the cost of prosecuting their claims individually, despite the availability
5 of costs and attorney fees in the event they were to prevail on the merits.
6 Furthermore, requiring each Subclass member to pursue his or her claim
7 individually would entail needless duplication of effort, would waste the
8 resources of both the parties and the Court, and would risk inconsistent
9 adjudications.

10 **FIRST CAUSE OF ACTION**

11 **Willful Failure to Employ Reasonable Procedures to Assure Maximum**
12 **Possible Accuracy of Credit Reports in Violation of 15 U.S.C. § 1681e(b)**

13 **(On behalf of all Plaintiff and Class Members)**

14 166. The allegations set forth in the paragraphs above are realleged and
15 incorporated by reference as if fully set forth here.

16 167. TransUnion is regularly engaged in the practice of assembling and evaluating
17 consumer credit information for the purpose of preparing consumer reports, as
18 that term is defined in 15 U.S.C. § 1681a(d), commonly referred to as Credit
19 Reports, and furnishing these Credit Reports to third parties.

20 168. TransUnion uses means and facilities of interstate commerce for the purpose
21 of preparing and furnishing Credit Reports and, hence, are “consumer
22 reporting agencies” within the meaning of 15 U.S.C. § 1681a(f).

23 169. In preparing Credit Reports, TransUnion has failed to use reasonable
24 procedures to, as required by law, “assure maximum possible accuracy” of
25 information relating to the discharged debts of Plaintiff and the Class, in
26 violation of 15 U.S.C. § 1681e(b).

27 170. As a result of TransUnion’s failure to use reasonable procedures in
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1 accordance with the requirements of 15 U.S.C. § 1681e(b), TransUnion has
2 erroneously reported as due and legally owed one or more of the discharged
3 debts of each Plaintiff and member of the Class.

4 171. TransUnion's failure to comply with the requirements of 15 U.S.C. § 1681e(b)
5 is willful within the meaning of 15 U.S.C. § 1681n(a).

6 172. As a result of TransUnion's willful noncompliance with the requirements of
7 15 U.S.C. § 1681e(b), Plaintiff and Class Members are entitled to statutory
8 and punitive damages under 15 U.S.C. § 1681n(a)(1) and (a)(2). As a further
9 result of TransUnion's willful noncompliance with the requirements of 15
10 U.S.C. § 1681e(b) Plaintiff's and Class Members' statutory rights to be able to
11 apply for credit based on accurate information have been violated, placing
12 them at increased risk of not being able to obtain valuable credit and adversely
13 affecting their credit ratings and causing other actual damages.

14
15 **SECOND CAUSE OF ACTION**

16 **Negligent Failure to Employ Reasonable Procedures to Assure Maximum**
17 **Possible Accuracy of Credit Reports in Violation of 15 U.S.C. § 1681e(b)**

18 **(On behalf of all Plaintiff and Class Members)**

19 173. The allegations set forth in the paragraphs above are realleged and
20 incorporated by reference as if fully set forth here.

21 174. In preparing credit reports relating to Plaintiff and Class Members,
22 TransUnion has failed to follow reasonable procedures to assure maximum
23 accuracy of information they put in Credit Reports in violation of 15 U.S.C. §
24 1681e(b).

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27 175. As a result of TransUnion's failure to follow reasonable procedures in
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1 accordance with the requirements of 15 U.S.C. § 1681e(b), TransUnion has
2 erroneously reported one or more of the discharged debts of Plaintiff and
3 Class Members as due and legally owed in Credit Reports.

4 176. TransUnion's failure to comply with the requirements of 15 U.S.C. § 1681e(b)
5 is negligent within the meaning of 15 U.S.C. § 1681o(a).

6 177. As a result of TransUnion's negligent violation of the requirements of 15
7 U.S.C. § 1681e(b), Plaintiff and Class Members statutory rights to be able to
8 apply for credit based on accurate information have been violated, placing
9 them at increased risk of not being able to obtain valuable credit and adversely
10 affecting their credit ratings and causing other actual damages.

11 **THIRD CAUSE OF ACTION**

12 **Willful Failure to Reasonably Reinvestigate**
13 **in Violation of 15 U.S.C. § 1681i(a)**

14 **(On behalf of all Plaintiff and All Dispute Subclass Members)**

15 178. The allegations set forth in the paragraphs above are realleged and
16 incorporated by reference as if fully set forth here.

17 179. TransUnion has failed to use reasonable reinvestigation practices for
18 ascertaining the accuracy of information relating to the discharged debts of
19 Plaintiff and Dispute Subclass members that TransUnion has erroneously
20 reported as due legally owing in Credit Reports.

21 180. As a result of TransUnion's failure to conduct reasonable reinvestigations in
22 accordance with the requirements of 15 U.S.C. § 1681i(a)(1), TransUnion has
23 continued to erroneously report the discharged debts of Plaintiff and Dispute
24 Subclass members as due and legally owing in their Credit Reports relating to
25 Plaintiff and Subclass Members, after having been notified that they are
26 disputing that information.

27 181. TransUnion's failure to comply with the requirements of 15 U.S.C. §
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1 1681i(a)(1) is willful within the meaning of 15 U.S.C. § 1681n(a).

2 182. As a result of TransUnion's willful noncompliance with the requirements of
3 15 U.S.C. § 1681i(a)(1), Plaintiff and Dispute Subclass members are entitled
4 to statutory and punitive damages under 15 U.S.C. § 1681n(a)(1) and (a)(2).

5 183. As a further result of TransUnion's willful noncompliance with the
6 requirements of 15 U.S.C. § 1681i(a)(1), Plaintiff and Dispute Subclass
7 Members have suffered damage to their credit ratings and other actual
8 damages.

9 **FOURTH CAUSE OF ACTION**

10 **Negligent Failure to Reasonably Reinvestigate**
11 **in Violation of 15 U.S.C. § 1681i(a)**

12 **(On behalf of all Plaintiff and All Dispute Subclass Members)**

13 184. The allegations set forth in the paragraphs above are realleged and
14 incorporated by reference as if fully set forth here.

15 185. TransUnion has failed to use reasonable reinvestigation practices for
16 ascertaining the accuracy of information relating to the discharged debts of
17 Plaintiff and Dispute Subclass members that TransUnion has erroneously
18 reported as due legally owing in Credit Reports.

19 186. As a result of TransUnion's failure to conduct reasonable reinvestigations in
20 accordance with the requirements of 15 U.S.C. § 1681i(a)(1), TransUnion has
21 continued to erroneously report the discharged debts of Plaintiff and Dispute
22 Subclass members as due and legally owing in their Credit Reports relating to
23 Plaintiff and Subclass Members, after having been notified that they are
24 disputing that information.

25 187. TransUnion's failure to comply with the requirements of 15 U.S.C. §
26 1681i(a)(1) is negligent within the meaning of 15 U.S.C. § 1681o(a).

27
28 188. As a result of TransUnion's negligent noncompliance with the requirements of

1 15 U.S.C. § 1681i(a)(1), Plaintiff and Dispute Subclass Members' statutory
2 rights to be able to apply for credit based on accurate information have been
3 violated, placing them at increased risk of not being able to obtain valuable
4 credit and adversely affecting their credit ratings and causing other actual
5 damages.

6 189. Plaintiff and Dispute Subclass members are entitled to statutory and punitive
7 damages under 15 U.S.C. § 1681n(a)(1) and (a)(2).

8 190. As a further result of TransUnion's willful noncompliance with the
9 requirements of 15 U.S.C. § 1681i(a)(1), Plaintiff and Dispute Subclass
10 Members have suffered damage to their credit ratings and other actual
11 damages.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, Plaintiff and The Class Members pray for judgment as follows:

- 14
- 15 • That the practices and procedures of TransUnion complained of herein
16 be determined and adjudged to be in violation of the rights of Plaintiff
17 and Class and Subclass members under the FCRA;
 - 18 • That the Court enter an Order certifying the claims of the Class and
19 Subclass for violation of the FCRA under FED. R. CIV. P. 23(b)(3);
 - 20 • That, in accordance with 15 U.S.C. §§ 1681n(a) and 1681o(a),
21 judgment be entered in favor of Plaintiff and the Class and Subclass,
22 either individually or class-wide, and against TransUnion for statutory
23 and/or punitive damages in amounts to be determined at trial;
 - 24 • That, in accordance with 15 U.S.C. §§ 1681n(a)(3) and 1681o(a)(2),
25 Plaintiff and the Class and Subclass be awarded the costs of this action
26 together with reasonable attorney's fees as the Court may determine;

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- 28 • That Plaintiff and the Class and Subclass members be awarded such

other and further legal and equitable relief as may be found appropriate and as the Court may deem equitable and just.

Dated: March 7, 2017

Respectfully submitted,

KAZEROUNI LAW GROUP, APC

By: /s/ Matthew M. Loker
MATTHEW M. LOKER, ESQ.
ATTORNEY FOR PLAINTIFF

TRIAL BY JURY

191. Pursuant to FED. R. CIV. P. 38, Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: March 7, 2017

Respectfully submitted,

KAZEROUNI LAW GROUP, APC

By: /s/ Matthew M. Loker
MATTHEW M. LOKER, ESQ.
ATTORNEY FOR PLAINTIFF

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CIVIL COVER SHEET

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The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS
KELLIE GADOMSKI, Individually and on Behalf of All Others Similarly Situated,
(b) County of Residence of First Listed Plaintiff San Joaquin
(c) Attorneys (Firm Name, Address, and Telephone Number)
Matthew M. Loker, Esq. (SBN: 279939)
KAZEROUNI LAW GROUP, APC
245 Fischer Avenue, Unit D1, Costa Mesa, CA 92626 (800) 400-6808

DEFENDANTS
TRANS UNION LLC,
County of Residence of First Listed Defendant
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.
Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)
1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)
PTF DEF
Citizen of This State 1 1
Citizen of Another State 2 2
Citizen or Subject of a Foreign Country 3 3
Incorporated or Principal Place of Business In This State 4 4
Incorporated and Principal Place of Business In Another State 5 5
Foreign Nation 6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with 5 columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Contains various legal categories and checkboxes.

V. ORIGIN (Place an "X" in One Box Only)
1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District
6 Multidistrict Litigation

VI. CAUSE OF ACTION
Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
15 U.S.C. § 1681
Brief description of cause:
Plaintiff alleges violations of the FCRA.

VII. REQUESTED IN COMPLAINT:
CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$
CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY
(See instructions): JUDGE DOCKET NUMBER

DATE 03/29/2017 SIGNATURE OF ATTORNEY OF RECORD /s/ Matthew M. Loker

FOR OFFICE USE ONLY
RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

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INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

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- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the six boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- Date and Attorney Signature.** Date and sign the civil cover sheet.

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Trans Union Hit with Another FCRA Lawsuit](#)
