

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
WESTERN DIVISION**

<b>CONNIE J. SHIELDS,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	
<b>v.</b>	)	<b>Civil Action No.:</b>
	)	
<b>FIRST RESOLUTION INVESTMENT</b>	)	
<b>CORPORATION; EXPERIAN</b>	)	
<b>INFORMATION SYSTEMS, INC;</b>	)	
<b>TRANS UNION, LLC; EQUIFAX</b>	)	
<b>INFORMATION SERVICES,</b>	)	
<b>LLC,</b>	)	
<b>Defendants.</b>	)	

**COMPLAINT**

COMES NOW the Plaintiff, by and through counsel, in the above styled cause, and for his Complaint against the Defendants states as follows:

**Jurisdiction & Venue**

1. This is an action brought by a consumer for violations of the Fair Credit Reporting Act (15 U.S.C. § 1681 et seq. [hereinafter “FCRA”]) and the Fair Debt Practices Act<sup>1</sup> (15 U.S.C. § 1692 et seq. [hereinafter “FDCPA”]). Therefore, subject matter jurisdiction exists under 28 U.S.C. Section 1331.
  
2. This action is also brought under Alabama state law. These claims are brought under 28 U.S.C. Section 1332 as there exists complete diversity and the amount in controversy exceeds Seventy Five Thousand Dollars (\$75,000), exclusive of costs and interests.

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<sup>1</sup> Any reference the FDCPA or FCRA or any part thereof encompasses all relevant parts and subparts thereto.

3. The state law claims are also properly before this court based upon supplemental jurisdiction under 28 U.S.C. Section 1367 as the state law claims form part of the same case or controversy as the federal claims as they are based upon substantially similar and overlapping facts.
4. Venue is proper in this Court under 28 U.S.C. Section 1391(b) as the events took place in this Judicial District and the Defendants reside in this Judicial District as all Defendants are subject to personal jurisdiction in this Judicial District.

### **Parties**

5. The Plaintiff, Connie J. Shields (“Plaintiff”), is a natural person who resides within this Judicial District.
6. Defendant First Resolution Investment Corporation (“Defendant” or “FRIC”) is a foreign company that engages in the business of debt collection and reporting consumer credit information to credit reporting agencies. It conducts business in this Judicial District. Its principle place of business is outside the State of Alabama.
7. Defendant Experian Information Solutions, Inc. (“Defendant” or “Experian”) is a foreign company that engages in the business of maintaining and reporting consumer credit information and does business in this Judicial District.
8. Defendant Trans Union, LLC (“Defendant” or “Trans Union”) is a foreign company that engages in the business of maintaining and reporting consumer credit information and does business in this Judicial District.

9. Defendant Equifax Information Services, LLC (“Defendant” or “Equifax”) is a foreign company that engages in the business of maintaining and reporting consumer credit information and does business in this Judicial District.

**Factual Allegations**

10. In March 2007, Defendant FRIC sued Plaintiff in the Small Claims court of Tuscaloosa County, Alabama, with a case number of SM-2007-776.
11. In this suit, Defendant FRIC asserted it was the owner of a certain debt allegedly owed by Plaintiff and asserted it was owed \$2971.57.
12. A copy of the suit was sent by Defendant FRIC to Plaintiff, which stated the following ominous message to Plaintiff regarding the seriousness of the lawsuit: “However, if you, or your lawyer, fail to answer this complaint within fourteen (14) days after you receive these papers, a judgment can be taken against you. Once a judgment has been entered against you, your paycheck can be garnished and/or your home or property sold to satisfy that judgment.”
13. In various collection letters which Defendant FRIC claims it sent to Plaintiff, before and after the suit, the amount Defendant FRIC claimed Plaintiff owed fluctuated as follows:
  - a. September 28, 2005 - \$2,974.50
  - b. January 23, 2007 - \$2,971.57; and
  - c. March 15, 2007 - \$3,124.56
14. Plaintiff denied and disputed the debt.
15. After being sued, Plaintiff filed an Answer denying the allegations of Defendant FRIC.

16. On April 5, 2007, the state court set the case for trial on May 7, 2007. Notice was sent to Defendant FRIC and Plaintiff.
17. Several days before the trial date, Defendant FRIC attempted to dismiss the case *without* prejudice and without contacting Plaintiff.
18. The state court directed Defendant FRIC to consult with Plaintiff regarding any dismissal.
19. Plaintiff did not agree to a dismissal without prejudice. Instead, the Plaintiff expressed his desire to try the case on May 7, 2007.
20. At all times Plaintiff was prepared for trial.
21. Defendant FRIC agreed to the case being dismissed with prejudice rather than try the case on the May 7, 2007, trial date.
22. According to the court file, the Court dismissed the case with prejudice on or about May 8, 2007.
23. A dismissal with prejudice is an adjudication on the merits.
24. Defendant FRIC is not the owner of this alleged debt.
25. Defendant FRIC reported to the credit reporting agencies that Plaintiff owed this money and was in default.
26. Plaintiff did not owe this money to Defendant FRIC.
27. The debt being collected is a consumer debt as defined by the FDCPA.
28. Plaintiff is a “consumer” as defined by the FDCPA and FCRA.
29. Defendant FRIC is a “debt collector” as defined by the FDCPA.
30. After the dismissal with prejudice, Plaintiff sent a letter to each national credit-reporting agency, Defendants Experian, Trans Union and Equifax, requesting an

- investigation of the Defendant FRIC account that still appeared on Plaintiff's credit reports.
31. Plaintiff requested that the Defendant FRIC account be deleted, as Plaintiff did not owe it.
  32. Plaintiff invited Defendants Experian, Trans Union, and Equifax to contact the Defendant FRIC's attorney or the state court to verify that the lawsuit had been dismissed with prejudice.
  33. No Defendant contacted Defendant FRIC's counsel or the court to verify the lawsuit had been dismissed with prejudice.
  34. No Defendant was concerned or cared about what the state court did in the case as no Defendant had any intention of performing a reasonable investigation.
  35. No Defendant did perform any type of reasonable investigation.
  36. Defendants Experian, Trans Union, and Equifax notified Defendant FRIC in accordance with the FCRA of the dispute by the Plaintiff.
  37. Alternatively, Defendants Experian, Trans Union, and Equifax did not properly notify Defendant FRIC and, as a part of this failure, did not include all relevant information provided by Plaintiff in their notification of Defendant FRIC. This includes notification that the state court dismissed the case with prejudice.
  38. All Defendants failed to properly investigate these disputes as if Defendants had properly investigated, the FRIC account would have been deleted.
  39. On June 26, 2007, Defendant Trans Union issued its results of investigation, which shows the Defendant FRIC account as "updated" with a balance of \$3,166 and that it is a collection account, disputed by the consumer.

40. On June 16, 2007, Defendant Equifax issued its results of investigation showing the Defendant FRIC account as “updated” with a balance of \$3,158. It also shows it as a disputed collection account.
41. On June 7, 2007, Defendant Experian issued its results of investigation, Confirmation Number 1368678709, and it shows the Defendant FRIC account as “updated” with a balance of \$3,158. It also shows it as a disputed collection account.
42. All Defendants were provided with more than sufficient information in the disputes and in their own internal sources of information (which includes the knowledge of Defendant FRIC through its state court trial counsel that the case was dismissed with prejudice) to conduct an investigation and to conclude that the account complained of was being reported incorrectly.
43. The Defendants Equifax, Experian, and Trans Union have previously proclaimed that they were obligated to rely upon whatever the public records state about a consumer.
44. For example, had Plaintiff not answered the small claims suit and a default judgment was entered, and Plaintiff disputed with the CRAs, Equifax, Experian, and Trans Union would have taken the position that they were bound by the state court judgment which says Plaintiff owes the money.
45. These same Defendants, however, refused to rely upon what the state court judge actually said - the case was dismissed with prejudice.
46. The dismissal with prejudice means the Plaintiff does not owe the money claimed by Defendant FRIC.

47. The state court ruling was a final judgment.
48. This final judgment was not appealed to the Tuscaloosa County Circuit Court.
49. There is no avenue for appeal for Defendant FRIC of this judgment as the time to appeal has long since passed.
50. Despite this knowledge, Defendants Equifax, Experian, and Trans Union have completely abdicated their obligations under federal and state law and have instead chosen to merely “parrot” whatever their customer, Defendant FRIC, has told them to say.
51. Defendants Equifax, Experian, and Trans Union have a policy to favor the paying customer, in this situation Defendant FRIC, rather than what the consumer or the state court says about a debt.
52. The primary reason for this wrongful policy is that furnishers in general, and debt collectors specifically, provide enormous financial rewards to these Defendants.
53. The importance of keeping balances on credit reports is that all the Defendants understand that one of the most powerful methods furnishers (and debt collectors) have to wrench payment from a consumer is by placing accounts with balances on the consumer’s credit reports.
54. Defendant FRIC has a policy and procedure to refuse to update credit reports of consumers, like Plaintiff, who do not owe the alleged debt. The reason is to keep false information on the credit report. The false information consists of a balance shown as owed when Defendant FRIC knows no balance is owed.
55. Defendant FRIC has promised through its subscriber agreements or contracts to accurately update accounts but Defendant FRIC has willfully, maliciously,

- recklessly, wantonly, and/or negligently failed to follow this requirement as well as the requirements set forth under the FCRA, FDCPA, and state law, which has resulted in the intended consequences of this information remaining on Plaintiff's credit reports.
56. Defendant FRIC assumed a duty, through the subscriber agreement and other actions, to accurately report the balances and this duty was breached in a negligent, wanton, reckless, willful, intentional, and/or malicious manner.
  57. Defendant FRIC has a policy to "park" its accounts on at least one of the consumer's credit report. This is a term in the industry for keeping a false balance (or false account) on the credit report so that the consumer will be forced to pay off the balance in order to obtain a refinancing or to qualify for a loan or to increase the consumer's credit score from the artificially lowered score which directly resulted from the Defendants' intentional and malicious conduct.
  58. In parking or allowing the parking of an account, all Defendants know they are violating their obligations and duties under federal and state law to accurately report the account and the balance.
  59. All Defendants know that parking a balance will lead to false and defamatory information being published every time the Plaintiff's credit report is accessed and this is the malicious and intentional design behind Defendants' actions with the goal to force the Plaintiff to pay on an account he does not owe.
  60. All Defendants maliciously, willfully, intentionally, recklessly, and/or negligently failed to review the information provided in the disputes and that was already in their files and to conduct a reasonable investigation on Plaintiff's disputes, which

61. At all relevant times that the Defendants Equifax, Trans Union and Equifax failed to maintain and failed to follow reasonable procedures to assure maximum possible accuracy of Plaintiff's credit report, concerning the accounts in question, violating 15 U.S.C. § 1681e(b) and state law.
62. Defendant FRIC failed to properly maintain and failed to follow reasonable procedures to assure maximum possible accuracy of Plaintiff's credit information and Plaintiff's credit report, concerning the account in question, thus violating state law and FDCPA as set forth in this Complaint. These violations occurred before, during, and after the dispute process began with the consumer reporting agencies.
63. Defendant FRIC has taken aggressive actions in a continued effort to collect the alleged debt against Plaintiff. These actions include the continued reporting of the debt to third parties, including consumer-reporting agencies such as Equifax, Trans Union, and Experian, that Plaintiff owed the debt, that Plaintiff defaulted, and that the account was in collections.
64. The Defendants Experian, Equifax, and Trans Union have failed to maintain Plaintiff's accounts with maximum accuracy and all Defendants have failed to properly investigate the accounts in response to the disputes made by Plaintiff.

65. The conduct of the Defendants has proximately caused Plaintiff past and future monetary loss, past and future damage to Plaintiff's credit and credit worthiness, past and future mental distress and emotional anguish, and other damages that will be presented to the trier of fact.
66. It is a practice of all of the Defendants to maliciously, willfully, recklessly, wantonly and/or negligently ignore and refuse to follow the requirements of the FDCPA (Defendant FRIC), FCRA (all Defendants) and state law (all Defendants).
67. All actions taken by employees, agents, servants, or representatives of any type for the Defendants were taken in the line and scope of such individuals (or entities') employment, agency or representation.
68. All actions taken by the Defendants were done with malice, were done willfully, and were done with either the desire to harm Plaintiff and/or with the knowledge that their actions would very likely harm Plaintiff and/or that their actions were taken in violation of the FCRA and/or FDCPA and/or state law and/or that they knew or should have known that their actions were in reckless disregard of the FCRA and/or FDCPA and/or state law.
69. All Defendants have engaged in a pattern and practice of wrongful and unlawful behavior with respect to accounts and consumer reports and as such all Defendants are subject to punitive damages and statutory damages and all other appropriate measures to punish and deter similar future conduct by these Defendants and similar companies.

**FIRST CLAIM FOR RELIEF**  
**Violations of the Fair Debt Collection Practices Act**

70. All paragraphs of this Complaint are expressly adopted and incorporated herein as if fully set forth herein.
71. Defendant FRIC violated the FDCPA in numerous ways, including, but not limited to the following:
- a. Falsely reporting the debt on Plaintiff's credit reports with at least Experian, Equifax, and Trans Union when Plaintiff does not owe the money;
  - b. Suing the Plaintiff when there was no basis to do so;
  - c. Continuing to assert the suit in state court when Defendant FRIC knew, or should have known, there was no basis for doing so;
  - d. Not informing the Plaintiff of the true amount that was allegedly owed (see the shifting amounts listed in this Complaint); and
  - e. Engaging in collection activities on a debt that Plaintiff does not owe and that Defendant FRIC is not entitled to collect upon.
72. As a result of the violations of the FDCPA, the Defendant FRIC is liable to the Plaintiff for declaratory judgment that its conduct violated the FDCPA, and Plaintiff's actual damages, statutory damages, costs, expenses, and attorneys' fees.

**SECOND CLAIM FOR RELIEF**  
**Violating the Fair Credit Reporting Act**

73. All paragraphs of this Complaint are expressly adopted and incorporated herein as if fully set forth herein.
74. Defendants Experian, Equifax and TransUnion are each a "consumer reporting agency," as codified at 15 U.S.C. § 1681a(e).

75. Defendant FRIC is an entity who, regularly and in the course of business, furnishes information to one or more consumer reporting agencies about its transactions or experiences with any consumer and therefore constitutes a “furnisher,” as codified at 15 U.S.C. § 1681s-2.
76. Plaintiff notified Defendants Experian, Equifax and TransUnion directly of a dispute on the Defendant FRIC account’s completeness and/or accuracy, as reported.
77. The credit reporting agencies failed to delete information found to be inaccurate, reinserted the information without following the FCRA, or failed to properly investigate Plaintiff’s disputes.
78. Plaintiff alleges that at all relevant times Defendants Experian, Equifax and Trans Union failed to maintain and failed to follow reasonable procedures to assure maximum possible accuracy of his credit report, concerning the accounts in question, violating 15 U.S.C. § 1681e(b).
79. Plaintiff alleges that all Defendants failed to conduct a proper and lawful reinvestigation. For example, Defendants were given notice that the suit was dismissed with prejudice but apparently failed to review the court file or contact the court or contact counsel for Defendant FRIC. Other examples will become apparent once discovery is commenced.
80. All actions taken by the Defendants were done with malice, were done willfully, and were done with either the desire to harm Plaintiff and/or with the knowledge that their actions would very likely harm Plaintiff and/or that their actions were

taken in violation of the FCRA and state law and/or that knew or should have known that their actions were in reckless disregard of the FCRA and state law.

81. All of the violations of the FCRA proximately caused the injuries and damages set forth in this Complaint.

**THIRD CLAIM FOR RELIEF**  
**State Law Claims**

82. All paragraphs of this Complaint are expressly adopted and incorporated herein as if fully set forth herein.

83. All Defendants intentionally published false and defamatory information related to the Defendant FRIC account.

84. Defendants acted with negligence, malice, wantonness, recklessness, and/or intentional conduct in their dealings with and about Plaintiff as set forth in this Complaint. This includes the initial reporting of Defendant FRIC's account; the handling of any investigations on the accounts; and all other aspects as set forth in this Complaint.

85. Defendants assumed a duty, through the subscriber agreement and other actions, to accurately report the balances and account.

86. Defendants violated all of the duties the Defendants had and such violations were made intentionally, willfully, recklessly, maliciously, wantonly, and negligently.

87. It was foreseeable, and Defendants did in fact foresee it, that refusing to properly update and investigate would cause the exact type of harm suffered by the Plaintiff.

88. Defendants acted with negligence, malice, wantonness, recklessness, and/or intentional conduct in their dealings with and about Plaintiff as set forth in this

Complaint. This includes the initial reporting of Defendants' accounts; the intentional refusal to properly update the accounts; and all other aspects as set forth in this Complaint.

89. Defendants invaded the privacy of Plaintiff as set forth in Alabama law, including publishing false information about Plaintiff's personal financial obligations.
90. The Defendants acted with intentional, reckless, or wanton conduct in attempting to collect this debt (Defendant FRIC) and reporting this false information (all Defendants).
91. Such negligence, malice, wantonness, recklessness, willfulness, and/or intentional conduct proximately caused the damages set forth in this complaint and such conduct occurred before, during and after the disputes to the CRAs.
92. As a result of this conduct, action, and inaction of all Defendants, Plaintiff has suffered damage as set forth in this Complaint.

**RELIEF SOUGHT**

WHEREFORE, Plaintiff respectfully prays that judgment be entered against the Defendants for the following:

- A. An award of statutory, actual, compensatory and punitive damages, and costs of the action including expenses, together with reasonable attorney's fees.
- B. Plaintiff also requests all further relief to which he is entitled under Federal or State law, whether of a legal or equitable nature.

Respectfully Submitted,

/s/ John G. Watts

**John G. Watts ASB-5819-T82J**  
**Attorney for Plaintiff**

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**PLAINTIFF DEMANDS A TRIAL BY JURY IN THIS CAUSE.**

/s/ John G. Watts

**Attorney for Plaintiff**

**Serve defendants via certified mail at the following addresses:**

First Resolution Investment Corporation  
c/o Uphar Dhaliwal  
851 Coho Way #312  
Bellingham, WA 98225

Trans Union, LLC  
c/o Prentice-Hall Corporation System, Inc.  
150 South Perry Street  
Montgomery, AL 36104

Equifax Information Services, LLC  
c/o CSC Lawyers Incorporating Services, Inc.  
150 South Perry Street  
Montgomery, Alabama 36104

Experian Information Solutions, Inc.  
c/o The Corporation Company  
2000 Interstate Park Drive  
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