

AAA Case No.: [To be Assigned]

Erika Gomez, Claimant,

v.

MIDLAND FUNDING LLC, and MIDLAND CREDIT MANAGEMENT, INC.,
Respondents.

ARBITRATION COMPLAINT

Party Designation

This section outlines the parties involved in the arbitration process.

1. Claimant

The individual or entity initiating the arbitration process.

Erika Gomez

2. Respondents

The individuals or entities against whom the arbitration is initiated.

MIDLAND FUNDING LLC

MIDLAND CREDIT MANAGEMENT, INC.

Factual Summary

This section provides a detailed overview of the facts pertinent to the arbitration complaint.

1. Background

This subsection outlines the background information relevant to the case.

Details about the initial agreement between the parties.

Chronology of events leading up to the dispute.

2. Dispute Details

This subsection elaborates on the specific issues that have led to the arbitration.

Nature of the dispute.

Claims made by the claimant.

Responses or defenses by the respondents.

Introduction and Nature of the Claim

This section introduces the arbitration complaint and outlines the nature of the claim being made.

1. Overview

This subsection provides a general overview of the complaint and the context in which it arises.

Summary of the claim's background.

Key issues leading to the arbitration.

2. Claim Details

This subsection details the specific claims being made by the claimant.

Specific allegations against the respondents.

Legal basis for the claims.

Relief or remedies sought by the claimant.

Jurisdiction and Arbitrability

This section addresses the jurisdiction and arbitrability of the arbitration complaint.

1. Jurisdiction

This subsection discusses the jurisdictional aspects relevant to the arbitration.

Legal framework governing the arbitration process.

Authority of the arbitration panel.

2. Arbitrability

This subsection examines the arbitrability of the issues presented in the complaint.

Criteria for determining arbitrability.

Specific issues deemed arbitrable under the agreement.

Allegations as to Parties

This section outlines the specific allegations made against the parties involved in the arbitration.

1. Claimant's Allegations

This subsection details the allegations made by the claimant against the respondents.

Specific actions or omissions by the respondents.

Impact of these actions on the claimant.

2. Respondents' Conduct

This subsection describes the conduct of the respondents as alleged by the claimant.

Nature of the respondents' conduct.

Legal implications of the conduct.

Factual Allegations

This section provides a detailed account of the factual allegations pertinent to the arbitration complaint.

1. Adoption and Reallegation

Claimant adopts and realleges the foregoing as fully restated herein.

2. Financial Obligation

Prior to the commencement of this action, Claimant allegedly incurred a financial obligation under the Milestone Mastercard account that was primarily for personal, family, or household purposes and is therefore a "debt" as defined by 15 U.S.C. § 1692a(5).

3. Debt Transfer

Sometime thereafter, the alleged debt was transferred to or placed with Respondents for collection from the Claimant.

4. Communication Notice

On or about January 10, 2025, Claimant sent a written notice to Midland informing Respondents that the only convenient and acceptable method of communication was via email and provided her email address.

5. Notice Delivery

The notice was delivered to Midland on or about January 14, 2025, putting Respondents on notice that communicating via postal mail was inconvenient and impermissible.

6. Collection Letter

Despite Claimant's instructions, Midland sent Claimant a collection letter dated January 21, 2025, via postal mail. This was a "communication" in an attempt to collect a debt as that term is defined by 15 U.S.C. § 1692a(2).

7. Credit Report Access

Separately, upon information and belief, Midland obtained Claimant's TransUnion credit report without a permissible purpose on at least six occasions, on or about the following dates: January 9, 2024; November 10, 2023; September 6, 2023; July 22, 2023; May 5, 2023; and March 3, 2023.

8. Respondents' Conduct

In light of the facts articulated herein, Respondents contacted the Claimant at a place and in a manner they knew was inconvenient; engaged in conduct the natural consequence of which was to harass and oppress the Claimant; and used unfair, unconscionable, and deceptive means to collect a debt.

9. Damages

Claimant suffered actual damages, including stress, anxiety, humiliation, invasion of privacy, financial costs for credit monitoring, and loss of productive time.

Practices of the Respondent

This section outlines the specific practices of the respondent that are pertinent to the arbitration complaint.

1. Collection Practices

This subsection details the collection practices employed by the respondent.

Methods of communication used by the respondent.

Frequency and nature of contact with the claimant.

2. Compliance with Regulations

This subsection examines the respondent's compliance with relevant regulations.

Adherence to federal and state debt collection laws.

Documentation and record-keeping practices.

3. Impact on Claimant

This subsection describes the impact of the respondent's practices on the claimant.

Emotional and financial effects on the claimant.

Claimant's response to the respondent's actions.

CAUSES OF ACTION

COUNT I: Violations of the Fair Debt Collection Practices Act (FDCPA)

11. Claimant adopts and realleges the foregoing as fully stated herein.

12. At all relevant times, Claimant was a "consumer", the alleged obligation was a "debt", and Respondents were acting as "debt collectors", bringing their conduct under the purview of the FDCPA.

13. Respondents violated multiple provisions of the FDCPA, including but not limited to:

15 U.S.C. § 1692c(a)(1) – Communication at an Inconvenient Place: Respondents communicated with the Claimant by sending a collection letter via postal mail after Claimant provided clear written instructions to only use email, making the mail communication to a place and in a manner known to be inconvenient.

15 U.S.C. § 1692e(10) – Deceptive Means: Respondents used deceptive means to obtain information concerning a consumer by accessing Claimant's credit reports on multiple occasions, thereby falsely representing that they had a permissible purpose and legal right to do so.

15 U.S.C. § 1692f – Unfair or Unconscionable Means: Respondents used unfair and unconscionable means to attempt to collect a debt by obtaining Claimant's private financial information from credit reporting agencies without authorization or a legitimate purpose.

15 U.S.C. § 1692d – Harassment or Oppression: Respondents engaged in conduct the natural consequence of which was to harass and oppress the Claimant by willfully ignoring her written instructions regarding communication, a method intended to protect her privacy and peace of mind.

14. As a direct and proximate result of Respondents' violations, Claimant suffered actual damages, including but not limited to, emotional distress, anxiety, invasion of privacy, financial costs for credit monitoring, and the loss of productive time spent investigating and addressing the unlawful conduct.

15. Pursuant to **15 U.S.C. § 1692k**, Respondents are liable to Claimant for her actual damages, statutory damages of \$1,000, and the costs of this action, including reasonable attorney's fees.

COUNT II: Violations of the Fair Credit Reporting Act (FCRA)

16. Claimant adopts and realleges the foregoing as fully stated herein.

17. At all relevant times, Claimant was a "consumer", the credit reports at issue were "consumer reports," and Respondents were "users" of those reports, subjecting their conduct to the requirements of the FCRA.

18. Respondents violated **15 U.S.C. § 1681b(f)** by using or obtaining Claimant's consumer reports on at least six occasions without a permissible purpose. As alleged above, Claimant never provided written authorization for these inquiries and had no established relationship with or pending transaction initiated by Claimant that would provide Respondents with a permissible purpose under any provision of **15 U.S.C. § 1681b**.

19. Respondents' violations of the FCRA were willful. Respondents, as sophisticated national debt collectors, know or should know the strict limitations on accessing consumer reports. By repeatedly obtaining Claimant's reports without a permissible purpose, Respondents acted with knowing or reckless disregard for their statutory duties under the FCRA.

20. As a direct and proximate result of Respondents' willful violations, Claimant suffered actual damages, including emotional distress, invasion of privacy, financial costs for credit monitoring, and lost time.

21. Pursuant to **15 U.S.C. § 1681n** for their willful noncompliance, Respondents are liable to Claimant for her actual damages, statutory damages of \$1,000 for each violation, punitive damages as the Arbitrator may allow, and the costs of this action, including reasonable attorney's fees.

COUNT III: Violations of the Rosenthal Fair Debt Collection Practices Act (RFDCPA)

22. Claimant adopts and realleges the foregoing as fully stated herein.

23. At all relevant times, Claimant was a "debtor" (**Cal. Civ. Code § 1788.2(h)**), the obligation was a "consumer debt" (**§ 1788.2(f)**), and Respondents were "debt collectors" (**§ 1788.2(c)**) collecting a consumer debt, making their conduct subject to the RFDCPA.

24. Respondents violated multiple provisions of the RFDCPA, including but not limited to:

California Civil Code § 1788.14(c): Respondents initiated communication with the Claimant by mail after the Claimant provided written instructions to use a different method of communication (email).

California Civil Code § 1788.17: Respondents failed to comply with the provisions of the federal FDCPA (specifically **15 U.S.C. §§ 1692c, 1692d, 1692e, and 1692f**), which constitutes a direct violation of the RFDCPA.

25. Respondents' disregard for Claimant's clear, written instructions and for the plain language of the statutes constituted a knowing and willful violation of California law.

26. As a direct result of these violations, Claimant suffered actual damages.

27. Pursuant to **California Civil Code § 1788.30** Respondents are liable to Claimant for her actual damages, a statutory penalty of \$1,000, and the costs of this action, including reasonable attorney's fees.

COUNT IV: Violations of the California Consumer Credit Reporting Agencies Act (CCRAA)

28. Claimant adopts and realleges the foregoing as fully stated herein.

29. At all relevant times, Claimant was a "consumer" (**Cal. Civ. Code § 1785.3(b)**), the reports at issue were "consumer credit reports" (**§ 1785.3(c)**), and Respondents were "users of a consumer credit report" (**§ 1785.3(l)**), subjecting their conduct to the requirements of the CCRAA.

30. Respondents violated **California Civil Code § 1785.19(a)** by obtaining and using Claimant's consumer credit reports on at least six occasions for a purpose other than a purpose for which the report may be furnished under Section 1785.11.

31. Respondents' violations of the CCRAA were willful. As one of the largest and most sophisticated debt

purchasers in the nation, Respondents know, or are reckless in not knowing, the strict legal requirements for accessing consumer credit reports. The pattern of obtaining Claimant's report on six separate occasions, without any transaction initiated by the Claimant or any authorization, demonstrates a knowing and intentional violation of the CCRAA, or at a minimum, a reckless disregard for the Claimant's statutory rights. This conduct was not the result of an isolated error but rather reflects a deliberate business practice.

32. As a direct result of these willful violations, Claimant suffered actual damages.

33. Respondents' willful violations of the CCRAA render them liable to Claimant for her actual damages and justify the imposition of punitive damages of \$5,000 for each of the six willful violations in order to punish their conduct and deter future misconduct, in addition to the costs of this action and reasonable attorney's fees, pursuant to **California Civil Code § 1785.31**.

COUNT V: Invasion of Privacy – Intrusion Upon Seclusion

34. Claimant adopts and realleges the foregoing as fully stated herein.

35. Claimant possessed a reasonable expectation of privacy in her sensitive personal and financial information contained within her consumer credit reports and in her right to be free from unwanted communications at her home.

36. Respondents intentionally intruded upon Claimant's seclusion by engaging in a tactical and calculative practice of systematically accessing her private credit reports. This intrusion was not only to collect an alleged debt but also, upon information and belief, to survey and harvest other private data related to the Claimant, all without authorization or legal justification.

37. Respondents' conduct is highly offensive to a reasonable person. The intrusion was not an accident but a deliberate tactic employed to oppress the Claimant and force payment of the alleged debt. Such calculated disregard for a consumer's privacy by a sophisticated debt collector is extreme and outrageous.

38. As a direct and proximate result of this intrusion, Claimant suffered harm, including but not limited to, mental anguish, frustration, and emotional distress.

39. Respondents' conduct, as part of a business practice designed to leverage private information and coerce consumers, was willful, malicious, and oppressive. This conscious disregard for Claimant's fundamental right to privacy was not only unauthorized by law but was a calculated strategy, justifying the imposition of punitive damages to punish and deter such behavior.

PRAYER FOR RELIEF

Claimant, Erika Gomez, prays that the Arbitrator enter an award in her favor and against Respondents, granting the following relief:

a. **Actual and Compensatory Damages** in an amount to be determined at arbitration for Claimant's emotional distress, financial expenses, and loss of productive time;

b. **Statutory Damages** under federal law, including: i. \$1,000 for violations of the FDCPA, pursuant to **15 U.S.C. § 1692k**; and ii. \$1,000 for each of the six willful violations of the FCRA, pursuant to **15 U.S.C. § 1681n**.

c. **A Statutory Penalty** of \$1,000 for violations of California's RFDCPA, pursuant to **Cal. Civ. Code § 1788.30**;

d. **Punitive Damages for Willful Violations of the CCRAA** specifically \$5,000 for each of the six instances where Respondents willfully obtained Claimant's credit report without a permissible purpose, in order to punish their unlawful conduct and to deter them from engaging in such misconduct in the future, pursuant to **Cal. Civ. Code § 1785.31**;

e. **Punitive Damages for Willful Violations of the FCRA and Common Law** in an amount to be determined at arbitration, sufficient to punish and deter Respondents' malicious and oppressive conduct;

f. **Costs and Attorneys' Fees** incurred in prosecuting this action, as provided by the FDCPA, FCRA, RFDCPA, and CCRAA; and

g. **Such other and further relief** as the Arbitrator deems just and proper.

Respectfully submitted,

Dated: June 9, 2025

By: /s/ Rachel Rodriguez

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