

AAA Case No.: [To be Assigned]

Erika Gomez, Claimant,

v.

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

ARBITRATION COMPLAINT

Party Designation

The parties involved in this arbitration are as follows:

1. **Claimant:** Erika Gomez
Address: [Claimant's Address]
Contact: [Claimant's Contact Information]
2. **Respondents:**
MIDLAND FUNDING LLC
MIDLAND CREDIT MANAGEMENT, INC.

Factual Summary

This section provides a detailed account of the facts pertinent to the arbitration case.

1. **Background:**
The background information relevant to the case is outlined here.
2. **Events Leading to Arbitration:**
A chronological description of the events that have led to the current arbitration proceedings.
3. **Current Status:**
An overview of the current status of the dispute and any ongoing proceedings.

Introduction and Nature of the Claim

This section introduces the nature of the claim being brought forth in this arbitration.

1. **Claim Overview:**
A brief overview of the claim and its basis.
2. **Legal Grounds:**
The legal grounds upon which the claim is based are detailed here.
3. **Relief Sought:**

A description of the relief or remedy sought by the claimant.

Jurisdiction and Arbitrability

This section addresses the jurisdiction and arbitrability of the dispute at hand.

1. **Jurisdictional Basis:**

The basis for jurisdiction in this arbitration is outlined here.

2. **Arbitrability Issues:**

Any issues related to the arbitrability of the dispute are discussed in this section.

3. **Applicable Rules:**

The rules and regulations applicable to the arbitration proceedings are detailed here.

Allegations as to Parties

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

1. **Allegations Against Claimant:**

The specific allegations made against the claimant are detailed here.

2. **Allegations Against Respondents:**

The specific allegations made against the respondents are outlined in this section.

3. **Supporting Evidence:**

A description of the evidence supporting the allegations against each party.

Factual Allegations

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

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. **Notice of Communication Preference:**

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. **Delivery of Notice:**

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. Inconvenient Contact:

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. Actual 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 practices of the respondent that are relevant to the arbitration case.

1. Collection Practices:

The respondent's collection practices are described in detail here.

2. Communication Methods:

An overview of the methods of communication used by the respondent in their collection efforts.

3. Compliance with Regulations:

The respondent's compliance with relevant regulations and laws is examined in this section.

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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