

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
INDIANA, INDIANAPOLIS DIVISION

Roger F. Barnett, Jr. v. LVNV Funding, LLC; Blitt & Gaines, P.C.

Barnett · No. 1:25-cv-02156-JPH-MG · Decided December 5, 2025

SUMMARY

The United States District Court for the Southern District of Indiana grants Roger F. Barnett leave to proceed in forma pauperis and addresses subject-matter jurisdiction over his claims concerning state-court debt-collection proceedings and arbitration. The court concludes that the Federal Arbitration Act does not independently establish federal jurisdiction, that the plaintiff's claims under 42 U.S.C. § 1983 fail because the defendants are private actors, and that diversity jurisdiction was not adequately pleaded. The first amended complaint is dismissed, and the plaintiff is given until January 13, 2026, to file a second amended complaint or show cause why the case should not be dismissed without prejudice.

CASE DETAILS

COURT	United States District Court for the Southern District of Indiana, Indianapolis Division
WRITING FOR THE COURT	James Patrick Hanlon
JURISDICTION	United States District Court for the Southern District of Indiana
DECIDED	December 5, 2025
DOCKET	1:25-cv-02156-JPH-MG
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff filed an amended federal complaint seeking, among other relief, to compel arbitration and asserting claims under the Federal Arbitration Act and 42 U.S.C. § 1983. The district court granted in forma pauperis status, denied as moot defendants' motion to dismiss the original complaint, dismissed the first amended complaint for failure to establish subject-matter jurisdiction, and granted plaintiff leave to file a second amended complaint or show cause.
STANDARD OF REVIEW	The court independently examined subject-matter jurisdiction and was required to dismiss if jurisdiction was lacking. It also assessed whether the § 1983 allegations stated a claim upon which relief could be granted.

PRECEDENTIAL VALUE	unpublished district-court order; nonprecedential
PARTIES	Roger F. Barnett, Jr. v. LVNV Funding, LLC, Blitt & Gaines, P.C.

TOPICS

subject matter jurisdiction arbitration section 1983 civil procedure constitutional law

PRACTICE AREAS

Federal jurisdiction Arbitration Civil procedure Civil rights Consumer debt litigation

QUESTIONS PRESENTED

1. Whether the Federal Arbitration Act independently supplies federal subject-matter jurisdiction for a petition to compel arbitration under 9 U.S.C. § 4.
2. Whether the underlying debt-collection disputes presented a federal question sufficient to support jurisdiction over the § 4 arbitration petition.
3. Whether Barnett stated a claim under 42 U.S.C. § 1983 against private debt-collection parties based solely on their participation in state-court proceedings.
4. Whether the amended complaint adequately alleged diversity jurisdiction under 28 U.S.C. § 1332.

HOLDINGS

1. Invoking the Federal Arbitration Act does not itself create an independent basis for federal subject-matter jurisdiction.
2. The underlying debt-collection and breach-of-contract disputes arose under state law and did not support federal-question jurisdiction over Barnett's § 4 petition.
3. Barnett failed to state a claim under 42 U.S.C. § 1983 because defendants were private actors and participation in state-court litigation, without more, is not action under color of state law.
4. The amended complaint did not adequately establish diversity jurisdiction because it failed to allege defendants' citizenship and an amount in controversy exceeding \$75,000.

KEY QUOTATIONS

“When determining jurisdiction under § 4, “a federal court should determine its jurisdiction by ‘looking through’ a § 4 petition to the parties’ underlying substantive controversy . . . to determine whether it ‘would have jurisdiction under title 28.’”

“However, participation in state court proceedings is not a state action for § 1983 purposes.”

“Mr. Barnett's first amended complaint is DISMISSED. He shall have until January 13, 2026, to file a second amended complaint or otherwise show cause why the case should not be dismissed for lack of subject-matter jurisdiction.”

FACTUAL BACKGROUND

LVNV Funding, LLC pursued three debt-collection actions against Barnett in Indiana state court, with Blitt & Gaines, P.C. representing LVNV. Barnett alleged that he invoked binding arbitration under the governing agreements, but the state cases were not stayed, and that state-court rulings and docket entries were procedurally improper. He claimed that defendants' continued participation in the state proceedings violated the Federal Arbitration Act, § 1983, the Fourteenth Amendment, and the Supremacy Clause.

PROCEDURAL HISTORY

Barnett was involved in three ongoing Indiana state-court debt-collection proceedings brought by LVNV Funding, LLC. After Barnett amended his federal complaint, the district court construed the action as principally seeking an order compelling arbitration under § 4 of the Federal Arbitration Act. The court concluded that the FAA did not independently confer federal jurisdiction, that the § 1983 claims failed because defendants were private actors not acting under color of state law, and that the amended complaint did not adequately plead diversity jurisdiction. The amended complaint was dismissed, with leave to amend or show cause by January 13, 2026.

DISPOSITION

dismissed

CASES CITED

- Rosas v. Roman Catholic Archdiocese of Chicago, 748 F. App'x 64, 65 (7th Cir. 2019)
- Bender v. Williamsport Area School District, 475 U.S. 534, 541 (1986)
- Evergreen Square of Cudahy v. Wisconsin Housing & Economic Development Authority, 776 F.3d 463, 465 (7th Cir. 2015)
- Badgerow v. Walters, 596 U.S. 1, 8 (2022)
- Vaden v. Discover Bank, 556 U.S. 49, 59, 62, 66 (2009)
- Arbaugh v. Y & H Corp., 546 U.S. 500, 513 (2006)
- Daniel v. Cook County, 883 F.3d 728, 742 (7th Cir. 2016)
- Savory v. Lyons, 469 F.3d 667, 670 (7th Cir. 2006)
- London v. RBS Citizens, N.A., 600 F.3d 742, 746 (7th Cir. 2010)
- Polk County v. Dodson, 454 U.S. 312, 318 (1981)
- Briscoe v. LaHue, 460 U.S. 325, 329 (1983)
- Johnson v. Dossey, 515 F.3d 778, 780 (7th Cir. 2008)

OPINION

BARNETT

PER CURIAM.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF INDIANA

INDIANAPOLIS DIVISION

ROGER F. BARNETT, JR.,)

) Plaintiff,)) v.) No. 1:25-cv-02156-JPH-MG)

LVNV FUNDING, LLC,)

BLITT & GAINES, P.C.,)

) Defendants.)

ORDER

I. Granting in forma pauperis status Mr. Barnett's motion to proceed in forma pauperis is GRANTED. Dkt. [2]; see 28 U.S.C. § 1915(a). While in forma pauperis status allows Mr. Barnett to proceed without prepaying the filing fee, he remains liable for the full fees. *Rosas v. Roman Catholic Archdiocese of Chicago*, 748 F. App'x 64, 65 (7th Cir. 2019) ("Under 28 U.S.C. § 1915(a), a district court may allow a litigant to proceed 'without prepayment of fees,' . . . but not without ever paying fees."). No payment is due at this time. II. Jurisdiction Federal courts are courts of limited jurisdiction. In order to hear and rule on the merits of a case, a federal court must have subject-matter jurisdiction over the issues. *Bender v. Williamsport Area Sch. Dist.*, 475 U.S. 534, 541 (1986). If the Court determines at any time that it lacks subject-matter jurisdiction, it must dismiss the case. Fed. R. Civ. P. 12(h)(3); see *Evergreen Square of Cudahy v. Wis. Hous. & Econ. Dev. Auth.*, 776 F.3d 463, 465 (7th Cir. 2015) ("[F]ederal courts are obligated to inquire into the existence of jurisdiction sua sponte."). Mr. Barnett's amended complaint lists LVNV Funding, LLC, and Blitt & Gaines, P.C. as defendants. Dkt. 12 at 2. In his ongoing state court proceedings against his creditor, LVNV, he "invok[ed] binding arbitration under the . . . agreements," but the cases were not stayed. *Id.* He alleges that in the proceedings, his motions were denied because they did not have his signature on them and entries were improperly docketed, making for an inaccurate record. *Id.* at 6. Blitt & Gaines is the law firm representing LVNV in the state court proceedings. *Id.* at 2. Mr. Barnett brings claims under the Federal Arbitration Act ("FAA") and 42 U.S.C. § 1983 for violations of his Fourteenth Amendment rights and his supremacy clause rights. *Id.* Liberally construing Mr. Barnett's complaint, his action is to compel arbitration under the under § 4 of the FAA, 9 U.S.C. § 4. *Badgerow v. Walters*, 596 U.S. 1, 8 (2022) ("The FAA 'authorizes parties to arbitration agreements to file specified actions in federal court—most prominently, petitions to compel arbitration (under Section 4).'). However, invoking the FAA does not support an independent basis for federal jurisdiction. *Varden v. Discover Bank*, 556 U.S. 49, 59 (2009); *Badgerow*, 596 U.S. at 8 ("Were it otherwise, every arbitration in the country, however distant from federal concerns, could wind up in federal district court."). When determining jurisdiction under § 4, "a federal court should determine its jurisdiction by 'looking through' a § 4 petition to the parties' underlying substantive controversy . . . to determine whether it 'would have jurisdiction under title 28.'" *Vaden*, 556 U.S. at 62 (quoting 9 U.S.C. § 4). The Supreme Court has explained the two ways to establish subject-matter jurisdiction under title 28: The basic statutory grants of

federal-court subject-matter jurisdiction are contained in 28 U.S.C. §§ 1331 and 1332. Section 1331 provides for federal-question jurisdiction, § 1332 for diversity of citizenship jurisdiction. A plaintiff properly invokes § 1331 jurisdiction when she pleads a colorable claim arising under the Constitution or laws of the United States. She invokes § 1332 jurisdiction when she presents a claim between parties of diverse citizenship that exceeds the required jurisdictional amount, currently \$75,000. *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 513 (2006) (citations and quotation omitted). Here, the three underlying controversies between Mr. Barnett and LVNV involve LVNV collecting debts from Mr. Barnett.¹ Breach of contract suits arise under state law and do not implicate a federal question. See *Valen*, 556 U.S. at 66 (finding no federal jurisdiction for § 4 petition because "the parties' actual controversy, here precipitated by Discover's state-court suit for the balance due"). The Court takes judicial notice of the filings in Mr. Barnett and LVNV's ongoing state proceedings, *LVNV Funding LLC v. Barnett*, 29D02-2502-CC-001337 (Hamilton Cty. Super. Ct. 2025); *LVNV Funding LLC v. Barnett*, 29D07-2502-CC-001338 (Hamilton Cty. Super. Ct. 2025); *LVNV Funding LLC v. Barnett*, 29D06-2506-CC-006703 (Hamilton Cty. Super. Ct. 2025). *Daniel v. Cook Cnty.*, 883 F.3d 728, 742 (7th Cir. 2016) ("Courts routinely take judicial notice of the actions of other courts or the contents of filings in other courts."). on Vaden's account, is not amendable to federal-court adjudication"). So, the invocation of the FAA does not confer this Court federal question jurisdiction because the underlying controversies do not implicate a federal question. Mr. Barnett also presents a federal question under 42 U.S.C. § 1983, however, his claims fail to state a claim upon which relief can be granted. He alleges that when Defendants continued the proceedings in state court after he invoked arbitration, they violated his Fourteenth Amendment due process and equal protection rights, and his supremacy clause rights. Dkt. 12 at 14. "In order to state a claim under [42 U.S.C. § 1983] a plaintiff must allege: (1) that defendants deprived [him] of a federal constitutional right; and (2) that the defendants acted under color of state law." *Savory v. Lyons*, 469 F.3d 667, 670 (7th Cir. 2006); see *London v. RBS Citizens, N.A.*, 600 F.3d 742, 746 (7th Cir. 2010) (private actors may not be sued for "merely private conduct, no matter how discriminatory or wrongful"). Here, Mr. Barnett names two private actors as Defendants, and alleges that "Defendants, acting under color of state law through state-court litigation, deprived Plaintiff of rights protected by the Constitution." Dkt. 12 at 14. However, participation in state court proceedings is not a state action for § 1983 purposes. See *Polk Cnty. v. Dobson*, 454 U.S. 312, 318 (1981); *Briscoe v. LaHue*, 460 U.S. 325, 329 (1983) ("It is beyond question that, when a private party gives testimony in open court . . . that act is not performed 'under color of law.'"). Mr. Barnett does not make any other allegation to suggest that Defendants were acting under the color of state law and not as private parties, therefore his § 1983 claims must be dismissed. Because Mr. Barnett has not stated a claim arising under federal law, the case would have to come within the Court's diversity jurisdiction. To invoke diversity jurisdiction, the amended complaint must allege that Mr. Barnett and Defendants are citizens of different states and that the amount in controversy exceeds \$75,000. 28 U.S.C. 1332. The amended complaint states

that Mr. Barnett resides in Hamilton County, Indiana, but does not state the domicile for either Defendants or allege the amount in controversy. See dkt. 12. These allegations are insufficient to establish diversity jurisdiction. III. Conclusion Mr. Barnett's motion to proceed in forma pauperis is GRANTED. Dkt. [2]. Defendants' pending motion to dismiss Mr. Barnett's original complaint is DENIED as moot, dkt. [7]. Johnson v. Dossey, 515 F.3d 778, 780 (7th Cir. 2008) ("When an amended complaint is filed, the prior pleading is withdrawn and the amended pleading is controlling."). Mr. Barnett's first amended complaint is DISMISSED. He shall have until January 13, 2026, to file a second amended complaint or otherwise show cause why the case should not be dismissed for lack of subject-matter jurisdiction. In doing so, he must clearly show either (1) the federal law giving rise to his claims, (2) that the parties are of diverse citizenship, or (3) another basis for the Court's jurisdiction. If Mr. Barnett does not respond, the Court will dismiss this case without prejudice for lack of subject-matter jurisdiction SO ORDERED. Date: 12/5/2025 ams Patauk Hanley James Patrick Hanlon United States District Judge . Southern District of Indiana Distribution: ROGER F. BARNETT, JR. 10854 Nature Trail Dr. Apartment 203 Fishers, IN 46037 All Electronically Registered Counsel.