

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PRECEDENTIAL VALUE	unpublished district-court order; nonprecedential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)