UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Corey D. Richmond v. Equity Prime Mortgage and Midland Mortgage

Richmond · No. No. 25 CV 13443 · Decided March 3, 2026

SUMMARY

The United States District Court for the Northern District of Illinois struck Plaintiff Corey D. Richmond’s amended complaint because it was filed without consent or leave of court. The court granted the defendants’ motions to dismiss, holding that the claims under 12 U.S.C. § 503 and 18 U.S.C. § 1005 did not state viable claims against the named bank defendants. The court declined supplemental jurisdiction over the remaining state-law claims for unjust enrichment and fraudulent conversion and allowed the plaintiff until March 24, 2026, to file another amended complaint.

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois, Eastern Division
WRITING FOR THE COURT	Jeremy C. Daniel
JURISDICTION	United States District Court for the Northern District of Illinois, Eastern Division
DECIDED	March 3, 2026
DOCKET	No. 25 CV 13443
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff filed an amended complaint while defendants' motions to dismiss the original complaint were pending. The court struck the amended complaint as improperly filed, treated the original complaint as operative, granted the motions to dismiss Counts I and II, and declined supplemental jurisdiction over the remaining state-law claims.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true, draws reasonable inferences in the plaintiff's favor, and determines whether the complaint states a claim that is plausible on its face. Legal conclusions and conclusory recitals of the elements are not entitled to the presumption of truth.

PRECEDENTIAL VALUE	unknown
PARTIES	Corey D. Richmond v. Equity Prime Mortgage, Midland Mortgage

TOPICS

motions to dismiss · motion to amend · pleadings · subject matter jurisdiction · civil procedure

PRACTICE AREAS

civil procedure · real estate finance · commercial litigation

QUESTIONS PRESENTED

1. Whether plaintiff's amended complaint should be stricken because it was filed outside the period for amendment as of right and without defendants' consent or leave of court.
2. Whether 12 U.S.C. § 503 provides a claim against defendant banks when the statute imposes liability on directors and officers in their personal and individual capacities.
3. Whether 18 U.S.C. § 1005 creates a private cause of action independent of 12 U.S.C. § 503.
4. Whether the court should exercise supplemental jurisdiction over the remaining state-law claims after dismissing the federal claims.

HOLDINGS

1. The amended complaint was properly stricken because plaintiff filed it outside the twenty-one-day period for amendment as of right under Rule 15(a)(1)(B), without defendants' written consent and without seeking leave of court under Rule 15(a)(2).
2. Count I failed to state a claim because § 503, as relevant here, imposes personal and individual liability on directors and officers, while the complaint named only banks and no individual defendants.
3. Count II failed to state a claim because 18 U.S.C. § 1005 does not create a separate cause of action; an alleged violation must instead be pursued through 12 U.S.C. § 503, which also failed to support Count I.
4. The court declined to exercise supplemental jurisdiction over plaintiff's remaining state-law claims after dismissing all federal claims.

KEY QUOTATIONS

> *"To survive a motion to dismiss under Fed. R. Civ. P. 12(b)(6), a complaint only needs to contain factual allegations that, when accepted as true, sufficiently "state a claim to relief that is plausible on its face.""* (Statement)

> *"The Court does not extend this presumption to "legal conclusions, or threadbare recitals of the elements of a cause of action, supported by mere conclusory statements.""* (Statement)

FACTUAL BACKGROUND

On October 7, 2022, plaintiff executed a promissory note with the defendants. Plaintiff alleged that defendants monetized the note, created credit using it without giving plaintiff equivalent credit, and attempted to collect payment by misrepresenting the amount due. He asserted claims under 12 U.S.C. § 503, 18 U.S.C. § 1005, and state-law theories of unjust enrichment and fraudulent conversion.

PROCEDURAL HISTORY

Defendants moved to dismiss the original complaint. Plaintiff then filed an amended complaint outside the period for amendment as of right and without written consent or leave of court. The court struck the amended complaint, dismissed the federal statutory claims, declined supplemental jurisdiction over the state-law claims, and allowed plaintiff to file another amended complaint by March 24, 2026.

DISPOSITION

other

REMAND INSTRUCTIONS

Plaintiff may file an amended complaint on or before March 24, 2026. Defendants must respond to the operative complaint on or before April 15, 2026.

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- Virnich v. Vorwald, 664 F.3d 206, 212 (7th Cir. 2011)
- Alam v. Miller Brewing Co., 709 F.3d 662, 666 (7th Cir. 2013)
- Brooks v. Ross, 578 F.3d 574, 581 (7th Cir. 2009)
- White v. Keely, 814 F.3d 883, 888 (7th Cir. 2016)
- Panther Brands, LLC v. Indy Racing League, LLC, 827 F.3d 586, 589 (7th Cir. 2016)

OPINION

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION COREY D. RICHMOND, Plaintiff No. 25 CV 13443 v. Judge Jeremy C. Daniel EQUITY PRIME MORTGAGE and MIDLAND MORTGAGE, Defendants ORDER The plaintiff's amended complaint [32] is stricken.

The defendants' motions to dismiss [19], [22] are granted. Defendant Midland Mortgage's motion for order to dismiss case [31] is denied as moot. Any amended complaint is due on or before March 24, 2026. The defendants shall respond to the operative complaint on or before April 15, 2026. STATEMENT This matter is before the Court on Defendants Equity Prime Mortgage LLC's and MidFirst Bank's1 motions to dismiss the complaint.

(R. 19; R. 22.) Before resolving these motions, the Court addresses the amended complaint Plaintiff Corey Richmond2 filed on February 11, 2026. (R. 32.) The plaintiff did not file this amended complaint within twenty-one days of the defendants filing their motions to dismiss. See Fed. R. Civ. P. 15(a)(1)(B). Further, he does not represent that he obtained the defendants' written consent, nor did he seek the Court's leave to file the amended complaint.

(See generally R. 32); accord Fed. R. Civ. P. 15(a)(2). The Court therefore strikes the amended complaint and treats the initial complaint as the operative complaint. Moving to the defendants' motions, the following facts are taken from the plaintiff's complaint and accepted as true for purposes of resolving the defendants' motions. Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009).

On October 7, 2022, the plaintiff executed 1 According to Defendant MidFirst Bank, it is improperly named in the complaint as "Midland Mortgage," which is a division of MidFirst Bank. (R. 22 at 1.) 2 Both the complaint and the Civil Cover Sheet list the plaintiffs as "Corey D. Richmond, Et al," but neither describes any additional plaintiffs.

The complaint also lists the defendants as "Equity Prime Mortgage, Midland Mortgage, et al," but does not describe any additional defendants. (See generally R. 1; R. 2.) a promissory note with the defendants. (R. 1 ¶ 11.)3 The defendants monetized the note "by converting it into an asset" without disclosing this to the plaintiff. (Id. ¶¶ 12–13.) Using the plaintiff's promissory note, the defendants "created credit... and failed to credit [the p]laintiff's Account for the equivalent liability." (Id. ¶ 13.)

The defendants thereafter attempted to collect payment on the note from the defendant, "misrepresent[ing] the balance as due and ow[]ing." (Id. ¶ 15.) The plaintiff now brings three claims: "engag[ing] in unlawful financial transactions" under 12 U.S.C. § 503 (Count I), "knowingly falsif[ying] banking records" under 18 U.S.C. § 1005 (Count II), and "unjust enrichment [and] fraudulent conversion" based on the theory that the defendants lack legal authority to issue residential loans (Count III).

(Id. ¶¶ 19–28.) To survive a motion to dismiss under Fed. R. Civ. P. 12(b)(6), a complaint only needs to contain factual allegations that, when accepted as true, sufficiently "state a claim to relief that is plausible on its face." Iqbal, 556 U.S. at 678 (quoting Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)). "A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." Id. When considering a Rule 12(b)(6) motion to dismiss, the Court "must draw all reasonable inferences in the plaintiff's favor." Virnich v. Vorwald, 664 F.3d 206, 212 (7th Cir.

2011). The Court does not extend this presumption to "legal conclusions, or threadbare recitals of the elements of a cause of action, supported by mere conclusory statements." Alam v. Miller

Brewing Co., 709 F.3d 662, 666 (7th Cir. 2013) (quoting Brooks v. Ross, 578 F.3d 574, 581 (7th Cir. 2009)).

For Counts I and II, both defendants argue that the pertinent statutes apply against only a bank's officers or directors, not the bank itself.4 (R. 21 at 5; R. 22 at 4.) The Court agrees.5 As relevant to Count I, under 12 U.S.C. § 503, "every director and officer [who committed a violation] shall be held liable in his personal and individual capacity." The complaint does not name any individuals as defendants, only banks.

Count I is therefore dismissed. As for Count II, 18 U.S.C. § 1005 contains no separate 3 For ECF filings, the Court cites to the page number(s) in the document's ECF header unless citing to a particular paragraph or other page designation is more appropriate. 4 The defendants make several additional arguments for dismissal, including: that the complaint alleges fraud but fails to do so with particularity under Fed.

R. Civ. P. 9(b), that federal law permits the defendants to issue residential loans, that the complaint fails to allege the elements of unjust enrichment, and that the Court should consider the plaintiff's promissory note (which both defendants attach to their motions).

The Court need not reach these issues because it resolves the motions on the grounds discussed above. 5 The plaintiff did not file a brief responding to the defendants' motions. He instead filed, without any context, documents titled "Affidavit of Question[n]aire to the Judge" and "Affidavit of Question[n]aire to the Attorney," each of which contains a list of questions and the plaintiff's signature.

(R. 28; R. 29.) The Court takes no action based on these filings because they have no apparent purpose and do not contest the arguments raised in the defendants' motions. cause of action; a claimed violation of § 1005 must instead be brought via 12 U.S.C. § 503. See White v. Keely, 814 F.3d 883, 888 (7th Cir. 2016). This makes Count II essentially duplicative of Count I. Because Count I fails to state a claim, the same is true for Count II.

This leaves only Count III, the claim for "unjust enrichment and fraudulent conversion." These are state law claims. Panther Brands, LLC v. Indy Racing League, LLC, 827 F.3d 586, 589 (7th Cir. 2019). Because the plaintiff relies on the Court's federal question jurisdiction, (R. 1 § 5), and there are no live federal claims, the Court declines to exercise its supplemental jurisdiction over the plaintiffs remaining state law claims.

See 28 U.S.C. § 1867(c)(8). CS Date: March 3, 2026 JEREMY C. DANIEL United States District Judge