

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
NORTH CAROLINA

**William Paul A. Byrd, Trustee, William Paul Alexander Byrd Trust v.
Navy Federal Credit Union, a federally chartered credit union, and
April Galey, employee/agent**

Byrd · No. 5:25-CV-551-FL · Decided March 3, 2026

SUMMARY

The United States District Court for the Eastern District of North Carolina reviews a magistrate judge’s recommendation concerning a pro se complaint alleging claims under criminal statutes, securities recordkeeping law, RICO, and the Uniform Commercial Code. The court dismisses the original complaint without prejudice, grants leave to amend, deems the amended in forma pauperis motion timely, and refers the amended complaint for further screening.

CASE DETAILS

COURT	United States District Court for the Eastern District of North Carolina
JURISDICTION	United States District Court for the Eastern District of North Carolina
DECIDED	March 3, 2026
DOCKET	5:25-CV-551-FL
DISPOSITION	other
PROCEDURAL POSTURE	The district court reviewed a pro se complaint and an amended motion to proceed in forma pauperis after a magistrate judge recommended dismissal with prejudice under 28 U.S.C. § 1915(e). The plaintiff objected to the recommendation and moved for leave to amend.
STANDARD OF REVIEW	The district court reviews de novo the portions of a magistrate judge’s memorandum and recommendation to which specific objections are filed. It does not conduct de novo review of general and conclusory objections that fail to identify a specific error. The court may accept, reject, or modify the magistrate judge’s findings or recommendations in whole or in part.
PRECEDENTIAL VALUE	Unknown; district court order with no reporter citation or stated precedential designation.

TOPICS

pleadings

motion to amend

civil procedure

motions to dismiss

PRACTICE AREAS

civil procedure

federal civil litigation

pleadings

in forma pauperis screening

QUESTIONS PRESENTED

1. Whether the original complaint failed to state a claim for relief under the screening requirements of 28 U.S.C. § 1915(e).
2. Whether dismissal of the original complaint should be with prejudice or without prejudice to amendment.
3. Whether plaintiff should be granted leave to file the proposed amended complaint under Federal Rule of Civil Procedure 15(a)(2).
4. Whether plaintiff's amended motion to proceed in forma pauperis should be deemed timely and the amended complaint referred for renewed screening.

HOLDINGS

1. The original complaint failed to state a claim for relief because the criminal statutes cited by plaintiff did not create private rights of action, and the district court adopted that portion of the magistrate judge's recommendation.
2. Dismissal of the original complaint was without prejudice because plaintiff requested leave to amend to assert viable civil claims.
3. The motion for leave to file the proposed amended complaint was granted, and the clerk was directed to file and separately index the proposed amended complaint and attachments.

KEY QUOTATIONS

“The district court reviews de novo those portions of a magistrate judge’s M&R to which specific objections are filed.” (Discussion.A)

“Finding no clear error on careful review, the court ADOPTS this conclusion as its own and DISMISSES the original complaint.” (Discussion.B)

“However, where “[p]laintiff requests leave to amend to assert viable civil claims,” (id. at 1), the dismissal is WITHOUT PREJUDICE to amendment.” (Discussion.B)

FACTUAL BACKGROUND

The pro se plaintiff's original complaint alleged violations of several criminal statutes, a securities recordkeeping statute, the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c), and various provisions of the Uniform Commercial Code. Plaintiff conceded that the criminal statutes cited in the complaint did not create private rights of action and sought leave to amend to plead viable civil claims based on the same factual events.

The proposed amended complaint asserted new causes of action and was submitted with the motion for leave to amend.

PROCEDURAL HISTORY

Plaintiff commenced the action on September 2, 2025, and later filed an amended in forma pauperis motion after receiving an order of deficiency and an extension of time. The complaint was referred for frivolity review, and Magistrate Judge Robert B. Jones, Jr. issued a memorandum and recommendation recommending dismissal with prejudice and denial of the in forma pauperis motion as moot. The district court found no clear error in the conclusion that the complaint failed to state a claim, dismissed the original complaint without prejudice, granted leave to amend, granted an additional extension of time, deemed the amended in forma pauperis motion timely, and referred the amended pleading back for screening.

DISPOSITION

other

REMAND INSTRUCTIONS

The clerk was directed to file and separately index the proposed amended complaint lodged at docket entry 12-1 and its attachments. The matter was referred again to the magistrate judge for resolution of the amended motion to proceed in forma pauperis and screening of the amended complaint under 28 U.S.C. § 1915(e).

CASES CITED

- Orpiano v. Johnson, 687 F.2d 44, 47 (4th Cir. 1982)

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