UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA, RICHMOND DIVISION

Sarah Snyder, et al. v. Equifax Information Services, LLC

Snyder · No. 3:24cv757 (RCY) · Decided May 27, 2026

SUMMARY

The United States District Court for the Eastern District of Virginia considers Plaintiffs' consent motion to dismiss their individual claims with prejudice in a putative class action against Equifax. Applying Shelton v. Pargo, Inc., the Court conducts an inquiry into whether the proposed pre-certification settlement is tainted by collusion or prejudicial to absent putative class members. The Court finds no collusion or prejudice and grants the motion to dismiss.

CASE DETAILS

COURT	United States District Court for the Eastern District of Virginia, Richmond Division
WRITING FOR THE COURT	Roderick C. Young
JURISDICTION	United States District Court for the Eastern District of Virginia, Richmond Division
DECIDED	May 27, 2026
DOCKET	3:24cv757 (RCY)
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs moved, with Defendant's consent, under Federal Rule of Civil Procedure 41(a)(2) to voluntarily dismiss their individual claims with prejudice before class certification.
STANDARD OF REVIEW	The Court conducted the proper inquiry required before approving pre-class-certification dismissal of claims asserted on behalf of a putative class, examining whether the proposed settlement was tainted by collusion or would prejudice absent putative class members with a reasonable reliance expectation.
PRECEDENTIAL VALUE	Unpublished district court memorandum opinion; precedential status is unknown.
PARTIES	Sarah Snyder, et al., on behalf of themselves and all others similarly situated v. Equifax Information Services, LLC

TOPICS

class actions | motions to dismiss | credit reporting | civil procedure | consumer protection

PRACTICE AREAS

Civil procedure | Class actions | Consumer credit reporting | Consumer protection

QUESTIONS PRESENTED

1. Whether Shelton v. Pargo, Inc. continued to require judicial scrutiny of a proposed pre-class-certification dismissal of claims asserted on behalf of a putative class after the 2003 amendment to Federal Rule of Civil Procedure 23(e).
2. Whether the proposed individual-claim settlement was tainted by collusion or prejudicial to absent putative class members.
3. Whether the Court should grant Plaintiffs' consent motion to voluntarily dismiss their individual claims with prejudice under Federal Rule of Civil Procedure 41(a)(2).

HOLDINGS

1. Shelton's requirement that a district court conduct a proper inquiry before approving pre-class-certification dismissal of claims asserted on behalf of a putative class remains applicable notwithstanding the 2003 amendment to Rule 23(e).
2. The proposed settlement was neither tainted by collusion nor prejudicial to other putative class members.
3. The Court granted Plaintiffs' consent motion to voluntarily dismiss all of their individual claims against Defendant with prejudice.

KEY QUOTATIONS

> *"district courts must conduct a "proper inquiry" before approving pre-class-certification dismissal of claims originally asserted on behalf of a putative class"* (at 1)

> *"the District Court should conduct a careful inquiry into the terms of the settlement, particularly the amount paid the plaintiff in purported compromise of his individual claim and the compensation to be received by plaintiff's counsel, in order to insure that, under the guise of compromising the plaintiff's individual claim, the parties have not compromised the class claim to the pecuniary advantage of the plaintiff and/or his attorney."* (at 2)

FACTUAL BACKGROUND

The parties reached a settlement limited to Plaintiffs' individual claims in a putative class action involving alleged post-bankruptcy inaccuracies in consumer credit reporting. The settlement did not release or resolve the putative class's claims. Plaintiffs' counsel received a 45% contingency fee, represented as the firm's ordinary contingency fee for individual FCRA cases, and the parties represented that there were no side agreements or hidden consideration.

PROCEDURAL HISTORY

Plaintiffs filed a putative class action asserting individual and putative class claims against Equifax. After the parties jointly sought dismissal of Plaintiffs' individual claims with prejudice, the Court deferred ruling and required briefing and settlement disclosures under Shelton v. Pargo, Inc. The Court reviewed the parties' redacted and sealed submissions, found no collusion or prejudice to putative class members, and granted the consent motion to dismiss.

DISPOSITION

dismissed

CASES CITED

- Shelton v. Pargo, Inc., 582 F.2d 1298, 1315 (4th Cir. 1978)
- Milligan v. Actavis, Inc., 2009 U.S. Dist. LEXIS 81663, at *4 (S.D.W. Va. Sept. 9, 2009)

OPINION

Snyder
PER CURIAM.
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Richmond Division SARAH SNYDER, et al., on behalf of) themselves and all others similarly situated,) Plaintiffs,)) v.) Civil Action No. 3:24cv757 (RCY))
EQUIFAX INFORMATION SERVICES,)
LLC,)
Defendant.))
MEMORANDUM OPINION
This matter is before the Court on Plaintiffs’ Consent Motion to Dismiss (“Motion to Dismiss,” ECF No. 30), wherein Plaintiffs, with Defendant’s consent, move to voluntarily dismiss all of their individual claims against Defendant with prejudice pursuant to Fed. R. Civ. P. 41(a)(2). In an Order issued on February 20, 2026 (ECF No. 31), the Court deferred ruling on the Motion to Dismiss and instead directed the parties to brief the applicability of Shelton v. Pargo, Inc., in which the Fourth Circuit held that district courts must conduct a “proper inquiry” before approving pre-class-certification dismissal of claims originally asserted on behalf of a putative class, to determine whether the proposed settlement is (1) “tainted by collusion” or
(2) “will prejudice absent putative members with a reasonable ‘reliance’ expectation of the maintenance of the action for the protection of their interests.” 582 F.2d 1298, 1315 (4th Cir. 1978). In response, the parties filed a Joint Memorandum (“Joint Mem.”), ECF No. 32, in which they contend that Shelton was effectively superseded by the 2003 Amendment to Rule 23(e). Joint Mem. 3–4. For the reasons articulated in the Court’s April 21, 2026 Order (ECF No. 33), the Court disagreed and directed the parties to submit a summary of the material terms of any settlement

reached in connection with the proposed dismissal, to enable the Court to discahr discharge its obligation under Shelton. ECF No. 33 at 1–3. Specifically, the Court directed the parties to address only Shelton's "collusion" prong, finding that the prejudice prong was immaterial in this matter. Id. at 3, n.3 (citing Milligan v. Actavis, Inc., 2009 U.S. Dist. LEXIS 81663, at *4 (S.D.W. Va. Sept. 9, 2009)). The parties complied, filing a redacted Joint Submission Regarding Material Terms of Settlement ("Joint Submission"), ECF No. 34, along with an unredacted, sealed version, see ECF No. 39. Upon review of the terms therein, the Court is satisfied that the proposed settlement is neither tainted by collusion nor prejudicial to other putative class members. See Shelton, 582 F.2d at 1315. As to prejudice, the settlement is binding only as to Plaintiffs' individual claims and does not encompass the putative class' claims. Joint Submission 3. Moreover, as to collusion, the Court considers the amount to be paid to Plaintiffs, the amount of any attorneys' fees or other compensation to be paid to Plaintiffs' counsel, and any other consideration exchanged. Shelton, 582 F.2d at 1315 ("[T]he District Court should conduct a careful inquiry into the terms of the settlement, particularly the amount paid the plaintiff in purported compromise of his individual claim and the compensation to be received by plaintiff's counsel, in order to insure that, under the guise of compromising the plaintiff's individual claim, the parties have not compromised the class claim to the pecuniary advantage of the plaintiff and/or his attorney."). A careful inquiry into the consideration exchanged reveals an arms-length bargain, particularly considering the relative strengths of the parties' cases and the fact that Plaintiffs' counsel represents that its 45% contingency fee is "its ordinary individual-case contingency, no more." Joint Submission 5, 9; see also id. at 6 ("Plaintiffs' counsel was paid a 45% contingency on the gross recovery—the same contingency rate the firm charges in pure individual FCRA cases in this Court."). Additionally, the parties represent that there are no side agreements, covenants, or other hidden consideration, and Plaintiffs' respective recovery is "lower than comparable individual FCRA resolutions, reflecting the limited damages profile of a post-bankruptcy inaccuracy case." Id. at 7 (cleaned up). Finally, it is not apparent that any other potential class members were aware of this action, nor is it evident that this settlement would hinder a future class action lawsuit against the defendant. In sum, in view of the parties' Joint Submission, the Court is satisfied that the proposed settlement is neither tainted by collusion nor prejudicial to other putative class members. Accordingly, Defendant's Consent Motion to Dismiss (ECF No. 30) will be granted. An appropriate Order shall issue. /s/ Roderick C. Young United States District Judge Date: May, 27, 2026 Richmond, Virginia