UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

# Alkayali v. LexisNexis Risk Solutions Inc.

Alkayali · No. 24-cv-1713-AGS-MMP · Decided July 10, 2025

## SUMMARY

The U.S. District Court for the Southern District of California partially grants LexisNexis Risk Solutions Inc.'s motion to dismiss an FCRA claim. The court concludes that the complaint does not sufficiently allege that LexisNexis's report was a consumer report under the FCRA, dismisses the federal claim with leave to amend, and declines to exercise supplemental jurisdiction over the state-law claims unless a federal claim is adequately stated.

## CASE DETAILS

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| COURT | United States District Court for the Southern District of California |
| WRITING FOR THE COURT | Andrew G. Schopler |
| JURISDICTION | United States District Court for the Southern District of California |
| DECIDED | July 10, 2025 |
| DOCKET | 24-cv-1713-AGS-MMP |
| DISPOSITION | dismissed |
| PROCEDURAL POSTURE | Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the complaint for failure to state a claim. The court dismissed the FCRA claim and declined supplemental jurisdiction over the remaining state-law claims, granting leave to amend. |
| STANDARD OF REVIEW | On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and asks whether the complaint contains sufficient factual matter to state a plausible claim for relief. |
| PRECEDENTIAL VALUE | nonprecedential district court opinion |
| PARTIES | Ahmad Alkayali v. LexisNexis Risk Solutions, Inc. |

## TOPICS

credit reporting · consumer protection · motions to dismiss · statutory interpretation

## PRACTICE AREAS

Fair Credit Reporting Act | consumer protection | federal civil procedure | supplemental jurisdiction

### QUESTIONS PRESENTED

1. Whether the complaint plausibly alleged that the LexisNexis report was a consumer report within the meaning of the Fair Credit Reporting Act.
2. Whether the court should consider an FCRA purpose theory raised for the first time in opposition briefing.
3. Whether the court should exercise supplemental jurisdiction over the remaining state-law claims after dismissing the only federal claim.
4. Whether Alkayali should receive leave to amend the deficient FCRA claim.

### HOLDINGS

1. The complaint did not allege sufficient facts to characterize the report as a consumer report under the FCRA merely by alleging that it was connected to an attempted loan or credit transaction.
2. The court would not consider Alkayali's argument that LexisNexis provided the report to a lender for a consumer-initiated business transaction because that theory was not alleged in the complaint.
3. The court declined to exercise supplemental jurisdiction over the remaining state-law claims after dismissing the only federal claim, unless Alkayali states a federal claim.
4. Alkayali was granted leave to amend because the FCRA pleading defect could possibly be cured by additional factual allegations.

### KEY QUOTATIONS

> *"To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face."* (1)

> *"But "the mere fact that a report could be used as a consumer report is" "not" "enough to make it one.""* (2)

> *"Accordingly, the Court GRANTS IN PART LexisNexis' motion and DISMISSES Alkayali's complaint with leave to amend."* (3)

### FACTUAL BACKGROUND

Alkayali alleged that, while attempting to procure a loan, a loan agency told him that a LexisNexis report contained unspecified criminal charges. He alleged that he had never been charged or convicted of a criminal offense and that LexisNexis refused to correct the report after he disputed it. He asserted that the report was a consumer report subject to the FCRA and sought to represent a class, along with asserting state-law claims.

### PROCEDURAL HISTORY

Ahmad Alkayali filed an action asserting a Fair Credit Reporting Act claim and related state claims concerning a LexisNexis report that allegedly identified unspecified criminal charges. LexisNexis moved to dismiss. The court granted the motion in part, dismissed the complaint with leave to amend, and directed that any amended complaint be filed by August 7, 2025.

## DISPOSITION

dismissed

## CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- Mende v. Dun & Bradstreet, Inc., 670 F.2d 129, 133 (9th Cir. 1982)
- Marder v. Lopez, 450 F.3d 445, 448 (9th Cir. 2006)
- Salameh v. Tarsadia Hotel, 726 F.3d 1124, 1133 (9th Cir. 2013)
- Sanford v. MemberWorks, Inc., 625 F.3d 550, 561 (9th Cir. 2010)

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