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

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PRECEDENTIAL VALUE	nonprecedential district court opinion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)

OPINION

Alkayali v. LexisNexis Risk Solutions Inc.

PER CURIAM.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

Ahmad ALKAYALI, Case No.: 24-cv-1713-AGS-MMP Plaintiff,

ORDER GRANTING IN PART

v. DEFENDANT’S MOTION TO

DISMISS (ECF 8)

Defendants.

This lawsuit’s only federal claim turns on whether defendant LexisNexis Risk Solutions, Inc.’s report is a “consumer report” under the Fair Credit Reporting Act. Plaintiff has not sufficiently alleged that it is, so his FCRA claim is dismissed.

BACKGROUND

According to the complaint, when plaintiff Ahmad Alkayali “attempted to procure a loan,” the loan agency “told” him “that there are ‘unspecified criminal charges’” that appeared in a report that LexisNexis generated. (ECF 1, at 6.) But Alkayali “has never been charged or convicted of any criminal offense,” so he contacted LexisNexis to dispute that report. (Id. at 7.) LexisNexis doubled down, asserting that it was “accurate as reported,” and “refused” “to correct its inaccurate and derogatory reporting.” (Id. at 10; see also id. at 7.) LexisNexis also asserted that its report does “not constitute” a “consumer report[] as defined in the” FCRA, so “the laws” don’t “require LexisNexis to correct or change potentially inaccurate information.” (Id. at 8, 10.) Alkayali sued, arguing that the report is subject to the FCRA and that LexisNexis must “correct” it. (ECF 1, at 10.) He seeks to represent a class against LexisNexis for an

FCRA violation and a series of state claims. (Id. at 1.)

DISCUSSION

LexisNexis moves to dismiss Alkayali’s complaint for failure to state a claim. (See generally ECF 8.) “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.” Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009) (quotations omitted); see also Fed. R. Civ. P. 12(b)(6). Plausibility requires more than mere “conclusions” or a “formulaic recitation” of elements; it must be based on “factual allegations” that “raise a right to relief above the speculative level.” Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007) (cleaned up).

A. Fair Credit Reporting Act

LexisNexis argues that Alkayali’s FCRA claim “fails” because he “does not plead sufficient facts to support the characterization of the” “report about him as a ‘consumer report’ within the meaning of the FCRA.” (ECF 8-1, at 15.) Under the FCRA, a “consumer report” is a “communication of any information” that “is used or expected to be used or collected” “as a factor in establishing the consumer’s eligibility for”: (1) “credit or insurance to be used primarily for personal, family, or household purposes”; (2) “employment purposes”; or (3) “any other purpose authorized under” another FCRA section, including when one company “furnishe[s]” a report to another company “which it has reason to believe” (i) “intends to use the information in connection with a credit transaction” or (ii) “otherwise has a legitimate business need for the information in connection with a business transaction that is initiated by the consumer.” 15 U.S.C. § 1681a(d)(1)(A)–(C); id. § 1681b(a)(3)(A), (a)(3)(F)(i). Alkayali alleges two “purposes” that, at first blush, appear to place LexisNexis’s report within the bounds of the FCRA’s “consumer report” definition. First, he says that he was “at the mercy of inaccurate information contained within [LexisNexis]’s consumer report” in his attempt to procure a “loan.” (ECF 1, at 6, 8.) Because a loan is “a credit transaction,” see 15 U.S.C. § 1681b(a)(3)(A), an expansive reading of the FCRA would place Alkayali’s allegations within the statute’s grasp. But “the mere fact that a report could be used as a consumer report is” “not” “enough to make it one.” Mende v. Dun & Bradstreet, Inc., 670 F.2d 129, 133 (9th Cir. 1982) (emphasis added). The Ninth Circuit’s rejection of “expansive definition[s] of consumer credit report[s]” suggests that plaintiffs cannot merely allege that a report implicates the FCRA because it involves a “credit transaction.” See id. “More is required.” Id. Although Alkayali’s next FCRA argument provides “more” information about the transaction, it ultimately falters as well. In his opposition, Alkayali argues that the report is within the FCRA’s domain because LexisNexis “provid[ed]” its “report to a lender in connection with a business transaction that was initiated by Plaintiff.” (ECF 10, at 14.) True, the statute covers the furnishing of a report to a company that the defendant “has reason to believe” “has a legitimate business need for the information in connection with a business transaction that is initiated by the consumer.” 15 U.S.C. § 1681b(a)(3)(F)(i). But this argument appears only in Alkayali’s briefing, so it is irrelevant to this Court’s analysis. “[T]he scope of review on a motion to dismiss for failure to state a claim is limited to the contents of the complaint[].” Marder v. Lopez, 450 F.3d 445, 448 (9th Cir. 2006). Alkayali’s FCRA claim is thus dismissed. But his pleading “can possibly be cured by additional factual allegations” that properly allege an FCRA purpose, so the Court grants Alkayali leave to amend his complaint. See Salameh v. Tarsadia Hotel, 726 F.3d 1124, 1133 (9th Cir. 2013).

B. Supplemental Jurisdiction

Given the dismissal of Alkayali’s only federal claim, this Court “may decline to exercise supplemental jurisdiction” over the remaining state claims. See 28 U.S.C. § 1367(c). “In the usual case in which all federal-law claims are eliminated before trial, the balance of factors to be considered under the pendent jurisdiction doctrine—judicial economy, convenience, fairness, and comity—will point toward declining to exercise jurisdiction over the remaining state-law claims.” Sanford v. MemberWorks, Inc., 625 F.3d 550, 561 (9th Cir. 2010). So, unless plaintiff states a federal claim, the Court declines to exercise supplemental jurisdiction over the remaining state-law claims.

CONCLUSION

Accordingly, the Court GRANTS IN PART LexisNexis’ motion and DISMISSES Alkayali’s complaint with leave to amend. By August 7, 2025, Alkayali may file an amended complaint remedying the identified deficiencies.

Dated: July 10, 2025

Hon. Andrew G. Schopler A
United States District Judge