

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Salvatore Carfagna on behalf of himself and all others similarly
situated v. Franklin Credit Management Corporation

Civil Action No. 21-2710 (JXN)(JRA) · No. Civil Action No. 21-2710 (JXN)(JRA) · Decided December 4, 2025

SUMMARY

The United States District Court for the District of New Jersey held that Salvatore Carfagna lacked Article III standing to pursue claims under the Fair Debt Collection Practices Act. The court concluded that alleged confusion from a debt collection letter did not establish a concrete injury because Carfagna did not allege detrimental reliance or downstream consequences. The court also found that the alleged disclosure of debt-related documents did not adequately establish a concrete privacy injury and dismissed the action without prejudice for lack of subject matter jurisdiction.

CASE DETAILS

COURT	United States District Court for the District of New Jersey
WRITING FOR THE COURT	Julien Xavier Neals
JURISDICTION	United States District Court for the District of New Jersey
DECIDED	December 4, 2025
DOCKET	Civil Action No. 21-2710 (JXN)(JRA)
DISPOSITION	dismissed
PROCEDURAL POSTURE	Putative class action asserting violations of the Fair Debt Collection Practices Act. After Defendant moved to dismiss, the Court sua sponte raised Article III standing, denied the motion without prejudice, ordered supplemental briefing, and dismissed the action without prejudice for lack of subject matter jurisdiction.
STANDARD OF REVIEW	The Court independently assessed subject matter jurisdiction and Article III standing. In evaluating the pleadings, it accepted well-pleaded allegations as true.
PRECEDENTIAL VALUE	nonprecedential

TOPICS

- fair debt collection
- standing
- subject matter jurisdiction
- motions to dismiss
- civil procedure

PRACTICE AREAS

consumer protection

fair debt collection

civil procedure

constitutional law

QUESTIONS PRESENTED

1. Whether Plaintiff alleged a concrete, particularized injury sufficient to establish Article III standing for FDCPA claims based on allegedly false, deceptive, or misleading statements in a collection letter.
2. Whether Plaintiff alleged a concrete injury sufficient to establish Article III standing for FDCPA claims based on a notice and packet allegedly left where third parties could see them.
3. Whether the Court had subject matter jurisdiction over the action in the absence of Article III standing.

HOLDINGS

1. Allegations that a debt collection letter was confusing, false, deceptive, or misleading, without an allegation of detrimental reliance or another concrete downstream consequence, do not establish a concrete injury sufficient for Article III standing.
2. Alleged third-party exposure of debt-collection materials does not establish a concrete invasion-of-privacy injury where the materials did not reveal private debt information in a readily apparent manner.
3. Because Plaintiff lacked Article III standing, the Court lacked subject matter jurisdiction and was required to dismiss the action without prejudice.

KEY QUOTATIONS

“In other words, to recover for misleading information in a debt collection letter, “a plaintiff must allege some form of detrimental reliance on the representations made by a defendant in a collection letter.”” (III.A)

“Thus, in the context of FDCPA violations, district courts in the Third Circuit post-TransUnion have found that “a debt collection letter containing false and misleading information causes an injury . . . related to common-law fraud.”” (III.B)

“Accordingly, this action is DISMISSED without prejudice based on this Court’s lack of subject matter jurisdiction.” (IV)

FACTUAL BACKGROUND

Plaintiff allegedly defaulted on a debt arising from a 2009 loan modification agreement, which was later assigned to Defendant for collection. Defendant sent Plaintiff a February 13, 2020 collection letter seeking \$41,437.91 and allegedly containing unclear or misleading information about the creditor, debt balance, fees, costs, and state-specific rights. Defendant also allegedly left a notice and a packet of documents in common areas of Plaintiff’s apartment complex, which Plaintiff claimed disclosed debt-related information to third parties. Plaintiff alleged confusion, frustration, and an adverse effect, but did not allege detrimental reliance, financial or emotional harm, or a concrete privacy injury.

PROCEDURAL HISTORY

Plaintiff filed the putative class action on February 16, 2021. Defendant moved to dismiss, and Plaintiff opposed the motion. On June 30, 2023, before addressing the pleadings, the Court sua sponte raised the standing issue and denied the motion without prejudice pending supplemental briefing. After reviewing the supplemental briefs, the Court concluded that Plaintiff had not alleged a concrete injury and dismissed the action without prejudice for lack of subject matter jurisdiction.

DISPOSITION

dismissed

CASES CITED

- Fowler v. UPMC Shadyside, 578 F.3d 203, 210 (3d Cir. 2009)
- Hollingsworth v. Perry, 570 U.S. 693, 704-05 (2013)
- Blunt v. Lower Merion Sch. Dist., 767 F.3d 247, 280 (3d Cir. 2014)
- Ctr. For Biological Diversity v. Kempthorne, 588 F.3d 701, 707 (9th Cir. 2009)
- Crisafulli v. Ameritas Life Ins. Co., No. 13-5937, 2015 WL 1969176, at *1 n.2 (D.N.J. Apr. 30, 2015)
- TransUnion LLC v. Ramirez, 594 U.S. 413, 423-27, 441-42 (2021)
- Associated Builders & Contractors W. Pa. v. Cmty. Coll. of Allegheny Cnty., 81 F.4th 279, 286 (3d Cir. 2023)
- United States v. Texas, 599 U.S. 670, 675 (2023)
- Morales v. Commonwealth Fin. Sys., Inc., No. 22-3388, 2023 WL 8111458, at *2 (3d Cir. 2023)
- Casillas v. Madison Ave. Assocs., Inc., 926 F.3d 329, 333 (7th Cir. 2019)
- Spokeo, Inc. v. Robins, 578 U.S. 330, 340-42 (2016)
- Kelly v. RealPage Inc., 47 F.4th 202, 211, 213 (3d Cir. 2022)
- Huber v. Simon's Agency, Inc., 84 F.4th 132, 140-41, 146 (3d Cir. 2023)
- Gunn v. Thrasher, Buschmann & Voelkel, P.C., 982 F.3d 1069 (7th Cir. 2020)
- Fitterer v. Resurgent Cap. Servs. L.P., No. 21-19068, 2024 WL 1810027, at *4-5 (D.N.J. Apr. 25, 2024)
- Lahu v. I.C. Sys., Inc., No. 20-6732, 2022 WL 6743177, at *8 (D.N.J. Oct. 11, 2022)
- Madlinger v. Enhanced Recovery Co., LLC, No. 21-154, 2022 WL 2442430, at *5 (D.N.J. July 5, 2022)
- Vaughan v. Fein, Such, Kahn & Shepard, P.C., No. 21-16013, 2022 WL 2289560, at *5 (D.N.J. June 24, 2022)
- Strouse v. Enhanced Recovery Co., 956 F. Supp. 2d 627, 634 (E.D. Pa. 2013)
- Davis v. Phelan Hallinan & Diamond PC, 687 F. App'x 140, 144 (3d Cir. 2017)
- St. Pierre v. Retrieval-Masters Creditors Bureau, Inc., 898 F.3d 351, 357-58 (3d Cir. 2018)
- Douglass v. Convergent Outsourcing, 765 F.3d 299, 303 (3d Cir. 2014)

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