UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Mariam Dermendjian v. Experian Information Solutions Incorporated, et al.

Dermendjian · No. CV-26-01503-PHX-SHD · Decided April 13, 2026

SUMMARY

The United States District Court for the District of Arizona grants Mariam Dermendjian's application to proceed in forma pauperis. The court dismisses her Fair Credit Reporting Act complaint for failure to allege sufficient facts supporting claims against the credit reporting agency and furnishers, but grants 30 days to amend.

CASE DETAILS

COURT	United States District Court for the District of Arizona
WRITING FOR THE COURT	Sharad H. Desai
JURISDICTION	United States District Court for the District of Arizona
DECIDED	April 13, 2026
DOCKET	CV-26-01503-PHX-SHD
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff proceeding pro se and in forma pauperis brought Fair Credit Reporting Act claims against a consumer reporting agency and alleged furnishers. The district court granted leave to proceed in forma pauperis, screened the complaint under 28 U.S.C. § 1915(e)(2), dismissed all counts for failure to state a claim, and granted 30 days to amend.
STANDARD OF REVIEW	Under 28 U.S.C. § 1915(e)(2), the court must dismiss an IFP action that is frivolous, malicious, fails to state a claim, or seeks monetary relief from an immune defendant. The failure-to-state-a-claim standard under § 1915(e)(2)(B)(ii) is the same as the standard under Federal Rule of Civil Procedure 12(b)(6), requiring sufficient factual matter to state a plausible claim under Rule 8(a)(2). Pro se filings are construed liberally.
PRECEDENTIAL VALUE	Nonprecedential district court order

TOPICS

credit reporting · pleadings · motions to dismiss · civil procedure · consumer protection

PRACTICE AREAS

civil procedure · consumer protection · Fair Credit Reporting Act

QUESTIONS PRESENTED

1. Whether Dermendjian satisfied the financial eligibility requirements for proceeding in forma pauperis.
2. Whether the complaint stated plausible FCRA claims for failure to reinvestigate under 15 U.S.C. § 1681i, failure to assure accuracy under § 1681e(b), furnisher liability under § 1681s-2(b), and willful or negligent noncompliance under §§ 1681n and 1681o.
3. Whether Dermendjian should receive leave to amend the deficient complaint.

HOLDINGS

1. The IFP application was sufficient because Dermendjian could not pay court costs while still affording the necessities of life.
2. The complaint had to be dismissed because it failed to state plausible claims under the FCRA and consisted of conclusory allegations lacking factual detail about the alleged inaccuracies and defendants' conduct.
3. Count I failed to state a claim under 15 U.S.C. § 1681i because Plaintiff did not identify the disputed items, the alleged inaccuracies, the nature of Experian's reinvestigation, or why the reinvestigation was inadequate.
4. Counts II and III failed because Plaintiff did not allege facts showing that the reported information was inaccurate, a necessary predicate to her claims under §§ 1681e(b) and 1681s-2(b).
5. Count IV failed because §§ 1681n and 1681o are remedial provisions rather than independent substantive causes of action, and Plaintiff alleged no underlying substantive violation or nonconclusory facts showing willfulness or negligence.
6. Plaintiff was entitled to 30 days to file an amended complaint because the court could not conclude that amendment would be futile.

KEY QUOTATIONS

> *"Congress provided with respect to in forma pauperis cases that a district court "shall dismiss the case at any time if the court determines" that the "allegation of poverty is untrue" or that the "action or appeal" is "frivolous or malicious," "fails to state a claim on which relief may be granted," or "seeks monetary relief against a defendant who is immune from such relief.""* (at 2)

> *"To meet this standard, "a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face.""* (at 3)

> *"Unless the Court determines that a pleading cannot be cured by the allegation of other facts, a pro se litigant is entitled to an opportunity to amend a complaint before dismissal."* (at 8)

FACTUAL BACKGROUND

Dermendjian alleged that Experian and several debt-related entities violated the FCRA through inaccurate credit reporting, failure to reinvestigate disputes, failure to assure accuracy, and noncompliance. She identified a written dispute to Experian dated August 4, 2025, and identified one Portfolio Recovery Associates account, but did not explain what information was inaccurate, what the reinvestigation involved, or how the defendants' conduct violated the FCRA. She provided no specific account or alleged inaccuracy for several furnisher defendants.

PROCEDURAL HISTORY

Dermendjian filed a complaint asserting four FCRA counts and an application to proceed in forma pauperis. The court found that she could not pay court costs while affording the necessities of life, granted IFP status, and screened the complaint. The court dismissed the complaint because the allegations were conclusory and failed to identify the disputed inaccuracies or defendants' deficient conduct, but permitted amendment because amendment might not be futile.

DISPOSITION

dismissed

CASES CITED

- Escobedo v. Applebees, 787 F.3d 1226, 1234–35 (9th Cir. 2015)
- Adkins v. E.I. DuPont de Nemours & Co., 335 U.S. 331, 339 (1948)
- Lopez v. Smith, 203 F.3d 1122, 1127 (9th Cir. 2000)
- Kennedy v. Andrews, 2005 WL 3358205, at *2 (D. Ariz. 2005)
- Watison v. Carter, 668 F.3d 1108, 1112 (9th Cir. 2012)
- Wilhelm v. Rotman, 680 F.3d 1113, 1121 (9th Cir. 2012)
- Ashcroft v. Iqbal, 556 U.S. 662, 677–78 (2009)
- Jackson v. Barnes, 749 F.3d 755, 763–64 (9th Cir. 2014)
- Hebrank v. Early Warning Servs. LLC, 2025 WL 1148801, at *2 (D. Ariz. 2025)
- Acton v. Bank One Corp., 293 F. Supp. 2d 1092, 1098–99 (D. Ariz. 2003)
- Shaw v. Experian Info. Sols., Inc., 891 F.3d 749, 756 (9th Cir. 2018)
- Gorman v. Wolpoff & Abramson, LLP, 584 F.3d 1147, 1163 (9th Cir. 2009)
- Wilson v. Equifax Info. Servs., LLC, 2020 WL 2771184, at *3 (D. Nev. 2020)
- Torrez v. JP Morgan Chase Bank, 2026 WL 160835, at *5 (D. Ariz. 2026)
- Cook v. Mountain Am. Fed. Credit Union, 2018 WL 3707922, at *3 (D. Ariz. 2018)
- Carvalho v. Equifax Info. Servs., LLC, 629 F.3d 876, 890 (9th Cir. 2010)
- Iyigun v. Cavalry Portfolio Servs. LLC, 2013 WL 950947, at *1 (C.D. Cal. 2013)
- Grigoryan v. Bank of Am. Corp., 2012 WL 10423215, at *12 (C.D. 2012)
- Marino v. Ocwen Loan Servicing LLC, 978 F.3d 669, 672 (9th Cir. 2020)

- Bonin v. Calderon, 59 F.3d 815, 845 (9th Cir. 1995)
- Ferdik v. Bonzelet, 963 F.2d 1258, 1262 (9th Cir. 1992)
- Hal Roach Studios v. Richard Feiner & Co., 896 F.2d 1542, 1546 (9th Cir. 1990)
- Lacey v. Maricopa County, 693 F.3d 896, 928 (9th Cir. 2012) (en banc)

OPINION

1 WO 2 3 4 5 6 IN THE UNITED STATES DISTRICT COURT 7 FOR THE DISTRICT OF ARIZONA 8 9 Mariam Dermendjian, No. CV-26-01503-PHX-SHD 10 Plaintiff, ORDER 11 v. 12 Experian Information Solutions Incorporated, et al., 13 Defendants. 14 15 Pending before the Court is Plaintiff Mariam Dermendjian's Application for Leave 16 to Proceed In Forma Pauperis ("IFP"). (Doc.

2.) For the reasons stated below, 17 Dermendjian's application to proceed IFP will be granted, and Dermendjian's Complaint, 18 (Doc. 1), will be dismissed with leave to amend. 19 I. IFP APPLICATION 20 "There is no formula set forth by statute, regulation, or case law to determine when 21 someone is poor enough to earn IFP status." Escobedo v. Applebees, 787 F.3d 1226, 1235 22 (9th Cir.

2015). "An affidavit in support of an IFP application is sufficient where it alleges 23 that the affiant cannot pay the court costs and still afford the necessities of life." Id. at 1234 24 (citing Adkins v. E.I. Dupont de Nemours & Co., 335 U.S. 331, 339 (1948)). 25 Having reviewed the application to proceed IFP, (Doc. 2), I find Dermendjian 26 cannot pay the court costs and still afford necessities.

Thus, the motion to proceed IFP will 27 be granted. 28 1 II. SCREENING THE COMPLAINT 2 Because Dermendjian is proceeding IFP in this case, her Complaint must be 3 screened. 4 A. Legal Standard 5 Congress provided with respect to in forma pauperis cases that a district court "shall dismiss the case at any time if the court determines" that the 6 "allegation of poverty is untrue" or that the "action or appeal" is "frivolous 7 or malicious," "fails to state a claim on which relief may be granted," or "seeks monetary relief against a defendant who is immune from such relief." 8 28 U.S.C. § 1915(e)(2).

While much of section 1915 outlines how prisoners 9 can file proceedings in forma pauperis, section 1915(e) applies to all in forma pauperis proceedings, not just those filed by prisoners. Lopez v. Smith, 203 10 F.3d 1122, 1127 (9th Cir. 2000). "It is also clear that section 1915(e) not 11 only permits but requires a district court to dismiss an in forma pauperis complaint that fails to state a claim." Id. Therefore, this court must dismiss 12 an in forma pauperis complaint if it fails to state a claim or if it is frivolous 13 or malicious.

14 Kennedy v. Andrews, 2005 WL 3358205, at *2 (D. Ariz. 2005). 15 "The standard for determining whether a plaintiff has failed to state a claim upon which relief can be granted under §

1915(e)(2)(B)(ii) is the same as the Federal Rule of Civil Procedure 12(b)(6) standard for failure to state a claim.” Watison v. Carter, 668 F.3d 1108, 1112 (9th Cir. 2012); see also Wilhelm v. Rotman, 680 F.3d 1113, 1121 (9th Cir.

2012) (noting that screening pursuant to § 1915A “incorporates the familiar standard applied in the context of failure to state a claim under Federal Rule of Civil Procedure 12(b)(6)”). Hairston v. Juarez, 2023 WL 2468967, at *2 (S.D. Cal. 2023). Under Rule 8(a)(2), “a pleading must contain a ‘short and plain statement of the claim showing that the pleader is entitled to relief.’” Ashcroft v. Iqbal, 556 U.S. 662, 677–78 (2009) (quoting Fed.

R. Civ. P. 8(a)(2)). While this does not require “detailed factual allegations,... it demands more than an unadorned, the-defendant-unlawfully-harmed-me accusation.” Id. at 678 (quotation marks omitted). To meet this standard, “a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face.” Id. (quotation marks omitted).

Thus, a complaint must include “factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” Id. “Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice.” Id.; see also id. (“Nor does a complaint suffice if it tenders naked assertions devoid of further factual enhancement.” (cleaned up)).

Pro se filings must be construed “liberally when evaluating them under Iqbal.” Jackson v. Barnes, 749 F.3d 755, 763–64 (9th Cir. 2014). B. Dermendjian’s Complaint Dermendjian brings this action against Experian Information Solutions, Incorporated, Portfolio Recovery Associates LLC, Credit Corp Solutions, Incorporated, LVNV Funding LLC, and Midland Credit Management Incorporated, alleging violations of the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681 et seq.

(Doc. 1.) Her Complaint, however, is largely devoid of factual allegations sufficient to support these claims. (See generally id.) 1. Count I: Failure to Reinvestigate (§ 1681i)—Experian To state a claim under § 1681i, a plaintiff must sufficiently allege: “(1) she notified [the credit reporting agency (“CRA”)] of a disputed item of information; (2) [the CRA] failed to reinvestigate and either record the current status of the disputed information or delete the disputed item from its files; (3) [the CRA’s] failure to reinvestigate was negligent or willful; and (4) [the CRA’s] failure to reinvestigate caused [her] injuries.” Hebrank v. Early Warning Servs.

LLC, 2025 WL 1148801, at *2 (D. Ariz. 2025) (quoting Acton v. Bank One Corp., 293 F. Supp. 2d 1092, 1098–99 (D. Ariz. 2003)). Dermendjian’s Count I consists of a single sentence: “Experian failed to conduct a reasonable reinvestigation after disputes.” (Doc. 1 at 2.) While

Dermendjian alleges generally that she submitted a written dispute to Experian on August 4, 2025 “requesting reinvestigation, method of verification, ACDV documentation, and Metro-2 compliance,” (id.), she provides no factual detail about what specific items were disputed, what Experian’s reinvestigation consisted of, or why that reinvestigation was inadequate.

She also does not identify which accounts were disputed with Experian, what inaccurate information those accounts contained, or how Experian’s response failed to satisfy the requirements of § 1681i. The allegation that “[d]espite notice Defendants continued reporting inaccurate information,” (id.), is similarly conclusory—it restates the legal conclusion without identifying what information was reported, why it was inaccurate, or what Experian did or failed to do in response to the dispute.

These bare assertions do not permit the Court to assess whether the elements of a § 1681i claim have been met. See Iqbal, 556 U.S. at 678. Accordingly, Count I will be dismissed. 2. Count II: Failure to Assure Accuracy (§ 1681e(b))—Experian 15 U.S.C. § 1681e(b) establishes: “Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.” To plead a § 1681e(b) violation, “a consumer must first make a prima facie showing of inaccurate reporting by the CRA.” Shaw v. Experian Info.

Sols., Inc., 891 F.3d 749, 756 (9th Cir. 2018) (quotation marks omitted). Information is inaccurate if it is “patently incorrect” or is “misleading in such a way and to such an extent that it can be expected to adversely affect credit decisions.” Id. (quoting Gorman v. Wolpoff & Abramson, LLP, 584 F.3d 1147, 1163 (9th Cir. 2009)). “Once the consumer has made a prima facie showing of inaccuracy, he or she must next show that the consumer reporting agency failed to follow reasonable procedures to assure the maximum possible accuracy of the information.” Wilson v. Equifax Info.

Servs., LLC, 2020 WL 2771184, *3 (D. Nev. 2020) (citing 15 U.S.C. § 1681e(b)). Count II alleges that “Experian failed to follow reasonable procedures to assure maximum accuracy.” (Doc. 1 at 2–3.) And while she states that Portfolio Recovery Associates account number 3537436000 was “reported inaccurately,” she does not explain how. (See id. at 3.)

She has thus failed to allege inaccurate reporting by the CRA. At this stage, it is unnecessary to consider whether Experian implemented reasonable procedures because Dermendjian has failed to identify any inaccuracy. See Torrez v. JP Morgan Chase Bank, 2026 WL 160835, at *5 (D. Ariz. 2026) (dismissing § 1681e(b) claim where the plaintiff “fail[ed] to make... a prima facie showing because she did not articulate how the information that Defendant Experian reported was inaccurate”).

Accordingly, Count II will be dismissed. 3. Count III: Furnisher Liability—All Furnishers To state a claim under § 1681s-2(b), a plaintiff must plead: “(1) a credit reporting inaccuracy existed on plaintiff’s credit report; (2) plaintiff notified the [CRA] that plaintiff disputed the reporting as inaccurate; (3) the [CRA] notified the furnisher of the alleged inaccurate information of the dispute; and (4) the furnisher failed to investigate the inaccuracies or further failed to comply with the requirements in 15 U.S.C. § 1681s-2(b)(1)(A)–(E).” Cook v. Mountain Am. Fed. Credit Union, 2018 WL 3707922, at *3 (D. Ariz. 2018) (citations omitted). Dermendjian has not sufficiently pled facts establishing that any furnisher defendant engaged in inaccurate credit reporting. Although the FCRA’s reinvestigation provision in § 1681s-2(b) “does not on its face require that an actual inaccuracy exist for a plaintiff to state a claim, many courts, including our own, have imposed such a requirement.” Carvalho v. Equifax Info. Servs., LLC, 629 F.3d 876, 890 (9th Cir. 2010). Dermendjian fails to allege any facts as to what negative information was reported by any furnisher defendant, let alone the supposed inaccuracy. (See generally Doc. 1.) Again, while she identifies Portfolio Recovery Associates account number 3537436000 as “reported inaccurately,” she does not explain how. (See id. at 2–3.) As to Credit Corp Solutions, LVNV Funding, and Midland Credit Management, she provides no identification of any specific account or any description of what was allegedly reported inaccurately. Such conclusory allegations do not sufficiently put any defendant on notice of what was allegedly inaccurate about the reporting. See Iyigun v. Cavalry Portfolio Servs. LLC, 2013 WL 950947, at *1 (C.D. Cal. 2013). Accordingly, Count III will be dismissed. 4. Count IV—Willful and Negligent Noncompliance Counts I through III assert violations of the FCRA’s substantive provisions. Count IV, styled as a standalone claim for “Willful and Negligent Noncompliance,” invokes §§ 1681n and 1681o. Those provisions, however, are the FCRA’s remedial provisions— they set forth the remedies available to private litigants. See Grigoryan v. Bank of Am. Corp., 2012 WL 10423215, at *12 (C.D. 2012). Because Counts I through III fail to state a claim, Count IV necessarily fails as well, as there is no underlying substantive violation to which the remedial provisions can attach. Even if the substantive counts were adequately pled, the sole allegation that “Defendants acted willfully and/or negligently,” (Doc. 1 at 3), is entirely conclusory. “Under the FCRA, to show that a violation was willful, a plaintiff must show that the defendant either knowingly violated the Act or recklessly disregarded the Act’s requirements.” Marino v. Ocwen Loan Servicing LLC, 978 F.3d 669, 672 (9th Cir. 2020). No such facts are alleged here.

Accordingly, Count IV will be 11 dismissed. 12 III. LEAVE TO AMEND 13 Unless the Court determines that a pleading cannot be cured by the allegation of 14 other facts, a pro se litigant is entitled to an opportunity to amend a complaint before 15 dismissal of the action. See Lopez v. Smith, 203 F.3d 1122, 1127–29 (9th Cir. 2000) (en 16 banc). A finding that any amendment would be futile justifies dismissal without leave to 17 amend.

Bonin v. Calderon, 59 F.3d 815, 845 (9th Cir.1995). 18 Here, the Court cannot conclude that amendment would be futile as Dermendjian 19 could allege additional facts that would state a claim for relief. Accordingly, Dermendjian 20 will be granted the opportunity to amend. 21 Dermendjian must note that an amended Complaint supersedes the original 22 Complaint.

Ferdik v. Bonzelet, 963 F.2d 1258, 1262 (9th Cir. 1992); Hal Roach Studios v. 23 Richard Feiner & Co., 896 F.2d 1542, 1546 (9th Cir. 1990). Thus, after amendment, the 24 original complaint is treated as nonexistent. Ferdik, 963 F.2d at 1262. Any cause of action 25 raised in the original complaint is waived if it is not alleged in an amended complaint. See 26 Lacey v. Maricopa County, 693 F.3d 896, 928 (9th Cir.

2012) (en banc). And any 27 Defendant not renamed in the amended complaint will remain dismissed from this case. 28 See id. 1 || Accordingly, 2 IT IS ORDERED that the motion to proceed in forma pauperis (Doc. 2) is granted. 3 IT IS FURTHER ORDERED that the Complaint (Doc. 1) is dismissed for the reasons stated above. Dermendjian has 30 days from the date of this Order to file an 5 || amended complaint.

Consistent with LRCiv 15.1, Dermendjian shall file, concurrently 6 || with any amended complaint, a notice of filing the amended pleading that attaches a copy 7\| of the amended pleading indicating in what ways it differs from the Complaint.' 8 IT IS FURTHER ORDERED that if Dermendjian files an amended complaint, the 9|| Clerk of Court shall not issue a summons until the Court screens the amended complaint || and orders service consistent with 28 U.S.C. § 1915(d).

11 IT IS FURTHER ORDERED that if Dermendjian fails to file an amended 12 || complaint within 30 days, the Clerk of Court shall enter judgment dismissing this case with 13 | prejudice. 14 Dated this 13th day of April, 2026. 15 16 / 18 / H le Sharad H. Desai 20 United States District Judge 21 22 23 24 25 26 1 _ __.The Local Rules and a Handbook for Self-Represented Litigants are available on 28|| those Proceeding Without an Atloney (Pro Se), hltps:/www.azd.uscourls-gov/proceeding: without-attorney (last visited April 3, 2026). -7-