

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
MICHIGAN

Sotero Montellano Lopez III v. Trans Union LLC, et al.

Lopez v. Trans Union · No. 2:25-cv-12733 · Decided December 8, 2025

SUMMARY

The United States District Court for the Eastern District of Michigan partially granted and partially denied Plaintiff Sotero Montellano Lopez III’s unopposed motion for leave to amend his complaint. The court accepted the amended complaint as the operative pleading after excluding portions concerning sovereign-citizen-style settlement rhetoric, a UCC financing statement, and premature third-party discovery requests.

CASE DETAILS

COURT	United States District Court for the Eastern District of Michigan
WRITING FOR THE COURT	Elizabeth A. Stafford
JURISDICTION	United States District Court for the Eastern District of Michigan
DECIDED	December 8, 2025
DOCKET	2:25-cv-12733
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved unopposed for leave to amend after the court ordered the parties to show cause why the removed action should not be dismissed or remanded for lack of subject-matter jurisdiction based on the failure to state a plausible federal claim.
STANDARD OF REVIEW	Leave to amend under Federal Rule of Civil Procedure 15(a)(2) should be freely given when justice so requires, but may be denied for bad faith, dilatory purpose, undue delay or prejudice, or futility. An amendment is futile if it could not withstand a Rule 12(b)(6) motion. A magistrate judge's ruling on a non-dispositive motion may be objected to and will be set aside only if clearly erroneous or contrary to law.
PRECEDENTIAL VALUE	unpublished, nonprecedential trial-court order

TOPICS

- motion to amend
- pleadings
- discovery dispute
- credit reporting
- consumer protection

PRACTICE AREAS

civil procedure

consumer protection

credit reporting

federal jurisdiction

QUESTIONS PRESENTED

1. Whether Plaintiff should receive leave under Federal Rule of Civil Procedure 15(a)(2) to file the proposed amended complaint.
2. Whether the proposed amended complaint was futile because its claims could not withstand a Rule 12(b)(6) motion.
3. Whether portions of the proposed amended complaint concerning an alternative settlement tender, Uniform Commercial Code materials, and discovery subpoenas should be excluded from the operative pleading.

HOLDINGS

1. Leave to amend should be granted in part because the amended complaint states its Fair Credit Reporting Act and Michigan Consumer Protection Act claims in an understandable manner, and the defendants did not oppose the motion or argue futility.
2. The amended complaint was sufficiently understandable to be accepted as the operative complaint, subject to the court's exclusions, and was not rejected as futile at the amendment stage.
3. Section V, concerning an alternative settlement tender, and the final paragraph of Section VII, concerning a UCC financing statement, were excluded from the amended complaint because they neither advanced claims for relief nor supplied factual allegations supporting the claims.
4. Plaintiff could not advance a request for discovery subpoenas to third parties within the amended complaint; subsection (f) of Section VII was excluded because discovery must be sought under the applicable discovery rules.

KEY QUOTATIONS

"The Court GRANTS IN PART AND DENIES IN PART Lopez's motion." (PageID.1702-1703)

"Thus, these portions are excluded from the amended complaint." (PageID.1707-1710)

"This discovery request must be made as permitted under Rules 26 through 37 and Rule 45." (PageID.1710)

FACTUAL BACKGROUND

Lopez alleged that Trans Union and Experian reported his bankruptcy under the name "Sotero Lopez" rather than "Sotero Montellano Lopez III," causing the bankruptcy information to appear on the credit reports of his father and grandfather. He alleged that Equifax reported no bankruptcy, that defendants failed to investigate or correct the alleged inaccuracies after receiving disputes forwarded by the Consumer Financial Protection Bureau, and that three lenders denied him loans. The amended complaint asserted three Fair Credit Reporting Act claims and one Michigan Consumer Protection Act claim.

PROCEDURAL HISTORY

Trans Union removed the action from Wayne County Circuit Court with Experian's consent, asserting federal-question jurisdiction under 28 U.S.C. § 1331. The district judge referred pretrial matters to Magistrate Judge Elizabeth A. Stafford. After the court issued an order to show cause concerning the plausibility of Plaintiff's federal claim, Plaintiff moved for leave to amend. The magistrate judge granted the motion in part, accepted the amended complaint as the operative complaint subject to specified exclusions, and denied the motion to the extent the excluded portions were included.

DISPOSITION

other

CASES CITED

- Colvin v. Caruso, 605 F.3d 282, 294 (6th Cir. 2010)
- Rose v. Hartford Underwriters Ins. Co., 203 F.3d 417, 420 (6th Cir. 2000)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- League of United Latin Am. Citizens v. Bredesen, 500 F.3d 523, 527 (6th Cir. 2007)
- Freightliner of Knoxville, Inc. v. DaimlerChrysler Vans, LLC, 484 F.3d 865, 871 n.4 (6th Cir. 2007)
- Davis v. Prison Health Servs., 679 F.3d 433, 437-38 (6th Cir. 2012)
- Thomas v. Eby, 481 F.3d 434, 437 (6th Cir. 2007)
- Brown v. Hangley, No. 23-CV-1265, 2023 WL 5153513, at *2 n.4 (E.D. Pa. Aug. 10, 2023)
- Davis v. Heaton, No. 1:24-cv-1050, 2025 WL 2412452, at *3 (W.D. Mich. July 30, 2025)

OPINION

Sotero Montellano Lopez III v. Trans Union LLC, et al.

PER CURIAM.

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MICHIGAN

SOUTHERN DIVISION

SOTERO MONTELLANO

LOPEZ III, Case No. 25-cv-12733 Honorable Matthew F. Leitman Plaintiff, Magistrate Judge Elizabeth A. Stafford v. TRANS UNION LLC, et al., Defendants.

ORDER GRANTING IN PART AND DENYING IN PART PLAINTIFF'S

UNOPPOSED MOTION FOR LEAVE TO AMEND

(ECF NO. 41)

I. Introduction Defendant Trans Union LLC, with Defendant Experian Information Solutions, Inc.'s consent, removed this action from Wayne County Circuit Court under 28 U.S.C. §§ 1441 and 1446, claiming subject-matter jurisdiction under 28 U.S.C. § 1331. ECF No. 1. The Honorable Matthew F. Leitman referred the case to the undersigned for all pretrial matters under 28 U.S.C. §

636(b)(1). ECF No. 11. The Court ordered the parties to show cause why the action should not be dismissed or remanded for lack of subject-matter jurisdiction because Plaintiff Sotero Montellano Lopez III failed to state a plausible federal claim. ECF No. 33. Lopez moves for leave to amend his complaint, and neither Trans Union nor Experian have opposed the motion. ECF No. 41. The Court GRANTS IN PART AND DENIES IN PART Lopez's motion. II. Analysis A. Federal Rule of Civil Procedure 15(a)(2) states that leave to amend should be freely given "when justice so requires." But a motion to amend "should be denied if the amendment is brought in bad faith, for dilatory purposes, results in undue delay or prejudice to the opposing party, or would be futile." *Colvin v. Caruso*, 605 F.3d 282, 294 (6th Cir. 2010) (cleaned up). "A proposed amendment is futile if the amendment could not withstand a Rule 12(b)(6) motion to dismiss." *Rose v. Hartford Underwriters Ins. Co.*, 203 F.3d 417, 420 (6th Cir. 2000). A motion to dismiss under Rule 12(b)(6) tests a complaint's legal sufficiency. "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) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). The *Iqbal* Court explained, "[a] claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Id.* The complaint's allegations "must do more than create speculation or suspicion of a legally cognizable cause of action; they must show entitlement to relief." *League of United Latin Am. Citizens v. Bredesen*, 500 F.3d 523, 527 (6th Cir. 2007). In deciding whether a plaintiff has set forth a plausible claim, the Court must construe the complaint in the light most favorable to the plaintiff and accept as true all well-pleaded factual allegations. *Iqbal*, 556 U.S. at 678. But "[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice," *id.*, and the Court has no duty to create a claim not spelled out in the pleadings, *Freightliner of Knoxville, Inc. v. DaimlerChrysler Vans, LLC*, 484 F.3d 865, 871 n.4 (6th Cir. 2007). Pleadings filed by pro se litigants are entitled to a more liberal reading than would be afforded to formal pleadings drafted by lawyers, but such complaints still must plead a plausible claim for relief. *Davis v. Prison Health Servs.*, 679 F.3d 433, 437-38 (6th Cir. 2012); *Thomas v. Eby*, 481 F.3d 434, 437 (6th Cir. 2007). B. The amended complaint alleges that Trans Union and Experian reported Lopez's bankruptcy under the name "Sotero Lopez" rather than "Sotero Montellano Lopez III." ECF No. 41, PageID.1703. This alleged inaccuracy caused the bankruptcy to be reported on the credit reports of Sotero Lopez II and Sotero Lopez Sr., Lopez's father and grandfather, respectively. *Id.* Defendant Equifax Information Services LLC allegedly reported no bankruptcy at all. *Id.* Lopez claims that he filed complaints with the Consumer Financial Protection Bureau, which forwarded the disputes to defendants. *Id.*, PageID.1704. But defendants allegedly failed to investigate or correct the inaccuracies. *Id.* Lopez claims that he has been denied loans from three lenders because of the inaccuracies. *Id.* He asserts three claims for violations of the Fair Credit Reporting Act and one claim for violation of Michigan's Consumer Protection Act. *Id.*, PageID.1704-1707. The amended complaint excludes much of the "legal-

sounding but meaningless verbiage commonly used by adherents to the so-called sovereign citizen movement” that the Court noted in it’s order to show cause was “nothing more than a nullity.” See ECF No. 33, PageID.430 (quoting *Brown v. Hangley*, No. 23-CV-1265, 2023 WL 5153513, at *2 n.4 (E.D. Pa. Aug. 10, 2023)) (cleaned up). Instead, the amended complaint sets out Lopez’s claims in an understandable way. And defendants filed no opposition to the motion to amend nor argued that the claims are futile. Thus, the Court grants Lopez’s motion to amend and accepted in part the amended complaint at ECF No. 41, PageID.1702-1711, as the operative complaint. Section V of the amended complaint, entitled “Alternative Settlement Tender Notice,” discusses Lopez’s attempts to settle the dispute via a bill of exchange, promissory note, security agreement, and financing statement. *Id.*, PageID.1707-1709. The section also references reservations of rights under the Uniform Commercial Code (UCC) and includes other rhetoric characteristic of the sovereign citizen movement. *Id.*; see *Davis v. Heaton*, No. 1:24-cv-1050, 2025 WL 2412452, at *3 (W.D. Mich. July 30, 2025) (“The inclusion of ‘UCC 1-308’ and similar disclaimers ‘is a frequent and common tactic by those who adhere to the sovereign citizen movement.’”). The final paragraph of Section VII, “Relief Requested,” also references a UCC financing statement as evidence of mitigation and settlement efforts. ECF No. 41, PageID.1710. That paragraph and Section V neither advance claims for relief nor supply factual allegations supporting Lopez’s claims. Thus, these portions are excluded from the amended complaint. Last, subsection (f) of Section VII requests leave to issue discovery subpoenas to third parties. *Id.* This discovery request must be made as permitted under Rules 26 through 37 and Rule 45.1 It is thus improperly advanced in the amended complaint and is also excluded. III. Conclusion The Court GRANTS IN PART AND DENIES IN PART Lopez’s motion to amend (ECF No. 41). The Court accepts in part Lopez’s amended complaint as the new operative complaint, excluding: • Section V (ECF No. 41, PageID.1707-1709); • The last paragraph of Section VII (ECF No. 41, PageID.1710); and • Subsection (f) of Section VII (ECF No. 41, PageID.1710). s/Elizabeth A. Stafford

ELIZABETH A. STAFFORD

United States Magistrate Judge 1 Except in limited circumstances inapplicable here, discovery is premature until the parties have conferred as required by Rule 26(f). Fed. R. Civ. P. 26(d)(1). Dated: December 8, 2025

NOTICE TO PARTIES ABOUT OBJECTIONS

Within 14 days of being served with this order, any party may file objections with the assigned district judge. Fed. R. Civ. P. 72(a). The district judge may sustain an objection only if the order is clearly erroneous or contrary to law. 28 U.S.C. § 636. “When an objection is filed to a magistrate judge’s ruling on a non-dispositive motion, the ruling remains in full force and effect unless and until it is stayed by the magistrate judge or a district judge.” E.D. Mich. LR 72.2.

CERTIFICATE OF SERVICE

The undersigned certifies that this document was served on counsel of record and any unrepresented parties via the Court’s ECF System to their email or First Class U.S. mail addresses

disclosed on the Notice of Electronic Filing on December 8, 2025. s/Davon Allen
DAVON ALLEN
Case Manager

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