

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
ALABAMA, EASTERN DIVISION

Powell v. Regional Finance Corporation of Alabama

Powell · No. 3:26-cv-00034-RAH-SMD · Decided March 27, 2026

SUMMARY

The court adopted the Magistrate Judge’s recommendation and granted the defendant’s motion to dismiss the plaintiff’s Fair Debt Collection Practices Act claim with prejudice. The court declined supplemental jurisdiction over the remaining state-law claims, remanded the action to the Small Claims Court of Randolph County, Alabama, and directed the clerk to close the case.

CASE DETAILS

COURT	United States District Court for the Middle District of Alabama, Eastern Division
WRITING FOR THE COURT	Chief United States District Judge
JURISDICTION	United States District Court for the Middle District of Alabama, Eastern Division
DECIDED	March 27, 2026
DOCKET	3:26-cv-00034-RAH-SMD
DISPOSITION	remanded
PROCEDURAL POSTURE	The district court reviewed a magistrate judge's recommendation that the defendant's motion to dismiss the FDCPA claim be granted, that supplemental jurisdiction over the remaining state-law claims be declined, and that the action be remanded to state small claims court. No party objected to the recommendation.
STANDARD OF REVIEW	Clear-error review of the magistrate judge's recommendation because no party filed a timely objection.
PRECEDENTIAL VALUE	unpublished district court order

TOPICS

- fair debt collection
- motions to dismiss
- subject matter jurisdiction
- breach of contract
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the district court should review the unobjected-to magistrate judge's recommendation for clear error rather than de novo.
2. Whether the FDCPA claim should be dismissed because the complaint alleged no facts showing that Defendant was a debt collector under 15 U.S.C. § 1692a(6).
3. Whether the district court should decline supplemental jurisdiction over the remaining state-law breach-of-contract claim and counterclaim under 28 U.S.C. § 1367(c) and remand them to state court.

HOLDINGS

1. When no timely objection is filed to a magistrate judge's recommendation, the district court reviews the recommendation for clear error rather than conducting de novo review.
2. The FDCPA claim fails where the plaintiff alleges no facts suggesting that the defendant is a debt collector as defined by 15 U.S.C. § 1692a(6); the claim was therefore properly dismissed with prejudice.
3. The district court properly declined to exercise supplemental jurisdiction over the remaining state-law breach-of-contract claim and counterclaim under 28 U.S.C. § 1367(c), given the early stage of the litigation and the nature of the remaining claims.

KEY QUOTATIONS

“Most circuits agree that ‘[i]n the absence of a timely filed objection, a district court need not conduct a de novo review, but instead must only satisfy itself that there is no clear error on the face of the record in order to accept the recommendation.’”

FACTUAL BACKGROUND

Plaintiff asserted a claim under the Fair Debt Collection Practices Act and state-law breach-of-contract claims against Regional Finance Corporation of Alabama. The FDCPA allegations did not include facts suggesting that Regional Finance was a debt collector within the meaning of 15 U.S.C. § 1692a(6). The remaining claims were state-law claims, and the litigation was at an early stage.

PROCEDURAL HISTORY

Plaintiff brought an FDCPA claim and state-law breach-of-contract claims, including a counterclaim, in the Small Claims Court of Randolph County, Alabama. The action was before the United States District Court for the Middle District of Alabama, where Defendant moved to dismiss. The magistrate judge recommended dismissal of the FDCPA claim, declining supplemental jurisdiction over the remaining state-law claims, and remand. The district court found no clear error, adopted the recommendation in full, dismissed the FDCPA claim with prejudice, declined supplemental jurisdiction, and remanded the remaining claims.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The Clerk was directed to take all steps necessary to effectuate remand of the remaining state-law breach-of-contract claim and counterclaim to the Small Claims Court of Randolph County, Alabama and to close the federal file.

CASES CITED

- *Macort v. Prem, Inc.*, 208 F. App'x 781, 784 (11th Cir. 2006) (per curiam)

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