

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
VIRGINIA, ALEXANDRIA DIVISION

Nader Afgan, et al. v. Marco G, LLC, et al.

Afgan · No. 1:25-cv-02452 (AJT/LRV) · Decided May 5, 2026

SUMMARY

The United States District Court for the Eastern District of Virginia granted defendants’ motion to dismiss plaintiffs’ civil RICO claim arising from alleged deficient and unlicensed architectural and renovation services. The court held that plaintiffs failed to plead a RICO enterprise distinct from the defendants and the alleged racketeering activity. The court declined supplemental jurisdiction over the remaining state-law claims and dismissed them without prejudice.

CASE DETAILS

COURT	United States District Court for the Eastern District of Virginia, Alexandria Division
JURISDICTION	United States District Court for the Eastern District of Virginia, Alexandria Division
DECIDED	May 5, 2026
DOCKET	1:25-cv-02452 (AJT/LRV)
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs brought a civil RICO claim and related state-law claims. Defendants moved to dismiss under Federal Rule of Civil Procedure 12(b)(6). The court granted the motion as to the RICO claim and declined to exercise supplemental jurisdiction over the remaining state-law claims.
STANDARD OF REVIEW	On a motion to dismiss, the court accepts well-pleaded factual allegations as true and construes the facts in the light most favorable to the plaintiffs. The complaint must contain sufficient factual matter to state a claim that is plausible on its face.
PRECEDENTIAL VALUE	unpublished district court memorandum opinion and order; precedential status unknown
PARTIES	Nader Afgan, Shanar Nasserifar v. Marco G, LLC, Marco Goncalves, Marluce Maria Goncalves, Marcelo Batista Goncalves, Marcia M. Rocha

TOPICS

motions to dismiss

pleadings

subject matter jurisdiction

civil procedure

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PRACTICE AREAS

civil procedure

RICO

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federal jurisdiction

QUESTIONS PRESENTED

1. Whether the complaint plausibly alleged a civil RICO enterprise distinct from the defendants and distinct from the alleged pattern of racketeering activity.
2. Whether the court should exercise supplemental jurisdiction over the remaining state-law claims after dismissing the only claim within its original federal-question jurisdiction.

HOLDINGS

1. The complaint failed to plausibly allege the existence of a RICO enterprise because the alleged enterprise consisted of the same persons and entities alleged to have violated RICO and its alleged affairs were not distinct from the alleged pattern of racketeering activity. Count I was therefore dismissed for failure to state a claim.
2. After dismissing the only claim over which it had original federal-question jurisdiction, the court declined to exercise supplemental jurisdiction over the remaining state-law claims and dismissed those claims without prejudice under 28 U.S.C. § 1367(c)(3).

KEY QUOTATIONS

“To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim that is plausible on its face.’”

“A RICO plaintiff ‘must allege and prove the existence of two distinct entities: a person; and an enterprise that is not simply the same person referred to by a different name’”

FACTUAL BACKGROUND

Plaintiffs retained defendants to provide architectural design and renovation services for their Virginia home. They alleged that defendants misrepresented their architectural credentials, operated without required registration and licensure, failed to obtain required permits, and used unqualified contractors. The renovation allegedly resulted in serious structural, electrical, plumbing, safety, and construction defects, causing plaintiffs substantial financial losses and other harms.

PROCEDURAL HISTORY

Plaintiffs filed suit in the United States District Court for the Eastern District of Virginia alleging that defendants operated a fraudulent architectural and renovation-services scheme. The RICO claim supplied the sole basis for original federal-question jurisdiction, while the remaining claims were based on state law and supplemental

jurisdiction. After a hearing on March 9, 2026, the court dismissed the RICO claim for failure to plead a distinct RICO enterprise and dismissed the state-law claims without prejudice under 28 U.S.C. § 1367(c)(3).

DISPOSITION

dismissed

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Squire v. Va. Hous. Dev. Auth., 287 Va. 507, 517 (2014)
- CaterCorp, Inc. v. Catering Concepts, Inc., 246 Va. 22, 24 (1993)
- SD3, LLC v. Black & Decker (U.S.) Inc., 801 F.3d 412, 422 (4th Cir.)
- D'Addario v. Geller, 264 F. Supp. 2d 367, 388 (E.D. Va.)
- Palmetto State Med. Ctr., Inc. v. Operation Lifeline, 117 F.3d 142, 148 (4th Cir.)
- United States v. Turkette, 452 U.S. 576, 583 (1981)
- Cedric Kushner Promotions, Ltd. v. King, 533 U.S. 158, 161 (2001)
- Oriole Group, LLC v. Pool Scouts Franchising, LLC, 791 F. Supp. 3d 661, 683 (E.D. Va. 2025)
- Reves v. Ernst & Young, 507 U.S. 170, 185 (1993)
- Boyle v. United States, 556 U.S. 938, 947
- Rojas v. Delta Airlines, Inc., 425 F. Supp. 3d 524, 538 (D. Md. 2019)
- Croatia Line, 918 F. Supp. 961, 969 (E.D. Va.)