

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Siddig Bahreldin v. Safety Holdings Incorporated

No. CV-25-02303-PHX-DJH (D. Ariz. Nov. 21, 2025) · No. 2:25-cv-02303 · Decided November 21, 2025

SUMMARY

The United States District Court for the District of Arizona denied Defendant Safety Holdings Incorporated’s motion to stay discovery pending resolution of its motion to dismiss the First Amended Complaint. Applying the preliminary-peek standard, the Court found that Plaintiff had plausibly alleged claims under the Fair Credit Reporting Act and that proceeding with discovery would not cause undue hardship. The Court also deemed Defendant’s earlier motion to dismiss moot because Plaintiff had filed an amended complaint.

CASE DETAILS

COURT	United States District Court for the District of Arizona
WRITING FOR THE COURT	Diane J. Humetewa
JURISDICTION	United States District Court for the District of Arizona
DECIDED	November 21, 2025
DOCKET	2:25-cv-02303
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to stay discovery pending resolution of its motion to dismiss the First Amended Complaint.
STANDARD OF REVIEW	A motion to stay discovery pending resolution of a potentially dispositive motion is evaluated under a good-cause standard, commonly applying a two-part test: whether the pending motion is potentially dispositive and whether it can be decided without additional discovery.
PRECEDENTIAL VALUE	Unknown; district court order addressing a discovery-stay motion.

TOPICS

- discovery dispute
- motions to dismiss
- credit reporting
- consumer protection
- civil procedure

PRACTICE AREAS

- Civil procedure
- Fair Credit Reporting Act
- Consumer protection

QUESTIONS PRESENTED

1. Whether discovery should be stayed pending resolution of Defendant's potentially dispositive motion to dismiss.
2. Whether Defendant's earlier motion to dismiss was moot after Plaintiff filed the First Amended Complaint.

HOLDINGS

1. The court denied the motion to stay discovery because Defendant did not establish that Plaintiff would be unable to state a claim for relief, and Plaintiff had plausibly alleged a Fair Credit Reporting Act claim that could not be disregarded at the preliminary-peek stage.
2. Defendant's first motion to dismiss was moot because Plaintiff filed a First Amended Complaint.

KEY QUOTATIONS

“The power to stay proceedings is incidental to the power inherent in every court to control the disposition of the cases on its docket with economy of time and effort for itself, for counsel, and for litigants.” (at 1)

“Discovery should proceed if either prong of the test is not met.” (at 2)

“IT IS ORDERED that Defendant’s Motion to Stay Discovery (Doc. 27) is DENIED.” (at 4)

FACTUAL BACKGROUND

Plaintiff alleged that Defendant, a consumer reporting agency, inaccurately reported information concerning the suspension of his license and failed to conduct a reasonable reinvestigation after he disputed the reporting. He asserted that the alleged violation caused damages, including loss of employment opportunity and wages. Defendant argued that its report was accurate when issued and that its motion to dismiss could resolve all claims without discovery.

PROCEDURAL HISTORY

Plaintiff filed a First Amended Complaint asserting Fair Credit Reporting Act claims. Defendant moved to stay discovery while its motion to dismiss the First Amended Complaint was pending. The court denied the motion to stay discovery and deemed Defendant's earlier motion to dismiss moot because Plaintiff had filed the First Amended Complaint.

DISPOSITION

other

CASES CITED

- Landis v. N. Am. Co., 299 U.S. 248, 254 (1936)
- Flynn v. Nevada, 345 F.R.D. 338, 343 (D. Nev. 2024)
- Body Xchange Sports Club, LLC v. Zurich Am. Ins. Co., 2021 WL 2457482, at *2 (E.D. Cal. June 16, 2021)

- Wood v. McEwen, 644 F.2d 797, 801-02 (9th Cir. 1981)
- Williams v. Experian Info. Sols. Inc., 2024 WL 739676, at *2 (D. Ariz. Feb. 23, 2024)
- Ferrell v. AppFolio, Inc., 2024 WL 132223, at *1 (C.D. Cal. 2024)
- Aliphcom v. Fitbit, Inc., 154 F. Supp. 3d 933, 937 (N.D. Cal. 2015)
- PharmacyChecker.com LLC v. LegitScript LLC, 2022 WL 17496113, at *2 (D. Or. 2022)

OPINION

Bahreldin

PER CURIAM.

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6 IN THE UNITED STATES DISTRICT COURT

7 FOR THE DISTRICT OF ARIZONA

8 9 Siddig Bahreldin, No. CV-25-02303-PHX-DJH 10 Plaintiff, ORDER 11 v. 12 Safety Holdings
 Incorporated, 13 Defendant. 14 15 On September 26, 2025, Defendant Safety Holdings
 Incorporated (“Defendant”) 16 filed a Motion to Stay Discovery (Doc. 27) pending the resolution
 of Defendant’s earlier 17 filed Motion to Dismiss the First Amended Complaint. (See Doc. 20).
 Plaintiff Siddig 18 Bahreldin filed a Response (Doc. 32) to Defendant’s Motion to Stay on October
 9, 2025, 19 opposing the requested relief. 20 “The power to stay proceedings is incidental to the
 power inherent in every court to 21 control the disposition of the cases on its docket with economy
 of time and effort for itself, 22 for counsel, and for litigants.” Landis v. N. Am. Co., 299 U.S. 248,
 254 (1936). “Discovery 23 may be stayed when a dispositive motion does not require discovery,
 but discovery should 24 not be stayed if it is necessary to decide the dispositive motion.” Flynn v.
 Nevada, 345 25 F.R.D. 338, 343 (D. Nev. 2024) (citations omitted). A motion to stay discovery
 pending 26 resolution of a potentially dispositive motion may be granted for good cause. See Body
 27 Xchange Sports Club, LLC v. Zurich Am. Ins. Co., 2021 WL 2457482, at *2 (E.D. Cal.
 28 June 16, 2021) (“Though the Ninth Circuit has not provided a clear standard for evaluating
 1 a motion to stay discovery pending resolution of a potentially dispositive motion, it has 2
 affirmed that district courts may grant such a motion for good cause.”) (citations omitted). 3 Good
 cause exists to stay discovery “when the district court is ‘convinced that the plaintiff 4 will be
 unable to state a claim for relief.’” Flynn, 345 F.R.D. at 343 (quoting Wood v. 5 McEwen, 644
 F.2d 797, 801-02 (9th Cir. 1981) (citation omitted). 6 The Ninth Circuit has not set forth a clear
 standard for district courts to apply when 7 deciding to stay a case pending the resolution of a
 potentially dispositive motion. See 8 Williams v. Experian Info. Sols. Inc., 2024 WL 739676, at *2
 (D. Ariz. Feb. 23, 2024). 9 However, “[m]ost federal district courts . . . apply a two-part test under
 which it is 10 appropriate to stay discovery [where] (1) the pending motion must be potentially 11
 dispositive of the entire case, or at least dispositive on the issue at which discovery is aimed 12
 and (2) the pending, potentially dispositive motion can be decided absent additional 13 discovery.
 Discovery should proceed if either prong of the test is not met. This test has 14 the Court take a

‘preliminary peek’ at the underlying motion without exhaustively reviewing the merits.” *Id.* (citing *Ferrell v. AppFolio, Inc.*, 2024 WL 132223, *1 (C.D. Cal. 2024)). “The party seeking the stay bears the burden of proving that it is warranted.” *Aliphcom v. Fitbit, Inc.*, 154 F. Supp. 3d 933, 937 (N.D. Cal. 2015). Here, Defendant argues that a stay is appropriate because (1) it has filed a motion to dismiss which is dispositive to all of Plaintiff’s claim and requires no further discovery, and (2) a brief stay will not prejudice Plaintiffs, but commencing discovery now will unduly prejudice Defendants. (Doc. 27 at 6–9). Plaintiffs argue that a stay is inappropriate here because (1) Defendant’s Motion to Dismiss fails a “preliminary peek”; (2) granting Defendant’s Motion will prejudice Plaintiff; and (3) Defendants have not demonstrated undue burden or irreparable injury. (Doc. 32 at 6–9). Plaintiff, however, does not dispute that the pending Motion to Dismiss can be decided absent additional discovery. Nonetheless, the Court finds that a stay is not proper here. The Court must be convinced that the plaintiff will be unable to state a claim for relief. See *Wood*, 644 F.2d at 801. Plaintiff, in his First Amended Complaint, brings two claims for relief under the Fair Credit Reporting Act—failure to perform a reasonable reinvestigation under 15 U.S.C. § 1681i(a) and violations of 15 U.S.C. § 1681e(b) and 15 U.S.C. § 1681i(d). (Doc. 19 at ¶¶ 76–98). Defendant primarily argues that, because its report on Plaintiff was accurate when issued, Plaintiff cannot maintain his FCRA claims. (See Doc. 20 at 9–14). In their briefing, the parties rehash their arguments for and against Defendant’s Motion to Dismiss, but this goes beyond the considerations of a motion to stay. To be sure, the Court will have to assess the actual viability of Plaintiff’s claims and weigh the parties’ legal arguments, when it rules on Defendant’s Motion to Dismiss. However, for now, Plaintiff has plead that Defendant is a “consumer reporting agency,” and he is a “consumer,” under 15 U.S.C. § 1681a. (Doc. 19 at ¶¶ 77–78). Plaintiff has alleged that he disputed the accuracy of Defendant’s reporting about his license suspension, but Defendants failed to conduct a reinvestigation in violation of § 1681i(a). (*Id.* at ¶¶ 82–84). As a result of this violation Plaintiff claims to have suffered damages, such as loss of employment opportunity and wages. (*Id.* at ¶¶ 85). Taking a “preliminary peek” at Defendants’ Motion and Plaintiffs’ First Amended Complaint without exhaustively reviewing the merits, the Court finds that, at the very least, Plaintiffs have likely plead a plausible claim for violations of § 1681i. The Court, finally, notes that indefinite stays are disfavored and commencing discovery on Plaintiff’s narrow claims should not cause either party undue hardship. See *PharmacyChecker.com LLC v. LegitScript LLC*, 2022 WL 17496113, *2 (D. Or. 2022) (“Proceeding with discovery is a normal process of litigation, not an undue hardship.”). Accordingly, IT IS ORDERED that Defendant’s Motion to Stay Discovery (Doc. 27) is DENIED. / / / / 26 / / / / 27 / / / / 28 / / / / 1 IT IS FURTHER ORDERED that Defendant’s first Motion to Dismiss (Doc. 15) is MOOT due to Plaintiffs filing of his First Amended Complaint. The Court will rule on Defendant’s Motion to Dismiss the First Amended Complaint (Doc. 20)

by separate Order. 4 Dated this 21st day of November, 2025. 6 norable'Diang/4. Huretewa 7
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