UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Cheryl Moran v. Embark Card Services, LLC, Experian Information Solutions, Inc., Equifax Information Services, LLC, and Trans Union, LLC

Moran · No. 1:25-cv-06017 · Decided December 17, 2025

SUMMARY

The United States District Court for the Northern District of Illinois denied the credit reporting agencies' motion to dismiss Cheryl Moran's amended Fair Credit Reporting Act claims. The court held that Moran plausibly alleged factual inaccuracies in her reported debt balance and that the alleged inaccuracies could potentially be uncovered through reasonable reinvestigation under 15 U.S.C. §§ 1681e(b) and 1681i(a).

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois, Eastern Division
WRITING FOR THE COURT	Lindsay C. Jenkins
JURISDICTION	United States District Court for the Northern District of Illinois, Eastern Division
DECIDED	December 17, 2025
DOCKET	1:25-cv-06017
DISPOSITION	other
PROCEDURAL POSTURE	The CRA defendants jointly moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the amended complaint for failure to state a claim. The court denied the motion.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court assesses the legal sufficiency of the complaint, accepts well-pleaded factual allegations as true, disregards conclusory allegations, and asks whether the allegations plausibly state a claim for relief.
PRECEDENTIAL VALUE	unpublished district court memorandum opinion; nonprecedential

PARTIES	Cheryl Moran v. Embark Card Services, LLC, Experian Information Solutions, Inc., Equifax Information Services, LLC, Trans Union, LLC

TOPICS

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

PRACTICE AREAS

consumer protection · credit reporting · civil procedure

QUESTIONS PRESENTED

1. Whether Moran plausibly alleged that the CRA defendants reported factually inaccurate information in violation of FCRA section 1681e(b).
2. Whether Moran plausibly alleged that the CRA defendants failed to conduct reasonable reinvestigations under FCRA section 1681i(a).
3. Whether determining the accuracy of the reported balance would require the CRAs to make an impermissible legal interpretation of the underlying cardholder agreement.

HOLDINGS

1. Moran plausibly alleged a factual inaccuracy by asserting that the reported balance was wrong because Embark had agreed to credit back the fees and interest, as reflected on the billing statements. The claims against the CRA defendants therefore survived the motion to dismiss.
2. The amended complaint alleged an issue that was sufficiently factual, rather than a legal inaccuracy beyond the CRAs' investigative obligations, because it asserted that Embark agreed to credit back charges and that the billing statements reflected those credits.

KEY QUOTATIONS

> *"A threshold requirement for claims under both sections is that there must be an inaccuracy in the consumer's credit report."* (Analysis, Section III)

> *"Factual inaccuracies can be verified without requiring legal interpretation."* (Analysis, Section III)

> *"Because Moran has stated a claim against the CRAs under both §§ 1681e(b) and 1681i(a), the motion to dismiss is denied."* (Conclusion, Section IV)

FACTUAL BACKGROUND

Moran's Embark credit-card account reflected late fees and interest charges that Embark later agreed to credit back. After Moran paid the remaining balance and stopped using the card, the account continued to reflect a $22.47 interest charge and later additional fees and interest, resulting in a charged-off balance of approximately $225.94. Moran disputed the balance with Equifax, Experian, and Trans Union, but the agencies verified that the reported information was accurate and left it unchanged.

PROCEDURAL HISTORY

Moran sued Embark under section 1681s-2(b) of the FCRA and sued Experian, Equifax, and Trans Union under sections 1681e(b) and 1681i(a). The court previously dismissed Moran's claims against the CRA defendants without prejudice. Moran filed an amended complaint, and the CRA defendants renewed their motion to dismiss. The court held that the amended complaint plausibly alleged factual inaccuracies in Moran's reported debt balance and denied the motion.

DISPOSITION

other

CASES CITED

- Smith v. First Hosp. Lab’ys, Inc., 77 F.4th 603, 607 (7th Cir. 2023)
- Goldberg v. United States, 881 F.3d 529, 531 (7th Cir. 2018)
- Burke v. 401 N. Wabash Venture, LLC, 714 F.3d 501, 505 (7th Cir. 2013)
- McCready v. eBay, Inc., 453 F.3d 882, 891 (7th Cir. 2006)
- Emerson v. Dart, 109 F.4th 936, 941 (7th Cir. 2024)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Chaitoff v. Experian Info. Sols., Inc., 79 F.4th 800, 811 (7th Cir. 2023)
- Chuluunbat v. Experian Info. Sols., Inc., 4 F.4th 562, 567-69 (7th Cir. 2021)
- Denan v. Trans Union LLC, 959 F.3d 290, 294-97 (7th Cir. 2020)
- Grenadyor v. Discovery Fin. Servs., No. 1:23-CV-01198, 2024 WL 1254572, at *3 (N.D. Ill. Mar. 25, 2024)
- Thornton v. Experian Info. Sols., Inc., No. 24 CV 624, 2025 WL 1951743, at *3 (N.D. Ill. July 16, 2025)
- Chuluunbat v. Cavalry Portfolio Servs., LLC, 2020 WL 4208106, at *3 (N.D. Ill. July 22, 2020), aff’d sub nom. Chuluunbat v. Experian Info. Sols., Inc., 4 F.4th 562 (7th Cir. 2021)