

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
MISSISSIPPI

Phalesity Williams v. Direct Auto CDJR, LLC

Williams · No. 3:25-cv-00214-JDM-RP · Decided March 13, 2026

SUMMARY

The court holds that it has general personal jurisdiction over Direct Auto CDJR, LLC because it is a Mississippi entity, rejecting the defendant’s personal-jurisdiction defense. The court concludes that venue is improper in the Northern District of Mississippi because the alleged credit inquiries occurred at the defendant’s location in the Southern District. Rather than dismissing the action, the court transfers it to the Southern District of Mississippi, Northern Division, and denies the plaintiff’s motion for leave to file a sur-reply.

CASE DETAILS

COURT	United States District Court for the Northern District of Mississippi
WRITING FOR THE COURT	James D. Maxwell II
JURISDICTION	United States District Court for the Northern District of Mississippi
DECIDED	March 13, 2026
DOCKET	3:25-cv-00214-JDM-RP
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to dismiss for lack of personal jurisdiction and improper venue after limited discovery. The court denied dismissal for lack of personal jurisdiction, granted the venue challenge, and transferred the action to the Southern District of Mississippi under 28 U.S.C. § 1406(a).
STANDARD OF REVIEW	The court applied a fact-intensive waiver inquiry for personal-jurisdiction and venue defenses and analyzed venue under 28 U.S.C. § 1391(b)(2). Transfer under 28 U.S.C. § 1406(a) was committed to the court's discretion based on the interests of justice.
PRECEDENTIAL VALUE	Nonprecedential district-court order
PARTIES	Phalesity Williams v. Direct Auto CDJR, LLC

TOPICS

venue

personal jurisdiction

credit reporting

civil procedure

PRACTICE AREAS

Civil procedure

Fair Credit Reporting Act

Personal jurisdiction

Federal venue

Consumer protection

QUESTIONS PRESENTED

1. Whether Direct Auto waived its personal-jurisdiction and improper-venue defenses by participating in discovery after preserving those defenses in its answer.
2. Whether the Northern District of Mississippi had personal jurisdiction over Direct Auto, a Mississippi business located in the Southern District.
3. Whether venue was proper in the Northern District under 28 U.S.C. § 1391(b)(2) because Williams allegedly experienced harm there.
4. Whether the action should be dismissed or transferred under 28 U.S.C. § 1406(a) when venue was improper.

HOLDINGS

1. Direct Auto did not waive its personal-jurisdiction or venue defenses through its limited participation in discovery because it preserved the defenses in its answer and did not actively litigate the merits.
2. The Northern District of Mississippi had general personal jurisdiction over Direct Auto because Direct Auto is a Mississippi entity and is therefore subject to general jurisdiction in Mississippi courts.
3. Venue was improper in the Northern District of Mississippi because the alleged unauthorized credit inquiries and related acts or omissions occurred at Direct Auto's place of business in the Southern District, not in the Northern District merely because Williams allegedly experienced harm there.
4. Transfer to the Southern District of Mississippi, Northern Division, was preferable to dismissal because Williams filed in the Northern District in good faith and transfer served the interests of justice and judicial economy.

KEY QUOTATIONS

“Direct Auto is undoubtedly a Mississippi resident. So Mississippi courts, including this one, have general personal jurisdiction over Direct Auto.” (Discussion II)

“Since all alleged, unauthorized inquiries were made in the Southern District, venue is improper in the Northern District.” (Discussion III)

“Williams’s Motion for Leave [20] is DENIED.” (Conclusion)

FACTUAL BACKGROUND

Williams alleged that she texted a Direct Auto employee regarding a vehicle purchase and revoked consent to credit inquiries. She alleged that Direct Auto nevertheless submitted unauthorized hard credit inquiries and initiated credit applications, damaging her credit and causing other injuries. Direct Auto is a Mississippi entity

located in Scott County, within the Southern District of Mississippi, and Williams did not allege that the inquiries were made from the Northern District.

PROCEDURAL HISTORY

Williams filed an action asserting Fair Credit Reporting Act and related state-law claims in the Northern District of Mississippi. Direct Auto answered, preserving personal-jurisdiction and venue defenses, participated in limited discovery, and moved to dismiss. The court denied Williams's motion for leave to file a sur-reply, rejected her waiver argument, held that personal jurisdiction existed but venue was improper, and transferred the case to the Southern District of Mississippi, Northern Division.

DISPOSITION

other

REMAND INSTRUCTIONS

The case and all pending motions were transferred to the United States District Court for the Southern District of Mississippi, Northern Division. The case was closed in the Northern District.

CASES CITED

- Farmer v. Synergy Refrigeration, Inc., No. 3:13-cv-213-DPJ-FKB, 2014 WL 12622456, at *2 (S.D. Miss. Oct. 14, 2014)
- Brokerwood Prods. Int'l (U.S.), Inc. v. Cuisine Crotone, Inc., 104 F. App'x 376, 380-81 (5th Cir. 2004)
- PaineWebber Inc. v. Chase Manhattan Priv. Bank (Switz.), 260 F.3d 453, 459 (5th Cir. 2001)
- 21st Mortg. Corp. v. Lyndon S. Ins. Co., No. 2:23-cv-196-KS-MTP, 2024 WL 3069821, at *1 (S.D. Miss. June 20, 2024)
- Ford Motor Co. v. Montana Eighth Judicial District Court, 592 U.S. 351, 358, 141 S. Ct. 1017, 209 L. Ed. 2d 225 (2021)
- Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 919, 131 S. Ct. 2846, 180 L. Ed. 2d 796 (2011)
- Hanson, Executrix, et al. v. Denckla et al., Hanson v. Denckla, 357 U.S. 235, 253, 78 S. Ct. 1228, 2 L. Ed. 2d 1283 (1958)
- In re Volkswagen of Am., Inc., 545 F.3d 304, 312 (5th Cir. 2008)
- Ford Motor Co., 592 U.S. 351
- World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 100 S. Ct. 559, 62 L. Ed. 2d 490 (1980)
- International Shoe Co. v. State of Washington, International Shoe Co. v. Washington, 326 U.S. 310, 66 S. Ct. 154, 90 L. Ed. 95 (1945)
- Smith v. Real Page, Inc., No. 4:18-cv-00025, 2018 WL 3105758, at *4 (E.D. Tex. June 25, 2018)
- Myers v. Bennett Law Offices, 238 F.3d 1068, 1076 (9th Cir. 2001)
- Heugel v. TransUnion, LLC, No. 1:22-cv-1152-LY, 2023 WL 3098994 (W.D. Tex. Apr. 10, 2023)

- Allen v. Equifax Info. Servs. LLC, No. 4:23-cv-03406, 2024 WL 643297, at *1 (S.D. Tex. Feb. 15, 2024)
- Seville v. Maersk Line, Ltd., 53 F.4th 890, 894 (5th Cir. 2022)

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