

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF NEVADA

3 DEREK LAND,

4 Plaintiff

5 v.

6 ALLIED COLLECTION SERVICES, INC.,

7 et al.,

8 Defendants

Case No.: 2:22-cv-01641-APG-EJY

**Order Denying Motions for Summary
Judgment**

[ECF Nos. 42, 43]

9 Plaintiff Derek Land sues defendant Allied Collection Services, Inc. under the Fair Credit
10 Reporting Act (FCRA) for allegedly failing to conduct a reasonable investigation after he
11 disputed that he owed unpaid rent to an apartment complex where he had been living. Land
12 contends that Allied violated 15 U.S.C. § 1681s-2(b) by conducting an inadequate investigation
13 and by deciding not to delete or modify the information that it furnished to the credit reporting
14 agencies (CRAs).¹

15 Land moves for summary judgment on the issue of liability, arguing that Allied admits it
16 did not investigate the accuracy of its reporting after receiving his formal disputes. Land
17 contends that Allied cannot rely on the investigation it conducted before the formal disputes
18 when Land directly disputed the charges with Allied. He also asserts that, in any event, that
19 investigation was inadequate. Allied also moves for summary judgment, arguing that it
20 reasonably investigated by contacting the apartment complex manager, who verified the debt.
21 Allied asserts that it need not reinvestigate upon receiving a formal dispute where it had just
22 investigated Land's direct dispute and there was no indication that anything had changed.

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¹ Land also sued the CRAs, but he settled with those defendants. *See* ECF Nos. 16; 23; 31.

1 Additionally, Allied argues that the one satisfaction rule bars any further recovery because Land
2 cannot distinguish his injuries as between the CRAs and Allied, and he has settled with the CRA
3 defendants. Land responds that the one satisfaction rule does not apply to FCRA claims, and
4 even if it does, it is premature to decide that his injury has been fully satisfied.

5 “The one satisfaction rule reflects the equitable principle that a plaintiff who has received
6 full satisfaction of its claims from one tortfeasor generally cannot sue to recover additional
7 damages corresponding to the same injury from the remaining tortfeasors.” *Uthe Tech. Corp. v.*
8 *Aetrium, Inc.*, 808 F.3d 755, 760 (9th Cir. 2015). No circuit court has decided whether the rule
9 applies in FCRA cases. *See Sloane v. Equifax Info. Servs., LLC*, 510 F.3d 495, 501 n.2 (4th Cir.
10 2007) (stating that “[a]rguably, the ‘one satisfaction rule’ does not even apply to FCRA claims,”
11 but declining to decide the question). District courts are split on the issue. *See, e.g., Hoerchler v.*
12 *Equifax Info. Servs., LLC*, 568 F. Supp. 3d 931, 936-37 (N.D. Ill. 2021) (citing cases reaching
13 different conclusions).

14 I need not decide at this stage whether the one satisfaction rule applies to FCRA claims
15 because the amount of Land’s alleged damages, including emotional distress damages,² has not
16 been determined. Consequently, there is no basis to determine whether his settlements with the
17 CRAs fully satisfied his injuries. *See Milicevich v. Sacramento Med. Ctr.*, 202 Cal. Rptr. 484,
18 487 (Cal. Ct. App. 1984) (“Whether there is in fact a double recovery cannot be determined
19 unless the damages which measure the full recovery for the injury have been litigated on their
20 merits.” (emphasis omitted)). I therefore deny Allied’s motion on this basis, without prejudice to
21 reassert the issue once Land’s damages have been determined. *See BUC Int’l Corp. v. Int’l Yacht*

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² Emotional distress damages are recoverable under the FCRA. *Guimond v. Trans Union Credit Info. Co.*, 45 F.3d 1329, 1333 (9th Cir. 1995).

1 *Council Ltd.*, 517 F.3d 1271, 1274-75 (11th Cir. 2008) (stating “that motions seeking credit for
2 settlement amounts obtained against joint tortfeasors are appropriately brought under Rule
3 60(b)(5)”); *Cheetham v. Specialized Loan Servicing LLC*, No. 2:20-CV-762-JCC-DWC, 2021
4 WL 2137823, at *2 (W.D. Wash. May 26, 2021) (stating that “even if the ‘one satisfaction rule’
5 does apply [to a FCRA claim], offset issues can be resolved post-trial”).

6 As for the merits, summary judgment is appropriate if the movant shows “there is no
7 genuine dispute as to any material fact and the movant is entitled to judgment as a matter of
8 law.” Fed. R. Civ. P. 56(a). I deny the parties’ motions for summary judgment because, viewing
9 the evidence in the light most favorable to the nonmoving party on each motion, genuine
10 disputes remain regarding the accuracy of the reported information and the reasonableness of
11 Allied’s investigation. *See Gross v. CitiMortgage, Inc.*, 33 F.4th 1246, 1252-53 (9th Cir. 2022)
12 (stating that reasonableness “is normally inappropriate for resolution at the summary judgment
13 stage” and ordinarily “is best left to the factfinder”).

14 I THEREFORE ORDER that plaintiff Derek Land’s motion for summary judgment
15 **(ECF No. 42) is DENIED.**

16 I FURTHER ORDER that defendant Allied Collection Services, Inc.’s motion for
17 summary judgment **(ECF No. 43) is DENIED.**

18 DATED this 12th day of January, 2024.

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21 ANDREW P. GORDON
22 UNITED STATES DISTRICT JUDGE
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