

1 SEMNAR & HARTMAN, LLP  
2 Babak Semnar (SBN 224890)  
3 bob@semnarlawfirm.com  
4 Jared M. Hartman (SBN 254860)  
5 jared@jmhattorney.com  
6 400 S. Melrose Dr., Suite 209  
7 Vista, CA 92081  
8 Telephone: (951) 293-4187; Fax: (888) 819-8230

9 Attorneys for Plaintiff, LASHAUNDA WATSON

10 **SUPERIOR COURT FOR THE STATE OF CALIFORNIA**  
11 **COUNTY OF SAN BERNARDINO**

12 LASHAUNDA WATSON, an  
13 individual,

14 Plaintiff,

15 vs.

16 NAVIENT SOLUTIONS, INC.;  
17 TRANS UNION, LLC; and DOES 1-  
18 10;

19 Defendant.

Case No.: 5:16-cv-02425-CAS-KK

**FIRST AMENDED COMPLAINT  
FOR DAMAGES AND  
INJUNCTIVE RELIEF FOR  
VIOLATIONS OF:**

- 1. **CALIFORNIA CONSUMER  
CREDIT REPORTING  
AGENCIES ACT**
- 2. **FEDERAL FAIR CREDIT  
REPORTING ACT**

20 TO THE CLERK OF THE COURT, ALL PARTIES, AND THE HONORABLE  
21 CALIFORNIA SUPERIOR COURT JUDGE:

22 Plaintiff, LASHAUNDA WATSON, an individual, by and through his attorneys  
23 of record, BABAK SEMNAR and JARED M. HARTMAN of SEMNAR &  
24 HARTMAN, LLP, hereby complains and alleges as follows.

**INTRODUCTION**

25 1. LASHAUNDA WATSON, (“Plaintiff”), by and through her attorneys,  
26 brings this Complaint to challenge the actions of Defendant NAVIENT SOLUTIONS,  
27 INC. (“Defendant NAVIENT”) for reporting inaccurate information on Plaintiff’s credit  
28 report to the credit reporting agencies, as well as NAVIENT’s and Defendant TRANS  
UNION, LLC’s (“Defendant TU”) failure to conduct a reasonable investigation into a

1 written dispute, all of which have caused Plaintiff damages.

2 2. This action arises out of Defendant NAVIENT's violations of the  
3 California Consumer Credit Reporting Agencies Act (Cal. Civ. Code §§ 1785.1-  
4 1785.36) ("California CCRAA"), and both Defendants' violations of the Federal Fair  
5 Credit Reporting Act (15 U.S.C. §§ 1682-1681x) ("FCRA").

6 **JURISDICTION & VENUE**

7 4. This action arises out of Defendants' violations of the FCRA, over which  
8 the U.S. District Court has original subject matter jurisdiction pursuant to 28 U.S.C. §  
9 1331, 15 U.S.C. § 1681p.

10 5. Because Defendants regularly conducts business within the State of  
11 California, personal jurisdiction is established.

12 6. Because all tortious conduct occurred while Plaintiff resided in the County  
13 of San Bernardino, City of Rialto, and witnesses are present within the County of San  
14 Bernardino, venue properly lies in this court.

15 **PARTIES & DEFINITIONS**

16 7. Plaintiff is a natural person whose permanent residence is in the City of  
17 Rialto, County of San Bernardino, State of California.

18 8. NAVIENT regularly does business in the County of San Bernardino, State  
19 of California and maintains an agent for service of process at 2710 GATEWAY OAKS  
20 DR STE 150N, SACRAMENTO CA 95833.

21 9. Defendant TU is physically located in the City of Chicago, but regularly  
22 does business in the State of California.

23 10. Plaintiff is a natural person, and is therefore a "consumer" as that term is  
24 defined by Calif. Civ. Code § 1785.3(b) of the California CCRAA and 15 U.S.C. §  
25 1681a(c) of the Federal FCRA.

26  
27 11. The causes of action herein pertain to Plaintiff's "consumer credit reports",  
28

1 as that term is defined by Calif. Civ. Code § 1785.3(c) of the California CCRAA and 15  
2 U.S.C. § 1681a(d)(1) of the Federal FCRA, in that inaccurate misrepresentations of  
3 Plaintiff's credit worthiness, credit standing, and credit capacity were made via written,  
4 oral, or other communication of information by a consumer credit reporting agency,  
5 which is used or is expected to be used, or collected in whole or in part, for the purpose  
6 of serving as a factor in establishing Plaintiffs' eligibility for, among other things, credit  
7 to be used primarily for personal, family, or household purposes, and employment  
8 purposes.  
9  
10

11  
12 12. The causes of action herein also pertain to Plaintiff's "consumer credit  
13 report" as that term is defined by Cal. Civ. Code § 1785.3(d), in that inaccurate  
14 representations of Plaintiffs' credit worthiness, credit standing, and credit capacity were  
15 made via written, oral, or other communication of information by a consumer credit  
16 reporting agency, which is used or is expected to be used, or collected in whole or in  
17 part, for the purposes of serving as a factor in establishing Plaintiffs' eligibility for,  
18 among other things, credit to be used primarily for personal, family, household and  
19 employment purposes.  
20  
21

22  
23 13. Defendant TU is a "consumer reporting agency" as defined in 15 U.S.C. §  
24 1681a(f) of the Federal FCRA and Calif. Civil Code § 1788.3(d) of the California  
25 CCRA, as it regularly engages in whole or in part, for monetary fees, dues, or on a  
26 cooperative nonprofit basis, in the practice of assembling or evaluating consumer credit  
27 information or other information on consumers for the purpose of furnishing consumer  
28 reports to third parties, and which uses any means or facility of interstate commerce for

1 the purpose of preparing or furnishing consumer report.

2 14. Defendants are each a partnership, corporation, association, or other entity,  
3 and is therefore a “person” as that term is defined by Calif. Civ. Code § 1785.3(j) of the  
4 California CCRAA and 15 U.S.C. § 1681a(b) of the Federal FCRA.

5 **FACTUAL ALLEGATIONS**

6 15. At some point prior to July of 2016, Plaintiff obtained a student loan that  
7 was being serviced by NAVIENT.

8 16. In July of 2016, Plaintiff paid off her student loan being serviced by  
9 NAVIENT in full.

10 17. By way of emails in August and September 2016, NAVIENT confirmed to  
11 Plaintiff that she had paid off her loans in full and congratulated her for doing so.

12 18. In October 2016, Plaintiff began efforts to obtain a loan for a residential  
13 home mortgage loan.

14 19. Through the application process, Plaintiff discovered that NAVIENT has  
15 been reporting inaccurate information on her consumer credit reports regarding the  
16 student loan.

17 20. Plaintiff’s TU report from October 2016 shows that Defendant is reporting  
18 that the account has an active balance in the amount of \$276.00.

19 21. This reporting is not accurate, because Plaintiff paid her loan off in full and  
20 should be reporting as a \$0.00 balance.

21 22. Plaintiff’s Experian report from October 2016 shows that NAVIENT is  
22 reporting that the account was “included in or discharge through Bankruptcy Chapter 7,  
23 11”.

24 23. This reporting is not accurate, because Plaintiff did not include this  
25 account in any bankruptcy petition and she instead paid it off in full as described above.

26 24. NAVIENT knew or should have known that its reporting of the account  
27 described above was not accurate, because Defendant submitted multiple emails to  
28 Plaintiff in August 2016 thanking her and congratulating her for paying her loans in

1 full.

2 25. Plaintiff has been damaged because she has not been able to finish  
3 pursuing the home loan that she desired.

4 26. By way of letter dated October 22, 2016, Plaintiff sent a letter directly to  
5 Defendant TU to dispute the inaccurate reporting by NAVIENT that the account has a  
6 balance in the amount of \$276.00, and in this letter Plaintiff specifically informed TU  
7 that she had paid the account off in full and the balance should be zero.

8 27. Defendant TU acknowledged to Plaintiff by way of written correspondence  
9 dated November 23, 2016 that they had received her dispute and had completed its  
10 investigation.

11 28. Defendant TU's November 23<sup>rd</sup> correspondence to Plaintiff confirmed that  
12 TU had contacted NAVIENT and informed NAVIENT of the dispute and provided  
13 NAVIENT with all relevant information and documents supplied to TU by Plaintiff.

14 29. However, Defendant TU's November 23<sup>rd</sup> correspondence shows that  
15 NAVIENT verified the false reporting as accurate, that no change is being made to the  
16 account, and that the NAVIENT account will continue to reflect a balance owed of  
17 \$276.00.

18 30. However, as stated above, this balance is undeniably inaccurate and false  
19 because Plaintiff has correspondence from NAVIENT confirming that the account had  
20 been paid in full and there is no balance owed on the account.

21 31. Plaintiff is informed and believes that Defendant TU failed to conduct a  
22 reasonable investigation, because any review of NAVIENT's account records would  
23 confirm that the account had been paid in full and there is no balance owed on the  
24 account.

25 32. Plaintiff is informed and believes that Defendant NAVIENT failed to  
26 conduct a reasonable investigation, because any review of NAVIENT's account records  
27 would confirm that the account had been paid in full and there is no balance owed on  
28 the account.

1 33. Upon information and belief, NAVIENT's violations of the above are  
2 willful, because NAVIENT was initially served with Plaintiff's lawsuit over the false  
3 and inaccurate reporting on 10-26-16, prior to NAVIENT being informed by TU of  
4 Plaintiff's dispute of the reporting, and NAVIENT has therefore knowingly and  
5 deliberately ignored its obligation to update its reporting of the account with TU to  
6 reflect the accurate information that the account had been paid in full and has a zero  
7 balance.

8 34. Upon information and belief, TU's violations of the above are willful,  
9 because TU knows that it is not permitted to simply "parrot" the verification provided  
10 to it from any furnisher and that it must instead conduct a fairly searching inquiry into  
11 the dispute and do more than just accept the furnisher's bald and unsubstantiated  
12 affirmation of the information being disputed, yet TU did exactly that.

13 35. Plaintiff has been damaged by way of mental anguish and emotional  
14 distress over the thought that she is someone who actually paid her debt in full to  
15 NAVIENT yet NAVIENT has mistreated her by submitting grossly inaccurate  
16 reporting, and this has been further compounded which has caused her anger,  
17 nervousness, embarrassment, loss of sleep, and feelings of distraught and helplessness.

18 **FIRST CAUSE OF ACTION**  
19 **CALIFORNIA CONSUMER CREDIT REPORTING AGENCIES ACT**  
20 **Calif. Civ. Code § 1785.25(a)**  
21 **AS AGAINST DEFENDANT NAVIENT ONLY**

22 36. Plaintiff repeats, re-alleges, and incorporates by reference, all other  
23 paragraphs as if fully stated herein.

24 37. As the furnisher of information to credit reporting agencies, NAVIENT is  
25 and always was obligated to not furnish information on a specific transaction or  
26 experience to any consumer credit reporting agency if they knew or should have known  
27 the information was incomplete or inaccurate, as required by Calif. Civ. Code §  
28 1785.25(a) of the California CCRA.

1 38. Because NAVIENT reported to the consumer credit reporting agency TU  
2 in at least October 2016 the unequivocally false information that she still has an active  
3 balance on the account, NAVIENT has thereby violated its obligations under Calif. Civ.  
4 Code § 1785.25(a).

5 39. Because NAVIENT reported to the consumer credit reporting agency  
6 Experian Information Solutions in at least October 2016 the unequivocally false  
7 information that the account was included in Bankruptcy, NAVIENT has thereby  
8 violated its obligations under Calif. Civ. Code § 1785.25(a).

9 40. Plaintiff is informed and believes that NAVIENT's violations as described  
10 above were knowing and willful because NAVIENT provided her with email  
11 communications thanking her for paying her loans in full, and because NAVIENT was  
12 served with Plaintiff's initial lawsuit concerning the false and inaccurate reporting on  
13 10-26-16 but has utterly failed to take corrective action with respect to the false  
14 reporting on her TU report.

15 41. Plaintiff has suffered actual damages as described in the factual allegations  
16 above.

17 **SECOND CAUSE OF ACTION**  
18 **FEDERAL FAIR CREDIT REPORTING ACT**  
19 **15 U.S.C. §§ 1681s-2(b)**  
20 **AS AGAINST DEFENDANT NAVIENT ONLY**

21 42. Plaintiff repeats, re-alleges, and incorporates by reference all other  
22 paragraphs, as if fully set forth herein.

23 43. As the furnisher of information to credit reporting agencies, NAVIENT is  
24 and always was obligated to take the following steps upon receiving notice of a dispute  
25 by a credit reporting agency by 15 U.S.C. § 1681s-2(b)(1)(A)-(E) of the Federal FCRA.

26 44. Plaintiff submitted a written disputes to the consumer credit reporting  
27 agency TU dated October 22, 2016, 2015 as to NAVIENT's manner of reporting a  
28 balance of \$276.00.

1 45. In response to Plaintiff's written dispute, Plaintiff received confirmation  
2 from TU that TU had forwarded the dispute to NAVIENT so that NAVIENT could  
3 conduct a re-investigation of the reporting of the account.

4 46. However, by written correspondence dated November 23, 2016, TU  
5 informed Plaintiff that TU had verified the false reporting as accurate, that no change is  
6 being made to the account, and that the NAVIENT account will continue to reflect a  
7 balance owed of \$276.00.

8 47. Therefore, Plaintiff is informed and believes that NAVIENT failed to  
9 conduct a reasonable investigation of their reporting in response to TU's notification of  
10 the written dispute, as required by 15 U.S.C. § 1681s-2(b), because all NAVIENT had  
11 to review was the final documents in its account history to confirm that the account had  
12 been paid in full and has no balance owed.

13 48. Plaintiff is informed and believe that NAVIENT's re-investigation  
14 procedure violations were negligent at a minimum, because a reasonable person would  
15 have simply reviewed the account documents to confirm whether a balance was owed,  
16 yet NAVIENT failed to undertake that simple task.

17 49. Plaintiff is also informed and believes that NAVIENT's re-investigation  
18 procedure violations were willful, in that they disregarded a high degree of risk that  
19 their refusal to simply review the account history documents would result in their  
20 verifying false and inaccurate information, especially considering the fact that  
21 NAVIENT was personally served with Plaintiff's initial lawsuit on 10-26-16  
22 concerning the false and inaccurate reporting.

23 50. As a result of these negligent and willful violations, Plaintiff has suffered  
24 actual damages as explained in the statement of facts above.

25 ///

26 ///

27 ///

28 ///







**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays that judgment be entered against Defendant, and Plaintiff be awarded damages as follows:

1. Actual damages in the amount of \$75,000.00, or as the jury may allow, for all Defendants’ negligent violations of Calif. Civ. Code § 1785.25(a), pursuant to Calif. Civ. Code § 1785.31(a)(1);

2. Actual damages in the amount of \$75,000.00, or as the jury may allow, plus punitive damages of \$100.00-\$5,000.00 for every willful violation of Calif. Civ. Code § 1785.25(a) by all Defendants, pursuant to Calif. Civ. Code § 1785.31(a)(2)(A)-(C);

3. Injunctive relief to order all Defendants to remove the report from Plaintiff’s consumer credit reports, pursuant to Calif. Civ. Code § 1785.31(b);

4. Actual damages in the amount of \$75,000.00 individually, or as the jury may allow at trial, pursuant to 15 U.S.C. §§1681n(a)(1)(A) and 1681o(a)(1) of the Federal FCRA as against all Defendants;

5. Plus statutory punitive damages in the amount of \$1,000.00 per willful violation pursuant to 15 U.S.C. §1681n(a)(1)(A) of the Federal FCRA as against all Defendants;

6. Any reasonable attorney’s fees and costs to maintain the instant action pursuant to 15 U.S.C. §§1681n and 1681o of the Federal FCRA, and Calif. Civ. Code §§1785.31(d) of the Calif. CCRAA.

**TRIAL BY JURY**

Pursuant to the Seventh Amendment to the Constitution of the United States of America, Plaintiff is entitled to, and demands, a trial by jury.

SEMNAR & HARTMAN, LLP

DATED: 12/9/2016

/s/ Jared M. Hartman  
JARED M. HARTMAN, ESQ.  
Attorneys for Plaintiff

**PROOF OF SERVICE**

Watson v Navient Solutions, Inc., et al.

Case No.: 5:16-cv-02425-CAS-KK

I am employed in the County of San Diego, State of California. I am over the age of 18 and am not a party to the within action; my business address is 400 South Melrose Drive, Suite 209, Vista, California 92081. On the date provided below, I served the foregoing document described below on the interested parties in this action by placing same in a sealed envelope.

**PLAINTIFF'S FIRST AMENDED COMPLAINT** was served on:

|                                                                                                                                                                                       |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Christopher Fredrich<br>Dennis N Lueck Jr.<br>AKERMAN, LLP<br>725 South Figueroa Street<br>38th Floor<br>Los Angeles, CA 90017<br>Attorneys for Defendant,<br>Navient Solutions, Inc. |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

**(BY MAIL)** – I caused such envelope(s) with postage thereon fully prepaid to be placed in the United States mail in Vista, California.

I am “readily familiar” with the firm’s practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on the same day with postage thereon fully prepaid at Vista, California, in the ordinary course of business. I am fully aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date of deposit for mailing an affidavit.

**(BY FACSIMILE)** – I caused the above described document(s) to be transmitted to the offices of the interested parties at the facsimile number(s) indicated above and the activity report(s) generated by facsimile number (888) 819-8230 indicating on all pages that they were transmitted.

**(BY PERSONAL SERVICE)** – I caused such envelope(s) to be delivered by hand to the office(s) of the addressee(s).

**(STATE)** – I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

**(FEDERAL)** – I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made. **Via Electronic Service:** The above-described documents will be delivered electronically through the court’s ECF/PACER electronic filing system, as stipulated by all parties to constitute personal service.

Dated: 12/9/16

/s/ Jared M. Hartman  
Jared M. Hartman, Esq.