UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION

Phalisity Williams,
Plaintiff,

3:25-CV-214-MPM-RP

v.

JURY TRIAL DEMANDED

Direct Auto CDJR, LLC,
Defendant.

COMPLAINT FOR VIOLATIONS UNDER THE FAIR CREDIT REPORTING ACT (FCRA) AND STATE LAW

INTRODUCTION

Nature of the Case: This action arises from unauthorized credit inquiries and multiple unauthorized credit applications initiated by Direct Auto CDJR, LLC, after Plaintiff expressly revoked consent. Plaintiff brings claims under the Fair Credit Reporting Act (FCRA) and Mississippi common law seeking damages for violations of her privacy rights, emotional distress, and reputational harm.

This is a civil action brought by Plaintiff, Phalisity Williams, against Direct Auto CDJR, LLC, for violating the Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681 et seq., and Mississippi common law. Plaintiff alleges that Defendant willfully and negligently accessed her consumer credit report on May 19, 2025, without a permissible purpose and after Plaintiff had explicitly revoked consent. Despite no active application for credit dated May 19, 2025, and after Plaintiff clearly stated her intention not to move forward on May 16, 2025, Defendant submitted hard inquiries to TransUnion and initiated credit applications with third-party lenders. This unauthorized act caused Plaintiff substantial emotional distress, reputational harm, and a violation of her right to privacy, giving rise to actionable claims under federal and state law.

I. PARTIES

1. Plaintiff Phalisity Williams is a natural person and resident of the State of Mississippi. At all relevant times, she is and was a 'consumer' as defined by the Fair Credit Reporting Act, 15 U.S.C. § 1681a(c).

2. Defendant, Direct Auto CDJR, LLC, is a business entity that offers motor vehicle sales and financing services and conducts business within the State of Mississippi.

II. JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331, as this action arises under the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., a federal law.

4. Venue is proper in the United States District Court for the Northern District of Mississippi under 28 U.S.C. § 1391(b), because a substantial part of the events or omissions giving rise to the claim occurred in this district. Plaintiff Phalisity Williams resides in Olive Branch, Mississippi, within the Northern District, and the harm resulting from Defendant's conduct was experienced in this district. Although Direct Auto CDJR, LLC is located in Forrest, Mississippi, and conducts business there, the unauthorized credit inquiry at issue caused injury to Plaintiff within the Northern District of Mississippi.

III. FACTUAL ALLEGATIONS

5. On May 16, 2025, Plaintiff engaged in a text message conversation with Direct Auto CDJR sales representative JD Thrash regarding a potential vehicle purchase (See Exhibit 1).

6. During that exchange, Plaintiff clearly expressed hesitation about proceeding and concern over multiple credit inquiries on more than one credit agency (See Exhibit 1).

7. Plaintiff stated that she would "reach out another time" if she decided to move forward, indicating that no decision had been made and no credit application was authorized (See Exhibit 1).

8. At no point did Plaintiff give written, verbal, or implied consent for her credit to be accessed.

9. The totality of the conversation made clear that Plaintiff was not authorizing a credit inquiry on May 16 or thereafter, and no permissible purpose existed for the credit inquiries conducted on May 19, 2025, as defined under 15 U.S.C. § 1681b.

10. On May 19, 2025, Plaintiff received a credit monitoring alert from Credit Karma indicating that Defendant had submitted a hard inquiry to TransUnion under Plaintiff's name. Plaintiff's Transunion credit score dropped 11 points that day (See Exhibit 2).

11. This inquiry was not authorized by Plaintiff and was conducted despite Plaintiff's explicit instructions to delay any further action.

12. On May 19, 2025, shortly after she received notification of the hard inquiries, Plaintiff texted JD Thrash to ask whether her credit had been run but received no response (See Exhibit 1).

13. Subsequent communications from Capital One, Ally Financial, Stellantis Financial, Chrysler Capital, Flagship Credit Acceptance, GoFi LLC, and Consumer Portfolio Services, Inc. confirmed that credit applications had been submitted using Plaintiff's information on May 19, 2025—without Plaintiff's knowledge or permission (See Exhibits 3–9).

14. On June 21, 2025, Plaintiff mailed a pre-litigation letter to Direct Auto CDJR, LLC, addressed to Michael West, the manager listed on the Mississippi Secretary of State website (See Exhibit 10). The letter was sent to the company's principal address June 21, 2025, and was delivered to an individual at the address on June 23, 2025 (See Exhibit 10). Despite proper service and notice, Defendant failed to respond or acknowledge the letter.

IV. ARTICLE III STANDING AND INJURIES

15. Plaintiff satisfies all elements of standing under Article III of the United States Constitution as demonstrated by the following injuries:

(a) Informational Injury

On May 19, 2025, Defendant accessed Plaintiff's consumer report without a permissible purpose, violating Plaintiff's right to control access to her credit information under 15 U.S.C. § 1681b(f). Plaintiff was denied key disclosures under §§ 1681g and 1681m, constituting informational injury. Plaintiff was denied the ability to make informed decisions about her financial standing, as required by law.

(b) Invasion of Privacy / Unauthorized Access

Plaintiff explicitly withdrew consent on May 16, 2025. Nonetheless, Defendant accessed her credit report on May 19, 2025. This intrusion into Plaintiff's private financial information constitutes a privacy violation recognized under Spokeo and TransUnion.

(c) Emotional Distress and Mental Anguish

As a direct result of Defendant's conduct, Plaintiff experienced anxiety, sleeplessness, emotional turmoil, feelings of vulnerability and violation. The intrusion into Plaintiff's credit file without permission and against express instructions caused significant mental and emotional harm.

See Exhibit 11- Personal Affidavit detailing Plaintiff's emotional response and distress caused by the unauthorized inquiries.

(d) Reputational Harm

The unauthorized inquiry was visible to third-party creditors, suggesting Plaintiff was seeking credit when she was not. This harms her reputation and may mislead future lenders.

(e) Risk of Future Harm

Defendant's conduct increases the risk of identity theft, data misuse, and future unauthorized access- harms that the FCRA was designed to prevent.

(f) Economic Injury

Hard inquiries negatively impact credit scores and may result in higher interest rates or credit denials. Plaintiff believes her financial standing was adversely affected.

V. CLAIMS FOR RELIEF

Count I – Violation of the Fair Credit Reporting Act (15 U.S.C. § 1681b(f)) Obtaining a Credit Report Without a Permissible Purpose

Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

16. Defendant accessed Plaintiff's credit report on May 19, 2025, without Plaintiff's authorization and without a valid reason as required by law. This conduct violates the FCRA's requirement that consumer reports may only be accessed for specifically defined permissible purposes.

17. This act was either willful, subjecting Defendant to liability under 15 U.S.C. § 1681n, or negligent under § 1681o. See Daniel v. Equable Ascent Fin., LLC, No. 14–CV–2743, 2014 WL 5420058 (E.D. Mo. Oct. 22, 2014).

Count II – Violation of 15 U.S.C. § 1681q
Obtaining a Credit Report Under False Pretenses

Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

18. Defendant obtained Plaintiff's consumer report under false pretenses by submitting an unauthorized credit application.

19. Doing so under false pretenses violates federal law and subjects Defendant to civil liability. See Sterling v. United States, 85 F. Supp. 2d 828 (S.D. Ohio 1999).

Count III – Violation of 15 U.S.C. § 1681e(a)
Failure to Maintain Procedures to Avoid Unauthorized Disclosures

Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

20. Defendant failed to follow reasonable procedures to ensure that credit reports were only accessed by authorized parties, in violation of its obligations under the FCRA.

Count IV – Defamation (Mississippi Common Law)
Publishing False and Harmful Information to Third Parties

Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

21. Defendant knowingly or negligently published false information by making an unauthorized hard inquiry appear on Plaintiff's credit report, damaging her reputation with lenders and causing reputational and emotional harm. See Tucker v. Fischer Steel Corp., 763 So.2d 199 (Miss. 2000).

Count V – Invasion of Privacy / Intrusion Upon Seclusion (Mississippi Common Law)

Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

22. Without Plaintiff's consent, Defendant intentionally intruded into Plaintiff's private credit report information. This intrusion was highly offensive to a reasonable person and resulted in substantial mental and emotional distress. Mississippi recognizes the tort of intrusion upon seclusion under its common law.

23. As a result, Plaintiff is entitled to damages under Mississippi common law.

VI. RELIEF REQUESTED

24. WHEREFORE, Plaintiff respectfully requests that this Court grant the following relief:

- Award statutory damages pursuant to 15 U.S.C. § 1681n(a)(1)(A);
- Award punitive damages pursuant to § 1681n(a)(2);
- Award actual damages for emotional distress, reputational harm, and financial losses;
- Award compensatory and punitive damages for defamation and intrusion upon seclusion under Mississippi common law;
- Grant costs and reasonable attorney's fees under §§ 1681n and 1681o;
- Grant such other and further relief as the Court deems just and proper, including a jury trial on all triable issues.

25. Plaintiff notes that a second pre-litigation notice was mailed directly to the registered agent for Direct Auto CDJR, LLC on July 18, 2025, and was delivered on July 21, 2025, as confirmed by USPS tracking. Despite this additional opportunity to resolve the matter prior to filing, Plaintiff received no response. Accordingly, Plaintiff respectfully seeks relief as outlined herein and as may be deemed just and proper by the Court.

VII. DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Respectfully submitted,

Dated: 7/24/25

Phalisity Williams

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