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8 UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF WASHINGTON

10 RICHARD S. BARNES,

Case No.

11 Plaintiff,

12 vs.

13 NELNET BUSINESS SOLUTIONS,
14 INC.; NELNET DIVERSIFIED
15 SOLUTIONS, LLC; NELNET
16 GOVERNMENT SERVICES, LLC;
17 NELNET SERVICING, LLC;
18 INCEPTIA; and IVY TECH
COMMUNITY COLLEGE OF
INDIANA,

DEFENDANTS NELNET BUSINESS
SOLUTIONS, INC., NELNET
DIVERSIFIED SOLUTIONS, LLC,
NELNET GOVERNMENT
SERVICES, LLC, AND NELNET
SERVICING, LLC'S NOTICE OF
REMOVAL

(Whitman County Superior Court,
case no. 26-2-00141-38)

19 Defendants.

20
21 TO: CLERK OF THE COURT

22 AND TO: RICHARD S. BARNES, PLAINTIFF

23
24 AND TO: ALL OTHER PARTIES OF RECORD

25
26 PLEASE TAKE NOTICE that the Defendants named as Nelnet Business Solutions,
27 Inc., Nelnet Diversified Solutions, LLC, Nelnet Government Services, LLC and Nelnet
28

1 Servicing, LLC (collectively as “*Nelnet*”), by and through its undersigned counsel, hereby
2 invoke the jurisdiction of this Court under 28 U.S.C. §§ 1331, 1367, 1441(a), and 1446,
3 and remove to this Court the action titled as *Richard S. Barnes v. Nelnet Business*
4 *Solutions, et. al.*, before Whitman County Superior Court, case no. 26-2-00141-38 (the
5 “*State Court Action*”).
6

7 I. BACKGROUND AND COMMENCEMENT

8 1. On April 22, 2026, Plaintiff Richard S. Barnes (“*Plaintiff*”) filed his
9 Complaint in the State Court Action. A copy of the Complaint is attached hereto.
10

11 2. Nelnet is a loan servicer. Defendant Inceptia (“*Inceptia*”) is a non-profit
12 organization located in Lincoln, NE providing services to educational institutions related
13 to enrollment and financial aid. Defendant Ivy Tech Community College of Indiana (the
14 “*College*”) is a community college located in Indianapolis, Indiana.
15

16 3. In the Complaint, Plaintiff alleges that Nelnet made an unauthorized inquiry
17 against Plaintiff’s credit report, and that a student loan account was and still is listed on
18 his credit report that Plaintiff did not take and has no responsibility for. *Complaint*. ¶¶24,
19 26-27.
20

21 4. Plaintiff alleges the loan was disbursed to and through the College
22 (Complaint, ¶40) and that he received notices from both Nelnet and Inceptia that “the
23 loans” are overdue (Complaint, ¶47).
24

25 5. Plaintiff asserts six causes of action: negligence; negligence per se;
26 negligent and willful violations of the Fair Credit Reporting Act (“*FCRA*”). *See* 15 U.S.C.
27 § 1681 *et seq.*; defamation, intentional infliction of emotional distress; and violation of
28 the Washington State Consumer Protection Act. *Complaint*, ¶¶ 48–89.

TIMELINESS OF REMOVAL

6. On June 2, 2026, Nelnet was served with the Summons and Complaint. Accordingly, this Notice of Removal is filed within thirty (30) days of receipt of the Complaint and is therefore timely under 28 U.S.C. § 1446(b)(1).

7. The undersigned has communicated with the Whitman County Superior Court Clerk's office, and as of the filing of this Notice of Removal, no proofs of service or appearances have been filed.

8. Inceptia has informed Nelnet that it was served with the Summons and Complaint on June 2, 2026. Pursuant to 28 U.S.C. § 1446(b)(2)(A), Inceptia consents to removal of this civil action to the U.S. District Court.

9. Nelnet does not know whether the College was served with the Summons and Complaint, and the State Court Action docket does not reflect service on the College.

10. Removal to this District is proper because this civil action was filed and is pending in the State of Washington in and for Whitman County. *See* 28 U.S.C. § 1441(a). Whitman County Superior Court is a Washinton state court located within this District.

BASIS FOR JURISDICTION

11. This Court has original subject matter jurisdiction over this case under 28 U.S.C. § 1331, which provides that, "[t]he district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States."

12. While Nelnet denies liability, Plaintiff alleges that Nelnet violated the FCRA. *See* 15 U.S.C. § 1681s-2(b); *see also* Complaint, ¶¶ 67–75. The FCRA is a law of the United States, enacted by the United States Congress. Accordingly, under 28 U.S.C. § 1331, this Court has original jurisdiction over this civil action.

1 13. Specifically, Plaintiff alleges that Nelnet wrongfully engaged in “actions to
2 collect, report, re-report, investigate, and validate a known fraudulent debt.” Complaint, ¶
3 68.

4 14. Plaintiff also alleges that Nelnet failed “to investigate and resolve disputes”
5 triggering Nelnet’s statutory obligations under the FCRA. Complaint, ¶ 70.

6 15. Pursuant to 28 U.S.C. § 1331, this Court has original jurisdiction over this
7 civil action.

8 16. Further, this Court has supplemental jurisdiction over this action under 28
9 U.S.C. § 1367, which provides that, “in any civil action of which the district courts have
10 original jurisdiction, the district courts shall have supplemental jurisdiction over all other
11 claims that are so related to claims in the action within such original jurisdiction that they
12 form part of the same case or controversy under Article III of the United States
13 Constitution.” 28 U.S.C. § 1367(a).

14 17. While Nelnet denies liability, Plaintiff alleges that Nelnet is liable for: (1)
15 negligence; (2) negligence per se; (3) defamation; (4) intentional infliction of emotional
16 distress; and (5) violation of the Washington Consumer Protection Act (collectively,
17 *“Remaining Claims”*).

18 18. This Court has supplemental jurisdiction over the Remaining Claims
19 because each arises under the same set of operative facts which form the basis of this
20 Court’s original jurisdiction pursuant to 28 U.S.C. § 1331.

21 19. With respect to Plaintiff’s claim for negligence, Plaintiff alleges that Nelnet
22 did not “properly verify . . . the identity of persons seeking loans through/from them.”
23 Complaint, ¶53.

1 **NOTICE AND SERVICE**

2 28. Under 28 U.S.C. § 1446(d), the undersigned certifies that a copy of this
3 Notice of Removal is being contemporaneously served upon Plaintiffs via US Mail at the
4 address listed on the Complaint, and is being filed with Whitman County Superior Court
5 via its electronic filing system.
6

7 **RESERVATION OF RIGHTS**

8 29. Nelnet reserves the right to amend or supplement this Notice of Removal to
9 present additional argument in support of its entitlement for removal, and to present
10 evidence supporting this Notice of Removal in the event this Removal is challenged.
11 Nelnet intends no admission of fact or liability by this Notice of Removal, and does not
12 waive any defenses, objections, or motions available under state or federal law. Further,
13 Nelnet reserves the right to move for dismissal of some or all of Plaintiff's claims.
14
15

16 **CONCLUSION**

17 30. Based on all of the foregoing reasons and authority, Nelnet respectfully
18 gives this Notice that the State Court Action, as identified above, is removed from
19 Whitman County Superior Court to this Honorable Court, and further respectfully requests
20 that this Court retain jurisdiction for all further proceedings.
21
22

23 Dated this 30th day of June 2026.

24 
25 Michael B. Galletch
26 Attorney for Nelnet Defendants
27
28

ELECTRONICALLY FILED
4/22/2026 8:00 AM
Jill Welchel
County Clerk
Whitman County, WA
Case Number: 26-2-00141-38

STATE OF WASHINGTON)

IN THE SUPERIOR COURT

COUNTY OF WHITMAN)

CASE NO. 26-2-00141-38

RICHARD S. BARNES)

Plaintiff,)

COMPLAINT
(Jury Trial Requested)

-vs-)

Nelnet Business Solutions, Inc.,)
Nelnet Diversified Solutions, LLC,)
Nelnet Government Services, LLC,)
Nelnet Servicing, LLC,)
Inceptia, and)
Ivy Tech Community College of Indiana,)
Defendants,)

Plaintiff, Richard S. Barnes, would respectfully show this Court the following:

PARTIES

1. Plaintiff is a resident of Whitman County, State of Washington.
2. Defendant Nelnet Business Solutions, Inc. is a corporation organized under the laws of the State of Washington.
3. Defendants Nelnet Diversified Solutions, LLC, Nelnet Government Services, LLC, and Nelnet Servicing, LLC (hereinafter "Nelnet") are limited liability companies organized under the laws of the State of Nebraska.
4. Upon information and belief, Defendant Nelnet conducts extensive operations within the State of Washington and Whitman County.
5. Upon information and belief Defendant Inceptia is an entity of unknown type.
6. Upon information and belief Defendant Inceptia is not registered to conduct business in the State of Washington.
7. Upon information and belief Defendant Inceptia conducts business in the State of Washington.
8. Defendant Ivy Tech Community College is a state-supported, public community college and a component of the State of Indiana.

JURISDICTION

9. Upon information and belief, Defendant Nelnet's operations within the State of Washington are sufficient for it to be subject to personal jurisdiction before the courts of this state.
10. Upon information and belief, Defendant Ivy Tech Community College has students, conducts business, and solicits donations in the State of Washington.
11. Upon information and belief, Defendant Inceptia conducts business in the State of Washington.
12. Subject matter jurisdiction is proper in this Court because it is the court of general jurisdiction for civil matters in Whitman County.

STATEMENT OF FACTS

13. Plaintiff has never borrowed under any student loan program from any lender, public or private.
14. Plaintiff completed an undergraduate degree in December 2005 at the University of South Carolina.
15. Plaintiff completed a Masters degree in May 2013 at the University of South Carolina.
16. Plaintiff completed a law degree in December 2013 at the University of South Carolina.
17. Plaintiff subsequently completed a Masters of Laws (LLM) at The University of Alabama.
18. Plaintiff subsequently conducted multiple events of post-graduate study at the University of North Carolina at Chapel Hill, East Carolina University, and Western Governors University.
19. At various times between 1995 and 2012, Plaintiff provided critical personal identifying information to the South Carolina Department of Revenue including the Plaintiff's name, address, date of birth, and social security number for the purposes of the Plaintiff's tax filing obligations before that agency.
20. On October 26, 2012, Nikki Haley, Governor of the State of South Carolina announced that between August and October 2012, the records of the South Carolina Department of Revenue had been breached by foreign hackers.
21. Subsequent investigations revealed that the name, address, social security number, and dates of birth of every person who filed or was listed as a dependent on someone else's South Carolina Individual Income Tax Return for the years 1998-2012 had been stolen by foreign actors.
22. Plaintiff's personal identifying information was included in this data breach event.
23. Since 2012, the Plaintiff has been the victim of multiple instances of identity theft by various uncoordinated actors engaging in various types of fraud.
24. At some point in 2023, Plaintiff became aware of an unauthorized inquiry by Nelnet against his credit report at one or more of the consumer credit bureaus.
25. Plaintiff promptly disputed the inquiry with the credit bureaus.

26. Following their investigation, the credit bureau(s) at issue concluded their investigations in the Plaintiff's favor and removed the unauthorized inquiry from the Plaintiff's credit report.
27. In April or May 2024, Plaintiff became aware of a fraudulent student loan account listed by Nelnet on one or more of his credit reports.
28. Plaintiff promptly disputed the account with the credit bureaus at issue who promptly initiated investigations.
29. On or about July 10, 2024, the credit bureaus concluded their second investigation, ruled in the Plaintiff's favor, and removed the account from his credit report.
30. In late November 2024, Plaintiff became aware that the fraudulent Nelnet account was again appearing on his credit report with one or more of the credit bureaus.
31. On November 30, 2024, Plaintiff disputed the fraudulent Nelnet account with the involved credit bureau(s).
32. On or about July 16, 2025, the credit bureaus concluded their third investigation, ruled in the Plaintiff's favor, and removed the account from his credit report.
33. On November 30, 2024, Plaintiff filed complaints regarding this matter with the United States' Consumer Financial Protection Bureau (CFPB) against Equifax, Transunion, and Nelnet.
34. The Plaintiff's CFPB complaints against Equifax and Transunion were resolved in a timely manner in the Plaintiff's favor.
35. On December 5, 2024, Nelnet responded to the Plaintiff's CFPB complaint by emailed letter that did not address the substance of the complaint in any way.
36. In its letter responding to Plaintiff's CFPB complaint, Nelnet recommended that the Plaintiff follow procedures on the Department of Education's website regarding reporting fraud -- specifically that website recommends that fraud victims file a complaint with the CFPB (recalling that it was the CFPB complaint that Nelnet was responding to).
37. On November 30, 2024, Plaintiff filed a complaint with the United States' Department of Education.
38. On December 3, 2024, the Department of Education assigned Nelnet to respond to Plaintiff's complaint.
39. On December 4, 2024 at 4:08 AM Pacific Time, Nelnet wrote to Plaintiff indicating that it was closing his case, reiterating the existence of the fraudulent loans, and providing Plaintiff with a summary of the disbursed loans.
40. The summary of the disbursed loans indicated that the loans were disbursed to and through Ivy Tech Community College of Indiana.

41. In its December 4, 2024 correspondence Nelnet also asserted that it included a copy of Plaintiff's purported promissory note; however, no such copy of any note was included.
42. Within 12 hours, Plaintiff wrote back to Nelnet and reiterated the details of the original complaint and various other factual errors in Nelnet's correspondence.
43. On December 9, 2024, Nelnet again responded, reiterating the existence of Plaintiff's hypothetical loans, again referring Plaintiff to the same website to file a CFPB complaint and complain with the Department of Education, even though the very Department of Education complaint that Nelnet was responding to was the complaint that they were now suggesting that the Plaintiff make.
44. On February 7, 2026, Plaintiff received a written notice dated January 20, 2026 via the United States Mail from Nelnet asserting that Plaintiff owed one or more student loans owned or serviced by Nelnet.
45. In February 2026, Plaintiff provided a detailed, written report to the Attorney General of the State of Indiana and requested that office investigate and resolve this matter to prevent litigation.
46. The Attorney General's office responded with a form letter denying involvement on behalf of Ivy Tech Community College.
47. At various times in 2026, the Plaintiff has received various correspondence from Nelnet and Inceptia indicating that the purported loans are overdue.

**FOR A FIRST CAUSE OF ACTION
NEGLIGENCE**

48. Plaintiff reiterates paragraphs 1-47 as they relate to this cause of action.
49. Defendants Nelnet and Ivy Tech owed a duty of care to Plaintiff to properly verify the identity of all persons seeking loans from or through them.
50. Defendant Nelnet owed a duty of care to Plaintiff to review and respond to the substance of Plaintiff's multiple complaints to the CFPB and Department of Education.
51. Defendant Nelnet owed a duty of care to Plaintiff to review and respond to the substance of Plaintiff's multiple credit bureau complaints.
52. Defendant Inceptia owed a duty of care to Plaintiff to review and validate the information provided to it by its co-Defendants.
53. Defendant Nelnet breached the duties of care that it owed to Plaintiff by not properly verifying the identity of persons seeking loans through/from them.
54. Defendant Nelnet breached the duties of care that it owed to Plaintiff by not responding to the substance of Plaintiff's complaints to the CFPB and Department of Education.

55. Defendant Nelnet breached the duties of care that it owed to Plaintiff by responding to Plaintiff's complaints to the CFPB and Department of Education that Plaintiff should file complaints with the CFPB and Department of Education.
56. Defendant Nelnet breached the duties of care that it owed to Plaintiff by continuing to originate and disburse new loans in the Plaintiff's name to the fraudster after Plaintiff successfully disputed Nelnet's original credit inquiry with the credit bureaus.
57. Defendant Nelnet breached the duties of care that it owed to Plaintiff by adding the loans at issue to Plaintiff's credit report a second time after Plaintiff successfully disputed the loans through the credit bureaus the first time.
58. Upon information and belief, Defendants Nelnet and Ivy Tech breached the duties of care that they owed to Plaintiff by not querying or not reviewing publicly available databases of higher education attendance and degree issuance to confirm the information that the fraudster had provided.
59. Defendant Ivy Tech breached the duties of care that it owed to Plaintiff by not verifying the identity of a fraudulent student attempting to enroll in its institution.
60. Defendant Ivy Tech breached the duties of care that it owed to Plaintiff by not properly verifying attendance of the fraudulent student enrolled in its institution.
61. Defendant Ivy Tech breached the duties of care that it owed to Plaintiff by continuing to facilitate loans and invoice the fraudster for education after being informed that the purported student had stolen the Plaintiff's identity.

FOR A SECOND CAUSE OF ACTION

NEGLIGENCE PER SE

62. Plaintiff reiterates paragraphs 1-61 as they relate to this cause of action.
63. Upon information and belief, Defendants willfully disregarded their obligations under numerous federal and state consumer protection statutes, including but not limited to the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Family Education Rights and Privacy Act, the Identity Theft Enforcement and Restitution Act, the Indiana Consumer Sales Practices Act, the Washington Consumer Protection Act,
64. The Plaintiff is a member of the class of persons that the various federal and state consumer protection statutes intended to protect.
65. The Plaintiff suffered the specific harms that the various federal and state consumer protection statutes were intended to prevent.
66. The Defendants statutory violations proximately caused the Plaintiff's harms.

**FOR A SECOND CAUSE OF ACTION
VIOLATIONS OF THE FAIR CREDIT REPORTING ACT**

67. Plaintiff reiterates paragraphs 1-66 as they relate to this cause of action.
68. Defendants' actions to collect, report, re-report, investigate, and validate a known fraudulent debt were improper.
69. Defendants' failed to properly investigate reports initiated under the Fair Credit Reporting Act.
70. Each of Defendants' repeated failures to investigate and resolve disputes relating to this matter constitutes a separate, willful act, and continuing violation of Plaintiff's rights.
71. Defendants' pulled Plaintiff's credit report
72. Defendants' pulled or caused others to pull Plaintiff's credit report multiple times without authorization from Plaintiff.
73. Defendants' failed to provide required adverse action notices.
74. Upon information and belief, Defendants did not maintain a written Identity Theft Prevention Program as required.
75. Upon information and belief, Defendants did not maintain appropriate 'red flag' policies required as positive identity theft prevention procedures.

**FOR A FOURTH CAUSE OF ACTION
DEFAMATION**

76. Plaintiff reiterates paragraphs 1-74 as they relate to this cause of action.
77. As a result of Defendants' actions and false statements to credit bureaus, the Plaintiff sustained damages in his ability to borrow, the terms on which he could borrow, and his ability to refinance.
78. As a result of Defendants' actions and false statements to credit bureaus, the Plaintiff's reputation was damaged, interfering in the conduct of his normal business and investment affairs.
79. As a result of Defendants' actions and false statements, the Plaintiff suffered emotional distress.
80. Defendants were aware or should have been aware that their statements were false.
81. None of Defendants' false statements were privileged.

**FOR A FIFTH CAUSE OF ACTION
INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS
(including the lesser cause of action Negligent Infliction of Emotional Distress)**

82. Plaintiff reiterates paragraphs 1-81 as they relate to this cause of action.
83. Defendants' repeated decisions to ignore Plaintiff's numerous protests, complaints to government agencies, and credit bureau disputes over a multi-year period was highly reckless, extreme, outrageous, and constitutes a fundamental threat to society.
84. Plaintiff suffered severe emotional distress as a result of Defendants' actions.

**FOR A SIXTH CAUSE OF ACTION
WASHINGTON CONSUMER PROTECTION ACT**

85. Plaintiff reiterates paragraphs 1-84 as they relate to this cause of action.
86. The Defendants' actions in this matter are unfair and deceptive acts or practices.
87. Defendants' unfair and deceptive acts or practices violate legislative declarations of public interest.
88. Defendants' unfair and deceptive acts or practices injured the Plaintiff.
89. Defendants' unfair and deceptive acts or practices have the capacity to injure third persons.

Prayer for Relief

WHEREFORE, Plaintiff, respectfully requests that this Court enter judgment in his favor and grant the following relief:

1. Make a factual finding that the Plaintiff is not indebted to the Defendants or any other party because of the fraudulent loans originated by Defendants;
2. Enjoy the Defendants from any efforts to collect or attempt to collect from Plaintiff.
3. Special damages for medical expenses, lost income, lost profits, costs, attorneys' fees, and other items the Court may determine;
4. General damages for pain, suffering, and emotional distress;
5. Statutory damages available under appropriate statutes;
6. Any other relief that the Court deems just and proper.

April 21, 2026
Pullman, Washington



Richard S. Barnes, Plaintiff
1130 SW Meyer Drive

Pullman, WA 99163
919-917-4337