

Appellate Spotlight: Seventh Circuit Confirms Dismissal of FDCPA Case on Article III Standing Grounds

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In a case defended by Hinshaw partner David Schultz, the Court of Appeals for the Seventh Circuit recently upheld the dismissal of a Fair Debt Collection Practices Act (FDCPA) lawsuit, affirming that confusion leading one to hire an attorney and pay an appearance fee does not establish Article III standing. The decision was given extensive coverage by legal and accounts receivable trade publications.

Plaintiff in the case of *Choice v. Kohn Law Firm and Unifund CCR* had defaulted on a credit card debt that was purchased by a defendant, which then hired the other defendant to collect on the unpaid debt. Plaintiff filed suit, alleging that the defendants' suit contained contradicting statements regarding recovery of statutory attorneys' fees and constituted a false or misleading communication. Plaintiff argued he established Article III standing because he had to hire an attorney and pay an appearance fee to litigate the debt, and also because he had lost sleep due to concern over the extent of his liability.

During discovery in the case, however, the plaintiff denied that he owed any debt. The defendant sought to dismiss the case on the grounds the plaintiff lacked standing, and the motion was granted. The district court determined that the contradictory statements made by the plaintiff did not provide sufficient grounds for standing. In affirming this ruling, the Seventh Circuit noted that "[a]s we have consistently explained, confusion leading one to hire a lawyer is insufficient to establish standing."

Media Coverage

["Seventh Circuit Affirms Dismissal of FDCPA Suit for Lack of Standing, Again,"](#) *AccountsRecovery.net*, August 14, 2023.

["Choice v. Kohn L. Firm: Court Finds No Standing for Hiring Attorney,"](#) *ACA International*, August 14, 2023.
(subscription required)

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