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7
8 **UNITED STATES DISTRICT COURT**
EASTERN DISTRICT OF CALIFORNIA
9

10 DR. DERRICK ADAMS, on behalf of
himself and those similarly situated,

11 Plaintiff,

12 v.

13
14 EXPERIAN INFORMATION
SOLUTIONS, INC., EQUIFAX INC.,
15 AND TRANSUNION,

16 Defendants.
17
18

Case No. 2:23-815

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF**

**(I) THE SHERMAN ACT,
15 U.S.C. § 1, ET SEQ., AND**

**(II) THE CARTWRIGHT ACT,
CAL. BUS. & PROF. CODE
§ 16720, ET SEQ.**

DEMAND FOR JURY TRIAL

19 Plaintiff Dr. Derrick Adams, on behalf of himself and all those similarly situated,
20 brings this action against Defendants Experian Information Solutions, Inc. (“Experian”),
21 Equifax Inc. (“Equifax”), and TransUnion (“TransUnion”) (collectively, the “Three Credit
22 Reporting Agencies”) for violations of the Sherman Antitrust Act and California’s
23 Cartwright Act.

24 Dr. Adams, on behalf of himself and all those similarly situated, demands a trial by
25 jury on all counts for which a right to trial by jury is allowed and alleges as follows in
26 support of this Complaint:
27
28

JURISDICTION

1
2 1. Dr. Adams’s claims arise under Sherman Act Section 1 (15 U.S.C. § 1) and
3 the Cartwright Act (Cal. Bus. & Prof. Code § 16720, *et seq.*). Dr. Adams seeks damages
4 and injunctive relief under Clayton Act Sections 4 and 16 (15 U.S.C. §§ 15, 26). Dr. Adams
5 also seeks damages and injunctive relief under the Cartwright Act (Cal. Bus. & Prof. Code
6 § 16750).

7 2. This Court has subject-matter jurisdiction over Dr. Adams’s Sherman Act
8 claim under 15 U.S.C. § 15, because the claim arises from injuries Dr. Adams suffered by
9 reason of conduct forbidden in the antitrust laws; under 28 U.S.C. § 1331, because the claim
10 arises under the laws of the United States; and under 28 U.S.C. § 1337(a), because the claim
11 arises under an Act of Congress regulating commerce or protecting trade and commerce
12 against restraints of trade. This Court has supplemental jurisdiction of the state law claim
13 under 28 U.S.C. § 1367(a).

14 3. This Court has personal jurisdiction over each of the Defendants because
15 each of the Defendants: performed the trade that was illegally restrained in this State,
16 including in this District; transacted business in this State, including in this District; had
17 substantial contacts within this State, including in this District; and/or were engaged in an
18 unlawful restraint of trade which injured persons residing in, located in, and doing business
19 in this State, including in this District.

20 **NATURE OF THE ACTION**

21 4. In very public fashion, the Three Credit Reporting Agencies announced a
22 formal agreement among themselves to restrain trade by refusing to report unpaid medical
23 bills under \$500 on consumer credit reports. Indeed, it is rare to see such a transparent
24 conspiracy. While the Defendants celebrated their joint action as benefitting patients, the
25 agreement represents a categorical violation of the Sherman Act and the Cartwright Act,
26 and its imposition not only illegally restrains trade, but will also diminish access to medical
27 care by driving providers out of certain markets.

1 5. The Three Credit Reporting Agencies’ conspiracy to devalue their credit
2 reports, by agreeing not to report unpaid medical bills under \$500, targets medical providers
3 and has inevitably harmed them. Medical providers now have a more costly path to collect
4 payment on unpaid medical bills, if they can feasibly collect at all. Defendants’ conduct
5 also places individual medical providers, such as Dr. Adams, at a severe financial
6 disadvantage compared to larger and more expensive medical practices, such as hospitals.

7 6. Medical providers submit information about unpaid medical bills to credit
8 reporting agencies in what had been a mutually beneficial transaction: credit reporting
9 agencies received information about unpaid debts, which made their reports more valuable
10 to those purchasing the credit reports, and medical providers received help persuading
11 patients to pay their medical bills, by virtue of patients’ desire to avoid the negative impact
12 of having unpaid medical bills on their credit reports.

13 7. Experian, Equifax, and TransUnion could have continued competing in
14 terms of the value of their service to medical practices by deciding independently what
15 information to report on consumer credit reports.

16 8. Instead, the Three Credit Reporting Agencies have conspired to restrain
17 competition in this market by agreeing not to report unpaid medical debts under \$500 on
18 consumer credit reports. Defendants’ services in the relevant market are now equally
19 devalued to medical providers such as Plaintiff Dr. Adams.

20 9. The market Defendants have restrained has a massive economic footprint.
21 The U.S. Consumer Financial Protection Bureau (“CFPB”) estimated an “outstanding
22 balance of about ***\$88 billion in medical debt collections*** on consumer credit reports” as of
23 2021.¹ The CFPB also has “estimate[d] that ***22.8 million people will have at least one***
24 ***medical collection removed*** from their credit reports when all medical collections less than
25 \$500 are removed.”²

26 ¹ CFPB, *Medical Debt Burden in the United States* 6 n.10 (Feb. 2022) (emphasis added),
27 [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-
states_report_2022-03.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf).

28 ² CFPB, *Data Point: Consumer Credit and the Removal of Medical Collections from Credit Reports* 2 (Apr.

1 people will have at least one medical collection removed from their credit reports when all
2 medical collections less than \$500 are removed.”³

3 25. If patients do not pay their bills, Dr. Adams’s practice uses third-party
4 accounts-receivable services as its agent to attempt to collect the unpaid bills.

5 26. Accounts-receivable services, as one of their options for incentivizing
6 patients to pay their bills, report unpaid medical bills to credit reporting agencies. Based on
7 information and belief, accounts-receivable services have reported unpaid medical bills
8 from Dr. Adams’s practice to the Three Credit Reporting Agencies.

9 27. Thousands of other medical practices in California and across the United
10 States follow a similar practice of using accounts-receivable services to collect unpaid bills,
11 and those accounts-receivable services report unpaid medical bills to the Three Credit
12 Reporting Agencies.

13 28. Historically, the risk that an unpaid medical bill under \$500 could be
14 reported on a consumer’s credit report incentivized the patient to pay the bill. Patients
15 understood that an unpaid bill listed on their credit report harmed their credit score, which
16 in turn reduced their access to credit, increased their costs to obtain that credit, and
17 decreased options for other financial transactions such as leasing a car.

18 29. The Three Credit Reporting Agencies recognize they wield this power, and
19 are aware of the resulting value of their reporting services to medical providers like Dr.
20 Adams and other members of the proposed classes. For example, Equifax states on its
21 website, “Reporting loans to the CRAs can help incentivize stronger payment performance.
22 Since consumers today understand that their payment behavior on loans reported to the
23 CRA[]s matters. This often drives them to pay those loans on time vs. delaying or not paying
24 those that are not reported to their credit file.”⁴

25 _____
26 ³ CFPB, *Data Point: Consumer Credit and the Removal of Medical Collections from Credit Reports 2* (Apr.
27 2023), [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_consumer-credit-removal-
28 medical-collections-from-credit-reports_2023-04.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_consumer-credit-removal-medical-collections-from-credit-reports_2023-04.pdf).

⁴ Bob Hofmann, *Major Benefits of Credit Reporting for Both Consumers and Lenders* (Feb. 28, 2023)
(emphasis removed), [https://www.equifax.com/business/blog/-/insight/article/major-benefits-of-credit-
reporting-for-both-consumers-and-lenders/](https://www.equifax.com/business/blog/-/insight/article/major-benefits-of-credit-reporting-for-both-consumers-and-lenders/).

1 30. Dr. Adams intends, and prefers, that accounts-receivable services continue
2 to report his patients' unpaid bills under \$500 to the Three Credit Reporting Agencies. But
3 currently that reporting is rendered pointless because, according to the conspiracy, the Three
4 Credit Reporting Agencies have agreed not to include such unpaid bills in consumer credit
5 reports.

6 **The Conspiracy by the Three Credit Reporting Agencies**

7 31. On March 18, 2022, the Three Credit Reporting Agencies jointly announced
8 via press release the following "joint measures":

9 The three nationwide credit reporting agencies (NCRAs) – Equifax
10 (NYSE: EFX), Experian (LON: EXPN), and TransUnion (NYSE:
11 TRU) – today announced significant changes to medical collection
12 debt reporting to support consumers faced with unexpected medical
13 bills. These joint measures will remove nearly 70% of medical
14 collection debt tradelines from consumer credit reports, a step taken
15 after months of industry research.

14

15 In the first half of 2023, Equifax, Experian and TransUnion will also
16 no longer include medical collection debt under at least \$500 on
17 credit reports.

17 The companies' CEOs provided a joint statement on the decision to
18 change medical collection debt reporting:

19 "Medical collections debt often arises from unforeseen medical
20 circumstances. These changes are another step we're taking together
21 to help people across the United States focus on their financial and
22 personal wellbeing," said Mark W. Begor, CEO Equifax; Brian
23 Cassin, CEO Experian; and Chris Cartwright, CEO TransUnion.
24 "As an industry we remain committed to helping drive fair and
25 affordable access to credit for all consumers."

23 For more information, please visit: Equifax, Experian, and
24 TransUnion.⁵

25 32. The announcement was widely publicized, including nationwide by the
26 federal government. For example, in April 2022, the CFPB reported that "Equifax,

27 ⁵ PR Newswire, *Equifax, Experian, and TransUnion Support U.S. Consumers With Changes to Medical*
28 *Collection Debt Reporting* (Mar. 18, 2022), [https://www.prnewswire.com/news-releases/equifax-experian-](https://www.prnewswire.com/news-releases/equifax-experian-and-transunion-support-us-consumers-with-changes-to-medical-collection-debt-reporting-301505822.html)
[and-transunion-support-us-consumers-with-changes-to-medical-collection-debt-reporting-301505822.html](https://www.prnewswire.com/news-releases/equifax-experian-and-transunion-support-us-consumers-with-changes-to-medical-collection-debt-reporting-301505822.html).

1 Experian, and TransUnion issued a joint statement to announce that starting in July
2 2023, they will not include information furnished to them for medical bills in collection for
3 amounts of \$500 or less.”⁶

4 33. On April 11, 2023, the Three Credit Reporting Agencies jointly announced
5 via press release that they had effectuated their joint commitment from 2022 not to report
6 medical collection debt under \$500:

7 Equifax® (NYSE: EFX), Experian (LON:EXPN), and TransUnion
8 (NYSE:TRU) are jointly announcing that medical collection debt
9 with an initial reported balance of under \$500 has been removed
10 from U.S. consumer credit reports. With this change, now nearly 70
11 percent of the total medical collection debt tradelines reported to the
12 Nationwide Credit Reporting Agencies (NCRAs) are removed from
13 consumer credit files. This change reflects a commitment made by
14 the NCRAs last year.

15 “Our industry plays an important role in the financial lives of
16 consumers. We understand that medical debt is generally not taken
17 on voluntarily and we are committed to continuously evolving credit
18 reporting to support greater and responsible access to credit and
19 mainstream financial services,” said Mark W. Begor, CEO Equifax;
20 Brian Cassin, CEO Experian; and Chris Cartwright, CEO
21 TransUnion. “We believe that the removal of medical collection
22 debt with an initial reported balance of under \$500 from U.S.
23 consumer credit reports will have a positive impact on people’s
24 personal and financial well-being.”⁷

25 34. The Three Credit Reporting Agencies have removed unpaid medical debt
26 under \$500 from consumer credit reports, and stopped reporting it. This joint action was
27 widely reported to the public, including by the federal government.⁸

28 ⁶ CFPB, *Know your rights and protections when it comes to medical bills and collections* (Apr. 11, 2022),
<https://www.consumerfinance.gov/about-us/blog/know-your-rights-and-protections-when-it-comes-to-medical-bills-and-collections/>.

⁷ PR Newswire, *Equifax, Experian and TransUnion Remove Medical Collections Debt Under \$500 From U.S. Credit Reports* (Apr. 11, 2023), <https://www.prnewswire.com/news-releases/equifax-experian-and-transunion-remove-medical-collections-debt-under-500-from-us-credit-reports-301793769.html>.

⁸ CFPB, *Have medical debt? Anything already paid or under \$500 should no longer be on your credit report* (May 8, 2023), <https://www.consumerfinance.gov/about-us/blog/medical-debt-anything-already-paid-or-under-500-should-no-longer-be-on-your-credit-report/#:~:text=The%20three%20nationwide%20credit%20reporting,all%20medical%20collections%20under%20%24500.>

1 35. Before this joint action, the Three Credit Reporting Agencies could have
2 chosen independently whether to include, and how to account for, medical debts under \$500
3 in the consumer credit reports they each publish.

4 36. Because the Three Credit Reporting Agencies conspired together to stop
5 reporting medical debts under \$500, consumer credit reports from all three of these agencies
6 have lost value to medical providers like Dr. Adams.

7 37. The Three Credit Reporting Agencies are the only significant participants in
8 the market for receiving medical debt information for the purpose of reporting it on
9 consumer credit reports. Dr. Adams has no feasible alternative to provide information about
10 unpaid medical bills under \$500 for the purpose of including them on consumer credit
11 reports.

12 38. If one of the Three Credit Reporting Agencies had decided to stop reporting
13 medical debts under \$500, Dr. Adams could have chosen to provide information to the other
14 two agencies for the purpose of reporting medical debts owed to him. Instead, the Three
15 Credit Reporting Agencies made it safe for themselves—but anticompetitive for the
16 market—by jointly deciding not to report these debts.

17 **Anticompetitive Effect of the Conspiracy**

18 39. The effect of this conspiracy will be massive and will ripple through the
19 Unites States for years to come.

20 40. Dr. Adams’s practice has issued, and will continue to issue, many bills under
21 \$500. Based on information, belief, and common-sense logic, patients will pay fewer of
22 their bills under \$500 if patients know those unpaid bills will not be reported on their credit
23 reports. As Equifax’s website explains in the similar context of loans, reporting an unpaid
24 loan on a credit report “often drives [consumers] to pay those loans on time vs. delaying or
25 not paying those that are not reported to their credit file.”⁹ Therefore, Defendants’
26

27 ⁹ Bob Hofmann, *Major Benefits of Credit Reporting for Both Consumers and Lenders* (Feb. 28, 2023)
28 (emphasis removed), <https://www.equifax.com/business/blog/-/insight/article/major-benefits-of-credit-reporting-for-both-consumers-and-lenders/>.

1 conspiracy has devalued their service by removing an important incentive for patients to
2 pay medical providers, including Dr. Adams.

3 41. The scope of monetary effect from the conspiracy is massive. The
4 conspiracy not to report medical debt under \$500 will affect the repayment of tens of
5 millions of medical bills. CFPB “estimate[d] that 22.8 million people will have at least one
6 medical collection removed from their credit reports when all medical collections less than
7 \$500 are removed.”¹⁰ Using the CFPB’s estimate, if each of the 22.8 million people had
8 just one unpaid medical bill that averaged \$100, the conspiracy would affect \$2.28 billion
9 in money owed to medical providers.

10 42. The effect is likely much larger. As the Washington Post has reported about
11 Defendants’ decision not to report unpaid medical bills: “To grasp why this removal is so
12 important, you have to understand the gravity of these small-dollar debts. It’s not just one
13 bill under \$500. People are often receiving multiple bills from different health-care
14 providers.”¹¹ The CFPB has estimated a total “outstanding balance of about \$88 billion in
15 medical debt collections on consumer credit reports,” based on data from 2021, and the
16 CFPB identified another study that estimated an outstanding balance of \$140 billion.¹²

17 43. Defendants’ conspiracy harms medical providers. By not reporting unpaid
18 medical bills on consumer credit reports, the Three Credit Reporting Agencies have
19 eliminated a valuable tool that medical providers use to incentivize patients to pay their
20 bills. Without this tool, medical providers must resort to costlier methods to receive
21 payment of their bills, such as employing additional time of in-house staff and third-party
22 accounts-receivable services. These costlier methods have not succeeded, and will not
23 succeed, in achieving the same rate of payment. Patients no longer have the incentive to
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25 ¹⁰ CFPB, *Data Point: Consumer Credit and the Removal of Medical Collections from Credit Reports 2* (Apr.
26 2023), [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_consumer-credit-removal-
27 medical-collections-from-credit-reports_2023-04.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_consumer-credit-removal-medical-collections-from-credit-reports_2023-04.pdf).

¹¹ Michelle Singletary, *Finally, medical debt under \$500 has been removed from credit reports* (Apr. 12,
28 2023), <https://www.washingtonpost.com/business/2023/04/12/medical-debt-credit-reports/>.

¹² CFPB, *Medical Debt Burden in the United States* 6 n.10 (Feb. 2022),
[https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-
states_report_2022-03.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf).

1 avoid unpaid medical bills appearing on their credit reports, because of Defendants'
2 conspiracy. Defendants have not agreed to remove from credit reports the unpaid bills for
3 any other types of debt, such as car payments, home improvement, credit cards, or
4 conspicuous consumption. Rather, Defendants intentionally have targeted medical
5 providers.

6 44. Dr. Adams's medical practice, like that of many medical providers, is a small
7 business. He frequently performs services that cost patients less than \$500 out of pocket.
8 The conspiracy has a significant effect on his business, as a trade association's letter to the
9 Three Credit Reporting Agencies warned:

10 It is worth noting that these are the doctors who most rely on third-
11 party debt collectors to recover the rightfully owed money for
12 services they provided because they do not have the infrastructure
13 for in-house collections. The amounts they collect often represent
14 whether the doctor makes a profit or incurs a loss in running his or
15 her business, including employing others. It might be possible for
16 one bill for less than \$500 to be written-off by a small Provider, but
17 dozens of bills for this amount could take away from significant
operational costs at a practice. Most Providers are just that:
Providers, and not sophisticated financial institutions like banks.
These are small businesses providing compassionate care to their
community and this change will cause further lack of recourse to be
paid for their services.¹³

18 45. Defendants' conspiracy has harmed Dr. Adams and other medical providers
19 by devaluing the benefit of the transaction between medical providers and credit reporting
20 agencies. Dr. Adams now receives no benefit from the Three Credit Reporting Agencies in
21 return for providing information about unpaid medical bills under \$500. And Dr. Adams
22 now has a costlier path to collect payment on unpaid medical bills, if he can feasibly collect
23 at all.

24 46. In addition to the harm to Dr. Adams and other medical providers,
25 Defendants' conspiracy causes significant harms to society.

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28 ¹³ See, e.g., Letter from Scott Purcell, CEO, ACA Int'l, to Mark Begor, CEO, Equifax, *et al.* (Mar. 23,
2022), <https://www.acainternational.org/wp-content/uploads/2022/03/ACA-Letter-to-CRAs-Final-1.pdf>.

1 47. Although Defendants jointly announced their conspiracy as a positive
2 development for patients, a profound *harm* to patients will ripple out from this conspiracy:
3 limited access to medical care. The harder it is for medical providers to recover unpaid bills,
4 the more likely the resulting financial difficulties will force medical providers to stop
5 providing service in locations where patients are less likely to pay. This will
6 disproportionately affect lower-income patients. As one trade association warned the Three
7 Credit Reporting Agencies:

8 If [medical providers] cannot collect on their accounts and
9 therefore incur ongoing losses that take away from running their
10 business, they will not be able to provide these important services
11 to our communities. . . . Basic economic principles make clear that
12 low-income Americans will be harmed most when Providers
13 constrict services, leading to higher costs and less access to medical
14 care for all consumers.¹⁴

15 48. Defendants' conspiracy also harms lenders. Defendants' credit reports are
16 less valuable to potential lenders now that they do not disclose all of consumers' unpaid
17 debts. The Three Credit Reporting Agencies could have continued competing for lenders'
18 business by reporting the most thorough information each could obtain about consumers'
19 unpaid debts. Instead, the Three Credit Reporting Agencies eliminated that competition as
20 to medical debt under \$500, equally devaluing their products, by conspiring jointly not to
21 report that specific category and magnitude of debts. This further supports that Defendants'
22 joint action, which harms medical providers, did not flow from altruism but from
23 protectionism.

24 RELEVANT MARKET

25 49. This lawsuit concerns one relevant market: the market for providing and
26 receiving medical-debt information for the purpose of reporting it on consumer credit
27 reports. Medical providers, such as Dr. Adams, provide medical-debt information to credit
28 reporting agencies in return for the agencies' reporting it on consumer credit reports. The
relevant market does not include information about non-medical debts.

¹⁴ *Id.*

1 50. The geographic scope of the relevant market is the United States. Each
2 Defendant is involved in the relevant market throughout the United States, including across
3 California.

4 51. Medical providers in the United States, including in California, have
5 provided information about unpaid medical bills under \$500 to credit reporting agencies in
6 what had been a mutually beneficial transaction: Credit reporting agencies received
7 information about unpaid debts, which made their reports more valuable to those purchasing
8 the credit reports, and medical providers received help incentivizing patients to pay their
9 medical bills, which came from patients' desire to avoid the negative impact on their credit
10 report of having unpaid medical bills.

11 52. There are only three significant credit reporting agencies who participate in
12 the market for providing and receiving medical-debt information for purposes of reporting
13 it on consumer credit reports: Experian, Equifax, and TransUnion.

14 53. Experian, Equifax, and TransUnion jointly referred to themselves as “[t]he
15 three nationwide credit reporting agencies (NCRAs)” in the press release announcing the
16 conspiracy.¹⁵ And each Defendant’s website identifies only the three Defendants when
17 referring to credit reporting agencies.¹⁶

18 54. The federal government has recognized that Defendants “play an outsized
19 role in Americans’ economic lives,” noting that they “cover more than 1.6 billion credit
20 accounts for over 200 million adults every month.”¹⁷ The CFPB identifies only Defendants
21

22 ¹⁵ Business Wire, *Equifax, Experian, and TransUnion Support U.S. Consumers With Changes to Medical*
23 *Collection Debt Reporting* (Mar. 18, 2022),

24 [https://www.businesswire.com/news/home/20220318005244/en/Equifax-Experian-and-TransUnion-](https://www.businesswire.com/news/home/20220318005244/en/Equifax-Experian-and-TransUnion-Support-U.S.-Consumers-With-Changes-to-Medical-Collection-Debt-Reporting)
25 [Support-U.S.-Consumers-With-Changes-to-Medical-Collection-Debt-Reporting](https://www.businesswire.com/news/home/20220318005244/en/Equifax-Experian-and-TransUnion-Support-U.S.-Consumers-With-Changes-to-Medical-Collection-Debt-Reporting).

26 ¹⁶ See Equifax, <https://www.equifax.com/personal/education/credit/score/> (“the three nationwide credit
27 reporting agencies, Equifax®, Experian®, and TransUnion®”); Experian,
28 <https://www.experian.com/consumer-products/experian-equifax-transunion-credit-report-and-score.html>
29 (“the three credit bureaus . . . Experian, Equifax®, and TransUnion®”); TransUnion,
30 <https://www.transunion.com/credit-reporting-agencies> (“There are three credit agencies: TransUnion,
31 Equifax, and Experian.”).

32 ¹⁷ Karen Andre, *Report illustrates how the big three credit reporting companies are giving consumers the*
33 *runaround*, CFPB (Feb. 11, 2022), [https://www.consumerfinance.gov/about-us/blog/report-illustrates-how-](https://www.consumerfinance.gov/about-us/blog/report-illustrates-how-big-three-credit-reporting-companies-are-giving-consumers-the-runaround/)
34 [big-three-credit-reporting-companies-are-giving-consumers-the-runaround/](https://www.consumerfinance.gov/about-us/blog/report-illustrates-how-big-three-credit-reporting-companies-are-giving-consumers-the-runaround/).

1 when it identifies the Nationwide Consumer Reporting Agencies (“NCRAs”).¹⁸ Similarly,
2 the federal government’s public website about credit reports lists only the three Defendants
3 as “the three credit reporting agencies.”¹⁹ That website provides a hyperlink to
4 AnnualCreditReport.com, “the only website authorized by the federal government to issue
5 free, annual credit reports from the three CRAs.” AnnualCreditReport.com prominently
6 states on its homepage that it is “brought to you” by Experian, Equifax, and TransUnion.²⁰

7 55. Members of Congress have recognized that the credit reporting industry is
8 an “oligopoly” controlled by Defendants and have lamented the lack of competition in the
9 market.²¹ During a 2019 hearing before the House Financial Services Committee,
10 lawmakers expressed concern to Defendants’ CEOs, who appeared as witnesses, about
11 eliminating negative information from credit reports. In response, TransUnion’s then-CEO,
12 James Peck, “admitted that there could be ‘unintended consequences’ with eliminating
13 certain data from credit reports and scores.”²²

14 56. As the only NCRAs, Defendants are the only significant participants in the
15 market for medical debt information for the purpose of reporting it on consumer credit
16 reports. There are no other credit reporting agencies to which medical providers can feasibly
17 turn with their information about unpaid medical bills under \$500. Medical providers like
18 Dr. Adams are now suffering the consequences of Defendants’ conspiracy to devalue their
19 credit reports by agreeing not to report unpaid medical bills under \$500.

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23 ¹⁸ CFPB, *Annual report of credit and consumer reporting complaints, an analysis of complaint responses by*
24 *Equifax, Experian, and TransUnion* 3 (Jan. 2022), https://files.consumerfinance.gov/f/documents/cfpb_fcra-611-e_report_2022-01.pdf; CFPB, *Annual report of credit and consumer reporting complaints, an analysis*
25 *of complaint responses by Equifax, Experian, and TransUnion* (Jan. 2023),
26 https://files.consumerfinance.gov/f/documents/cfpb_fcra-611-e_report_2023-01.pdf.

27 ¹⁹ USA.gov, *Learn about your credit report and how to get a copy* (last updated May 25, 2023),
28 <https://www.usa.gov/credit-reports>.

²⁰ Annual Credit Report.com (Last Visited Aug. 15, 2023),
<https://www.annualcreditreport.com/index.action>.

²¹ Neil Haggerty, *House banking panel bemoans credit bureaus’ ‘oligopoly’* (Feb. 26, 2019),
<https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=407266>.

²² *Id.*

CLASS REPRESENTATION ALLEGATIONS

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2 57. Plaintiff Dr. Adams brings his claims against Defendants on behalf of
3 similarly situated persons under Fed. R. Civ. P. 23(a) and 23(b)(3), and seeks certification
4 of two classes defined as follows:

5 58. **Medical Providers Nationwide Class** (hereinafter the “Nationwide
6 Class”): For Count I (violation of the Sherman Act), Dr. Adams proposes that the
7 Nationwide Class be defined as follows: all providers of medical services in the United
8 States who have uncollected bills under \$500 for medical-related services.

9 59. **Medical Providers California Class** (hereinafter the “California Class”):
10 For Count II (violation of California’s Cartwright Act), Dr. Adams proposes that the
11 California Class be defined as follows: all providers of medical services in California who
12 have uncollected bills under \$500 for medical-related services.

13 60. The class period begins on March 18, 2022, the date of Defendants’ joint
14 announcement of their conspiracy to remove, and not to report in the future, unpaid medical
15 bills under \$500.

16 61. Dr. Adams reserves the right to amend these definitions as discovery
17 proceeds and to conform to the evidence.

18 62. Excluded from the Classes are Defendants, their agents, representatives, and
19 employees; any judge to whom this action is assigned; and any member of that judge’s staff
20 and immediate family.

21 63. While the exact number of Nationwide Class Members is unknown at this
22 time, based on information and belief, in the United States there are just over one million
23 licensed physicians,²³ more than 200,000 professionally active dentists,²⁴ more than 45,000
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27 ²³ Aaron Young et al., *FSMB Census of Licensed Physicians in the United States, 2020*, Vol. 107 No. 2 J.
28 Medical Regulation 57 (2021), <https://www.fsmb.org/siteassets/advocacy/publications/2020-physician-census.pdf>.

²⁴ Am. Dental Ass’n, *U.S. Dentist Demographic Dashboard* (2022),
<https://www.ada.org/resources/research/health-policy-institute/us-dentist-demographics>.

1 doctors of optometry,²⁵ and more than 70,000 chiropractors.²⁶ These medical providers, and
2 other types of medical providers affected by Defendants' conspiracy, are potential members
3 of the Nationwide Class.

4 64. While the exact number of California Class Members is unknown at this
5 time, based on information and belief, in California there are at least 120,000 physicians with
6 active California licenses who practice in the state,²⁷ more than 30,000 professionally active
7 dentists,²⁸ almost 7,000 doctors of optometry,²⁹ and more than 12,000 chiropractors.³⁰
8 These medical providers, and other types of medical providers in California who were
9 affected by Defendants' conspiracy, are potential members of the California Class.

10 65. Because the potential members of the Nationwide Class and of the California
11 Class (collectively, the "Class Members") are so numerous, individual joinder of these
12 members is impracticable.

13 66. The Class Members will be ascertainable through discovery including
14 Defendants' data and other records.

15 67. There are common questions of law and fact shared by Dr. Adams and each
16 Class Member. The common questions of law and fact include the following:

- 17 a. whether Defendants entered an agreement which restrained competition;
- 18 b. whether the agreement is unlawful;
- 19 c. whether Defendants' conduct injured medical providers; and
- 20 d. the appropriate nature of class-wide injunctive or other equitable relief.

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22 ²⁵ Health Policy Institute, *County Data Demonstrates Eye Care Access Nationwide* (Apr. 2018),
<https://www.aoa.org/AOA/Documents/Advocacy/HPI/County%20Data%20Demonstrates%20Eye%20Care%20Access%20Nationwide.pdf>.

23 ²⁶ Am. Chiropractic Ass'n, *Key Facts and Figures About the Chiropractic Profession*,
<https://www.acatoday.org/news-publications/newsroom/key-facts>.

24 ²⁷ Janet Coffman & Margaret Fix, *The State of California's Physician Workforce* (June 2021),
https://www.ucop.edu/uc-health/_files/prop-56/annual-review-report-june2021.pdf [sic].

25 ²⁸ Nat'l Library of Medicine, *Health, United States, 2019 [Internet] Table 42* (2020),
<https://www.ncbi.nlm.nih.gov/books/NBK569311/table/ch3.tab42/>.

26 ²⁹ Healthforce Ctr. at UCSF, *Optometry Workforce and Education in California* (July 31, 2020),
<https://healthforce.ucsf.edu/sites/healthforce.ucsf.edu/files/publication-pdf/Optometry%20Workforce%20and%20Education%20in%20California.pdf>.

27 ³⁰ Bram B. Briggance, *Chiropractic Care in California* (2003),
28 https://healthforce.ucsf.edu/sites/healthforce.ucsf.edu/files/publication-pdf/5.%202003-06_Chiropractic_Care_in_California.pdf.

1 68. Certification of the Classes under Fed. R. Civ. P. 23(a) and 23(b)(3) is
2 appropriate as to the members of the putative classes in that common questions predominate
3 over any individual questions and a class action is superior for the fair and efficient
4 adjudication of this controversy. All Class Members were subject to the same conduct by
5 Defendants, as such conduct was announced jointly by Defendants as their standard
6 business practice to be applied consistently nationwide.

7 69. A class action will cause an orderly and expeditious administration of claims
8 by the members of the Classes, will foster economies of time, effort, and expenses, and will
9 ensure uniformity of decisions.

10 70. Dr. Adams's claims are typical of the claims of the Classes pursuant to Fed.
11 R. Civ. P. 23(a) and 23(b)(3) because they are based on and arise out of identical facts
12 constituting the wrongful conduct of Defendants.

13 71. Dr. Adams is an adequate representative of the Classes because his interests
14 do not conflict with the interests of other class members, and he will fairly and adequately
15 protect their interests. Additionally, Dr. Adams is cognizant of his responsibility as a class
16 representative and he has retained experienced counsel fully capable of, and intent upon,
17 vigorously pursuing the action. Dr. Adams's counsel has extensive experience in class
18 action litigation.

19 72. The Class Members have suffered the same or similar injury as Dr. Adams,
20 including actual damages.

COUNT I

VIOLATIONS OF THE SHERMAN ANTITRUST ACT,
15 U.S.C. § 1, ET SEQ.

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4 73. Dr. Adams re-alleges and incorporates by reference each and every
5 allegation set forth in paragraphs 1–72 as if fully set forth herein.

6 74. This claim is brought against all Defendants by Dr. Adams individually and
7 on behalf of the Nationwide Class.

8 75. Defendants entered into and engaged in unlawful concerted action that
9 unreasonably restrained trade in violation of Section 1 of the Sherman Act (codified at 15
10 U.S.C. § 1).

11 76. Defendants agreed not to report unpaid medical bills under \$500 on
12 consumer credit reports.

13 77. Defendants’ agreement restrained trade in the market for providing and
14 receiving medical-debt information for the purpose of reporting it on consumer credit
15 reports. Defendants no longer compete between themselves as to whether to include, and
16 how to account for, medical debts under \$500 on the consumer credit reports they each
17 publish. Defendants’ agreement devalues, in an equal way, the service that the Defendants
18 had each provided to Dr. Adams and other medical providers.

19 78. Defendants’ agreement constitutes a *per se* violation of the Sherman Act,
20 and is violation of the Sherman Act according to the Rule of Reason.

21 79. Defendants’ agreement intentionally, directly, and proximately caused the
22 reduction in value of the service that Defendants had each provided to Dr. Adams and other
23 medical providers: reporting unpaid medical bills under \$500 on consumer credit reports.
24 Defendants’ agreement similarly caused—intentionally, directly and proximately—a
25 reduction in the number of medical bills under \$500 that Dr. Adams was able to collect, and
26 will be able to collect, and increases Dr. Adams’s costs to attempt to collect payment of
27 such bills. Dr. Adams seeks damages in an amount to be proven at trial under Section 4 of
28 the Clayton Act (codified at 15 U.S.C. § 15), on behalf of himself and the Nationwide Class.

1 80. Defendants' services are transacted in interstate commerce. Defendants
2 engaged in conduct inside the United States that caused direct, substantial, intentional, and
3 reasonably foreseeable anticompetitive effects upon interstate commerce within the United
4 States. The activities of Defendants were within the flow of interstate commerce of the
5 United States and these activities were intended to have, and did have, a substantial effect
6 on interstate commerce of the United States.

7 81. The restrained trade affects interstate commerce for several reasons,
8 including because patients will pay fewer medical bills, medical providers such as Dr.
9 Adams will receive payment of fewer medical bills and incur increased costs to collect
10 payment of medical bills, and the transaction of services between Dr. Adams's practice and
11 the Three Credit Reporting Agencies spans state lines. Dr. Adams's practice is located in
12 California and Defendants have nationwide operations. In addition, Equifax's principal
13 place of business is in Georgia and TransUnion's principal place of business is in Illinois.

14 82. There are no procompetitive benefits of Defendants' agreement, nor was
15 there a legitimate or sufficient business justification. Any ostensible procompetitive benefit
16 was pretextual or could have been achieved by less restrictive means.

17 83. Dr. Adams's and Class Members' injuries are of the type the antitrust laws
18 were designed to prevent, and flow from that which makes Defendants' conduct unlawful.

19 84. Each Defendant is jointly and severally liable for the harm caused by its
20 conduct from the time they announced their conspiracy to the present.
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COUNT II

**VIOLATIONS OF THE CARTWRIGHT ACT,
CAL. BUS. & PROF. CODE § 16720, ET SEQ.**

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4 85. Dr. Adams re-alleges and incorporates by reference each and every
5 allegation set forth in paragraphs 1–85 as if fully set forth herein.

6 86. This claim is brought against all Defendants by Dr. Adams individually and
7 on behalf of the California Class.

8 87. Defendants entered into and engaged in unlawful concerted action that
9 unreasonably restrained trade in violation of the Cartwright Act, Cal. Bus. & Prof. Code
10 § 16720, *et seq.*

11 88. Defendants agreed not to report unpaid medical bills under \$500 on
12 consumer credit reports.

13 89. Defendants’ agreement restrained trade in the market for providing and
14 receiving medical-debt information for the purpose of reporting it on consumer credit
15 reports. Defendants no longer compete between themselves as to whether to include, and
16 how to account for, medical debts under \$500 on the consumer credit reports they each
17 publish. Defendants’ agreement devalues, in an equal way, the service that the Defendants
18 had each provided to Dr. Adams and other medical providers.

19 90. Defendants’ agreement constitutes a *per se* violation of the Cartwright Act,
20 and is a violation of the Cartwright Act according to the Rule of Reason.

21 91. There are no procompetitive benefits of Defendants’ agreement, nor was
22 there a legitimate or sufficient business justification. Any ostensible procompetitive benefit
23 was pretextual or could have been achieved by less restrictive means.

24 92. Defendants’ agreement intentionally, directly and proximately caused the
25 reduction in value of the service that Defendants had each provided to Dr. Adams and other
26 medical providers: reporting unpaid medical bills under \$500 on consumer credit reports.
27 Defendants’ agreement similarly caused—intentionally, directly and proximately—a
28 reduction in the number of medical bills under \$500 that Dr. Adams was able to collect, and

1 will be able to collect, and increases Dr. Adams's costs to attempt to collect payment of
2 such bills. Dr. Adams seeks damages in an amount to be proven at trial, on behalf of himself
3 and the California Class.

4 93. Dr. Adams's and Class Members' injuries are of the type the Cartwright Act
5 was designed to prevent, and flow from that which makes Defendants' conduct unlawful.

6 94. Each Defendant is jointly and severally liable for the harm caused by its
7 conduct from the time they announced their conspiracy to the present.

8 **PRAYER FOR RELIEF**

9 Plaintiff Dr. Adams and the Class Members seek the following relief:

- 10 a. Certification of the Classes;
- 11 b. Award Dr. Adams and the Class Members treble damages for the injuries
12 they suffered as a result of Defendants' unlawful conduct;
- 13 c. Award to Dr. Adams and Class Members their costs of suit, including
14 reasonable attorneys' fees and expenses;
- 15 d. Order that Defendants, their directors, officers, parents, employees,
16 agents, successors, members, and all persons in active concert and
17 participation with them be enjoined and restrained from, in any manner,
18 directly or indirectly, committing any additional violations of the law as
19 alleged herein; and
- 20 e. Such other relief as the Court deems just and proper.

21 **DEMAND FOR JURY TRIAL**

22 Plaintiff respectfully demands a trial by jury on all issues that can be tried to a jury.
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1 Date: August 22, 2023

Respectfully submitted,

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3 *s/ Michael Merriman*

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21 *Counsel for the Plaintiff and
the Proposed Classes*

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Calif. Doctor Says 'Big Three' Pact to Not Report Unpaid Medical Bills Under \\$500 Is Illegal](#)
