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## Better Know a District: *Suesz v. Med-1 Solutions, L.L.C.* and Debt Collection in Localized Small Claims Court Districts

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# BETTER KNOW A DISTRICT: *SUESZ v. MED-1 SOLUTIONS, L.L.C.* AND DEBT COLLECTION IN LOCALIZED SMALL CLAIMS COURT DISTRICTS

DANIEL FISHMAN\*

**Abstract:** In 2012, a debt collector, Med-1 Solutions, won a judgment against Mark Suez in Pike Township Small Claims Court for unpaid debt that arose in Lawrence Township, Indiana. Suez, a resident of Hancock County, sued Med-1 for a violation of the Fair Debt Collection Practices Act, which requires small claims suits to be brought in the same “judicial district or similar legal entity” where the debtor lives or where the debt originated. In *Suez v. Med-1 Solutions, L.L.C.*, the U.S. Court of Appeals for the Seventh Circuit, sitting en banc, ruled in favor of Suez and held that Pike Township Small Claims Court was a separate “judicial district or similar legal entity” from Lawrence Township, making Med-1’s original suit illegal. This Comment argues in favor of the en banc majority’s interpretation because it (1) incorporated the flexibility that Congress inserted within the statute, (2) allowed states to customize their judicial system to meet their residents’ needs, and (3) most importantly, prevented debt collectors from using the localized courts as a weapon against debtors.

## INTRODUCTION

Mark Suez, a resident of Hancock County, Indiana, owed money to Community North Hospital, which is located in Lawrence Township in the northeast corner of Marion County, Indiana.<sup>1</sup> The hospital turned Suez’s debt over to Med-1 Solutions (“Med-1”) for collection.<sup>2</sup> Med-1 sued Suez in the Pike Township Small Claims Court, which is in the northwest corner of Marion County.<sup>3</sup> The court entered judgment in favor of Med-1 for \$1280.00.<sup>4</sup>

Suez then sued Med-1 for violation of the Fair Debt Collection Practices Act (“FDCPA”) for filing suit in Pike Township Small Claims Court, which Suez asserted was an unlawful forum.<sup>5</sup> The FDCPA seeks “to eliminate abusive

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<sup>1</sup> *Suez v. Med-1 Solutions, L.L.C. (Suez III)*, 757 F.3d 636, 638 (7th Cir. 2014).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> Fair Debt Collection Practices Act, 15 U.S.C. § 1692i (2012); see *Suez v. Med-1 Solutions, L.L.C. (Suez I)*, No. 1:12-cv-1517-WTL-MJD, 2013 WL 1183292, at \*1 (S.D. Ind. Mar. 21, 2013), *aff’d* 734 F.3d 684 (7th Cir. 2013), *rev’d en banc*, 757 F.3d 636 (7th Cir. 2014). The debt did not arise

debt collection practices by debt collectors . . . .”<sup>6</sup> One such practice is abusive forum-shopping, whereby the debt collector brings a collection action in a forum the debtor finds to be unfriendly, inconvenient, or both, in order to make the debtor’s default more likely.<sup>7</sup> To prevent this unscrupulous practice, the FDCPA restricts where a debt collector can sue to collect a debt not secured by real estate to only the judicial district most convenient to the debtor.<sup>8</sup> Med-1 did not bring its collection action in the township where the debt originated or where Suesz resided.<sup>9</sup>

*Suesz v. Med-1 Solutions, L.L.C.* arose because the FDCPA does not explicitly define the term “judicial district or similar legal entity,” which created a dispute over whether the township small claims courts within Marion County constituted separate judicial districts (or similar legal entities), or whether the courts were divisions within the same judicial district of Marion County.<sup>10</sup> Suesz sued Med-1 in the United States District Court for the Southern District of Indiana, alleging that it violated the FDCPA.<sup>11</sup> The district court held that the township small claims courts did not constitute separate judicial districts and dismissed the case.<sup>12</sup> Suesz then appealed to the U.S. Court of Appeals for the Seventh Circuit.<sup>13</sup> A three-judge panel heard the case and affirmed the district court.<sup>14</sup>

Suesz petitioned for a rehearing en banc, which was granted.<sup>15</sup> A majority of the Seventh Circuit held that the township small claims courts did constitute separate judicial districts, reversing the dismissal and remanding the case back to the district court.<sup>16</sup> The majority opinion determined that the definition of “judicial district or similar legal entity” should be the “smallest geographic area relevant for venue purposes in the court system in which the case is filed . . . .”<sup>17</sup> This approach “discourages abusive forum-shopping by debt collectors rather than

out of a transaction that occurred in Pike Township, nor did Suesz live in Pike Township. *Suesz I*, 2013 WL 1183292, at \*1.

<sup>6</sup> 15 U.S.C. § 1692(e); *Suesz III*, 757 F.3d at 638.

<sup>7</sup> *Suesz III*, 757 F.3d at 639.

<sup>8</sup> See 15 U.S.C. § 1692i(a)(2) (mandating debt collection suits not secured by real property be filed in the “judicial district or similar legal entity—(A) in which such consumer signed the contract sued upon; or (B) in which such consumer resides at the commencement of the action”); *Suesz III*, 757 F.3d at 639.

<sup>9</sup> See *Suesz I*, 2013 WL 1183292, at \*1.

<sup>10</sup> See *Suesz III*, 757 F.3d at 638–39; *Suesz v. Med-1 Solutions, L.L.C. (Suesz II)*, 734 F.3d 684, 685 (7th Cir. 2013), *rev’d en banc*, 757 F.3d 636 (7th Cir. 2014).

<sup>11</sup> *Suesz I*, 2013 WL 1183292, at \*1.

<sup>12</sup> See *id.* at \*4–5.

<sup>13</sup> See *Suesz II*, 734 F.3d at 684.

<sup>14</sup> See *id.* at 692.

<sup>15</sup> See *Suesz III*, 757 F.3d at 638.

<sup>16</sup> See *id.* at 648, 650. The Seventh Circuit originally affirmed the district court in a two to one decision by the panel. See *Suesz II*, 734 F.3d at 691.

<sup>17</sup> See *Suesz III*, 757 F.3d at 648.

enabling it.”<sup>18</sup> Two dissenters argued in favor of the Seventh Circuit panel’s approach based on the plain meaning of the term and on stare decisis.<sup>19</sup>

Part I of this Comment briefly summarizes the factual and procedural history of Suesz’s FDCPA claim. Part II then explores the competing interpretations of the term “judicial district or similar legal entity” and its application to the Marion County township small claims courts. Finally, Part III argues in favor of the approach taken by the en banc majority because the decision followed the legislative intent behind both the FDCPA and the Marion County township small claims courts and protected consumer debtors from forum-shopping abuse. The dissenters’ myopic focus on the individual words of the FDCPA would lead to an approach that would allow creditors to use the FDCPA as a forum-shopping tool that could devastate the debtor, especially in urban areas where the state designed small claims courts to help the poor debtor.

### I. SUESZ’S MARCH TO THE SEVENTH CIRCUIT

In March of 2012, Med-1 filed a collection lawsuit against Mark Suesz in the Pike Township Small Claims Court, located in Marion County, Indiana.<sup>20</sup> The suit was commenced to collect a delinquent health care debt Suesz incurred at Community Hospital North in Lawrence Township within Marion County.<sup>21</sup> Med-1, a buyer of delinquent debts, purchased Suesz’s debt from the hospital.<sup>22</sup> Med-1 prevailed in the small claims action, and the court entered judgment in favor of Med-1 in the amount of \$1280.00.<sup>23</sup>

Suesz responded by filing a putative class action in the U.S. District Court for the Southern District of Indiana, alleging that Med-1’s suit in Pike Township violated the FDCPA’s venue provision for failure to file in a judicial district where he, the debtor, lived or where the contract was signed.<sup>24</sup> Suesz lived in

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<sup>18</sup> *Id.* at 643.

<sup>19</sup> *See id.* at 655–58 (Flaum, J., dissenting) (holding that the court should defer to the state definition of “judicial district” and should find no violation of the FDCPA because the township courts are not separate judicial districts); *see also id.* at 658–64 (Kanne, J., dissenting) (holding that the court should follow a simple statutory construction as well as stare decisis, which require that the action against Suesz did not violate the FDCPA because the township courts are not separate judicial districts).

<sup>20</sup> Appellee’s Brief at 1–2, *Suesz v. Med-1 Solutions, L.L.C. (Suesz II)*, 734 F.3d 684 (7th Cir. 2013) (No. 13–1821), *rev’d en banc*, *Suesz v. Med-1 Solutions, L.L.C. (Suesz III)*, 757 F.3d 636 (7th Cir 2014).

<sup>21</sup> *Id.* Pike Township Small Claims Court and Lawrence Township Small Claims Court—the small claims court in the same township as the hospital—are approximately 14.3 miles apart by land transportation. Driving Directions from Pike Township Small Claims Court to Lawrence Township Small Claims Court, GOOGLE MAPS, <http://maps.google.com>, *archived at* <https://perma.cc/S6ET-MM4A?type=source>.

<sup>22</sup> *Suesz II*, 734 F.3d at 685.

<sup>23</sup> *Id.*

<sup>24</sup> *See* Fair Debt Collection Practices Act, 15 U.S.C. § 1692i (2012); *Suesz II*, 734 F.3d at 685.

Hancock County, one county over from Marion County.<sup>25</sup> The debt, however, arose from Suesz's interaction with Community Hospital North in Lawrence Township.<sup>26</sup> Med-1 did not file the collection claim in either Hancock County or Lawrence Township.<sup>27</sup>

#### A. Township Small Claims Courts in Marion County

Most trial courts in Indiana operate within a county-wide circuit or as superior courts of general jurisdiction.<sup>28</sup> The small claims courts serving the nine townships in Marion County are important exceptions.<sup>29</sup> Indiana law makes the small claims courts of Marion County separate courts for each township.<sup>30</sup> Each township small claims court has its own judge, who is elected by the voters of the township.<sup>31</sup> The courts are housed, funded, and staffed by the individual township governments rather than the state or county governments.<sup>32</sup> Towns, not county or state governments, run the township small claims courts.<sup>33</sup>

The township small claims courts were established for the convenience of litigants and to avoid docket congestion.<sup>34</sup> This is especially important for the densely populated urban area of Marion County, which is coterminous with Indianapolis, where many residents have limited financial means to travel far distances or defend lawsuits.<sup>35</sup>

#### B. The Fair Debt Collection Practices Act

Congress passed the FDCPA "to eliminate abusive debt collection practices by debt collectors," including abusive forum-shopping.<sup>36</sup> Congress passed the FDCPA to defend the premise that "every individual . . . has the right to be

<sup>25</sup> *Suesz II*, 734 F.3d at 685.

<sup>26</sup> *See id.*

<sup>27</sup> *See Suesz III*, 757 F.3d at 638.

<sup>28</sup> *Id.* at 640.

<sup>29</sup> *Id.*

<sup>30</sup> IND. CODE § 33-34-1-2 (2012); *Suesz III*, 757 F.3d at 640.

<sup>31</sup> *Suesz III*, 757 F.3d at 640.

<sup>32</sup> *Id.*

<sup>33</sup> *Id.* "In essence, the Marion County small claims courts are township-level judicial entities . . ." *In re Mandate of Funds for Ctr. Twp. of Marion Cnty. Small Claims Court*, 989 N.E.2d 1237, 1239 (Ind. 2013).

<sup>34</sup> *Suesz III*, 757 F.3d at 640.

<sup>35</sup> *See id.*

<sup>36</sup> Fair Debt Collection Practices Act, 15 U.S.C. § 1692(e) (2012). The statute states that its purpose is "to eliminate abusive debt collection practices by debt collectors, to insure that those debt collectors who refrain from using abusive debt collection practices are not competitively disadvantaged, and to promote consistent State action to protect consumers against debt collection abuses." *Id.*; *see Suesz III*, 757 F.3d at 638.

treated in a reasonable and civil manner.”<sup>37</sup> To ensure everyone is treated in that manner, Congress included “fair venue standards” that would curtail forum abuse.<sup>38</sup> The FDCPA covers debt that would be too small to justify a lawsuit unless the defendant defaulted, which permits the creditor to garnish the debtor’s wages without significant litigation costs.<sup>39</sup> Common tactics of debt collectors include suing in a court inconvenient to the debtor, going in front of a creditor-friendly judge, or both, in hopes of securing a debt default.<sup>40</sup> The FDCPA gives a debtor recourse against a debt collector who would be liable for statutory and actual damages and attorney’s fees.<sup>41</sup>

To sue to collect a debt unsecured by real estate, a creditor must sue a debtor or “only in the judicial district or similar legal entity—(A) in which such consumer signed the contract sued upon; or (B) in which such consumer resides at the commencement of the action.”<sup>42</sup> FDCPA does not define the phrase judicial district or similar legal entity.<sup>43</sup> In most of Indiana, the court system is organized solely by county.<sup>44</sup> In these counties, there would be no dispute where the creditor should file: it is either in the county where the debtor lives or in the county where the contract giving rise to the debt was signed.<sup>45</sup> For a creditor looking to sue in small claims court in Marion County, however, the term “judicial district or similar legal entity” could be interpreted to refer to the entire county, as in the rest of Indiana, or to refer to each individual township’s small claims court.<sup>46</sup>

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<sup>37</sup> See 123 CONG. REC. 10,241 (1977) (statement of Rep. Annunzio); ROSEMARY E. WILLIAMS, *Proof Under the Fair Debt Collection Practices Act*, in AM. JUR. PROOF OF FACTS 16, 20 (3d ed. 2008).

<sup>38</sup> See *Suesz III*, 757 F.3d at 645. A Senate Report prepared on the FDCPA reads in relevant part:

This legislation also addresses the problem of ‘forum abuse,’ an unfair practice in which debt collectors file suit against consumers in courts which are so distant or inconvenient that consumers are unable to appear. As a result, the debt collectors obtains [sic] a default judgment and the consumer is denied his day in court. In response to this practice, the bill adopts the ‘fair venue standards’ . . . . A debt collector who files suit must do so either where the consumer resides or where the underlying contract was signed . . . . The Commission reports that this standard is effective in curtailing forum abuse without unreasonably restricting debt collectors.

S. REP. NO. 95-382, at \*5 (1977), as reprinted in 1977 U.S.C.C.A.N. 1695, 1699.

<sup>39</sup> *Suesz III*, 757 F.3d at 639–40.

<sup>40</sup> See *id.* at 640.

<sup>41</sup> 15 U.S.C. § 1692k (2012); see *Suesz III*, 757 F.3d at 639.

<sup>42</sup> Fair Debt Collection Practices Act, 15 U.S.C. § 1692i(a)(2) (2012); see *Suesz III*, 757 F.3d at 639.

<sup>43</sup> *Suesz III*, 757 F.3d at 639; see 15 U.S.C. § 1692.

<sup>44</sup> *Suesz III*, 757 F.3d at 639.

<sup>45</sup> *Id.*

<sup>46</sup> See *id.* at 639–40.

### C. Suesz Moves Through the District Court to the Seventh Circuit

*Suesz v. Med-1 Solutions, L.L.C.* originated in the U.S. District Court for the Southern District of Indiana.<sup>47</sup> Med-1 argued that suing Suesz in Pike Township Small Claims Court did not violate FDCPA because Marion County as a whole is the applicable “judicial district,” while Suesz argued that each township small claims court is a distinct “judicial district.”<sup>48</sup> The district court used the standard created by the Seventh Circuit in *Newsom v. Friedman* to determine that township small claims courts are not each an individual judicial district.<sup>49</sup> The Seventh Circuit in *Newsom* used the Black’s Law Dictionary’s definition of “judicial district,” along with an analysis of how the courts are administered, to identify what the FDCPA meant by “judicial district or similar legal entity.”<sup>50</sup> The *Newsom* court determined that the Illinois municipal department district courts were not judicial districts under the statute.<sup>51</sup> The district court compared the township courts to the courts in *Newsom* and found them not to be individual judicial districts.<sup>52</sup> The district court then granted Med-1’s motion to dismiss Suesz’s claim.<sup>53</sup>

Suesz appealed the dismissal, and in a two-to-one decision, a Seventh Circuit panel comprised of Judges Richard A. Posner, Joel M. Flaum, and Ann C. Williams, affirmed the district court’s ruling.<sup>54</sup> The majority, consisting of Judges Flaum and Williams, cited as a primary reason that township courts are not judicial districts for FDCPA purposes the fact that the state statute allows a debt collector to file actions anywhere in the county, rather than limiting the border to the townships.<sup>55</sup> The Court declared that the flexibility of filing without compromising jurisdiction suggests that the judicial district is Marion County as a

<sup>47</sup> See *Suesz I*, 2013 WL 1183292, at \*1.

<sup>48</sup> *Id.*

<sup>49</sup> See *Newsom v. Friedman*, 76 F.3d 813, 817 (7th Cir. 1996); *Suesz I*, 2013 WL 1183292, at \*4–5.

<sup>50</sup> See *Newsom*, 76 F.3d at 817–20; BLACK’S LAW DICTIONARY 848 (6th ed. 1990). *Black’s Law Dictionary* defines “judicial district” as

[o]ne of the circuits or precincts into which a state is commonly divided for judicial purposes; a court of general original jurisdiction being usually provided in each of such districts, and the boundaries of the district marking the territorial limits of its authority; or the district may include two or more counties, having separate and independent county courts, but in that case they are presided over by the same judge . . . .

BLACK’S LAW DICTIONARY, *supra* at 848. In addition to *Black’s* definition, the *Newsom* court also considered that Illinois courts are administered centrally rather than purely on the local level in order to determine that the courts were all part of the same judicial district. See *Newsom*, 76 F.3d at 819.

<sup>51</sup> See *Newsom*, 76 F.3d at 817–20.

<sup>52</sup> See *id.*; *Suesz I*, 2013 WL 1183292, at \*4.

<sup>53</sup> *Suesz I*, 2013 WL 1183292, at \*5.

<sup>54</sup> *Suesz II*, 734 F.3d at 691.

<sup>55</sup> See *id.* at 690.

whole.<sup>56</sup> Posner's dissent, which laid the logical groundwork for en banc reversal, focused on the broader term of "judicial district or similar legal entity" within the context of the policy reasons behind the FDCPA: protecting debtors from forum abuse.<sup>57</sup>

## II. THE SEVENTH CIRCUIT HOLDS VENUE APPROACH MOST ACCURATELY REFLECTS CONGRESSIONAL INTENT BEHIND THE FDCPA

Suesz petitioned for his case to be reheard en banc, and the Seventh Circuit granted the rehearing.<sup>58</sup> Regarding the correct interpretation of "judicial district or similar legal entity," the en banc majority outlined three potential approaches for interpretation of the term: plain meaning, judicial administration, and the venue approach.<sup>59</sup> The en banc decision, written by Judge Posner, followed his reasoning in the panel dissent and overruled *Newsom v. Friedman*.<sup>60</sup>

The en banc majority took the venue approach and held that a "judicial district or similar legal entity" was the "smallest geographic area that is relevant for determining venue in the court system in which the case is filed."<sup>61</sup> The majority used this definition to ensure that the legislative intent of protecting consumer debtors from forum-shopping abuse at the hands of debt collectors remained intact.<sup>62</sup>

The *Suesz v. Med-1 Solutions, L.L.C.* en banc majority declined to follow the *Newsom* court in relying on the Black's Law Dictionary's definition of the term "judicial district," reasoning that the dictionary definition included words that made the definition vague.<sup>63</sup> The majority determined that such vagueness only increased when it analyzed the whole term, "judicial district or similar legal entity," for its plain meaning.<sup>64</sup> Including "similar legal entity" made an already

<sup>56</sup> *See id.*

<sup>57</sup> *See id.* at 691–95 (Posner, J., dissenting); *see also* Fair Debt Collection Practices Act, 15 U.S.C. § 1692(e) (2012). Judge Posner charges the *Newsom* court and the majority with interpreting the FDCPA with a "purely semantic approach" that ignores the federal statute's purpose. *See Suesz II*, 734 F.3d at 693 (Posner, J., dissenting). By taking into account the policy considerations behind the federal statute, the majority misinterprets the statute by reading it "in a vacuum." *See id.* at 692.

<sup>58</sup> *Suesz v. Med-1 Solutions, L.L.C. (Suesz III)*, 757 F.3d 636, 637–38 (7th Cir. 2014) (en banc).

<sup>59</sup> *See id.* at 642–43.

<sup>60</sup> *See id.* at 638, 647–48; *Suesz v. Med-1 Solutions, L.L.C. (Suesz II)*, 734 F.3d 684, 695 (7th Cir. 2013) (Posner, J., dissenting), *rev'd en banc*, 757 F.3d 636 (7th Cir. 2014); *Newsom v. Friedman*, 76 F.3d 813, 817–19 (7th Cir. 1996). The *Newsom* court combined plain meaning and judicial administration, which the en banc majority overruled. *See Suesz III*, 757 F.3d at 643, 645, 649.

<sup>61</sup> *See Suesz III*, 757 F.3d at 638 (citing *Hess v. Cohen & Slamowitz LLP*, 637 F.3d 117, 123–24 (2d Cir. 2011)).

<sup>62</sup> *See* 15 U.S.C. § 1692(e); *Suesz III*, 757 F.3d at 643.

<sup>63</sup> *See Suesz III*, 757 F.3d at 643–44 (holding that the *Black Law Dictionary*'s definition included "looseness and the inconclusiveness of the component parts of the definition [such as] 'circuits or precincts,' 'commonly divided,' 'usually provided,' and 'may include'"); *Newsom*, 76 F.3d at 817; BLACK'S LAW DICTIONARY, *supra* note 50, at 848.

<sup>64</sup> *See Suesz III*, 757 F.3d at 643–44.

vague dictionary definition even less clear.<sup>65</sup> The majority ultimately held that the vague dictionary definition was irrelevant in determining the meaning of the phrase because Congress's intent was clear that the Act's purpose was to curtail forum-shopping abuse, and such a purpose could not be accomplished using the plain meaning definition.<sup>66</sup>

The en banc majority also rejected the judicial administration approach that the *Newsom* court took because, like the plain meaning approach, it ignored the congressional purpose.<sup>67</sup> In addition, the *Newsom* court relied on the Circuit Court of Cook County's central administration and a court order from that central administration that allowed plaintiffs to file in any of the smaller courts, regardless of the boundaries between municipal department districts.<sup>68</sup> The *Newsom* court held that these factors showing central administration controlling the venue of the courts proved that there was not a territorial limit to the legal authority of the court within the district independent of the central administration, making the entire area under the administration one judicial district.<sup>69</sup>

The majority chose the venue approach because this approach best protects debtors from abusive debt collectors.<sup>70</sup> Rather than focus on who runs the courts, the majority focused on geographic divisions for determining proper venue.<sup>71</sup> The majority argued that this approach avoids confusion between small claims courts that are divisions of a larger court, like those in *Newsom*, and those that have more independence, like those in Marion County.<sup>72</sup> Furthermore, by only allowing small claims cases in the smallest relevant geographic unit, the en banc majority chose to fulfill the legislative intent of protecting debtors from forum-shopping abuse at the hands of debt collectors.<sup>73</sup> The term "judicial district or similar legal entity" may be vague, but the phrase is intentionally ambiguous because it allows the states to structure their court systems differently.<sup>74</sup> The court reversed the dismissal of the case and remanded it back to the district court for further proceedings consistent with the opinion.<sup>75</sup>

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<sup>65</sup> See *id.*

<sup>66</sup> See *id.* at 645 (referring to Senate Report No. 95-382, which discussed the bill adopting "fair venue standards" that would not mesh with the plain meaning definition in *Black's Law Dictionary* because that definition would not solve the problem of forum-shopping abuse); see also S. REP. NO. 95-382, at \*5 (1977), as reprinted in 1977 U.S.C.C.A.N. 1695, 1699.

<sup>67</sup> See *Suesz III*, 757 F.3d at 646; *Newsom*, 76 F.3d at 818.

<sup>68</sup> See *Suesz III*, 757 F.3d at 645; *Newsom*, 76 F.3d at 818.

<sup>69</sup> See *Suesz III*, 757 F.3d at 645; *Newsom*, 76 F.3d at 818.

<sup>70</sup> See *Suesz III*, 757 F.3d at 647-48.

<sup>71</sup> See *id.* at 647.

<sup>72</sup> See *id.*; *Newsom*, 76 F.3d at 818.

<sup>73</sup> See *Suesz III*, 757 F.3d at 647-48.

<sup>74</sup> See *id.* at 654 (Sykes, J., concurring). Indiana created multiple small claims courts in Marion County to allow residents to adjudicate cases more quickly and without the added cost of travelling as far from their homes. See IND. CODE §§ 33-34 (2012) (creating township-level small claims courts for Marion County); *Suesz III*, 757 F.3d at 642.

<sup>75</sup> *Suesz III*, 757 F.3d at 650.

In his dissenting opinion, Judge Flaum advocated loyalty to the *Newsom* court's approach.<sup>76</sup> Regarding the definition, Judge Flaum accused the majority of creating its own version in face of congressional silence within the statute rather than simply deferring to the state's own definition of "judicial district."<sup>77</sup> Judge Flaum argued that the statute intended to combat abusive collection practices by allowing states to define their own judicial districts instead of providing a congressional definition.<sup>78</sup> Judge Flaum argued that his interpretation differed from the majority because he refused to redefine the state's judicial districts.<sup>79</sup>

In a second dissent, Judge Kanne argued that the majority ignored *stare decisis* and the various canons of statutory interpretation, which require that a legal dictionary should be used when the statute lacks a definition.<sup>80</sup> He reasoned that a legal dictionary definition should only be ignored when it is vague, and because *Black's Law Dictionary's* definition leaves no ambiguity, it should be followed.<sup>81</sup> Judge Kanne also objected to the majority's reasoning on the basis of inconsistent results within the same judicial districts.<sup>82</sup> He used Indiana as an example where a "judicial district or similar legal entity" would mean something different in Marion County than in other counties in Indiana for no reason.<sup>83</sup> While he recognized the benefit to residents of Marion County, he pointed out the detrimental impact of the majority's rule on Indiana residents outside of Marion County.<sup>84</sup>

### III. THE SEVENTH CIRCUIT MOVES TOWARDS PROTECTING CONSUMER DEBTORS AND OVERRULES *NEWSOM V. FRIEDMAN*

The majority's decision rightly ensured that the FDCPA protected consumer debtors in Indiana.<sup>85</sup> The majority could have reached the same outcome without overruling the *Newsom v. Friedman* standard.<sup>86</sup> However, by replacing the *Newsom* approach, the majority followed the legislative intent behind the FDCPA

<sup>76</sup> *Id.* at 657 (Flaum, J., dissenting).

<sup>77</sup> *See id.* at 655–56.

<sup>78</sup> *See id.* (interpreting IND. CODE § 33-33-49-2, which declared Marion County as a judicial circuit, as meaning that Marion County is all one judicial district).

<sup>79</sup> *See id.*

<sup>80</sup> *See id.* at 662 (Kanne, J., dissenting).

<sup>81</sup> *See id.* at 660 ("There is nothing vague about any of this.")

<sup>82</sup> *Id.* at 662.

<sup>83</sup> *Id.* at 663 ("I can conceive of no possible justification for this outcome . . . [T]he result has an air of arbitrariness about it . . . [A]m I to believe Congress intended the FDCPA to provide greater protection to debtors in Marion County than in the rest of the State of Indiana?").

<sup>84</sup> *See id.* at 663 (pointing to Marion County as the only Indiana county benefiting from localized small claims courts).

<sup>85</sup> *Suez v. Med-1 Solutions, L.L.C. (Suez III)*, 757 F.3d 636, 639–40 (7th Cir. 2014) (en banc).

<sup>86</sup> *See id.* at 646. The significant differences in court administration between the township small claims courts and Cook County's municipal district courts could have led the majority to differentiate the two systems. *See id.*

and the design of the Marion County township small claims courts and protected consumer debtors against forum-shopping abuse.<sup>87</sup>

The majority looked at the entirety of the term “judicial district or similar legal entity.”<sup>88</sup> By including the second half of the term in its analysis, the majority saw Congress’s intent within the statute.<sup>89</sup> The inclusion of the second half of the phrase opened the door to entities that may not fit a plain meaning of “judicial district” but fit within the congressional intent of the statute.<sup>90</sup> Congress included the flexibility to allow the protections of the statute to apply to unique judicial systems within each state and to ensure maximum protection of consumer debtors against venue abuse.<sup>91</sup> By recognizing the flexibility that Congress inserted within the statute, the majority could apply the statute in a manner that protected consumers, which is the purpose of the statute.<sup>92</sup>

The majority’s approach also empowered the choice Indiana made when it created the Marion County township small claims courts.<sup>93</sup> Indiana chose to give each township within Marion County a small claims court for a good reason.<sup>94</sup> These township small claims courts give the largest county in the state additional resources to help adjudicate cases in a timely fashion.<sup>95</sup> These courts also are designed for the convenience of local citizens.<sup>96</sup> The protection within the FDCPA under the majority’s approach reduces the burden of local citizens by ensuring that they only have to defend suits in small claims courts within their township or a township where they do business.<sup>97</sup> The dissenters abhorred ignoring the choices states made within their judicial system, yet that is exactly what

<sup>87</sup> See IND. CODE §§ 33–34 (2012) (creating township-level small claims courts for Marion County); *Suesz III*, 757 F.3d at 640, 644 (asserting that the Legislature created small claims courts for “convenience of litigants and the avoidance of docket congestion” and that the statute included the term “or similar legal entity” as a “safety valve” that created flexibility).

<sup>88</sup> *Suesz III*, 757 F.3d at 658 (Kanne, J., dissenting) (using *Black’s Law Dictionary’s* definition of “judicial district” to define the unclear term). Compare *Suesz III*, 757 F.3d at 639–40 (discussing congressional intent to include “similar legal entity” within the full term in order to make the statute functional), with *id.* at 655 (Flaum, J., dissenting) (stating that the court was improperly defining “judicial district”).

<sup>89</sup> See *Suesz III*, 757 F.3d at 639.

<sup>90</sup> See *id.* at 644 (concluding that “similar legal entity” was a “catch-all extension” designed to include flexibility within the statute).

<sup>91</sup> See *id.* at 639.

<sup>92</sup> See *id.*

<sup>93</sup> See IND. CODE §§ 33–34 (2012); *Suesz III*, 757 F.3d at 640.

<sup>94</sup> See *Suesz III*, 757 F.3d at 640 (“These smaller judicial districts were established for the convenience of litigants and the avoidance of docket congestion . . .”).

<sup>95</sup> See §§ 33–34 (creating township-level small claims courts for Marion County but not for other counties); *Suesz III*, 757 F.3d at 640; *City & County Facts*, IN.GOV, [http://www.in.gov/core/city\\_county\\_facts.html](http://www.in.gov/core/city_county_facts.html) (providing population estimates for 2013) (last visited Mar. 24, 2015).

<sup>96</sup> See *Suesz III*, 757 F.3d at 640.

<sup>97</sup> See Fair Debt Collection Practices Act, 15 U.S.C. § 1692i (2012); *Suesz III*, 757 F.3d. at 639–40.

they did.<sup>98</sup> In actuality, the dissent's approach would allow the debt collector to choose the least convenient township small claims court, which goes against Indiana's purpose behind creating the courts.<sup>99</sup>

Most importantly, the majority's interpretation of the phrase allows the statute to protect consumer debtors from forum-shopping abuse at the hands of debt collectors while the dissenters' approach would empower such abuse.<sup>100</sup> This abuse could cost these impoverished debtors thousands of dollars without a fair trial.<sup>101</sup> The dissenters' approach would undo both the effects of the federal statute and the reason for creating small claims courts at the township level in Marion County.<sup>102</sup> The township courts were created for the convenience of litigants, but the dissenters' approach could make the courts a sword for debt collectors to use against debtors.<sup>103</sup> Therefore, the majority correctly decided this case because it followed the legislative intent behind the FDCPA and the Marion County township small claims courts, and it protected consumer debtors against forum-shopping abuse.<sup>104</sup>

## CONCLUSION

One thousand, two hundred and eighty dollars. A federal appellate court heard a case twice, where the ultimate stakes for the parties was \$1280.00. This paltry sum of money hardly justifies the cost of litigating a case, let alone two appellate hearings. This case, however, fought for much more than that sum: the majority's approach took away a major tool from abusive debt collectors looking to make easy money at the hands of impoverished debtors.

The problem of abusive debt collection hurt consumer debtors enough to galvanize Congress to pass major legislation to address it. Section 1692i(a)(2) of the FDCPA protected debtors from collectors choosing venues that were inconvenient and unfriendly to debtors with the hope of a quick payday at the hands of consumer default. Congress wrote the law to protect consumer debtors from this abuse, but the Seventh Circuit for years saw the term "judicial district" and

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<sup>98</sup> Compare *Suesz III*, 757 F.3d at 655 (Flaum, J., dissenting) (criticizing the majority for federalizing the definition of "judicial district" rather than deferring to the state's definition), with *id.* at 662–63 (Kanne, J., dissenting) (pointing out that the majority's definition leads to inconsistent results because Marion County is the only Indiana county that will have the small claims courts as the relevant judicial district).

<sup>99</sup> See IND. CODE §§ 33–34 (2012); *Suesz III*, 757 F.3d at 646.

<sup>100</sup> See *Suesz III*, 757 F.3d at 643 ("This interpretation of the statutory term discourages abusive forum-shopping by debt collectors rather than enabling it.")

<sup>101</sup> See § 33-34-3-2 (allowing suits up to \$6000.00 in Marion County small claims courts) *Suesz III*, 757 F.3d at 646.

<sup>102</sup> See §§ 33–34; *Suesz III*, 757 F.3d at 640, 646.

<sup>103</sup> See §§ 33–34; *Suesz III*, 757 F.3d at 640, 646.

<sup>104</sup> See IND. CODE §§ 33–34 (2012) (creating township-level small claims courts for Marion County); *Suesz III*, 757 F.3d at 640, 644 (discussing that the statute included the term "or similar legal entity" as a "safety valve" that created flexibility).

stopped reading. By ignoring legislative intent decisions prior to *Suesz v. Med-1 Solutions, L.L.C.*, the Seventh Circuit not only allowed debt collectors to restart their abusive practice; it also took resources that the state had created to benefit its citizens—like small claims courts—and made them stronger weapons for forum-shopping abusers. In *Suesz*, the Seventh Circuit overruled its past precedent, disarmed abusive debt collectors, and ensured that the township small claims courts are what Indiana wanted: a place where local debtors get a fair day in court without having to travel across the county.