NONPRECEDENTIAL DISPOSITION
To be cited only in accordance with FED. R. APP. P. 32.1

United States Court of Appeals

For the Seventh Circuit
Chicago, Illinois 60604

Submitted January 16, 2025*
Decided January 23, 2025

Before

DIANE S. SYKES, *Chief Judge*

MICHAEL B. BRENNAN, *Circuit Judge*

CANDACE JACKSON-AKIWUMI, *Circuit Judge*

No. 24-2546

LARRY W. RADER,
Plaintiff-Appellant,

v.

ALLY FINANCIAL, INC.,
Defendant-Appellee.

Appeal from the United States District Court for the Western District of Wisconsin.

No. 23-cv-668-jdp

James D. Peterson,
Chief Judge.

O R D E R

In 2021, a subsidiary of Ally Financial, Inc., prevailed in a replevin action in Wisconsin state court and repossessed a car from Larry Rader. Rader then sued Ally in

* We have agreed to decide the case without oral argument because the briefs and record adequately present the facts and legal arguments, and oral argument would not significantly aid the court. FED. R. APP. P. 34(a)(2)(C).

federal court, seeking damages for illegal repossession and fraudulent conduct. The district judge dismissed the case because the state court judgment barred federal jurisdiction over any claim seeking compensation for the loss of the car, and the complaint did not otherwise state a claim for relief. Although Rader argues on appeal that the district court had jurisdiction over his claim for the value of the car, he does not challenge the dismissal on the merits, and we therefore affirm.

In 2019, Rader, a Wisconsin citizen, purchased a Toyota Corolla, financed with a loan secured by that car. The security interest was assigned to Ally, an out-of-state corporation. Rader failed to make payments on his loan, and therefore, in 2021, Ally filed a replevin action in Wisconsin state court to recover the car. Because Rader did not substantiate his argument that Ally had no security interest, the Wisconsin circuit court granted Ally's motion for judgment on the pleadings and determined that Ally had the right to repossess and sell the car. *Ally Cap. Corp. v. Rader*, No. 21-SC-487 (Wis. Cir. Ct. May 10, 2021). This judgment was affirmed on appeal. *Ally Cap. Corp. v. Rader*, No. 2021AP840, 2022 WL 17098324 (Wis. Ct. App. Nov. 22, 2022), *review denied*, 2023 WI 31 (Wis. Feb. 21, 2023).

Rader then filed this suit in September 2023. He alleged that Ally's repossession was illegal because the dealership did not assign its security interest to Ally and because the Ally subsidiary that brought the state action lacked standing. Rader sued for damages, purportedly under 42 U.S.C. § 1983 and 18 U.S.C. § 1341, the federal mail fraud statute.[†] He also alleged a fraudulent "embezzlement" scheme, invoking the Consumer Financial Protection Act, 12 U.S.C. §§ 5481–5603; the Wisconsin Consumer Act, WIS. STAT. §§ 421.101–429.303; and, potentially, state common law. He also claimed that Ally had appeared in state court without counsel and thus engaged in the unauthorized practice of law. *See* WIS. STAT. § 757.30.

On October 27, the deadline for Ally's responsive pleading, Rader moved for a default judgment under the belief that the deadline was October 19. The same day, Ally filed its motion to dismiss and supporting brief and mailed them to Rader. The district court removed the filings from the docket and notified Ally that it had improperly filed its brief as an attachment; Ally properly refiled its materials the same day, October 30. In its motion to dismiss, Ally argued that the complaint violated Rule 8(a) of the Federal

[†] In his complaint, Rader cites 28 U.S.C. § 1341, but because that statute concerns federal court jurisdiction over state tax law, while 18 U.S.C. § 1341 concerns fraud, we follow the district judge in construing the claim as raised under Title 18.

Rules of Civil Procedure and that all claims were barred by claim preclusion. Ally simultaneously moved to strike Rader's motion for default judgment.

The judge rejected Rader's motion for default judgment. After correcting Rader's mistake about the deadline, the judge acknowledged that Ally's responsive motion was ultimately docketed after the deadline, but he concluded that Ally had not willfully disregarded the litigation and had otherwise been timely, so default judgment was inappropriate.

Next, the judge sua sponte raised the issue of subject matter jurisdiction. The judge explained that some of the damages claimed for the allegedly unlawful repossession would offset the remedy granted by the state court, and therefore the *Rooker-Feldman* doctrine barred that portion of the claim. The *Rooker-Feldman* doctrine prevents district courts from exercising jurisdiction over claims by parties who seek redress in federal court for an injury caused by a state-court judgment through reversal of that judgment. *Exxon Mobil Corp. v. Saudi Basic Indus. Corp.*, 544 U.S. 280, 291 (2005). The judge acknowledged our recent holding that the *Rooker-Feldman* doctrine rarely bars claims for damages. *See Gilbank v. Wood Cnty. Dep't of Human Servs.*, 111 F.4th 754, 792 (7th Cir. 2024) (en banc) (holding on damage claims set forth in Part I of opinion by Kirsch, J.), *petition for cert. filed*, No. 24-470 (Oct. 28, 2024). But the judge cited an "exception" that applies when the requested damages would clearly offset or nullify the state judgment. *See id.* at 795.

Because Rader sought other damages as well, the judge concluded that the *Rooker-Feldman* doctrine did not bar the entire action and went on to assess whether the complaint stated a claim. The judge concluded that the Consumer Financial Protection Act, 12 U.S.C. §§ 5481–5603; the federal criminal mail fraud statute, 18 U.S.C. § 1341; and Wisconsin's unauthorized practice of law statute, WIS. STAT. § 757.30, provide no private rights of action, so Rader failed to state any claim under those laws. And because he concluded that Rader could not amend the complaint to state a plausible claim, the judge dismissed the case with prejudice.

On appeal, Rader challenges the rejection of his motion for default judgment and the application of the *Rooker-Feldman* doctrine. Beginning with the former, we review denials of default judgment for abuse of discretion. *See Edelman v. Belco Title & Escrow, LLC*, 754 F.3d 389, 395 (7th Cir. 2014). First, we note that Rader's motion was not preceded by a clerk's entry of default. *See* FED. R. CIV. P. 55(a), (b)(2); *VLM Food Trading Int'l, Inc. v. Ill. Trading Co.*, 811 F.3d 247, 255 (7th Cir. 2016). And we agree with the district judge that Rader held Ally to the wrong deadline and that default judgment

would be inappropriate because Ally was diligent and promptly addressed its filing error.

As to Rader's argument that the *Rooker-Feldman* doctrine does not apply to his claims, we need not decide. The district judge determined that the *Rooker-Feldman* doctrine barred the court from exercising jurisdiction only insofar as Rader sought damages plainly corresponding to the value of the car. Because there is no question that the replevin judgment caused Rader's alleged injury here, at issue is whether he is attempting to "reverse" the state court judgment through federal litigation. Typically, a claim for damages cannot undo or reverse a state-court judgment. *See Gilbank*, 111 F.4th at 792. But it might do so if the plaintiff seeks money damages that would offset (and therefore nullify) the relief granted by the state court. *See id.* at 795. In this case, the state court granted Ally the right to sell the car, and Rader asks for damages from Ally for the sale price; thus, this could be the atypical situation in which *Rooker-Feldman* precludes jurisdiction over this aspect of his suit for damages.

Either way, however, Rader sought other damages, so *Rooker-Feldman* did not deprive the district court of jurisdiction entirely. The district judge disposed of the balance of the complaint by concluding that Rader sought relief under statutes that do not provide a private right of action: 12 U.S.C. §§ 5481–5603, 18 U.S.C. § 1341, and WIS. STAT. § 757.30. Rader does not argue on appeal that he had the right to sue under these laws, and the judge correctly explained why he cannot. To the extent that the complaint invoked other grounds for relief, we add that his complaint contains no allegations of state action—Ally is not a public entity—and so his constitutional claim under § 1983 also fails. *See Scott v. Univ. of Chi. Med. Ctr.*, 107 F.4th 752, 757 (7th Cir. 2024). If Rader intended his complaint to raise any other claims, such as common-law fraud, he does not argue on appeal that the district judge overlooked any such claims, so we do not further parse the complaint.

AFFIRMED