2025 WL 2633962
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United States District Court, S.D. Iowa, Western Division.

APRIL ANN NELSON, Plaintiff,
v.
NAVIENT SOLUTIONS, LLC, NAVIENT CREDIT FINANCE CORPORATION, and ALLIED INTERSTATE, LLC, Defendants.

Case No. 1:24-cv-00025-SMR-SBJ
|
Filed 09/04/2025

Editor's Note: This decision contains citation references that are incorrect or do not actually exist. These invalid citations appeared in the original court opinion and have been preserved as written since they are part of the official record. Any links to these invalid citations have been removed.

ORDER ON MOTION TO ALTER OR AMEND JUDGMENT

STEPHANIE M. ROSE, CHIEF JUDGE UNITED STATES DISTRICT COURT

***1** Plaintiff April Ann Nelson moves to alter or amend the Court's June 30, 2025 order under Federal Rule of Civil Procedure 59(e). [ECF No. 56]. The order dismissed her Second Amended Complaint with prejudice. Plaintiff contends that newly discovered evidence and manifest errors warrant reconsideration. The motion is DENIED.

I. LEGAL STANDARD

Rule 59(e) empowers district courts to alter or amend judgments. The rule "was adopted 'to make clear that the district court possesses the power to rectify its own mistakes in the period immediately following the entry of judgment.' " *Norman v. Ark. Dep't. of Educ.*, 79 F.3d 748, 750 (8th Cir. 1996) (cleaned up) (citation omitted). Rule 59(e) serves a limited function. A court may grant such a motion only to account for an intervening change in controlling law, to consider evidence not previously available, or to correct clear error or prevent manifest injustice. *United States v. Metro. St. Louis Sewer Dist.*, 440 F.3d 930, 933 (8th Cir. 2006). Such motions cannot introduce new evidence, tender new legal theories, or raise arguments available before judgment. *Id.* at 933 (citation omitted). Nor may they "relitigate old matters" or present evidence that could have been raised earlier. *Exxon Shipping Co. v. Baker*, 554 U.S. 471, 485 n.5 (2008) (citation omitted).

A party cannot establish manifest error through disappointment with an adverse ruling. Such error requires "wholesale disregard, misapplication, or failure to recognize controlling precedent." *Wakefield v. Colvin*, 185 F. Supp. 3d 1107, 1108 (S.D. Iowa 2016) (citation omitted). District courts enjoy "broad discretion" when deciding Rule 59(e) motions and will not be reversed "absent a clear abuse of discretion." *Sparkman Learning Ctr. v. Ark. Dep't of Hum. Servs.*, 775 F.3d 993, 1001 (8th Cir. 2014) (quoting *Christensen v. Qwest Pension Plan*, 462 F.3d 913, 920 (8th Cir. 2006)).

II. ANALYSIS

Plaintiff's motion fails on all grounds. She advances three principal arguments: that newly discovered evidence warrants reconsideration, that the Court committed manifest error, and that certain deficiencies require correction. She also improperly attempts to amend her complaint without leave of court. Each argument fails.

A. Newly Discovered Evidence

Evidence qualifies as "newly discovered" for purposes of Rule 59(e) only if it satisfies a demanding five-part test. *See Williams v. Hobbs*, 658 F.3d 842, 854 (8th Cir. 2011) (citation omitted). First, the evidence must have been discovered after entry of the court's order. Second, the movant must have exercised diligence in attempting to obtain the evidence beforehand. Third, the evidence must not be merely cumulative nor impeaching. Fourth, the evidence must be material to the case. Fifth, it must be probable that the evidence would have produced a different result had it been available during the original proceedings. A movant must satisfy all five requirements to obtain relief. *Id.* at 854.

Plaintiff offers two pieces of allegedly newly discovered evidence. First, she points to her successful motion to reopen her bankruptcy case, filed on July 2, 2025—two days after

this Court dismissed her complaint. [ECF No. 56-1 at 31]. This evidence fails the diligence requirement from the outset. Defendants alerted Plaintiff to her standing defects on January 10, 2025, yet she took no remedial action for nearly six months. [ECF No. 22-1]. Such delay following an adverse ruling exemplifies the lack of diligence that bars Rule 59(e) relief.

***2** Second, Plaintiff relies on a July 2, 2025 letter from her bankruptcy attorney claiming the adversary action was not "settled" but instead resolved through Navient Solutions LLC's ("NSL") review of a school misconduct discharge application. This letter suffers the same fundamental lack of timeliness. The attorney represented Plaintiff throughout the adversary proceeding, making any clarification readily available during the original proceedings. That Plaintiff obtained this letter days before filing her motion—six months after learning of her standing deficiencies—reveals its *post hoc* character. The letter represents an attempt to manufacture evidence after dismissal rather than genuine newly discovered material.

Even assuming the bankruptcy trustee ultimately abandons these claims, Plaintiff cannot demonstrate that it is probable a different result would have ensued. The Court's original order identified multiple independent grounds for dismissing each claim on the merits. [ECF No. 54]. Curing the standing defect cannot revive claims that suffer from fundamental substantive deficiencies. *Hobbs*, 658 F.3d at 854.

B. Manifest Error

Plaintiff's arguments largely reiterate positions the Court previously considered and rejected. Her dissatisfaction with the Court's reasoning does not constitute manifest error. *See Wakefield*, 185 F. Supp. 3d at 1108.

Plaintiff cannot overcome the fundamental deficiencies in her FTC Holder Rule claim. She continues offering vague allegations about school misconduct without requisite specificity. Her attempt to characterize NSL's loan discharge as an "admission of wrongdoing" runs afoul of Federal Rule of Evidence 408, which prohibits using settlement offers to prove liability. *Bertroche v. Mercy Physician Assocs., Inc.*, No. 18-CV-59 CJW-KEM, 2019 WL 7761809, at *4 (N.D. Iowa Oct. 28, 2019). The claim also remains time-barred, as the alleged misconduct occurred nearly two decades ago.

Plaintiff's semantic dispute over whether the adversary action was "settled" lacks merit. The undisputed facts establish that NSL agreed to discharge the loan balance and Plaintiff agreed to dismiss the adversary action. This constitutes settlement under any reasonable understanding. Plaintiff's July 2, 2025 letter from her bankruptcy counsel—obtained days before filing this motion—represents a transparent *post hoc* attempt to manufacture a claim.

The analysis of Plaintiff's statutory claims contained no manifest error. Under the Fair Debt Collection Practices Act, Plaintiff has not established that either NSL or Navient Credit Finance Corporation qualifies as a "debt collector" under the statute. As for Allied, the Court correctly found that Plaintiff failed to allege specific false statements or deceptive conduct, and that settlement discussions during pending litigation do not constitute prohibited debt collection practices without more. The Court reached the same conclusion regarding Plaintiff's Iowa Code Chapter 714H claim. Attempting to settle disputed claims while represented by counsel cannot reasonably be characterized as a deceptive or unfair practice, particularly when those efforts resulted in over $52,000 in debt discharge for Plaintiff.

C. Improper Amendment Attempts

Much of Plaintiff's motion improperly attempts to inject new theories and allegations previously available to her. Her breach of contract argument based on loan terms, allegations of a "system error" dating back twenty years, and various other contentions were absent from the Second Amended Complaint yet feature prominently in her post-judgment motion. Such efforts violate the fundamental principle that Rule 59(e) motions cannot introduce new legal theories or raise arguments available before judgment. *Innovative Home Health Care, Inc. v. P.T.-O.T. Assocs. of the Black Hills*, 141 F.3d 1284, 1286 (8th Cir. 1998). [1]

D. Citation of Nonexistent Authorities

***3** The motion contains multiple citations to nonexistent cases. Examples of these fictitious authorities include *Haglund v. Philip Morris Inc.*, 332 F.3d 252 (1st Cir. 2003); *In re Jackson*, 593 B.R. 844 (Bankr. D. Idaho 2018); and *Harris v. City of St. Paul*, 2018 WL 4620747 (8th Cir. 2018). This is at least the third brief in which Plaintiff has submitted nonexistent case citations, suggesting continued improper use

of generative artificial intelligence in legal briefing. Such conduct wastes judicial resources and misleads the Court.

III. CONCLUSION

Rule 59(e) provides a narrow avenue for correcting manifest errors or addressing newly discovered evidence. It does not afford disappointed litigants an opportunity to relitigate decided questions. Plaintiff has identified no change in controlling law, no previously unavailable evidence, and no manifest errors warranting reconsideration. Her motion instead seeks to advance arguments and theories available during the original proceedings but not timely raised.

The Court's order correctly identified multiple independent grounds for dismissing each claim. Plaintiff's motion fails to demonstrate that reconsideration would alter any of these determinations. Rule 59(e) relief remedies clear legal error, it does not provide a second opportunity to present arguments that could have been made initially. Accordingly, Plaintiff's Rule 59(e) Motion to Alter or Amend Judgment is DENIED. [ECF No. 56].

IT IS SO ORDERED.

Dated this 4th day of September, 2025.

All Citations

Slip Copy, 2025 WL 2633962

Footnotes

1 Plaintiff filed a reply brief that exceeds the page limit established by Local Rule 7(g) by more than double. [ECF No. 58]. Although parties may seek leave to file overlength briefs, Plaintiff made no such request. The Court therefore declines to consider the reply brief. Even a cursory review reveals that the brief raises additional arguments not previously advanced in this litigation, compounding the procedural deficiencies already identified. Moreover, Plaintiff fails to address her pattern of citing nonexistent legal authorities, a troubling practice that has persisted throughout these proceedings.