

## NJ Supreme Court Hears Oral Argument in Diana v. LNV Funding Part Two of a Two-Part Series

In this second installment of our two-part series, we highlight the powerful role impact litigation plays in advancing our mission and protecting the rights of those we serve. Through strategic advocacy before state and federal courts, our organization works not only to resolve individual cases, but to secure lasting systemic change that strengthens communities across our state.

Part I (cover, [Poverty to Justice, Winter 2026](#)) described cases before the U.S. Supreme Court involving property tax foreclosures. Part II highlights arguments made before the NJ Supreme Court by LSNJ's Consumer Chief Counsel David McMillin.

On January 6, 2026, the New Jersey Supreme Court heard oral argument in Diana v. LNV Funding, LLC, an important case concerning remedies for consumer lending violations. The question before the Court is whether the Consumer Finance Licensing Act provides borrowers with the ability to seek remedies for certain



David McMillin, LSNJ Chief Counsel, Consumer

violations of the statute, including when a debt buyer attempts to collect on a debt without first obtaining a required license.

LSNJ filed an amicus brief and participated in oral argument, arguing that (1) courts have long recognized that the CFLA's antecedents provided private rights of action, and nothing in the current text of the statute or in the legislative history suggests an intent to repeal these protections; (2) even absent an express private right of action, there is an implied private right of action; and (3) if the Court declines to

find an affirmative private right of action, it should still clarify that the CFLA remedies are available defensively.

The following is a slightly condensed version of the preliminary statement in LSNJ's amicus brief; a full copy of brief can be found at [lsnj.pub/Scott-Diana-Amicus](https://lsnj.pub/Scott-Diana-Amicus).

Regulators need to know who is doing business in the industries they oversee. In the consumer credit realm, this has long been accomplished by state licensing. When non-bank

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## President's Message



*Dawn K. Miller, Esq.*  
*President, Legal Services of New Jersey*

As we continue our work to expand access to justice, this issue of our newsletter highlights several meaningful moments that reflect both our mission and the communities we serve.

We are proud to share our recent appearance before the New Jersey Supreme Court as amicus in a case addressing important questions around consumer lending violations and remedies under the Consumer Finance Licensing Act. This opportunity underscores our ongoing commitment to advocating for fair and equitable financial practices, particularly for those most vulnerable to predatory lending.

Equally important is the story of one of our clients, whom we were

able to assist in securing unemployment benefits during a difficult time. Accompanying this story is a handwritten note of thanks—a powerful reminder of why this work matters. Behind every case is a person, a family, and a future that can be meaningfully impacted through dedicated legal advocacy.

Members of our team recently participated in ABA Day in Washington, D.C. to highlight exactly this impact, engaging with policymakers to ensure access to justice through critical federal legal aid continues nationwide. These conversations are vital to ensuring that the voices of the communities we serve are heard at every level.

We are also excited to begin commemorating our 60th anniversary later this year. Since 1966, our programs have—remarkably—assisted approximately 9 million people in 2.8 million cases, with 65,000 new cases opened in the last year alone. This milestone offers a moment to reflect on the decades of service, progress, and partnerships that have shaped our statewide network, while also looking ahead to the challenges and opportunities still before us. With nearly 3.1 million New Jerseyans living in “True Poverty,” the need for our services remains immense and, with limited

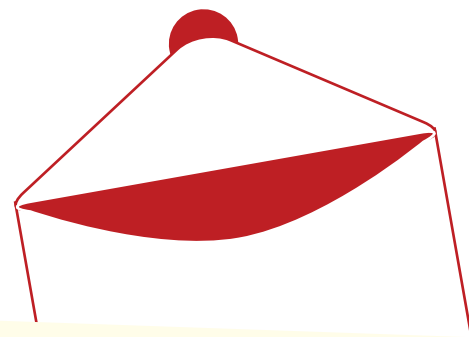
resources, the civil legal “Justice Gap” persists.

We hope you will save the date for our 60th Anniversary Commemoration, taking place the evening of Wednesday, December 9 at The Palace at Somerset Park, in Somerset, New Jersey. The event will bring together staff, supporters, leading members of the legal community, and other distinguished guests for a cocktail reception and dinner, followed by a formal program featuring various remarks and videos highlighting the accomplishments of Legal Services advocates and the voices and experiences of clients across the state. We hope you will join us and, if able, consider [sponsoring](#) this momentous event.

As always, thank you for your continued support of our work. Together, we remain committed to advancing justice and opportunity for all.

## Workers' Legal Rights Project Wins Appeal, Ensuring Clients' Voices are Heard

Joseph (not his real name) was denied Unemployment Insurance benefits because he had been discharged from his position for misappropriating expense report funds. At the Appeal Tribunal hearing, Joseph testified that the duplicate invoices he had submitted for payment and parking receipt expenses for a facility that had free parking were honest mistakes; that he had showed the expense reports to his boss before submitting them; he was never trained on the expense report process; and had received no prior warnings about the expense reports before being terminated. On cross examination, a witness for the employer admitted that no money was owed to the company due to the claimant's conduct. Ultimately, the employer did not meet the burden of proof showing that misconduct had occurred, with the rationale that mere errors or mistakes in judgment do not constitute willful misconduct. The disqualification was reversed and Joseph became eligible for six weeks of unemployment benefits.



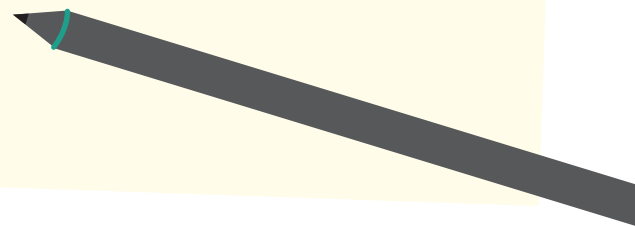
*I am incredibly grateful for the representation and support I received from Fred Shahrooz-Scampato, Esq. through Legal Services of New Jersey. From the very beginning, Fred made me feel heard, understood, and respected. Before meeting him, I felt completely helpless. I didn't have the legal knowledge to defend myself, and at times I felt alone and overwhelmed by the situation.*

*Fred stepped in with professionalism, compassion, and a deep understanding of the law. He took the time to explain the process, fight for my rights, and ensure that my voice was heard. Because of his dedication and expertise, we won the case, and my reputation has been restored.*

*Organizations like Legal Services of New Jersey are incredibly important. Not everyone has the financial resources to hire legal representation, and without services like this, many people would be left vulnerable and taken advantage of. I am truly thankful that programs like this exist to help people who otherwise wouldn't have access to justice.*

*Thank you, Fred, for your hard work, integrity, and commitment to helping people like me. I will always be grateful.*

*God bless,*





## 2026 William H. Gindin Bankruptcy Bench Bar Conference



*Pro Bono Initiative Administrator Janet Ashley-Naouli and Director of Outreach Alayna Berg at the 2026 Bankruptcy Bench Bar Conference*

On April 16-17, LSNJ's Pro Bono Initiative Administrator Janet Ashley-Naouli and LSNJ's Director of Outreach Alayna Berg attended the 2026 Bankruptcy Bench Bar Conference in Atlantic City to distribute literature and field questions about pro bono opportunities with Legal Services.

By enrolling with PROBONONJ, attorneys can access free CLE training, as well as support and guidance throughout the case. To learn more and to enroll, visit [www.PROBONONJ.org](http://www.PROBONONJ.org).

## Melville "De" Miller, Jr. Justice Series

### Language Access and Language Justice in New Jersey Webinar

Thursday, June 11, 2026, 12:00 - 1:30 p.m. EST

[LSNJ.pub/language-access-flyer-26](http://LSNJ.pub/language-access-flyer-26)

*CLE credits available.*

# ABA Day 2026 Prioritizes Access to Legal Services



L-R: Past NJSBA President Thomas H. Prol, Ruth Prol, Congressman Josh Gottheimer, Past NJSBA President and LSNJ Board First Vice Chair Karol Corbin Walker, LSNJ Vice President Maryann Flanigan Sutherland

American Bar Association (ABA) Day is an annual conference that brings together leaders of the ABA, state, and local bars from across the country to advocate for issues of importance to the legal profession. This year, one of the top priorities for ABA Day, a three-part campaign from March 24 – April 10, was access to legal services—particularly through continued and increased funding for the national Legal Services Corporation (LSC). LSNJ’s delegation consisted of Vice President Maryann Flanigan Sutherland and Board of Trustees First Vice Chair Karol Corbin Walker.

## A MESSAGE FROM THE ABA DAY WEBSITE ON ACCESS TO LEGAL SERVICES

*“Access to justice remains one of the ABA’s core principles, and recent natural disasters have only amplified the value of legal aid. During ABA Day, we will be advocating for increased funding of the Legal Services Corporation (LSC), which provides civil legal representation for low-income individuals, and other legal services following natural disasters.”*

# Commemorating 60 Years of Legal Services in New Jersey

On December 9, 2026, distinguished guests, leaders in the legal profession, corporate partners, and philanthropic champions and members of the Legal Services community will gather to commemorate the milestone 60th Anniversary of Legal Services in New Jersey and reaffirm a shared commitment to equal justice. This commemorative evening will celebrate the impact of Legal Services advocates across the state while looking ahead to the continued work required to ensure fairness, stability, and opportunity for every New Jerseyan.

Legal Services of New Jersey (LSNJ) serves as the coordinating office for New Jersey’s statewide Legal Services system, providing free

civil legal assistance to low-income residents in all 21 counties. The Legal Services network is the largest and longest-standing provider of civil legal assistance to economically disadvantaged people in the state. Over 60 years, Legal Services has served nearly 9 million people in more than 2.8 million civil legal cases, assisting millions more through advocacy, outreach, and self-help resources. In 2025 alone, Legal Services opened more than 64,000 new cases, helping approximately 192,000 New Jerseyans stabilize their housing, secure public benefits, protect their children, and escape domestic violence.

We invite you to join us as a sponsor of this landmark event and stand alongside LSNJ in advancing

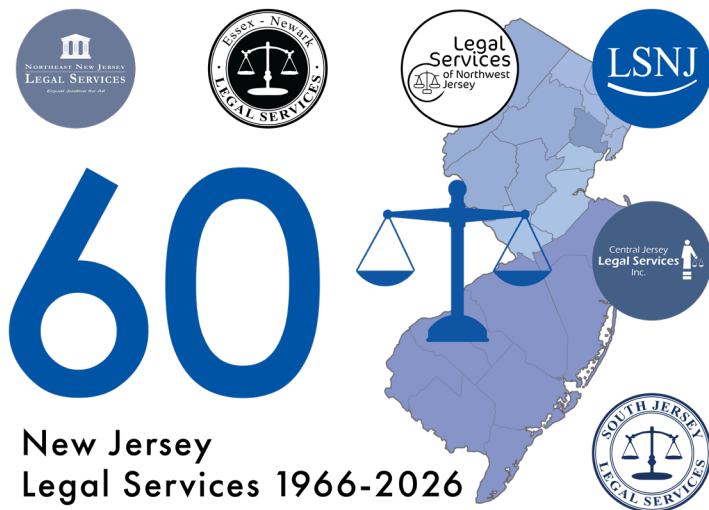
justice statewide. Your participation demonstrates leadership, strengthens communities, and aligns your organization with the largest and longest-standing provider of civil legal assistance in New Jersey.

Thank you for your consideration. Together, we can help ensure justice for all.

For more information, please contact Evelt Shulman, Director of Development: (201) 381-3511 or [EShulman@lsnj.org](mailto:EShulman@lsnj.org).

If you are interested in becoming a sponsor for this event, please visit [www.lsnj.org/support-our-work/sponsorship-opportunities/sponsorship-60](http://www.lsnj.org/support-our-work/sponsorship-opportunities/sponsorship-60).

justice  
statewide.  
Your participation



**60th Anniversary  
Commemoration**  
*Wednesday, December 9  
5:30 p.m.  
The Palace at Somerset Park*

# Condensed preliminary statement in LSNJ’s amicus brief in *Diana v. LNW Funding, LLC*

Continued from cover

consumer lenders and debt buyers do business without a required license, regulators with a mandate to protect consumers and markets can’t do their job, because they don’t know who they should be supervising.

This matters to low-income consumers. Some credit card issuers adopt predatory practices that target low-income consumers—including, but not limited to, fee-harvester cards, the practice that gave rise to the underlying claim in this case. State regulators are tasked with oversight of the secondary market for credit card accounts, and are part of the solution when predatory practices arise. But they can’t begin to do this job without knowing who the participants in this secondary market are—a problem at the crux of this case.

The debt buyer defendants here don’t contest that they failed to have a license when they acquired the large portfolios of credit card accounts (usually for pennies on the dollar) that included Mr. Diana’s, and brought lawsuits to collect on them. This case asks whether the Legislature intended consumers to be able to seek the remedies—voiding and damages—it provided for statutory violations, or whether, without saying so, the Legislature transferred sole enforcement authority to seek these remedies on

behalf of consumers to the Department of Banking & Insurance, even when the violation at issue involves keeping DOBI in the dark by evading licensing.

The CFLA is the successor to small loan small loan licensing laws that took their modern form in New Jersey in 1914. Broadly, licensees can lend at higher interest rates than otherwise allowed, and collect on those loans, if they submit to strict regulatory oversight. Since 1914, the statute has included voiding and damages remedies, and, for 100 years, no one doubted that consumers could assert these remedies on their own behalf—as the Court recognized in *Lemelledo v. Beneficial Mgmt. Corp.*, 150 N.J. 255, 272 (1997).

In 2014, though, an unreported federal district court decision, without citing *Lemelledo*, held that a consumer could not bring an action against an unlicensed debt buyer under the CFLA because the statute “tasks the [DOBI] Commissioner with the sole responsibility of enforcing the requirements of the Act.” This was wrong. Section 18 of the CFLA grants the Commissioner extensive enforcement powers, but says nothing about “sole responsibility,” exclusive enforcement authority, or the consumer remedies set forth in section 33(b).

Defendants argue that amendments to the CFLA’s predecessor in 1997 support the “DOBI has sole enforcement authority” line of cases, but this cannot withstand scrutiny. As to the voiding remedy, the relevant statutory language has not materially changed since 1914, and did not change in 1997. The voiding remedy is self-executing, and this Court and others have long recognized a private right of action. The Legislature left the remedy unchanged for more than a century, strongly supporting the argument that the private right of action remains viable today. As to the damages remedy, no legislative history suggested an intent to repeal the damages cause of action recognized in prior case law, and the language adopted in 1997—that the lender “shall... forfeit to the borrower” three times the overcharge—is consistent with a private right of recovery. To the extent any doubt remains as to the Legislature’s intent, the three-part test long used to determine whether there is an implied private right of action strongly supports such an implication here. Finally, LSNJ urges the Court to clarify that the voiding and damages provisions in section 33(b) are available defensively when a consumer is sued by a lender or assignee in violation of the statute.



[www.LSNJLAW.org](http://www.LSNJLAW.org) – A legal information website to help you learn more about your civil legal rights in New Jersey and access materials to help you represent yourself pro se.

[www.LSNJ.org](http://www.LSNJ.org) – An organizational website where you can learn about the work of Legal Services.

[www.PROBONONJ.org](http://www.PROBONONJ.org) – A site where attorneys can learn about and sign up for pro bono opportunities.

[www.NJEJLA.org](http://www.NJEJLA.org) – The New Jersey Equal Justice Library and Archive is an educational resource that includes a history of Legal Services in New Jersey, interviews with current and former staff, and tributes to major contributors to social justice.



## POVERTY to JUSTICE

A Quarterly Report from  
Legal Services of New Jersey

To be added to the mailing list for this newsletter, email [development@lsnj.org](mailto:development@lsnj.org).

**Poverty to Justice** quarterly newsletter includes updates on our work, our clients, and our volunteers as we move together toward the shared mission of justice.



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**Cy pres awards** from class action settlements provide significant support for our work. Checks should be made payable to “**Legal Services of New Jersey.**” For more information, email [eshulman@lsnj.org](mailto:eshulman@lsnj.org).

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