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1ST CIRCUIT COURT  
STATE OF HAWAII  
FILED

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Attorney for Plaintiff  
ALFRED D. MORRIS,  
individually and on behalf  
of all others similarly situated.

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

ALFRED D. MORRIS, individually and on  
behalf of all others similarly situated,

Plaintiff,

vs.

CHASE BANK USA, N.A.; J.P. MORGAN  
CHASE & CO.; DOE DEFENDANTS 1-50

Defendants.

Civil No. 09-1-0294-02 E E H  
(Class Action)

**COMPLAINT; EXHIBIT 1; DEMAND  
FOR JURY TRIAL; SUMMONS**

COMPLAINT

Plaintiff ALFRED D. MORRIS, individually and on behalf of all persons  
similarly situated, alleges as follows:

Parties

1. Plaintiff ALFRED D. MORRIS ("MORRIS") is, and at all times relevant hereto  
was a resident of the City and County of Honolulu, State of Hawaii.

X COPY

2. Defendant CHASE BANK USA, N.A. is a corporation doing business in the State of Hawaii and on information and belief is nominally a subsidiary of Defendant J.P. MORGAN CHASE & CO. and is also the alter-ego of and wholly owned and controlled by Defendant J.P. MORGAN CHASE & CO.

3. Defendant J.P. MORGAN CHASE & CO. is a corporation doing business in the State of Hawaii. Defendants J.P. MORGAN CHASE & CO. and CHASE BANK USA, N.A. are collectively referred to herein as "Chase".

4. Doe Defendants 1-50 are persons, partnerships associations, corporations, governmental agencies or units, or entities whose names, identities, capacities, activities and/or responsibilities are presently unknown to Plaintiff or her attorneys, except that Doe Defendant 1-50 were and/or are connected in some manner with the Defendant and/or were the agents, principals, parents, subsidiaries, servants, employees, representatives, co-venturers, associates, consultants, owners, lessees, lessors, guarantors, assignees, assignors, licensees, and/or licensors of Defendant and were or are in some manner presently unknown to Plaintiff or her attorneys engaged, or involved in the activities alleged herein or responsible for the activities of which Plaintiff complains, or should be subject to the relief Plaintiff seeks. Plaintiff prays for leave to certify the true names, identities, capacities, activities and/or responsibilities of Doe Defendant 1-50 when, through further discovery in this case, the same are ascertained. Plaintiffs have made a good faith effort to identify said Doe Defendant prior to filing the Complaint, including interviewing witnesses and reviewing documents and records.

**Class Action Allegations**

5. Plaintiff brings this case as a class action pursuant to Rule 23 of the Hawaii Rules of Civil Procedure, on behalf of himself and all others who are similarly situated consisting of:

All consumers who have complied with the terms of their Chase credit card account and, as a result of a new unilateral \$10.00 monthly “service/finance charge” assessed by Chase commencing in or about January 2009, have incurred or paid the service/finance charge after accepting a promotional fixed rate offer that did not fully and prominently disclose material terms and limitations of the offer or the circumstances under which the cost of credit could or would be increased as aforesaid, which group of consumers is hereafter referred to as “the Class.”

6. Hundreds, if not thousands, of Chase consumers have accepted a promotional fixed rate offers which did not fully and prominently disclose material terms and limitations of the offer or the circumstances under which the cost of credit could or would be increased, and have subsequently been charged a “service/finance charge” of \$10.00 per month unilaterally imposed by Chase in or about January 2009. Thus, the members of the Class are so numerous that joinder of all members is impracticable.

7. A class action is appropriate in this case for one or more of the following reasons:

a. The prosecution of separate actions by individual members of the Class would create a risk of adjudications with respect to individual members of the Class which would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or would substantially impair or impede their ability to protect their interests. A class action is superior to other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, the amount at stake for many of the Class members, while not insignificant, may not be great enough to enable them to maintain separate suits against Chase.

b. Chase has acted and/or refused to act on grounds generally applicable to the Class, making appropriate relief with respect to the Class as a whole as set forth below.

8. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class, and a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Questions of law and fact common to the named Plaintiff and the Class are, *inter alia*:

a. Whether Chase has imposed its \$10.00 service/finance charge on consumers who have complied with the terms of their Chase credit card account and took advantage of promotional fixed interest rate offers which did not fully and prominently disclosing material terms and limitations of the promotional fixed interest rate offer or the circumstances under which the cost of credit could or would be increased to customers;

b. Whether such conduct by Chase violates HRS Section 480-2; and

c. The nature and extent of class-wide injuries and the measure of damages for the injuries.

9. Class action treatment is superior to the alternatives for the fair and efficient adjunction of the controversy alleged herein. Such treatment will permit a large number of similarly situated persons to prosecute their common claims in a single action simultaneously, efficiently, and without duplication of the expenses that numerous individual actions would entail. No difficulties are likely to arise in the management of this class action that will preclude its purpose as a class action, and no superior alternatives exist for the fair and efficient adjunction of this controversy. Without a class action, Chase will likely retain the benefit of its wrongdoing and may continue the course of its actions, which could result in further damages.

10. The information relating to these charges is kept in the normal course of business by Chase, which reflects the promotional offers accepted and subject to the service/finance charge, the dollar amounts of those charges, and the dates of the events associated with those charges. Thus, these records are readily available for purposes of identifying and providing notice of the instant class action to all class members.

11. Plaintiff MORRIS will fairly and adequately represent the interests of the Class. Plaintiff knows of no conflicts of interest among members of the Class.

12. Plaintiff is represented by counsel who have experience litigating class action litigation in this jurisdiction and who will adequately represent the interests of the entire Class.

#### **Factual Allegations**

13. Chase periodically offers its customers promotional rate offers which are advertised as the equivalent of a fixed rate loan without an application to fill out and with a fixed annual percentage rate for the life of the loan (the "Fixed Rate Promotional Offer"). Attached hereto as Exhibit "1" is a true and correct copy of a typical Fixed Rate Promotional Offer letter sent from Chase to Plaintiff MORRIS, redacted to remove personally identifiable information.

14. Chase made these representations in its Fixed Rate Promotional Offer and created the impression that material limitations regarding the terms or applicability of the Fixed Rate Promotional Offer did not exist.

15. Chase did not fully and prominently disclose in the promotional materials that it was reserving the right to unilaterally change the terms of the offer, notwithstanding the language and terms of the offer itself, including a right to assess a monthly service/finance charge that would materially increase the effective annual percentage rate of the Fixed Rate Promotional Offer and increase the cost of the credit extended to those consumers.



16. Chase did not fully and prominently disclose in the promotional materials the circumstances under which the credit card agreement might permit Chase to increase the consumer's annual percentage rate or otherwise increase the cost of credit. Chase's conduct was unfair and materially deceptive, and likely to mislead a reasonable person.

17. By virtue of the foregoing, Plaintiff MORRIS and other consumers were misled and/or otherwise harmed in that the Fixed Rate Promotional Offer did not include only the rate of interest and other finance charges stated and would not remain at the advertised rate for the life of the loan until the balance is paid off. In fact, the Fixed Rate Promotional Offer was and has been subject to service/finance charges which increase the effective annual percentage rate of the promotional rate offer and increase the cost of credit extended to those consumers, to the injury and substantial detriment of Plaintiff MORRIS and the other members of the Class.

18. In 2005, Plaintiff MORRIS accepted the Fixed Rate Promotional Offer he received by using and timely posting one or more checks provided by Chase for that purpose.

19. Beginning in January of 2009, Chase initiated a policy of charging a \$10.00 monthly service/finance charge to certain consumers, including Plaintiff MORRIS and others members of the Class who had complied with the terms of their Chase credit card account and had taken advantage of the Fixed Rate Promotional Offer, which increased the effective annual percentage rate of the Fixed Rate Promotional Offer and increased the cost of the credit extended to those consumers.

**COUNT I: UNFAIR AND DECEPTIVE PRACTICES (HRS Chapter 480)**

20. Plaintiff repeats and realleges the allegations contained in paragraphs 1-19 above.

21. Plaintiff and the members of the Class are either or both (a) "consumers" (as that term is defined in Haw. Rev. Stat. § 480-1) injured by an unfair or deceptive act or practice and

unfair methods of competition or (b) a person injured in their business or property by an unfair method of competition, as those terms are defined in HRS Chapter 480, and Plaintiff and the members of the Class therefore are authorized to bring suit pursuant to Haw. Rev. Stat. § 480-13.

22. Chase's conduct complained of herein constitutes unfair or deceptive acts or practices in the conduct of a trade or commerce and/or unfair methods of competition and is therefore unlawful pursuant to Haw. Rev. Stat. § 480-2.

23. Plaintiff and the members of the Class have been injured by the conduct of Chase described herein and are therefore entitled to damages under HRS § 480-13.

34. Plaintiff and the members of the Class are entitled to have their actual damages trebled, in accordance with HRS § 480-13.

WHEREFORE, Plaintiff, individually and on behalf of all those similarly situated, prays for relief as follows:

(1) For actual and statutory damages against Chase in an amount to be determined at trial;

(2) For treble damages against Chase where permitted by law;

(3) For an order of disgorgement and/or restitution against Chase in an amount to be proven at trial;

(5) For an order preliminarily and permanently enjoining Chase from continuing to engage in the practices described above and also for such other injunctive relief as provided by law;

(6) For reimbursement of costs and expenses, including reasonable provision for attorneys' fees to the full extent permitted by law;

(7) For prejudgment interest; and

(8) For such further and additional relief as the Court deems appropriate and just.

DATED: Honolulu, Hawaii, February 4, 2009.



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JAMES J. BICKERTON  
Attorney for Plaintiff