

Atty. No. 41106

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

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CIRCUIT COURT OF COOK
COUNTY ILLINOIS
CHANCERY DIV.
PATRICIA BROWN, CLERK

PETER G. KNAPP,
on behalf of himself and a class,

Plaintiffs,

vs

CHASE BANK USA, N.A.,

Defendant.

09CH0595

COMPLAINT - CLASS ACTION

MATTERS COMMON TO MULTIPLE CLAIMS

INTRODUCTION

1. Plaintiff Peter G. Knapp brings this action against defendant Chase Bank USA, N.A. to secure redress for unlawful credit practices. Plaintiff alleges breach of contract and violation of the Illinois Consumer Fraud Act, 815 ILCS 505/2.

PARTIES

- 2. Plaintiff is a resident of Illinois.
- 3. Defendant Chase Bank USA, N.A. is the issuer of Chase credit cards. It has offices at 200 White Clay Center Drive, Newark, Delaware 19711, and One Chase Plaza, Chicago, IL 60602. It is the successor to Provident, First USA Bank, and other issuers of credit cards. Chase and its predecessors will hereinafter be collectively referred to as "Chase."

FACTS

4. During the last several years, Chase and its predecessors solicited credit card customers to use balance transfer checks to transfer outstanding balances by promising low fixed annual percentage rates ("APRs") "until balance is paid in full." The low fixed APRs offered "until balance is paid in full" ranged from approximately 2.99% to 5.99%.

5. Attached as Exhibits A and B are examples of the balance transfer offers.

They specifically gave the consumer a choice between an 0% or 0.99% APR for a limited period or a higher APR "until balance is paid in full."

6. Plaintiff accepted an identical offer with a 3.99% rate, by transferring \$30,000 to his Chase account on May 30, 2006. A copy of plaintiff's billing statement for May 2006 is attached as Exhibit C.

7. The balance transfer offer in the form of Exhibits A and B constitutes the applicable contract between the parties.

8. The offer does not provide that payment of monthly service fee would be required in order for the customer to maintain the low fixed APR until the balance was paid in full.

9. The offer does not provide that Chase may, without cause, increase the APR on the transferred balance.

10. In January 2009, Chase informed plaintiff and other persons who had accepted balance transfer offers promising a low fixed APR "until balance is paid in full" that it would (a) impose a \$10 monthly service fee and (b) increase the monthly minimum payment to 5% of the outstanding balance. Instead of the \$10 fee, the consumer could agree to a new 7.99% APR..

11. Plaintiff protested the change orally and in writing. (Exhibits D-E)

12. The fees appeared on plaintiff's monthly statement for January 2009 (Exhibit F). Prior monthly statements (Exhibit G is an example) listed the 3.99% promotional rate without the \$10 charge.

13. Plaintiff and each class member was damaged by defendant's conduct.

CLASS ALLEGATIONS

14. Plaintiff brings this action on behalf of a class.

15. The class consists of (a) all persons with Illinois addresses (b) who used

balance transfer checks sent by Chase or a predecessor pursuant to an offer which promised a low fixed APR (generally 2.99% to 5.99%) “until balance is paid in full,” (c) which balance is still outstanding and owed to Chase, (d) are not shown by Chase’s records to have been notified that they were in default, and (e) were informed by Chase that they had to pay a \$10 “monthly service charge” or a higher APR.

16. The members of the class are so numerous that joinder of all members is impracticable.

17. There are more than 50 persons with Illinois addresses who used balance transfer checks sent by Chase or a predecessor pursuant to an offer which promised a low fixed APR (2.99% to 5.99%) “until balance is paid in full,” which balance is still outstanding and owed to chase, are not shown by Chase’s records to have been notified that they were in default, and were informed by Chase that they had to pay a \$10 “monthly service charge” or a higher APR.

18. There are questions of law and fact common to the class, which common questions predominate over any questions relating to individual class members. The predominant common questions include:

- a. Whether Chase offered a fixed APR and then, after balances were transferred pursuant to the offer, changed the terms;
- b. Whether Chase thereby breached its contracts;
- c. Whether Chase thereby engaged in unfair practices.

19. Plaintiff’s claim is typical of the claims of the class members. All are based on the same factual and legal theories.

20. Plaintiff will fairly and adequately represent the class members. Plaintiff has retained counsel experienced in class actions and consumer credit litigation.

21. A class action is superior for the fair and efficient adjudication of this matter, in that:

- a. Individual actions are not economically feasible.
- b. Members of the class are likely to be unaware of their rights;

COUNT I - BREACH OF CONTRACT

22. Plaintiff incorporates paragraphs 1-21.

23. Defendant breached its contracts by offering one APR for a balance transfer, obtaining the balance transfer, and then demanding a higher APR or a monthly fee.

24. Plaintiff and the class members have complied with all conditions precedent.

WHEREFORE, the Court should enter judgment in favor of plaintiff and the class and against defendant for:

- (1) Compensatory damages;
- (2) Costs of suit;
- (3) Such other and further relief as the Court deems proper.

COUNT II – CONSUMER FRAUD

25. Plaintiff incorporates paragraphs 1-20.

26. Defendant engaged in an unfair practice, in violation of 815 ILCS 505/2, by systematically imposing overcharges on hundreds or thousands of its customers.

27. Defendant engaged in both unfair and deceptive acts and practices, in violation of 815 ILCS 505/2, by systematically billing hundreds or thousands of its customers for amounts which they were not contractually obligated to pay. Exhibit F is an example of such a bill.

28. Defendant reports the status of each customer's account to the major credit bureaus at least once per month.

29. Once defendant bills for the unauthorized charge, the customer can either pay it or risk injury to credit.

30. Defendant engaged in such conduct in the course of trade and commerce.

31. Defendant acted with intentional disregard of the rights of plaintiff and the class members.

WHEREFORE, the Court should enter judgment in favor of plaintiff and the class and against defendant for:

- (1) Compensatory and punitive damages;
- (2) Attorney's fees, litigation expenses and costs of suit;
- (3) Such other and further relief as the Court deems proper.



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