

GIRARD GIBBS LLP

Attorneys at Law

601 California Street, 14th Floor | San Francisco, CA 94108-2819
Tel: 415.981.4800 | Fax: 415.981.4846 | www.girardgibbs.com

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CONTACT: ERIC GIBBS
PHONE: 415.981.4800

CLASS ACTION LAWSUIT FILED AGAINST CHASE FOR FORCING CUSTOMERS TO GIVE UP FIXED RATES OR FACE ADDITIONAL CHARGES

SAN FRANCISCO, CA - The law firm of Girard Gibbs LLP

(www.girardgibbs.com/chase.asp) has filed a class action lawsuit against Chase Bank USA, N.A. after the credit card issuer more than doubled minimum monthly payments and imposed an “Account Service Charge” on customers who had accepted its fixed-rate balance transfer offers.

The class action complaint alleges that Chase induced preferred customers to take out sizable balance-transfer loans by offering 2.99% to 4.99% promotional rates that would remain fixed for the life of the loan. It is alleged that after soliciting these long term loans – and charging transaction fees of up to 3% of the loan amount – Chase implemented a “forced loan modification program” to coerce consumers to surrender the benefit of their fixed promotional rates. Chase has recently notified customers that unless they pay off their entire loan balance within 30 days or accept a higher annual rate, Chase will more than double their required minimum monthly payment and charge a \$10 fee for each month that the loan remains outstanding.

“At this point, it appears that the people who are subject to the loan modification program are those who have consistently made timely loan payments and otherwise met their obligations,” said Eric Gibbs, a lawyer who represents the plaintiffs. “Chase’s conduct is

having a real impact on our clients. There is no bailout on their horizon, as they are people who made prudent decisions with respect to managing their debt and paid their bills on time. They are now being penalized for doing so.”

The number of Chase customers that could be affected by the class action lawsuit remains unclear, but comments by Chase put the upper limit at 500,000 people. Chase has not yet formally responded to the lawsuit, but has asserted that because of legal doctrines such as preemption and mandatory individual arbitration, its conduct is not subject to court scrutiny.

“The reality is that these legal doctrines – preemption and mandatory individual arbitration – strip people of their fundamental rights and the ability to make sure their agreements are honored,” said Gibbs. “We are hopeful that in this case, our clients will get their day in court.”

If you wish to discuss this action or have any questions concerning your rights as a Chase cardholder, please contact Girard Gibbs LLP (www.girardgibbs.com/chase.asp) or call 866-981-4800.

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