

10/31/17 REUTERS LEGAL 18:53:48

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October 31, 2017

Lawsuit over JPMorgan juror debit cards left alive for now

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(Reuters) - A federal judge in Washington, D.C., has rebuffed for now JPMorgan Chase & Co's motion to dismiss a proposed class action accusing it of forcing jurors for the city's courts to accept fee-laden debit cards for pay.

In a decision on Monday, U.S. District Judge Amit Mehta said he needs more information before deciding whether JPMorgan is entitled to so-called derivative sovereign immunity by acting as a private contractor for the federal government and the District of Columbia courts.

He gave both sides until January 29 to take discovery on the immunity issue.

A spokesman for JPMorgan did not immediately respond to requests for comment.

"The court clearly understood how fundamentally unfair and deceptive Chase's fee structure and disclosures are," Sophia Goren, a lawyer for the plaintiffs, said in an email.

Chase had contracted with the U.S. Treasury Department in 2008 to provide debit card services to federal agencies. The program was extended in 2012 when the government directed the bank to provide debit cards to District of Columbia superior courts to pay jurors, Chase said in a court filing.

Filed in February, the plaintiffs' lawsuit claims that Chase convinced the District of Columbia to use its debit cards so it could profit from "outrageous" fees. Jurors are entitled to \$30 for each day they serve and \$4 a day for travel.

Jurors are charged \$5 for using an out-of-network automated teller machine, \$7 to enter a Chase branch and convert the debit card balance to cash, and \$15 to receive the debit card funds with a check, the lawsuit said.

Chase also charges an inactivity fee of \$1.50 a month if a card is inactive for 90 days. Because ATMs will not dispense less than \$20, an unusable balance is often left on debit cards and forfeited to Chase through inactivity fees, the lawsuit said.

The lawsuit alleged unjust enrichment, conversion of plaintiffs' funds, violations of the District of Columbia consumer protection law, and violations of the U.S. Electronic Fund Transfer Act, which bars banks from requiring consumers to set up an account to receive government benefits. It seeks compensatory and punitive damages and injunctive relief to be determined by the court.

The lawsuit was filed on behalf of a nationwide class but did not name other courts that use the Chase debit cards.

In a motion to dismiss in May, JPMorgan said the Treasury and the district courts, not the bank, decided to pay jurors with debit cards, and fees were specified in the directive Treasury issued to Chase in 2012 to provide the cards.

Chase also said that under the doctrine of derivative sovereign immunity, contractors that perform as the government directs are immune from liability.

Mehta, however, said questions remain about whether Chase is immune from claims over the fees. Documents showing that the government authorized the fees were not provided, and it is unclear whether the 2012 directive was still in effect when plaintiffs served on juries in 2016 and 2017, he said.

The case is *Scott v JPMorgan Chase & Co*, U.S. District Court, District of Columbia, No 17-249

For the plaintiffs: Jeffrey Kaliel, Sophia Goren and Anna Haac at Tycko & Zavareei

For the defendant: Jonathan Paikin, Jamie Dycus, Jenny Pelaez and Noah Levine at Wilmer Cutler Pickering Hale & Dorr

---- **Index References** ----

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Language: EN

Other Indexing: (Noah Levine; Amit Mehta; Jenny Pelaez; Anna Haac; Jamie Dycus; Sophia Goren; Jonathan Paikin; Jeffrey Kaliel)

Keywords: banking; fedlit (OCC:OLRTXT)Keywords:

Word Count: 566