

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

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| CHASTITY BRADLEY, individually and on behalf of all others similarly situated, | : | CIVIL ACTION |
| | : | |
| | : | |
| Plaintiffs | : | CASE NO. |
| | : | |
| v. | : | |
| | : | |
| HSBC CARD SERVICES, INC. | : | |
| | : | |
| Defendant | : | |

CLASS ACTION COMPLAINT

Plaintiff, Chastity Bradley, individually and on behalf of all others similarly situated, allege as and for her Class Action Complaint against Defendant, HSBC Card Services, Inc. (“HSBC” or “Defendant”), upon personal knowledge as to herself and as to all other matters upon information and belief, based upon, inter alia, the investigation made by her attorneys, as follows:

PRELIMINARY STATEMENT

This action is instituted in accordance with and to remedy Defendant’s fraudulent business practices and mass breach of contracts. Plaintiff brings this action both individually on her own behalf and as a class action on behalf of all other persons similarly situated, to recover damages for her and the class and to enjoin Defendant’s unlawful conduct as it affects all other consumers residing within the United States.

This action seeks redress for the illegal practices of Defendant, concerning the collection of past due credit debt. Defendant has entered into settlement agreements with law firms and

Debt Settlement Companies, including the law firm that represented Plaintiff. Defendant accepts all but the remaining few payments from the consumer directly or indirectly through the Debt Settlement Company or law firm and then unilaterally and without cause refuses to accept the remaining payment and instead deems the settlement null and void.

Defendant's mistreatment of Plaintiff and the Class was in fact indiscriminate, occurring in the regular course of Defendant's debt collection attempts whereby Plaintiff was treated in the same general manner as it treats other consumers who are the objects of its collection efforts.

Plaintiff therefore seeks hereby to recover actual, statutory, treble, and punitive damages on behalf of herself individually, as well as declaratory and equitable relief on behalf of the class which she seeks to represent, together with reasonable attorneys' fees and costs.

JURISDICTION

1. This Court has subject matter jurisdiction of the claims asserted herein pursuant to 28 U.S.C. §§ 1331 and 1332(d)(2)(A) in that the amount in controversy exceeds the sum or value of \$1,000,000.00, exclusive of interest and costs, and is a class action in which members of the putative plaintiff class are citizens of States different from Defendant.

2. Venue is proper pursuant to 28 U.S.C. § 1391. Defendant is subject to personal jurisdiction in the District of New Jersey.

PARTIES

2. Plaintiff, Chastity Bradley, is a natural person who resides in Somerville, New Jersey. .

3. Defendant, HSBC Card Services, Inc., is the US consumer credit card segment of the larger HSBC Holdings. One of the largest credit card servicers in the country, HSBC Card

Services offers private label and HSBC Bank-branded credit accounts, such as Visa, MasterCard, and American Express with a variety of annual percentage rates and rewards programs. Its Orchard Bank unit issues cards to consumers looking to establish or re-establish their credit. Its cards are issued by HSBC Bank USA or its HSBC Bank Nevada affiliate. Defendant operates from several primary locations, one of which is located at 1301 Tower Road, Schaumburg, IL 60173.

FACTUAL ALLEGATIONS

4. On or about January 22, 2010, Plaintiff with the assistance of her personal legal counsel entered into a settlement agreement with the Defendant on a past due account. See a copy of the letter appended hereto and marked "**EXHIBIT A**".

5. Defendant, as shown in "**EXHIBIT A**" agreed to accept the Plaintiff's proposal of \$481.00 as full settlement on the aforementioned account.

6. Defendant promised that upon all of the funds clearing and the proceeds applied to the Plaintiff's account that said account would be settled and closed.

7. Plaintiff issued all required payments as instructed in "**EXHIBIT A**" in a timely fashion.

8. Defendant accepted and deposited all payments with the exception of the final installment paid out on the agreed settlement.

9. On or about August 23, 2010, Plaintiff's legal counsel contacted the Defendant. See a copy of the letter appended hereto and marked "**EXHIBIT B**".

10. "**EXHIBIT B**", inquired as to the reason that the Plaintiff's final payment was rejected when all previous payments had been satisfied in a timely fashion and were not returned.

11. Defendant returned the final payment without explanation and insisted upon collection of the full balance due in total disregard of the settlement agreement.

12. Defendant lured in Plaintiff and all those similarly situated with a discounted settlement amount; only to accept all but the final payment and proceed to declare the settlement void.

CLASS ACTION

13. This action is maintained as a class action on behalf of the following described class: all consumers residing in the United States who entered into a settlement agreement with the Defendant that was not honored and have been the subject to the fraudulent practices and breach of contract at the hands of the Defendant.

14. This action is appropriately maintained as a class action as the class is so numerous that joinder of all members is impracticable, there are questions of law or fact common to the class, the claims of the representative party are typical of the claims of the class, and the representative party will fairly and adequately protect the interests of the class; in addition, Defendants have acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole.

15. Unless Defendant is enjoined and restrained from continuing the foregoing illegal practices, Plaintiff and the class whom she represents will suffer substantial and irreparable injury for which they have no adequate remedy at law.

CAUSES OF ACTION

COUNT I
BREACH OF CONTRACT
PLAINTIFF/CLASS V. DEFENDANT

17. The foregoing paragraphs 1 through 16 are incorporated herein as if more fully set forth hereafter.

18. The foregoing acts and omissions of Defendant constitute a breach of contract.

19. Plaintiff and the class offered a settlement on account of a past due debt owed to Defendant.

20. Defendant accepted the offer.

21. Plaintiff and the class abided by each and every term of the offer.

22. Defendant breach the contract as more fully described above.

23. Plaintiff and the class have suffered financial damage as a result of the breach by the Defendant.

COUNT II
FRAUD
PLAINTIFF/CLASS V. DEFENDANT

24. The foregoing paragraphs 1 through 23 are incorporated herein as if more fully set forth hereafter.

25. The actions of the Defendant described above constitute common law fraud:

(a) a false representation or concealment of fact; Defendant never intended to accept the reduced balance;

(b) knowledge of its falsity; Defendant knew the settlement agreement was a fraud and part of a common scheme;

(c) the intent to induce reliance; Defendant intended to achieve payments from Plaintiff and the Class by inducing the agreements with false acceptance of a reduced amount;

(d) justifiable reliance; the Plaintiff and the Class relied upon the acceptance by the Defendant;

(e) damages were sustained by Plaintiff and the Class by the fraud committed upon them by Defendant.

JURY DEMAND

Plaintiff hereby demands trial by jury on all issues so triable.

WHEREFORE, Plaintiffs pray that this Honorable Court grant the following relief:

1. Enter an order certifying this action as a class action.
2. Enter injunctive and corresponding declaratory relief establishing the foregoing conduct of Defendant to be unlawful, enjoining Defendant from continuing to engage in said conduct, and granting such additional equitable relief as may be appropriate, including ordering Defendant to disgorge itself of all ill-gotten and illegal sums which it has collected as a result of its unlawful conduct.
3. Award actual damages.
4. Award punitive damages.
5. Award statutory damages.
6. Award treble damages.
7. Award reasonable attorney's fees.
8. Award costs.
9. Grant such other and further relief as it deems just and proper.

Respectfully submitted,

WARREN & VULLINGS, LLP

Date: January 19, 2011

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