

IN THE CIRCUIT COURT OF MARYLAND
FOR BALTIMORE CITY

JACQUELINE GALLOWAY
803 WILDWOOD PARKWAY
BALTIMORE, MD 21229
(Baltimore City)

*on her own behalf and on behalf of
all others similarly situated,*

Plaintiffs,

v.

SANTANDER CONSUMER USA, INC.
565 FIFTH AVENUE
NEW YORK, NY 10017

Serve On: The Corporation Trust Incorporated
351 West Camden Street
Baltimore, MD 21201

Defendant.

JURY TRIAL DEMANDED

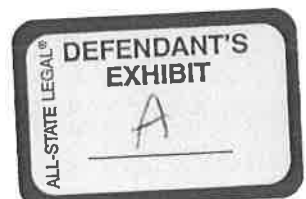
Case No. Case: 24-C-13-005888
CV File New \$80.00
Appear Fee \$20.00
MLSC \$55.00
TOTAL \$155.00

CLASS ACTION COMPLAINT

Plaintiff Jacqueline Galloway ("Named Plaintiff" or "Galloway"), on her own behalf and on behalf of all others similarly situated, through her attorney Cory L. Zajdel, Esq., and Santander Consumer USA LLC, hereby submits this Class Action Complaint against Defendant Santander Consumer USA, Inc. ("Santander") and for support states as follows:

I. PRELIMINARY STATEMENT

1. Galloway institutes this class action against Santander on her own behalf and on behalf of all others similarly situated for violating statutory and contractual obligations and seeks to recover statutory damages against Santander for multiple violations of *Maryland's Credit*



Grantor Closed End Credit Provisions, MD. CODE ANN., COMM. LAW §§ 12-1001 *et seq.* (“CLEC”) and Maryland Common Law.

2. Santander extends secured financing for personal property.
 3. Santander obtains assignment of secured financing for personal property.
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4. Santander purchases portfolios of loans containing secured financing for personal property.
 5. Santander has extended secured financing for personal property to more than five hundred borrowers in Maryland each year from 2006 to the present.
 6. Each year from 2006 to the present, Santander has extended secured financing to more than five hundred borrowers in Maryland through credit contracts electing CLEC as the governing law.
 7. Since 2009, Santander has purchased portfolios of loans containing secured financing for personal property originating in Maryland with credit contracts electing CLEC as the governing law.
 8. Each year from 2009 to the present, Santander repossessed secured property originated from credit contracts electing CLEC from more than two hundred fifty borrowers.
 9. In the event its customer fails to reinstate the contract or redeem the personal property following repossession, Santander sells the customer's personal property.
 10. Santander's routine business practice is to send its CLEC customers form notices of the plan to sell (“pre-sale notice”) and form notices of the claimed deficiency (“post-sale notice”) after the sale of the personal property in which it demands payment.
 11. If a deficiency balance remains on the CLEC credit account after Santander sells the personal property, Santander pursues collection actions including referring credit accounts to

collection attorneys, filing suit against Santander customers, selling the open credit accounts to debt buyers or referring the credit account to debt collectors.

12. Through its use of deficient form pre-sale notices, Santander has deprived its CLEC customers of valuable rights mandated by Maryland law.

13. Santander violated Maryland law by inaccurately disclosing the amount of money required to redeem.

14. Santander's use of deficient form pre-sale notices which omit material information required by Maryland law makes this case particularly suitable for resolution through a class action lawsuit.

II. JURISDICTION

15. This Court has jurisdiction over this case under MD. CODE ANN., CTS. & JUD. PROC. § 1-501.

16. This Court has personal jurisdiction over Defendant Santander pursuant to MD. CODE ANN., CTS. & JUD. PROC. § 6-103(1)-(3), as Santander systematically and continually transacts business in Maryland, the case arises out of a transaction that took place within Maryland, Santander contracts to supply goods or services in Maryland, repossesses vehicles in Maryland and files lawsuits to collect debts in Maryland's State Court System.

III. PARTIES

17. Plaintiff Jacqueline Galloway is a natural person currently residing at 803 Wildwood Parkway, Baltimore, MD 21229-1815 (Baltimore City, Maryland).

18. Galloway is a "consumer borrower" as that term is defined by CLEC § 12-1001(f).

19. Defendant Santander Consumer USA, Inc. is a corporation formed under the laws of the state of Illinois with a business address of 565 Fifth Avenue, New York, NY 10017.

20. Santander is a "credit grantor" in each Class transaction as that term is defined by CLEC § 12-1001(g).

IV. FACTUAL ALLEGATIONS

21. On or about March 3, 2007, Galloway purchased a 2003 Honda Accord from Fox Chevrolet, Inc.

22. Galloway obtained financing for the purchase of the 2003 Honda Accord through the dealership that sold her the vehicle, which was memorialized in a Retail Installment Sale Contract ("RISC").

23. The RISC affirmatively elects to be governed under Subtitle 10 of Title 12 of the Commercial Law Article (*i.e.* CLEC).

24. Galloway purchased the 2003 Honda Accord primarily for personal, family and household purposes.

25. The RISC by which Galloway financed her purchase was assigned to CitiFinancial, Inc.

26. As part of the March 3, 2007 transaction, CitiFinancial, Inc. took a lien and security interest on the 2003 Honda Accord.

27. On or before December 16, 2011, CitiFinancial, Inc. sold Galloway's RISC and account to Defendant Santander.

28. The total amount financed in the RISC was \$22,916.28.

29. Throughout the life of the CLEC credit account, Galloway made numerous payments to CitiFinancial, Inc. and Santander.

30. CitiFinancial, Inc. and Santander received payments from Galloway equal to or greater than \$22,273.40.

31. Santander and/or its agents seized and repossessed the 2003 Honda Accord on or before November 5, 2012.

32. Santander sent a pre-sale notice dated November 5, 2012 to Galloway telling her that the car would be sold at a public sale on December 12, 2012 at ADESA WASHINGTON D.C., 43375 OLD OX ROAD, DULLES, VA 20166 starting at 8:00am.

33. The pre-sale notice dated November 5, 2012 also notifies Galloway that if her vehicle is not sold on November 5, 2012 that the vehicle would be offered for sale again on December 27, 2012 at 8:00am.

34. The pre-sale notice dated November 5, 2012 stated that Galloway could reinstate her RISC by paying a total of \$1,821.65 within fifteen (15) days of the date of the pre-sale notice.

35. Included within the \$1,821.65 reinstatement amount identified in the pre-sale notice dated November 5, 2012 was \$250.00 for storage expense and \$400.00 for repossession costs and fees.

36. On November 5, 2012, Santander had not accrued \$250.00 in storage expenses.

37. On November 5, 2012, Santander had not accrued \$400.00 in repossession costs and fees.

38. Santander provided Galloway a post-sale notice on January 10, 2013 notifying Galloway that her 2003 Honda Accord sold for \$3,900.00.

39. Santander's post-sale notice also notified Galloway that a deficiency balance existed on her credit account in the amount of \$10,878.77.

40. Santander's post-sale notice also notified Galloway that the cost of retaking the vehicle totaled \$370.00 and the cost of storing the vehicle totaled \$0.00.

41. Santander made attempts to collect the claimed outstanding deficiency balance from Galloway after mailing the post-sale notice.

42. On July 9, 2013, Santander notified Galloway that Santander waived any remaining deficiency balance on her RISC and credit account.

43. On July 9, 2013, Santander notified Galloway that her RISC and credit account with Santander was satisfied.

V. CLASS ACTION ALLEGATIONS

44. Named Plaintiff brings this action on behalf of a Class which consists of:

All persons whose personal property was repossessed by Santander and sold in connection with a credit contract governed by CLEC whose pre-sale notice misrepresented the amount of: (a) storage expenses; and/or (b) repossession costs and fees.

Excluded from the Class are those individuals who now are or have ever been executives of the Defendant and the spouses, parents, siblings and children of all such individuals. Also excluded from the Class are all persons whose credit accounts were discharged in a bankruptcy and whose repossessed personal property account resulted in a judgment prior to the date of the filing of this action. Also excluded from the Class are all persons whose RISC or subsequent agreement with Santander contained an arbitration agreement.

45. The Class, as defined above, is identifiable. The Named Plaintiff is a member of the Class.

46. The Class consists, at a minimum, of more than one hundred borrowers who entered into a CLEC credit contract directly with or that was assigned to or purchased by

Santander and whose personal property was subsequently repossessed and sold, and is thus so numerous that joinder of all members is clearly impracticable.

47. There are questions of law and fact which are not only common to the Class but which predominate over any questions affecting only individual class members.

48. The common and predominating questions include, but are not limited to:

(a) Whether Santander failed to provide Class members pre-sale notices required by and compliant with CLEC § 12-1021(e)(1); and

(b) Whether Santander breached the class credit contracts by failing to comply with CLEC.

49. Claims of Named Plaintiff are typical of the claims of the respective members of the Class and are based on and arise out of similar facts constituting the wrongful conduct of Santander.

50. Plaintiff will fairly and adequately protect the interests of the Class.

51. Plaintiff is committed to vigorously litigating this matter.

52. Further, Plaintiff has secured counsel experienced in handling consumer class actions and complex consumer litigation.

53. Neither Plaintiff nor her counsel has any interests which might cause them not to vigorously pursue this claim.

54. Santander's actions are generally applicable to the respective Class as a whole, and Plaintiff seeks equitable remedies with respect to the Class as a whole within the meaning of MD. RULE 2-231(b)(2).

55. Common questions of law and fact enumerated above predominate over questions affecting only individual members of the Class. MD. RULE 2-231(b)(3).

56. A class action is the superior method for fair and efficient adjudication of the controversy. MD. RULE 2-231(b)(3).

57. The likelihood that individual members of the Class will prosecute separate actions is remote due to the time and expense necessary to conduct such litigation.

58. The likelihood that individual members of the Class will prosecute separate actions is remote also because each individual claim involves a small amount.

59. Counsel for Plaintiff is experienced in class actions, and foresees little difficulty in the management of this case as a class action.

VI. CAUSES OF ACTION

COUNT ONE
(MARYLAND CREDIT GRANTOR CLOSED END CREDIT PROVISIONS)

60. Galloway re-alleges and incorporates by reference the allegations set forth herein, and further alleges:

61. CLEC requires credit grantors to provide pre-sale notices and the information that is required to be contained there within with respect to repossession of secured property.

62. In violation of CLEC, Santander failed to provide Named Plaintiff and the Class with information that must be contained within the required pre-sale notices, including but not limited to the exact amount of money required to redeem the personal property.

COUNT TWO
(BREACH OF CONTRACT)

63. Galloway re-alleges and incorporates by reference the allegations set forth herein, and further alleges:

64. CLEC was in effect at the time Named Plaintiff and all other Class member credit contracts were signed.

65. The RISC of Named Plaintiff and each Class member specifically and unequivocally elected CLEC as the controlling law.

66. The RISC of Named Plaintiff and each Class member specifically and unequivocally incorporated the CLEC statute into the RISC.

67. The provisions of the CLEC statute became a part of the RISC just as if the parties expressly included the CLEC provisions in their RISC.

68. When Santander violated CLEC as set forth herein, Santander materially breached its contracts with Named Plaintiff and the Class.

69. As a result of Santander's breach of contract with Named Plaintiff and the Class, Named Plaintiff and the Class have been damaged.

70. Named Plaintiff and the Class have been deprived of the substantial rights granted to them by CLEC and under their RISC as set forth above.

71. Named Plaintiff and the Class sustained damages and losses due to these breaches of contract.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that this Court:

- A. assume jurisdiction of this case;
- B. enter an order certifying the Class under MD. RULE 2-231(b)(2) and (b)(3); and
- C. enter an order declaring the rights of Named Plaintiff and the Class in accordance with CLEC § 12-1018(a)(2).

Respectfully submitted,

Z LAW, LLC

Dated: September 20, 2013

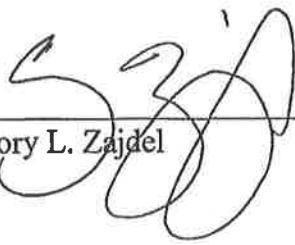
By: 

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Attorney for Plaintiff

JURY TRIAL

Named Plaintiff on behalf of herself and all others similarly situated demands trial by jury on all issues so triable.


Cory L. Zajdel