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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

ANDREW J. PEREZ; IRENE E.  
PEREZ; and QUALITY SWEEPING  
SERVICE,

Plaintiffs,

v.

JPMORGAN CHASE BANK; JOHN  
DOE and DOES 1-10, inclusive

Defendants.

Case No. 2:16-CV-01597-R-RAO

Hon. Manuel L. Real  
Courtroom 8

**STATEMENT OF  
UNCONTROVERTED FINDINGS  
OF FACT AND CONCLUSIONS OF  
LAW FOLLOWING ORDER  
GRANTING DEFENDANT  
JPMORGAN CHASE BANK N.A.'S  
MOTION FOR SUMMARY  
JUDGMENT**

Action Filed: December 15, 2015  
MSJ Granted: November 8, 2016

1                   **STATEMENT OF UNCONTROVERTED FINDINGS OF FACT AND**  
2   **CONCLUSIONS OF LAW**

3                   Defendant JPMorgan Chase Bank, N.A. (“Chase”) filed its Motion for  
4 Summary Judgment (Dkt. 18) on September 22, 2016 (“Motion”). After having  
5 been thoroughly briefed by both parties, this Court took this Motion under  
6 submission on November 3, 2016. Dkt. 35. The Court issued its Order granting  
7 defendant’s Motion on November 8, 2016, Dkt. 37.

8   **I. FINDINGS OF FACT**

9                   **A. THE PARTIES TO THIS ACTION**

10                   1. Plaintiffs Andrew J. Perez and Irene E. Perez are California citizens  
11 (Dkt. 1, p. 5) and were the owners of Chase Accounts 1700, 7980 and 9370. Dkt.  
12 1, p. 16 and Dkt. No. 18-3, pp. 92-153 (ownership of Account 1700). Dkt. 1, p. 18  
13 (ownership of Accounts 7980 and 9370); Dkt. 18-3, pp. 59-90 (ownership of  
14 Account 9370), and Dkt. 18-4, pp. 90-101 (ownership of Account 7980).

15                   2. Plaintiff Quality Sweeping Service, Inc. is a California domiciliary.  
16 Dkt. 1, p. 6. It is a corporation duly organized under California law, with its  
17 principal place of business in California. Dkt. 1, p. 6. Plaintiff Quality Sweeping  
18 Service, Inc. was the owner of Chase Account 9730. Dkt. 1, p. 19 and Dkt. 18-4,  
19 pp. 3-88.

20                   3. Chase is an Ohio domiciliary. It is a national banking association,  
21 established and organized under the laws of the United States of America and has  
22 designated its main office to be located in Columbus, Ohio. Dkt. 1, p. 6.

23                   **B. PLAINTIFFS’ COMPLAINT AND REMOVAL TO FEDERAL**  
24   **COURT**

25                   4. On December 9, 2015, Plaintiffs Andrew J. Perez, Irene E. Perez and  
26 Quality Sweeping Service, Inc. (collectively “Plaintiffs”) filed their Complaint for  
27 Breach of Contract against Chase in the Los Angeles County Superior Court. Dkt.  
28

1 1, pp. 9-21. Plaintiffs assert three causes of action for breach of contract against  
2 Chase. *Id.*, at pp. 16-20.

3 5. Plaintiffs allege that through fraudulent checks and ATM and  
4 electronic transfers by unknown persons, numerous unauthorized withdrawals  
5 occurred on their accounts. Dkt. 1, pp. 14-20. Plaintiffs allege that Chase refused  
6 to refund the remaining funds in their accounts when each was closed. This, they  
7 allege, was in breach of Chase's promise to "protect monies deposited by  
8 plaintiffs." *Id.*, at p. 15. Plaintiffs' Complaint does not, however, identify which  
9 transactions were 'unauthorized.' Plaintiffs' Complaint does not specify the dates  
10 when the allegedly unauthorized transactions occurred.

11 6. On March 8, 2016, Chase removed the lawsuit to the U.S. District  
12 Court for the Central District of California. Dkt. 1. On March 11, 2016, Chase  
13 answered Plaintiffs' Complaint. Dkt. 6.

14 **C. THE SPECIFIC TRANSACTIONS PLAINTIFFS ALLEGE TO BE**  
15 **UNAUTHORIZED**

16 7. Beginning on or about May 31, 2016, Chase began conducting  
17 discovery from Plaintiffs to specifically identify those transactions claimed to be  
18 unauthorized. Dkt. 18-3, pp. 3-22.

19 8. On or about July 28, 2016 and responsive to that discovery (Dkt.18-3,  
20 pp. 24-28 (re Andrew J. Perez discovery responses), pp. 30-34 (re Irene E. Perez  
21 discovery responses) and pp. 36-40 (re Quality Sweeping Service discovery  
22 responses)), Plaintiffs identified the allegedly unauthorized transactions, which  
23 occurred during the time period beginning in October 2012 and running through  
24 October 2013. Dkt. 18-3, pp. 42-44 (claims of unauthorized transactions re  
25 Account 1700), Dkt. 18-3, pp. 46-47 (claims of unauthorized transactions re  
26 Account 7980), pp. 49-53 (claims of unauthorized transactions re Account 9730),  
27 and Dkt. 18-3, pp. 55-57 (claims of unauthorized transactions re Account 9370).

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1           9.     Each transaction on Account 9370 which Plaintiffs allege was  
2 unauthorized appears on a monthly bank statement between October 2012 and  
3 October 2013 that Chase made available to Plaintiffs immediately following the  
4 date of the questioned transaction. Dkt. 18-1, pp. 14-15 (statements made  
5 available), Dkt. 18-3, pp. 59-90 (monthly bank statements) and Dkt. 18-3, pp. 55-  
6 57 (specific identification of all alleged unauthorized transactions in Account  
7 9370).

8           10.    Each transaction on Account 1700 which Plaintiffs allege was  
9 unauthorized appears on a monthly bank statement between November 2012 and  
10 October 2013 that Chase made available to Plaintiffs immediately following the  
11 date of the questioned transaction. Dkt. 18-1, p. 15 (statements made available),  
12 Dkt. 18-3, pp. 92-153 (monthly bank statements) and Dkt. 18-3, pp. 42-44 (specific  
13 identification of all alleged unauthorized transactions in Account 1700).

14           11.    Each transaction on Account 9730 which Plaintiffs allege was  
15 unauthorized appears on a monthly bank statement between October 2012 and  
16 November 2013 that Chase made available to Plaintiffs immediately following the  
17 date of the questioned transaction. Dkt. 18-1, pp. 15-16 (statements made  
18 available), Dkt. 18-4, pp. 3-88 (monthly bank statements) and Dkt. 18-3, pp. 42-44  
19 (specific identification of all alleged unauthorized transactions in Account 9730).

20           12.    Each transaction on Account 7980 which Plaintiffs allege was  
21 unauthorized appears on a monthly bank statement between October 2012 and  
22 November 2012 that Chase made available to Plaintiffs immediately following the  
23 date of the questioned transaction. Dkt. 18-3, p. 16 (statements made available),  
24 Dkt. 18-4, pp.90-101 (monthly bank statements), and Dkt. 18-3, pp. 46-47 (specific  
25 identification of all alleged unauthorized transactions in Account 7980).

26           13.    Plaintiffs concede receiving all monthly statements in 2012 and 2013  
27 for each of the four accounts in question. Dkt. 24, ¶ 3, p. 3. Plaintiffs further  
28 concede that those statements identify each of the individual transactions which

1 Chase paid, which Plaintiffs now claim in context of this lawsuit were not  
2 authorized by them. *Id.*

3 14. Plaintiffs did not file their lawsuit until December 9, 2015.

### 4 **III. CONCLUSIONS OF LAW**

5 1. This Court has jurisdiction over Plaintiffs' claims against Chase  
6 pursuant to 28 U.S.C. § 1332(a)(1). Removal of this action was proper pursuant to  
7 28 U.S.C. §§ 1441 and 1446.

8 2. Because the allegedly unauthorized transactions include in-branch  
9 withdrawals, telephone transfers, ATM withdrawals, internet transfers and other  
10 transactions, two different statutes are applicable here, namely: (i) California Code  
11 of Civil Procedure § 340(c); and (ii) Title 15 U.S.C. § 1693m(g).

12 3. California Code of Civil Procedure § 340(c) sets a one-year statute of  
13 limitations for an action "by a depositor against a bank for the payment of a forged  
14 or raised check, or a check that bears a forged or unauthorized endorsement . . . ."  
15 *Id.* The statute of limitations accrues as to each transaction when it is paid and is  
16 subsequently reported on the following monthly statement. *See Edward Fineman*  
17 *Co. v. Superior Court*, 66 Cal.App.4th 1110, 1117-1118 (1998).

18 4. There is no dispute that Chase paid each allegedly unauthorized paper  
19 transaction and that Chase reported each allegedly unauthorized paper transaction  
20 on the following monthly bank statement for each account in question. Thus,  
21 there is no dispute that the one-year limitation period for each one of Plaintiffs'  
22 claims of an alleged unauthorized paper transaction accrued during the period from  
23 October 2012 through October 2013. Accordingly, all of Plaintiffs' claims arising  
24 from fraudulent checks or other fraudulent paper transactions expired before  
25 Plaintiffs filed their Complaint on December 9, 2015. Therefore, this Court  
26 concludes that all such claims are barred by the statute of limitations, California  
27 Code of Civil Procedure § 340(c).

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