

Brooks Pierce Successfully Defends Bank in Class Action Lawsuit

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Peoples Bank, headquartered in Newton, North Carolina, recently won the dismissal of a class action lawsuit filed against it in March 2013. Brooks Pierce attorneys Reid Phillips and Dan Smith represented the bank in the litigation.

The class action lawsuit, originally filed in Lincoln County, North Carolina, challenged the bank's assessment and collection of overdraft fees. The case was later assigned to the North Carolina Business Court in Charlotte, North Carolina at the request of Peoples Bank.

After two years of litigation, on June 10, 2015 the North Carolina Business Court granted summary judgment to Peoples Bank.

In his class action complaint, Plaintiff asserted claims for breach of contract, breach of the covenant of good faith and fair dealing, conversion, unjust enrichment, and unfair and deceptive trade practice. In other states, customers had successfully sued other banks on similar claims, resulting in large settlements or verdicts against the bank. In this case, however, the Business Court found that the disclosures that Peoples Bank had made to its customers of the terms and conditions of its overdraft fee practices were sufficient and not unfair to the customers and that Peoples Bank complied with those terms and conditions when processing its customers' transactions.

PEOPLE

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