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Superior Court of California
County Of Los Angeles

JUN 08 2015

Sherrri R. Carter, Executive Officer/Clerk
By: Judi Lara, Deputy

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF LOS ANGELES - CENTRAL DISTRICT

12 STANLEY MOSK COURTHOUSE

BC 5 8 4 5 3 0

13 GREGORY THOMAS, on behalf of
14 himself, all others similarly situated, and
15 the general public,

16 Plaintiff,

17 v.

18 TOYOTA MOTOR CREDIT
19 CORPORATION, a California
20 corporation; and
21 DOES 1 through 75,

22 Defendants.

Case No.:

CLASS ACTION

COMPLAINT FOR:

1. VIOLATION OF CONSUMER LEGAL REMEDIES ACT (INJUNCTIVE RELIEF ONLY);
2. DECLARATORY RELIEF;
3. UNFAIR COMPETITION;
4. VIOLATION OF CONSUMER LEGAL REMEDIES ACT (INJUNCTIVE RELIEF ONLY);
5. DECLARATORY RELIEF;
6. UNFAIR COMPETITION;
7. VIOLATION OF CONSUMER LEGAL REMEDIES ACT (INJUNCTIVE RELIEF ONLY);
8. DECLARATORY RELIEF; AND
9. UNFAIR COMPETITION;

1 SUMMARY

2 1. When a leased automobile is repossessed, determining the amount that the
3 lessee will owe to the lender that is financing the lease (*i.e.*, the lessee's "deficiency balance")
4 requires knowledge of applicable lease financing statutes and the ability to perform complex
5 financial calculations, including an amortization of the lease's terms based on an unstated,
6 imputed interest rate. As a result, many consumers do not have sufficient knowledge and/or
7 mathematical skills to understand and/or double check the lender's calculations. Defendant
8 Toyota Motor Credit Corporation (which does business under the fictitious name "Toyota
9 Financial Services") is taking advantage of this fact by overcharging consumers whose leased
10 automobiles it repossesses. Specifically, Toyota Financial Services has an illegal pattern and
11 practice of inflating deficiency balances in at least three ways: (1) by charging lessees for
12 supposedly "overdue" lease payments that were not yet due when the lessees' automobiles
13 were repossessed; (2) failing to give lessees credit for refundable security deposits that they
14 previously made; and (3) adding additional repossession, auction, and storage charges to
15 lessees' final account statements that were not disclosed in the pre-auction sale notice sent to
16 lessees notifying them of the amounts that they owe under their leases.
17

18 2. With regard to the illegal withholding of security deposits, Toyota Financial
19 Services attempts to hide this illegal practice by including an ostensible credit for security
20 deposits in lessees' final account statements, while at the same time inflating the "Unpaid Gross
21 Lease Balance" amounts disclosed in the lessees' pre-auction notices by the amounts of the
22 security deposit credits. Toyota Financial Services further attempts to disguise this conduct by
23 changing the name of the "Unpaid Gross Lease Balance" (as it is called in the pre-auction sale
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1 notice) to "Contract Receivable" (as it is called in the final account statements) so that it is less
2 obvious that this amount has been inflated in order to offset the credits for security deposits.

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4 3. Accordingly, Plaintiff and proposed class representative Gregory Thomas
5 hereby seeks to represent himself and a class similarly situated California consumers in a class
6 action seeking redress for Toyota Financial Services's unlawful conduct. Further, Plaintiff
7 Gregory Thomas also asserts private attorney general claims under Competition Law (Bus. &
8 Prof. Code § 17200 *et seq.*) (the "UCL") on behalf of the general public seeking injunctive
9 relief to force Toyota Financial Services to cease its unlawful, unfair, and fraudulent conduct,
10 and to force Toyota Financial Services to make restitution of amounts received as a result of
11 its unlawful, unfair, and fraudulent acts and practices.
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14 PARTIES

15 4. Plaintiff Gregory Thomas is an individual residing in San Rafael, California.

16
17 5. Defendant Toyota Motor Credit Corporation is a California corporation with a
18 principal place of business at 19001 South Western Avenue, Torrance, California. Defendant
19 Toyota Motor Credit Corporation is hereafter referred to as "Toyota Financial Services," which
20 is one of its fictitious business names.
21

22 6. Plaintiff does not know the true names and capacities, whether corporate,
23 partnership, associate, individual, or otherwise, of defendants sued herein as Does 1 through
24 75, inclusive, and thus names them under the provisions of Section 474 of the California Code
25 of Civil Procedure. Defendants Does 1 through 75 are in some manner responsible for the
26 acts set forth herein, and are legally liable to Plaintiff and the Class members. Plaintiff will set
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1 forth the true names of the fictitiously-named defendants together with appropriate charging
2 allegations when ascertained.

3
4 FACTS

5 7. Plaintiff alleges as follows, on information and belief, formed after an inquiry
6 reasonable under the circumstances:

7
8 8. On or about May 1, 2014, Plaintiff visited the car dealership “Toyota Marin” in
9 San Rafael, California. While there, Plaintiff looked at and eventually leased that certain new
10 2014 Toyota Camry with vehicle identification number 4T1BF1FK4EU378100 (the “Toyota
11 Camry”).

12
13 9. At the time that he leased the Toyota Camry, Plaintiff made a \$550 refundable
14 security deposit.

15 10. The Toyota Camry’s lease contract states that the monthly lease payments are
16 due on the first day of each month.

17
18 11. Toyota Motor Credit Corporation is the lessor and/or holder of the Toyota
19 Camry’s lease contract and the Class members' lease contracts.

20 12. Toyota Motor Credit Corporation either repossessed or caused the Toyota
21 Camry to be repossessed on February 27, 2015.

22
23 13. On or about March 6, 2015, Toyota Financial Services sent Plaintiff a “Rights of
24 Defaulting Parties-Lease” that announced Toyota Financial Services’s intention to sell the
25 Toyota Camry on or after March 21, 2015. Such notice is hereafter referred to as a “Notice of
26 Intent.”
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1 14. Toyota Financial Services created Plaintiff and the Class members' Notices of
2 Intent, and determined which charges should be included in such Notices of Intent.

3
4 15. California Civil Code section 2987(d)(2)(B) requires that each Notices of Intent
5 sent to California lessees must contain a specific disclosure of the amount of the difference
6 between the lessee's adjusted capitalized cost and the sum of all depreciation and other
7 amortized amounts paid by the lessee *through the date of early termination*. The Notice of
8 Intent sent to Plaintiff by Toyota Financial Services contained a disclosure of this amount,
9 which it described as the "Adjusted Lease Balance"; however, it was not described as the
10 difference between Plaintiff's adjusted capitalized cost and the sum of all depreciation and
11 amortized amounts that he had paid. Instead, Toyota Financial Services described this amount
12 as being the difference between the "Unpaid Gross Lease Balance" and the "Unearned Rent
13 Charge." The Unpaid Gross Lease Balance was equal to the Toyota Camry's residual value
14 plus the sum of all of the remaining base monthly lease payments. The Unearned Rent Charge
15 was equal to the rent portion of all of the remaining payments.
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19 16. California Civil Code section 2987(d)(2)(B) also requires that each Notices of
20 Intent sent to California lessees must contain a specific disclosure of all unpaid lease payments
21 that have *accrued up to the date of early termination*. Plaintiff's Notice of Intent contained a
22 disclosure labeled "Accrued but unpaid lease payments" which purported to satisfy this
23 requirement.
24

25
26 17. However, Toyota Financial Services calculated the above-described amounts by
27 presuming that the Toyota Camry's lease contract terminated on or after March 1, 2015 – even
28 though Plaintiff's lease contract terminated upon the February 27, 2015 repossession of the

1 Toyota Camry. Thus, Toyota Financial Services wrongly and illegally charged Plaintiff for a
2 supposedly “due but unpaid” monthly payment that had not yet come due prior to the
3 termination of the lease contract. As a result, the Gross Early Termination Amount stated in
4 Plaintiff’s Notice of Intent was illegally inflated and greater than the Gross Early Termination
5 Amount permitted under California law.
6

7
8 18. California Civil Code section 2987(d)(2)(B) further requires that each Notice of
9 Intent sent to California lessees must contain a specific disclosures of the amounts that the
10 lessee will be charged for repossession, storage, and reconditioning. Plaintiff’s Notice of Intent
11 stated that he would be charged \$430 for “Costs of repossession, storage, and reconditioning”
12 and an additional \$107.54 for “Other costs of sale including costs for transporting and
13 auctioning.” Thus, the Notice of Intent notified Plaintiff that he would be charged a total of
14 \$537.54 for repossession, storage, reconditioning, sale, auction, and transportation costs.
15

16
17 19. On or about April 6, 2015, Toyota Financial Services sold the Toyota Camry.

18
19 20. On or about April 20, 2015, Toyota Financial Services sent Plaintiff an “Early
20 Termination Account Statement” (hereafter referred to as an “Account Statement”). The
21 Account Statement itemized the charges that Plaintiff supposedly owed to Toyota Financial
22 Services under the lease (*i.e.*, Plaintiff’s “deficiency balance”), asserted that Plaintiff owed the
23 deficiency balance to Toyota Financial Services, and requested payment of the deficiency
24 balance.
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26
27 21. Plaintiff’s Account Statement ostensibly included a \$550 credit for Plaintiff’s
28 security deposit; however, in reality, Toyota Financial Services also surreptitiously and illegally
increased the amount of Plaintiff’s “Contract Receivable” (another name for what was referred

1 to in the Notice of Intent as the “Unpaid Gross Lease Balance”) by an additional \$550 in order
2 to offset the credit that it was ostensibly giving Plaintiff for his security deposit. This further
3 illegally inflated Mr. Thomas’s deficiency balance by an additional \$550 which should have
4 been, but was not, refunded to Mr. Thomas.
5

6 22. Plaintiff’s Account Statement also included a total of \$765.04 in repossession,
7 storage, reconditioning, sale, auction, and transportation charges. In other words, Toyota
8 Financial Services charged and attempted to collect from Plaintiff repossession, storage,
9 reconditioning, sale, auction, and transportation charges that were \$227.70 greater than the
10 amount of such charges disclosed in Plaintiff’s Notice of Intent (which disclosed that Plaintiff
11 would only have to pay \$537.54 for such charges).
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14 23. Toyota Financial Services has an illegal, unfair, and fraudulent pattern and
15 practice of misrepresenting and inflating lessees’ post-repossession deficiency balances.
16 Specifically, Toyota Financial Services illegally and deceptively: (1) calculates Adjusted Lease
17 Balances and accrued but unpaid lease payments by presuming that lessees are liable for lease
18 payments that became due after their vehicles had already been repossessed; (2) fails to give
19 lessees credit for their refundable security deposits; (3) tries to cover up its illegal withholding
20 of security deposits by itemizing ostensible credits for security deposits in lessees’ Account
21 Statements while simultaneously changing the name in such statements of the lessees’ “Unpaid
22 Gross Lease Balances” (as they were referred to in the lessees’ Notices of Intent) to “Contract
23 Receivables,” and then inflating the “Contract Receivables” amounts by the amounts of lessees’
24 security deposits; and (4) charging and attempting to collect from lessees repossession costs,
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1 storage costs, reconditioning, sale costs, auction charges, and transportation charges that are
2 greater than the amount of such charges disclosed in the lessees' Notices of Intent.

3
4 24. On or before May 11, 2015, Toyota Financial Services assigned Plaintiff's
5 supposed deficiency balance to a collection agency, which contacted Plaintiff, asserted that
6 Plaintiff owed a deficiency balance for the Toyota Camry's lease, and is attempting to collect
7 the supposed deficiency balance from Plaintiff.
8

9 25. Toyota Financial Services also notified at least one credit reporting agency that
10 Plaintiff supposedly owes a deficiency balance to Toyota Financial Services which has not been
11 paid, thereby damaging Plaintiff's credit rating.
12

13 26. As set forth in greater detail below, Toyota Financial Services is and was
14 prohibited from collecting a deficiency balance from Plaintiff because it failed to send him a
15 Notice of Intent that accurately itemized the amount that Plaintiff owed under the Toyota
16 Camry's lease contract. Thus, Plaintiff does not owe and has never owed a deficiency balance
17 to Toyota Financial Services.
18

19 CLASS ACTION ALLEGATIONS

20 27. The Causes of Action stated herein are brought and may properly be
21 maintained as a class action pursuant to provisions of the California Code of Civil Procedure
22 Section 382 and California Civil Code Section 1781. Plaintiff brings this class action on behalf
23 of himself and all others similarly-situated as a representative of the following proposed classes:
24

25 Class A: all persons: (i) who leased an automobile from a car dealership in
26 California for personal, family, or household purposes pursuant to a lease
27 contract for which Toyota Financial Services is the lessor and/or holder of
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1 such lease contract; (ii) who thereafter voluntarily surrendered their
2 automobile or had it repossessed; (iii) who received a Notice of Intent after
3 such repossession that Toyota Financial Services mailed on a date on or
4 after May 22, 2011; (iv) whose Notices of Intent included charges for
5 supposedly past due payments that became due after the dates on which
6 their automobiles were repossessed; and (v) who are citizens of California
7 (except that if more than two thirds of all of the persons who, other than
8 their citizenship, satisfy the class definitions listed herein are citizens of
9 California, then the Class A shall include all persons who satisfy
10 requirements numbers (i) through (iv), above, regardless of their
11 citizenship).

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15 Class B: all persons: (i) who leased an automobile from a car dealership in
16 California for personal, family, or household purposes pursuant to a lease
17 contract for which Toyota Financial Services is the lessor and/or holder of
18 such lease contract; (ii) who thereafter voluntarily surrendered their
19 automobile or had it repossessed; (iii) who received a Notice of Intent after
20 such repossession that Toyota Financial Services mailed on a date on or
21 after May 22, 2011; (iv) who later received an Account Statement from
22 Toyota Financial Services that contains charges for repossession, storage,
23 reconditioning, sale, auction, and transportation costs that are greater than
24 the amount of such charges itemized in such person's Notice of Intent; and
25 (v) who are citizens of California (except that if more than two thirds of all
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1 of the persons who, other than their citizenship, satisfy the class definitions
2 listed herein are citizens of California, then the Class B shall include all
3 persons who satisfy requirements numbers (i) through (iv), above,
4 regardless of their citizenship).
5

6 Class C: all persons: (i) who leased an automobile from a car dealership in
7 California for personal, family, or household purposes pursuant to a lease
8 contract for which Toyota Financial Services is the lessor and/or holder of
9 such lease contract; (ii) who thereafter voluntarily surrendered their
10 automobile or had it repossessed; (iii) who received a Notice of Intent after
11 such repossession that Toyota Financial Services mailed on a date on or
12 after May 22, 2011; (iv) who later received an Account Statement from
13 Toyota Financial Services that contained a "Contract Receivable" amount
14 that is greater than the "Unpaid Gross Lease Balance" amount disclosed
15 in such person's Notice of Intent; and (v) who are citizens of California
16 (except that if more than two thirds of all of the persons who, other than
17 their citizenship, satisfy the class definitions listed herein are citizens of
18 California, then the Class C shall include all persons who satisfy
19 requirements numbers (i) through (iv), above, regardless of their
20 citizenship).
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26 28. Specifically excluded from the proposed Classes are the Court and its staff,
27 Toyota Financial Services, any entity in which Toyota Financial Services has a controlling
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1 interest, and the officers, directors, affiliates, legal representatives, heirs, successors,
2 subsidiaries, and/or assigns of any such individual or entity.

3
4 29. Also specifically excluded from the proposed Classes (and notwithstanding the
5 class definitions listed above) is each person who at or prior to the date on which the Classes
6 are certified: (i) is a party to a lawsuit against Toyota Financial Services in which such person
7 asserts that his or her Notice of Intent failed to comply with California law and/or that his or
8 her deficiency balances is inflated; (ii) is a party to a pending arbitration proceeding against
9 Toyota Financial Services in which such person asserts that his or her Notice of Intent failed
10 to comply with California law and/or that his or her deficiency balances is inflated; and (iii)
11 has been compelled by a court to arbitrate a dispute against Toyota Financial Services in which
12 the parties dispute the issue of whether such person's Notice of Intent failed to comply with
13 California law and/or that his or her deficiency balances is inflated.

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17 30. The members of the proposed Class are ascertainable and can be identified by
18 review and analysis of Toyota Financial Services's business records, and the members of the
19 proposed Class are so numerous that the individual joinder of all Class members in one action
20 would be impracticable.

21
22 31. Common questions of law and fact arising out of the claims here at issue exist
23 as to the members of the proposed Class and predominate over any individual issues. These
24 common legal and factual questions include, but are not limited to, the following: (i) whether
25 Toyota Financial Services violated California law by sending Class members Notices of Intent
26 that impermissibly included charges for monthly payments that were not yet due when Toyota
27 Financial Services repossessed the Class members' vehicles; (ii) whether Toyota Financial
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1 Services violated California law by sending Class members Account Statements that contain
2 charges for repossession, storage, reconditioning, sale, auction, and transportation costs that
3 are greater than the amount of such charges in the Class members' Notices of Intent; (iii)
4 whether Toyota Financial Services violated California law by sending Class members Account
5 Statements that merely ostensibly, but not really, contained credits for the Class members'
6 refundable security deposits; (iv) whether Toyota Financial Services's violation of California
7 law precludes it from attempting to collect deficiency balances from the Class members; (v)
8 whether the Class members are entitled to restitution for all amounts previously paid to Toyota
9 Financial Services towards their supposed deficiency balances; (vi) whether the Class members'
10 are entitled to an injunction preventing Toyota Financial Services from reporting to credit
11 reporting agencies that the Class members owe deficiency balances to Toyota Financial
12 Services; and (vii) whether the Class members are entitled to an injunction that prohibits
13 Toyota Financial Services from continuing to engage in the illegal acts and practices detailed
14 in this Complaint.

19 32. Plaintiff's claims are typical of the claims of the Class members. Plaintiff and all
20 Class members all had their vehicles repossessed by Toyota Financial Services, all received
21 Notices of Intent from Toyota Financial Services that contained inflated charges and did not
22 comply with California law, and all later received Account Statements from Toyota Financial
23 Services that included unlawful and inflated charges. Further, Plaintiff and the Class members
24 have all been subject to Toyota Financial Services's attempts to collect from them deficiency
25 balances that Plaintiff and the Class members did not actually owe to Toyota Financial
26 Services. Thus, Plaintiff and all the Class members have had their legal rights infringed upon,
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1 sustained injuries, losses, and damages as described herein and/or are facing irreparable harm
2 arising out of the Toyota Financial Services's common courses of conduct.

3
4 33. Plaintiff will fairly and adequately protect the interests of all of the Class
5 members. Plaintiff has no irreconcilable conflicts with or interests materially antagonistic to
6 those of the other Class members.

7
8 34. Plaintiff has retained an attorney experienced in the prosecution of class actions,
9 including consumer class actions.

10 35. A class action is superior to other available methods for the fair and efficient
11 group wide adjudication of these controversies and, as applicable, possesses substantial
12 benefits. Individual joinder of all Class members is impracticable, and no other group method
13 of adjudication of all claims asserted herein is more efficient and manageable while at the same
14 time providing all the remedies available to ensure the full purpose of California's consumer
15 protection laws are effectuated. Furthermore, as the damages suffered by each member of the
16 Class may be relatively small and the relief sought discrete, the expense and burden of
17 individual litigation in order to obtain such relief would make it difficult or impossible for
18 individual Class members to redress the wrongs done to them, and the cost to the court system
19 of adjudicating such litigation on an individual basis would be substantial. To counsel's
20 knowledge there has not been any substantial litigation concerning this controversy
21 commenced against the parties. It is not anticipated that there will be any difficulties in the
22 management of this litigation due to the focus of the wrongdoing on Toyota Financial Services's
23 conduct and its knowledge of the true facts. Individualized litigation would also present the
24 potential for varying, inconsistent, or contradictory judgments and would magnify the delay
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1 and expense to all parties and the court system resulting from multiple trials of the same factual
2 and legal issues. The conduct of this action as a class action presents fewer management
3 difficulties, conserves the resources of the parties and the court system, and protects the rights
4 of each Class member as compared to other methods for the group wide adjudication of this
5 controversy. Thus, the Class and the court system achieve substantial benefits by the
6 prosecution of this action on a class wide basis by avoiding the burden of multiple litigation
7 involving identical claims, as well as by aiding legitimate business enterprises in curtailing
8 illegitimate competition and ensuring a therapeutic effect on those companies, such as Toyota
9 Financial Services, that indulge in illegal practices.

12
13 36. Notice of the pendency of and any resolution of this action can be provided to
14 the Class members by publication and/or individual mailed or emailed notice, as appropriate
15 under California law, and such costs are properly imposed on Toyota Financial Services.

16
17 37. This action may also be properly certified to proceed on a class-wide basis
18 because: (i) the prosecution of separate actions by the individual Class members would create
19 a risk of inconsistent or varying adjudications with respect to individual Class members, thus
20 establishing incompatible standards of conduct for Toyota Financial Services; (ii) because of
21 the nature of the types of relief sought, the prosecution of separate actions by individual Class
22 members would create a risk of adjudication with respect to them that would, as a practical
23 matter, be dispositive of the interests of the other Class members not parties to such
24 adjudications, or could substantially impair or impede the ability of such Class members to
25 protect their interests; (iii) Toyota Financial Services has acted or refuses to act in respects
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1 generally applicable to the Class, thereby making appropriate final injunctive relief with regard
2 to the members of the Class in terms of the equitable relief sought.

3
4 FIRST CAUSE OF ACTION

5 Violation of Consumers Legal Remedies Act – Injunctive Relief Only

6 (By Plaintiff, on behalf of himself and all of the Class A members, against Toyota Financial
7 Services and Does 1 through 75)

8
9 38. Plaintiff hereby incorporates by reference the allegations in Paragraphs 1
10 through 37.

11 39. The Toyota Camry and the vehicles leased by the Class A members are “goods”
12 leased for primarily for personal, family, or household purposes pursuant to Civil Code Section
13 1761(a).

14 40. Plaintiff and the Class A members are “consumers” pursuant to Civil Code
15 Section 1761(d).

16 41. Toyota Financial Services is a “person” pursuant to Civil Code Section 1761(c).

17 42. The leasing of automobiles to Plaintiff and the Class A members, as well as
18 Toyota Financial Services’s repossession and disposal of Plaintiff and the Class A members’
19 vehicles, the mailing of Notices of Intent, the mailing of Account Statements, and Toyota
20 Financial Services’s attempts to collect deficiency balances are “transactions” pursuant to Civil
21 Code Section 1761(e).

22 43. The liability of Plaintiff and the Class A members to Toyota Financial Services
23 after the repossession and disposal of their automobiles may not exceed the sum of the charges
24 listed in California Civil Code Section 2987(b).

1 44. Under California Civil Code Sections 2987(d)(2)(B) and 2987(d)(3), Toyota
2 Financial Services is prohibited from collecting deficiency balances from lessees unless, prior
3 to the disposition of the lessees' automobiles, it sends the lessees Notices of Intent that
4 accurately itemize the lessees' Gross Early Termination Amounts in accordance with California
5 Civil Code Section 2987(d)(2)(B).
6

7 45. Plaintiff and the Class A members' lease contracts terminated upon Toyota
8 Financial Services's repossession of their automobiles.
9

10 46. Toyota Financial Services repossessed Plaintiff and all Class A members'
11 automobiles, and then sent them Notices of Intent that improperly, illegally, and fraudulently
12 included charges for purported missed payments that supposedly became due *after* Toyota
13 Financial Services had repossessed their vehicles. As a result, the Notices of Intent that Toyota
14 Financial Services sent to Plaintiff and the Class A members failed to accurately itemize the
15 Gross Early Termination Amounts in accordance with California Civil Code Section
16 2987(d)(2)(B). Specifically, in Plaintiff and all Class A members' Notices of Intent the amounts
17 disclosed as the "Adjusted Lease Balance," "Accrued But Unpaid Lease Payments," and "Gross
18 Early Termination Amount" were all inaccurate. Further, in the Notices of Intent that it sent
19 to Plaintiff and the Class A members Toyota Financial Services misrepresented that Plaintiff
20 and the Class A members' Gross Early Termination Amounts were greater than they actually
21 were.
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25 47. Because Toyota Financial Services failed to comply with California Civil Code
26 Sections 2987(d)(2)(B), under Civil Code Section 2987(d)(3), Toyota Financial Services was,
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1 and is, prohibited from collecting deficiency balances from Plaintiff and all the Class A
2 members.

3
4 48. Toyota Financial Services sent Plaintiff and all Class A members Account
5 Statements misrepresenting that Plaintiff and the Class A members owe Toyota Financial
6 Services deficiency balances, when in fact Toyota Financial Services is and was prohibited
7 from collecting deficiency balances from Plaintiff and the Class A members because of its
8 failure to provide Plaintiff and the Class A members with accurate Notices of Intent.
9

10 49. Toyota Financial Services has collected, or attempted to collect, deficiency
11 balances from Plaintiff and all the Class A members, even though it is not legally entitled to
12 do so, and further damaged Plaintiff and the Class A members by misrepresenting to credit
13 reporting agencies that Plaintiff and the Class A members owe deficiency balances to Toyota
14 Financial Services.
15

16 50. The CLRA prohibits the following acts: (i) misrepresenting that transactions
17 confer or involve rights, remedies, or obligations which they did not have or involve, or which
18 are prohibited by law; and (ii) failing to make a disclosure that person is otherwise required by
19 law to make.
20

21
22 51. Toyota Financial Services violated, and continues to violate, the CLRA by: (1)
23 sending consumers (including Plaintiff and all Class A members) Notices of Intent that inflate
24 and fail to accurately itemize lessees' Gross Early Termination Amounts; (2) misrepresenting
25 to lessees (including Plaintiff and all Class A members) that Toyota Financial Services is entitled
26 to collect deficiency balances when it is not; (3) attempting to collect deficiency balances from
27 lessees (including Plaintiff and all Class A members) who do not actually owe deficiency
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1 balances to Toyota Financial Services; and (4) reporting to credit reporting agencies that lessees
2 (including Plaintiff and all Class A members) owe deficiency balances to Toyota Financial
3 Services when in reality no such deficiency balances are owed.
4

5 52. Plaintiff is concurrently serving Toyota Financial Services with a CLRA
6 notification and demand letter via certified mail, return receipt requested. The notice letter
7 sets forth the relevant facts, notifies Toyota Financial Services of its CLRA violations, and
8 requests that Toyota Financial Services promptly remedy those violations.
9

10 53. Under the CLRA, a plaintiff may without prior notification file a complaint
11 alleging violations of the CLRA that seeks injunctive relief only. Then, if the defendant does
12 not remedy the CLRA violations within 30 days of notification, the plaintiff may amend her or
13 his CLRA causes of action without leave of court to add claims for damages. Plaintiff will
14 amend this complaint to add damages claims if Toyota Financial Services does not remedy its
15 violations within the statutory period.
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18 54. Under the CLRA, Plaintiff and the Class A members are entitled to an injunction
19 that: (1) prohibits Toyota Financial Services from continuing to send lessees Notices of Intent
20 containing false, inflated, and inaccurate itemizations of the lessees' Gross Early Termination
21 Amounts; (2) prohibits Toyota Financial Services from continuing to attempt to collect from
22 Plaintiff and the Class A members deficiency balances that Plaintiff and the Class A members
23 do not actually owe to Toyota Financial Services; (3) prohibits Toyota Financial Services from
24 reporting or continuing to report to credit reporting agencies that Plaintiff and the Class A
25 members owe deficiency balances to Toyota Financial Services; and (4) requiring that Toyota
26 Financial Services notify the credit reporting agencies to which it has previously made false
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1 reports that Plaintiff and the Class A members do not owe and never owed deficiency balances
2 to Toyota Financial Services.

3
4 SECOND CAUSE OF ACTION

5 Declaratory Relief

6 (By Plaintiff, on behalf of himself and all of the Class A members, against Toyota Financial
7 Services and Does 1 through 75)

8
9 55. Plaintiff hereby incorporates by reference the allegations in Paragraphs 1
10 through 54.

11 56. There currently exists between the parties an actual controversy regarding the
12 parties' respective rights and liabilities relating to whether Plaintiff and the Class A members
13 owe Toyota Financial Services lease deficiency balances, whether Plaintiff and the Class A
14 members are entitled to damages and/or restitution equal to the amount of all deficiency
15 balances previously collected, whether Plaintiff and the Class A members ever owed Toyota
16 Financial Services any deficiency balances, whether Toyota Financial Services was legally
17 justified in reporting to credit reporting agencies that Plaintiff and the Class A members owed
18 deficiency balances to Toyota Financial Services, and whether Toyota Financial Services is
19 required to notify credit reporting agencies of its prior false reports asserting that Plaintiff and
20 the Class A members owed deficiency balances to Toyota Financial Services.

21
22 57. Plaintiff and the Class A members are without an adequate remedy at law
23 rendering declaratory relief, in the form of injunctive and/or other equitable relief, appropriate
24 in that: (a) damages may not adequately compensate Plaintiff and the Class A members, nor
25 may other claims for relief permit such an award; (b) the relief sought attempting to stop Toyota
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1 Financial Services from engaging in illegal business acts and/or practices may not be fully
2 accomplished by awarding damages; (c) if Toyota Financial Services's conduct is not enjoined,
3 then significant harm will result to Plaintiff and the Class A members because Toyota Financial
4 Services's conduct is ongoing, and the injuries that result therefrom are continuous in nature.
5

6 58. Plaintiff and the Class A members may and will suffer irreparable harm if Toyota
7 Financial Services is not ordered to cease their illegal practices.
8

9 59. Accordingly, Plaintiff and the Class A members request the Court issue the
10 following relief: (1) a judicial determination and declaration of the rights of Plaintiff and the
11 Class A members, and the corresponding responsibilities of Toyota Financial Services,
12 including a declaration that Plaintiff and the Class A members do not and have not owed any
13 lease deficiency balances to Toyota Financial Services, and that Toyota Financial Services is
14 prohibited from attempting collect deficiency balances from Plaintiff and the Class A members;
15 (2) that Toyota Financial Services be ordered to cease and desist from failing to send lessees
16 whose automobiles it has repossessed Notices of Intent that properly and accurately itemize
17 the charges included in such lessees' Gross Early Termination Amounts; and (3) that Toyota
18 Financial Services was not, and is not, legally entitled to report to credit reporting agencies that
19 Plaintiff and the Class A members ever owed lease deficiency balances to Toyota Financial
20 Services, and that Toyota Financial Services is obligated to notify the credit reporting agencies
21 to which it previously made false reports that such reports were false and that Plaintiff and the
22 Class A members do not and never owed deficiency balances to Toyota Financial Services.
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1 THIRD CAUSE OF ACTION

2 Unfair Competition

3 (By Plaintiff, on behalf of himself and the general public, against Toyota Financial Services
4 and Does 1 through 75)
5

6 60. Plaintiff hereby incorporates by reference the allegations in Paragraphs 1
7 through 59.
8

9 61. Toyota Financial Services's acts, omissions, misrepresentations, practices, and
10 non-disclosures constituted unlawful, unfair, and fraudulent business acts and practices within
11 the meaning of California Business & Professions Code Sections 17200 *et seq.*
12

13 62. Plaintiff suffered injury in fact and lost money and property as a result of Toyota
14 Financial Services's unfair competition. Such injury and losses includes, but are not limited to,
15 the fact that (1) Toyota Financial Services charged Plaintiff for supposedly "overdue" lease
16 payments which were not yet due when the Toyota Camry was repossessed, and which never
17 became due, (2) Toyota Financial Services illegally inflated Plaintiff's Gross Early Termination
18 Amount, (3) Toyota Financial Services is attempting to collect from Plaintiff a deficiency
19 balance that Plaintiff does not actually owe to Toyota Financial Services, and (4) Toyota
20 Financial Services reported to credit reporting agencies that Plaintiff owes a deficiency balance
21 to Toyota Financial Services, and the result of such reporting has been the reduction of
22 Plaintiff's credit ratings and credit scores, even though Toyota Financial Services's reports were
23 false and Plaintiff does not actually owe a deficiency balance to Toyota Financial Services.
24
25

26 63. Toyota Financial Services has engaged in "unlawful" business acts and practices
27 by: (1) charging lessees for supposedly "overdue" lease payments which were not due at the
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1 time their automobiles were repossessed and which never because due; (2) sending Notices of
2 Intent that inflated and failed to accurately itemize lessees' Gross Early Termination Amounts;
3
4 (3) attempting to collect deficiency balances from lessees when it is not legally entitled to do
5 so; and (4) reporting to credit reporting agencies that lessees owe deficiency balances to Toyota
6 Financial Services, and thereby causing such lessees' credit ratings and credit scores to be
7 reduced, when in reality no deficiency balances are owed and such reports to credit reporting
8 agencies are false. These acts and practices were intended to and did violate California Civil
9 Code Sections 1709 and 2987 and the CLRA.
10

11 64. Toyota Financial Services has also engaged in “fraudulent” business acts or
12 practices in that the representations and omissions of material fact described above have a
13 tendency and likelihood to deceive lessees of these vehicles and the general public.
14

15 65. Toyota Financial Services has also engaged in “unfair” business acts or practices
16 in that the justification for its misrepresentations and omissions of material fact delineated
17 above is outweighed by the gravity of the resulting harm, particularly considering the available
18 alternatives, and offends public policy, is immoral, unscrupulous, unethical, and offensive, or
19 causes substantial injury to consumers.
20

21 66. The above described unlawful, fraudulent, or unfair business acts and practices
22 conducted by Toyota Financial Services continue to this day and present a threat to the general
23 public in that Toyota Financial Services has failed to publicly acknowledge the wrongfulness
24 of its actions and provide full equitable injunctive and monetary relief as required by the
25 statute.
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1 67. Pursuant to California Business & Professions Code Section 17203, Plaintiff, on
2 behalf of the general public, seeks and is entitled to an order of this Court requiring Toyota
3 Financial Services to immediately cease such acts of unfair competition and enjoining Toyota
4 Financial Services from continuing to conduct business via the unlawful, fraudulent, and/or
5 unfair business acts and practices set forth in this Complaint and from failing to fully disclose
6 the true nature of its misrepresentations, and ordering Toyota Financial Services to engage in
7 a corrective notice and advertising campaign. Specifically, Plaintiff, on behalf of the general
8 public, is entitled to an injunction that (1) prohibits Toyota Financial Services from continuing
9 to send lessees Notices of Intent containing false, inflated, and inaccurate itemizations of the
10 lessees' Gross Early Termination Amounts; (2) prohibits Toyota Financial Services from
11 continuing to attempt to collect from lessees deficiency balances that such lessees do not
12 actually owe to Toyota Financial Services; (3) prohibits Toyota Financial Services from
13 reporting or continuing to report to credit reporting agencies that lessees owe deficiency
14 balances to Toyota Financial Service that such lessees do not actually owe; and (4) requiring
15 Toyota Financial Services to notify the credit reporting agencies to which it has previously
16 made false deficiency balance reports that such reports were false. Plaintiff, on behalf of the
17 general public, is also entitled to an order requiring Toyota Financial Services to provide
18 complete equitable monetary relief so as to prevent Toyota Financial Services from benefitting
19 from the practices that constitute unfair competition or the use or employment of any monies
20 resulting from such unfair competition, including requiring the payment of restitution of any
21 monies as may be necessary to restore to the general public any money or property which may
22 have been acquired by means of such acts of unfair competition.
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1 Financial Services's attempts to collect deficiency balances are "transactions" pursuant to Civil
2 Code Section 1761(e).

3
4 74. The liability of Plaintiff and the Class B members to Toyota Financial Services
5 after the repossession and disposal of their automobiles may not exceed the sum of the charges
6 listed in California Civil Code Section 2987(b).

7
8 75. Under California Civil Code Sections 2987(d)(2)(B) and 2987(d)(3), Toyota
9 Financial Services is prohibited from collecting deficiency balances from lessees unless, prior
10 to the disposition of the lessees' automobiles, it sends the lessees Notices of Intent that
11 accurately itemize the lessees' Gross Early Termination Amounts in accordance with California
12 Civil Code Section 2987(d)(2)(B).

13
14 76. Toyota Financial Services repossessed Plaintiff and all Class B members'
15 automobiles, and then sent Plaintiff and the Class B members Notices of Intent that contained
16 specified amounts of charges for repossession, storage, reconditioning, sale, auction, and
17 transportation costs.

18
19 77. Toyota Financial Services later sold or otherwise disposed of Plaintiff and the
20 Class B members' automobiles, and then sent Plaintiff and the Class B members Account
21 Statements that contained charges for repossession, storage, reconditioning, sale, auction, and
22 transportation costs that were greater than the amount of such charges itemized in the Notice
23 of Intent.

24
25
26 78. Toyota Financial Services violated California Civil Code Sections 2987(d)(2)(B)
27 by failing to send Plaintiff and the Class B members Notices of Intent that accurately itemized
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1 the amounts Plaintiff and the Class B members would owe for repossession, storage,
2 reconditioning, sale, auction, and transportation costs.

3
4 79. Because Toyota Financial Services failed to comply with California Civil Code
5 Sections 2987(d)(2)(B), under Civil Code Section 2987(d)(3), Toyota Financial Services was,
6 and is, prohibited from collecting deficiency balances from Plaintiff and all the Class B
7 members.

8
9 80. Toyota Financial Services sent Plaintiff and all Class B members Account
10 Statements misrepresenting that Plaintiff and the Class B members owe Toyota Financial
11 Services deficiency balances, when in fact Toyota Financial Services is and was prohibited
12 from collecting deficiency balances from Plaintiff and the Class B members because of its
13 failure to provide Plaintiff and the Class B members with accurate Notices of Intent.

14
15 81. Toyota Financial Services has collected, or attempted to collect, deficiency
16 balances from Plaintiff and all the Class B members, even though it is not legally entitled to do
17 so, and further damaged Plaintiff and the Class B members by misrepresenting to credit
18 reporting agencies that Plaintiff and the Class B members owe deficiency balances to Toyota
19 Financial Services.

20
21
22 82. The CLRA prohibits the following acts: (i) misrepresenting that transactions
23 confer or involve rights, remedies, or obligations which they did not have or involve, or which
24 are prohibited by law; and (ii) failing to make a disclosure that person is otherwise required by
25 law to make.

26
27 83. Toyota Financial Services violated, and continues to violate, the CLRA by (1)
28 sending consumers (including Plaintiff and all Class B members) Notices of Intent that fail to

1 accurately itemize the amounts that Plaintiff and the Class B members will be charged for
2 repossession, storage, reconditioning, sale, auction, and transportation costs.; (2)
3 misrepresenting to lessees (including Plaintiff and all Class B members) that Toyota Financial
4 Services is entitled to collect deficiency balances when it is not; (3) attempting to collect
5 deficiency balances from lessees (including Plaintiff and all Class B members) who do not
6 actually owe deficiency balances to Toyota Financial Services; and (4) reporting to credit
7 reporting agencies that lessees (including Plaintiff and all Class B members) owe deficiency
8 balances to Toyota Financial Services when in reality no such deficiency balances are owed.
9

10
11 84. Plaintiff is concurrently serving Toyota Financial Services with a CLRA
12 notification and demand letter via certified mail, return receipt requested. The notice letter
13 sets forth the relevant facts, notifies Toyota Financial Services of its CLRA violations, and
14 requests that Toyota Financial Services promptly remedy those violations.
15

16
17 85. Under the CLRA, a plaintiff may without prior notification file a complaint
18 alleging violations of the CLRA that seeks injunctive relief only. Then, if the defendant does
19 not remedy the CLRA violations within 30 days of notification, the plaintiff may amend her or
20 his CLRA causes of action without leave of court to add claims for damages. Plaintiff will
21 amend this complaint to add damages claims if Toyota Financial Services does not remedy its
22 violations within the statutory period.
23

24 86. Under the CLRA, Plaintiff and the Class B members are entitled to an injunction
25 that: (1) prohibits Toyota Financial Services from continuing to send lessees Notices of Intent
26 containing that fail to accurately itemize the amounts that such lessees will be charged for
27 repossession, storage, reconditioning, sale, auction, and transportation costs (2) prohibits
28

1 Toyota Financial Services from continuing to attempt to collect from Plaintiff and the Class B
2 members deficiency balances that Plaintiff and the Class B members do not actually owe to
3 Toyota Financial Services; (3) prohibits Toyota Financial Services from reporting or continuing
4 to report to credit reporting agencies that Plaintiff and the Class B members owe deficiency
5 balances to Toyota Financial Services; and (4) requiring that Toyota Financial Services notify
6 the credit reporting agencies to which it has previously made false reports that Plaintiff and the
7 Class B members do not owe and never owed deficiency balances to Toyota Financial Services.
8
9

10 FIFTH CAUSE OF ACTION

11 Declaratory Relief

12 (By Plaintiff, on behalf of himself and all of the Class B members, against Toyota Financial
13 Services and Does 1 through 75)
14

15 87. Plaintiff hereby incorporates by reference the allegations in Paragraphs 1
16 through 86.
17

18 88. There currently exists between the parties an actual controversy regarding the
19 parties' respective rights and liabilities relating to whether Plaintiff and the Class B members
20 owe Toyota Financial Services lease deficiency balances, whether Plaintiff and the Class B
21 members are entitled to damages and/or restitution equal to the amount of all deficiency
22 balances previously collected, whether Plaintiff and the Class B members ever owed Toyota
23 Financial Services any deficiency balances, whether Toyota Financial Services was legally
24 justified in reporting to credit reporting agencies that Plaintiff and the Class B members owed
25 deficiency balances to Toyota Financial Services, and whether Toyota Financial Services is
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1 required to notify credit reporting agencies of its prior false reports asserting that Plaintiff and
2 the Class B members owed deficiency balances to Toyota Financial Services.

3
4 89. Plaintiff and the Class B members are without an adequate remedy at law
5 rendering declaratory relief, in the form of injunctive and/or other equitable relief, appropriate
6 in that: (a) damages may not adequately compensate Plaintiff and the Class B members, nor
7 may other claims for relief permit such an award; (b) the relief sought attempting to stop Toyota
8 Financial Services from engaging in illegal business acts and/or practices may not be fully
9 accomplished by awarding damages; (c) if Toyota Financial Services's conduct is not enjoined,
10 then significant harm will result to Plaintiff and the Class B members because Toyota Financial
11 Services's conduct is ongoing, and the injuries that result therefrom are continuous in nature.
12

13
14 90. Plaintiff and the Class B members may and will suffer irreparable harm if Toyota
15 Financial Services is not ordered to cease their illegal practices.
16

17 91. Accordingly, Plaintiff and the Class B members request the Court issue the
18 following relief: (1) a judicial determination and declaration of the rights of Plaintiff and the
19 Class B members, and the corresponding responsibilities of Toyota Financial Services,
20 including a declaration that Plaintiff and the Class B members do not and have not owed any
21 lease deficiency balances to Toyota Financial Services, and that Toyota Financial Services is
22 prohibited from attempting collect deficiency balances from Plaintiff and the Class B members;
23 (2) that Toyota Financial Services be ordered to cease and desist from sending lessees whose
24 automobiles it has repossessed Notices of Intent that fail to properly and accurately itemize the
25 charges included in such lessees' Gross Early Termination Amounts; and (3) that Toyota
26 Financial Services was not, and is not, legally entitled to report to credit reporting agencies that
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1 Plaintiff and the Class B members ever owed lease deficiency balances to Toyota Financial
2 Services, and that Toyota Financial Services is obligated to notify the credit reporting agencies
3 to which it previously made false reports that such reports were false and that Plaintiff and the
4 Class B members do not and never owed deficiency balances to Toyota Financial Services.
5

6 SIXTH CAUSE OF ACTION

7 Unfair Competition

8
9 (By Plaintiff, on behalf of himself and the general public, against Toyota Financial Services
10 and Does 1 through 75)

11 92. Plaintiff hereby incorporates by reference the allegations in Paragraphs 1
12 through 91.
13

14 93. Toyota Financial Services's acts, omissions, misrepresentations, practices, and
15 non-disclosures constituted unlawful, unfair, and fraudulent business acts and practices within
16 the meaning of California Business & Professions Code Sections 17200 *et seq.*
17

18 94. Toyota Financial Services has engaged in "unlawful" business acts and practices
19 by: (1) sending lessees Notices of Intent that failed to accurately itemize the amounts that such
20 lessees would be charged for repossession, storage, reconditioning, sale, auction, and
21 transportation costs; (2) attempting to collect deficiency balances from such lessees when it is
22 not legally entitled to do so; (3) reporting to credit reporting agencies that such lessees owe
23 deficiency balances to Toyota Financial Services, and thereby causing such lessees' credit
24 ratings and credit scores to be reduced. These acts and practices were intended to and did
25 violate California Civil Code Sections 1709 and 2987 and the CLRA.
26
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28

1 95. Toyota Financial Services has also engaged in “fraudulent” business acts or
2 practices in that the representations and omissions of material fact described above have a
3 tendency and likelihood to deceive lessees of these vehicles and the general public.
4

5 96. Toyota Financial Services has also engaged in “unfair” business acts or practices
6 in that the justification for its misrepresentations and omissions of material fact delineated
7 above is outweighed by the gravity of the resulting harm, particularly considering the available
8 alternatives, and offends public policy, is immoral, unscrupulous, unethical, and offensive, or
9 causes substantial injury to consumers.
10

11 97. The above described unlawful, fraudulent, or unfair business acts and practices
12 conducted by Toyota Financial Services continue to this day and present a threat to the general
13 public in that Toyota Financial Services has failed to publicly acknowledge the wrongfulness
14 of its actions and provide full equitable injunctive and monetary relief as required by the
15 statute.
16

17
18 98. Pursuant to California Business & Professions Code Section 17203, Plaintiff, on
19 behalf of the general public, seeks an order of this Court requiring Toyota Financial Services
20 to immediately cease such acts of unfair competition and enjoining Toyota Financial Services
21 from continuing to conduct business via the unlawful, fraudulent, and/or unfair business acts
22 and practices set forth in this Complaint and from failing to fully disclose the true nature of its
23 misrepresentations, and ordering Toyota Financial Services to engage in a corrective notice
24 and advertising campaign. Specifically, Plaintiff, on behalf of the general public, is entitled to
25 an injunction that: (1) prohibits Toyota Financial Services from continuing to send lessees
26 Notices of Intent containing that fail to accurately itemize the amounts that such lessees will be
27
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1 charged for repossession, storage, reconditioning, sale, auction, and transportation costs (2)
2 prohibits Toyota Financial Services from continuing to attempt to collect from such lessees
3 deficiency balances that they do not actually owe to Toyota Financial Services; (3) prohibits
4 Toyota Financial Services from reporting or continuing to report to credit reporting agencies
5 that such lessees owe deficiency balances to Toyota Financial Services; and (4) requiring that
6 Toyota Financial Services notify the credit reporting agencies to which it has previously made
7 false reports that such lessees do not owe and never owed deficiency balances to Toyota
8 Financial Services. Plaintiff, on behalf of the general public, is also entitled to an order
9 requiring that Toyota Financial Services provide complete equitable monetary relief so as to
10 prevent Toyota Financial Services from benefitting from the practices that constitute unfair
11 competition or the use or employment of any monies resulting from such unfair competition,
12 including requiring the payment of restitution of any monies as may be necessary to restore to
13 the general public any money or property which may have been acquired by means of such
14 acts of unfair competition.

19 99. Under Business & Professions Code Section 17203, Plaintiff, on behalf of the
20 general public, is also entitled to equitable declaratory relief determining that Toyota Financial
21 Services may not collect deficiency balances from the lessees subject to the unlawful, unfair,
22 and fraudulent business acts and practices described above, and also determining that Toyota
23 Financial Services must make restitution of any supposed deficiency balance amounts that
24 Toyota Financial Services has previously collected such persons.

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1 SEVENTH CAUSE OF ACTION

2 Violation of Consumers Legal Remedies Act – Injunctive Relief Only

3
4 (By Plaintiff, on behalf of himself and all of the Class C members, against Toyota Financial
5 Services and Does 1 through 75)

6 100. Plaintiff hereby incorporates by reference the allegations in Paragraphs 1
7 through 99.

8
9 101. The Toyota Camry and the vehicles leased by the Class C members are “goods”
10 leased for primarily for personal, family, or household purposes pursuant to Civil Code Section
11 1761(a).

12
13 102. Plaintiff and the Class C members are “consumers” pursuant to Civil Code
14 Section 1761(d).

15 103. Toyota Financial Services is a “person” pursuant to Civil Code Section 1761(c).

16
17 104. The leasing of automobiles to Plaintiff and the Class C members, as well as
18 Toyota Financial Services’s repossession and disposal of Plaintiff and the Class C members’
19 vehicles, the mailing of Notices of Intent, the mailing of Account Statements, and Toyota
20 Financial Services’s attempts to collect deficiency balances are “transactions” pursuant to Civil
21 Code Section 1761(e).

22
23 105. The liability of Plaintiff and the Class C members to Toyota Financial Services
24 after the repossession and disposal of their automobiles may not exceed the sum of the charges
25 listed in California Civil Code Section 2987(b).

26
27 106. Under California Civil Code Sections 2987(d)(2)(B) and 2987(d)(3), Toyota
28 Financial Services is prohibited from collecting deficiency balances from lessees unless, prior

1 to the disposition of the lessees' automobiles, it sends the lessees Notices of Intent that
2 accurately itemize the lessees' Gross Early Termination Amounts in accordance with California
3 Civil Code Section 2987(d)(2)(B).
4

5 107. Toyota Financial Services repossessed Plaintiff and all Class C members'
6 automobiles, and then sent Plaintiff and the Class C members Notices of Intent that disclosed
7 Plaintiff and the Class C members' Adjusted Lease Balances, which were equal to the "Unpaid
8 Gross Lease Balance" less the unearned rent charge.
9

10 108. Toyota Financial Services later sold or otherwise disposed of Plaintiff and the
11 Class C members' automobiles, and then sent Plaintiff and the Class C members Account
12 Statements. In those Account Statements, Toyota Financial Services changed the name of
13 what it had previously referred to (in the Notices of Intent) as Plaintiff and the Class Members'
14 "Unpaid Gross Lease Balances." That is, instead of using the term "Unpaid Gross Lease
15 Balance," in the Account Statements that it sent to Plaintiff and the Class C members Toyota
16 Financial Services referred to this amount as the "Contract Receivable."
17
18

19 109. In addition to changing the name from "Unpaid Gross Lease Balance" to
20 "Contract Receivable," in its Account Statements Toyota Financial Services also, without any
21 legal authority for doing so (and solely for the purpose of illegally inflating Plaintiff and the
22 Class C members' deficiency balances), increased the amounts of Plaintiff and the Class C
23 members' "Contract Receivables."
24

25 110. Toyota Financial Services violated California Civil Code Sections 2987(d)(2)(B)
26 by failing to send Plaintiff and the Class C members Notices of Intent that accurately disclosed
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1 the Contract Receivable/Unpaid Gross Lease Balance that Toyota Financial Services actually
2 intended to charge Plaintiff and the Class C members.

3
4 111. Toyota Financial Services also violated California Civil Code Sections 2987(b)
5 by attempting to collect from Plaintiff and the Class C members more than the maximum
6 amount permitted by California law after the repossession of an automobile lease.

7
8 112. Because Toyota Financial Services failed to comply with California Civil Code
9 Sections 2987(d)(2)(B) and 2987(b), under Civil Code Section 2987(d)(3), Toyota Financial
10 Services was, and is, prohibited from collecting deficiency balances from Plaintiff and all the
11 Class C members.

12
13 113. Toyota Financial Services sent Plaintiff and all Class C members Account
14 Statements misrepresenting that Plaintiff and the Class C members owe Toyota Financial
15 Services deficiency balances, when in fact Toyota Financial Services is and was prohibited
16 from collecting deficiency balances from Plaintiff and the Class C members because of its
17 failure to provide Plaintiff and the Class C members with accurate Notices of Intent. Further,
18 even if Toyota Financial Services was legally permitted to collect deficiency balances from
19 Plaintiff and the Class C members (which it is not), Toyota Financial Services inflated the
20 amounts of the supposed deficiency balances by unlawfully increasing the "Unpaid Gross
21 Lease Balance" amount. Toyota Financial Services attempted to conceal its unlawful inflation
22 of deficiency balances by changing the name of the "Unpaid Gross Lease Balance" to "Contract
23 Receivable" so that it would be more difficult for Plaintiff and the Class C members to notice
24 that Toyota Financial Services had unlawfully increased this amount.
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1 114. Toyota Financial Services has collected, or attempted to collect, deficiency
2 balances from Plaintiff and all the Class C members, even though it is not legally entitled to
3 do so, and further damaged Plaintiff and the Class C members by inflating their deficiency
4 balances and misrepresenting to credit reporting agencies that Plaintiff and the Class C
5 members owe deficiency balances to Toyota Financial Services.
6

7 115. The CLRA prohibits the following acts: (i) misrepresenting that transactions
8 confer or involve rights, remedies, or obligations which they did not have or involve, or which
9 are prohibited by law; and (ii) failing to make a disclosure that person is otherwise required by
10 law to make.
11

12 116. Toyota Financial Services violated, and continues to violate, the CLRA by (1)
13 sending consumers (including Plaintiff and all Class C members) Notices of Intent that failed
14 to accurately disclose the "Unpaid Gross Lease Balance/Contract Receivable" that Toyota
15 Financial Services actually intended to charge Plaintiff and the Class C members; (2) unlawfully
16 inflating lessees' (including Plaintiff and the Class C members) deficiency balances; (3)
17 attempting to collect deficiency balances from lessees (including Plaintiff and the Class C
18 members) that are greater than the amounts permitted by California law; (4) misrepresenting
19 to lessees (including Plaintiff and all Class C members) that Toyota Financial Services is entitled
20 to collect deficiency balances when it is not; (5) attempting to collect deficiency balances from
21 lessees (including Plaintiff and all Class C members) who do not actually owe deficiency
22 balances to Toyota Financial Services; and (6) reporting to credit reporting agencies that lessees
23 (including Plaintiff and all Class C members) owe deficiency balances to Toyota Financial
24 Services when in reality no such deficiency balances are owed.
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1 117. Plaintiff is concurrently serving Toyota Financial Services with a CLRA
2 notification and demand letter via certified mail, return receipt requested. The notice letter
3 sets forth the relevant facts, notifies Toyota Financial Services of its CLRA violations, and
4 requests that Toyota Financial Services promptly remedy those violations.
5

6 118. Under the CLRA, a plaintiff may without prior notification file a complaint
7 alleging violations of the CLRA that seeks injunctive relief only. Then, if the defendant does
8 not remedy the CLRA violations within 30 days of notification, the plaintiff may amend her or
9 his CLRA causes of action without leave of court to add claims for damages. Plaintiff will
10 amend this complaint to add damages claims if Toyota Financial Services does not remedy its
11 violations within the statutory period.
12
13

14 119. Under the CLRA, Plaintiff and the Class C members are entitled to an injunction
15 that prohibits Toyota Financial Services from: (1) sending lessees Notices of Intent that fail to
16 accurately disclose the "Unpaid Gross Lease Balance/Contract Receivable" that Toyota
17 Financial Services actually intends to charge them; (2) unlawfully inflating lessees' deficiency
18 balances; (3) attempting to collect deficiency balances from lessees that are greater than the
19 amounts permitted by California law; (4) misrepresenting to lessees that Toyota Financial
20 Services is entitled to collect deficiency balances when it is not; (5) attempting to collect
21 deficiency balances from lessees who do not actually owe deficiency balances to Toyota
22 Financial Services; and (6) reporting to credit reporting agencies that lessees owe deficiency
23 balances to Toyota Financial Services when in reality no such deficiency balances are owed.
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1 EIGHTH CAUSE OF ACTION

2 Declaratory Relief

3
4 (By Plaintiff, on behalf of himself and all of the Class C members, against Toyota Financial
5 Services and Does 1 through 75)

6 120. Plaintiff hereby incorporates by reference the allegations in Paragraphs 1
7 through 119.

8
9 121. There currently exists between the parties an actual controversy regarding the
10 parties' respective rights and liabilities relating to whether Plaintiff and the Class C members
11 owe Toyota Financial Services lease deficiency balances, whether Plaintiff and the Class C
12 members are entitled to damages and/or restitution equal to the amount of all deficiency
13 balances previously collected, whether Plaintiff and the Class C members ever owed Toyota
14 Financial Services any deficiency balances, whether Toyota Financial Services was legally
15 justified in reporting to credit reporting agencies that Plaintiff and the Class C members owed
16 deficiency balances to Toyota Financial Services, and whether Toyota Financial Services is
17 required to notify credit reporting agencies of its prior false reports asserting that Plaintiff and
18 the Class C members owed deficiency balances to Toyota Financial Services.

19
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21 122. Plaintiff and the Class C members are without an adequate remedy at law
22 rendering declaratory relief, in the form of injunctive and/or other equitable relief, appropriate
23 in that: (a) damages may not adequately compensate Plaintiff and the Class C members, nor
24 may other claims for relief permit such an award; (b) the relief sought attempting to stop Toyota
25 Financial Services from engaging in illegal business acts and/or practices may not be fully
26 accomplished by awarding damages; (c) if Toyota Financial Services's conduct is not enjoined,
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1 then significant harm will result to Plaintiff and the Class C members because Toyota Financial
2 Services's conduct is ongoing, and the injuries that result therefrom are continuous in nature.

3
4 123. Plaintiff and the Class C members may and will suffer irreparable harm if Toyota
5 Financial Services is not ordered to cease their illegal practices.

6 124. Accordingly, Plaintiff and the Class C members request the Court issue the
7 following relief: (1) a judicial determination and declaration of the rights of Plaintiff and the
8 Class C members, and the corresponding responsibilities of Toyota Financial Services,
9 including a declaration that Plaintiff and the Class C members do not and have not owed any
10 lease deficiency balances to Toyota Financial Services, and that Toyota Financial Services is
11 prohibited from attempting collect deficiency balances from Plaintiff and the Class C members;
12 (2) that Toyota Financial Services be ordered to cease and desist from sending lessees whose
13 automobiles it has repossessed Notices of Intent that fail to properly and accurately itemize the
14 charges included in such lessees' Gross Early Termination Amounts; and (3) that Toyota
15 Financial Services was not, and is not, legally entitled to report to credit reporting agencies that
16 Plaintiff and the Class C members ever owed lease deficiency balances to Toyota Financial
17 Services, and that Toyota Financial Services is obligated to notify the credit reporting agencies
18 to which it previously made false reports that such reports were false and that Plaintiff and the
19 Class C members do not and never owed deficiency balances to Toyota Financial Services.
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1 NINTH CAUSE OF ACTION

2 Unfair Competition

3 (By Plaintiff, on behalf of himself and the general public, against Toyota Financial Services
4 and Does 1 through 75)
5

6 125. Plaintiff hereby incorporates by reference the allegations in Paragraphs 1
7 through 124.
8

9 126. Toyota Financial Services's acts, omissions, misrepresentations, practices, and
10 non-disclosures constituted unlawful, unfair, and fraudulent business acts and practices within
11 the meaning of California Business & Professions Code Sections 17200 *et seq.*
12

13 127. Toyota Financial Services has engaged in "unlawful" business acts and practices
14 by: (1) sending lessees Notices of Intent that failed to accurately disclose the "Unpaid Gross
15 Lease Balance/Contract Receivable" that Toyota Financial Services actually intended to charge
16 Plaintiff and the Class C members; (2) unlawfully inflating such lessees' deficiency balances;
17 (3) attempting to collect deficiency balances from such lessees that are greater than the amounts
18 permitted by California law; (4) misrepresenting to such lessees that Toyota Financial Services
19 is entitled to collect deficiency balances when it is not; (5) attempting to collect deficiency
20 balances from such lessees when they do not actually owe deficiency balances to Toyota
21 Financial Services; and (6) reporting to credit reporting agencies that such lessees owe
22 deficiency balances to Toyota Financial Services when in reality no such deficiency balances
23 are owed. These acts and practices were intended to and did violate California Civil Code
24 Sections 1709 and 2987 and the CLRA.
25
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1 128. Toyota Financial Services has also engaged in “fraudulent” business acts or
2 practices in that the representations and omissions of material fact described above have a
3 tendency and likelihood to deceive lessees of these vehicles and the general public.
4

5 129. Toyota Financial Services has also engaged in “unfair” business acts or practices
6 in that the justification for its misrepresentations and omissions of material fact delineated
7 above is outweighed by the gravity of the resulting harm, particularly considering the available
8 alternatives, and offends public policy, is immoral, unscrupulous, unethical, and offensive, or
9 causes substantial injury to consumers.
10

11 130. The above described unlawful, fraudulent, or unfair business acts and practices
12 conducted by Toyota Financial Services continue to this day and present a threat to the general
13 public in that Toyota Financial Services has failed to publicly acknowledge the wrongfulness
14 of its actions and provide full equitable injunctive and monetary relief as required by the
15 statute.
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18 131. Pursuant to California Business & Professions Code Section 17203, Plaintiff, on
19 behalf of the general public, seeks an order of this Court requiring Toyota Financial Services
20 to immediately cease such acts of unfair competition and enjoining Toyota Financial Services
21 from continuing to conduct business via the unlawful, fraudulent, and/or unfair business acts
22 and practices set forth in this Complaint and from failing to fully disclose the true nature of its
23 misrepresentations, and ordering Toyota Financial Services to engage in a corrective notice
24 and advertising campaign. Specifically, Plaintiff, on behalf of the general public, is entitled to
25 an injunction that prohibits Toyota Financial Services from: (1) sending lessees Notices of Intent
26 that fail to accurately disclose the "Unpaid Gross Lease Balance/Contract Receivable" that
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1 Toyota Financial Services actually intends to charge them; (2) unlawfully inflating such lessees'
2 deficiency balances; (3) attempting to collect deficiency balances from such lessees that are
3 greater than the amounts permitted by California law; (4) misrepresenting to such lessees that
4 Toyota Financial Services is entitled to collect deficiency balances when it is not; (5) attempting
5 to collect deficiency balances from such lessees when they do not actually owe deficiency
6 balances to Toyota Financial Services; and (6) reporting to credit reporting agencies that such
7 lessees owe deficiency balances to Toyota Financial Services when in reality no such deficiency
8 balances are owed. Plaintiff, on behalf of the general public, is also entitled to an order
9 requiring that Toyota Financial Services provide complete equitable monetary relief so as to
10 prevent Toyota Financial Services from benefitting from the practices that constitute unfair
11 competition or the use or employment of any monies resulting from such unfair competition,
12 including requiring the payment of restitution of any monies as may be necessary to restore to
13 the general public any money or property which may have been acquired by means of such
14 acts of unfair competition.

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19 132. Under Business & Professions Code Section 17203, Plaintiff, on behalf of the
20 general public, is also entitled to equitable declaratory relief determining that Toyota Financial
21 Services may not collect deficiency balances from the lessees subject to the unlawful, unfair,
22 and fraudulent business acts and practices described above, and also determining that Toyota
23 Financial Services must make restitution of all supposed deficiency balances that it has
24 previously collected but which were not actually owed to Toyota Financial Services.
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PRAYER FOR RELIEF

Plaintiff prays for the following:

1. An Order certifying the proposed Classes, and appointing Plaintiff and his attorney to represent the Classes;
2. For the declaratory, equitable, and/or injunctive relief as requested on behalf of the Class members and the general public, as requested above;
3. For restitution as requested above on behalf of Plaintiff, the Class members, and the general public;
4. For pre judgment interest at the legal rate;
5. For reasonable attorneys' fees and costs of suit as permitted by the Consumers Legal Remedies Act; and
6. For such other and further relief as the Court deems just and proper under the circumstances.

Date: May 21, 2015

VACHON LAW FIRM



Michael R. Vachon, Esq.
Attorney for Plaintiff and Proposed Class
Representative Gregory Thomas