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

CASE NO. 2:23-cv-9519

MARY SMBATIAN, an individual,
KARL ASATRYAN, an individual,
on behalf of themselves and all others
similarly situated,

Plaintiffs,

v.

CITIBANK, N.A., a Delaware
corporation; **CITIGROUP, INC.**, a
Delaware corporation;
Defendants.

CLASS ACTION COMPLAINT

DEMAND FOR JURY

TRIAL

1 COME NOW Plaintiffs Mary Smbatian and Karl Asatryan (“Plaintiffs”)
2 by and through their attorneys, individually and behalf of all others similarly situated,
3 (“Plaintiffs”), and bring this Class Action against Defendants Citibank, N.A. and
4 Citigroup, Inc., (“Defendants”) pursuant to Rule 23 of the Federal Rules of Civil
5 Procedure, the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691 et seq.;
6 federal civil rights law, 42 U.S.C. § 1981 and 1982; the Unfair Competition Law,
7 BUS. & PROF. CODE § 17200 et seq.; and the California Unruh Civil Rights Act,
8 Cal. Civ. Code §§ 51, 51.5, and 52 (“Unruh Act”). Plaintiffs allege the following
9 based on personal knowledge, information and belief as to known facts:

10 **I. INTRODUCTION**

11 1. Plaintiffs brings this Civil Rights Class Action lawsuit on behalf of
12 themselves and others who have been impacted by Defendants’ discriminatory
13 practices targeting the credit and banking accounts of persons of Armenian descent
14 based on their race, religion, ancestry, citizenship, and/or immigration status.

15 2. On information and belief, Defendants have a near decade long practice
16 of discriminating against Armenian Americans by taking adverse banking actions
17 without any explanation or justification aside from stereotype driven prejudices.

18 3. Some of the actions Defendants took against Armenian Americans, who
19 they identified through their IAN or YAN last names, were to close accounts without
20 reason or justification, refuse credit, reduce credit limits and essentially do everything
21 possible to terminate their relationship with Armenian Americans as a whole because
22 of their ancestry and ethnic origin. When Defendants restricted or closed these
23 accounts, they fabricated the reasons behind the acts, then blocked account holders
24 like the Plaintiffs from access to their banking records.

25 4. Because of Defendants’ discriminatory practices, Plaintiffs and the
26 proposed Class members have also been denied the opportunity to use or obtain
27 financial services from Defendants, such as mortgages, personal loans, bank
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1 accounts, credit accounts, investment opportunities, and financial consulting services
2 for several years.

3 5. Plaintiffs and the members of the Class have suffered direct and
4 proximate damages, including lost time, the loss of rewards points, financial
5 hardships arising from the sudden loss of their accounts, including damage to their
6 credit score and history. They have also suffered the indignity of discrimination,
7 which is the most painful cut of all to a proud and honorable minority group in this
8 country; a group who has long suffered at the hands of bias and prejudice.

9 6. Plaintiffs felt humiliated and demeaned by Defendants' actions, having
10 done nothing to deserve being treated like criminals. They worried that they would be
11 unable to avail themselves of future financial services with Defendants and other
12 financial institutions as the result of this experience.

13 7. Defendants' conduct against Plaintiffs and the Class is an example of a
14 larger pattern of discrimination against persons of Armenia descent based on their
15 race, religion, ancestry, citizenship, and/or immigration status.

16 This case seeks protection and relief for Plaintiffs and the Class they represent from
17 Defendants' discriminatory business practices.

18 **II. JURISDICTION, VENUE AND GOVERNING LAW**

19 8. This Court has jurisdiction over this class action under 28 U.S.C. Section
20 1332(d) because this action is between parties domiciled and citizens of different
21 states; California on the one hand for Plaintiffs and Delaware on the other for
22 Defendants. Furthermore, the aggregated amount of damages incurred by Plaintiffs
23 exceeds the jurisdictional minimum of this Court, excluding interests and costs of
24 suit. The members of the class are excess of 1000.

25 9. This action arises out of the Defendant's violations of the ECOA, 15
26 U.S.C. § 1691 et seq., and Plaintiffs' equal rights under the law as defined under 42
27 U.S.C. § 1981 and 1982, and the Unfair Competition Law, BUS. & PROF. CODE §
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1 17200 et seq. This action also arises out of Defendant’s violations of the California
2 Unruh Act.

3 10. The Court has personal jurisdiction over Defendants because they
4 conduct substantial business in California, with millions of customers in this District
5 alone. Defendants have significant minimum contacts with California and have
6 otherwise availed themselves to the District through sales of their products and
7 services in search of California resident customers and California generated profits.
8 These contacts are sufficient to allow the exercise of jurisdiction by this Court over
9 Plaintiffs’ claims, and to place Defendants on notice that they may be hauled into a
10 California District Court.

11 11. Venue is proper in this District under 28 U.S.C. Section 1391(b)(2) and
12 (3) because a substantial part of the events or actions giving rise to Plaintiffs’ claims
13 occurred in this District. Indeed, Plaintiffs allege that Defendants’ specifically
14 targeted Armenian Americans residing in this District with their actions and
15 omissions.

16 **III. PARTIES**

17 12. Plaintiffs and those similarly situated, are and at all times mentioned
18 herein, were individuals and residents of the United States of America, State of
19 California.

20 13. Plaintiff, Mary Smbatian is and at all times mentioned herein, was an
21 individual residing in the County of Los Angeles, State of California. She was a
22 decades long customer of Citibank, having both checking accounts and credit cards
23 from Citibank. She also had Macy’s and Bloomingdale’s credit cards, both of which
24 were through Citibank. Without any prior notice and with no reason given, on
25 February 1, 2022 Mary Smbatian received a letter from Citibank informing her that
26 her accounts at Citibank would be closed in 30 days.

27 14. Plaintiff Karl Asatryan is and at all times mentioned herein, was an
28 individual residing in Los Angeles County, State of California. He was a long-term

1 customer of Citibank, having checking accounts and ATM cards. On May 16, 2022
2 Karl Asatryan received a letter from Citibank informing him that his accounts would
3 be closed within 30 days. No reason was given for the closure. Plaintiff Asatryan
4 also had a line of credit with Citibank which was closed on the same day.

5 15. Defendant, Citigroup, Inc. is a Delaware Corporation, with its
6 headquarters in New York City. Defendant Citibank, N.A. is a Delaware Corporation
7 and a national bank with its principal place of business located in New York City,
8 New York. Citibank has with branches and operations throughout the United States,
9 including California, where it boasts millions of customers. Hereinafter referred to as
10 “Defendants”, Citigroup and Citibank are agents, representatives and/or principals of
11 each other.

12 IV. FACTUAL ALLEGATIONS

13 16. Plaintiffs incorporate and reallege each paragraph above as though fully
14 set forth herein. Plaintiffs, Armenian Americans, bring the following allegations on
15 behalf of themselves, and all others similarly situated.

16 17. Defendants have finally been caught doing what can only be described
17 as reprehensible, despicable, and deplorable pattern of business conduct; wholesale
18 discrimination and retaliation against Armenian Americans for the sole reason of
19 their ethnicity and ancestry.

20 18. On November 8, 2023 the public learned that CitiGroup and CitiBank
21 had been ordered to pay \$29.9 million in fines for intentionally and illegally
22 discriminating against Armenian Americans since 2015. Defendants targeted
23 individuals whose last names ended in IAN or YAN, knowing that by doing so, they
24 would be able to easily exclude and discriminate against an entire group of people
25 based on their national origin and ethnic ancestry.

26 19. Labeling Armenians in California, namely those living in the San
27 Fernando Valley area of Los Angeles, as criminals who were more likely to engage in
28 fraud, Defendants had a corporate wide policy of refusing credit to those of Armenian

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1 descent, closing bank accounts of loyal customers without reason or notice, refusing
2 credit lines and mortgages, lowering lines of credit and credit limits, blocking
3 accounts and even denying access to banking records.

4 20. Plaintiffs believe and allege that this discriminatory practice even bled
5 into CitiBank affiliated retail credit cards like Macy's, Bloomingdale's and Costco
6 credit cards. Plaintiffs who clearly qualified for these credit cards were rejected by
7 the automatic application process at the retailers without explanation, likely because
8 Defendants built in an algorithm into their credit application software to weed out
9 Armenian American credit applicants based on their last names.

10 21. Plaintiffs and the proposed class are all victims of Defendants' illegal
11 and despicable conduct. Plaintiffs accounts were closed without explanation.
12 Plaintiffs were lied to by Defendants representatives. Plaintiffs were blocked from
13 accessing their banking records and sometimes blocked from accessing their funds.
14 Plaintiffs retail credit cards were closed without notice, with their spending points
15 and rewards forfeited. Plaintiffs were denied lines of credit and credit cards, and
16 when their existing credit limits were reduced, their credit scores were adversely
17 affected. Plaintiffs even had their commercial accounts closed and mortgages refused,
18 sending their business into financial havoc. Not a single Plaintiff was given a reason
19 for these discriminatory actions, nor does a legitimate non-discriminatory reason
20 exist.

21 22. Indeed, the Consumer Financial Protection Bureau found that
22 Defendants lied to Plaintiffs and those similarly situated, and actually fabricated
23 documents to cover up their illegal activity. Worse yet, Plaintiffs, who were told by
24 Defendants that they would still have access to their banking records for 24 months
25 after the closure of their accounts were instead permanently locked out of their
26 accounts immediately as a further means to cover up Defendants' crimes.

27 23. Plaintiffs and those similarly situated have suffered adverse effects after
28 the financial carnage caused by Defendants' discrimination, including lower credit

1 scores, missed automatic payments, lost automatic deposits, lost rewards points,
2 forced refinancing, and hours and hours spent scrambling to mitigate the damage
3 from suddenly having their accounts closed. Others were left shocked, embarrassed
4 and humiliated after being refused credit they clearly qualified for, many feeling like
5 common criminals.

6 V. CLASS ALLEGATIONS

7 24. Plaintiffs incorporate and reallege each paragraph above as though fully
8 set forth herein and bring this action and all counts, as set forth below, on behalf of
9 themselves and all others similarly situated, pursuant to Rule 23 of the Federal Rules
10 of Civil Procedure. The proposed Class consists of the following:

11 Proposed Class:

12 All present or former Citibank credit-card, checking account, mortgage
13 account, line of credit account holders whose accounts were restricted or closed by
14 Citibank between 2015 until present, or whose credit applications were denied or
15 credit limits reduced, and who are of Armenian descent or ethnicity.

16 Plaintiffs reserve the right to modify, change, or expand the definitions of the
17 Class based upon discovery and further investigation.

18 25. The Class excludes the following: Defendants, its affiliates, and its
19 current employees, officers and directors, and the Judge assigned to this case.

20 26. Certification of Plaintiffs' claims for class-wide treatment is appropriate
21 because Plaintiffs can prove the elements of their claims on a class-wide basis using
22 the same evidence as would be used to prove those elements in individual actions
23 alleging the same claims.

24 27. This action is properly brought as a class action for the following
25 reasons:

26 28. *Numerosity*: The Class is so numerous that joinder of all members is
27 impracticable. At least tens of thousands of Class members have been subjected to
28

1 Defendants' conduct. The class is ascertainable by reference to records in the
2 possession of Defendants.

3 29. Commonality and Predominance: Common questions of law and fact
4 exist as to all members of the Class. These questions predominate over questions
5 affecting individual members of the Class and include:

6 a. Whether the Defendants targeted members of the Class based on
7 their race or other protected characteristics;

8 b. Whether Defendants sent notice and explanation of adverse actions to
9 the Class members as required by ECOA;

10 c. Whether Defendants violated civil rights statutes and the other
11 claims asserted herein.

12 30. *Typicality*: Plaintiffs claims are typical of the claims of the members of
13 the Class, as all such claims arise out of Defendants' conduct in regard to the banking
14 and credit accounts of the Class. All of Plaintiffs claims are typical of the claims of
15 the Class since Plaintiffs and all Class members were injured in the same manner by
16 Defendants uniform course of conduct described herein. Plaintiffs and all Class
17 members have the same claims against Defendants relating to the conduct alleged
18 herein, and the same events giving rise to Plaintiffs claims for relief are identical to
19 those giving rise to the claims of all Class members. Plaintiffs and all Class members
20 sustained economic injuries including, but not limited to, ascertainable losses arising
21 out of Defendants' course of conduct as described herein. Plaintiffs are advancing the
22 same claims and legal theories on behalf of themselves and all absent Class members.
23 As there are numerous named Plaintiffs, this action is the best vehicle to ensure that
24 the entire Class is appropriately represented, whether they were denied credit, or their
25 accounts were unceremoniously closed.

26 31. *Adequacy of Representation*: Plaintiffs will fairly and adequately protect
27 the interests of the members of the Class and have no interests antagonistic to those
28 of the Class. Plaintiffs have retained counsel experienced in the prosecution of

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1 complex class actions including, but not limited to, consumer class actions and mass
2 actions and the protection of consumer rights involving, inter alia, violations of civil
3 rights laws and claims of discrimination and against large corporations and entities
4 like Toyota, Pfizer, McKesson, Merck, Sony, Bank of America, N.A., Pom
5 Wonderful, The Dial Corp., CIGNA Healthcare, Apple, JP Morgan Chase., Wells
6 Fargo, N.A., the Catholic Church., UCLA Regents, Medtronic, Inc, the City of Santa
7 Monica and others.

8 32. *Superiority*: A class action is superior to other available methods for the
9 fair and efficient adjudication of this controversy, since individual joinder of all
10 members of the Class is impracticable, and the amount at issue for each Class
11 member would not justify the cost of litigating individual claims. Should individual
12 Class members be required to bring separate actions, this Court would be confronted
13 with a multiplicity of lawsuits burdening the court system while also creating the risk
14 of inconsistent rulings and contradictory judgments. In contrast to proceeding on a
15 case-by-case basis, in which inconsistent results will magnify the delay and expense
16 to all parties and the court system, this class action presents far fewer management
17 difficulties while providing unitary adjudication, economies of scale and
18 comprehensive supervision by a single court.

19 33. *Manageability*: Plaintiffs are unaware of any difficulties that are likely to
20 be encountered in the management of this action that would preclude its maintenance
21 as a class action.

22 34. Defendants have acted, and refused to act, on grounds generally
23 applicable to the Class, thereby making appropriate final equitable relief with respect
24 to the Class as a whole.

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FIRST CAUSE OF ACTION

VIOLATION OF THE EQUAL CREDIT OPPORTUNITY ACT

15 U.S.C. § 1691 ET SEQ.

(Plaintiffs, On Behalf of the Entire Class)

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2
3
4
5 35. Plaintiffs incorporate by reference all preceding paragraphs as though
6 fully set forth herein.

7 36. Congress enacted the Equal Credit Opportunity Act making it “unlawful
8 for any creditor to discriminate against any applicant with respect to any aspect of a
9 credit transaction . . . on the basis of race, color, religion, national origin, sex or
10 marital status, or age.” 15 U.S.C. § 1691(a).

11 37. Plaintiffs are natural person and “applicants” as defined by the ECOA.

12 38. The ECOA defines an “applicant” as “any person who applies to a
13 creditor directly for an extension, renewal, or continuation of credit, or applies to a
14 creditor indirectly by use of an existing credit plan for an amount exceeding a
15 previously established credit limit.” *Id.*

16 39. Plaintiffs also meet the definition of “applicant” supplied by the Bureau
17 of Consumer Financial Protection (the “Bureau”). 12 C.F.R. § 202.2. “Applicant” is
18 defined by the Bureau as “any person who requests or who has received an extension
19 of credit from a creditor, and includes any person who is or may become
20 contractually liable regarding an extension of credit.” *Id.*

21 40. The Bureau’s definition of “applicant” is applicable here based on the
22 authority granted by Congress to the agency to promulgate regulations to achieve the
23 goals of the ECOA. 15 U.S.C. § 1691b. Additionally, the statute provides that courts
24 should defer to the interpretation of the Bureau regarding any provision of the ECOA
25 “as if that agency were the only agency authorized to apply, enforce, interpret, or
26 administer” it. *Id.*, § 1691b(g).

27 41. Pursuant to the ECOA, the broader definition of “applicant” supplied by
28 the Bureau is given deference, and thus applies to Plaintiffs as persons who have

1 requested and received credit from Defendants and have become contractually liable
2 for that credit.

3 42. Because Plaintiffs would continue to remain contractually liable for any
4 balance on their credit account, Plaintiffs meet the definition of applicants.

5 43. The Defendants are “creditors” as defined by the ECOA. Defendants
6 “regularly extends, renews, or continues credit.” 15 U.S.C. § 1691a(e).

7 44. The action of Defendants in refusing credit to Plaintiffs, closing bank
8 accounts of Plaintiffs without reason or notice, refusing credit lines and mortgages,
9 lowering lines of credit and credit limits, blocking accounts and even denying access
10 to banking records, qualifies as an adverse action” as defined by the ECOA, i.e., “a
11 denial or revocation of credit, a change in the terms of an existing credit arrangement,
12 or a refusal to grant credit in substantially the amount or on substantially the terms
13 requested.” 15 U.S.C. § 1691(d)(6).

14 45. As described above, Defendants have intentionally, knowingly, and
15 purposefully engaged in a number of discriminatory practices that deny persons of
16 Armenian descent access to credit through Defendants’ business based on their
17 national origin and ethnic ancestry.

18 46. The ECOA also requires creditors to notify and explain any adverse
19 decision in a timely fashion:

20 (2) Each applicant against whom adverse action is taken shall be entitled to a
21 statement of reasons for such action from the creditor. A creditor satisfies this
22 obligation by—

23 (A) providing statements of reasons in writing as a matter of course to
24 applicants against whom adverse action is taken; or

25 (B) giving written notification of adverse action which discloses (i) the
26 applicant’s right to a statement of reasons within thirty days after receipt by the
27 creditor of a request made within sixty days after such notification, and (ii) the
28 identity of the person or office from which such statement may be obtained...

1 (3) A statement of reasons meets the requirements of this section only if it
2 contains the specific reasons for the adverse action taken.

3 47. A notice requirement was included in the statute as one way to ensure
4 that creditors do not unlawfully act discriminatorily. *Schlegal v. Wells Fargo*, 720
5 F.3d 1204, 1210 (9th Cir. 2013).

6 48. While the ECOA was enacted for the purpose of preventing
7 discrimination in the granting of credit by creditors, affirmative evidence of
8 discrimination is not necessary to state a claim when a creditor fails to meet the
9 statute's notice requirement. *Costa v. Mauro Chevrolet, Inc, et. al.*,390 F. Supp. 2d
10 720 (N.D. III. 2005).

11 49. In *Costa*, the court held that "without regard to allegations of
12 discrimination, a creditor's failure to provide a written rejection notice is actionable
13 under the ECOA." *Id.* at 728. Additionally, the court reasoned that "because § 1691(d)
14 of the ECOA sets forth a notification requirement separate and apart from the statute's
15 antidiscrimination provisions .. [Plaintiffs] allegation that [Defendants] failed to
16 provide written notification of an adverse credit action is sufficient to establish an
17 ECOA claim." *Id.* at 729.

18 50. Similarly, here, Defendants' failure to provide a statement of reasons
19 upon Plaintiffs' request regarding refusal of credit, closure of bank accounts, refusal
20 of credit lines and mortgages, lower lines of credit and credit limits, block accounts,
21 and denied access to banking records is sufficient to create a cause of action under the
22 ECOA, § 1691(d).

23 51. Defendants lied to Plaintiffs in blocking them from accessing their
24 banking records and sometimes blocked for accessing their fund.

25 52. A statement of reasons meets the requirements of the ECOA "only if it
26 contains the specific reasons for adverse action taken." § 1691(d)(3). Defendants
27 provided no specific reasons at all for the rejection of Plaintiffs' credit cards and the
28 closure of Plaintiffs' bank accounts and credit cards other than its decision was made

1 following the results of a review of bank information and records. Given these facts,
2 Defendants stated reasons appear to be mere pretext for discrimination based on
3 Plaintiffs' Armenian heritage, origin and/or nationality.

4 53. The Ninth Circuit has followed the plain meaning of "revocation" and
5 held that cancelling the right to defer payment of a debt rightfully gives rise to a
6 cause of action under the ECOA. *Schlegal*, 720 F.3d at 1211 (9th Cir. 2013). There,
7 the court held that the Defendants bank failed to abide by the terms of a loan
8 modification made between the parties, and the court held that this constituted an
9 adverse action under the statute. *Id.*

10 54. Similarly, here, Defendants revoked Plaintiffs' right to defer payment of
11 a debt by closing Plaintiffs' accounts and failing to provide a sufficient statement of
12 reasons for doing so.

13 55. The written communications from Defendants were defective and in
14 violation of the ECOA because they failed to provide a statement of specific reasons
15 as to why Defendants refused credit to Plaintiffs, closed their bank accounts without
16 reason or notice, denied them credit lines and mortgages, lowered their lines of credit
17 and credit limits, blocking their accounts, and even denying access to banking
18 records.

19 56. Due to Defendants' failure to provide a statement of reasons for its
20 decision to take adverse action against Plaintiffs, they are entitled to relief under the
21 ECOA.

22 57. On information and belief, Defendants' actions were willful, wanton,
23 fraudulent, and made with conscious disregard. Citibank's efforts to conceal this
24 illegal and discriminatory conduct by instructing its employees to not put anything as
25 to the discriminatory reasons for the credit denials in writing and only was also
26 malicious.

27 58. Congress has created civil liability for any creditor that fails to comply
28 with the terms of the ECOA. 15 U.S.C. § 1691e(a). A creditor who does not meet the

1 requirements imposed by the act becomes “liable to the aggrieved applicant for any
2 actual damages sustained by such applicant. Id. Additionally, punitive damages may
3 be granted to up to \$10,000. Id., § 1691e(b).

4 59. In addition to actual damages, aggrieved applicants may be entitled to
5 equitable and declaratory relief. § 1691e(c). They can also collect reasonable
6 attorneys’ fees. 15 U.S.C. § 1691e(d).

7
8 **SECOND CAUSE OF ACTION**

9 **VIOLATION OF PLAINTIFFS EQUAL RIGHTS, 42 U.S.C. § 1981**
10 **(Plaintiffs, On Behalf of the Entire Class)**

11 60. Plaintiffs incorporate by reference all preceding paragraphs as though
12 fully set forth herein.

13 61. Federal law provides that “[a]ll persons within the jurisdiction of the
14 United States shall have the same right in every State and Territory to make and
15 enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of
16 all laws and proceedings for the security of persons and property as is enjoyed by
17 white citizens, and shall be subject to like punishment, pains, and penalties, taxes,
18 licenses, and exactions of every kind, and to no other.” 42 U.S.C. § 1981(a).

19 62. The right to “make and enforce contracts” is defined as including the
20 “making, performance, modification, and termination of contracts, and the enjoyment
21 of all benefits, privileges, terms, and conditions of the contractual relationship.” 42
22 U.S.C. § 1981(b).

23 63. Further, “the rights protected by this section are protected against
24 impairment by nongovernmental discrimination and impairment under color of State
25 law.” 42 U.S.C. § 1981(c).

26 64. In order to assert a claim under § 1981, a Plaintiffs must: ...initially
27 identify an impaired contractual relationship under which the Plaintiffs has rights.

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1 *Domino's Pizza, Inc. v. McDonald*, 546 U.S. 470, 476, 126 S. Ct. 1246, 163 L. Ed. 2d
2 1069 (2006).

3 65. The Plaintiffs must also plausibly allege that the Defendants impaired
4 that relationship on accounts of intentional discrimination. See *Gen. Bldg.*
5 *Contractors Ass'n, Inc. v. Pa.*, 458 U.S. 375, 391, 102 S. Ct. 3141, 73 L. Ed. 2d 835
6 (1982) (holding that*§1981 ... can be violated only by purposeful discrimination").
7 *Astre v. McQuaid*, No. 18-17231, 2020 U.S. App. LEXIS 9297, at *2 (9th Cir. Mar.
8 25, 2020).

9 66. Plaintiffs' complaint more than adequately pleads a prima facie
10 discrimination claim under Section 1981.

11 67. Defendants here acted discriminatorily by refusing credit to Plaintiffs,
12 closing their bank accounts without reason or notice, denying them credit lines and
13 mortgages, lowering their lines of credit and credit limits, blocking their accounts,
14 and even denying access to banking records, thereby denying them the equal
15 opportunity to enjoy the benefits of their contractual relationship.

16 68. Plaintiffs were involved in a contractual relationship with Defendants
17 through their credit card account, which Defendants severed for discriminatory
18 purposes. Defendants had knowledge that Plaintiffs are Armenian and/or Defendants
19 perceived Plaintiffs as such. This act of discrimination was intentional and based on
20 Plaintiffs' national origin. In clear violation of federal law, Defendants used
21 Plaintiffs' Armenian last names to identify them and wholesale discriminate against
22 them.

23 69. Plaintiffs' allegations that accounts were restricted or closed for
24 discriminatory purposes is further bolstered by (1) the fact that Defendants' stated no
25 reasons for refusing credit to Plaintiffs, closing their bank accounts without reason or
26 notice, denying them credit lines and mortgages, lowering their lines of credit and
27 credit limits, blocking their accounts, and even denying access to banking records; (2)
28 the fact that Defendants elected not to provide any written explanation for Plaintiffs'

1 accounts closure in violation of ECOA; (3) evidence of Defendants’ pattern of similar
2 behavior against persons of Armenian origin during the same timeframe; (4)
3 preventing Plaintiffs from later being able to access their account details upon closure
4 of their accounts.

5
6 **THIRD CAUSE OF ACTION**

7 **VIOLATION OF 42 U.S.C. 1982**

8 **(Plaintiffs, On Behalf of the Entire Class)**

9 70. Plaintiffs incorporate and re-allege each of the paragraphs above as
10 though fully set forth herein.

11 71. Plaintiffs bring this claim for violation of 42 U.S.C. §1982.

12 72. 42 U.S.C. §1982 states: “All citizens of the United States shall have the
13 same right, in every State and Territory, as is enjoyed by white citizens thereof to
14 inherit, purchase, lease, sell, hold, and convey real and personal property.”

15 73. Defendants had knowledge that Plaintiffs were Armenian and/or
16 Defendants perceived Plaintiffs as such by targeting individuals with YAN or IAN
17 last names. It is commonly known that Armenian last names end in YAN or IAN
18 depending on whether the individual Armenian is of the Western diaspora or Eastern
19 diaspora.

20 74. Defendants intentionally discriminated against Plaintiffs in violation of
21 Section 1982 by refusing credit, closing bank accounts without reason or notice,
22 denying credit lines and mortgages, lowering lines of credit and credit limits,
23 blocking accounts, and even denying access to banking records of clients of
24 Armenian national origin or perceived as being of Armenian national descent without
25 explanation, as opposed to similarly situated white individuals. Defendants used
26 YAN or IAN as a way to root out Armenian account holders.

27 75. The acts of Defendants, as enumerated herein, constitute violations of
28 the rights of Plaintiffs, under 42 U.S.C. §1982, in that Defendants have denied and

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1 deprived and have continued to deny and deprive Plaintiffs and other similarly-
2 situated Armenian customers of Defendants of the right to purchase, lease, sell, hold,
3 and convey real and personal property.in the same manner afforded to white citizens.

4 76. The aforesaid acts of Defendants have resulted in causing financial
5 injury to Plaintiffs in that they lost time, they lost credit card reward points, missed
6 automatic payments, lost automatic deposits, lost rewards points, and suffered
7 financial hardships arising from the sudden loss of their accounts, forced refinancing,
8 and hours and hours spent scrambling to mitigate the damage from suddenly having
9 your accounts closed including damage to their credit history.

10 77. Upon information and belief, the aforesaid acts of Defendants have
11 resulted in causing embarrassment, indignity and humiliation to Plaintiffs who were
12 treated like common criminals.

13 **FOURTH CAUSE OF ACTION**
14 **VIOLATIONS OF THE CALIFORNIA UNFAIR COMPETITION LAW**
15 **(“UCL”) CAL. BUS. & PROF. CODE §§ 17200-17210**
16 **(Plaintiffs, On Behalf of the Class)**

17 78. Plaintiffs incorporate by reference all preceding paragraphs as though
18 fully set forth herein.

19 79. The UCL proscribes acts of unfair competition, including “any unlawful,
20 unfair or fraudulent business act or practice and unfair, deceptive, untrue or
21 misleading advertising.” Cal. Bus. & Prof. Code § 17200. Defendants’ conduct
22 violates each of these prohibitions.

23 **Unlawful Conduct**

24 80. Defendants’ conduct is unlawful because, as set forth herein, it violates
25 Title VII, ECOA the Civil Rights Act of 1866, and the California Unruh Civil Rights
26 Act, among other laws.

27 **Unfair Conduct**

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1 81. Defendants' conduct is unfair because it violated state and federal public
2 policy, including those declared under civil rights law, which demand equal rights
3 and treatment under the Law and under ECOA, which requires a satisfactory written
4 explanation for adverse credit actions.

5 82. Defendants acted in an immoral, unethical, oppressive, and unscrupulous
6 manner, in at least the following respects:

7 a. Targeting Plaintiffs and the Class members restriction and/or close
8 financial accounts because of their race, religion, ancestry;

9 b. Misrepresenting to Plaintiffs and Class members the reasons for the
10 imposition of arbitrary actions on their accounts; and

11 c. Failing to provide a truthful written communication that states the
12 accounts of Plaintiffs and Class members will be restricted and/or closed and the
13 reasons for the restriction and/or closure;

14 83. The gravity of the harm resulting from Defendants' unfair conduct
15 outweighs any potential utility of the conduct. The practice of discrimination has
16 gravely harmed Plaintiffs, the Class members, and the public at large with no
17 countervailing benefit.

18 84. The harm from Defendants' unfair conduct was not reasonably avoidable
19 by consumers. Plaintiffs did not know and could not have known that Defendants
20 would discriminate against them and in the manner that it did.

21 **Fraudulent Conduct**

22 85. Defendants conduct is fraudulent in violation of the UCL. Defendants'
23 fraudulent acts include knowingly misrepresenting to, and concealing from, Plaintiffs
24 the true discriminatory reasons for restricting and/or closing their accounts.

25 86. At all relevant times, Defendants had a duty to disclose its
26 discriminatory practices because it had superior and exclusive knowledge of the
27 practices, which affects the central functionality of the accounts (e.g., remaining open
28 for use).

1 87. Accordingly, Plaintiffs and the Class have suffered injuries in fact,
2 including lost money, rewards points, and time, as a result of Defendants’ unlawful,
3 unfair, and fraudulent acts. Absent these acts, the accounts of Plaintiffs and the class
4 would have remained open and Plaintiffs would have retained their money, credit
5 scores, lines of credit, mortgages, rewards points, and lost time.

6 88. Plaintiffs and the class seek appropriate relief under the UCL, including
7 such orders as may be necessary: (a) to enjoin Defendants from continuing this
8 unlawful, unfair, and fraudulent acts or practices, and (b) to restore Plaintiffs and the
9 class to the position they were in prior to Defendants’ despicable conduct.

10 89. Plaintiffs also seek reasonable attorneys' fees and expenses under
11 applicable law.

12
13 **FIFTH CAUSE OF ACTION**

14 **RACE, ANCESTRY, CITIZENSHIP, AND IMMIGRATION STATUS**
15 **DISCRIMINATION UNRUH CIVIL RIGHTS ACT, CAL. CIVIL CODE §§ 51,**
16 **52(a)**

17 **(Plaintiffs, On Behalf of the Entire Class)**

18 90. Plaintiffs incorporate by reference all preceding paragraphs as though
19 fully set forth herein.

20 91. The Unruh Act provides that “All persons within the jurisdiction of this
21 state are free and equal, and no matter what their sex, race, color, religion, ancestry,
22 national origin, disability, medical condition, genetic information, marital status,
23 sexual orientation, citizenship, primary language, or immigration status are entitled to
24 the full and equal accommodations, advantages, facilities, privileges, or services in all
25 business establishments of every kind whatsoever.” Cal. Civ. 3 Code § 51(b).

26 92. “The purpose of the [Unruh] Act is to create and preserve a non-
27 discriminatory environment in California business establishments by banishing or
28 eradicating the arbitrary, invidious discrimination by such establishments. The Act

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1 stands as a bulwark protecting each person’s inherent right to full and equal access to
2 all business establishments. In enforcing the act, courts must consider its broad
3 remedial purpose and overarching goal of deterring discriminatory practices by
4 businesses. The act must be construed liberally in order to carry out its purpose.”
5 *White v. Square, Inc.*, 7 Cal. 5th 1019, 1025 (2019).

6 93. Defendants are a business establishment under the Unruh Act, because:
7 they have several fixed locations of business in California; they have an online place
8 of business that sells services to consumers throughout California; their primary
9 purpose and goal in operating their business is to generate revenue, and earn profit;
10 and indeed they did earn millions of dollars in revenue from their business activities
11 in California.

12 94. As described above, Defendants have intentionally, knowingly, and
13 purposefully engaged in a number of discriminatory practices that deny persons of
14 Armenian descent the full and equal accommodations, advantages, facilities, and
15 services of Defendants’ business based on their race, religion, ancestry, citizenship,
16 and/or immigration status, including but not limited: to grouping and targeting them
17 with accounts restriction and/or closure; restricting and closing their accounts and
18 thereby excluding them from receiving financial services; and denying them the
19 benefits of Defendants’ services, including, but not limited to, lost accrued credit card
20 reward points.

21 95. Defendants are liable to Plaintiffs and the members of the class for
22 statutory damages pursuant to section 52(a) of the California Civil Code for each and
23 every offense, as well as attorneys’ fees, costs, and expenses incurred in bringing this
24 action.

25 96. Plaintiffs are further entitled to all other legal and equitable relief
26 available, including injunctive relief on behalf of themselves and the class.
27
28

SIXTH CAUSE OF ACTION

**RACE, ANCESTRY, CITIZENSHIP, AND IMMIGRATION STATUS
DISCRIMINATION UNRUH CIVIL RIGHTS ACT, CAL. CIVIL CODE §§**

51.5, 52(a)

(Plaintiffs, On Behalf of the Entire Class)

97. Plaintiffs incorporate by reference all preceding paragraphs as though fully set forth herein.

98. Section 51.5 of the California Civil Code provides that “No business establishment of any kind whatsoever shall discriminate against, boycott or blacklist, or refuse to buy from, contract with, sell to, or trade with any person in this state on accounts of any characteristic listed or defined in subdivision (b) or (e) of Section 51 . . . because the person is perceived to have one or more of those characteristics, or because the person is associated with a person who has, or is perceived to have, any of those characteristics.”

99. Through the actions described above, Defendants have intentionally discriminated against, boycotted, and/or refused to provide services to persons of Armenian descent based on their race, religion, ancestry, citizenship, and/or immigration status, including by restricting and closing their banking and/or credit accounts for no legitimate reason.

100. Defendants are liable to Plaintiffs and the members of the class for statutory damages pursuant to section 52(a) of the California Civil Code for each and every offense, as well as attorneys’ fees, costs, and expenses incurred in bringing this action.

101. Plaintiffs are further entitled to all other legal and equitable relief available, including injunctive relief on behalf of themselves and the class.

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VI. RELIEF SOUGHT

WHEREFORE, Plaintiffs on behalf of themselves and the Class pray for judgment as follows:

- A. Determination that the claims alleged herein may be maintained as a class action and that this Court issue an order certifying the Class as defined above;
- B. Appoint Plaintiffs as the representative of the Class and their counsel as Class Counsel;
- C. Declare that the practices complained of herein are unlawful;
- D. Enter an order permanently enjoining Defendants and its officers, agents, successors, employees, representatives, and any and all persons acting in concert with them, from continuing to engage in the unlawful, unfair, and fraudulent acts complained of herein;
- E. Award actual damages pursuant to 15 U.S.C. § 1691e(a); Cal. Civ. Code § 52(2); and other applicable law.
- F. Award punitive damages pursuant to pursuant to 15 U.S.C. § 1691e(b); 42 U.S.C. § 1981a(b)(1);); 42 U.S.C. § 1982; Cal. Civ. Code § 52(b); and other applicable law;
- G. Award declaratory relief, restitution for monies wrongfully obtained, injunctive relief, and other relief allowable under Business and Professions Code section 17203, including but not limited to enjoining Defendants from continuing to engage in its unfair, unlawful, and/or fraudulent conduct alleged herein.
- H. Award statutory damages and equitable relief;
- I. Award pre-judgment and post-judgment interest on such monetary relief;
- J. Enter a judgment in favor of Plaintiffs and the Class, and against Defendants for an amount of damages to be determined at trial;
- K. Award Plaintiffs attorneys’ costs and fees;

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1 L. Appoint a monitor to ensure that Defendants comply with the injunction
2 provisions of any decree that the Court orders; and

3 M. Grant such further relief that this Court deems appropriate.
4

5 **VII. JURY DEMAND**

6 Plaintiffs and the Class members hereby demand trial by jury of all issues
7 triable as of right by jury.

8 DATED: November 17, 2023

ARMINAK LAW, APC

9
10 By: /s/ Tamar G. Arminak

11 TAMAR G. ARMINAK
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ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Class Action Alleges Citibank Intentionally Discriminates Against Consumers of Armenian Descent](#)
