Experience

Litigation Team Secures Complete Dismissal of Claims for Financial Institution Client

Stradley Ronon secured the complete dismissal of all claims brought against TD Bank and its affiliate, Coba Inc., by borrowers seeking to avoid their obligation to pay a $4.4 million debt that had been reduced to judgment in 2009, after the borrowers defaulted on more than 20 commercial loans. The borrowers brought a lawsuit in the U.S. District Court for the Eastern District of Pennsylvania, challenging TD Bank's right to collect the debt, and seeking to enjoin TD Bank and Coba from executing on the judgment. The borrowers claimed TD Bank was overstating the principal amount of the debt which, according to the borrowers, had been reduced over the course of five years of settlement negotiations among the parties. Further, the borrowers claimed TD Bank had already assigned the judgment to a third party and no longer had any right to collect or enforce the judgment. In addition to seeking injunctive relief, the borrowers asserted nine other claims against TD Bank and Coba for alleged breach of contract, tortious interference, fraud and abuse of process, among others.

TD Bank and Coba moved to dismiss all claims under various legal theories. Among other things, TD Bank and Coba argued that the borrowers were blatantly mischaracterizing the plain and unambiguous language of the parties' various settlement agreements, as well as the effect of TD Bank's partial assignment of the judgment to a third party. The Court agreed. Following a more than two-hour oral argument, U.S. District Judge Gerald Pappert entered a 31-page opinion, granting TD Bank's and Coba's motion to dismiss all claims against them.

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