

SUPREME COURT OF ALABAMA

Providian Nat. Bank v. Pritchett

846 So. 2d 1072 (Ala. 2002) · No. 1010296 · Decided September 27, 2002

SUMMARY

The Supreme Court of Alabama vacated an order certifying a class action against Providian National Bank and Providian Financial Corporation. The court held that the plaintiffs' claims were barred by res judicata and by the release provisions of a prior nationwide class-action settlement in which the plaintiffs had participated and did not opt out. The case was remanded for further proceedings, and the court did not address the remaining class-certification issues.

CASE DETAILS

COURT	Supreme Court of Alabama
WRITING FOR THE COURT	Stuart, Justice; See, Justice; Brown, Justice; Harwood, Justice; Moore, Chief Justice
JURISDICTION	Alabama
DECIDED	September 27, 2002
DOCKET	1010296
DISPOSITION	vacated
PROCEDURAL POSTURE	Providian appealed the Bullock Circuit Court's order certifying claims brought by Pritchett and Joyner for class treatment under Rules 23(b) (2) and 23(b)(3), Ala. R. Civ. P.
STANDARD OF REVIEW	The opinion does not expressly state a standard of review; it reviewed the class-certification order and applied the elements of res judicata and the settlement's release provisions.
PRECEDENTIAL VALUE	Published precedential opinion
PARTIES	Providian National Bank, Providian Financial Corporation v. Calvin Pritchett, James Joyner

TOPICS

- class actions
- res judicata
- appellate procedure
- consumer protection
- commercial litigation

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the plaintiffs' claims were barred by res judicata because they were included in and released by the final settlement judgment in a nationwide class action.
2. Whether the express release in the nationwide class-action settlement barred relitigation of the plaintiffs' claims.

HOLDINGS

1. The plaintiffs' claims were barred by res judicata because the nationwide class action resulted in a final judgment on the merits, was entered by a court of competent jurisdiction, involved substantially identical parties, and encompassed the same causes of action.
2. The express language of the nationwide class-action settlement released and barred relitigation of the plaintiffs' claims.

KEY QUOTATIONS

"We find that the claims asserted in Pritchett and Joyner's complaint are barred by the doctrine of res judicata and by the express language of the settlement agreement entered into by the parties to the nationwide class action, which included Pritchett and Joyner." (846 So. 2d at 1075)

"The nationwide action has been finally resolved by a stipulated settlement." (846 So. 2d at 1076)

FACTUAL BACKGROUND

Pritchett and Joyner, Alabama holders of Providian Visa credit cards, alleged that Providian charged their accounts for add-on products or services they had not requested or authorized. They filed an Alabama action asserting misrepresentation, suppression, deceit, fraudulent deceit, and unjust enrichment. They were included in a nationwide class action concerning similar Providian add-on-product fees, received notice of the proposed settlement, objected to it, but did not opt out. The California court approved the settlement and entered final judgment, while the Alabama circuit court separately certified an Alabama class.

PROCEDURAL HISTORY

Pritchett and Joyner sued Providian in the Bullock Circuit Court over unauthorized fees for add-on credit-card products and sought declaratory and injunctive relief. While the Alabama action was pending, a nationwide class action involving substantially similar claims was settled in California; the plaintiffs received notice, objected to the settlement, and did not opt out. The California court entered final judgment, after which the Bullock Circuit Court certified an Alabama class. The Alabama Supreme Court vacated the certification order and remanded for proceedings consistent with its determination that the claims were barred.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The Bullock Circuit Court was directed to enter an order or conduct further proceedings consistent with the opinion, which held that the plaintiffs' claims were barred by res judicata and the settlement release.

CASES CITED

- Parmater v. Amcord, Inc., 699 So. 2d 1238 (Ala. 1997)
- Martin v. Drummond Co., 663 So. 2d 937 (Ala. 1995)
- New York Life Ins. Co. v. Robinson, 735 So. 2d 463 (Ala. 1999)

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