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8 *Attorneys for Plaintiff*  
 Rogelio Esqueda and the Proposed Classes

9  
 10 UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA  
 11 (WESTERN DIVISION)

12 ROGELIO ESQUEDA, on behalf of  
 13 himself and all others similarly  
 situated,

14 Plaintiff,

15 vs.

16 KINECTA FEDERAL CREDIT  
 17 UNION,

18 Defendant.

Case No.:

**COMPLAINT FOR VIOLATION  
 OF 42 U.S.C. § 1981 AND  
 CALIFORNIA STATE LAW;  
 INJUNCTIVE AND  
 DECLARATORY RELIEF AND  
 DAMAGES**

**CLASS ACTION**

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1 Plaintiff Rogelio Esqueda (“Plaintiff” or “Esqueda”), individually and on  
2 behalf of all others similarly situated, by his attorneys makes the following  
3 allegations, based upon information and belief, against Defendant Kinecta Federal  
4 Credit Union (“Defendant” or “Kinecta”):

5 **INTRODUCTION**

6 1. Defendant follows a policy of denying full access to loan products  
7 and services, in addition to other banking products and services, to applicants on  
8 the basis of their immigration status or alienage, including those who have  
9 Deferred Action for Childhood Arrivals (“DACA”).

10 2. Plaintiff and members of the Classes he seeks to represent were and  
11 are unable to access Defendant’s financial services because of their immigration  
12 status or alienage. Plaintiff brings this case against Kinecta for unlawful  
13 discrimination in violation of the Civil Rights Act of 1866, as codified by 42  
14 U.S.C. § 1981 (“Section 1981”), and the Unruh Civil Rights Act (“Unruh Act”), as  
15 codified by California Civil Code §§ 51, *et seq.*

16 **JURISDICTION AND VENUE**

17 3. This Court has subject matter jurisdiction over Plaintiff’s Section  
18 1981 claims under 28 U.S.C. § 1331. This Court has supplemental jurisdiction  
19 over Plaintiff’s state law claims under 28 U.S.C. § 1367.

20 4. This Court is empowered to issue a declaratory judgment by 28  
21 U.S.C. §§ 2201 and 2202.

22 5. Venue is proper in this district under 28 U.S.C. § 1391(b)(2) because  
23 a substantial part of the events giving rise to the claims occurred in this district.

24 **PARTIES**

25 **Plaintiff**

26 6. Esqueda is a resident of Huntington Park and has been a DACA  
27 recipient since 2013. As part of the DACA initiative, Esqueda received a Social  
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1 Security Number and authorization to work in the United States. Esqueda resided  
2 in Huntington Park on the date that he applied for an auto loan from Defendant and  
3 was unlawfully denied.

4 7. Defendant subjected Esqueda and members of the Classes he seeks to  
5 represent to discrimination in violation of federal and state law as described in this  
6 Complaint.

7 **Defendant**

8 8. Defendant is a member-owned and federally chartered credit union  
9 headquartered in Manhattan Beach, California.

10 9. Defendant maintains a business and mailing office at 1440 Rosecrans  
11 Avenue, Manhattan Beach, CA 90266.

12 10. Defendant offers consumers a range of financial and credit products,  
13 including retail banking services, business and insurance products, personal loans,  
14 auto loans, credit cards, and home loans.

15 **STATEMENT OF FACTS**

16 11. Esqueda brings this action on behalf of himself and members of the  
17 proposed Plaintiff Classes. The classes seek damages, declaratory judgment, and  
18 injunctive relief.

19 12. Esqueda is a recipient of DACA and has been since 2013. Since that  
20 time, he has continuously possessed an employment authorization card and Social  
21 Security Number.

22 13. Esqueda lives in the city of Huntington Park with his wife and three  
23 children. He works in maintenance for an Anaheim-based company that  
24 manufactures electric vehicles, and he earns about \$54,000 a year.

25 14. In or around October 2023, Esqueda decided that he needed to buy a  
26 more fuel-efficient vehicle to reduce his commuting costs. He hoped to use the  
27 savings to take his family on vacations and other family-bonding activities.

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1           15. On October 5, 2023, Esqueda applied for a \$16,000 auto loan through  
2 Kinecta’s website. Although Esqueda was not a member, he qualified for  
3 membership because he lived within one of Kinecta’s qualifying zip codes.  
4 Esqueda received an automated email indicating that a loan officer was reviewing  
5 his application because they could not automatically qualify him for his loan  
6 request.

7           16. On October 6, 2023, Esqueda received an email indicating that  
8 Kinecta could not verify his identity, which was needed to open his account online.  
9 He received a third email a few hours later congratulating him because Kinecta had  
10 processed and approved his loan application. Esqueda received a fourth email  
11 from a Kinecta consumer lending specialist, Rosa Bergara (“Bergara”), who  
12 worked at Kinecta’s Manhattan Beach location. The email reiterated that Esqueda  
13 was pre-approved for a \$16,000 loan with a 6.99% interest rate, which could be  
14 lowered to 6.74% if he set up automatic payments from a Kinecta bank account.  
15 The email listed stipulations that needed to be met before proceeding with the loan,  
16 which included providing his driver’s license, the signed purchase contract, and  
17 both sides of his signed social security card.

18           17. Esqueda submitted the requested documents but received no response.  
19 He called Bergara a week later and was told that his application was denied  
20 because he was not a permanent resident. Esqueda’s wife, Yadira, went in-person  
21 to a Kinecta branch on East Century Blvd. seeking additional information. A  
22 Kinecta employee told her that the only way for Esqueda to qualify would be with  
23 an Individual Taxpayer Identification Number (ITIN). Yadira expressed confusion  
24 because Esqueda’s social security number was valid. However, the representative  
25 insisted that the only option for Esqueda was to use an ITIN so that he could build  
26 credit until he could obtain a “real” social security number.

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1 18. Esqueda was not offered membership and never received a written  
2 notice of credit denial. The loan application asked Esqueda to enter his account  
3 information from another bank to make a minimum five-dollar deposit, which was  
4 necessary to open a Kinecta account. However, Esqueda never received a  
5 welcome notice or login information and was never charged for that amount.

6 19. At the time that Esqueda applied for the loan he had a credit score of  
7 780, but when he checked it again after Kinecta's denial it was 748. Esqueda was  
8 ultimately able to secure a loan elsewhere, but on much less favorable terms. The  
9 loan he obtained was for \$18,466 with a finance charge of \$6,158 and an interest  
10 rate of 9.84%.

11 20. Esqueda suffered harm as a result of Kinecta's denial of his loan  
12 application because of his alienage. Kinecta's rejection caused Esqueda to suffer  
13 damages, including compensatory damages, emotional distress, and negative  
14 effects on his credit score.

15 21. Kinecta's rejection caused Esqueda to feel the deleterious effects of  
16 discrimination.

17 22. Kinecta's denial of Esqueda's application because of its limited and  
18 arbitrary immigration-status requirement violates 42 U.S.C. § 1981.

19 23. Kinecta's denial of Esqueda's application because of his immigration  
20 status violates the California Unruh Civil Rights Act.

21 24. There is an actual and substantial controversy between Esqueda and  
22 Kinecta.

23 **CLASS ACTION ALLEGATIONS**

24 25. Plaintiff incorporates by reference the allegations in all preceding  
25 paragraphs.

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1           26. Plaintiff brings this action on behalf of himself and all others similarly  
2 situated under Rule 23 of the Federal Rules of Civil Procedure as a nationwide  
3 class.

4           27. Plaintiff seeks to represent the following nationwide Class (“National  
5 Class”), composed of, and defined, as follows:

6                   All persons who resided in the United States at the relevant time  
7 they applied for or attempted to apply for a financial product  
8 from Kinecta but were denied full and equal consideration by  
9 Kinecta on the basis of alienage.

10           28. Plaintiff additionally brings class allegations on behalf of a California  
11 subclass (“California Subclass”) composed of and defined as follows:

12                   All persons who resided in California at the relevant time they  
13 applied for or attempted to apply for a financial product from  
14 Kinecta but were denied full and equal consideration by Kinecta  
15 on the basis of their immigration status.

16           29. Plaintiff may amend the above class definitions as this Court may  
17 permit or require. This action is filed and may be properly maintained as a class  
18 action under the provisions of Rule 23 of the Federal Rules of Civil Procedure  
19 because all of the prerequisites for class treatment are met.

20           **Rule 23(a)(1) – Numerosity**

21           30. The potential members of the above National Class and California  
22 Subclass as defined are so numerous that joinder is impracticable.

23           31. On information and belief, Defendant’s records contain information as  
24 to the number and location of the National Class and California Subclass members  
25 that would allow the class to be ascertained.

26           **Rule 23(a)(2) – Common Questions of Law and Fact**

27           32. There are questions of law and fact common to the Class  
28 predominating over any questions affecting only Plaintiff or any other individual

1 Class Members. These common questions of law and fact include, without  
2 limitation:

- 3 a. Whether it is Kinecta's policy or practice to reject applicants for  
4 financial products on the basis of immigration status;
- 5 b. Whether Kinecta violated 42 U.S.C. § 1981 by denying the full and  
6 equal right to contract to Plaintiff and the National Class on the basis of alienage;
- 7 c. Whether Kinecta violated the California Unruh Civil Rights Act by  
8 denying full and equal access to its services to Plaintiff and the California Subclass  
9 on the basis of immigration status;
- 10 d. Whether Plaintiff and the Class Members are entitled to declaratory,  
11 injunctive, and other equitable relief; and
- 12 e. Whether Plaintiff and the Class Members are entitled to damages and  
13 any other available relief.

14 **Rule 23(a)(3) – Typicality**

15 33. The claims of the named Plaintiff are typical of the claims of the  
16 Class. Plaintiff and all Class Members sustained injuries and damages arising out  
17 of and caused by Defendant's common course of conduct and common policies in  
18 violation of federal and California laws, regulations, and statutes as alleged here.

19 **Rule 23(a)(4) – Adequacy of Representation**

20 34. Plaintiff will fairly and adequately represent and protect the interests  
21 of the Class Members.

22 35. Plaintiff has retained counsel competent and experienced in complex  
23 litigation and discrimination class actions.

24 **Rule 23(b)(2) – Declaratory, Equitable, and Injunctive Relief**

25 36. Class certification is appropriate because Kinecta has acted and/or  
26 refused to act on grounds generally applicable to the members of the National  
27 Class and California Subclass. Kinecta's actions make appropriate declaratory,  
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1 equitable, and injunctive relief with respect to Plaintiff and the Class Members as a  
2 whole.

3 37. Kinecta excludes Class Members in the National Class and California  
4 Subclass outright from banking products and services on the basis of alienage  
5 and/or immigration status. The Class Members of the National Class and  
6 California Subclass are entitled to declaratory, equitable, and injunctive relief to  
7 end Kinecta's common, unfair, and discriminatory policies.

8 **Rule 23(b)(3) – Superiority of Class Action**

9 38. A class action is superior to other available means for the fair and  
10 efficient adjudication of this controversy. Individual joinder of all Class Members  
11 is not practicable, and questions of law and fact common to the Class predominate  
12 over any questions affecting only individual Class Members. Each member of the  
13 proposed Class has been damaged and is entitled to recovery by reason of  
14 Defendant's unlawful policies and practices of discriminating on the basis of  
15 immigration status and denying full and equal access to Defendant's services.

16 39. No other litigation concerning this controversy has been commenced  
17 by or against Class Members.

18 40. Class action treatment will allow similarly-situated persons to litigate  
19 their claims in the manner that is most efficient and economical for the parties and  
20 the judicial system. It is unlikely that individual Class Members have any interest  
21 in individually controlling separate actions in this case. Under the applicable laws,  
22 Class Members have been damaged and are entitled to recovery of damages and  
23 statutory penalties because of Kinecta's discriminatory policies. Damages are  
24 capable of measurement on a class-wide basis. Plaintiff and Class Members will  
25 rely on common evidence to resolve their legal and factual questions, including the  
26 applicable policies and practices in the relevant period.

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Dated: May 3, 2024

Respectfully submitted,

MEXICAN AMERICAN LEGAL  
DEFENSE AND EDUCATIONAL  
FUND

*/s/ Eduardo Casas*

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