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Attorneys for Plaintiff Eric Hall

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

Eric HALL, individually and on behalf of all
others similarly situated,

Plaintiff,

v.

LUMBER LIQUIDATORS, INC.;
LUMBER LIQUIDATORS HOLDINGS,
INC.; LUMBER LIQUIDATORS LEASING,
LLC; LUMBER LIQUIDATORS SERVICES,
LLC; and LUMBER LIQUIDATORS
PRODUCTION, LLC,

Defendants.

Civil Action No. 3:15-cv-01558

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

NATURE OF THE CASE AND PRELIMINARY STATEMENT

1
2 1. Defendant Lumber Liquidators¹ has been selling composite laminate flooring
3 products that emit formaldehyde at levels known to pose serious health risks. For nearly two
4 years, and possibly longer, Lumber Liquidators has known that flooring products it has
5 manufactured in China that are intended to be used in people's homes in the United States emit
6 unsafe levels of formaldehyde.

7 2. However, Lumber Liquidators has continued to specifically and falsely label
8 these products as being compliant with all limits set by the California Air Resources Board
9 ("CARB")—which Lumber Liquidators correctly touts as being among the most strict
10 emissions regulations in the nation.

11 3. As a result, consumers throughout the country, including in California, have
12 been buying flooring products from Defendant that are unsafe and should not be distributed or
13 sold, and they have been unwittingly installing these dangerous products in their homes.

14 4. Laminate wood flooring is generally composed of a base layer of pressed
15 composite wood (particle board or medium-density fiberboard), which is a mixture of sawdust
16 or wood particles bonded together with glue or resin. The base layer is covered with a veneer or
17 other material, such as a plastic laminate with a photographic image of wood, that is affixed as
18 a decorative surface.

19 5. Formaldehyde is a common ingredient in the glue used in the laminate flooring
20 base layer. If used in low levels, the formaldehyde quickly dissipates during installation.
21 However, if used in higher levels, the formaldehyde is released as a gas that emanates from the
22 flooring over time.

23 6. Long-term exposure to formaldehyde is linked to increased risk of cancer of the
24 nose and sinuses, nasopharyngeal and oropharyngeal cancer, lung cancer, and leukemia.

25
26 ¹ "Lumber Liquidators" refers collectively to all named Lumber Liquidators defendants;
see paragraphs 21–26 below.

1 Formaldehyde also causes burning eyes, nose and throat irritation, coughing, headaches,
2 dizziness, joint pain, and nausea. It has been linked also to the exacerbation of asthma in
3 formaldehyde-sensitive individuals and it poses a particular acute risk to children.

4 7. Lumber Liquidators supervises and controls the manufacturing of composite
5 laminate wood flooring products in several mills in China. Lumber Liquidators also packages,
6 distributes, markets, and/or sells laminate wood flooring products that have been manufactured
7 in China to consumers in the United States, including in California.

8 8. From October 2013 through November 2014, three accredited laboratories tested
9 the formaldehyde emissions of laminate wood flooring from several nationwide retail outlets,
10 including Home Depot, Lowe's, and Lumber Liquidators. Of the dozens of products tested, by
11 far the highest formaldehyde levels were found in the laminate wood flooring sold by Lumber
12 Liquidators that was produced in China. The levels of formaldehyde gas emitted by these
13 Chinese-made Lumber Liquidators products were several times the maximum CARB limits and
14 exceeded the standards promulgated in the Toxic Substances Control Act, 15 U.S.C. §§ 2601 *et*
15 *seq.* (Title VI – Formaldehyde Standards of Composite Wood Products).

16 9. Similar products manufactured in North America generally had much lower
17 formaldehyde levels that complied with the formaldehyde emission standards promulgated by
18 CARB.

19 10. Similar products tested from Lumber Liquidators's competitors also showed
20 significantly lower formaldehyde levels that generally complied with the CARB
21 formaldehyde emission standards. The list of products that have been tested and found to
22 exceed the CARB limit for formaldehyde emissions is set forth in paragraph 36 below.

23 11. Despite this discrepancy, Lumber Liquidators did not differentiate between its
24 domestically manufactured floor laminates and those made in China. Indeed, Defendant's
25 labels on its Chinese-made laminate wood flooring products state that the products comply
26

1 with strict formaldehyde emission standards promulgated by CARB by stating “California
2 93120 Phase 2 Compliant Formaldehyde.”

3 12. In 2014 and early 2015, “60 Minutes” conducted an independent investigation
4 into Lumber Liquidators’s Chinese-made flooring products. Investigators purchased 31 boxes
5 of various Chinese-made flooring products from various Lumber Liquidators stores around the
6 country and sent the samples for testing at two certified labs. Of the 31 samples, only one was
7 compliant with CARB formaldehyde emissions standards. “Some were more than 13x over the
8 California limit.”²

9 13. “60 Minutes” also sent undercover investigators to three different mills in China
10 that manufacture laminates and other flooring on behalf of Lumber Liquidators. “60 Minutes”
11 reported that:

12 Employees at the mills openly admitted that they use core boards with
13 higher levels of formaldehyde to make Lumber Liquidators laminates,
14 saving the company 10–15 percent on the price. At all three mills they
also admitted [to] falsely labeling the company’s laminate flooring as
CARB[-compliant].³

15 Lumber Liquidators does not give consumers any warnings or disclosures about the unlawful
16 formaldehyde levels in its laminate wood flooring products. Instead, along with its product
17 labels, it represents on its website and in its warranties that its flooring products comply with
18 strict formaldehyde standards. Lumber Liquidators has made false and misleading statements
19 that its flooring products comply with CARB formaldehyde standards. Lumber Liquidators’s
20 website falsely states, “we not only comply with laws—we exceed them” and “Highest Quality
21 Flooring. GUARANTEED.”⁴

23 ² *Lumber Liquidators Linked to Health and Safety Violations*, “60 Minutes” (Mar. 1,
24 2015), available at [http://www.cbsnews.com/news/lumber-liquidators-linked-to-health-and-](http://www.cbsnews.com/news/lumber-liquidators-linked-to-health-and-safety-violations/)
25 [safety-violations/](http://www.cbsnews.com/news/lumber-liquidators-linked-to-health-and-safety-violations/) (last visited March 4, 2015).

25 ³ *Id.*

26 ⁴ [http://www.lumberliquidators.com/11/flooring/quality?WT.ad-GLOBAL Quality](http://www.lumberliquidators.com/11/flooring/quality?WT.ad-GLOBAL+Quality) (last
visited on March 2, 2015, Page unavailable as of March 4, 2015).

1 14. Lumber Liquidators continually has sold these products to customers throughout
2 the United States, including in California, through its retail stores, its retail website
3 (www.lumberliquidators.com), and through its toll-free customer service telephone line.

4 15. Plaintiff purchased and installed a Lumber Liquidators product that was
5 manufactured in China, labeled as being CARB compliant, and that was of a type found to have
6 formaldehyde levels that exceed CARB limits. Plaintiff seeks to represent himself and
7 similarly situated persons who have purchased Defendant's laminate wood flooring products
8 that were manufactured in China, labeled as CARB-compliant, and sold to consumers in the
9 United States ("the putative Class"). Plaintiff seeks restitution of monies he and the putative
10 Class spent on Defendant's flooring products, the cost of replacing the products, and damages
11 on behalf of himself and the putative Class.

12 13 **JURISDICTION**

14 16. This Court has federal question jurisdiction over this action under 28 U.S.C.
15 § 1331 because Plaintiff pleads a claim under the Magnuson-Moss Warranty Act, 15 U.S.C.
16 §§ 2301–2312.

17 17. In addition, this Court has diversity jurisdiction over this action under 28 U.S.C.
18 § 1332(d)(2) in that the matter is a class action wherein the amount in controversy exceeds the
19 sum or value of \$5,000,000, exclusive of interest and costs, and members of the Class are
20 citizens of a State different from the Defendant.

21 18. This Court has personal jurisdiction over the Defendant in this action by the fact
22 that Defendant actively conducts business throughout California, in particular the sale of
23 laminate and manufactured wood flooring.

24 19. Venue is proper in this Court, under 28 U.S.C. § 1391(b)(1) and (c)(2), because
25 Defendant is subject to this Court's personal jurisdiction.
26

PARTIES

20. Plaintiff Eric Hall (“Plaintiff Hall”) is a citizen and resident of Corona, California, in Riverside County.

21. Defendant Lumber Liquidators, Inc. is a Delaware corporation with its headquarters and principal place of business in Toano, Virginia. Lumber Liquidators, Inc. is a wholly owned subsidiary of Lumber Liquidators, Holdings, Inc.

22. Defendant Lumber Liquidators Holdings, Inc. is a publicly traded Delaware corporation with its headquarters and principal place of business in Toano, Virginia.

23. Defendant Lumber Liquidators Leasing, LLC is a Delaware limited liability company with its headquarters and principal place of business in Toano, Virginia. On information and belief, the sole member of Lumber Liquidators Leasing, LLC is Lumber Liquidators Holdings, Inc.

24. Defendant Lumber Liquidators Services, LLC is a Delaware limited liability company with its headquarters and principal place of business in Toano, Virginia. On information and belief, the sole member of Lumber Liquidators Services, LLC is Lumber Liquidators Holdings, Inc.

25. Defendant Lumber Liquidators Production, LLC is a Delaware limited liability company with its headquarters and principal place of business in Toano, Virginia. On information and belief, the sole member of Lumber Liquidators Production, LLC is Lumber Liquidators Holdings, Inc.

26. Lumber Liquidators Holdings, Inc. and its above-named subsidiaries operate as a single business segment which distributes, markets, and/or sells laminate wood flooring products in the United States, including in the State of California. There are 354 Lumber Liquidators stores in the United States and 38 in California alone. Lumber Liquidators’s primary distribution center for the West Coast is located in California.

FACTUAL BACKGROUND

Lumber Liquidators Falsely Represents that Its Laminate Wood Flooring Products Meet California's Strict Emissions Standards for Products it Sells in Every State

27. The emissions limits set by CARB are among the most comprehensive and exacting in the country. These standards have served as a model for national standards that the Environmental Protection Agency is considering.

28. Defendant invokes these CARB standards and represents to consumers on its website, on its product packaging, and in various other materials that its laminate wood flooring products meet the CARB standards for formaldehyde emissions and are therefore safe. Defendant unequivocally states that though CARB legally governs only products sold in the State of California, Lumber Liquidators ensures that its composite flooring products meet the CARB standard no matter where they are sold. That is not the case.

29. Lumber Liquidators's website states:

Is Lumber Liquidators Compliant with the California law?

Laminate and engineered flooring products sold by Lumber Liquidators are purchased from mills whose production method has been certified by a Third Party Certifier approved by the State of California to meet the CARB standards. The scope of the certification by the Third Party Certifier includes the confirmation that the manufacturer has implemented the quality systems, process controls, and testing procedures outlined by CARB and that their products conform to the specified regulation limits. The Third Party Certifier also provides ongoing oversight to validate the manufacturers' compliance and manufacturers must be periodically re-certified.

Does CARB only apply to California?

Though it currently applies only to products sold in California, **Lumber Liquidators made a decision to require all of our vendors to comply with the California Air Resources Board regulations regardless of whether we intended to sell the products in California or any other state/country.**

What extra steps does Lumber Liquidators take to ensure compliance?

In addition to the California Air Resources Board requirements, **Lumber Liquidators regularly selects one or more finished products from**

each of its suppliers and submits them for independent third-party lab testing. This is done as a monitoring activity to validate ongoing quality control.⁵

California's Formaldehyde Standards

30. In 1988, the State of California officially listed formaldehyde (gas) as a chemical known to cause cancer.

31. In 1992, the CARB formally listed formaldehyde as a Toxic Air Contaminant in California with no safe level of exposure.

32. The CARB approved the Airborne Toxic Control Measure to Reduce Formaldehyde Emissions from Composite Wood Products in April 2007. The formaldehyde emission standards became effective in January 2009 and set decreasing limits in two Phases. CAL. CODE REGS., tit. 17, § 93120.2(a).

33. The CARB regulations apply to composite wood ("laminate") products, including flooring. CAL CODE REGS., tit. 17, § 93120.2(a).

34. The CARB Phase 1 Emission Standard for MDF, in effect from January 1, 2009 to December 31, 2010, limited formaldehyde emissions to 0.21 parts per million ("ppm"). The Phase 2 Emission Standard for MDF dictates that, as of January 1, 2011, MDF flooring products such as those involved in this action must emit no more than 0.11 parts per million ("ppm") of formaldehyde. The CARB Phase 1 Emission Standard for Thin MDF, which was in effect from January 1, 2009 to December 31, 2011, limited formaldehyde emissions to 0.21 ppm. The CARB Phase 2 Emission Standard for Thin MDF dictates that as of January 1, 2012, thin MDF flooring products such as those involved in this action must emit no more than 0.13 ppm of formaldehyde. CAL. CODE REGS., tit. 17, § 93120.2(a). (Hereinafter, the formaldehyde emission standards for both MDF and Thin MDF will be referred to as the "CARB limit.")

⁵http://www.lumberliquidators.com/11/flooring/ca-air-resources-board-regulations?Wt.ad=GLOBAL_FOOTER_CaliRegCARB (last visited on March 4, 2015) (emphasis in original).

***Lumber Liquidators's Lamine Wood Flooring Products
Do Not Comply with the CARB Limits***

35. As stated above, numerous Lumber Liquidators's composite wood flooring products that were manufactured in China have been tested by several different laboratories and have been found to have dangerous levels of formaldehyde that far exceed CARB limits and that pose dangers to human health.

36. Defendant supervises and/or controls the manufacturing and packaging of laminate wood flooring products in China that Defendant then distributes, markets, and/or sells in the United States, including in California. Those laminate wood flooring products contain formaldehyde and emit formaldehyde gas at levels that exceed, and sometimes greatly exceed, the CARB limit. Those Chinese-made laminate wood flooring products (the "Subject Flooring") include the following:

- a. Bristol County Cherry Lamine Flooring 8 mm;
- b. Dream Home Elk River Redwood Lamine Flooring 12 mm;
- c. Dream Home Ispiri Americas Mission Olive Lamine Flooring 12 mm;
- d. Dream Home Ispiri Chimney Tops Smoked Oak Lamine Flooring 12 mm;
- e. Dream Home Ispiri Poplar Forest Oak Lamine Flooring 12 mm;
- f. Dream Home Kensington Manor Antique Bamboo Lamine Flooring 12 mm;
- g. Dream Home Kensington Manor Cape Doctor Lamine Flooring 12 mm;
- h. Dream Home Kensington Manor Fumed African Ironwood Lamine Flooring 12 mm;
- i. Dream Home Kensington Manor Glacier Peak Poplar Lamine Flooring 12 mm;
- j. Dream Home Kensington Manor Golden Teak Lamine Flooring 12 mm;
- k. Dream Home Kensington Manor Handscraped Imperial Teak Lamine Flooring (SKU 10029601) 12 mm;

1. Dream Home Kensington Manor Handscraped Imperial Teak Laminate Flooring (SKU 10023958) 12 mm;
- m. Dream Home Kensington Manor Handscraped Summer Retreat Teak Laminate Flooring 12 mm;
- n. Dream Home Kensington Manor Sandy Hills Hickory Laminate Flooring 12 mm;
- o. Dream Home Kensington Manor Tanzanian Wenge Laminate Flooring 12 mm;
- p. Dream Home Kensington Manor Warm Springs Chestnut Laminate Flooring 12 mm;
- q. Dream Home Kensington Manor Red River Rustic Oak Handscraped Laminate Flooring 12mm (SKU 10023138);
- r. Dream Home Nirvana French Oak Laminate Flooring 8 mm;
- s. Dream Home Nirvana Royal Mahogany Laminate Flooring 8 mm;
- t. Dream Home St. James African Mahogany Laminate Flooring 12 mm;
- u. Dream Home St. James Blacksburg Barn Board Laminate Flooring 12 mm;
- v. Dream Home St. James Brazilian Koa Laminate Flooring 12 mm;
- w. Dream Home St. James Chimney Rock Charcoal Laminate Flooring 12 mm;
- x. Dream Home St. James Cumberland Mountain Oak Laminate Flooring 12 mm;
- y. Dream Home St. James Golden Acacia Laminate Flooring 12 mm;
- z. Dream Home St. James Nantucket Beech Laminate Flooring 12 mm;
- aa. Dream Home St. James Oceanside Plank Bamboo Laminate Flooring 12 mm;
- bb. Dream Home St. James Sky Lakes Pine Laminate Flooring 15 mm; and
- cc. Dream Home St. James Vintner's Reserve Laminate Flooring 12 mm.

1 37. CARB regulations apply to all of the above listed flooring products.

2 38. On information and belief, each of the Lumber Liquidators' laminate wood
3 flooring products listed in paragraph 36 above is manufactured in China using a common
4 formula, design, or process.

5 39. On information and belief, each of the Lumber Liquidators' laminate wood
6 flooring products listed in paragraph 36 above emits formaldehyde gas at levels that exceed the
7 CARB limits.

8
9 ***Lumber Liquidators Has Continually Made Knowingly False Representations that
Formaldehyde Levels in its Laminate Wood Flooring Were CARB Compliant***

10 40. After the dangerous formaldehyde levels in Lumber Liquidators's products were
11 featured on the news program "60 Minutes," Lumber Liquidators responded by posting a letter
12 from its Chairman on its website stating:

13 Let me make one thing very clear—our laminate products, all of our
14 products, are 100% safe We comply with applicable regulations
15 regarding our products, including California standards for formaldehyde
16 emissions for composite wood products—the most stringent rules in the
17 country. We take our commitment to safety even further by employing
compliance personnel around the world and utilizing the latest in cutting-
edge technology to provide our customers with top quality and high
value flooring.⁶

18 41. In addition, the product packaging for Lumber Liquidators's laminate wood
19 flooring states: "CARB . . . CALIFORNIA 93120 Phase 2 Compliant Formaldehyde." On
20 information and belief, this statement is presented on all Lumber Liquidators' laminate flooring
21 product packaging regardless of whether the flooring inside the packaging complies with the
22 CARB standards. The following image shows an example of the information label on the
23 product packaging:

24
25
26 ⁶ <http://www.lumberliquidators.com/sustainability/60-minutes-letter-from-tom/> (last
visited March 4, 2015).



42. Lumber Liquidators's purchase orders come with a warranty stating that the customer's purchased flooring products comply "with all applicable laws, codes and regulations," and "bear all warnings, labels, and markings required by applicable laws and regulations."

43. Instead of warning consumers about formaldehyde emissions from its laminate wood flooring products, Lumber Liquidators's website states that it has Third Party Certifiers approve its flooring products to meet CARB standards.

Regulations and Lumber Liquidators' Compliance

The California Air Resources Board (CARB) requires that products containing Hardwood Plywood Veneer Core (HWP-VC), Hardwood Plywood Composite Core (HWP-CC), Particleboard and MDF be tested for emissions and products not meeting the strict standards for emissions may not be sold in California.

The Environmental Protection Agency has drafted national standards for formaldehyde emissions in composite wood products that are similar to those of California. Those standards have not yet been enacted.

1 All laminates and engineered flooring products sold by Lumber
2 Liquidators are purchased from mills whose production method has been
3 certified by a Third Party Certifier approved by the State of California to
4 meet the CARB standards. The scope of the certification by the Third
5 Party Certifier includes the confirmation that the manufacturer has
6 implemented the quality systems, process controls, and testing procedures
7 outlined by CARB and that their products conform to the specified
8 formaldehyde-emission limits. The Third Party Certifier also provides
9 ongoing oversight to validate the manufacturers' compliance and
10 manufacturers must be periodically re-certified. Though it currently
11 applies only to products sold in California, Lumber Liquidators made a
12 decision to require all of our suppliers to comply with CARB regardless of
13 whether we intended to sell the products in California or any other
14 state/country. In addition, our suppliers manufacture their products in
15 accordance with the European standard which has stricter guidelines than
16 the California. In addition to the CARB requirements, Lumber Liquidators
17 regularly selects one or more products from each of its suppliers and
18 submits them for independent third-party lab testing.⁷ This is done as a
19 monitoring activity to validate ongoing compliance.

20 44. Lumber Liquidators materially misrepresents the safety of its laminate wood
21 flooring products by advertising and representing that its flooring products are compliant with
22 the CARB limit when in fact they are not.

23 45. Lumber Liquidators makes the material omission of failing to tell consumers
24 that they are buying laminate wood flooring products with unlawfully high levels of
25 formaldehyde.

26 46. These laminate wood flooring products have been sold by Defendant for use in
homes in the Unites States, including in California, for more than three years.

47. Defendant continues to distribute and sell its laminate wood flooring products to
customers in the Unites States, including in California, with the representation that they are
CARB-compliant, even though they are not.

48. On information and belief, at all times relevant to this action, Lumber
Liquidators has knowingly misrepresented its laminate wood flooring products as CARB-

⁷ <http://www.lumberliquidators.com/ll/flooring/Flooring101?Wt.ad=RIGHTNAV>
[Flooring101](#) (last visited March 4, 2015).

1 compliant and knowingly failed to disclose to consumers the unlawful levels of formaldehyde
2 emissions from its laminate wood flooring products.

3 49. At the same time that Defendant made public statements to consumers that the
4 laminate wood products it sells are sourced from mills whose production methods are CARB-
5 compliant, that the products conform to CARB's specified formaldehyde emission limits, and
6 the measures that Lumber Liquidators takes to ensure full compliance by its suppliers,
7 Defendant acknowledged the opposite to the SEC, stating, "[w]hile our suppliers agree to
8 operate in compliance with applicable laws and regulations, including those relating to
9 environmental and labor practices, we do not control our suppliers. Accordingly, we cannot
10 guarantee that they comply with such laws and regulations or operate in a legal, ethical and
11 responsible manner. Violation of environmental, labor or other laws by our suppliers or their
12 failure to operate in a legal, ethical and responsible manner, could . . . expose us to legal risks
13 as a result of our purchase of product from non-compliant suppliers."⁸

14 50. Despite its stated concern that its suppliers might not comply with
15 environmental regulations, Defendant has failed to sufficiently exercise quality control over
16 those suppliers to ensure that they comply with CARB standards, and Defendant continues to
17 sell to United States consumers, including consumers in California, laminate wood flooring
18 products that Defendant obtains from those suppliers.

19 51. On June 20, 2013, the news website Seeking Alpha published a lengthy article
20 based on a letter to the CARB. The letter and article documented high formaldehyde levels in
21 Chinese-made laminate flooring sold by Lumber Liquidators, as shown by tests that a certified
22 laboratory conducted on three samples of Chinese-made laminate flooring sold by Lumber

23
24 ⁸ Lumber Liquidators February 25, 2014 10-K at p. 14,
25 <http://investors.lumberliquidators.com/index.php?o=25&s=127> (emphasis added). In the same
26 filing, Lumber Liquidators acknowledges that it oversees quality control in its Chinese mills:
"We are able to set demanding specifications for product quality and our own quality control
and assurance teams are on-site at the mills, coordinating inspection and assurance procedures."
Id. at p. 5.

1 Liquidators. Enclosed with the letter were the actual test results showing that the tested product,
2 Mayflower 5/16" x 5" Bund Birch Engineered, emits three and one-half times the maximum
3 formaldehyde emission level. The letter notes that Lumber Liquidators nonetheless labeled the
4 product as being CARB-compliant.

5 52. On information and belief, high formaldehyde content resins and glues are less
6 expensive and dry more quickly than low formaldehyde glues and resins. By using high
7 formaldehyde content resins and glues rather than low formaldehyde content resins and glues,
8 Lumber Liquidators's Chinese manufacturers are able to produce laminate wood flooring more
9 quickly and at higher volumes, thereby reducing costs and generating greater profits for
10 Lumber Liquidators.

11 53. On or about November 26, 2013, a putative federal securities class action
12 lawsuit was filed against Lumber Liquidators in the United States District Court for the Eastern
13 District of Virginia based on drops in the stock price following the Seeking Alpha article and
14 its allegations concerning the formaldehyde emissions from Defendant's laminate wood
15 flooring products. *Kiken v. Lumber Liquidators Holdings, Inc., et al.*, No. 4:2013-cv-00157
16 (E.D. Va.). This case is currently pending. Lumber Liquidators was made aware during the
17 pendency of this and other lawsuits of complaints and allegations that its laminate wood
18 flooring products from China emit formaldehyde gas at levels that violate the CARB limit.

19 54. Numerous Lumber Liquidators customers have posted Internet complaints on
20 Defendant's website concerning formaldehyde emissions, including Deborah of North Fork,
21 California, who posted on the Consumer Affairs website on September 11, 2014:

22 We spent thousands of dollars and went with the LL recommended
23 professional installer . . . the product we were sold was supposedly
24 Made in the USA—nope, China. One of my children cannot walk
barefoot on the floor because he will blister from the formaldehyde
content. We saved for years for this floor, it will need to be replaced.

1 Please RUN to another dealer. This company does not care about the
customer one bit. This has been a devastating blow to our family.⁹

2 55. Based on lawsuits, articles, and blog posts, Defendant knew or should have
3 known that its laminate wood flooring products were not compliant with CARB standards.
4 Despite this knowledge, Defendant failed to reformulate its flooring products so that they are
5 CARB compliant or to disclose to consumers that these products emit unlawful levels of
6 formaldehyde. Instead, Defendant has sold and continues to sell laminate wood flooring
7 products in the United States, including in California, that exceed the CARB limit while
8 continually representing to consumers that those products are CARB compliant.

9 56. In light of the false representations that Lumber Liquidators has made regarding
10 formaldehyde levels, and in light of the health risks posed by formaldehyde, Plaintiff and
11 members of the Class would reasonably fear for their safety by allowing the laminate flooring
12 to remain in their homes. It would therefore be reasonably prudent to incur the cost of replacing
13 the laminate flooring rather than continue to incur the risks posed by the laminate flooring that
14 may contain high levels of formaldehyde.

15
16 **FACTS SPECIFIC TO PLAINTIFF HALL**

17 57. Plaintiff Hall purchased approximately 1,200 square feet of “Dream Home – St.
18 James 12mm Elk River Redwood Laminate Flooring” in August 2013 from a Lumber
19 Liquidators store located in Murrieta, California. He paid approximately \$3,000 for the
20 flooring.

21 58. On information and belief, this flooring product was produced at a laminate mill
22 in China.

23 59. Plaintiff Hall is a law enforcement officer for the United States Treasury
24 Department.

25
26 ⁹ http://www.Consumeraffairs.com/homeowners/lumber_liquidators.html, December 2,
2014.

1 60. Plaintiff Hall purchased the laminate flooring for the purpose of installing it in
2 his home. He lives with his wife (a nurse), their two-year-old daughter, and their four-year-old
3 son. In August and September of 2013, he installed the flooring in all the downstairs rooms
4 (except the bathroom) of their house.

5 61. When Plaintiff Hall's son started showing signs of allergies, Plaintiff Hall and
6 his wife decided to remove the carpeting and purchase laminate flooring. When Plaintiff Hall
7 was a child, his family did the same thing—replaced carpet with laminate—and his asthma
8 greatly improved. Here, however, Plaintiff Hall's son's allergies have worsened greatly since
9 the laminate flooring was installed.

10 62. Everyone in the family has suffered headaches since the flooring was installed.
11 Plaintiff Hall is very concerned about the health of his family because of the formaldehyde in
12 the laminate flooring.

13 63. Before purchasing the laminate flooring, Plaintiff Hall researched Defendant's
14 laminate to make sure that it was safe and in accordance with California emission standards.
15 He chose Defendant's flooring because it was less expensive than competing products and
16 because Defendant represented it as CARB-compliant—making it seem to be a great deal. He
17 researched various aspects and health effects of laminate flooring, including the glues used in
18 manufacturing. He noticed the CARB-2 label on the laminate's packaging before buying the
19 laminate flooring. He relied on the representations on the label in deciding to purchase his
20 flooring.

21 64. Before the time of Plaintiff Hall's purchase and until the present day, Lumber
22 Liquidators has represented to customers and on its website that the type of flooring that
23 Plaintiff Hall purchased was compliant with rigorous emissions standards, including the
24 relevant CARB standard for formaldehyde.

25 65. At no point before or at the time of sale did Lumber Liquidators disclose that the
26 flooring had unsafe levels of formaldehyde or that formaldehyde is a known carcinogen.

1 Lumber Liquidators had ample opportunity to make this disclosure on its website or directly to
2 Plaintiff Hall at the time of sale. He relied on this omission when he purchased the flooring.
3 He believed that if Lumber Liquidators was selling a product, it must be safe.

4 66. As of April 3, 2015, Lumber Liquidators's website for the flooring type that
5 Plaintiff Hall purchased contains this guarantee: "QUALITY GUARANTEE: This flooring
6 meets or exceeds rigorous emissions standards such as California CARB."¹⁰

7 67. Plaintiff Hall would not have purchased the flooring had he known that it
8 contained unsafe formaldehyde levels in excess of the CARB limits.

9 68. Lumber Liquidators's representations that the flooring complied with CARB
10 formaldehyde emission standards were false.

11 69. In early March 2015, Plaintiff Hall learned for the first time that Lumber
12 Liquidators's representations concerning the levels of formaldehyde in his flooring were false
13 and that Lumber Liquidators chose to conceal information that would have been material to his
14 decision to purchase his flooring.

15 70. The defective flooring remains installed in Plaintiff Hall's home, thereby
16 lowering the value of his home and causing health injuries, as described above, to him and his
17 family.

18 71. Plaintiff Hall is eager to remove the flooring, but cannot afford to do so. He
19 recently obtained an estimate to replace the flooring for \$7,000—comprising \$3,000 for new
20 flooring and \$4,000 for labor.

21 CLASS ACTION ALLEGATIONS

22 72. Plaintiff repeats and realleges every allegation above as if set forth herein in full.
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24
25

26 ¹⁰ <http://www.lumberliquidators.com/ll/c/Elk-River-Redwood-Laminate-Dream-Home-St.-James-12ER/10024416>.

1 73. Plaintiff brings this action under Rule 23 of the Federal Rules of Civil
2 Procedure.

3 74. The class that Plaintiff seeks to represent (the “Class”) is defined as follows:

4 a. All persons who purchased from Defendant in the United
5 States one or more laminate wood flooring products that were for their
6 personal use, rather than for resale or distribution, that were
7 manufactured in China and that were advertised as being CARB-
8 compliant (the “**Nationwide Class**”).

9 b. All persons who purchased from Defendant in the State of
10 California one or more laminate wood flooring products that were for
11 their personal use, rather than for resale or distribution, that were
12 manufactured in China and that were advertised as being CARB-
13 compliant (the “**California Subclass**”).

14 75. Excluded from all classes and subclasses are governmental entities, Defendant,
15 its affiliates and subsidiaries, Defendant’s current or former employees, officers, directors,
16 agents, representatives, their family members, and the members of this Court and its staff.

17 76. Plaintiff does not know the exact size or identities of the members of the
18 proposed Class, because that information is in Defendant’s exclusive control. Plaintiff believes
19 that the Class encompasses many hundreds and perhaps thousands of individuals whose
20 identities can be readily ascertained from Defendant’s books and records. Therefore, the
21 proposed Class is so numerous that joinder of all members is impracticable.

22 77. Based on the size of the modifications at issue, Plaintiff believes the amount in
23 controversy exceeds \$5 million.

24 78. All members of the Class have been subject to and affected by the same
25 conduct. All purchased laminate wood flooring products from the Defendant that were falsely
26 advertised as being known to be compliant with CARB standards for formaldehyde and were
therefore safe to install in homes or businesses. Instead, the levels of formaldehyde in the
flooring products were, at a minimum, unknown and in many cases emitting unlawful levels of
formaldehyde. The lack of monitoring to ensure CARB compliance and the resulting lack of
CARB compliance was not disclosed to any Class members. There are questions of law and

fact that are common to the Class, and they predominate over any questions affecting only individual members of the Class. These questions include the following:

- a. Whether Lumber Liquidators properly and adequately monitored its Chinese manufacturing plants to ensure CARB compliance;
- b. Whether Lumber Liquidators's laminate wood flooring products that were manufactured in China and sold in California exceed the CARB limit;
- c. Whether Lumber Liquidators falsely labeled and advertised its Chinese-manufactured laminate wood flooring products as being CARB compliant;
- d. Whether any false representations regarding CARB compliance were made knowingly and willfully;
- e. Whether Lumber Liquidators concealed and omitted material facts from its communications with and disclosure to all Class members regarding the levels of formaldehyde in its laminate wood flooring products;
- f. Whether Lumber Liquidators breached express warranties to Class members regarding its laminate wood flooring products;
- g. Whether Lumber Liquidators breached implied warranties of merchantability regarding its laminate wood flooring products;
- h. Whether Lumber Liquidators violated the California Consumer Legal Remedies Act regarding its laminate wood flooring products;
- i. Whether Lumber Liquidators violated California's Unfair Competition Law regarding its laminate wood flooring products;
- j. Whether Lumber Liquidators violated California's False Advertising Law regarding its laminate wood flooring products; and
- k. Whether the above practices caused Class members to suffer injury.

79. The claims of the individual named Plaintiff is typical of the claims of the Class and do not conflict with the interests of any other members of the Class.

80. The individual named Plaintiff will fairly and adequately represent the interests of the Class. He is committed to the vigorous prosecution of the Class's claims and has retained

1 attorneys who are qualified to pursue this litigation and have experience in class actions—in
2 particular, consumer protection actions.

3 81. A class action is superior to other methods for the fast and efficient adjudication
4 of this controversy. Each Class member is entitled to restitution of the price of the laminate
5 wood flooring product, and the cost of installation and removal of the unlawfully sold flooring
6 products. The damages suffered by individual Class members are small compared to the
7 expense and burden of individual prosecution of this litigation. Individual plaintiffs may lack
8 the financial resources to prosecute vigorously a lawsuit against Defendant to recover damages
9 stemming from Defendant's unfair and unlawful practices.

10 82. This putative class action meets the requirements of FED. R. CIV. P. 23(b)(2) and
11 (b)(3).

12 **CLAIMS FOR RELIEF**

13 **CLAIMS BROUGHT ON BEHALF OF THE NATIONWIDE CLASS**

14 **Claim I: Fraudulent Concealment**

15
16 83. Plaintiff Hall realleges and incorporates all above paragraphs as though fully set
17 forth here.

18 84. Plaintiff Hall brings this Claim on his own behalf and on behalf of the
19 Nationwide Class (the "Class," for purposes of this Claim).

20 85. Plaintiff Hall brings this Claim under Virginia law or, alternatively, under the
21 law of all states because there is no material difference in the law of fraudulent concealment.
22 On information and belief, Lumber Liquidators made the decisions to advertise the Subject
23 Flooring as CARB-compliant and to conceal that the Subject Flooring is not CARB-complaint
24 at its corporate headquarters in Virginia. Therefore, the fraud at issue emanated from Virginia.

25 86. Lumber Liquidators concealed and suppressed material facts concerning the
26 content of formaldehyde in the Subject Flooring.

1 87. Defendant had, and still has, a duty to disclose the true content of formaldehyde
2 in the Subject Flooring because it was known by and/or accessible only to Defendant, which
3 had superior knowledge and access to the facts, and because Defendant knew it was not known
4 to or reasonably discoverable by Plaintiff Hall or the Class members. These omitted and
5 concealed facts were material because they directly impact the safety of the Subject Flooring.
6 Whether composite flooring was manufactured with levels of formaldehyde that can pose
7 significant health risks is a material safety concern.

8 88. Defendant actively concealed and/or suppressed these material facts, in whole or
9 in part, to protect its profits and its corporate image, and it did so at the expense of Plaintiff
10 Hall and the Class members.

11 89. On information and belief, Lumber Liquidators still has not made full and
12 adequate disclosure, continues to defraud Plaintiff Hall and the Class members, and is
13 concealing material information regarding the levels of formaldehyde that exist in the Subject
14 Flooring.

15 90. Plaintiff Hall and the Class members were unaware of these omitted material
16 facts and would not have acted as they did if they had known of the concealed and/or
17 suppressed facts. Plaintiff Hall's and the Class members' actions were justified. Lumber
18 Liquidators was in exclusive control of the material facts and those facts were not known to the
19 public, Plaintiff Hall, or the Class members.

20 91. Because Defendant knew that any reasonable consumer would not purchase
21 laminate flooring with an unsafe amount of formaldehyde, or would pay only substantially less
22 for that flooring, and Defendant was concealing material information about the defective
23 Subject Flooring, Defendant must have known that Plaintiff Hall and the Class members were
24 acting on the basis of mistaken knowledge that their flooring was safe when they decided to
25 purchase the flooring at a market price (without a discount to reflect that it was dangerously
26 defective).

1 92. Because of this concealment and/or suppression of the material facts, Plaintiff
2 Hall and the Class members sustained damage because they purchased and retained flooring
3 products that they would not have purchased or installed in their homes had Defendant timely
4 disclosed the fact that the products were not compliant with the CARB standard.

5 93. Defendant's acts were done maliciously, oppressively, deliberately, with intent
6 to defraud, and in reckless disregard of Plaintiff Hall's and the Class members' rights and well-
7 being to enrich itself. Defendant's conduct warrants an assessment of punitive damages in an
8 amount sufficient to deter such conduct in the future, which amount is to be determined
9 according to proof.

10
11 **Claim II: Violation of the Magnuson-Moss Warranty Act**
 (15 U.S.C. §§ 2301–2312)

12 94. Plaintiff Hall realleges and incorporates all above paragraphs as though fully set
13 forth here.

14 95. Plaintiff Hall brings this Claim on his own behalf and on behalf of the
15 Nationwide Class (the "Class," for purposes of this Claim).

16 96. This Court has jurisdiction to decide claims brought under 15 U.S.C. §§ 2301 *et*
17 *seq.* by virtue of 28 U.S.C. § 1332 (a)–(d).

18 97. Plaintiff Hall and the Class members are "consumers" within the meaning of 15
19 U.S.C. § 2301(3).

20 98. Lumber Liquidators is a "supplier" and "warrantor" within the meaning of 15
21 U.S.C. § 2301(4)–(5).

22 99. The Subject Flooring constitutes a "consumer product" within the meaning of 15
23 U.S.C. § 2301(1).

24 100. 15 U.S.C. § 2310(d)(1) provides a claim for relief for any consumer who is
25 damaged by the failure of a warrantor to comply with a written or implied warranty.
26

1 101. Lumber Liquidators's express warranties and written affirmations of fact
2 regarding the nature of the flooring (i.e., that the flooring was in compliance with the CARB
3 limits) constitutes a written warranty within the meaning of 15 U.S.C. § 2301(6).

4 102. Defendant provided Plaintiff Hall and the Class members with an implied
5 warranty of merchantability in connection with the purchase of the Subject Flooring that is an
6 "implied warranty" within the meaning of 15 U.S.C. § 2301(7). As a part of the implied
7 warranty of merchantability, Defendant warranted that the Subject Flooring was fit for its
8 ordinary purpose as safe residential flooring, would pass without objection in the trade as
9 designed, manufactured, and marketed, and was adequately contained, packaged, and labeled.

10 103. Lumber Liquidators breached its warranties by manufacturing, selling, and/or
11 distributing flooring products with levels of formaldehyde that exceed the CARB standards
12 and/or by making affirmative representations regarding CARB compliance without knowledge
13 of its truth.

14 104. Lumber Liquidators's breach deprived Plaintiff Hall and the Class members of
15 the benefit of their bargains.

16 105. In its capacity as a warrantor, Defendant has knowledge of the inherent defects
17 in the Subject Flooring. Any efforts by Defendant to limit the implied warranties in a manner
18 that would exclude coverage of the Subject Flooring is unconscionable, and any such effort to
19 disclaim, or otherwise limit, liability for the defective Subject Flooring is null and void.

20 106. Pursuant to 15 U.S.C. § 2310(e), Plaintiff Hall is entitled to bring this class
21 action and is not required to give Defendant notice and an opportunity to cure until such time as
22 the Court determines the representative capacity of Plaintiff Hall pursuant to Rule 23 of the
23 Federal Rules of Civil Procedure.

24 107. Moreover, affording Defendant a reasonable opportunity to cure its breach of
25 written warranties would be unnecessary and futile. At the time of sale of the Subject Flooring
26 to Plaintiff Hall, Defendant should have known, or was reckless in not knowing, of its failure to

1 disclose information concerning the Subject Flooring's inability to perform as warranted, but
2 Defendant nonetheless failed to rectify the situation and/or disclose that the Subject Flooring
3 was defective. Under the circumstances, the remedies available under any informal settlement
4 procedure would be inadequate and any requirement that Plaintiff Hall resort to an informal
5 dispute resolution procedure and/or afford Defendant a reasonable opportunity to cure its
6 breach of warranties is excused and thereby deemed satisfied.

7 108. In addition, Chrysler's acts and omissions in violation of the Magnuson-Moss
8 Warranty Act constitute "[u]nfair methods of competition in or affecting commerce, and unfair
9 or deceptive acts or practices in or affecting commerce," and, accordingly, they are unlawful.
10 15 U.S.C. §§ 45(a)(1), 2310(b).

11 109. Pursuant to 15 U.S.C. § 2310(d)(3), the amount in controversy of Plaintiff Hall's
12 individual claims meets or exceeds the sum of \$25. The amount in controversy of this action
13 exceeds the sum of \$50,000, exclusive of interest and costs, computed on the basis of all claims
14 to be determined in this lawsuit.

15 110. Plaintiff Hall, individually and on behalf of the Class members, seeks all
16 damages permitted by law, including diminution in value of their homes, in an amount to be
17 proven at trial.

18 111. In addition, pursuant to 15 U.S.C. § 2310(d)(2), Plaintiff Hall and the other
19 Class members are entitled to recover a sum equal to the aggregate amount of costs and
20 expenses (including attorney's fees based on actual time expended) determined by the Court to
21 have reasonably been incurred by Plaintiff Hall and the Class members in connection with the
22 commencement and prosecution of this action.

CLAIMS BROUGHT ON BEHALF OF THE CALIFORNIA SUBCLASS

Claim III: Fraudulent Concealment
(Under California Law)

112. Plaintiff Hall realleges and incorporates all above paragraphs as though fully set forth here.

113. Plaintiff Hall brings this Claim on behalf of himself and the California Subclass, in the event a claim for fraudulent concealment is not certified for the Nationwide Class.

114. Lumber Liquidators concealed and suppressed material facts concerning the content of formaldehyde in the Subject Flooring.

115. Defendant had, and still has, a duty to disclose the true content of formaldehyde in the Subject Flooring because it was known by and/or accessible only to Defendant, which had superior knowledge and access to the facts, and because Defendant knew it was not known to or reasonably discoverable by Plaintiff Hall or the California Subclass members. These omitted and concealed facts were material because they directly impact the safety of the Subject Flooring. Whether composite flooring was manufactured with levels of formaldehyde that can pose significant health risks is a material safety concern.

116. Defendant actively concealed and/or suppressed these material facts, in whole or in part, to protect its profits and its corporate image, and it did so at the expense of Plaintiff Hall and the California Subclass members.

117. On information and belief, Lumber Liquidators still has not made full and adequate disclosure, continues to defraud Plaintiff Hall and the California Subclass members, and is concealing material information regarding the levels of formaldehyde in the Subject Flooring.

118. Plaintiff Hall and the California Subclass members were unaware of these omitted material facts and would not have acted as they did if they had known of the concealed and/or suppressed facts. Plaintiff Hall's and the California Subclass members' actions were

1 justified. Lumber Liquidators was in exclusive control of the material facts and such facts were
2 not known to the public, the Plaintiff Hall, or the California Subclass members.

3 119. Because Defendant knew that any reasonable consumer would not purchase
4 laminate flooring with an unsafe amount of formaldehyde, or would pay only substantially less
5 for that flooring, and Defendant was concealing material information about the defective
6 Subject Flooring, Defendant must have known that Plaintiff Hall and the California Subclass
7 members were acting on the basis of mistaken knowledge that their flooring was safe when
8 they decided to purchase the flooring at a market price (without a discount to reflect that it was
9 dangerously defective).

10 120. Because of the concealment and/or suppression of the facts, Plaintiff Hall and
11 the California Subclass sustained damage because they purchased and retained flooring
12 products that they would not have purchased or installed in their homes had Defendant timely
13 disclosed the fact that the products were not compliant with the CARB limits.

14 121. Defendant's acts were done maliciously, oppressively, deliberately, with intent
15 to defraud, and in reckless disregard of Plaintiff Hall's and the California Subclass members'
16 rights and well-being to enrich itself. Defendant's conduct warrants an assessment of punitive
17 damages in an amount sufficient to deter such conduct in the future, which amount is to be
18 determined according to proof.

19
20 **Claim IV: Violations of the Consumer Legal Remedies Act**
(CAL. CIV. CODE §§ 1750–1784)

21 122. Plaintiff Hall realleges and incorporates all above paragraphs as though fully set
22 forth here.

23 123. Plaintiff Hall brings this Claim on behalf of himself and the California Subclass.

24 124. Plaintiff Hall, the California Subclass members, and Defendant are "persons" as
25 defined by the Consumer Legal Remedies Act ("CLRA"). CAL. CIV. CODE § 1761(c).
26

1 125. Plaintiff Hall and the California Subclass members are “consumers,” as defined
2 by the CLRA, *id.* § 1761(d), who purchased laminate flooring from Defendant primarily for
3 personal, family, or household purposes.

4 126. The CLRA prohibits “unfair or deceptive acts or practices undertaken by any
5 person in a transaction intended to result or which results in the sale of lease of goods or
6 services to any consumer[.]” *Id.* § 1770(a).

7 127. Under the CLRA, it is unlawful to:

- 8 a. Misrepresent the certification of goods, *id.* § 1770(a)(2);
- 9 b. Represent that goods have characteristics which they do not have,
10 *id.* § 1770(a)(5);
- 11 c. Represent that goods are of a particular standard, quality, or
12 grade if they are of another, *id.* § 1770(a)(7);
- 13 d. Advertise goods with intent not to sell them as advertised, *id.*
14 § 1770(a)(9); or
- 15 e. “Represent that the subject of a transaction has been supplied in
16 accordance with a previous representation when it has not[.]” *id.*
17 § 1770(a)(16).

18 128. As set forth herein, Defendant actively and willfully engaged in unfair or
19 deceptive acts or practices in violation of the CLRA by, among other conduct, willfully and
20 knowingly misrepresenting on Defendant’s website and on the Subject Flooring’s packaging
21 that the Subject Flooring was CARB-compliant when it was not CARB-compliant and by
22 continuing to represent on its website that the Subject Flooring is CARB-compliant.

23 129. Defendant did not disclose to Plaintiff Hall or the California Subclass members,
24 at the time of sale or otherwise, that the Subject Flooring was not CARB-compliant.

25 130. Plaintiff Hall and the California Subclass members were injured as a direct and
26 proximate result of Defendant’s deceptive acts or practices because, among other things,
Plaintiff Hall and the California Subclass members overpaid for their Subject Flooring and
therefore did not receive the benefit of their bargain, and their homes—where the Subject

1 Flooring was installed—have suffered a diminution in value. Meanwhile, Defendant has sold
2 more Subject Flooring than it otherwise could have and charged inflated prices for the Subject
3 Flooring, unjustly enriching itself thereby.

4 131. Plaintiff Hall and the California Subclass members seek actual damages and
5 restitution under CAL. CIV. CODE § 1780(a)(1) and (3).

6 132. Plaintiff Hall and the California Subclass seek also punitive damages under CAL.
7 Civ. Code § 1780(a)(4) because Defendant's conduct was malicious, willful, reckless, wanton,
8 fraudulent, and in bad faith.

9 133. Plaintiff Hall and the California Subclass seek also costs and reasonable
10 attorney's fees under CAL. CIV. CODE § 1780(e), and any other relief that the Court deems
11 proper.

12 134. Plaintiff Hall sent a notice letter (certified mail, return receipt requested) to
13 Defendant on April 3, 2015, in compliance with CAL. CIV. CODE § 1782(a). This Claim shall
14 be ripe 30 days after Defendant receives the notice letters if Defendant does not provide, or
15 does not agree to provide within a reasonable time, an appropriate correction, repair,
16 replacement, or other remedy.

17
18 **Claim V: Violations of the Unfair Competition Law**
(CAL. BUS. & PROF. CODE §§ 17200–17210)

19 135. Plaintiff Hall realleges and incorporates all above paragraphs as though fully set
20 forth here.

21 136. Plaintiff Hall brings this Claim on behalf of himself and the California Subclass.

22 137. The Unfair Competition Law (“UCL”) is embodied in California Business
23 and Professions Code §§ 17200 *et seq.* The UCL defines unfair competition to include any
24 unlawful, unfair, or fraudulent business acts or practices. Unlawful acts and practices are those
25 which are in violation of federal, state, county, or municipal statutes and regulations.
26

1 138. Defendant's conduct as alleged herein constitutes unlawful, unfair and
2 fraudulent business acts and practices, and as a proximate result of those business acts and
3 practices, plaintiff and Class members have suffered harm and lost money and/or property.

4 139. By engaging in the business acts and practices described herein, Defendant has
5 committed one or more acts of unfair competition within the meaning of the UCL.

6 140. Defendant's business acts and practices are "fraudulent" within the meaning of
7 the Act because they are likely to and did deceive Plaintiff Hall and the California Subclass
8 members into purchasing Subject Flooring that did not comply with the applicable CARB
9 standards, which resulted in damages and loss to Plaintiff Hall and the California Subclass
10 members.

11 141. Defendant's business acts and practices are "unfair" and "unlawful" within
12 the meaning of the Act because Defendant sold Subject Flooring in California that exceeds the
13 CARB limit for formaldehyde emissions from composite wood products, as set forth in the
14 California Code of Regulations, Title 17, §§ 93120 *et seq.*, specifically "Phase 2," which
15 mandates the maximum levels of formaldehyde that laminate flooring can emit.

16 142. Moreover, Defendant violated California Health and Safety Code § 25249.6
17 (Proposition 65), which requires health hazard warnings on any product emitting formaldehyde
18 at levels above 40 micrograms per day.

19 143. In addition, Defendant violated California Business and Professions Code
20 § 17580.5 (California's "greenwashing" statute) by stating untruthfully on the packaging of the
21 Subject Flooring and on Defendant's website that the Subject Flooring is CARB-compliant—
22 constituting an "untruthful, deceptive, or misleading environmental marketing claim." CAL.
23 BUS. & PROF. CODE § 17580.5(a).

24 144. Also, as set forth below, Defendant breached the express and implied warranties
25 afforded by California Commercial Code §§ 2313 and 2314.

1 145. Defendant did not disclose to Plaintiff Hall or the California Subclass members,
2 at the time of sale or otherwise, that the Subject Flooring was not CARB-compliant. This
3 conduct was likely to mislead a reasonable consumer acting reasonably under the
4 circumstances.

5 146. Plaintiff Hall and the California Subclass members relied on Defendant's
6 misrepresentations.

7 147. Plaintiff Hall and the California Subclass members were damaged and lost
8 money and/or property as a result of Defendant's violations of the UCL.

9 148. Defendant profited from its sales of its falsely and deceptively advertised
10 products to unwary California consumers.

11 149. By virtue of the foregoing, and under Cal. Bus. & Prof. Code § 17203, Plaintiff
12 Hall and the California Subclass seek restitution from defendants and all other remedies
13 available in equity or at law.

14
15 **Claim VI: Violations of the False Advertising Law**
 (Cal. Bus. & Prof. Code §§ 17500–17509)

16 150. Plaintiff Hall realleges and incorporates all above paragraphs as though fully set
17 forth here.

18 151. Plaintiff Hall brings this Claim on behalf of himself and the California Subclass.

19 152. Defendant is a "person" as defined by the False Advertising Law ("FAL").
20 CAL. BUS. & PROF. CODE § 17506.

21 153. The False Advertising Law ("FAL") makes it unlawful for any person, "with
22 intent directly or indirectly to dispose of . . . personal property," to make a statement which that
23 person knows or should know is "untrue or misleading." *Id.* § 17500.

24 154. Defendant violated the FAL by advertising on its website and on its product
25 packaging that the Subject Flooring is CARB-compliant.
26

1 155. Plaintiff Hall and the California Subclass members reasonably relied to their
2 detriment on Defendant's untrue and misleading statements when they decided to buy Subject
3 Flooring.

4 156. Because of Defendant's violation of the FAL, Plaintiff Hall and the California
5 Subclass members lost money and property, and Defendant was unjustly enriched.

6 157. Accordingly, Plaintiff Hall and the California Subclass members seek restitution
7 and all other remedies available in equity and at law.

8
9 **Claim VII: Breach of Express Warranty**
 (CAL. COM. CODE § 2313)

10 158. Plaintiff Hall realleges and incorporates all above paragraphs as though fully set
11 forth here.

12 159. Plaintiff Hall brings this Claim on behalf of himself and the California Subclass.

13 160. Defendant is and was at all relevant times a merchant with respect to laminate
14 wood flooring under CAL. COM. CODE § 2104(1).

15 161. Throughout the Class Period, Lumber Liquidators has expressly warranted that
16 its laminate wood flooring products comply with CARB formaldehyde standards and all other
17 applicable laws and regulations.

18 162. Defendant's express warranty that its laminate wood flooring products comply
19 with the CARB standards appears on every package of laminate wood flooring Defendant sells
20 or has sold in California, including those sold to Plaintiff Hall and the California Subclass
21 members. This express warranty and other substantially similar warranties representing that all
22 of its composite flooring products contain safe levels of formaldehyde appears also on
23 Defendant's website, product invoices, and instruction materials.

24 163. Lumber Liquidators's express warranties became part of the basis of the bargain
25 in selling laminate wood flooring products to Plaintiff Hall and the California Subclass
26 members.

1 164. Lumber Liquidators breached these express warranties by selling and/or
2 distributing the laminate wood flooring products, which fail to comply with the CARB
3 standards.

4 165. Plaintiff Hall and the California Subclass members paid money for the laminate
5 wood flooring and some of them paid to have the flooring installed in their homes, work, and
6 other spaces. However, Plaintiff Hall and the California Subclass members did not obtain the
7 full value of the advertised products. If Plaintiff Hall and the California Subclass members had
8 known the true nature of the flooring products—that the products emitted unlawful levels of a
9 cancer-causing chemical—they would not have purchased the laminate wood flooring products.

10 166. As a result of this breach, Plaintiff Hall and the California Subclass members
11 suffered injury and deserve to be compensated for the damages they suffered.

12 167. Plaintiff Hall and the California Subclass members are therefore entitled to
13 compensatory damages, and other relief as specifically prayed for herein.

14 168. As a result of Defendant's breach of warranties, Plaintiff Hall and the California
15 Subclass members assert as an additional and/or alternative remedy, as set forth in CAL. COM.
16 CODE § 2711, for a revocation of acceptance of the goods and for a return to Plaintiff Hall and
17 the California Subclass members of the purchase price of all Subject Flooring that they
18 purchased and for such other incidental and consequential damages as allowed under CAL.
19 COM. CODE §§ 2608 and § 2711.

20 169. On April 3, 2015, Plaintiff Hall sent a notice letter to Defendant in compliance
21 with CAL. COM. CODE § 2607(c)(1). In addition, Defendant already has actual or constructive
22 notice of its breach of the express warranty, and it has had a reasonable opportunity to cure the
23 defect.

Claim VIII: Breach of Implied Warranty of Merchantability
(CAL. COM. CODE § 2314)

170. Plaintiff Hall realleges and incorporates all above paragraphs as though fully set forth here.

171. Plaintiff Hall brings this Claim on behalf of himself and the California Subclass.

172. Defendant is and was at all relevant times a merchant with respect to laminate wood flooring under CAL. COM. CODE § 2104(1).

173. Implied in the purchases of the Subject Flooring by Plaintiff Hall and the California Subclass members is the warranty that the purchased products are legal, safe, and can lawfully be sold and possessed.

174. Defendant knew or reasonably should have known that the Subject Flooring was unlawful for sale pursuant to TSCA.

175. When Defendant sold these products, it implicitly warranted that the products were merchantable in that they were legal and could be lawfully possessed and/or sold.

176. No reasonable consumer would knowingly purchase a flooring product that is toxic, harmful, and illegal to own or possess.

177. The Subject Flooring is unfit for the ordinary purpose for which it was intended. These products are illegal, mislabeled, and economically worthless.

178. Plaintiff Hall and the California Subclass members used the Subject Flooring in the manner that Defendant intended it to be used.

179. The defects in the Subject Flooring existed when the flooring left Defendant's control.

180. As a result, Plaintiff Hall and the California Subclass members were injured through their purchase of unsuitable, useless, illegal, and unsellable products.

181. Plaintiff Hall and the California Subclass members were damaged in the amounts they paid for the Subject Flooring, the amounts they paid to have it installed, the

1 amounts they now must pay to have it removed, and in the diminution in value of the real
2 property in which the Subject Flooring was installed.

3
4 **PRAYER FOR RELIEF**

5 WHEREFORE, Plaintiff, on behalf of himself and all Class members, seeks the
6 following relief against Defendant:

7 A. An order certifying this action as a class action under FED. R. CIV. P. 23,
8 defining the Class as requested herein, appointing the undersigned as Class counsel, and
9 finding that Plaintiff is a proper representative of the Class;

10 B. A finding that Defendant's policies and practices of labeling and advertising
11 the laminate wood products it sells in California as CARB compliant are unlawful pursuant
12 to Title 17 of the California Code Regulations, §§ 93120–93120.12;

13 C. A finding that Defendant's policies and practices of distributing and/or selling
14 laminate wood products in California with formaldehyde emissions that violate the CARB
15 standards are unlawful pursuant to Title 17 of the California Code Regulations, §§ 93120–
16 93120.12;

17 D. Restitution of all money and/or property that Plaintiff and Class members
18 provided to Defendant for the purchase and installation of Subject Flooring;

19 E. Damages in an amount to be determined at trial for damages including
20 actual, compensatory, and consequential damages incurred by Plaintiff and Class members;

21 F. Punitive damages in an amount to be determined at trial;

22 G. An award to Plaintiff and Class members of reasonable attorneys' fees and
23 costs; and

24 H. An award of such other and further relief as this Court may deem
25 appropriate.
26

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury on all claims so triable.

Dated: April 6, 2015
New York, New York

Respectfully submitted,

/s/ Christopher B. Dalbey

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CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

DEFENDANTS

County of Residence of First Listed Defendant
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question
(U.S. Government Not a Party)
- ☐ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☐ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____ DOCKET NUMBER _____

DATE

SIGNATURE OF ATTORNEY OF RECORD

KZ0FKKHQPCN'CUH PO GPV'EklN0f05/4+

(Place an "X" in One Box Only)

() SAN FRANCISCO/OAKLAND () SAN JOSE () EUREKA

ATTACHMENT A**VIII. RELATED CASE(S) IF ANY**

<u>Judge</u>	<u>Docket Number</u>	<u>First Named Plaintiff</u>
Hon. Jon S. Tigar	3:15-cv-01005-JST	Balero
Hon. Jon S. Tigar	3:15-cv-01012-JST	Conte
Hon. Jon S. Tigar	3:15-cv-01074-JST	Ezovski
Hon. Jon S. Tigar	3:15-cv-01163-JST	Smith
Hon. Jon S. Tigar	3:15-cv-01209-JST	Ronquillo
Hon. Jon S. Tigar	3:15-cv-01225-JST	Doss
Hon. Jon S. Tigar	3:15-cv-01235-JST	Irving
Hon. Jon S. Tigar	3:15-cv-01249-JST	Del Braccio
Hon. Jon S. Tigar	3:15-cv-01315-JST	Prasad
Hon. Jon S. Tigar	3:15-cv-01321-JST	Pesce
Hon. Jon S. Tigar	3:15-cv-01359-JST	Berg
Hon. Jon S. Tigar	3:15-cv-01363-JST	Guest
Hon. Yvonne Gonzalez Rogers	4:15-cv-01428-YGR	Silverthorn
Hon. Elizabeth D. Laporte	3:15-cv-01460-EDL	Picard
Hon. Howard R. Lloyd	5:15-cv-01475-HRL	Washington
Hon. Elizabeth D. Laporte	3:15-cv-01490-EDL	Jeffries