UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

CRYSTAL MERRITT, on Behalf of Herself and all others Similarly Situated,

Case No.:

Plaintiff,

VS.

DEMAND FOR JURY TRIAL

MONAT GLOBAL CORP.,

Defendant.

CLASS ACTION COMPLAINT

Plaintiff Crystal Merritt ("Plaintiff" or "Merritt"), by her attorneys, on behalf of herself and the Class set forth below, alleges the following upon information and belief, except for those allegations that pertain to Plaintiff, which are based on Plaintiff's personal knowledge:

NATURE OF THE ACTION

1. This class action is brought by Plaintiff, on behalf of herself and all other similarly situated persons, against MONAT Global Corp. ("MONAT", the "Company", or "Defendant"). Plaintiff seeks damages and equitable remedies for herself and the Class (Identified in ¶¶ 66-67 below), which includes consumers who have purchased MONAT Hair Care Products ("Hair Care Products").

2. Unlike many beauty products sold through big box stores and salons, MONAT Hair Care Products are sold through a multi-level marketing scheme in which the Company actively recruits purchasers to become "Market Partners." Market Partners are utilized to market and sell MONAT Hair Care Products through social media and other marketing channels to consumers. MONAT provides a sales platform for its Market Partner agents and micro-websites hosted on the MONAT website where customers can place orders for MONAT Hair Care Products and credit the Market Partner. If these Market Partners recruit additional Market Partners they share in the "down-line" profits generated by their recruits. In this way, MONAT functions in a manner many would think of as a pyramid scheme.

3. As described below, Defendant's material misrepresentations about the safety and characteristics of MONAT Hair Care Products have caused damage to Plaintiff and the Class. Defendant provides no warning about the ingredients or potential side effects of using MONAT Hair Care Products and, in fact, makes numerous assertions about the safety of its products. MONAT claims without caveat that MONAT Hair Care Products are "suitable for all skin and hair types." See https://MONATglobal.com/the-science-of-MONAT/ (last checked March 5, 2018). MONAT further claims that its products will have substantial health benefits, including the cessation of hair loss and hair regrowth. Beneficial health and efficacy claims regarding the MONAT products are ubiquitous on MONAT's website and in MONAT's marketing materials. For example, MONAT's claims that Capixyl, a central ingredient to many, if not all of its products, is clinically proven to "significant[ly] decrease ... hair loss effect and increase in hair regrowth," and that it has shown "higher proven results than the other leading hair rejuvenation brands." Id. These statements and others, which relate uniformly to all MONAT Hair Care Products, were and are false and misleading and have harmed Plaintiff and the Class. In fact, MONAT Hair Care Products have not been clinically tested for safety and have not been tested against any other "leading hair rejuvenation brands." Furthermore, MONAT Hair Care Products include ingredients that are not safe for all skin and hair types and, by MONAT's own admission, will not regrow hair. As a result of the defective nature of MONAT Hair Care Products, they were, and are, unfit for their intended use and purpose.

4. MONAT, directly and indirectly, represents to consumers that MONAT Hair Care Products are clinically tested and "have passed all clinical safety tests to which they have been subjected." *See MONAT Global Corp. v. Harrington*, USDC EDNC Eastern Division Case No. 4:18-CV-8 at Docket No. 1, ¶ 31. However, Defendant fails to inform consumers that, although some MONAT Hair Care Products and/or ingredients have had limited testing, MONAT Hair Care Products have not been subjected to *any* advance clinical safety tests and have not been clinically tested on all hair types.

5. During the Class Period, Defendant also represented that MONAT Hair Care Products contain no PEGs, silicones, or petrochemicals. However, MONAT Hair Care Products contain all of these ingredients, rendering these statements demonstrably false.

6. Far from the miracle cure that MONAT Hair Care Products claim to be, in reality MONAT Hair Care Products have caused scalp irritation, sores, and hair loss for many consumers. Additionally, MONAT Hair Care Products contain several ingredients that have been shown to be harmful to consumers who are pregnant or breastfeeding, taking blood thinners, or have other conditions such as epilepsy, breast cancer or other hormonesensitive conditions.

7. Once the hair loss caused by MONAT Hair Care Products begins, it can often continue for weeks or months before abating, even if the consumer immediately

discontinues use of the products. The hair loss is not *de minimus*—consumers who suffer hair loss from the Company's products often lose significant amounts of hair. Plaintiff suffered injury in fact and loss of money or property as the result of her use of MONAT Hair Care Products.

8. This action further arises from Defendant's failure, despite its longstanding knowledge of a material design defect, to disclose and/or warn Plaintiff and other consumers that MONAT Hair Care Products can and do cause substantial hair loss and/or scalp irritation. Indeed, not only did Defendant fail to warn consumers, MONAT actively concealed customers' comments concerning hair loss, by blocking and/or erasing such comments from the Internet, filing lawsuits to muzzle consumers and issuing cease and desist letters to individuals who made public statements concerning damage caused by the products.

9. When consumers complain about hair loss, scalp irritation, or other side effects caused by MONAT Hair Care Products, MONAT attempts to erase all such comments. Hair loss claims are met by MONAT with unsubstantiated claims of a "detox" period that will cause increased hair loss before the purported benefits of MONAT Hair Care Products accrue, or worse yet, suggestions to spend more money on still more expensive MONAT Hair Care Products. MONAT has systematically denied legitimate claims of hair loss and methodically sued or attempted to intimidate individuals with the courage to stand up and tell the truth about the harm caused by the product. *See e.g. Monat Global Corp v. Kavanaugh et al*, Case No. 8:17-cv-01666, at Docket No. 1; *MONAT Global Corp. v. Harrington*, Case No. 4:18-CV-8 at Docket No. 1; *Monat Global Corp v. Baker et al*, Case No. 2:18-cv-10579, at Docket

No. 1; *Monat Global Corp v. Miller et al*, Case No. 2:18-cv-00324, at Docket No. 1. For example, Vickie Harrington, a woman who started a Facebook group dedicated to victims of MONAT, was sued by MONAT on January 26, 2018 for "in excess of \$225,000." *See MONAT Global Corp. v. Harrington*, USDC EDNC Eastern Division Case No. 4:18-CV-8 at Docket No. 1, ¶78(g). Upon information and belief, Ms. Harrington recently entered into a settlement with MONAT, the terms of which included, among other things, turning over control of the Facebook group created by Harrington to MONAT on or about February 26, 2018.

10. Further, based on inherent defects in the formula and/or manufacturing of the MONAT Hair Care Products, Defendant knew or should have known that its warranties were being breached by the hair loss, scalp damage, and other potentially dangerous side effects caused by MONAT Hair Care Products. Defendant knew or should have known that Plaintiff and Class members would suffer damages caused by MONAT Hair Care Products. Defendant concealed these facts from Class members, including Plaintiff. Defendant's failure to disclose these defects about which it knew or should have known constitutes both an actionable misrepresentation or omission, and an unfair, unlawful, fraudulent, and deceptive business practice.

11. Plaintiff and other Class members have been damaged by Defendant's concealment and non-disclosure of the defective nature of the MONAT Hair Care Products, because they were misled into purchasing MONAT Hair Care Products which were represented as having qualities and values different than they were promised. MONAT has known about this issue for years as the result of public complaints and a substantial number

of complaints directed to Defendant and its agents. They also knew or should have known about the issues caused by MONAT Hair Care Products as the result of pre-release formulation and testing. Notwithstanding these complaints, Defendant has failed and/or refused to provide an adequate remedy.

12. Despite notice and knowledge of the problems caused by MONAT Hair Care Products from the numerous consumer complaints it has received, MONAT has not recalled any MONAT Hair Care Products, or offered their customers proper compensation for their damages.

13. Had Plaintiff and other Class members known that MONAT Hair Care Products contain ingredients that could cause harmful side effects, including hair loss and scalp irritation, or that they could interfere with the efficacy of prescribed medications, they would not have purchased the MONAT Hair Care Products.

14. Had Plaintiff and other Class members known that MONAT misrepresented the qualities of its Hair Care Products, they would not have purchased the MONAT Hair Care Products.

15. As a result of Defendant's acts and practices, Plaintiff and the other Class members have suffered injury in fact, including economic damages.

16. Plaintiff therefore brings this action on behalf of herself and a proposed Class of similarly situated purchasers of MONAT Hair Care Products.

JURISDICTION AND VENUE

17. This Court has original jurisdiction over this Class action pursuant to 28 U.S.C. § 1332(d)(2). The claims of the Class members are in excess of \$5,000,000 in aggregate,

exclusive of interest and costs, and at least one member of the Class is a citizen of a state different from the Defendant. For example, Plaintiff Merritt is a Texas Citizen, who lives within this District, and Defendant MONAT is a citizen of the state of Florida.

18. The United States District Court for the Northern District of Texas has jurisdiction over Defendant because it transacts business in Texas, has purposely availed itself of the laws of Texas, and because a substantial part of the events giving rise to Plaintiff's causes of action occurred in Texas and in this District.

PARTIES

19. During all times relevant to this suit, Plaintiff Crystal Merritt was a citizen of Texas and a resident of Burleson, Texas, which is in this judicial district and division.

20. Defendant MONAT Corp.'s principal place of business is located at 3470 NW 82nd Avenue, Suite 910, Miami, Florida 33122. At all times relevant to this complaint, MONAT has transacted business in this judicial district.

COMMON FACTS

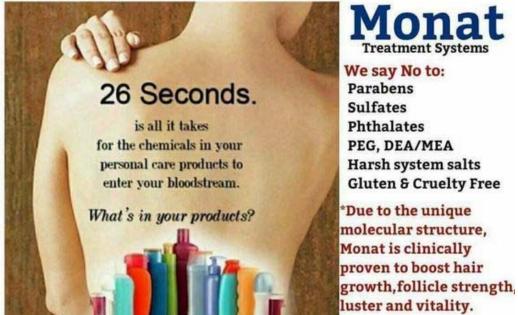
21. At all relevant times herein, Defendant manufactured, marketed, sold and distributed MONAT Hair Care Products throughout the United States and in this District.

22. MONAT bills itself as "a world-class designer, manufacturer, and distributor of hair care and personal products throughout the United States and Canada." *See MONAT Global Corp. v. Harrington*, USDC EDNC Eastern Division Case No. 4:18-CV-8 at Docket No. 1, ¶5. MONAT goes on to describe its business as a "direct sales model" and explains that MONAT "provides commissions and other financial incentives to its Market Partners for sales they make, and for purchases and sales made by new and additional

Market Partners that they recruit." *Id.* at ¶7. MONAT encourages and is well aware that "MONAT's Market Partners utilize Facebook and other social media as the primary avenue of marketing MONAT's products." *Id.* at ¶8. MONAT also targets salons and salon owners to be Market Partners, to gain access to their clients.

23. At all relevant times herein, Defendant created and developed the formula for MONAT Hair Care Products, which it marketed and sold to consumers directly and through its agent Market Partners.

24. MONAT facilitated sales by its Market Partner agents by, among other things, manufacturing and distributing MONAT Hair Care Products, building and hosting Internet websites for its Market Partner Agents across the US and in Texas, and providing promotional materials for its Market Partner agents to utilize in their sales and promotion of MONAT Hair Care Products. Central to these sales and promotion techniques were claims that the MONAT Hair Care Products are natural, clinically tested, safe and that they will grow hair. For example, MONAT and its Market Partners utilize the following marketing materials to induce customers to purchase their products:

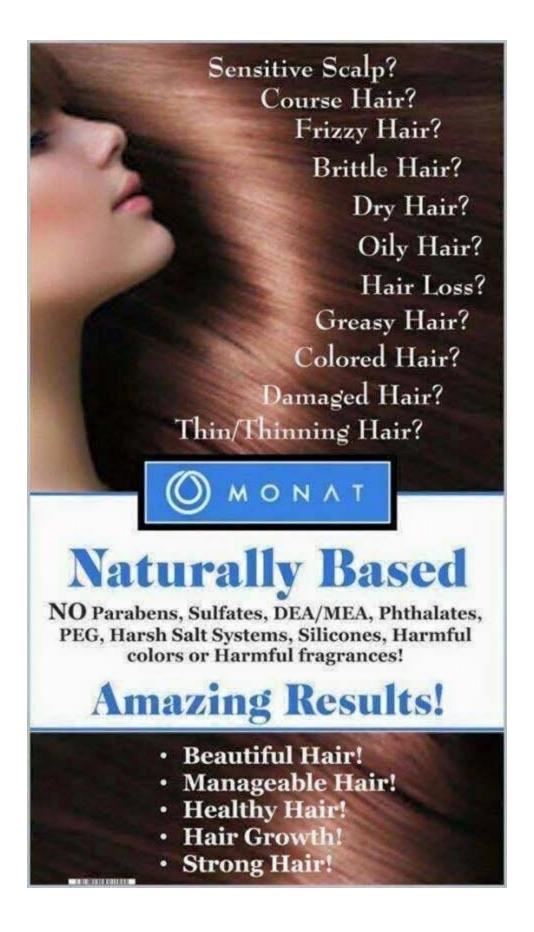


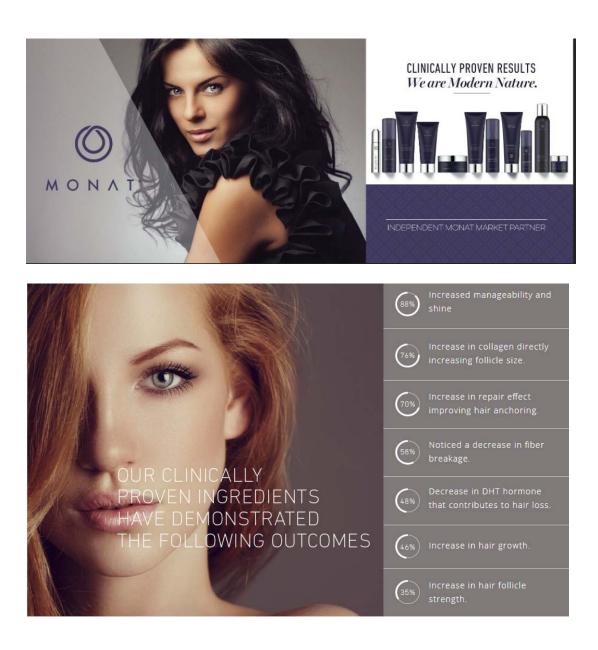
We say No to: PEG, DEA/MEA Harsh system salts

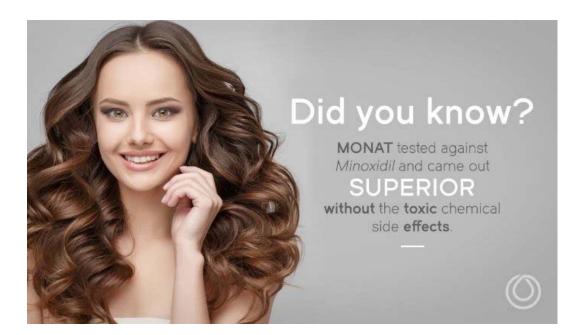
Gluten & Cruelty Free *Due to the unique molecular structure, Monat is clinically

HY I SWITCHED ГS RODUC GET READY FOR THE BEST HAIR OF YOUR LIFE!

NO Parabens **NO Petrochemicals** NO Phthalates NO DEA/MEA NO Sodium Chloride NO Phenoxyethanol NO Harmful Colors NO Harmful Fragrances **NO Sulfates** NO PEG NO Gluten NO Ethanol







25. According to MONAT's Policies and Procedures on its website, Market Partners may only repeat information to consumers that is provided by MONAT. Agent Market Partners and MONAT have provided information to Class Members, such as that (i) MONAT products help those suffering from alopecia and cancer regrow hair, (ii) MONAT is vegan, gluten free, and cruelty free (iii) sores, bumps and scabs on the head while using MONAT are a good thing because it means the treatment is working, (iv) MONAT is approved by the FDA and (v) MONAT was tested at Princeton University over the course of 2 years prior to being released for sale.

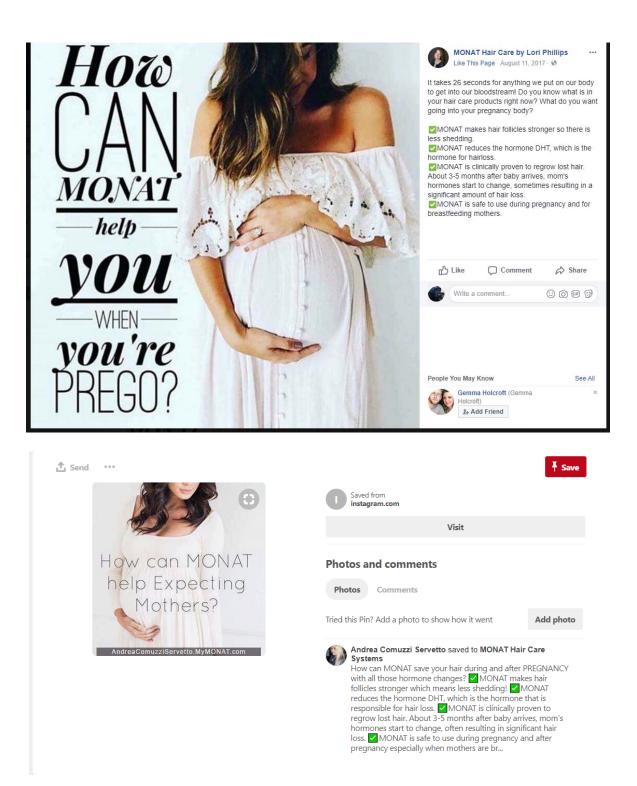
26. MONAT claims, without caveat, that MONAT Hair Care Products are "suitable for all skin and hair types." See <u>https://MONATglobal.com/the-science-of-MONAT/</u> (last checked March 5, 2018). Not only does MONAT claim that their products are safe for everyone, but also that MONAT Haircare Products will have substantial health benefits, including re-growing hair and the cessation of hair loss. Beneficial health and efficacy claims regarding the MONAT products are ubiquitous on MONAT's website and in

MONAT's marketing materials. For example, MONAT claims about Capixyl, a central ingredient to many, if not all, of its products, "clinical results prove significant decrease in hair loss effect and increase in hair regrowth." *Id.* Relying on the foregoing statements in Defendant's so-called "The Science of MONAT" section, which shows an alleged scientist in a lab coat with rubber gloves and a microscope, reasonable consumers reach the logical conclusion that MONAT Hair Care Products are safe for everyone and will re-grow hair.

27. On its website, MONAT claims that "our clinically proven ingredients have demonstrated the following outcomes":

- a. 88% increased manageability and shine.
- b. 76% increase in collagen directly increasing follicle size.
- c. 70% increase in repair effect improving hair anchoring.
- d. 58% noticed a decrease in fiber breakage.
- e. 48% decrease in DHT hormone that contributes to hair loss.
- f. 46% increase in hair growth.
- g. 35% increase in hair follicle strength.

28. In addition, MONAT and its Market Partners, market directly to certain groups of people, such as women who are pregnant or breast feeding, cancer patients, and people with conditions such as alopecia. For example, MONAT and its market partners use the following advertisements:



29. In reality, Defendant's statements are littered with falsehoods. In fact, MONAT Hair Care Products (1) have not been clinically tested for safety on all hair and skin types,(2) contain numerous ingredients that MONAT represents that it does not use, (4) contain

ingredients that may be dangerous for groups that they directly market to, and, (3) according to recent disclosures by MONAT, will not regrow hair.

30. In spite of, and contrary to, its own advertising and representations to consumers (see *supra*, ¶¶ 24-28), MONAT admits that MONAT Hair Care Products do not, in fact regrow hair. See FAQ, <u>https://truthaboutmonat.com/faq/</u>, (last checked March 19, 2018) ("No, MONAT will not regrow hair.")

31. Defendant claims that MONAT Hair Care Products offer clinically proven results. Furthermore, MONAT Market Partners often tell consumers that MONAT Hair Care Products were tested at Princeton University over the course of 2 years prior to being released for sale. In reality, MONAT Hair Care Products have never been subjected to long term testing, at Princeton University or any other institution, and have not been clinically proven to provide the benefits that MONAT claims. In support of their claims, MONAT and its Market Partners refer customers to several "clinical studies" published on MONAT's website, https://truthaboutmonat.com/ science-litigation/. A complete reading of these documents reveals that MONAT Hair Care Products have not been clinically tested for long or short term safety and have not been "clinically proven" to provide any of the benefits promised by MONAT. For example, MONAT recently released three "clinical tests" that it claims "confirm effectiveness of MONAT Hair Products." See MONAT Press Release, dated March 14, 2018, https://www.prnewswire.com/news-releases/threeindependent-lab-tests-confirm-effectiveness-of-monat-hair-products-300614336.html, (last checked March 20, 2018). However, even a cursory reading of these studies reveals that:

a. The "clinical tests" performed by MONAT tested only five (5) of the thirty (30) products currently sold by MONAT.

b. The "clinical tests" performed by MONAT are not sufficient to show any long term benefits of using MONAT Hair Care Products because each of the studies took place over an extremely short period of time. Each study was conducted over a period of 4 to 10 days. During this time, each tress was washed with one or more of the 5 tested MONAT Hair Care Products 12 times. No clinical studies have been conducted to show the long term effects of using MONAT Hair Care Products.

c. The "clinical tests" performed by MONAT do not support MONAT's claims that its products are safe and effective for all hair and skin types because each study was performed only on "tresses," which weighed 3.0 g each and measured 25-27 cm long, prepared from "Natural Caucasian hair" and from "bleached/dyed Caucasian hair." *See e.g.* Hair Combability Measurements, available at https://truthaboutmonat.com/wp-content/uploads/2018/03/Clinical-Study-Hair-Combability-Measurments.pdf, (last checked March 20, 2018), at 9. No testing has been performed to show the effects of MONAT Hair Care Products on any other hair types. Furthermore, these teste were performed hair only. No testing has been performed to show the long or short term effects of MONAT Hair Care Products on any other bair type or the effects of MONAT Hair Care Products when absorbed into the blood stream.

d. The "clinical tests" performed by MONAT reveal no statistical improvement in tensile strength or damage reduction between hair treated with MONAT Hair

Care Products and hair that had not been treated with any hair care products. See Evaluation of the tensile properties of hair fibers, available at https://truthaboutmonat.com/wp-content/uploads/2018/03/Clinical-Study-Tensile-Properties-of-Hair-Fibers.pdf, (last checked March 20, 2018), at 25; Damage Reduction via Scanning Electron Microscopy, available at https://truthaboutmonat.com/wp-content/uploads/2018/03/Clinical-Study-Damage-Reduction.pdf, (last checked March 20, 2018), at 28-9. Of the three "clinical studies" performed, only one, "Hair Combability Measurements," shows any statistically significant improvement over the non-treatment control. Hair Combability Measurements, at 17. That study found that tresses that had been washed 12 times with MONAT Hair Care Products was easier to comb than tresses that had not been washed or treated with any hair care product. Id.

32. Defendant claims that it uses no petrochemicals. Yet, Defendant's own ingredients list includes Butylene Glycol, a known petrochemical and allergen, and Glycerin, also a known petrochemical byproduct.

33. Defendant claims that it uses no PEGs. Yet, Defendant's own ingredients list includes Trideceth-6 and Trideceth-12, known PEGs and petrochemicals.

34. Defendant claims that it uses no PEGs. Yet, Defendant's own ingredients list includes amodimethicone and propoxytetramethyl piperidinyl dimethicone (PTMPD), known silicones.

35. Defendant claims that it uses no harmful fragrances. Yet, Defendant's ingredients list includes "*Fragrance (Parfum)*" as an ingredient without disclosing what

fragrances it actually uses. In addition, 95% of chemicals used in fragrance are petroleum based. Without knowing what "fragrances" MONAT chooses to use in its products, it is impossible for consumers to make an informed decision on whether or not MONAT Hair Care Products would be safe for them to use.

36. Defendant claims that its products are safe for all hair and skin types. Yet, Defendant's ingredients list includes cocamidopropyl betaine (CAPB) and benzyl alcohol, known allergens and/or irritants.

37. Furthermore, Defendant fails to warn consumers that MONAT Hair Care Products contain harmful ingredients such as trifolium pratense flower extract, also known as red clover, which, according to the National Institutes of Health, contains estrogen like compounds that could increase the risk of women developing cancer of the endometrium (the lining of the uterus) and may not be safe for women who are pregnant or breastfeeding, for children, or for women who have breast cancer or other hormone-sensitive cancers. Red clover may also interfere with the body's ability to process certain medications that are broken down by the liver and may enhance the effects of anticoagulants (blood thinners), increasing the risk of bleeding. MONAT Hair Care Products also contains daucus carota Sativa (Carrot) Seed Oil, which can cause bleeding during pregnancy and can be harmful individuals with a history of epilepsy, and moringa oleifera Seed Oil, which contains chemicals that can make the uterus contract, causing miscarriages.

38. In some cases, rather than re-growing hair, MONAT Hair Care Products cause consumers to lose their hair or experience scalp irritation and/or sores due to harsh chemicals and allergens used in these products. Not until hair loss begins could a Class member have any reason to suspect that MONAT Hair Care Products are defective. Even after hair loss begins, consumers might not immediately make the connection due to Defendant's deceit and false statements concerning the safe and alleged natural foundation of the MONAT Hair Care Products and the active concealment of the MONAT Hair Care Products' defects.

39. Furthermore, when Class members complain to Defendant or its Market Partners about hair loss, scalp irritation, or sores, they are told that these side effects are normal and signify that MONAT Hair Care Products are working to "detoxify" the scalp. According to MONAT, the "detoxifying" stage may cause some consumers to experience:

- Some flaking due to boosted cellular turnover and exfoliation.
- **Some itching** caused from follicles that are beginning to wake up and grow.
- Some dryness or stickiness as the years of buildup and wax start to dissolve.
- **Some shedding** from hair follicles that are enlarging and getting rid of old cells and dormant hair.

40. In support of these claims, consumers are often provided the following chart, which discusses "detoxifying":



41. When confronted recently with the chart by a reporter from Buzzfeed, despite its obvious origin, Defendant's spokesperson suddenly was "unable to reach MacMillan [MONAT's President] to ask him" and therefore would not admit that this was prepared by MONAT. See https://www.buzzfeed.com/stephaniemcneal/monat?utm_term=.yqR179 L4XO#.scqJBlezk1 (last checked March 8, 2018). 42. When Class Members notified MONAT and its agent Market Partners that their hair was falling out while using MONAT products and that their dermatologists or doctors had advised them to stop using MONAT, they were told to buy more MONAT products and ignore the advice of their medical professionals.

43. On occasion, MONAT attempted to blame the problems on its supplier's manufacturing issues. For example, in approximately January 2017, MONAT alleged that it had to purchase a key ingredient from a new vendor due to the hurricane that hit Texas. MONAT alleged that ingredients can vary and that Renew Shampoo sold between October and December 2017 was a different color and could cause chemically processed or color treated hair to feel dry. Although MONAT claimed it would replace the product for all those affected, MONAT also tried to conceal information about this alleged "bad batch" from Class Members, only disclosing it if a Class Member complained.

Plaintiff's Experiences

44. Plaintiff first heard about MONAT Hair Care Products in 2015 when she received a Facebook request from one of MONAT's Market Partners. Eventually, Plaintiff purchased MONAT Hair Care Products and began using the products in January, 2017.

45. Plaintiff was interested in MONAT Hair Care Products because of their advertised natural foundation and the fact that MONAT claims that their products are cruelty free and safe for all hair types. Plaintiff was also interested in MONAT Hair Care Products because she thought that the high market price of the products meant that they would be the best for her hair.

46. At first, Ms. Merritt used a sample of MONAT's Volume System based on the recommendation of her Market Partner. However, she did not like the way the Volume System made her hair feel so her Market Partner sent her samples of Monat's Balance System, which she began using regularly in January of 2017.

47. Ms. Merritt became a MONAT Market Partner on January 18, 2017 because she wanted to make extra money on the side and to have something positive to focus on and to grow personally. Ms. Merritt also became a Market Partner to take advantage of the 30% discount on all MONAT Hair Care Products offered to Market Partners to offset the high costs of using these "healthy" and "safe" products for her hair.

48. At all times relevant hereto, Ms. Merritt used MONAT Hair Care Products only as directed by MONAT. Other than using MONAT Hair Care Products, Ms. Merritt made no other changes to her lifestyle during this period.

49. After becoming a Market Partner for MONAT, Ms. Merritt was instructed to watch several training videos on MONAT Hair Care Products and sales techniques. Part of the training also explained the "detox" phase to Market Partners and advised them on how to address customers who complained about hair loss, redness, flakiness, or discomfort during the "detox" phase. Market Partners were told that if a customer did not like the way their hair felt while using MONAT Hair Care Products, then the customer was using the wrong system. Market Partners were instructed to urge customers to purchase a different "system" of MONAT Hair Care Products and to continue using MONAT Hair Care Products for at least 90 days.

50. On July 27, 2017, for the first time since she had begun exclusively using MONAT Hair Care Products over seven months before, Ms. Merritt had an appointment with her former stylist, who she had not seen since before she began using MONAT Hair Care Products. At this time, Ms. Merritt's stylist commented on the difference in her hair since she had last seen her seven months earlier and stated that she had never seen her hair look like that. In fact, Ms. Merritt's stylist showed her a large wad of hair that had fallen out when the stylist combed her hair out. At that time, Ms. Merritt had lost about 40% of her hair volume.

51. After visiting her stylist, Ms. Merritt contacted her upline leader at MONAT, to discuss the issues pointed out during her appointment with her stylist. Ms. Merritt's upline leader then consulted with another MONAT Market Partner about the issues that Ms. Merritt raised. Ms. Merritt's upline leader and the Market Partner that she consulted with, who are not medical professionals, told Ms. Merritt that she was suffering from a condition called Telogen Effluvium and that MONAT Hair Care Products could not be the cause of her hair loss. Both women also told Ms. Merritt at this time that they had both experienced hair loss when they began using MONAT Hair Care Products, but insisted that the products did not cause it.

52. Ms. Merritt noticed additional hair loss over the next several months and ongoing breakage, but was explicitly told by her upline Market Partner that MONAT was not the cause of her hair loss and that the hair loss would get worse if she stopped using MONAT.

53. On September 30, 2017, Ms. Merritt visited her doctor to determine the cause of her hair loss. When Ms. Merritt mentioned her hair loss, her doctor ordered and performed extensive tests and laboratory work-ups. Ms. Merritt's test results did not reveal any medical issues that could have caused her hair loss.

54. In August, 2017, due to the hair loss issues that she had experienced, Ms. Merritt stopped using MONAT Hair Care Products. Unfortunately, even months after she stopped using MONAT Hair Care Products, Ms. Merritt's hair has not yet recovered from the damage done by the products. As a result of MONAT's misrepresentations and omissions, Ms. Merritt has been left with hair that is thin, frail, damaged, and prone to breakage. In order to mitigate the effects of these issues, Ms. Merritt has been forced to cut off more than 6 inches of her hair in in order to make her hair look healthier

Additional Common Facts

55. Plaintiff's negative experience with MONAT and hair loss is by no means an isolated or outlying occurrence. Indeed, as Defendant is aware, the Internet is replete with examples of blogs and other websites where consumers have complained of the exact same issues with MONAT Hair Care Products. A very small sample of the numerous recent online complaints, from just one website, <u>https://www.trustpilot.com/review/monatglobal.</u> <u>com</u>, appear below¹:

Hair loss, menstrual cycle issues...and the company says it's our fault! Published Tuesday, March 13, 2018 Val Gallagher

¹ Typographical and grammatical errors in the excerpted complaints have not been corrected and remain as originally written.

The company and it's MP's had me convinced my hair loss and wacky periods had to do with me having thyroid or other hormonal issues and not the products. After spending time and money going to 4 different types of doctors and numerous blood tests, it was confirmed that the red clover is one of the culprits in their products which caused me issues. I cannot believe this company hasn't done a voluntary recall and keeps blaming those of us who have had issues. The ethics are non existent and the lack of empathy is beyond pathetic.

Ruined my hair

Published Tuesday, March 13, 2018 Marlana Yates

I love The product at first but then my hair Became very dry and started breaking off like crazy!

This product was not anything special

Published Tuesday, March 13, 2018 Karen Spencer

This product was not anything special, was given a sample by my daughter's friend. Wasn't impressed, had a strong smell and left my hair very hard to comb after using. The most annoying thing was being hounded by the market partner even when my daughter and I made clear we were not impressed. The whole forcing you to agree to the dreaded auto ship sealed the deal! No thanks, i don't need to be locked into endless credit card charges. The price was a joke as well. I can get high end salon products for less than this junk. Steer clear.

I was given a trial by a representive...

Published Monday, March 12, 2018 Tiana Kylene

I was given a trial by a representive that seemed nice so when I contacted her after using it I was shocked she only wanted me to be a customer. I found a different rep who was happy I wanted info on the MP kits but after trying a sample again I realized my hair was dry and frizzy, not soft and smooth. Research any product before investing. I choose not to join and I did not order any for myself after that. For the price, at any level of ordering, in my option- it is not worth it.

At first I noticed my hair felt shiny... Published Tuesday, March 13, 2018

Olesya Salathe

At first I noticed my hair felt shiny and smooth. After 2 1/2 months my hair became brittle and dry. I had knots in my hair that I had never

experienced before. I had purchased many of the lines and researched the right combinations and was told it was detox. I ended up losing 4 inches of hair on one side of my scalp. Since I discontinued the line, my hair has gotten better but not without lots of treatment and even extensions on one side. I believe in evidences based studies and a clinical study with 112 subjects looking at 3 ingeredients separately is not science. Please be very careful with this product. It might work for many but I'm slowly finding out is disastoeuous for so many!

Beware of VIP membership and Cancellation.

Published Saturday, March 10, 2018 Sarah Brolsma Whittfield

My "manager" did not disclose the 3

Shipment requirement when you sign on for a VIP memebership. She automatically ordered for me via flexship even though I didn't need nor did I want to continue. The cancellation fee is \$25 if you do not complete 3 shipments.

I do not think the product is worth the price. The shampoo really dried out my hair, leave in conditioner didn't do anything but make my hair oily and course. I got a rash along my scalp and hairline. I do not recommend.

Terrible Experience.

Published Saturday, March 10, 2018 Elyse

I bought this product out of trying to support a friend and was hoping this shampoo would fill all its claims about what it can do to fix your hair. 9 month of my hair falling out and being dried to crap. This product and the support you receive is crap. No product should make your hair worse before it apparently gets better. My head did nothing but itch the entire time I used it.

Monat, because every woman wants a heavy period twice a month. Published Saturday, March 10, 2018

Dusti

I bought monat from my hair stylist in hopes that it would help with hair growth. Boy was I wrong. Shortly after starting monat I started getting sick. Horrible migraine. My period came twice as often. Twice as long and 10 times heavier. I was in hell. I went to four different doctors. I had X-rays, blood work and MRIs. We couldn't figure out what was wrong. I was told to make a time line of the last six months. That's when I realized that everything changed after starting monat. Questioning if a hair product could really effect me that way I decided it hadn't done anything for my hair. So why not stop using it and see what happens. Within a short period of time my migraines were gone. My mood was back to normal and guess what. The next period fell right how it should. I couldn't believe it. Six months of my life. Thanksgiving, Christmas and New Years ruined because of a hair product. I called to cancel my vip. 1 hour on hold. I hung up. I called again, 90 min on hold. I hung up. I called six different times on different days each time I spent between 60 and 90 min on hold. Frustrated I went to Facebook. I messaged on the monat site they told me there was nothing they could do for me. A week later a friend and monat rep made a post bragging about your 1% return rate. I took the time to educate her on why monat return rate is so low. They don't answer their phone. She messaged me. Took my username and password and cancelled for me. Never asked me why I was cancelling. I also commented on some monat page about my experience with the product, no one replied. They deleted the comment within minutes.

I have worked in customer service my whole life. I have never treated a customer the way they treated or didn't Treat me. I guess they can't treat me bad if they don't answer their phones.

This product is expensive. Their customer service is the worst I have ever experienced. I feel they only care about their customers when the credit card number is being passed in their direction.

If you are thinking about buying this product I highly recommend doing your homework. Find reviews by people who DO NOT SELL THE PRODUCT. Research. Do your homework. Is it worth the risk? If I could give monat a negative star I would.

Monat... Not even once...

Published Saturday, March 10, 2018 Maria Gagliardi Badger

After only one use I have unexplainable and very painful facial and body breakouts. Find the lack of acknowledgment by the company to be incredibly disrespectful and downright cowardly.

I had horrible damage after using these...

Published Friday, March 9, 2018 Julie

I had horrible damage after using these products. My hair is very thin (lots of scalp showing) and very stringy. it was never like this before. I was told by a a Market Partner to switch systems 3 times and each time-I do, and each time I continued to lose hair. No other options were given. Just to keep switching. I then found a support group for others that have had the same issues and found they were not given help my Monat either. Do not trust these products. It is like Russian Roulette with your hair. Stick with tried and true PROFESSIONAL products.

I had purchased a Monat product pack in...

Published Friday, March 9, 2018 WL

I had purchased a Monat product pack in November and used it for 2 months. At first I had phenomenal results. I noticed my ends started drying out until one day bam! I realized I had hair breakage that was never there before. My hair got to the point where it broke so badly I had to have major length cut off. It left it brittle and stripped with continued breakage. I also had other horrendous symptoms that came and went with product use. Be careful of using certain essential oil products on your skin. Some can interfere with your system by being absorbed through the skin. I do not recommend using this product!!! Customer service is hit or miss. You might get lucky and get a good rep. It's not often! I spent FOUR hours on the phone with them trying to get my money back. I was told I would be given a refund and that was a month ago with no credit in sight, and never an email answered. Good luck if you have an issue and need your money back. You might eventually get it.

I had purchased a Monat product pack in...

Published Friday, March 9, 2018 Niko Giudice

After experiencing excessive hair loss I was told by the rep I bought from that my hair was detoxing. When I asked her to explain how it's scientifically possible for hair to detox, I was basically accused of lying to make her company look bad. I don't know what's going on with these ingredients but I wish they'd recognize that people aren't faking hair loss.

Monat needs to be approved through your doctor!

Published Thursday, March 8, 2018 Melissa

This product is really bad. Not only will it make your hair fall out, it will mess with your hormones. I am 42 and my labs come back that I am I haven't even started perimenopause, however, me estrogen levels are out of sorts so I am now on synthetic estrogen. The only thing that I changed was that I started using Monat.

Please do your research. This company is not a professional company by any means. I am writing this review in hopes that it will help someone else, but in fear that Monat will come after me and sue me for telling you what happened to me.

Monat uses Capixyl which is also Red Clover. Red Clover is a natural hormone that can wreak havoc on anyone who uses it. Please see a doctor and make sure they know about it if you are using it. It can effect your hormones such as Estrogen and Thyroid. It also acts as a blood thinner so if you are on any blood thinners such as Coumadin or Eliquis, or any aspirin, Tylenol or ibuprofen regimine, don't take this.

Red clover can also get into your liver and make it where your liver can't process medicines and make your liver very toxic. There is an article about it through University of Maryland Medical Center! Please only use Red Clover with guidance of your physician.

This company has created quite a name...

Published Thursday, March 8, 2018 Tara

This company has created quite a name for it self because it has literally ruined women's lives and has created so much drama because it refuses to take responsibility for what it is done it's telling it's market partners to come on here and create fake reviews when women are literally going bald

I quit using Monat today after 7 weeks

Published Wednesday, March 7, 2018 Tonitupwithjulie

I quit using Monat today after 7 weeks! The hair breakage is just INSANE! At first I LOVED it! My hair was getting so nice and healthy, and after 5-6 weeks it was getting worse and worse everyday. Now my ends are terribly dry and thinning. The top of my head is not managable anymore with all those ugly breakage. Im sooo mad! All the \$\$ i've spent and i end up with ruined hair :(((

Not to mention the cystic acne on my neck, chin and hair line and itchy/burning scalp!!

Please ppl don't believe in this "detox period" there is no such thing!

Monat ruined my hair.so much...

Published Wednesday, March 7, 2018 Kellie Graves

Monat ruined my hair.so much breakage,sores on my head and hair felt

like straw.such crap I wouldn't use it on my dog.so many lies.Not all natural,

Monat worse product ever... Published Wednesday, March 7, 2018 Toni S. Knight

I use this product and it destroyed my hair.. breakage ,loss of hair, face and back break out ,sores on scalp and many tears..

TERRIBLE

Published Wednesday, March 7, 2018 Mackenzie

TERRIBLE! This product SEEMS great at first until months after using it you start losing extreme amounts of hair and suffer from possible scalp burns, sores and hair breakage. I HIGHLY recommend NOT using this product. The reason you don't hear bad reviews is because the company sues people who are coming forward with their stories!!!! DO NOT US MONAT!!!!! You will regret it. Join the group Victams of Hair transformation on Facebook and check out the horror stories for yourself.

Don't be fooled

Published Wednesday, March 7, 2018 Kay Jankosky

Don't be fooled Worked great for a month, til I had a reaction in my scalp and it broke my hair mid shaft and made the ends of my hair like straw! Im estrogen sensitive and had issues while using this shampoo

They'll sue you for "slander" if you tell your honest results Published Tuesday, March 6, 2018 Rachel Kindred

I'm so glad it works for so many, but the ones it doesn't (like myself) have had awful results. Beyond that- the hormonal aspect of the Red Clover has the potential to completely screw up your menstrual cycle-including large painful cysts and heavy bleeding that was never an issue before. Just beware that those in contract with Monat are attempting to flood this with positive reviews to bury the bad ones (I've seen proof) and they'll tell you we are lying. I have nothing to gain monetarily by

telling my story- they do. They want your money and have zero morals on how they'll get it.

Buyer beware - READ unbiased reviews!

Published Monday, March 5, 2018 joyecarter

Used Monat for 3 months. At first my hair felt great. Then I noticed a ton of breakage that neither I nor my hairdresser could explain. Then my scalp started burning pretty much all the time. I did some research on Monat and read other reviews and realized it stemmed from that. Stoped immediately and felt better after about 7 days, but my poor Hair had to be chopped 4 inches.

*** this is not a natural shampoo people. "Nature based" is vastly different from natural. Also, they use red clover which is KNOWN to cause preterm labor and even miscarriage. Their argument is that it's only topical, not internal. Ok, so essential oils are complete crap then, right? Wrong. Don't be stupid. Your skin is your largest organ and it soaks up everything.

Breakage and flat...

Published Monday, March 5, 2018 Stephanie

First week was awesome. After that I noticed my hair was flat and looked rough. 2 weeks later my hair started breaking off and my color looked completely faded. I color my hair every 6 weeks do to greys but after 3 weeks...looks like I've been 4 months without color. And I'm not referring to my root. My ends are completely all split ends now and look terrible! I love my long hair and always keep it trimmed. After I called and got a Full refund today, next week I'm going to have to get almost 5 inches cut off. Just to make it look half way decent. I've never been so upset about my hair!!

I wish I never got involved with Monat

Published Monday, March 5, 2018 Samantha

I wish I never got involved with Monat! Worst company I've ever dealt with! Products ruined my hair. I have reported them to everything I can think of.. The MPs don't care about your well being all they care about is the money.. they will tell you anything to make a sell. If they are so great why are there several class action suits going on? They are scanning my mom now. She has reported them also.

ZERO STARS!

Published Monday, March 5, 2018 Crystal H.

In August 2017, I wanted something to make my daughter's hair soft and manageable. It's so long (down to her underwear in the back) and gets tangled easily. She had healthy hair. I used the Jr. line for 5 months then ran out and didn't want to buy more because it is very expensive and didn't do anything for her hair. If anything it made it dry. In January 2018, I noticed that it had been all breaking off in the front. The front hairline (about 1/2 inch back) won't stay back anymore in her buns or pony tails. All her hair in the front flies everywhere and looks terrible! The MP's are extremely rude, negative, argumentative, childish and blame everybody else for why they have damages to their hair. I have never experienced such unprofessionalism in my life.

Don't trust the 5 stars... it's their paycheck.

Published Monday, March 5, 2018 Amanda Ear

I'm going to tell you right now. The majority of 5 [star] reviews you see are MP's or their family and friends. Their paychecks depend on good reviews and their bosses told them to leave 5 stars. I have personally used this product, for 6 months. Spend hundreds of dollars and all I ended up with was dry, broken and about 6 inches shorter hair than I staryed with. Buyer BEWARE. They will tell you anything and twist any picture for their paychecks to continue rolling in.

Terrible scalp problems and hair...

Published Monday, March 5, 2018 Faith Hines

Terrible scalp problems and hair breakage occurred after using for 6 weeks, which put me outside of the refund wind and out of luck with useless product poor results. There are much better products with better return policies out there.

Not worth the risk Published Sunday, March 4, 2018 Kelly Sheffler My hair was good before I used monat. The first couple of weeks after starting this product was great. But then I started noticing my hair falling out in huge chunks. I asked the salesperson but she was new and didn't know so she suggested I use the IRT line. I used it for awhile and my hair didn't seem to be falling out anymore but it was so dry that it literally felt like straw. I haven't used this product for months but it still falls out more than it used to, when I sit back against my long hair it feels like I am wearing a scratchy wool sweater from the dried out ends. The ends look split even though I go monthly to get it cut and colored and my color does not stay like it did before using this product. When I was still using it I could not get help from my salesperson, both immediate and further up the line above her, nor could I get help from the company when I emailed and called. It works for some people but personally I would recommend staying as far away as you can because it isn't worth the risk.

Save your \$\$ and your hair

Published Sunday, March 4, 2018 Christine

Save your \$\$ and your hair. Their products cause chemical burns, hair breakage and hormonal issues. Stay away!

Encouraged to continue usage despite side effects

Published Sunday, March 4, 2018 Victoria Primeau

I was misled into thinking that this was a safe product and even after experiencing hair loss and damage I was encouraged continue using the product because it was only a 'detox period'.

High hopes, but disappointed in the products

Published Sunday, March 4, 2018 Vanessa Pellow

I wish I could share a positive experience - I had really high hopes for this product :(. The first month I experienced SUPER dry ends and very oily roots, my hair seemed very unbalanced. I was told it was detox so I persevered (not sure what I was detoxing from though, as I never put hair styling products in previously and came from using another silicone-free line of shampoo/conditioner). The second month I developed a wicked case of dandruff and my scalp was so so itchy, that I was forced to stop using it immediately.

Monat Caused me a boat load of issues!! Published Sunday, March 4, 2018 April

Monat Caused me horribly itchy scalp, my hair loss increased dramatically, and when I asked my MP about this she told me it was "detox" to keep pushing, and it is my own opinion that Monat is to blame for my breastmilk supply drying up. And when I expressed my concerns about this to my MP, she had no information for me. No I don't have medical proof but this is my opinion and experience. My son and I had been going strong for 7 months, with no end in sight and then I began using monat, and my supply drastically decreased. I worked so hard to try to improve it(I'm very well versed and educated in lactation). I eventually reached out to a lactation advocate friend of mine and we determined the shampoo to be a possibility since it was the only new thing brought into my life and By 9 months PP I decided to quit monat, and while my supply came back up slightly upon quitting. It was far too depleted to build back up and were exhausted from the fight, and the supplementation went from 1 bottle here and there, to a bottle after every nursing session, and I eventually quit reacting to my breast pump. And ultimately ended my breastfeeding journey far sooner than I had hoped. After researching ingredients further, it is still my strong opinion that Monat did this to me. AND as far as my research goes, monat is not tested on pregnant or nursing mothers so I do not believe it should be encouraged for their use. Im currently pregnant again, and my OB strongly advised me to stay away from it after seeing the ingredients list. This is my personal experience and personal opinion.

Known to cause hair damage and hair...

Published Sunday, March 4, 2018 Nikki

Known to cause hair damage and hair loss. STAY AWAY.

I had a great experience for the first...

Published Saturday, March 3, 2018 Heather D.

I had a great experience for the first 4 months of use, but the last few months left me with significantly more hair shedding, hair breakage, and recurring thinning at my hairline. I also experienced significant hormonal fluctuations, despite all of my labs being normal and not taking any hormones at all. I was told it was detox again (and I was never told I could go through detox again) and I needed to change lines, even though I already had. No one would admit that the product use correlated with these things. The closest I got was my upline telling me sometimes it doesn't work for everyone, despite advertisements to the contrary by Monat.

Then I was told by customer service that someone would contact me about the PEGs in their products and my symptoms. I have yet to receive a call or email back about either of those things. I'm so disappointed that this company has yet to admit any responsibility in false advertising. Furthermore, I find it deplorable that a company would file suit against customers telling their true but negative stories and stylists sharing what they have observed on their clients' hair.

If you want to lose hair and have a...

Published Saturday, March 3, 2018 Darcy K

If you want to lose hair and have a head full of breakage, use this product. If not, I warn you to steer clear! Worst decision ever.

HAIR DOWN THE DRAIN

Published Saturday, March 3, 2018 Angie Zielinski

I have had hair breakage at the hair line, burning (on fire) scalp, snowflake size dandruff, frizzing, loss of natural curl. I have used many professional lines throughout my lifespan and have never had a "bad reaction." I am just a consumer with no agenda. I bought the products recommended by my stylist who sells them, The first two weeks were nice and then it all went bad fast. By the time i realized what was going on and clarified my hair it was too late. PLEASE, do not suggest i have some agend to harm this company, i am citizen jane with no reason to write this except share so others may save themselves. I am still losing hait over 2 weeks after stopping. Was told by my stylist that there was a batch affected by the hurricaine and I could get free replacements. How is it possible that the products were not recalled...and this doesnt explain how this is affecting soooo many people before this so called hurricane event. IF YOU LIKE HAIR ON YOUR HEAD AND NOT IN YOUR DRAIN....AVOID!

Adios good hair Published Saturday, March 3, 2018 Crystal Loved these products when I first started using them but after about 2 months I began to notice tons of breakage and got sores throughout my hair along with itchiness and dryness.

Absolutely garbage

Published Saturday, March 3, 2018 Julie Freier

Absolutely garbage. Dried my hair out so bad and hair was coming out in clumps! And good luck canceling. Terrible customer service

Be careful with this company

Published Saturday, March 3, 2018 Samantha Soto Be careful with this company. If you have a bad experience they will attack you with lawsuits when you leave bad review.

Stay AWAY!! Published Saturday, March 3, 2018 Jenelle Waterman

If I could give no stars I would!! My daughter and I have experienced extreme side effects from using this product. Our scalps were dry and covered in red sore like bumps. Our hair became dry and brittle that began to break off as well as FALL OUT!! We both have bald spots throughout our hair. I could name a list of hormonal side effects I have had from using this product as well. Before even thinking about using this product research the flowering clover (red clover) that they use. I experienced cystic acne, ovarian pain, breast pain, indigestion, and depression. These are all things no shampoo should alter just by washing your hair

Would NEVER recommend

Published Saturday, March 3, 2018 Kylie

I used the shampoo and conditioner for a little more than two months. My hair was extremely greasy from it in the beginning but I was told it was "detox", and it would get better. The greasiness did become a bit better, but other problems began. In the end, I had to chop off 6+ inches because the breakage was so high up. My hair felt so dry, almost straw like except for the base of my hair and scalp were still greasy. The company itself and the majority of reps that sell it (a lot of which who

are the ones leaving these good reviews) are extremely unprofessional and clearly driven by money. I would never recommend these products or brand to anyone because of my own experience and the experiences of handfuls of friends as well.

Dried out my hair

Published Saturday, March 3, 2018 LeeAnn Busch Dried out my hair, stripped color, gave me breakage and tangles! Destroyed my full thick hair into a limp thin mess and caused skin reactions on my 5 year old.

Rated 5 stars to warn others

Published Saturday, March 3, 2018 Samantha Rose

I'm rating Monat 5 stars ONLY to tell you "good" review searchers to go look at the One star reviews that are absolutely real and not paid for by Monat MP's. I am SO disappointed a company would pay for good reviews.

Buyer beware

Published Saturday, March 3, 2018 Mandy

Buyer beware! I suffered hair loss, scalp sores, scalp tenderness, cystic ance, hormonal imbalances. The company's response to those of us suffering adverse reactions is appalling - legal threats, name calling. It's unprofessional and unacceptable. They fail to be transparent with their labeling and warnings on possible side effects to allow the potential user to be properly educated. At this point in my experience, this company deserves 0 stars. Educate yourself before you make the commitment!

56. In addition to written online complaints, YouTube features numerous videos

also documenting hair loss, scalp irritation, sores, or other side effects caused by MONAT

Hair Care Products. These videos underscore that the problems experienced by Plaintiff

are neither isolated, nor unique.

57. Furthermore, the U.S. Food and Drug Administration has received, and is in the process of assessing, 187 adverse event reports received between August 27, 2017 and March 9, 2018, related to MONAT products and more than 500 complaints have been filed with the Better Business Bureau in South Florida where Monat is based.

58. As the direct and proximate result of Defendant's false and misleading statements, Plaintiff and Class members have suffered injury in fact and a loss of money or property through the out-of-pocket costs expended to purchase the MONAT Hair Care Products, as well as the costs of mitigating the hair loss and scalp damage occasioned by Defendant's MONAT Hair Care Products.

59. By marketing, selling and distributing MONAT Hair Care Products to purchasers throughout Texas and the United States, Defendant made actionable statements that MONAT Hair Care Products were free of defects in design and/or manufacture, and that they were safe and fit for their ordinary intended use and purpose.

60. By marketing, advertising, selling and distributing MONAT Hair Care Products to purchasers throughout Texas and the United States, Defendant made actionable statements that the ordinary use of the MONAT Hair Care Products would not involve undisclosed safety risks. Further, Defendant concealed what it knew or should have known about the safety risks resulting from the material defects in design and/or manufacture.

61. Defendant engaged in the above-described actionable statements, omissions and concealments with knowledge that the representations were false and/or misleading, and with the intent that consumers rely upon such concealment, suppression and omissions. Alternatively, Defendant was reckless in not knowing that these representations were false

and misleading at the time they were made. Defendant has exclusive access to data and research conducted prior to and during the design and manufacture phase of the development of MONAT Hair Care Products that Plaintiff and Class members could not and did not review.

ESTOPPEL, FRAUDULENT CONCEALMENT, AND STATUTES OF LIMITATIONS

A. Estoppel

62. MONAT was, and is, under a continuing duty to disclose to Plaintiff and the Class the true nature of MONAT Hair Care Products. MONAT intentionally concealed the true character, quality, and nature of MONAT Hair Care Products and continues to do so. MONAT knew of the defects in MONAT Hair Care Products and intentionally and actively concealed them. Plaintiff and the Class reasonably relied upon MONAT's intentional representations designed to conceal the defects. As a result, MONAT is estopped from relying on any statute of limitations in defense of this action.

63. MONAT is further estopped from raising any defense of laches as a result of its conduct.

B. Fraudulent Concealment

64. Any statute of limitations has been tolled by MONAT's intentional and ongoing concealment of the facts as alleged in this Complaint. MONAT was, and continues to be, under a duty to disclose to Plaintiff and the Class the truth regarding MONAT Hair Care Products and their latent defects. MONAT concealed these latent defects and placed MONAT Hair Care Products into the stream of commerce, causing Plaintiff and the Class to believe they were safe and suitable for use. Plaintiff and the Class reasonably relied upon

MONAT's concealment of the facts regarding MONAT Hair Care Products. Had Plaintiff or any member of the Class known of the defects and the risks involved with the purchase of MONAT Hair Care Products, they would have never made such a purchase and they would have brought these claims prior to the present action. Plaintiff and the class could not have discovered the true nature of the MONAT Hair Care Products as they were kept in ignorance by MONAT.

C. Discovery Rule

65. The causes of action alleged herein accrued upon discovery of the latent and inherent defects in MONAT Hair Care Products. Plaintiff and Class members could not have discovered the hidden defects in MONAT Hair Care Products through the use of reasonable and thorough care or investigation. As a result of MONAT's concealment of the defects in MONAT Hair Care Products, Plaintiffs and the Class members could not have uncovered a factual basis for a cause of action against MONAT.

CLASS ALLEGATIONS

66. Plaintiff brings this action on her own behalf, and on behalf of the Class pursuant

to Fed. R. Civ. P. 23(a), 23(b)(2), and/or 23(b)(3). Specifically, the Class is defined as:

All residents of the United States and its territories or possessions who purchased or used MONAT Hair Care Products between January 1, 2014, and the present.

67. Plaintiff also bring this suit as a class action on behalf of the following subclass

("Texas State Subclass"):

All residents of the State of Texas who purchased or used MONAT Hair Care Products between January 1, 2014 and the present.

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68. Unless otherwise indicated, the Class and the Texas Subclass are referred to herein jointly as the "Class."

69. Excluded from both definitions is Defendant, its officers, directors, employees, Market Partners and any entity in which Defendant has a controlling interest or which has a controlling interest, and those entities' officers, directors, and employees; the judge assigned to this case and his or her immediate family; all expert witnesses in this case, and all persons who seek to be excluded from the Class in a timely fashion.

70. Plaintiff reserves the right to amend or modify the Class definition in connection with a motion for class certification or as warranted by discovery.

71. This action has been brought and may properly be maintained on behalf of the Class proposed herein under the criteria set forth in Federal Rule of Civil Procedure 23.

72. Numerosity: Plaintiff does not know the exact size or identities of the proposed Class described herein. The Class encompasses millions of individuals who are dispersed geographically throughout the United States. Therefore, the proposed Class is so numerous that joinder of all members is impracticable. Records of each purchaser rest within the possession of Defendant may be obtained through discovery. Class members may be notified of the pendency of this action by mail and/or electronic mail, supplemented if deemed necessary or appropriate by the Court by published notice.

73. There are questions of law and fact that are common to the Class, and predominate over any questions affecting only individual members of the Class. The damages sustained by Plaintiff and the other members of the Class flow from the common nucleus of operative facts surrounding Defendant's misconduct. The common questions

include, but are not limited to the following:

- a. Whether Defendant failed to comply with their warranties;
- b. Whether MONAT Hair Care Products cause hair loss;
- c. Whether MONAT Hair Care Products suffer from design defects;
- d. Whether MONAT Hair Care Products are, in fact, safe for all skin types;
- e. Whether MONAT Hair Care Products are, in fact, safe for all hair types;
- f. Whether and when Defendant had exclusive knowledge that MONAT

Hair Care Products caused hair loss but failed to disclose this defect to the public;

g. Whether and when Defendant had exclusive knowledge that MONAT Hair Care Products contained ingredients that may be harmful to certain groups but failed to disclose this defect to the public.

h. Whether Defendant's conduct constitutes a breach of applicable warranties;

i. Whether Defendant's conduct constitutes a breach of contract;

j. Whether, as a result of Defendant' omissions and/or misrepresentations of material facts, Plaintiff and members of the Class have suffered an ascertainable loss of monies and/or property and/or value;

k. Whether Plaintiff and Class members are entitled to monetary damages and/or other remedies and, if so, the nature of any such relief; and

 Whether Defendant should be enjoined from further sales of MONAT Hair Care Products.

74. All of Plaintiff's claims are typical of the claims of the Class since each Class

member was subject to the same common inherent defects in the MONAT Hair Care Products. Furthermore, Plaintiff and all members of the Class sustained monetary and economic injuries including, but not limited to, ascertainable loss arising out of Defendant's breach of warranties and other wrongful conduct as alleged herein. Plaintiff is advancing the same claims and legal theories on behalf of herself and all absent Class members.

75. Plaintiff will fairly and adequately represent the interests of the Class. She is committed to the vigorous prosecution of the Class's claims and has retained attorneys who are qualified to pursue this litigation and are experienced in class action litigation.

76. A class action is superior to other methods for the fair and efficient adjudication of this controversy. While substantial, the damages suffered by each individual Class member do not justify the burden and expense of individual prosecution of the complex and extensive litigation necessitated by Defendant's conduct. Further, it would be virtually impossible for the members of the Class to individually and effectively redress the wrongs done to them. A class action regarding the issues in this case does not create any problems of manageability. The class action device presents far fewer management difficulties than alternative methods of adjudication, and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

77. In the alternative, the Class may be certified because:

a. the prosecution of separate actions by the individual members of the Class would create a risk of inconsistent or varying adjudication with respect to

individual Class members which would establish incompatible standards of conduct for Defendant;

b. The prosecution of separate actions by individual Class members would create a risk of adjudications with respect to them which would, as a practical matter, be dispositive of the interests of the other Class members not parties to the adjudications, or substantially impair or impede the ability to protect their interests; and

c. Defendant has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final and injunctive relief with respect to the members of the Class as a whole.

FIRST CAUSE OF ACTION BREACH OF IMPLIED WARRANTY OF MERCHANTABILITY

78. Plaintiff re-alleges and incorporates the preceding paragraphs as if fully set forth herein.

79. The MONAT Hair Care Products purchased and used by Plaintiff and Class members were defectively designed and manufactured, and pose serious and immediate safety risks to consumers and the public.

80. These defects were present at the point of sale of the MONAT Hair Care Products.

81. Such defects place consumers and the public at serious risk to their own safety when the MONAT Hair Care Products are used by consumers.

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82. At all times relevant hereto, Defendant and its Market Partners were under a duty imposed by law requiring that manufacturers' and merchants' product be reasonably fit for the ordinary purposes for which the product is used, and that the product be acceptable in trade for the product description. This implied warranty of merchantability is part of the basis of the bargain between MONAT and its Market Partners, on the one hand, and Plaintiff and Class members, on the other.

83. Notwithstanding the aforementioned duty, at the time of delivery, Defendant breached the implied warranty of merchantability in that MONAT Hair Care Products were defective and posed a serious safety risk at the time of sale, would not pass without objection, are not fit for the ordinary purposes for which such goods are used, and failed to conform to the standard performance of like products used in the trade.

84. Defendant knew or should have known that MONAT Hair Care Products pose a safety risk and are defective, and knew or should have known that selling MONAT Hair Care Products to Plaintiff and Class members constituted a breach of the implied warranty of merchantability.

85. As a direct and proximate result of Defendant's breaches of the implied warranty of merchantability, Plaintiff and Class members bought MONAT Hair Care Products without knowledge of their defects or their serious safety risks.

86. As a direct and proximate result of Defendant's breaches of the implied warranty of merchantability, Plaintiff and Class members purchased unsafe products which could not be used for their intended purpose.

87. As a direct and proximate result of Defendant's breaches of the implied warranty of merchantability, Plaintiff and Class members have suffered damages and did not receive the benefit of their bargain.

88. Defendant was unjustly enriched by keeping the profits for MONAT Hair Care Products while never having to incur the cost to remedy the serious side effects caused by MONAT Hair Care Products.

89. The defectively designed MONAT Hair Care Products purchased by Plaintiff and all other Class members are unfit for their intended and ordinary purposes because they may cause hair loss, scalp irritation, sores, or other serious side effects when used as instructed and intended by Defendant.

90. As a direct and proximate result of Defendant's breaches of the implied warranty of merchantability, Plaintiff and all the Class members have suffered loss.

SECOND CAUSE OF ACTION VIOLATIONS OF MAGNUSON-MOSS ACT (15 U.S.C. §§ 2301-2312)–WRITTEN WARRANTY

91. Plaintiff re-alleges and incorporates the preceding paragraphs as if fully set forth herein.

92. The MONAT Hair Care Products are "consumer products," as that term is defined by 15 U.S.C. § 2301(1).

93. Plaintiff and Class members are "consumers," as that term is defined by 15 U.S.C. § 2301(3).

94. MONAT is a "warrantor" and "supplier," as those terms are defined by 15 U.S.C. § 2301(4) and (5).

95. Defendant's written affirmations of fact, promises and/or descriptions as alleged are each a "written warranty". The affirmations of fact, promises and/or descriptions constitute a "written warranty" within the meaning of the Magnuson-Moss Act, 15 U.S.C. §2301(6).

96. In its capacity as warrantor, and by the conduct described herein, any attempts by MONAT to limit the express warranties in a manner that would exclude coverage of the MONAT Hair Care Products is unconscionable and any such effort to disclaim, or otherwise limit, liability for the MONAT Hair Care Products is null and void.

97. All jurisdictional prerequisites have been satisfied.

98. By MONAT's conduct as described herein, including MONAT's knowledge of the defects in the MONAT Hair Care Products and their action, and inaction, in the face of that knowledge, MONAT has failed to comply with its obligations under its written and implied promises, warranties, and representations.

99. As a result of MONAT's breach of express warranties, Plaintiff and Class members are entitled to revoke their acceptance of the MONAT Hair Care Products, obtain damages and equitable relief, and obtain attorneys' fees and costs pursuant to 15 U.S.C. § 2310.

THIRD CAUSE OF ACTION VIOLATIONS OF MAGNUSON-MOSS ACT (15 U.S.C. §§ 2301-2312)—IMPLIED WARRANTY

100. Plaintiff re-alleges and incorporates by reference the allegations contained in all preceding paragraphs of this Complaint as though set forth fully herein.

101. MONAT Hair Care Products are "consumer products," as that term is defined by 15 U.S.C. § 2301(1).

102. Plaintiff and Class members are "consumers," as that term is defined by 15 U.S.C. § 2301(3).

103. MONAT is a "warrantor" and "supplier," as those terms are defined by 15 U.S.C. § 2301(4) and (5).

104. Defendant provided Plaintiff and Class members with "implied warranties," as that term is defined by 15 U.S.C. § 2301(7).

105. In their capacity as warrantors and by the conduct described herein, any attempt by Defendant to limit the implied warranties in a manner that would exclude coverage of the MONAT Hair Care Products is unconscionable and any such effort to disclaim, or otherwise limit, liability for the MONAT Hair Care Products is void.

106. All jurisdictional prerequisites have been satisfied herein.

107. By Defendant's conduct as described herein, including Defendant's knowledge of the defects contained within the MONAT Hair Care Products and its action, and inaction, in the face of that knowledge, Defendant failed to comply with its obligations under the written and implied promises, warranties, and representations.

108. As a result of Defendant's breach of implied warranties, Plaintiff and Class members are entitled to revoke their acceptance of the MONAT Hair Care Products, obtain damages and equitable relief, and obtain attorneys' fees and costs pursuant to 15 U.S.C. § 2310.

FORTH CAUSE OF ACTION BREACH OF CONTRACT

109. Plaintiff re-alleges and incorporates by reference the allegations contained in all preceding paragraphs of this Complaint as though set forth fully herein.

110. Plaintiff entered into a contract with Defendant when she purchased MONAT Hair Care Products.

111. Other Class members entered into the same contractual relationship with MONAT by purchasing MONAT Hair Care Products.

112. Plaintiff and the Class paid money and conferred a benefit upon Defendant by purchasing MONAT Hair Care Products from Defendant or through MONAT's Market Partners.

113. Plaintiff and the Class have performed all conditions and promises required on their part to be performed in accordance with the agreement to purchase the Products.

114. Defendant materially breached these contracts with Plaintiff and the Class by selling Plaintiff and the Class products that were defective and were not what Plaintiff and the Class bargained for.

115. As a result of Defendant's breach, Plaintiff and the Class have suffered harm in the form of damages as they did not receive the benefit of their bargain.

<u>FIFTH CAUSE OF ACTION</u> NEGLIGENCE – FAILURE TO WARN

116. Plaintiff re-alleges and incorporates by reference the allegations contained in all preceding paragraphs of this Complaint as though set forth fully herein.

117. At all times referenced herein, Defendant was responsible for designing, formulating, testing, manufacturing, inspecting, distributing, marketing, supplying and/or selling MONAT Hair Care Products to Plaintiff and the Class.

118. At all times material hereto, the use of MONAT Hair Care Products, in a manner that was intended and/or reasonably foreseeable by Defendant, involved substantial risk of hair loss and scalp irritation.

119. At all times material hereto, the risk of substantial hair loss and/or scalp irritation was known or knowable by Defendant, in light of the generally recognized and prevailing knowledge available at the time of manufacture and design, as described herein.

120. Defendant, as the developer, manufacturer, distributor and/or seller of MONAT Hair Care Products, had a duty to warn Plaintiff and the Class of all dangers associated with the intended use of the MONAT Hair Care Products.

121. Certainly, after knowing about and receiving hundreds of complaints of hair loss from MONAT customers, a duty arose to provide a warning to consumers that use of the product could result in hair loss and/or scalp irritation.

122. MONAT also causes hair to go through a detox process that is well known and documented by the Company. During the first weeks or months of using MONAT products, consumers are known to suffer flaking scalp, itching, and shedding or hair loss. While MONAT is well aware of the "detox" process, it fails to warn consumers that their hair will experience this detox process and will look and feel terrible during this extended period.

123. Defendant was negligent and breached its duty of care by negligently failing to give adequate warnings to purchasers and users of MONAT Hair Care Products, including Plaintiff and the Class, about the risks, potential dangers and defective condition of the MONAT Hair Care Products.

124. Defendant knew, or, by the exercise of reasonable care, should have known, of the inherent design defects and resulting dangers associated with using MONAT Hair Care Products as described herein, and knew that Plaintiff and Class members could not reasonably be aware of those risks. Defendant failed to exercise reasonable care in providing the Class with adequate warnings.

125. As a direct and proximate result of Defendant's failure to adequately warn consumers that use of MONAT Hair Care Products could cause hair loss or scalp irritation, Plaintiff and the Class have suffered damages as set forth herein.

<u>SIXTH CAUSE OF ACTION</u> NEGLIGENCE – FAILURE TO TEST

126. Plaintiff re-alleges and incorporates by reference the allegations contained in all preceding paragraphs of this Complaint as though set forth fully herein.

127. Defendant did not perform adequate testing on MONAT Hair Care Products used in conjunction therewith, which were defectively designed, formulated, tested, manufactured, inspected, distributed, marketed, supplied and/or sold to Plaintiff and the Class. 128. Adequate testing would have revealed the serious deficiencies in MONAT Hair Care Products in that it would have revealed the substantial hair loss, scalp irritation, and other harmful side effects occasioned by use of MONAT Hair Care Products.

129. Defendant had, and continues to have, a duty to exercise reasonable care to properly design—including the duty to test—MONAT Hair Care Products before introducing them into the stream of commerce.

130. Defendant breached these duties by failing to exercise ordinary care in the design and testing of MONAT Hair Care Products, which it introduced into the stream of commerce, because Defendant knew or through the exercise of reasonable care should have known that MONAT Hair Care Products could cause substantial hair loss and scalp irritation.

131. Defendant knew, or reasonably should have known that Class members such as Plaintiff would suffer economic damages or injury and/or be at an increased risk of suffering damage and injury, as a result of its failure to exercise ordinary care in the design of MONAT Hair Care Products or by failing to conduct appropriate testing.

132. By reason of the foregoing, Plaintiff and the Class experienced, and/or are at risk of experiencing, financial damage and injury.

133. As a direct and proximate result of Defendant's failure to test MONAT Hair Care Products designed, formulated, manufactured, inspected, distributed, marketed, warranted, advertised, supplied and/or sold by the Defendant, Plaintiff and the Class have suffered damages.

SEVENTH CAUSE OF ACTION STRICT PRODUCTS LIABILITY

134. Plaintiff re-alleges and incorporates by reference the allegations contained in all preceding paragraphs of this Complaint as though set forth fully herein.

135. Defendant was the creator and developer of MONAT Hair Care Products.

136. Defendant was the manufacturer or supplier of MONAT Hair Care Products that it sells to customers.

137. As described herein, MONAT Hair Care Products possess a defect in manufacturing in that the formula can cause substantial hair loss and other harmful side effects.

138. The defect in MONAT Hair Care Products existed at the time MONAT Hair Care Products left Defendant's possession and was introduced into the stream of commerce.

139. MONAT Hair Care Products caused harm and injury to Plaintiff and the proposed Class in that, inter alia, it caused and/or causes hair loss or damage, scalp irritation, and other harmful side effects.

140. Plaintiff's use of the Hydration System occurred in a manner that was reasonably foreseeable to Defendant.

EIGHTH CAUSE OF ACTION UNJUST ENRICHMENT

141. Plaintiff re-alleges and incorporates by reference the allegations contained in all preceding paragraphs of this Complaint as though set forth fully herein.

142. As a direct and proximate result of the misconduct set forth above, Defendant MONAT has been unjustly enriched.

143. Through deliberate misrepresentations or omissions made in connection with the advertising, marketing, promotion, and sale of MONAT Hair Care Products during the Class Period, Defendant reaped benefits, which resulted in its wrongful receipt of profits. Accordingly, Defendant will be unjustly enriched unless ordered to disgorge those profits for the benefit of Plaintiff and the Class. This claim is pleaded in the alternative to Plaintiff's contract- based claims.

NINTH CAUSE OF ACTION DECEIT AGAINST ALL DEFENDANT

144. Plaintiff re-alleges and incorporates the preceding paragraphs as if fully set forth herein.

145. After discovering that the MONAT Hair Care Products were unfit for sale to, or use by, the public, Defendant continued to suggest and/or assert that the MONAT Hair Care Products were safe and fit for use by consumers. In addition, Defendant attempted to suppress the fact that the MONAT Hair Care Products were not fit to be used as advertised so that consumers would continue to purchase the MONAT Hair Care Products and Defendant could reap the rewards.

146. Through their advertisements and sales tactics, Defendant promised consumers that MONAT Hair Care Products were safe suitable for use when in fact they were not.

147. As a result of Defendant's deceit, Plaintiff and the Class are entitled to full compensation for damages caused by the MONAT Hair Care Products, including time and

money spent and the loss of productivity from taking time to address and attempting to ameliorate, mitigate, and deal with the actual and future consequences of using the MONAT Hair Care Products.

TENTH CAUSE OF ACTION DECLARATORY AND INJUNCTIVE RELIEF

148. Plaintiff re-alleges and incorporates the preceding paragraphs as if fully set forth herein.

149. There is a controversy in fact between Defendant and Plaintiff and the Class concerning the existence of the defects in the MONAT Hair Care Products.

150. Under 28 U.S.C. § 2201, this Court may "declare the rights and legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought." Accordingly, Plaintiff and the Class members seek a declaration that MONAT Hair Care Products have common latent and inherent defects in their design and/or manufacture and a declaration that said defects pose a risk of serious harm to consumers.

151. MONAT designed, manufactured, produced, inspected, marketed, distributed, and sold MONAT Hair Care Products which contain latent, inherent, material, and dangerous defects as described in this Complaint. Based on information and belief, MONAT continues to manufacture, produce, and inspect MONAT Hair Care Products which contain the defects described in this Complaint.

152. Based on information and belief, Defendant continues to market, distribute, and sell MONAT Hair Care Products which contain the defects described in this Complaint.

153. At relevant times, Defendant knew, or should have known, of the defects that exist at the point of sale of MONAT Hair Care Products and render these products unfit for use and unsafe to Plaintiff, the Class members, and consumers in general.

154. At all times relevant, MONAT knew, or should have known, of the defects that exist at the point of sale of MONAT Hair Care Products and render these products unfit for use and unsafe to Plaintiff, the Class members, and consumers in general.

155. Defendant has taken no action, or insufficient action, to correct the defects and/or stop the entry of MONAT Hair Care Products into the stream of commerce. Defendant has failed to sufficiently warn the public of these latent and inherent defects and the safety risks they cause.

156. As a result of Defendant's failure to remedy MONAT Hair Care Products either by reformulation or removal from the stream of commerce, Plaintiff and members of the Class face a risk of injury to person.

157. Plaintiff and each Class member has suffered actual damage or injury, or are at immediate risk of doing so, due to MONAT Hair Care Products. Defendant should be required to act to correct this situation, including:

- a. Permitting consumers to rescind their purchases;
- b. Issuing a nationwide recall of MONAT Hair Care Products in order to remove them from the market and fully compensating Plaintiff and members of the proposed Class;
- c. Discontinuing the manufacture, marketing, and distribution of MONAT Hair Care Products;

- d. Discontinuing the destruction of evidence relevant to this and any other litigation related to MONAT Hair Care Products;
- e. Making a full account of all evidence destroyed by Defendant since they were on notice of litigation related to MONAT Hair Care Products; and
- f. Ensuring that all proposed Class members with whom Defendant interact are informed about the pendency of this litigation and their rights in relation to it.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of the above defined Classes, by and through counsel, pray the Court grant the following relief:

- A. An Order certifying this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure;
- B. An Order appointing Plaintiff as representative for the Class and appointing her counsel as lead counsel for the Class;
- C. An order awarding Plaintiff and all other Class members damages in an amount to be determined at trial for the wrongful acts of MONAT described herein;
- D. An Order enjoining MONAT, its agents, successors, employees, Market Partners and other representatives, from engaging in or continuing to engage in the manufacture (in the case of MONAT), marketing, and sale of MONAT Hair Care Products; requiring MONAT and its Market Partners to issue corrective actions including notification or replacement of MONAT Hair Care Products; and requiring Defendant to preserve all evidence relevant to this lawsuit and to

notify purchasers of MONAT Hair Care Product with whom it comes in contact of the pendency of this and related litigation;

- E. A declaration that MONAT Hair Care Products are, in fact, defective and pose a safety risk to consumers;
- F. Restitution as authorized by law;
- G. Payment to the Class of all damages associated with MONAT Hair Care Products, in an amount to be proven at trial;
- H. Payment to the Class of all damages associated with lost time and money attempting to address, ameliorate, mitigate, and deal with the actual and future consequences of MONAT Hair Care Products;
- An assessment of punitive damages, consistent with the actual harm Defendant has caused and the reprehensibility of its wanton and willful conduct, and the need to punish and deter such conduct;
- J. An order awarding attorney's fees pursuant to applicable Federal and State law;
- K. Interest as provided by law, including but not limited to pre judgment and postjudgment interest as provided by rule or statute; and
- L. Any and all other and further relief as this Court deems just, equitable, or proper.

JURY TRIAL DEMANDED

DATED: March 20, 2018

Respectfully Submitted,

/s/ William B. Federman William B. Federman (TBN 00794935) FEDERMAN & SHERWOOD 2926 Maple Avenue, Suite 200 Dallas, Texas 75201 Telephone: (214) 696-1100 Facsimile: (214) 740-0112 wbf@federmanlaw.com

Attorney for Plaintiff

JS 44 (Rev. 06/17) Case 3:18-cv-00657-L Count of the 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	`		DEFENDANTS''			
 (b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES) (c) Attorneys (Firm Name, Address, and Telephone Number) 			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 JURISDI	CTION (Place an "X" in O	ne Box Only)	III. CITIZENSHIP OF P	RINCIPAL PARTIES	(Place an "X" in One Box for Plaintiff	
□ 1 U.S. Government Plaintiff	 General Question (U.S. Government Not a Party) 			IF DEF 1 □ 1 Incorporated <i>or</i> Pr of Business In T		
2 U.S. Government Defendant	☐ 4 Diversity (Indicate Citizenship of Parties in Item III)			 2 □ 2 Incorporated and F of Business In A 3 □ 3 Foreign Nation 		
			Foreign Country"	-		
IV. NATURE OF SUIT		uly) PRTS	FORFEITURE/PENALTY	Click here for: Nature of BANKRUPTCY	of Suit Code Descriptions." OTHER STATUTES''	
 CONTRACT CONTRACT Ito Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 245 Tort Product Liability 290 All Other Real Property 	PERSONAL INJURY ☐ 310 Airplane ☐ 315 Airplane Product Liability ☐ 320 Assault, Libel &	PERSONAL INJUR' PERSONAL INJUR' 365 Personal Injury - Product Liability 367 Health Care/ Pharmaceutical Personal Injury Product Liability PERSONAL PROPER 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage 385 Property Damage 385 Property Damage 385 Property Damage Product Liability PRISONER PETITION Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty Other: 540 Mandamus & Othe 550 Civil Rights 555 Prison Condition" 560 Civil Detainee -" Conditions of Confinement"	Y □ 625 Drug Related Seizure of Property 21 USC 881 □ 690 Other CTY LABOR □ 710 Fair Labor Standards Act □ 710 Fair Labor Standards Act 720 Labor/Management Relations □ 740 Railway Labor Act □ 751 Family and Medical Leave Act VS □ □ 790 Other Labor Litigation □ 791 Employee Retirement Income Security Act IMMIGRATION □	↓ 422 Appeal 28 USC 158 ↓ 423 Withdrawal 28 USC 157 ▶ ROPERTY RIGHTS □ 820 Copyrights □ 830 Patent □ 835 Patent - Abbreviated New Drug Application □ 840 Trademark ■ SOCIAL SECURITY □ 861 HIA (1395ff) □ 862 Black Lung (923) □ 864 SSID Title XVI □ 865 RSI (405(g)) ▶ 870 Taxes (U.S. Plaintiff or Defendant) □ 871 IRS—Third Party 26 USC 7609	 OTHER STATETES 375 False Claims Act" 376 Qui Tam (31 USC 3729(a))" 400 State Reapportionment" 410 Antitrust" 430 Banks and Banking" 450 Commerce" 460 Deportation" 470 Racketeer Influenced and" Corrupt Organizations" 480 Consumer Credit" 490 Cable/Sat TV" 850 Securities/Commodities/" Exchange" 890 Other Statutory Actions" 891 Agricultural Acts" 893 Environmental Matters" 895 Freedom of Information" Act" 896 Arbitration" 950 Constitutionality of" State Statutes" 	
	moved from" 🗖 3	Remanded from"	☐ 4 Reinstated or" ☐ 5 Transfe Reopened" Anothe (specify)	er District" Litigation		
VI. CAUSE OF ACTIO	"		(specty), re filing (Do not cite jurisdictional stat		Direct inc	
VII. REQUESTED IN' COMPLAINT:"	CHECK IF THIS UNDER RULE 2	IS A CLASS ACTION 3, F.R.Cv.P."	u" DEMAND \$	CHECK YES only JURY DEMAND:	if demanded in complaint:" □ Yes □ No"	
VIII. RELATED CASI IF ANY	E(S)" (See instructions):"	JUDGE		DOCKET NUMBER"		
DATE	SIGNATURE OF ATTORNEY OF RECORD"					
FOR OFFICE USE ONLY"						
	MOUNT	APPLYING IFP	JUDGE	MAG. JUE	DGE"	

JS 44 Reverse (Rev. 06/17) - TXND (Rev. 06/17)

Case 3:18-cv-00657-L Document 1-1 Filed 03/20/18 Page 2 of 2 PageID 61 INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- **I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below. United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box. Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)

- **III.** Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit. Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: Nature of Suit Code Descriptions.
- V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date. Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.

Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket. **PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statue.

- VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes unless diversity. Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases. This section of the JS 44 is used to reference related pending cases, if any. If a related case exists, whether pending or closed, insert the docket numbers and the corresponding judge names for such cases. A case is related to this filing if the case: 1) involves some or all of the same parties and is based on the same or similar claim; 2) involves the same property, transaction, or event; 3) involves substantially similar issues of law and fact; and/or 4) involves the same estate in a bankruptcy appeal.

Date and Attorney Signature. Date and sign the civil cover sheet.