

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

**MELANIE JEFFCOAT, on behalf of)
herself and all others similarly situated,)**

Plaintiffs)

v.)

**LUMBER LIQUIDATORS, INC.,)
a Delaware Corporation; LUMBER)
LIQUIDATORS LEASING, LLC, a)
Delaware Limited Liability Corporation)
LUMBER LIQUIDATORS HOLDINGS,)
INC., a Delaware Corporation; and)
LUMBER LIQUIDATORS SERVICES,)
LLC, a Delaware Limited Liability)
Corporation,)**

Defendants)

Civil Action Number:

**CLASS ACTION
COMPLAINT**

CLASS ACTION COMPLAINT

Melanie Jeffcoat, Plaintiff, on behalf of herself and all others similarly situated nationwide, files this Class Action Complaint against Defendants, Lumber Liquidators, Inc.; Lumber Liquidators Leasing, LLC; Lumber Liquidators Holdings, Inc.; and Lumber Liquidators Services, LLC (hereinafter collectively referred to as “Lumber Liquidators” or “Defendants”) based on their sale of laminate wood flooring containing unlawfully excessive levels of the carcinogen formaldehyde. In support, Plaintiff states:

INTRODUCTION

1. Plaintiff and her husband re-floored a downstairs room at their home so their children could play there and the rest of the family could also use it. Plaintiff researched the flooring and in so doing she focused on durability and above all, safety. She selected laminate wood flooring from Lumber Liquidators due in part to their misleading sales tactics.

2. Lumber Liquidators portrays itself in the marketplace in a manner designed to appeal to health-conscious consumers, using representations like this:

“As flooring experts we care too much to sell anything but the SAFEST & HIGHEST QUALITY FLOORING”.¹

3. Lumber Liquidators advertised that its laminate products are a good option for “busy” homes with children and pets.² Lumber Liquidators states: “trust the people over two million people trust.”³

4. However, Lumber Liquidators’ products are of poor quality and dangerous. Independent lab tests establish that Lumber Liquidators’ laminate wood flooring releases dangerous formaldehyde at levels exceeding the stated amounts and

¹Lumber Liquidators, www.lumberliquidators.com/ll/home (Last viewed May 13, 2015).

²YouTube, Laminate Flooring: Lumber Liquidators, https://www.youtube.com/watch?v=khO_a-5Qq9E (last visited May 13, 2015).

³60 Minutes, Lumber Liquidators Linked to Health and Safety Violations, http://www.cbs.com/shows/60_minutes/video/A3GckRjCT6fZltzjt0BH8GKM0nGZJ8cw/lumber-liquidators-linked-to-health-and-safety-violations/

in excess of safe standards. Thus, Lumber Liquidators' customers are injured as they bear the financial consequences of these misrepresentations. They also face years of future concern and worry due to having inadvertently exposed themselves to a carcinogenic toxin.

5. Defendants control all aspects of manufacturing, packaging, distributing and sale of laminate wood flooring in the U.S., including Alabama. Defendants' publicity and websites specifically state their laminate wood flooring products are safe, meet "the most stringent environmental and quality standards,"⁴ and the formaldehyde emission standards established by the California Air Resources Board ("CARB") as set forth in California's Airborne Toxic Control Measure to Reduce Formaldehyde Emissions from Composite Wood Products ("CARB Regulations"). Cal. Code Regs. tit. 17, §§ 93120-93120.12.

6. Defendants' express representations about their products' safety and their compliance with environmental standards are false, and Defendants have sold and are selling wood flooring products to consumers in Alabama and across the U. S. that give off formaldehyde gas in excess of the limits in the CARB standards.

7. Defendants do not disclose their products' excessive formaldehyde emissions and misstate the safety of laminate wood flooring, victimizing consumers

⁴Lumber Liquidators, *Health and Safety*, http://www.lumberliquidators.com/sustainability/health-and-safety/?WT.ad=GLOBAL_FOOTER_HealthSafety (last visited May 11, 2015).

throughout the U. S.

8. Formaldehyde is associated with cancers of various types, including of the nose and sinuses, nasopharyngeal and oropharyngeal cancer, lung cancer and leukemia. Formaldehyde can produce irritated and burning eyes, nose and throat irritation, coughing, headaches, dizziness, and other symptoms.

9. Lumber Liquidators' laminate wood flooring is constructed with a base layer of composite wood -- a mixture of sawdust or wood pieces held with glue or resin -- and another layer on top of veneer or a wood grain image. CARB Regulations consider medium density fiberboard of the type Lumber Liquidators uses to be "MDF," which is thicker than 8 mm, or "Thin MDF," which is 8 mm or less. Cal. Code Regs. tit. 17, § 93120.

10. Laminate wood floors can be a major source of formaldehyde gas at large in a household because glues and resins using formaldehyde hold pressed wood flooring together.

11. Defendants use several manufacturing plants in China for their products. Defendants sell those products at Lumber Liquidators' five retail stores in Alabama and across the country. Defendants also sell those laminate wood flooring products nationally on a retail website, www.lumberliquidators.com, and on a toll-free telephone line, 1-800-HARDWOOD (1-800-427-3966).

12. Plaintiff represents herself and similarly-situated buyers nationally who bought Defendants' laminate wood flooring products in the U. S. labeled as CARB compliant, but which were not compliant with CARB, on and after March 6, 2011 and before the time of judgment. Plaintiff demands return of all money she and the class paid for Defendants' flooring products, an injunction against Defendants' ongoing unlawful business practices, and damages for herself and the class.

JURISDICTION AND VENUE

13. This Court has subject matter jurisdiction under the Class Action Fairness Act, 28 U.S.C. § 1332(d). The Plaintiff is a citizen of Alabama, and Defendants are citizens of Delaware or Virginia. There are 100 or more class members, and the aggregate amount in controversy exceeds \$5,000,000.00.

14. Personal jurisdiction over Defendants exists as a substantial portion of the misconduct alleged in this Complaint occurred in Alabama. Defendants have sufficient minimum contacts with Alabama, including five retail store outlets, and have otherwise intentionally availed themselves of the privilege of doing business in the markets of Alabama by promoting, marketing and selling products, to render this Court's exercise of jurisdiction appropriate under the U. S. Constitution, Alabama law and traditional notions of fair play and substantial justice.

15. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2) and (3) because a substantial part of the events or omissions giving rise to the claims arose in this District, and Defendants are subject to the Court's personal jurisdiction.

PARTIES

16. Plaintiff Melanie Jeffcoat is and at all relevant times was a citizen of Alabama, residing in Jefferson County, Alabama. Plaintiff purchased and used the Defendants' laminate wood flooring for personal use.

17. Defendant Lumber Liquidators, Inc. is a Delaware corporation with its principal place of business at 3000 John Deere Road, Toano, Virginia 23168. Lumber Liquidators, Inc. is licensed and doing business in the State of Alabama.

18. Defendant Lumber Liquidators Leasing, LLC is a Delaware Limited Liability Corporation with its principal place of business at 3000 John Deere Road, Toano, Virginia 23168.

19. Defendant Lumber Liquidators Holdings, Inc. is a Delaware corporation with its principal place of business at 3000 John Deere Road, Toano, Virginia 23168.

20. Defendant Lumber Liquidators Services, LLC is a Delaware Limited Liability Corporation with its principal place of business at 3000 John Deere Road, Toano, Virginia 23168.

FACTUAL ALLEGATIONS

California's CARB Standard for Formaldehyde

21. The State of California officially acknowledged Formaldehyde (gas) as a chemical known to cause cancer on January 1, 1988; and in 1992, CARB listed formaldehyde as a Toxic Air Contaminant in California with no safe level of exposure.

22. CARB approved the Airborne Toxic Control Measure to Reduce Formaldehyde Emissions from Composite Wood Products in April, 2007. The relevant formaldehyde emissions standards became effective January, 2009 and set decreasing limits in two Phases. Cal. Code Regs., tit. 17, § 93120.2(a).

23. The CARB Phase 1 Emission for MDF, in effect from January 1, 2009 to December 31, 2010, limited permissible formaldehyde emissions to .21 parts per million, ("ppm"). The Phase 2 Emission Standard for MDF provides that as of January 1, 2011, MDF flooring products such as Lumber Liquidators' sold in California must emit less than 0.11 ppm of formaldehyde. The CARB Phase 1 Emission Standard for Thin MDF, in effect from January 1, 2009 to December 31, 2011, prohibited formaldehyde emissions in excess of .21 ppm. The CARB Phase 2 Emission Standard for Thin MDF states that going forward from January 1, 2012 Thin MDF flooring products sold in California must emit less than 0.13 ppm formaldehyde.

Cal. Code Regs., tit 17, § 93120.2(a). Formaldehyde standards for MDF and Thin MDF will both be referred to herein as the “CARB limit.”

24. The Formaldehyde Standards for Composite Wood Products Act was enacted in 2010. It adds Title VI to the Toxic Substances Control Act, (TSCA), 15 U.S.C. § 2697. It establishes upper limits for formaldehyde emissions from composite wood flooring and other products. The national standards in the TSCA parallel the CARB limitations on formaldehyde.

25. On June 10, 2013, the federal Environmental Protection Agency promulgated rules to implement the TSCA standards. *See* Formaldehyde Emissions Standards for Composite Wood Products, 78 Fed. Reg. 34820 (June 10, 2013) (to be codified at 40 C.F.R. Part 770).

The Defendants Misrepresent Their Laminate Wood Flooring.

26. The Defendants represent to consumers nationwide on their website, product packaging, and warranties that the laminate wood flooring products they sell meet CARB standards for formaldehyde. This is untrue. They do not.

27. The Defendants represent to customers such as Plaintiff that their “commitment to quality and safety extends to everywhere we do business. We require that all of our suppliers comply with California’s advanced environmental

requirements, even for products sold outside of California.”⁵

28. Defendants represent to consumers that they “regularly” test their own products to ensure they comply with the strictest standards and routinely “send product out to an independent lab for additional testing to ensure” they meet appropriate standards.

29. Lumber Liquidators’ laminate wood flooring packaging indicates: “CARB...Phase 2 Compliant Formaldehyde.” This statement is on Defendants’ laminate flooring packaging even though it is not accurate.

30. Notwithstanding their representations, Defendants’ laminate wood flooring contains potentially dangerous formaldehyde amounts that are in excess of the CARB regulations and the standards promulgated in the TSCA.

31. Formaldehyde can produce cancer, asthma, and other illnesses. The risk is greater for children. People may be exposed to it without knowing the risks. A buyer and his or her family may live in their home with flooring emitting harmful gas and not know about it.

32. The Defendants’ inaccurate marketing materials for the laminate wood flooring were designed to increase sales of the product which, having no monetary value, was and is worthless.

⁵Lumber Liquidators, *Health and Safety*, http://www.lumberliquidators.com/sustainability/health-and-safety/?WT.ad=GLOBAL_FOOTER_HealthSafety (last visited May 11, 2015).

33. The Defendants materially misrepresent and misrepresented the safety of their flooring products by advertising them as safe and compliant with the CARB limits when they are and were not.

34. Defendants are guilty of material omissions by failing to disclose that their laminate wood flooring has and emits unlawfully high amounts of formaldehyde.

35. The Plaintiff and the Class were damaged by Defendants' sale of laminate wood flooring and associated misconduct. Plaintiff and the Class are entitled to a return of their purchase price and other damages.

The Defendants Knowingly Misrepresented the Safety of Their Laminate Wood Products.

36. On information and belief, Defendants knowingly misrepresented their laminate wood flooring products as CARB-compliant and failed to disclose unlawful levels of formaldehyde emitted by its flooring.

37. While Defendants represent to consumers that their laminate wood products come from mills whose production methods are CARB compliant, and that they conform to CARB's specified formaldehyde limits, Defendants acknowledge in risk disclosure statements publicly in their annual report made to the Securities and Exchange Commission ("SEC") that, "[w]hile our suppliers agree to operate in compliance with applicable laws and regulations, including those relating to environmental and labor practices, we do not control our suppliers. Accordingly, we

cannot guarantee that they comply with such laws and regulations or operate in a legal, ethical and responsible manner. Violation of environmental, labor or other laws by our suppliers or their failure to operate in a legal, ethical and responsible manner, could . . . expose us to legal risks as a result of our purchase of product from non-compliant suppliers.” Lumber Liquidators’ 2013 10-K, p. 14 (Feb. 19, 2014), <http://investors.lumberliquidators.com/index.php?o=25&s=127>.

38. In the same annual report submitted to the SEC, however, Lumber Liquidators effectively admits it is responsible for and supposedly assures quality control in its mills in China. *See, e.g.*, Lumber Liquidators’ 2013 10-K at p.5 (“We are able to set demanding specifications for product quality and our own quality control and assurance teams are on-site at the mills, coordinating inspection and assurance procedures.”). Thus, despite their knowledge that suppliers might not comply with environmental regulations and their statements that they “have this problem in hand” and are responsible for quality control, the Defendants have, in fact, failed to sufficiently exercise control over those suppliers to ensure that they comply with CARB standards.

39. On June 20, 2013, the news website “Seeking Alpha”, documented high formaldehyde levels in Chinese-made laminate wood flooring sold by Lumber Liquidators, reporting that the author of the story had retained a certified laboratory

to test three samples of laminate wood flooring sold by Lumber Liquidators and that the tested product “emits a staggering three and a half times over the government mandated maximum emission level. The product is clearly not CARB compliant, yet Lumber Liquidators tagged CARB compliance on the box.” See Xuhua Zhou, *Illegal Products Could Spell Big Trouble At Lumber Liquidators*, SEEKING ALPHA, (June 20, 2013, 2:33 PM ET), <http://seekingalpha.com/article/1513142-illegal-products-could-spell-big-trouble-at-lumber-liquidators> (last visited May 12, 2015).

40. Defendants knew or should have known their laminate wood flooring products were not compliant with CARB requirements. Despite this, the Defendants failed to modify their flooring products or to disclose that these products emit too much formaldehyde. Instead, Defendants sold and continue to sell laminate wood flooring products in Alabama and elsewhere that exceed the CARB limits, and they have continually misrepresented that those products are CARB compliant.

Plaintiff’s Experience With Lumber Liquidators’ Laminate Wood Flooring

41. On or about December 9, 2014, the Plaintiff purchased from the Defendants laminate wood flooring at the Defendants’ store located in Pelham, Alabama. The flooring has been installed in the Plaintiff’s home in Homewood, Jefferson County, Alabama, and remains there as of the time of the filing of this Class

Action Complaint. The Plaintiff resides in her home with her husband and their two children.

42. Specifically, the laminate wood flooring purchased by the Plaintiff was “Kensington Manor Dream Home Laminate Floors,” 12 mm. The label on the side of the package states, in pertinent part, as follows:

“Product of China
CARB No. SCS-CARB-000090
CALIFORNIA 93120 Phase 2
Compliant for Formaldehyde”

See Photograph of packaging, attached hereto as Exhibit 1.

43. After the purchase and installation of the laminate wood flooring, the CBS 60 Minutes segment aired,⁶ revealing that the laminate wood flooring purchased by the Plaintiff and others in the Class, was not in fact “Compliant for Formaldehyde”, as represented by the Defendants.

44. The Plaintiff retained spare laminate wood flooring, still in its original Packaging. Some of the spare laminate wood flooring was sent to a certified laboratory to be tested for formaldehyde emissions. The tests revealed that the laminate wood flooring purchased by the Plaintiff and installed in her home is emitting unsafe levels of formaldehyde and that the laminate wood flooring is not,

⁶60 Minutes, Lumber Liquidators Linked to Health and Safety Violations, http://www.cbs.com/shows/60_minutes/video/A3GckRjCT6fZltzjt0BH8GKM0nGZJ8cw/lumber-liquidators-linked-to-health-and-safety-violations/ (last visited May 11, 2015).

contrary to Lumber Liquidators' representations, CARB 2 compliant. *See* Test Results attached hereto as Exhibit 2.

45. Since the Defendants' laminate wood flooring has been installed in the Plaintiff's home, the Jeffcoat family has experienced physical reactions to the formaldehyde off-gassing from the laminate wood flooring, including chronic coughing, nausea and dizziness.

46. In accordance with Alabama's version of the Uniform Commercial Code,⁷ the Plaintiff has given notice, prior to the filing of the instant lawsuit, to the Defendants of their breach of warranties. The Defendants have not refunded the Plaintiff her purchase price for the laminate wood flooring and have not refunded the Plaintiff the costs associated with the installation of the contaminated laminate wood flooring. The Defendants also continue to, via the media, falsely assure the Plaintiff and Class Members that the Defendants' laminate wood flooring is safe.

47. The Plaintiff is concerned both with the health impact to her and her family and the potential decrease in the value of her home caused by the Defendants' toxic laminate flooring.

⁷ALA. CODE § 7-2-607(3)(a).

CLASS ACTION ALLEGATIONS

48. This matter is brought by Plaintiff on behalf of herself and those similarly situated under *Federal Rules of Civil Procedure* 23(b)(2) and 23(b)(3).

49. The Class that Plaintiff seeks to represent is defined as follows:

Consumers nationwide who purchased Defendants' laminate wood flooring products that were (1) labeled as CARB compliant but were not CARB compliant and (2) sold to consumers in the United States at any time from March 6, 2011, through the date of judgment herein (the "Class").

50. **Numerosity and Impracticability of Joinder:** The members of the Class are so numerous that joinder of all members would be impractical. The proposed Class likely contains thousands of members. The precise number of members can be ascertained through discovery, which will include Defendants' sales and other records.

51. **Commonality and Predominance:** There are common questions of law and fact that predominate over any questions affecting only individual members of the Class.

52. The common legal and factual questions include, but are not limited to, the following:

A. Whether the Defendants engaged in unlawful, unfair or deceptive business practices by failing to properly label their products sold to consumers;

- B. Whether the products at issue were mislabeled as a matter of law and violated California CARB emissions standards and Formaldehyde Standards of Composite Wood Products in the TSCA;
- C. Whether the Defendants made unlawful and misleading representations and warranties with respect to their products sold to consumers;
- D. Whether the Defendants' advertisements and representations had the capacity to deceive reasonable consumers;
- E. Whether the Defendants breached their implied warranty of merchantability;
- F. Whether the Defendants breached their express warranties;
- G. Whether the Defendants were negligent in labeling and advertising laminate wood flooring;
- H. Whether the Defendants unlawfully sold the laminate wood flooring in violation of the laws of Alabama and/or the United States;
- I. Whether the Defendants' unlawful, unfair and deceptive practices harmed the Plaintiff and the Class;
- J. Whether the Plaintiff and the Class have been damaged by the unlawful actions of the Defendants and the amount of damages to the Class;
- K. Whether the Defendants were unjustly enriched by their deceptive practices;
- L. Whether punitive damages should be awarded; and
- M. Whether the Defendants should be enjoined from continuing the conduct complained of herein.

53. **Typicality:** The representative Plaintiff's claims are typical of the claims of the members of the Class. Plaintiff and all the members of the class have been

injured by the same wrongful practices of the Defendants. Plaintiff's claims arise from the same practices and course of conduct that give rise to the claims of the members of the class and are based on the same legal theories.

54. **Adequacy:** The Plaintiff is a representative who will fully and adequately assert and protect the interests of the Class and has retained class counsel who are experienced and qualified in prosecuting class actions. Neither the Plaintiff nor her attorneys have any interests contrary to or in conflict with the Class.

55. **Superiority:** A class action is superior to all other available methods for the fair and efficient adjudication of this lawsuit because individual litigation of the claims of all members of the class is economically unfeasible and procedurally impracticable. While the aggregate damages sustained by the Class are likely substantial, the individual damages incurred by each class member are too small to warrant the expense of individual suits. The likelihood of individual class members prosecuting their own separate claims is remote; and even if every member of the Class could afford individual litigation, the courts would be unduly burdened by individual litigation of such cases. Further, individual members of the Class do not have a significant interest in individually controlling the prosecution of separate actions, and individualized litigation would also result in varying, inconsistent, or contradictory judgments and would magnify the delay and expense to all parties and

the court system because of multiple trials of the same factual and legal issues. Plaintiff knows of no difficulty to be encountered in the management of this action that would preclude its maintenance as a class action. In addition, the Defendants have acted or refused to act on grounds generally applicable to the Class and, as such, final injunctive relief or corresponding declaratory relief with regard to the members of the Class as a whole is appropriate.

56. The Defendants have, or have access to, addresses and/or other contact information for the members of the Class, which may be used for the purpose of providing notice of the pendency of this action.

CAUSES OF ACTION

Count One Breach of Contract

57. Plaintiff adopts, incorporates and realleges each and every allegation contained above as if fully set out herein.

58. In purchasing the Defendants' laminate wood flooring, Plaintiff and the Class entered into contracts with the Defendants whereby they paid the Defendants money and the Defendants were to provide laminate wood flooring that was of the highest quality and that met stringent environmental standards.

59. Plaintiff and the Class fully performed their obligations under the contracts by paying the Defendants the sale price for the flooring. The Defendants,

however, materially breached these contracts by failing to provide products that were of high quality or that met the most stringent environmental standards.

60. As a direct, proximate and foreseeable result of the Defendants' breach of contract, the Plaintiff and the Class suffered harm in the form of monies paid. Plaintiff and the Class did not receive the benefit of their bargain.

Count Two
Breach of Express Warranty

61. Plaintiff adopts, incorporates and realleges each and every allegation contained above as if it were fully set out herein.

62. The Defendants' representations of fact and/or promises in their marketing material, website, product labels, and otherwise relating to their laminate wood flooring created express written warranties that the product would conform to their representations.

63. The Defendants' statements on the labeling of their laminate wood flooring that they complied with CARB and California emissions regulations became part of the basis of the bargain, creating express written warranties that the products purchased by the Plaintiff and other Class Members would conform to the Defendants' description and specifications. The laminate wood flooring purchased by the Plaintiff did not so conform.

64. The Defendants provided warranties that their laminate wood flooring was labeled in compliance with state law and was not mislabeled under state law. The Defendants breached these express written warranties.

65. As a direct, proximate and foreseeable result, the value of the product they purchased was less than it would have been had the product been as warranted by the Defendants and the Plaintiff and the other Class Members have suffered damages.

66. The Defendants have engaged in a scheme of offering the laminate wood flooring for sale to the Plaintiff and members of the Class by way of, *inter alia*, false and misleading packaging and labeling.

67. The Plaintiff and the Class were the intended recipients and beneficiaries of such representations and warranties.

68. As a direct, proximate and foreseeable result of the Defendants' false and misleading representations and warranties, the Plaintiff and Class have suffered significant damages.

Count Three
Breach of Implied Warranty of Merchantability

69. Plaintiff adopts, incorporates and realleges each and every allegation contained above as if it were fully set out herein.

70. Implied in the purchase of the laminate wood flooring by Plaintiff and the Class is the warranty that the purchased products are legal and can be lawfully sold and possessed.

71. The Defendants reasonably knew or should have known the laminate wood flooring was unlawful for sale pursuant to the Toxic Substance Control Act, 15 U.S.C. § 2601, *et seq.*

72. When Defendants sold these laminate wood flooring products, they impliedly warranted that they were legal and could be lawfully possessed and/or sold and were, therefore, merchantable.

73. The laminate wood flooring purchased by Plaintiff and the Class Members is unfit for the ordinary purpose for which it was intended; and the laminate wood flooring is illegal, mislabeled, and worthless.

74. The Plaintiff and the Class Members were injured through their purchase of unsuitable, useless, illegal and unmerchantable products.

75. Plaintiff and the Class Members were damaged at least in the amount they paid for the laminate wood flooring.

Count Four
Breach of Implied Duty of Good Faith and Fair Dealing

76. Plaintiff adopts, incorporates and realleges each and every allegation contained above as if it were fully set out herein.

77. In representing facts to the Plaintiff and the other Class Members about their laminate wood flooring, Defendants failed to lawfully label or advertise their laminate wood flooring and violated their duties to disclose material facts alleged above. Among the direct and proximate causes of said failure to disclose were the Defendants' negligence and carelessness.

78. Plaintiff and other Class Members, as a direct and proximate cause of the Defendants' breaches of their duties, reasonably relied upon such representations to their detriment. As a direct, proximate and foreseeable result, Plaintiff and the other Class Members suffered damages.

Count Five
Negligence/Recklessness, Wantonness

79. Plaintiff adopts, incorporates and realleges each and every allegation contained above as if it were fully set out herein.

80. Plaintiff and Class Members claim negligence, recklessness and wantonness against the Defendants.

81. Defendants had a duty to exercise reasonable care in the design, formulation, manufacture, sale, promotion, supply and distribution of the laminate wood flooring, including the duty to assure the product was of the quality and character promoted.

82. The Defendants breached their duty of care in the design, manufacture,

testing, advertising, marketing, promoting, supply, and sale of their laminate wood flooring in that they:

- A. Misled the Plaintiff and the Class by stating that the flooring met CARB and other “stringent” environmental and quality standards;
- B. Negligently designed laminate wood flooring in a way that they knew or should have known would contain excessive and/or dangerous levels of formaldehyde;
- C. Recklessly, falsely, and/or deceptively represented or knowingly omitted, suppressed, or concealed material facts regarding the quality of their flooring, including the fact that it contained excessive and/or dangerous levels of formaldehyde; and
- D. Were otherwise careless, negligent, grossly negligent, reckless, and acted with willful and wanton disregard for the Plaintiff’s and Class members’ rights and well-being.

83. Although Defendants knew or should have known the laminate wood flooring had excessive and/or dangerous levels of formaldehyde, they continued to market and sell it to consumers, including Plaintiff and Class Members. Defendants knew that consumers, including Plaintiff and Class Members, would suffer reasonably foreseeable injuries, including property damage, personal injury, emotional distress and unreasonable stress as a result of their failure to exercise reasonable care.

84. If Defendants had told the Plaintiff and Class that they sold a defective product, the Plaintiff and Class Members would not have purchased it and would not have suffered the injuries and damages stated above.

85. As a direct, proximate and foreseeable result of the Defendants' negligence, misrepresentations, recklessness and wanton misconduct, Plaintiff and Class Members have suffered injuries and damages.

Count Six
Negligent/Reckless/Fraudulent Misrepresentation

86. Plaintiff adopts, incorporates and realleges each and every allegation contained above as if it were fully set out herein.

87. The Defendants made misrepresentations of material fact in representing that their laminate wood flooring was of the highest quality and met the most stringent environmental standards, including the CARB standard for formaldehyde.

88. On information and belief, Defendants had no reasonable grounds for believing those representations to be true, as they alone knew their laminate wood flooring did not possess these characteristics. Defendants knew or should have known their defective products contained excessive and/or dangerous levels of formaldehyde.

89. The Defendants, as alleged above, made these representations with the intent to induce Plaintiff and the Class Members' reliance on the facts misrepresented or with reckless or negligent disregard that the Plaintiff and Class Members would rely on the facts misrepresented, by convincing them that the Defendants' laminate wood flooring did not contain high, excessive, or dangerous levels of formaldehyde.

90. Because only Defendants knew how much formaldehyde was in their

lamine wood flooring, the Plaintiff and Class Members were ignorant of the truth regarding, and justifiably and/or reasonably relying on, the Defendants' misrepresentations.

91. As a direct, proximate and foreseeable result of the Defendants' misrepresentations and the Plaintiff and Class Members' reasonable and/or justifiable reliance on them, Plaintiff and Class Members have suffered damages.

Count Seven
Unjust Enrichment

92. Plaintiff adopts, incorporates and realleges each and every allegation contained above as if it were fully set out herein.

93. As a result of the Defendants' actions described above, Defendants were enriched at the expense of the Plaintiff and the Class through the payment of the purchase price for the laminate wood flooring.

94. Under these circumstances, it would be against equity and good conscience to permit the Defendants to retain the ill-gotten benefits they received from the Plaintiff and the Class, especially in light of the fact that the laminate wood flooring purchased by the Plaintiff and the Class were illegal products and not what the Defendants represented. Thus, it would be unjust and inequitable for the Defendants to retain the benefit without restitution to the Plaintiff and the Class for the monies paid to Defendants for laminate wood flooring.

95. Plaintiff and the Class Members are entitled to restitution of the monies they paid the Defendants for the laminate wood flooring.

REQUEST FOR RELIEF Plaintiff, individually and on behalf of the Class, requests judgment against the Defendants as follows:

A. Certification of the Class under *Federal Rules of Civil Procedure* 23(b)(2) and 23(b)(3), and appointment of the Plaintiff, Melanie Jeffcoat, as the representative of the Class and, further, appointment of the lawyers and law firm representing the Plaintiff as counsel for the Class;

B. Declaring the Defendants' advertising false and misleading;

C. Permanently enjoining the Defendants from performing further unfair and unlawful acts as alleged herein;

D. Ordering the Defendants to pay for the cost of testing the Plaintiff's and the Class Members' homes for formaldehyde levels;

E. For all recoverable compensatory, statutory, and other damages sustained by the Plaintiff and the Class, including disgorgement, unjust enrichment, and all other relief allowed under applicable law;

F. Granting the Plaintiff and the Class restitution and/or disgorgement of the Defendants' profits from their unfair and unlawful marketing of their laminate wood flooring;

- G. Awarding costs;
- H. For both pre-judgment and post-judgment interest on any amounts awarded;
- I. For other appropriate injunctive relief;
- J. For treble and punitive damages insofar as they are allowed by applicable laws;
- K. For appropriate individual relief as requested above;
- L. For payment of attorneys' fees and expert fees as may be allowable under applicable law; and
- M. For such other and further relief, as the Court may deem proper.

PLAINTIFF DEMANDS A TRIAL BY JURY.

Dated: June 9, 2015.

Respectfully Submitted,

/s/ David J. Guin _____

David J. Guin (ASB-3461-g67d)

Rex W. Slate (ASB-6934-a63r)

Tammy McClendon Stokes (ASB-6084-k69t)

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PLEASE SERVE DEFENDANTS BY CERTIFIED MAIL AT THE FOLLOWING ADDRESSES:

**LUMBER LIQUIDATORS, INC.
C/O CSC LAWYERS INCORPORATING SRV, INC.
150 SOUTH PERRY STREET
MONTGOMERY, AL 36104**

**LUMBER LIQUIDATORS HOLDINGS, INC.
C/O CORPORATION SERVICE COMPANY
BANK OF AMERICA CENTER, 16TH FLOOR
1111 EAST MAIN STREET
RICHMOND, VA 23219**

**LUMBER LIQUIDATORS LEASING, LLC
3000 JOHN DEERE ROAD
TOANO, VA 23168**

**LUMBER LIQUIDATORS SERVICES, LLC
C/O CORPORATION SERVICE COMPANY
BANK OF AMERICA CENTER, 16TH FLOOR
1111 EAST MAIN STREET
RICHMOND, VA 23219**

Exhibit 1

Dream Home
Laminate Floors

MADE IN CHINA



KM Warm Springs Chestnut 12mm



10024384

12WS

23.07FT²

Product of China

CARB No. SCS-CARB-000090

CALIFORNIA 93120 Phase 2

Compliant for Formaldehyde

P. O. #4500111325

Manufacture Date: 07/01/2014

Vendor/Mill Code: CSD

1-800-HARDWOOD

Manufactured under the license of

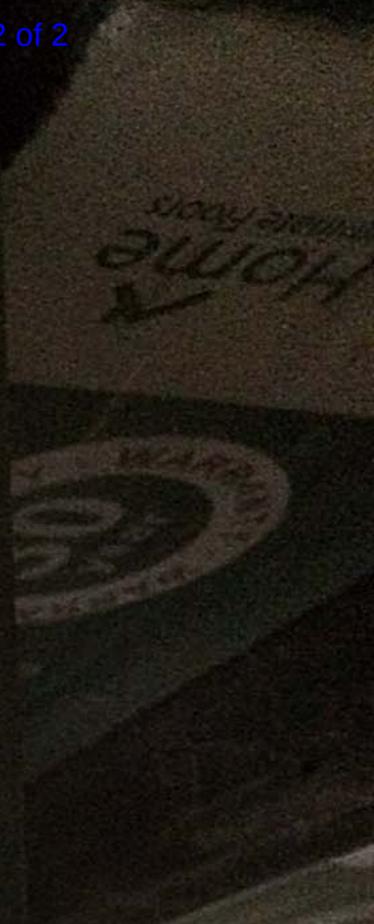


Exhibit 2

**HPVA Laboratories**1825 Michael Faraday Drive, Reston, VA 20190-5350
PHONE 703-435-2900 FAX 703-435-2537**TEST REPORT ON FORMALDEHYDE EMISSIONS FROM WOOD PRODUCTS**

Test Method: ASTM D6007-14

Analytical Procedure: Modified NIOSH 3500

CUSTOMER INFORMATION	SAMPLE IDENTIFICATION	
Guin, Stokes & Evans, LLC 505 20th Street North, Ste. 1000 Birmingham, AL 35203	Test ID#:	FSC883
	Date of Test:	4/21/2015
	Customer Sample ID:	N/A
	Adhesive:	N/A

SAMPLE DESCRIPTION			
Product Type:	KM Warm Springs Chestnut Laminate Flooring (Faces tested only)	Sample Thickness:	12mm
Core Type:	MDF/HDF	Sample shipped/stored in:	Cardboard Box
Sample Condition:	OK	Date Selected:	N/A
Date of Manufacture:	7/1/14	Date Received:	4/13/2015
Date Conditioned:	4/14/2015	Selected by:	Client
Date Tested:	4/21/15	Sample Plan:	PAY

CONDITIONING DATA	Value	Units
Temperature: (range)	74.9;(74.9-74.9)	°F
Relative Humidity: (range)	51.3;(51.4-51.1)	% RH
Conditioning Background HCHO:	BLQ	ppm
Conditioning Time:	168	hours
Chamber Background HCHO:	0.01	ppm

TEST DATA	Value	Units
Test Chamber:	2	n/a
Chamber Location:	Reston	n/a
Test Chamber Volume :	2.31	ft ³
Loading Ratio (ft ² /ft ³) :	1.04	ft ² /ft ³
# of Specimens in Test:	6	n/a
Sample Size:	5" x 11.57"	inches
Total Surfaces Exposed:	6	surfaces (faces only)
Edges Sealed:	Yes	n/a
Test Temperature: (range):	76.2;(76.1-76.8)	°F
Relative Humidity: (range):	51.6;(50.4-52.3)	% RH
Air Change Rate:	4	AC/h
Sample Flow Rate:	1.00	L/min
Sample Collection Time:	60	Min.
TEST RESULT: (At Test Conditions)	0.22	ppm
TEST RESULT: (Corrected to 77°F & 50%RH)	0.23	ppm
UNCERTAINTY (+/-):		n/a

NOTES:

(including any deviations from the ASTM procedure or sample defects)

*Josh Hosen*Josh Hosen
Senior Manager - Certification Programs

This is a factual report of the results obtained from laboratory tests of sample products. The results may be applied only to the products tested and should not be construed as applicable to other similar products of the manufacturer. The HPVA does not verify the description of the materials and products when the description is provided by the client. This report is not a recommendation or a disapprobation by the HPVA of the material or product tested. While this report may be used for obtaining product acceptance, it may not be used in advertising.



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TEST REPORT ON FORMALDEHYDE EMISSIONS FROM WOOD PRODUCTS

Test Method: ASTM D6007-14

Analytical Procedure: Modified NIOSH 3500

CUSTOMER INFORMATION	SAMPLE IDENTIFICATION	
Guin, Stokes & Evans, LLC 505 20th Street North, Ste. 1000 Birmingham, AL 35203	Test ID#:	FSC897
	Date of Test:	4/28/2015
	Customer Sample ID:	N/A
	Adhesive:	N/A

SAMPLE DESCRIPTION			
Product Type:	KM Warm Springs Chestnut Laminate Flooring (Core tested only)	Sample Thickness:	12mm
Core Type:	MDF/HDF	Sample shipped/stored in:	Vapor Barrier
Sample Condition:	OK	Date Selected:	N/A
Date of Manufacture:	7/1/14	Date Received:	4/20/2015
Date Conditioned:	4/21/2015	Selected by:	Client
Date Tested:	4/28/15	Sample Plan:	PAY

CONDITIONING DATA	Value	Units
Temperature: (range)	74.8;(74.9-74.6)	°F
Relative Humidity: (range)	50.3;(53.9-46.7)	% RH
Conditioning Background HCHO:	BLQ	ppm
Conditioning Time:	168	hours
Chamber Background HCHO:	BLQ	ppm

TEST DATA	Value	Units
Test Chamber:	1	n/a
Chamber Location:	Reston	n/a
Test Chamber Volume :	2.31	ft ³
Loading Ratio (ft ² /ft ³) :	0.64	ft ² /ft ³
# of Specimens in Test:	4	n/a
Sample Size:	4 7/8" x 10.95"	inches
Total Surfaces Exposed:	4	surfaces (core)
Edges Sealed:	Yes	n/a
Test Temperature; (range):	77;(76.1-77)	°F
Relative Humidity; (range):	46.8;(44.2-49.2)	% RH
Air Change Rate:	4	AC/h
Sample Flow Rate:	1.00	L/min
Sample Collection Time:	60	Min.
TEST RESULT: (At Test Conditions)	1.44	ppm
TEST RESULT: (Corrected to 77°F & 50%RH)	1.54	ppm
UNCERTAINTY (+/-):		n/a

NOTES:

(including any deviations from the ASTM procedure or sample defects)

The CARB SOP for Finished Good Specimen Preparation was followed to expose the core MDF/HDF panel beneath the laminate surface

Josh Hosen

Senior Manager - Certification Programs

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