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United States District Court Eastern District of New York

2:20-cv-02571

Paul Lepore, individually and on behalf of all others similarly situated,

Plaintiff,

- against -

Complaint

Molekule, Inc.,

Defendant

Plaintiff by attorneys allege upon information and belief, except for allegations pertaining to plaintiff, which are based on personal knowledge:

- 1. Molekule Inc. ("defendant") manufactures, distributes, markets, labels and sells air purifiers under its "Air" brand ("Products").
- 2. Defendant markets several Products with conspicuous claims that the air purifiers will "destroy" germs and "eliminate" indoor air pollution.
  - 3. Defendant claims that its air purifiers eliminate dust, pollen and other contaminates.
  - 4. Defendant also claims that its air purifiers are superior to HEPA (High Efficiency

Particulate Arresting) air purifiers for removing allergens from the home.





- 5. Indoor air pollution and air quality are a major concern for many consumers, particularly those with severe allergies or asthma.
- 6. There are a wide range of non-medical devices marketed directly to these consumers, including air purifiers.
- 7. Defendant markets and sells the Products as being highly effective at combating indoor air pollution and improving indoor air quality, claiming that the air purifiers will completely eliminate indoor air pollution.
- 8. Defendant's website advertises to consumers, "Until now, purifiers have attempted to collect pollutants on filters where they can multiply and release back into the air. Forget the

past. Destroy pollutants instead."

9. Defendant's website has also claimed, "Finally, an air purifier that actually works ...
Until now, air purifiers have attempted to collect pollutants on filters where they can multiply and be released back into the air. Molekule's revolutionary nanotechnology destroys pollutants at the molecular level."<sup>2</sup>

- 10. Additionally, defendant sought to quantify the number of pollutants "destroyed:"
  - "Destroys 3.4 million black mold spores in 50 minutes;"
  - "Destroys 1 million allergens in 4 minutes;"
  - "Destroys 3.4 million ms2 viruses in 2 minutes;" and
  - "Destroys 3.7 million bacteria in 5 minutes."<sup>3</sup>
- 11. Defendant has also claimed its filter technology, PECO (photoelectrochemical oxidation), is superior to HEPA technology,
- 12. For example, defendant claimed, "Our scientifically proven nanotechnology outperforms HEPA filters in every category of pollutant from well-known allergens like dust, pollen, and pet dander to microscopic pollutants like mold, viruses, bacteria and gaseous chemicals."
- 13. Defendant's Products do not remove impurities from the air to the extent advertised and fail to perform as represented.
- 14. Defendant's branding, advertising and packaging of the Product is designed to and does deceive, mislead, and defraud consumers.

<sup>&</sup>lt;sup>1</sup> https://www.nytimes.com/wirecutter/wp-content/uploads/2020/02/Molekule-Case-Report-6314.pdf

 $<sup>^{2}</sup>$  Id.

 $<sup>^3</sup>$  Id.

<sup>&</sup>lt;sup>4</sup> *Id*.

- 15. Defendant has sold more of the Products and at higher prices per unit than it would have in the absence of this misconduct, resulting in additional profits at the expense of consumers.
- 16. The marketing of the Product as being able to e.g. "destroy" pollutants and being of a higher quality than HEPA air purifiers has a material bearing on price or consumer acceptance of the Products because consumers are willing to pay more for such Products.
- 17. The value of the Product that plaintiff purchased and used was materially less than its value as represented by defendant.
- 18. Had plaintiff and class members known the truth, they would not have bought the Products or would have paid less for them.
  - 19. The Product contains other representations which are misleading and deceptive.
- 20. As a result of the false and misleading labeling, the Product is sold at a premium price, approximately no less than \$799 for the Molekule Air Purifier, excluding tax, compared to other similar products represented in a non-misleading way.

#### Jurisdiction and Venue

- 21. Jurisdiction is proper pursuant to 28 U.S.C. § 1332(d)(2) (Class Action Fairness Act of 2005 or "CAFA").
- 22. Under CAFA, district courts have "original federal jurisdiction over class actions involving (1) an aggregate amount in controversy of at least \$5,000,000; and (2) minimal diversity[.]" *Gold v. New York Life Ins. Co.*, 730 F.3d 137, 141 (2d Cir. 2013).
- 23. The aggregate amount in controversy is more than \$5,000,000.00, exclusive of interests and costs.
- 24. This is a reasonable assumption because defendant's Products are sold across the country at a high price and the claims at issue have been made for several years.

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- 25. Plaintiff Paul Lepore is a citizen of New York.
- 26. Defendant is a Delaware corporation with a principal place of business in San Francisco, San Francisco County, California and is a citizen of California and upon information and belief, at least one member of defendant is not a citizen of New York.
- 27. This court has personal jurisdiction over defendant because it conducts and transacts business, contracts to provide and/or supply and provides and/or supplies services and/or goods within New York.
- 28. Venue is proper because plaintiff and many class members reside in this District and defendant does business in this District and State.
- 29. A substantial part of events and omissions giving rise to the claims occurred in this District.

#### **Parties**

- 30. Plaintiff Paul Lepore is a resident of Suffolk County, New York and a citizen of New York.
- 31. Defendant Molekule, Inc. is a Delaware corporation with a principal place of business in San Francisco, California, San Francisco County and at least one of its members reside in states other than New York.
- 32. During the relevant statutes of limitations, plaintiff purchased the Product in his district and States for personal use in reliance on the representations.
- 33. Plaintiff would not have purchased the Product had he been aware that some or all of the claims were not true and were misleading and inaccurate.

#### Class Allegations

34. The classes will consist of all purchasers of the Product in New York and the other

forty-nine (49) states during the applicable statutes of limitations and a national class where applicable.

- 35. Plaintiff will also seek a class under Rule 23(b)(2) for injunctive relief.
- 36. Common questions of law or fact predominate and include whether defendant's representations were and are misleading and if plaintiff and class members are entitled to damages.
- 37. Plaintiff's claims and basis for relief are typical to other members because all were subjected to the same unfair and deceptive representations and actions.
- 38. Plaintiff is an adequate representative because his interests do not conflict with other members.
- 39. No individual inquiry is necessary since the focus is only on defendant's practices and the class is definable and ascertainable.
- 40. Individual actions would risk inconsistent results, be repetitive and are impractical to justify, as the claims are modest relative to the scope of the harm.
- 41. Plaintiff's counsel is competent and experienced in complex class action litigation and intends to adequately and fairly protect class members' interests.
  - 42. Plaintiff seeks class-wide injunctive relief because the practices continue.

## New York General Business Law ("GBL") §§ 349 & 350 (Consumer Protection Statute)

- 43. Plaintiff incorporates by reference all preceding paragraphs.
- 44. Plaintiff and class members desired to purchase and use indoor air purifiers which possessed the capabilities described by defendant.
- 45. Defendant's acts and omissions are not unique to the parties and have a broader impact on the public.
  - 46. Defendant advertised and represented to consumers that the Products were more

effective at eliminating airborne pollutants and allergens than the Products were, among other claims.

- 47. Plaintiff relied on the statements, omissions and representations of defendant, and defendant knew or should have known the falsity of same.
- 48. Plaintiff and class members would not have purchased the Products or paid as much if the true facts had been known, suffering damages.

#### Negligent Misrepresentation

- 49. Plaintiff incorporates by reference all preceding paragraphs.
- 50. Defendant advertised and represented to consumers that the Products were more effective at eliminating airborne pollutants and allergens than the Products were, among other claims.
- 51. Defendant had a duty to disclose and/or provide non-deceptive marketing of the Product and knew or should have known same were false or misleading.
- 52. Defendant is as a company which consumers placed great trust in, reinforced by the company name, "Molekule."
- 53. The representations took advantage of consumers' unflinching belief in "scientific" claims and their inability to cut through "data" to get to the truth.
- 54. Plaintiff and class members reasonably and justifiably relied on these negligent misrepresentations and omissions, which served to induce and did induce, the purchase of the Products.
- 55. Plaintiff and class members would not have purchased the Products or paid as much if the true facts had been known, suffering damages.

## Breaches of Express Warranty, Implied Warranty of Merchantability and Magnuson Moss Warranty Act, 15 U.S.C. §§ 2301, et seq.

- 56. Plaintiff incorporates by reference all preceding paragraphs.
- 57. The Products were manufactured, marketed, promoted and sold by defendant and warranted to Plaintiff and class members that they were capable of performing all of the functions they advertised, when they could not.
- 58. Defendant breached its duty to disclose and/or provide non-deceptive statements about the Products' capabilities.
- 59. This duty is based, in part, on defendant's outsized role in the market for indoor air purifiers.
- 60. Plaintiff provided or will provide notice to defendant, and to its agents, representatives and their employees.
- 61. Defendant received notice and should have been aware of these misrepresentations due to numerous complaints by consumers to its main office over the past several years.
- 62. The Products did not conform to their affirmations of fact and promises due to defendant's actions and were not merchantable.
- 63. Plaintiff and class members would not have purchased the Products or paid as much if the true facts had been known, suffering damages.

#### Fraud

- 64. Plaintiff incorporates by reference all preceding paragraphs.
- 65. Defendant advertised and represented to consumers that the Products were more effective at eliminating airborne pollutants and allergens than the Products were.
- 66. Defendant's fraudulent intent is evinced by its knowledge that some or all of the claims it made were not supported.

67. Plaintiff and class members would not have purchased the Products or paid as much

if the true facts had been known, suffering damages.

**Unjust Enrichment** 

68. Plaintiff incorporates by reference all preceding paragraphs.

69. Defendant obtained benefits and monies because the Product was not as represented

and expected, to the detriment and impoverishment of plaintiff and class members, who seek

restitution and disgorgement of inequitably obtained profits.

Jury Demand and Prayer for Relief

Plaintiff demands a jury trial on all issues.

**WHEREFORE**, Plaintiff prays for judgment:

1. Declaring this a proper class action, certifying Plaintiff as representative and undersigned

as counsel for the class;

2. Entering preliminary and permanent injunctive relief by directing defendant to correct the

challenged practices to comply with the law;

3. Injunctive relief to remove, correct and/or refrain from the challenged practices and

representations, restitution and disgorgement for members of the State Subclasses pursuant

to the applicable laws of their States;

4. Awarding monetary damages and interest pursuant to the common law and other statutory

claims;

5. Awarding costs and expenses, including reasonable fees for plaintiff's attorneys and

experts; and

6. Other and further relief as the Court deems just and proper.

Dated: June 9, 2020

Respectfully submitted,

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Sheehan & Associates, P.C. /s/Spencer Sheehan

Spencer Sheehan 505 Northern Blvd Ste 311 Great Neck NY 11021-5101 Tel: (516) 303-0552 Fax: (516) 234-7800 spencer@spencersheehan.com E.D.N.Y. # SS-8533 S.D.N.Y. # SS-2056

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- against -

Molekule, Inc.,

Defendant

### Complaint

Sheehan & Associates, P.C. 505 Northern Blvd Ste 311 Great Neck NY 11021-5101

Tel: (516) 303-0552 Fax: (516) 234-7800

Pursuant to 22 NYCRR 130-1.1, the undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information, and belief, formed after an inquiry reasonable under the circumstances, the contentions contained in the annexed documents are not frivolous.

Dated: June 9, 2020

/s/ Spencer Sheehan
Spencer Sheehan

JS 44 (Rev. 02/19)

### **CIVIL COVER SHEET**

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

I. (a) PLAINTIFFS Paul Lepore, individual similarly situated	dually and on b	ehalf of all ot	hers	Molekule, Inc.					
(b) County of Residence of First Listed Plaintiff Suffolk (EXCEPT IN U.S. PLAINTIFF CASES)				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.					
(c) Attorneys (Firm Name, Associates, P. NY 11021-5101, (516) 30	.C., 505 Northern Bly	er) vd Ste 311, Great N	Neck,	Attorneys (If Known)					
II. BASIS OF JURISDI	ICTION (Place an "X" in C	One Box Only)		ITIZENSHIP OF P	RINCIP	AL PARTIES			
☐ 1 U.S. Government ☐ 3 Federal Question Plaintiff (U.S. Government Not a Party)				<b>TF DEF</b> 1 1 □ 1	Incorporated or Pri of Business In T		for Defenda PTF 4	DEF	
☐ 2 U.S. Governmen Defendant	· · · · · · · · · · · · · · · · · · ·		Citiz	Citizen of Another State			<b>☑</b> 5		
IV. NATURE OF SUIT	Γ συ ((VV) : ο η ο	1		en or Subject of a preign Country	13 🗆 3	Foreign Nation		□ 6	□ 6
CONTRACT		nty) DRTS	F	ORFEITURE/PENALTY	BA	NKRUPTCY	OTHER	STATUT	ES
□ 110 Insurance □ 120 Marine □ 130 Miller Act □ 140 Negotiable Instrument □ 150 Recovery of Overpayment	PERSONAL INJURY  □ 310 Airplane □ 315 Airplane Product Liability □ 320 Assault, Libel &	PERSONAL INJURY    365 Personal Injury - Product Liability   367 Health Care/ Pharmaceutical Personal Injury Product Liability   368 Asbestos Personal Injury Product Liability   368 Asbestos Personal Injury Product Liability   PERSONAL PROPER   370 Other Fraud   371 Truth in Lending   380 Other Personal 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	TY	LABOR  10 Fair Labor Standards Act 20 Labor/Management Relations 40 Railway Labor Act 51 Family and Medical Leave Act 20 Cher Labor Litigation 91 Employee Retirement Income Security Act  IMMIGRATION 52 Naturalization Application 55 Other Immigration Actions	□ 422 App □ 423 With 28 U  PROPE □ 820 Cop □ 830 Pate □ 840 Trac  SOCIAI □ 861 HIA □ 862 Blac □ 863 DIW □ 864 SSII □ 865 RSI  FEDER □ 870 Taxc or D □ 871 IRS- 26 U	eal 28 USC 158 Idrawal JSC 157  RTY RIGHTS  yrights int lemark  SECURITY (1395ff) k k Lung (923) /C/DIWW (405(g)) D Title XVI (405(g))  AL TAX SUITS es (U.S. Plaintiff befendant) —Third Party JSC 7609	□ 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 □ 899 Administrative Procedure □ Act/Review or Appeal of □ Agency Decision □ 950 Constitutionality of □ State Statutes		
	moved from  te Court  Cite the U.S. Civil St	Appellate Court	Reo	nstated or	r District	□ 6 Multidistr Litigation			
VI. CAUSE OF ACTION	ON 28 USC § 1332  Brief description of c  False advertising	ause:							
VII. REQUESTED IN COMPLAINT:   □ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.				DEMAND \$ 5,000,000	CHECK YES only if demanded in complaint:  JURY DEMAND: ☑ Yes ☐ No				
VIII. RELATED CAS IF ANY	SE(S) (See instructions):	JUDGE			DOCKI	ET NUMBER			
DATE 6/9/2020		SIGNATURE OF ATT		OF RECORD	DOCKI	ZI HOMBER			
FOR OFFICE USE ONLY									

### Case 2:20-cv-GER/IIFIGATION: QFLARRITRA/IDON EPIGIBIATY PageID #: 13 Local Arbitration Rule 83.7 provides that with certain exceptions, actions seeking money damages only in an amount not in excess of \$150,000, exclusive of interest and costs, are eligible for compulsory arbitration. The amount of damages is presumed to be below the threshold amount unless a certification to the contrary is filed. Case is Eligible for Arbitration Spencer Sheehan plaintiff , do hereby certify that the above captioned civil action is ineligible for , counsel for \_ compulsory arbitration for the following reason(s): monetary damages sought are in excess of \$150,000, exclusive of interest and costs, the complaint seeks injunctive relief, the matter is otherwise ineligible for the following reason **DISCLOSURE STATEMENT - FEDERAL RULES CIVIL PROCEDURE 7.1** Identify any parent corporation and any publicly held corporation that owns 10% or more or its stocks: **RELATED CASE STATEMENT (Section VIII on the Front of this Form)** Please list all cases that are arguably related pursuant to Division of Business Rule 50.3.1 in Section VIII on the front of this form. Rule 50.3.1 (a) provides that "A civil case is "related" to another civil case for purposes of this guideline when, because of the similarity of facts and legal issues or because the cases arise from the same transactions or events, a substantial saving of judicial resources is likely to result from assigning both cases to the same judge and magistrate judge." Rule 50.3.1 (b) provides that "A civil case shall not be deemed "related" to another civil case merely because the civil case: (A) involves identical legal issues, or (B) involves the same parties." Rule 50.3.1 (c) further provides that "Presumptively, and subject to the power of a judge to determine otherwise pursuant to paragraph (d), civil cases shall not be deemed to be "related" unless both cases are still pending before the court.' NY-E DIVISION OF BUSINESS RULE 50.1(d)(2) Is the civil action being filed in the Eastern District removed from a New York State Court located in Nassau or Suffolk 1.) County? 2.) If you answered "no" above: a) Did the events or omissions giving rise to the claim or claims, or a substantial part thereof, occur in Nassau or Suffolk County? No b) Did the events or omissions giving rise to the claim or claims, or a substantial part thereof, occur in the Eastern c) If this is a Fair Debt Collection Practice Act case, specify the County in which the offending communication was received: If your answer to question 2 (b) is "No," does the defendant (or a majority of the defendants, if there is more than one) reside in Nassau or Suffolk County, or, in an interpleader action, does the claimant (or a majority of the claimants, if there is more than one) reside in Nassau or Suffolk County? (Note: A corporation shall be considered a resident of the County in which it has the most significant contacts). **BAR ADMISSION** I am currently admitted in the Eastern District of New York and currently a member in good standing of the bar of this court. lacksquareYes No Are you currently the subject of any disciplinary action (s) in this or any other state or federal court? Yes (If yes, please explain No

I certify the accuracy of all information provided above.

Signature: /s/Spencer Sheehan

## UNITED STATES DISTRICT COURT

for the Eastern District of New York

Paul Lepore, individually and others similarly situated,	on behalf of all	) ) )				
Plaintiff(s)		, )				
V.		) Civil Action No. 2:20-cv-02571				
•		)				
Molekule, Inc.,		) ) )				
Defendant(s	)	) )				
	SUMMONS IN	A CIVIL ACTION				
To: (Defendant's name and address)	Molekule, Inc.					
	c/o INCORPORATING SERVICES, LTD. 3500 S DUPONT HWY DOVER DE 19901					
are the United States or a United P. 12 (a)(2) or (3) — you must sthe Federal Rules of Civil Proce whose name and address are:	vice of this summons on y d States agency, or an office serve on the plaintiff an and dure. The answer or motion	you (not counting the day you received it) — or 60 days if you cer or employee of the United States described in Fed. R. Civ. aswer to the attached complaint or a motion under Rule 12 of on must be served on the plaintiff or plaintiff's attorney, P.C., 505 Northern Blvd Ste 311, Great Neck, NY 11021-				
If you fail to respond, ju You also must file your answer		e entered against you for the relief demanded in the complaint.				
		CLERK OF COURT				
Date:						
		Signature of Clerk or Deputy Clerk				

# **ClassAction.org**

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Class Action Challenges Molekule's Claims that Air Purifiers Can 'Destroy' Pollutants</u>