

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

ROCCO SIRIANO AND JANET SIRIANO,)	
JASON OAKLEY AND STEPHANIE)	
OAKLEY, CINDY MOLLEUR, THOMAS)	
COOK AND LAURA COOK, LEEANN)	
BORMANN, MICHELLE LAPREAD, and)	
ANDREW BILEN AND JENNIFER BILEN,)	
)	Case No. 2:14-cv-1131
On behalf of themselves and all others similarly)	
situated,)	
)	
Plaintiffs)	AMENDED COMPLAINT
)	
vs.)	JURY TRIAL DEMANDED
)	
GOODMAN MANUFACTURING CO., L.P.,)	
GOODMAN GLOBAL, INC.,)	
AND GOODMAN COMPANY, L.P.,)	
)	
)	
Defendants.)	
)	
)	

Plaintiffs on behalf of themselves and the proposed Classes defined herein, allege as follows:

NATURE OF THE ACTION

1. This is a class action brought by Plaintiffs on behalf of themselves and all persons and/or entities who purchased air conditioners, air handlers and heat pumps manufactured by Defendants (“Goodman Products”) since 2006, or who own or have owned a home or other structure in which the Goodman Products have been installed since 2006, and who suffered damages related to leakage of refrigerant in the Goodman Products.

2. Defendants Goodman Manufacturing Co., L.P., Goodman Global, Inc., and Goodman Company, L.P. (collectively, “Defendants,” “Goodman” or the “Company”) are in the business of engineering, manufacturing, distributing and marketing heating, ventilation and air conditioning (“HVAC”) products for residential and light commercial use. Goodman is the largest manufacturer of HVAC Units for residential use in the United States. Goodman manufactures and sells central air conditioning units and heat pumps under the trade names Goodman® and Amana® (hereinafter the “Goodman Products”).

3. The evaporator and condenser coils used in the Goodman Products to circulate refrigerant through the HVAC systems are defective. Specifically, the tubes, which are typically copper, are too thin or are of insufficient quality to withstand the systems’ requirements. This design and/or manufacturing defect causes premature corrosion and holes or cracks in the coils, resulting in leakage of the refrigerant (a.k.a. Freon) in the system. In addition, as explained more fully herein below, the defectively designed and/or manufactured coils cannot withstand the higher pressure from the more environmentally friendly refrigerant that is now legally required to be used, further exacerbating the leakage problem.

4. The leakage problems with the Goodman Products are prevalent, widespread, and not unique to the Products purchased by Plaintiffs. Numerous complaints have been made by aggrieved consumers regarding the leakage problems. Further, according to one Goodman dealer, approximately 80% of the Goodman Products that his company had sold and/or installed have experienced refrigerant leakage problems.

5. Evaporator coils and condenser coils are essential components of air conditioning and heat pump systems. The defective coils render the Goodman Products unfit for their ordinary purpose because the loss of refrigerant due to leakage reduces and ultimately eliminates the

Goodman Products' ability to provide cold air, or warm air in the case of Goodman Products that are heat pumps operating on heating mode.

6. Goodman knew that the coils in the Goodman Products sold since at least 2006 were defective because the coils in these units were failing at rates that far exceeded the industry average. Furthermore, Goodman acknowledged the problem internally and even had a program to reimburse its direct customers—HVAC dealers—for costs associated with repairing and replacing the defective coils. Goodman, however, did not implement a similar program to reimburse consumers that owned the Goodman Products with the defective coils for the costs associated with replacing those coils.

7. Goodman was also aware that the evaporator and condenser coils in the Goodman Products were defective because it received, and continues to receive, complaints from consumers and air conditioning service technicians that the Goodman Products sold since at least 2006 contain defective evaporator and condenser coils that improperly and prematurely leak refrigerant.

8. Thus, Goodman knew, or reasonably should have known, that the coils in its air conditioners and heat pumps sold since at least 2006 were defective, but has failed or refused to inform consumers or issue a recall.

9. Indeed, far from informing consumers about the defective coils that cause the Goodman Products to prematurely fail, Goodman falsely and deceptively represented, and continues to falsely and deceptively represent on its website, that the Goodman Products are reliable, durable, dependable, long lasting, and that Goodman's manufacturing processes and the quality of its indoor comfort Products either meet or exceed the highest standards in the heating and cooling industry. Goodman also falsely represents on its website that it offers outstanding

warranty coverage, which it purports to be capable of doing due to the quality and reliability of the Goodman Products.

10. Moreover, even though it knew that the Goodman Products sold since 2006 were defective, Goodman nevertheless expressly warranted that the Goodman Products were free from defects in materials and workmanship. Goodman then sought to limit its liability under the warranty by stating that it would only provide consumers with replacement parts, instead of agreeing to repair the Goodman Products or reimburse consumers for the labor costs they incurred to repair their Goodman Products. Goodman's warranty limitations were unconscionable and failed their essential purpose because, inter alia:

i. Goodman knew that the evaporator and condenser coils in the Goodman Products were defective;

ii. The replacement coils it provided consumers were as defective as the coils being replaced; and

iii. Offering to provide a consumer with a replacement coil has essentially no value to the consumer because the consumer must first hire a licensed HVAC service technician to obtain the replacement coil from Goodman and then pay the technician to remove the defective coil and install the new one. The costs associated with this service can potentially exceed the cost of purchasing an entirely new air conditioning or heat pump system. Accordingly, Goodman's warranty limitations deprive consumers of the benefit of their bargain.

11. Goodman's unfair and unconscionable conduct has caused and continues to cause damages to Plaintiffs and the members of the Class. As a result of Goodman's design and manufacture of defective products, Plaintiffs and the Class members have been required to pay

hundreds, or even thousands, of dollars to diagnose problems, to repair and/or replace the defective parts or even replace their Goodman HVAC unit altogether, and additionally, pay to replace the refrigerant that had leaked. Plaintiffs and Class members also incur higher utility bills. These damages are a direct, proximate, and foreseeable result of the defects in Goodman's evaporator and condenser coils and of Goodman's misrepresentations and omissions.

PARTIES

12. Rocco and Janet Siriano are residents and citizens of Lancaster, Ohio. Stephanie and Jason Oakley are residents and citizens of Nazareth, Pennsylvania. Cindy Molleur is a resident and citizen of Sevierville, Tennessee. Laura and Thomas Cook are residents and citizens of Greensboro, North Carolina. LeeAnn Bormann is a resident and citizen of Gulfport, Mississippi. Michelle LaPread is a resident and citizen of Parsippany, New Jersey, but purchased the Goodman unit for her mother, Ophelia LaPread, who is a resident and citizen of Dallas, Georgia. Andrew and Jennifer Bilén are residents and citizens of Liberty, Missouri.

13. The individuals listed in the preceding paragraph are referred to collectively herein as "Plaintiffs."

Plaintiffs

14. Plaintiffs Rocco and Janet Siriano (the "Sirianos") installed a new Goodman Heat Pump, GSH140361# 14 Seer Heat Pump R-22, Standard, Serial # 0707707925, in their newly-constructed home in 2008. On June 13, 2008, the Sirianos registered the warranty of their Heat Pump with Goodman Manufacturing, thereby extending their Goodman warranty coverage from five years of coverage to ten years. The Sirianos' Goodman warranty expires on June 11, 2018.

15. The Sirianos' problems with the Goodman HVAC began immediately after they moved into their new residence, when they had to replace the thermostat. In 2009, and within

one year of installation, the Sirianos were required to add two pounds of refrigerant to their HVAC unit when it failed to cool properly. The original installer, Blanton Heating and Air performed this repair. Between that date and July 2014, the Sirianos' Goodman HVAC unit never properly cooled their home, but Blanton Heating and Air was unable to diagnose the problem. On July 14, 2014, a second repair company, Fairfield Heating and Cooling, determined that the evaporator coil was defective. The Sirianos were informed that all of the refrigerant in their Goodman HVAC had leaked out. The Sirianos paid \$136.00 to Fairfield Heating and Colling for this diagnosis, but not repair, of the problem. To replace the fourteen pounds of refrigerant which was lost from the leak, according to Fairfield Heating and Cooling, would cost the Sirianos \$812.00 in materials alone, which did not include labor and diagnostic costs. Because the Sirianos were unwilling and unable to pay well over \$812.00 to put refrigerant in a HVAC that would continue to leak, they opted to spend the rest of the summer without air conditioning. Plaintiffs Rocco and Janet Siriano would not have purchased and installed the Goodman HVAC unit had they been informed of the units' propensity to leak refrigerant, spontaneously fail, and fail to perform as warranted by the Company.

16. Plaintiffs Stephanie and Thomas Oakley (the "Oakleys") have two Goodman HVAC Heat Pump Systems installed in their home. The first floor HVAC system, Model GSZ130361BA, bearing serial number 1007764294, was installed in their home on February 4, 2011. The second floor HVAC system, a GSZ130241BC unit, bearing serial number 1203182524, was installed on October 18, 2012. The Goodman Warranty Look-up website shows both systems having "standard coverage" which will expire on August 11, 2015.¹

¹ For warranty purposes the "Effective Start" date on both systems appears as August 11, 2010 despite sales records which show installation of the first floor unit on February 4, 2011, and the second floor unit on October 18, 2012.

17. On January 16, 2012, less than one year after it was installed, the Oakleys' first unit had a leak in the condenser coil. George's Plumbing and HVAC ordered a replacement coil which was covered by Goodman's warranty, and which was installed on February 1, 2012. Although the HVAC unit was still under warranty, the Oakleys were forced to pay out-of-pocket costs of \$955.00 in labor, refrigerant and miscellaneous parts. At the time of the system's failure, Jason Oakley wrote to Goodman Company LP in Houston, Texas. On February 24, 2012, Todd Rabassa in Goodman's Consumer Affairs responded to Mr. Oakley's letter, denying coverage of any costs other than just the defective part.

18. In February 2014, the Oakleys' newer second floor unit failed. Five pounds of refrigerant was added to the system, with the repairs costing the Oakleys \$322.25 in refrigerant, minor parts, the service call, and labor, despite this HVAC system still being "under warranty." In addition, the Oakleys' utility bill in April 2013 (one year prior to the failure of their second floor HVAC), was \$343.83, whereas their April 2014 utility bill (with the second floor system not operating correctly) was \$1067.47, a difference of \$723.64 in a single month, with a less than two year old HVAC system.

19. After the February 2014 service call to the Oakley's home, George's Plumbing and HVAC Inc. contacted its representative for Goodman Company about the failure of the Oakleys' two HVAC systems and complained about the damage to his own professional reputation as a result of the product failures. The Goodman representative credited a stipend to George's for the labor charges to repair the Oakley's second floor unit (the cost for replacement coils and associated parts were covered under the Oakley's warranty). Rather than charging anything additional for shipping, labor, or refrigerant, George's Plumbing and HVAC chose to cover the remaining costs to repair the Oakley's second floor unit their own expense. Plaintiffs

Stephanie and Thomas Oakley would not have purchased the units and/or installed them in their home had Goodman disclosed the propensity for its units to leak refrigerant and spontaneously fail.

20. Plaintiff Cindy Molleur purchased a home in 2008 containing three Goodman HVAC systems, each of which was installed in the home in 2007 by the home's builder. Furnace model number GMH950703BXAA, bearing serial number 0611607807, and evaporator coil model number CAPF3030B6AA, bearing serial number 0602531220, are used to heat and cool the main floor of the home. There is no clear indication whether or not the builder registered these products to extend the Goodman warranty to ten years.

21. On May 3, 2014, the Molleurs' main level HVAC unit "froze up." When the technician from Best Heating and Air, Inc. took the cover off the unit, he observed that the evaporator coils were not working properly and were leaking refrigerant. At the time, the technician added refrigerant and advised Ms. Molleur of the leak in the evaporator coils. On that date, Ms. Molleur spent \$180.00 for the service call, diagnosis, repair, and recharging of her Goodman HVAC. The technician also suggested that the Molleurs replace the defective coils in all three HVAC systems. Plaintiff Molleur would not have purchased her home for as much money or would have sought other concessions from the seller had Goodman disclosed the propensity for its units to leak refrigerant and spontaneously fail, requiring homeowners to prematurely replace their HVAC units or spend significant amounts of money on repairs, labor, and refrigerant replacement.

22. Plaintiffs Laura and Thomas Cook (the "Cooks") had two Goodman HVAC systems installed by Martin HVAC of Greensboro in their newly built home on or about May 18, 2007. Both units were registered with Goodman for the purposes of the warranty. Goodman's

“Warranty Look-Up” website (www.goodmanmfg.com) shows the Cooks’ units as having ten year “Registered Standard Coverage” as well as two year “Extended Warranty Coverage.”² Their downstairs unit, Model GSC130301, bears serial number 0701240730, and the upstairs unit, Model CAPF3030B6, bears serial number 0701165115.

23. On April 4, 2014, the Cooks had Southern Comfort Consulting and Service, LLC come to their home to service their units. At that time, Southern Comfort discovered that in both units, the indoor (evaporator) coils were leaking refrigerant and needed to be replaced. Reviewing the warranty information at that time, Ms. Cook and Southern Comfort discovered that one of the model and serial number pairs that the Cooks were given at closing on their home did not match the numbers on their upstairs Goodman unit. Therefore, Southern Comfort gave the Cooks a quote to replace both indoor coils for \$1484.00 plus an additional \$57.00 per pound of refrigerant, with an estimate of four pounds of refrigerant necessary to fill the system.

24. Due to the excessive expense to replace the coils and refrigerant, the Cooks only repaired one of the two coils and realize that they still have a leak in their HVAC system. The service call and diagnostics cost them \$140.00 on April 3, 2014, yet their HVAC system is still defective. Plaintiffs Laura and Thomas Cook would not have purchased the unit or would have paid less for their new home had Goodman disclosed the propensity for its units to prematurely leak refrigerant and spontaneously fail.

25. Plaintiff LeaAnn Bormann purchased her home in 2010. Goodman Models ARUF363616AA (serial number 0706007457, inside) and GSH130361AD (serial number

² When the warranty terms were verified on www.goodmanmfg.com on 10/27/2014, the Cooks’ downstairs unit 10-year parts warranty shows an effective start of May 18, 2007 and end date of May 18, 2017. Their upstairs unit shows the same May 18, 2007 effective start date for parts and unit exchange replacement with a ten year note in the description, but the end date appears as August 4, 2014. The reason for the seven year end date rather than the stated ten year coverage is unknown, but the date appears to be a mistake.

0710173028, outside) had been installed in the home in 2008. On or about August 25, 2013, the outside unit began leaking refrigerant due to defective evaporator coils. Ms. Bormann paid \$150.00 for the service call, repair, and replacement of lost refrigerant. Less than one year later, on April 26, 2014, the evaporator coils froze. She was told the evaporator coil would need to be replaced.

26. Plaintiff Bormann did not receive the benefit of her bargain when she purchased her home with a two-year old Goodman HVAC unit. If Plaintiff Bormann had been aware of the propensity of Goodman HVAC units to leak refrigerant and spontaneously fail, she would not have purchased the home or would have negotiated a lower price consistent with the home having a Goodman HVAC System which is unlikely to perform as warranted and would require premature repairs and replacement.

27. Plaintiff Michelle LaPread purchased a Goodman Amana HVAC system, including Model GSZ130361BA, bearing serial number 1005505685, and Model GSZ130181, bearing serial number 1004187664, on June 27, 2010. This HVAC system was installed in her mother Ophelia LaPread's home in Dallas, Georgia at that time. The LaPreads registered the HVAC system through the dealer, Ragsdale Heating and Air, Inc., thereby extending the warranty to ten years to June 27, 2020.

28. On February 2, 2012, Ragsdale Heating and Air was contacted because Ms. LaPread's basement heat system was running continuously. At that time, Ragsdale suggested a modification to the structure of the home rather than any change to the HVAC system. On February 17, 2014, the HVAC system began making loud noise, subsequently seized up and stopped providing heat completely. On that date, the repair technician discovered that the heat pump was not working, the condenser coil was very oily, and all of the refrigerant had leaked out

of the unit. Ragsdale Heating and Air indicated that the “system [was] out of Freon due to manufacturers defect. Quoted replacement coil.” This service call cost Ms. LaPread \$79.95. On March 2, 2014, Plaintiff LaPread paid \$1,210.00 in repair costs to replace the defective condenser coil in her unit. Plaintiff LaPread would not have purchased the unit and/or had it installed in her Mother’s home had Goodman disclosed the propensity for its HVAC units to spontaneously fail.

29. Plaintiffs Andrew and Jennifer Bilen (the “Bilens”) purchased their Goodman HVAC system, Model CAPF4961D, bearing serial number 0902028025, and model number GKS90904CX, bearing serial number 0901651202, as a part of their newly constructed home in August 2009. On or about August 13, 2009, they registered their products with Goodman, thereby extending their warranties to ten years. Their warranty papers show an end date of August 13, 2019.

30. Between 2009 and 2014, the Bilens experienced minor problems with their HVAC system.³ In May 2014, they noticed that their Goodman HVAC unit was not cooling their home at all. They contacted McDaniel Furnace and Sheet Metal, the original installer, who inspected the system. They were advised by the McDaniel technician that the HVAC system had leaked all of its refrigerant and the evaporator coil would have to be replaced. They were informed that the cost of the evaporator coil would be covered by their warranty, but the labor and Freon costs would cost more than \$900.00. Frustrated, the Bilens contacted Goodman and were advised that they did have a warranty in place, but Goodman refused to pay for the refrigerant even though the leak was caused by a defective evaporator coil. In addition, the

³ On July 19, 2012, they were required to replace the 50/5 capacitor, which cost the Bilens \$93.00.

Bilens were advised by Goodman that no labor charges would be covered by the warranty.

31. As a result of the defective nature of the Goodman unit, and Goodman's refusal to provide labor and refrigerant for their defective product, the Bilens chose to pay \$12,292.48 for a brand new Trane HVAC unit rather than wasting money to repair the Goodman product. Plaintiffs Andrew and Jennifer Bilen would not have purchased the Goodman HVAC system or would have paid less for their new home had Goodman disclosed the propensity for its units to leak refrigerant and prematurely and spontaneously fail.

Defendants

32. Defendant Goodman Manufacturing Company, L.P. ("GMC") is a manufacturer of heating, ventilation and air conditioning ("HVAC") equipment for residential and light commercial use in North America. GMC is the manufacturing arm of Goodman Global, Inc. Defendant Goodman Manufacturing Company, L.P. is a Texas limited partnership with its headquarters located at 5151 San Felipe, Suite 500, Houston, Harris County, Texas.

33. Defendant Goodman Global, Inc. ("GGC") is the parent company of Goodman Manufacturing Company LP and Goodman Company LP. GGC's business activities include engineering, manufacturing, assembling, marketing and distributing HVAC and related products. GGC's products are predominantly marketed under the Goodman and Amana brand names. GGC is a Delaware corporation with its principal place of business in Houston, Texas.

34. Defendant Goodman Global, Inc. ("GGC") is an affiliate of Daikin Industries, Ltd., publically traded company on the Tokyo Stock Exchange. Defendant Goodman Global, Inc. is a Delaware corporation with its corporate headquarters located at 5151 San Felipe, Suite 500, Houston, Harris County, Texas.

35. Goodman Company, L.P. ("GC") is a citizen of Texas and Delaware, with

Goodman Manufacturing Company, L.P. as a limited partner and Goodman Holding Company as a general partner. Defendant Goodman Company, L.P. is a Delaware limited partnership with its headquarters located at 5151 San Felipe, Suite 500, Houston, Harris County, Texas.

36. Goodman Manufacturing Co., L.P., Goodman Global, Inc., and Goodman Company, L.P. are referred to collectively herein as “Defendants,” “Goodman,” or the “Company.” Defendant Goodman Global, Inc. is the parent company of defendants Goodman Manufacturing Company, L.P. and Goodman Company, L.P. Each defendant acted as the principal of or agent for other defendants with respect to the acts, violations, and common course of conduct alleged.

37. Although Goodman’s corporate headquarters is located in Texas, Goodman distributes the Goodman Products throughout the State of Ohio via a distribution network, which includes a distribution facility on Webster Street, in Dayton, Ohio. Goodman sells its products across the United States through a national network of authorized distributors and dealers, including in Ohio, Pennsylvania, Tennessee, North Carolina, Mississippi, Georgia and Missouri.

JURISDICTION AND VENUE

38. This Court has jurisdiction over this action pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. §1332(d)(2). The matter in controversy in this class action exceeds \$5,000,000.00, exclusive of interest and costs, and Plaintiffs and some members of the Class are citizens of states other than the state in which Defendants are incorporated and are citizens of states other than where the Defendants have their primary place of business.

39. Venue is proper in this District pursuant to 28 U.S.C. § 1391(c) because (i) Plaintiffs Rocco and Janet Siriano reside in this district; (ii) Plaintiffs Rocco and Janet Siriano constructed their home in this district with a Goodman Product; and (iii) Defendants Goodman

Manufacturing Company, L.P., Goodman Global, Inc., and Goodman Company, L.P. regularly transact business in this District and have had continuous and systematic contacts with this State through the sale of Goodman Products in Ohio.

PLAINTIFFS' CLASS ACTION ALLEGATIONS

40. Plaintiffs bring this action on behalf of themselves and the following proposed statewide Classes under Rule 23 of the Federal Rules of Civil Procedure:

Ohio Class (represented by Plaintiffs Rocco and Janet Siriano)

All persons and/or entities in Ohio who purchased air conditioners, air handlers and/or heat pumps (collectively, the "Goodman Products") manufactured by Goodman since 2007, or who own a home or other structure in which the Goodman Products were installed since 2007, and who suffered damages related to defective design and manufacturing of the Goodman Products.

Pennsylvania Class (represented by Plaintiffs Stephanie and Thomas Oakley)

All persons and/or entities in Pennsylvania who purchased air conditioners, air handlers and/or heat pumps (collectively, the "Goodman Products") manufactured by Goodman since 2007, or who own a home or other structure in which the Goodman Products were installed since 2007, and who suffered damages related to defective design and manufacturing of the Goodman Products.

Tennessee Class (represented by Plaintiff Molleur)

All persons and/or entities in Tennessee who purchased air conditioners, air handlers and/or heat pumps (collectively, the "Goodman Products") manufactured by Goodman since 2007, or who own a home or other structure in which the Goodman Products were installed since 2007, and who suffered damages related to defective design and manufacturing of the Goodman Products.

North Carolina Class (represented by Plaintiffs Laura and Thomas Cook)

All persons and/or entities in North Carolina who purchased air conditioners, air handlers and/or heat pumps (collectively, the "Goodman Products") manufactured by Goodman since 2007, or who own a home or other structure in which the Goodman Products were installed since 2007, and who suffered damages related to defective design and manufacturing of the Goodman Products.

Mississippi Class (represented by Plaintiff Leeann Bormann)

All persons and/or entities in Mississippi who purchased air conditioners, air handlers and/or heat pumps (collectively, the "Goodman Products") manufactured by Goodman since 2007, or who own a home or other structure in which the

Goodman Products were installed since 2007, and who suffered damages related to defective design and manufacturing of the Goodman Products.

Georgia Class (represented by Plaintiff Michelle LaPread)

All persons and/or entities in Georgia who purchased air conditioners, air handlers and/or heat pumps (collectively, the “Goodman Products”) manufactured by Goodman since 2007, or who own a home or other structure in which the Goodman Products were installed since 2007, and who suffered damages related to defective design and manufacturing of the Goodman Products.

Missouri Class (represented by Plaintiff Andrew and Jennifer Bilen)

All persons and/or entities in Missouri who purchased air conditioners, air handlers and/or heat pumps (collectively, the “Goodman Products”) manufactured by Goodman since 2007, or who own a home or other structure in which the Goodman Products were installed since 2007, and who suffered damages related to defective design and manufacturing of the Goodman Products.

41. Subject to additional information obtained through further investigation and discovery, the foregoing definition of the Classes may be expanded or narrowed by amendment or amended complaint. Specifically excluded from each of the proposed Classes are each of the Defendants and their officers, directors, agents, trustees, subsidiaries, trusts, representatives, employees, principals, servants, partners, and joint venturers; entities controlled by Defendants; and Defendants’ successors, assigns, or other entities related to or affiliated with Defendants.

42. The members of each Class are so numerous that their individual joinder is impracticable. Plaintiffs are informed and believe, and on that basis alleged, that each proposed Class contains hundreds or thousands of members. The precise number of Class members is unknown to the Plaintiffs. The true number of Class members is known by Goodman and/or its distributors. Class members may be notified of the pendency of this action by first class mail, electronic mail and/or by published notice.

43. The claims of Plaintiffs and the Class members rely upon common questions of law and fact that are susceptible to common proof leading to common answers. Such common

questions of law or fact predominate over any questions affecting only individual Class members. These common legal and/or factual questions include, but are not limited to, the following:

- (a) Whether Goodman Products were defectively designed and/or manufactured;
- (b) Whether Goodman knew or reasonably should have known about the defects prior to selling Goodman Products to Plaintiffs and the Classes;
- (c) Whether Goodman failed to disclose the design and/or manufacturing defects;
- (d) Whether Goodman breached express warranties relating to the Goodman Products to Plaintiffs and the Classes;
- (e) Whether Goodman breached implied warranties relating to the Goodman Products to Plaintiffs and the Classes;
- (f) Whether Goodman was unjustly enriched; and
- (g) Whether Plaintiffs and the Classes have sustained monetary losses and, if so, the proper measure of that loss.

44. Plaintiffs' claims are typical of the claims of the respective Classes they seek to represent in that Plaintiffs and the Classes purchased defective Goodman Products and/or were owners of homes or structures in which defective Goodman Products were installed. Moreover, Plaintiffs, like the Classes, have been damaged by Goodman's misconduct as described herein.

45. Plaintiffs will fairly and adequately protect the interests of the Classes. Plaintiffs have retained counsel highly experienced in complex class action litigation, and Plaintiffs intend to prosecute this action vigorously. Plaintiffs have no adverse or antagonistic interests to those of the Classes.

46. A class action is superior to all available means for the fair and efficient

adjudication of this controversy. Individualized litigation would create the danger of inconsistent or contradictory judgments arising from the same set of facts. Individualized litigation would also increase the delay and expense to all parties and the court system with respect to the resolution of the issues set forth in this action. By contrast, the class action device provides the benefits of adjudication of these issues in a single proceeding, economies of scale, and comprehensive supervision by a single court. This action presents no unusual management difficulties.

47. The claims asserted herein are applicable to Plaintiffs and all consumers, whether individuals or entities, throughout the various States of the Plaintiffs who purchased the Goodman Products.

48. Adequate notice can be given to Class members directly using information maintained in Goodman's records, the records of Goodman's distributors, and/or through notice by publication.

NATURE OF THE CLAIMS

49. At all relevant times hereto, Goodman was in the business of designing, manufacturing, supplying, marketing, selling and/or distributing various HVAC products, including air conditioners, air handlers and heat pumps (which can both heat and cool like an air conditioner) within the States of Plaintiffs' residences. Goodman knew and intended that its air conditioners, air handlers and heat pumps ("Goodman Products") would be purchased by persons and/or entities throughout the United States.

50. The life expectancy of a central air conditioning unit or heat pump is generally about 15 years, as discussed in more detail below. When Plaintiffs and the members of the Class purchased their Goodman Products or purchased homes with Goodman Products previously

installed in the homes, they reasonably expected the HVAC Systems to last at least a decade, if not longer, without requiring major repairs.

51. An air conditioner has three main parts: the compressor (which facilitates heat transfer), a condenser or condensing unit (the coil that moves heat to or from the outside air) and an evaporator coil (the coil that moves heat to or from the inside air). The evaporator and condenser coils are made of metal with fins that wrap around the piping. The piping is filled with a refrigerant, which is involved in heat transfer. The function of the coils is to condition the air. The evaporator coil, the “indoor coil,” is often described as the “cold” coil because it provides cooling by absorbing heat from the indoor air that is blow over the air handler’s fan. In contrast, the condenser or condensing unit, the “outdoor coil,” is often described as the “warm” coil because it rejects the heat as a fan blows outside air over the surface.

52. A heat pump is simply an air conditioner that is reversible. A heat pump has a reversing valve that allows the flow of refrigerant to change direction from “heat” to “air conditioning,” and vice versa. Refrigerant circulates between the outdoor and indoor sections of the heat pump either to produce heat or to cool air.

53. An air conditioner or heat pump is a sealed system that should never “use up” or run out of refrigerant, as the refrigerant is simply a medium used to transfer heat from the inside of the building to the outside and is not consumed in the process of heating and cooling. Thus, the only way refrigerant is lost is through a leak in the system. An air conditioner or heat pump that is functioning normally should never experience leakage of the refrigerant.

54. The Goodman Products were materially defective. Specifically, the evaporator coils (inside coils) and the condenser/condensing unit (outside coils) that Goodman used in its products were defectively designed and/or manufactured, resulting in the tubes on the coils

prematurely corroding and developing holes or cracks, thereby causing refrigerant to leak from the Goodman Products and causing the products to ultimately fail.

55. On information and belief, the copper tubing in the coils in Goodman Products is designed and/or manufactured without sufficient thickness and/or are of an inferior quality and, as a result, the coils are prone to premature corrosion from chemicals in common indoor air, such as formaldehyde from cleaning products. Such chemicals can convert into formic acid in the copper tubing, resulting in corrosion and eventual leakage of the refrigerant.

56. Further compounding the leakage problem was the fact that the Clean Air Act of 1990 mandated a gradual phase out of the use of R-22 refrigerant (Freon) in air conditioning and heat pump systems. In January 2010, legislation phasing out manufacturing of equipment using R-22 refrigerant (Freon) went into effect. Alternative refrigerants, such as R-410A, which were more environmentally friendly and more energy efficient, were required to be used instead of R-22. However, these alternative refrigerants operate at much higher pressures than R-22. As the coils in Goodman Products were already prone to corrosion due to the thin copper design and manufacturing, the use of the new refrigerant which operated at a higher pressure made the leakage problem even worse.

57. Recognizing the problem with corrosion in connection with the use of thin and inferior copper tubing, Goodman's competitor, Trane, began producing an all-aluminum air conditioning coil in 2005.

58. However, despite the foregoing, Goodman fails to disclose that Goodman Products suffer from high failure rates due to defective coils.

59. As a result of these design and/or manufacturing defects, purchasers and owners of Goodman Products are forced to pay out-of-pocket expenses to have a repairman or technician

diagnose the problem, replace or repair the defective part or even the unit itself, and replace the refrigerant.

60. In addition, refrigerant leaks from an air conditioning system can freeze the evaporator coil, cause compressor failure, or reduce the efficiency of the unit, forcing consumers to further pay out-of-pocket to repair or replace these parts and to incur higher utility bills.

61. Despite its knowledge of the defects and ongoing problems with the Goodman Products, Goodman fails to disclose that consumers who purchase defective Goodman Products are not reimbursed for: (a) the service and labor costs they are forced to incur to hire HVAC technicians to diagnose and repair the Goodman Products, (b) the costs of replacing the refrigerant that leak out of their units, or (c) the costs to replace their Goodman Product when the units fail completely. Moreover, Goodman fails to disclose that loss of refrigerant cause consumers to experience significantly higher utility bills. For example, a ten percent loss of refrigerant can cost the owner of the system twenty percent more in electrical costs, as well as cause undue wear and tear on the unit.

62. Because the Company offers Goodman Products for sale without disclosing the foregoing material facts, consumers, such as Plaintiffs and the members of the Class who purchase Goodman Products, expected Goodman Products to be of high quality and to last well over a decade. Instead, they find themselves having to prematurely repair the Goodman Products due to the defectively designed and manufactured evaporator coil or condensing unit that cause leakage of refrigerant under normal use. Furthermore, having a low level of refrigerant in the coil as a result of the leakage can cause other parts of the air conditioning system, such as the compressor, to fail.

63. Despite knowing the problem with its defective coils, Goodman makes

misrepresentations to Plaintiffs and the Class regarding the quality of the Goodman Products without disclosing the known problems associated with the Goodman Products. In fact, by at least the start of the Class Period on June 1, 2006, Goodman's website (at www.goodmanmfg.com) represented that Goodman "[c]reate[s] products that are engineered for reliable long life, utilizing the best components with some of the lowest failure rates in the industry" and "[o]ffer[s] one of the best warranties in the industry." These representations, for example, were made on its website on May 13, 2006, and continued to be made by Goodman throughout the Class Period, including through the end of the Class Period on February 2, 2012.

64. In addition, before the start of the Class Period on June 1, 2006, Goodman emphasized the superiority of its warranty and products by representing on its website that "[w]arranties like these can only come from a company that is 100% certain of the quality and reliability of its products. Goodman Manufacturing, L.P. stands behind its products like no other company in the HVAC industry." Throughout the Class Period, Goodman continues to make these representations, although with slight variations. Even by the end of the Class Period on February 2, 2012, Goodman stated on its website that "[l]imited warranties like these can only come from a company that is 100% certain of the quality and reliability of its products."

65. Further, during the Class Period, Goodman represented that its products exceed even the highest of industry standards. For example, on December 20, 2008, Goodman stated on its website that "[e]very Goodman brand indoor comfort product is built to the highest standards of the heating and cooling industry, and in many models exceeds those standards. The high quality of our product warranties reflects the high standards of our manufacturing processes." These statements made by Goodman were published on its website throughout the Class Period. They were made for the purpose of inducing, and were likely to induce, directly or indirectly, the

purchase of Goodman Products, and they constituted false advertisement in violation of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C § 52. Goodman’s statements were accessible to consumers, as well as by persons who made HVAC purchase decisions on the consumers’ behalf or who assisted them in making their HVAC purchasing decisions, including contractors, builders and installers.

66. By failing to disclose that Goodman Products have defective coils that caused premature failure of the units, Goodman engages in unconscionable, deceptive and/or unfair business practices, causing damages to Plaintiffs and the proposed Class, who reasonably expect that the Goodman Products are not defective and who otherwise would not have purchased Goodman Products or would have at least paid a lower price for them had they known the truth about the Goodman Products.

67. In addition, Goodman’s offer of Goodman Products for sale without disclosing the foregoing material facts constitutes an unconscionable, deceptive and unfair practice because consumers such as Plaintiffs and the members of the putative Class who purchased Goodman Products expected their units to be reliable and to be of high quality and to last well over a decade. Instead, they discover that their Goodman units fail prematurely due to the defectively designed and manufactured coils that cause leakage of refrigerant. Moreover, the low level of refrigerant can cause other parts of the air conditioning system, such as the compressor, to fail, further exacerbating the problem.

68. Further, Goodman engages in unconscionable, deceptive and/or unfair practices by failing to notify Plaintiffs and the members of the Class that repairs are necessary for the Goodman Products they purchased due to defective coils and by failing to make the necessary repairs. As a result of Goodman’s practice, Plaintiff and the putative Class have to pay HVAC

technicians to diagnose why their units are not working, have to incur costs to replace, repair and/or maintain their units, and have to pay for the refrigerant that leaks out.

69. Goodman's Limited Warranty (attached hereto as Exhibit A) provides, in relevant part, that:

This heating or air condition unit is warranted by Goodman Manufacturing Company, L.P. ("Goodman") to be free from defects in materials and workmanship that affect performance under normal use and maintenance, as described below:

- **To the original registered owner** and his or her spouse **all parts** are warranted for a period of **10 years** or for as long as the owner owns the home in which the unit was originally installed (whichever ends first), except as provided below. However, this warranty applies only if:
 - 1) The unit is installed in an owner-occupied, single family residence, and
 - 2) The unit is properly registered with Goodman online within 60 days after the original installation...
- If the above warranty does not apply, then **all parts** are warranted for a period of **5 years**.

* * *

The warranty period begins on a date of the original installation. Where a product is installed in a newly constructed home; the date of installation is the date the homeowner purchased the home from the builder. If that date cannot be verified, the warranty period begins three months from the date of manufacture (indicated by the first four digits of the serial number (yyymm)).

[Emphasis in original].

70. Goodman's Limited Warranty specifically warrants that its parts will be "free from defects in materials *that affect performance* under normal use and maintenance." [Emphasis added.] Notably, the warranty disclaims any responsibility for "[c]hanges in the appearance of the unit *that do not affect its performance*." [Emphasis added.]

71. Although Goodman's Limited Warranty provided for a warranty of parts for 5 or

10 years, depending on if the Goodman Product was installed in an owner-occupied single family residence and was properly registered within 60 days after installation, the Limited Warranty unreasonably disclaimed the labor, freight, or other costs associated with repair of Goodman Products, as follows:

As its only responsibility, and your only remedy, Goodman will furnish a replacement part, without charge for the part only, to replace any part that is found to be defective due to workmanship or materials under normal use and maintenance

This warranty does not apply to labor, freight, or any other cost associated with the service, repair or operation of the unit.

* * *

GOODMAN SHALL IN NO EVENT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO EXTRA UTILITY EXPENSES OR DAMAGES TO PROPERTY.

72. The above limitations on Defendants' warranty were unconscionable. Defendants concealed and failed to disclose to Plaintiffs and the members of the Classes that the Goodman Products were defective, would fail prematurely, and were unsuitable for their intended use. Defendants were obligated to affirmatively disclose these concealed facts because: (a) Defendants knew such facts would be unknown and not easily discovered by consumers and would defeat their ordinary, foreseeable, and reasonable expectations concerning the performance of the Goodman Products; and (b) representations made by Defendants regarding the Goodman Products would be misleading to consumers in the absence of such disclosures.

73. In addition, the Goodman Products were not merchantable at the time they were sold to Plaintiffs and the other members of the Classes, as they did not satisfy a minimum level of quality. Plaintiffs and the other members of the Classes purchased the Goodman Products under the reasonable belief that they would last for well over a decade, requiring no major

repairs during that time. However, the coil defects cause Goodman Products to fail prematurely. The refrigerant leaks due to the coil defects sometimes occurred within months of installation and use; other times, they were not discoverable or apparent for years. The defective coils render the Goodman Products unfit for the ordinary purpose for which they are used because the loss of refrigerant reduced or eliminated the Goodman Products' ability to provide cool air and/or heat.

74. Plaintiffs and the members of the Classes were forced to incur hundreds (or even thousands) of dollars in costs to investigate the problem, labor costs to replace the defective part, and costs to replace the refrigerant that had leaked from the Goodman Products. In addition, many consumers experienced higher utility bills as a result of the Goodman Products' failure to work properly. Further, Plaintiffs and Class members experienced diminished or total loss of use of the Goodman Products.

75. Plaintiffs and other Class members would not have purchased the Goodman Products, or at least would have paid less for them (and they did not receive the benefit of the bargain), had they known of the defects in the Goodman Products.

76. As a direct and proximate cause of Defendants' misconduct, Plaintiffs and other Class members suffered damages.

**The Coils in the Goodman Products Fail Prematurely and
At Rates that Far Exceed the Industry Average.**

77. According to the U.S. Department of Energy, "[t]he 'lifespan' of a central air conditioner is about 15 to 20 years." Similarly, the Consortium for Energy Efficiency—a nonprofit corporation composed of investor-owned or municipal utilities, state or provincial energy offices, government agencies, and nonutility program administrators whose goal is to promote energy efficient Units and practices—states that "[t]he average life span of central air

conditioning system is 12 to 15 years if it is properly installed and maintained. Heat pumps have about the same life-span—about 14 years—when recommended maintenance is followed.”

78. Indeed, on its website, Goodman touts that if its units are properly maintained, consumers can expect them to last 12 to 15 years.

79. As one of the critical components of a central air conditioner or heat pump, the evaporator and condenser coils must be capable of lasting for the lifetime of the unit. In other words, they must be capable of lasting at least 12 to 20 years.

80. The coils within Goodman Units, however, fail far in advance of their life expectancy and fail at rates that far exceed the industry average. Because an evaporator and/or a condenser coil is a simple component, a failure rate of even 1% during the lifespan of an air conditioning unit—12 to 20 years—would be very high and beneath commercial standards. It would also be indicative of a design and/or manufacturing defect.

81. Numerous air conditioning dealers have observed that the evaporator and condenser coils in the Goodman Products are leaking and prematurely failing at rates well above the industry average.

82. For example, Dealer A is the owner of an HVAC installation and repair company based in Dallas County, Texas. Dealer A has over 48 years of HVAC experience and has been selling and installing Goodman central air conditioning units for over 25 years. Dealer A’s company also sells and installs many other brands of central air conditioning units besides Goodman.⁴ In or around 2009, Dealer A observed that the evaporator coils in Goodman Products sold since 2007 were leaking and failing at much higher rates than the industry average.

⁴ Plaintiffs have given pseudonyms to the individuals and entities discussed in the paragraphs infra to protect their confidentiality.

According to Dealer A, approximately 15% of Goodman Products experienced evaporator coil failures within 5 years of installation. By contrast, based on Dealer A's many decades of experience and knowledge of the HVAC industry, the average failure rate for evaporator coils within the HVAC industry was only one to two percent (1-2%).

83. Another example is Dealer B, an HVAC installation and repair company located in Harnett County, North Carolina. Dealer B's technicians have over 20 years of experience in the HVAC industry and have supplied and installed Goodman Products for approximately 13 years. Dealer B also supplies and installs other brands of central air conditioning units besides Goodman. In or around 2007, Dealer B observed that the evaporator coils in Goodman Products sold since 2007 were leaking and failing at much higher rates than the industry average.

84. According to Dealer B, approximately 35% of Goodman Products that it installed experienced evaporator coil failures within 5 years of installation. By contrast, based on Dealer B's knowledge and experience, the average 5-year failure rate for evaporator coils industry wide was only 2-3%. Indeed, from 2008 through 2012, Dealer B replaced approximately 196 Goodman evaporator coils; whereas over that same time frame Dealer B replaced only two evaporator coils in units manufactured by Trane®, one of Goodman's primary competitors.

85. Another example is Dealer C, an air conditioning installation and service company based in Rankin County, Mississippi that sells Goodman Products. Dealer C estimates that approximately 20% of Goodman Products experienced evaporator coil failures within 5 years of installation. By contrast, according to Dealer C, the average failure rate in the HVAC industry for an entire central air conditioning system or heat pump was only approximately 3-5% within the same period of time. Dealer C further observed that the high evaporator coil failure rates started to manifest in Goodman Products during the 2008 to 2011 time frame.

86. The complaint in a related action alleges that others in the HVAC industry reported similar problems with Goodman coils. One Goodman dealer has reported that approximately 80% of the Goodman Products installed by his company between 2009 and 2011 suffered from leaking coils. Another HVAC installer had to replace at least 40 of the approximately 100 Goodman Products that his company had installed—the company replaced the Goodman Products with Ruud systems and has not had problems with the Ruud units.

**Goodman Failed to Design and/or Manufacture Evaporator and Condenser Coils
Capable of Handling the HVAC Industry's Shift from Low to High
Pressure Refrigerant.**

87. In addition, the problem of improper and premature refrigerant leakage from the Goodman Products' coils has been exacerbated by the HVAC industry's shift from low pressure refrigerant to refrigerant that operates at higher pressures.

88. The 1987 Montreal Protocol established a schedule to phase out the use of hydrochlorofluorocarbons (HCFCs) over time because they are damaging to the Earth's ozone layer. For more than four decades, HCFC-22 (also known as R-22) was the refrigerant of choice in the HVAC industry. Release of R-22 into the atmosphere, however, contributes to ozone depletion. Furthermore, the manufacturing process of R-22 results in a byproduct that is believed to contribute to global warming.

89. The U.S. Environmental Protection Agency, therefore, implemented regulations under the United States Clean Air Act to comply with the Montreal Protocol, including a schedule to phase out the use of R-22 refrigerant. Accordingly, by January 1, 2010, producers and importers of R-22 were only allowed to produce or import R-22 refrigerant to service existing HVAC equipment, whereas virgin R-22 could not be used in new HVAC equipment. Thus, as of January 2010, HVAC manufacturers were not allowed to produce new HVAC

equipment containing R-22.

90. The most popular substitute for R-22 is a refrigerant known as R-410A, which includes a blend of hydrofluorocarbons that does not contribute to depletion of the ozone layer. R-410A refrigerant operates at a much higher pressure than R-22 refrigerant, requiring a more robust air conditioning or heat pump system to handle the higher pressures. Accordingly, HVAC manufacturers began marketing and selling air conditioning and heat pump systems capable of handling either R-410A only, or both R-22 and R-410A.

91. The evaporator and condenser coils for the Goodman Products are so deficient that they improperly and prematurely leaked refrigerant even when the low pressure R-22 refrigerant was being used. This problem, however, was further aggravated because Goodman continued to use coils that were only capable of handling R-22 refrigerant in its central air conditioning and heat pump systems that were supposedly designed to use (and advertised as being capable of using) R-410A refrigerant. Thus, Goodman's already deficient coils were not capable of handling the higher pressure associated with the R-410A refrigerant, worsening the leakage problem.

92. As of the date of this amended complaint, at least nine other class action lawsuits have been filed against Goodman on behalf of consumers also alleging that the Goodman Products' coils are defective because they improperly and prematurely leak refrigerant. *See PB Prop. Mgt., Inc. v. Goodman Mfg. Co. et al.*, No. 3:12-cv-01366 (M.D. Fla. Dec. 19, 2012); *Janet Helm v. Goodman Global, Inc. et al.*, No. 8:13-cv-01213 (M.D. Fla. May 7, 2013); *Anne McVicar, et al. v. Goodman Global, et al.* No. 8:13-cv-01223 (C.D. Cal. Aug. 12, 2013); *Gustafson v. Goodman Mfg. Co. et al.*, No. 3:13-cv-08274 (D. Ariz. Nov. 20, 2013); *Brown v. Goodman Mfg. Co. et al.*, No. 1:13-cv-03169 (D.S.C. Nov. 21, 2013); *Selby v. Goodman Mfg.*

Co. et al., 2:13-cv-02162 (N.D. Ala. Nov. 27, 2013); *Robert Farmer, et al. v. Goodman Global Inc, et al.*, No. 5:14-cv-00088 (C.D. Cal. Jan. 14, 2014); and *Fowler v. Goodman Mfg. Co., et al.*, No. 2:14-cv-00968 (N.D. Ala. May 22, 2014).

Goodman Knew That Its Coils Were Defective.

93. Goodman knew that its evaporator and condenser coils were defective because, as described below, for a consumer to receive a replacement coil pursuant to Goodman's warranty, the defective coil had to be returned to Goodman. Thus, based on these returns, Goodman was well aware that its coils sold since 2006 were failing prematurely at rates far higher than the industry average.

94. Furthermore, in or around 2011, Goodman implemented a program to reimburse dealers for the cost of labor and Freon incurred as a result of replacing the defective coils. Goodman would reimburse dealers \$350 for labor and \$100 for Freon for each coil that was replaced.

95. An example of Goodman's reimbursement program is memorialized in Exhibit B. According to this document, James Hayes Heating and AC had "experienced evaporator coil failures in air handlers ranging from 2007-2010" and was "looking to recoup loses [sic] from customers unwilling to pay for labor on warranty replacements." James Hayes refused to purchase any more Goodman Products "until this matter is taken care of." James Hayes had previously purchased 261 Goodman Products during this time frame, 24 of which experienced evaporator coil failures—a failure rate of approximately 9%. In response, Goodman offered to reimburse James Hayes \$6,623 in labor costs.

96. Thus, not only was Goodman aware that its coils were defective, but it implemented a program to reimburse its direct customers, the dealers, for costs associated with

the problem to avoid losing their business. But Goodman did not implement any such program to compensate consumers for their losses.

97. In an apparent attempt to shield itself from further class action lawsuits, however, Goodman has recently started offering to remunerate consumers for labor and Freon expenses incurred as a result of replacement of their defective coils, but only if the consumers first execute a release discharging Goodman from any liability for any claims they have against Goodman. See Exhibit C.⁵ This further demonstrates that Goodman was aware that its coils were defective and would compensate consumers on an individual basis to protect itself from liability, but refused to publicly acknowledge the problem and issue a recall or otherwise provide relief to consumers on a class-wide basis.

**Goodman Representatives Have Also Acknowledged That
The Company Was Aware That Its Coils Were Defective.**

98. In fact, in or around fall 2011, a manager for one of Goodman's wholesale branches in Texas spoke with Dealer A about the defective coils. The manager acknowledged that the coils had a high failure rate. Indeed, the manager informed Dealer A that he instructed his employees to put the defective coils being returned to Goodman in the back of the warehouse so dealers returning the coils could not see how many coils were being returned and learn how serious and widespread the problem was.

99. In addition, an engineer formerly employed by Goodman acknowledged that improper and premature refrigerant leakage from the evaporator coils was a problem that was known within the company and that Goodman had even assembled a team of engineers to study the problem. Yet, according to this individual, the problem had not been resolved as of the time

⁵ Portions of Exhibit B have been redacted.

the engineer left the company in 2011.

100. Goodman’s knowledge that its evaporator coils were defective is also demonstrated by the fact that Goodman changed the design of its evaporator coils. On February 2, 2012, Goodman issued a press release stating that it had introduced a single-metal solution with its All-Aluminum™ evaporator coils “[t]o prevent a leading cause of premature evaporator coils failures[.]”

THE LEAKAGE PROBLEM WAS PREVALENT

101. The leakage problem in Goodman Products was widespread and resulted in numerous complaints from angry consumers who spent hundreds, or even thousands, of dollars in diagnostic/repair/replacement costs, costs to replace the refrigerant, and high electric costs.

102. Consumers, as well as HVAC dealers, technicians, and contractors have been publicly complaining about the defective evaporator and condenser coils in Goodman Products sold since at least 2006. Hundreds of consumers from all over the United States have posted complaints on various online message boards regarding their negative experience with Goodman’s coils. A representative sample of these complaints follows:

Name:	B. Buchanan
Date Created:	May 17, 2012
Site:	www.furnacecompare.com
<p>“Goodman A/C Headache” - Bought 2 Goodman heat pumps 3 years ago. Within 6 months neither hold Freon. Multiple service calls on both. It’s 103+deg in Phoenix today and guess who has no ac upstairs. Have seen mention of Class Action on this board. Sign me up!</p>	
Name:	D. Allen
Date Created:	May 9, 2012
Site:	www.furnacecompare.com
<p>“A law suit waiting to happen” - Nothing but trouble!!! Unit is 3 years old</p>	

and constantly in need of repair. Labor and Freon alone have run my repair bills through the roof. If anyone wants to file a lawsuit count me in.	
Name:	H.D.
Date Created:	May 8, 2012
Site:	www.furnacecompare.com
<p>“DON’T BUY GOODMAN!” - Like most others on here, we have had nothing but trouble from the very first summer we moved into our brand new home with 2 Goodman units! We spent hundreds to try to fix the problems we keep having with maintenance call after maintenance call only to finally spend thousands to totally replace the [G]oodman units with a more reliable brand (inside and out). Don’t buy [G]oodman unless you want a headache!!!</p>	
Name:	Hottommy
Date Created:	June 30, 2010
Site:	www.HVAC-talk.com
<p>Leaking Goodman Evp Coil 3 Years In a Row someone please help! [I] have had a leaking Goodman evaporator coil replaced for the last three years. I have only lived in my house three years! the AC was installed by the builder. [D]oes anyone know if Goodman has had a bad track record regarding leaking evap coils? Why does this keep happening and freezing up the ac unit, forcing me to replace the evap coil every summer??? signed, just a homeowner</p>	
Name:	Melisa K
Date Created:	August 29, 2012
Site:	www.furnacecompare.com
<p>I have lived in my brand new condo for 3.5 years. The a/c unit is now probably 4 years old. I’ve had to call out an hvac repair man 4 times now? Twice to replace leaking freon for \$300 a pop. I know [I] am replacing the coil for \$1400. Apparently my building condo contractor didn’t register my unit, which is ironic my neighbor in the condo had his coil go last month and his unit was registered. Everyone in my condo is having problems with their a/c/ units. What a bunch of crap.</p>	
Name:	Danny 1976
Date Created:	February 27, 2011
Site:	www.complaintsboard.com
<p>When Toyota had a recall, they paid for the part and replacement. Goodman doesn’t want to call it a recall, but it is. They made thousands of defective coils and they just want to warrant the part and not include the installation. They made defective coils they should also pay for the labor.</p>	

The coils on my unit leaked within the 1st year.	
Name:	JB in AL
Date Created:	July 11, 2011
Site:	www.complaintsboard.com
<p>I too am another victim. New construction with 2 new heat pumps. Primary unit (4 Ton) needs leaking coil (several spots identified) replaced in less than 6 months. Must have been leaking from the factory. Please advise how I can assist with the AG and any class action law suits. Currently out over 1k on repeated recharged and now coil replacement. Installed an all Aluminum coil. What is everyone's opinion on Aluminum versus copper coils?</p>	
Name:	Armchaircmdr
Date Created:	August 19, 2011
Site:	www.complaintsboard.com
<p>I purchased this house new exactly 3 years ago and today I [had] my Goodman copper coil replaced. The leak started only a year and a half after I purchased the home. I had the technician fill the unit and do a leak check, but the leak was still too small to detect. This summer the leak was finally large enough to warrant a replacement. The technician informed me that there have been a large number of their customers that have had to replace the coil after three years of service. Three other people in my neighborhood had their unit replaced this month also. The company that replaced my unit has had such a problem with Goodman that they stopped carrying their products. I paid \$515 for the warranty/upgrade to their aluminum coil. For Goodman to not cover labor and freon is almost criminal. They obviously know there is a problem. There needs to be a class action lawsuit against Goodman.</p>	
Name:	Tony U
Date Created:	March 11, 2011
Site:	www.complaintsboard.com
<p>In 2009, I bought two new 4-Ton Goodman A/C systems for my house and had them installed by a certified technician. Precisely after one year, one of the coils developed a leak, and a couple of months later, the other coil developed the same problem.</p> <p>The technician who replaced my coils was the same technician who installed the original units. According to him, Goodman continued using other coils which were designed for R-22 Freon on their new units which "required" R-410A Freon. The newer Freon works under higher pressure, and is very corrosive, which could result in leaks if used on coils which were designed for R-22.</p>	

<p>I seriously think that a class action lawsuit should be brought on Goodman, in order to cover all of the expenses their customers have had to incur due to Goodman's recklessness. They had to have known this would occur. They probably ran the numbers and it was too expensive for them to recall the units.</p>	
<p>Name: J. Torres Date Created: May 17, 2012 Site: www.furnacecompare.com</p>	
<p>"Evaporator Coil Leaks" - Had Goodman installed in November 2008 because 20 year old unit finally gave up. Had to have evaporator coil replaced in May 2010. May 2012, now the unit once again, does not have any Freon in it, evaporator coil has a leak. Installer says Goodman is low on evaporator coils because of so many of them failing. Goodman need to be taken to court on this matter immediately. They know they have a defective product and ignored it while they sold their units and cashed in at our expense. Goodman needs to pay for all repair costs, Freon, parts, etc. This is not the way to run a company. To all potential buyers/installers avoid [G]oodman at all costs. Worst a/c unit ever made.</p>	
<p>Name: D. O'Dell Date Created: June 18, 2012 Site: www.furnacecompare.com</p>	
<p>"Terrible HVAC" - Bought a home in November 2011 that has three Goodman units, all of which only 18 months old. Can't keep them running. Coil replaced on one unit four days ago (took two weeks to get repaired under warranty) lasted three days and unit is now down again. Waiting for service call. Do not buy these units!</p>	
<p>Name: Anonymous, identified as "One disappointed customer of the Goodman Product" Date Created: April 25, 2012 Site: www.furnacecompair.com</p>	
<p>"GOODMAN IS JUNK; DON'T BUY" - I am having the same problems every other consumer is having with Goodman. The unit started giving me problems when it was only three years old and the problems have not stopped and its just year 4. I have been paying to replace the freon that has been leaking. I have been told that I need to replace the coil which is running me about \$600-700. The company will not offer any support or take responsibility for these lemons they are building. They will only pay for the parts but not the labor. It seems a civil suit needs to be filed against this company. There are far too many complaints about the same problem for this to be a coincidence.</p>	
<p>Name: A. Byrd</p>	

Date Created:	February 12, 2012
Site:	www.furnacecompare.com
<p>We bought our house brand new and Goodman is the unit that came with the house. Every 6 months (literally) something goes wrong with this thing. We went two weeks last August with no air. [W]e thought at least it[']s still under warranty so the coil was replaced without cost for the coil itself. Of course we paid the man who replaced it \$430 for labor and \$75 for shipping. The bill for heating our house in Dec and Jan of 2011 was right at \$500 a month. Our house is all electric but this is still twice as much as normal for mid winter or summer. It runs and runs and runs or doesn't run at all most of the time. Since we have owned the house we bought it September of '08 we have spent over \$1000 just on getting the a/c unit worked on for whatever reason. Now six months after getting the coil replaced (on a three year old unit) and during the two coldest days of our winter so far the thing is now blowing hot air but just air constantly. Meaning it is not shutting off at all again. This is equally stressful as my husband lost his job and did not work all of last year so the money we have had to spend on this thing has been dear. I agree with a previous post on the class action lawsuit idea. This is ridiculous to say the least and inexcusable for this company to these things out there.</p>	
Name:	T. Turner
Date Created:	September 15, 2011
Site:	www.furnacecompare.com
<p>“Manufacturing defect coil expensive to replace” - The unit was installed in new house. Now 2 ½ years later evaporator coil leaking and had to be replaced. The coil was rusted and deteriorated as if it were 15 years old. Even though it was “under warranty”, I paid \$20 s/h and over \$400 to get new coil installed and unit cooling again. They claim the new coil is made better but that doesn't ease my pain.</p>	
Name:	J. Hood
Date Created:	June 7, 2011
Site:	www.furnacecompare.com
<p>“Evaporator coil issues” - We bought a new home 3 years ago – year 2 our upstairs unit went bad (evaporator coil), now year 3 our Bilentairs unit has a bad evaporator coil. The parts are both covered by warranty but the labor and replacement coolant is not ... so I have spent almost \$1,600 in replacing bad parts in 2 years. My local AC company told me to google and see it's a known issue. I have 3 neighbors who have similarly aged or slightly older homes who are experiencing the same issues.</p>	
Name:	L. Woods
Date Created:	October 13, 2010
Site:	www.furnacecompare.com

Bought new home with 2 (not so) Goodman units. Within first 18 months compressor went out on one unit – cost over \$1,000 to get repaired with warranty! Now second unit has leaks in the condenser coil and the evap coil is full of leaks! Est cost to get this repaired is over \$2600 with warranty! Bad product – beware.	
Name:	Doug D.
Date Created:	September 13, 2012
Site:	www.furnacecompare.com
<p>“EVAPORATOR COIL IS A DESIGN DEFECT!” - I have had this Goodman A/C unit for just over 2 years and the cool air has stopped coming out at least 4 times. The repair man stated that the EVAP coil is the attic has a leak. The repair man also stated this is a known[n] issue and is also a design issue, which [G]oodman has fixed as of July 2010 but is only on new units. The price to fix this is \$800.00. I called this company in Texas and the person that answered the phone was very arrogant and non-supportive to customer feedback. Unprofessional and not customer oriented company. DO NOT BUY A GOODMAN! I PLAN ON FILING A CLASS ACTION LAWSUIT.</p>	
Name:	B. Connaughton
Date Created:	July 23, 2012
Site:	www.furnacecompare.com
<p>I have two Goodman ac units which are only five years old. Two years ago, one of the units (upstairs) went out and we had to replace the coil. This past week, the same unit went out again, we were told we had to replace the coil. The coil was not readily available and had to be ordered. Now our Bilentairs unit had gone out as well. So, while I sit here, sweating, I decided to write others regarding the Goodman product. [H]vac installers and builders should be made aware of this problem as well.</p>	
Name:	Consumer S. Bubis
Date Created:	May 30, 2012
Site:	www.furnacecompare.com
<p>“Evaporator Coil Problem” - In July 2007 we had a Goodman gsc130361 13 seer high efficiency louvered condensing unit and matching Molleurd evaporator coil capf3636. New refrigerant lines were installed. Today a major refrigeration leak was found from the evaporator coil due to corrosion. Evaporator coil needs to be replaced with new style aluminum coil. The cost \$2,000.00 The unit cost me \$4,500.00 not 4 years ago. I believe a unit should hold up better than this. Thinking of starting Civil Suit against Goodman. I believe they knew about the problem with units built between 2007 and 2009.</p>	
Name:	S. Lindgren

Date Created:	May 30, 2012
Site:	www.furnacecompare.com
<p>“2AC units installed 2008” - The main unit coil failed within one year and was replaced under warranty. Now the coil has failed again in the main unit and needs to be replaced. Had the second unit checked and found a leak in the coil on this unit also. I will change the ac units once the parts warranty runs out and they will not be Goodman units</p>	
<p>Name: JRueben Date Created: May 23, 2012 Site: www.furnacecompare.com</p>	
<p>“The worst product” - I had my home build in 2005 and with it came this product upstairs. I’ve had Freon add 4 times out of the 7 years I’ve been here. It seems like Goodman is preying on its customers. If they refuse to recall this product, they meant for this happen to cash in on coil resale. Terrible terrible business. This product should be recalled or class action. I’ve paid 69.95 diagnostic + 58.00 freon for 4 years now I have to pay 624.00 for the fix. It’s r[i]dicul[ou]s. I mean I don’t know if it’s [G]oodman or [G]oodman helping the installation guys because they have reaped the rewards as well. I know that I’m not the only one paying 130.00 a year for Freon. And is the freon leak a hazard? That’s what we need to concentrate on.</p>	
<p>Name: Frank Odanell Date Created: May 11, 2011 Site: www.furnacecompare.com</p>	
<p>“Inefficient and leaking after 3 years” - I have two in my house. During the cold winter, upstairs unit never had any problems but the Bilentair unit always stopped heating when it felt like. Repairman always came, cleared a soot up thing where the vacuum hose went. It kept doing [sic] this every winter. Repairman said it is not supposed to clog, but it does. Cooling worked well the first year then the upstairs unit started lo[osing] coolant. Repairman came and charged it. After the second year both had to be recharged. The 3rd year, they found out that both cooling coils were leaking coolant and had to be replaced. Hundreds of dollars later, makes you wonder why a cooling unit that is immobile without moving parts would leak from a weld/solder deep inside of it, on both units.</p>	
<p>Name: A. Zhylynskaya Date Created: August 11, 2011 Site: www.furnacecompare.com</p>	
<p>I am waiting for a second coil replacement in 1 month. Have no words to describe my feelings! Beware!</p>	
<p>Name: “Angry Homeowner”</p>	

Date Created:	July 7, 2011
Site:	www.furnacecompare.com
<p>We bought a new home with a Goodman 5 Ton unit about 2.5 years ago. It has been nothing but a problem. We were just informed that we have a leaking evaporator coil. The technician told us that everyone who had these new units was having similar problems. I give up on this junk! I am about to spend big bucks to replace this unit. I wish had known that this junk was in our new home when we purchased it. Another of buyer beware and I could have saved myself \$\$\$\$\$.</p>	
Name:	B. Browning
Date Created:	July 7, 2011
Site:	www.furnacecompare.com
<p>Just got off the phone with Goodman customer service. I was informed that even though they understood that my REPLACEMENT coil had been installed for 2 months and failed again that I was responsible for labor on the obviously defective/improperly designed part. I have had the unit for little less than 2 years and this will be the fourth service call for the same problem. I am planning on filing a lawsuit against this company if they do not resolve this issue. I understand it is a parts warranty but after less than 60 days the parts they sent fails and they are just acting like this is normal business. If I tried to run my business this way I would be out of business.</p>	
Name:	G. Clevenger
Date Created:	July 5, 2011
Site:	www.furnacecompare.com
<p>I had a pair of Goodman Central A/C units installed in a new construction home I built. These units have been nothing but trouble. I have now had to replace the upstairs Evap coil twice (by two different certified installers) and it now needs [to be] replaced again! Customer service is horrible, all I can get is form letters out of them. I don't think these people can build a functioning evap coil. Don't even think about buying one of these units.</p>	
Name:	Richard Mosher
Date Created:	June 11, 2011
Site:	www.furnacecompare.com
<p>“evaporator coil” - When my wife and I purchased our house it was 18 months old. We got a service maintenance plan, when the company came to check our system, they found it low on freon. They checked for leaks and found a leak in the evaporator coil. The coil was still under warranty, but the labor to put the new one was \$900.00. Now I am finding out that a large number of the coils in our development are failing.</p>	
Name:	Lorraine Yam
Date Created:	May 23, 2011

Site:	www.furnacecompare.com
I have had for 1 month already had to replace the coil and a new compressor, if I would have read this page I would have never purchased. The poor guy that put it in has been out here 7 times and coming back again today. Will not exchange for a new one and cannot get money back.	
Name:	M. Warx
Date Created:	May 16, 2011
Site:	www.furnacecompare.com
"Leaking Coil" - My coil started leaking this year and the contractor I called informed me that he is replacing at least 3 per week. He said Goodman was aware of the problem and even though they are failing at such a high rate they have no desire to help the homeowner with the cost to replace it o[r] the R-22. Cheap is cheap.	
Name:	Shirley Beard
Date Created:	May 11, 2011
Site:	www.furnacecompare.com
We had a new Goodman Heating & Air Unit installed in 2009. When we started it up this year 2011 the air would not cool. I find out that the great 10 year warranty only covers parts. I was not told this or that after a year I had to buy an extended warranty. I just paid 450.00 to have the unit replaced. They only paid for the Evaporator coil that had gone after 1 year of use. I had to pay 150.00 freight to have the part shipped, plus they charged me 50.00 because the crook that installed it would not come out. Plus I had to pay labor and OVER 100.00 for Freon even though the part caused the freon to leak out. Buyers Beware !!!! You may as well not have a warranty. Any company should fix a unit the second year you have it. To heck with warranties, just be an honest company and do what's right. Wish I had read the reviews before I bought. Hope this keeps someone else from making the same mistake.	
Name:	A. Allen
Date Created:	April 7, 2011
Site:	www.furnacecompare.com
"DEFECTIVE FROM THE START" - After putting in freon nearly every summer a tech pulled the coil and discovered a leak on the inside that could not be fixed. Bad part is their warranty ended a year ago on the unit and even though we have the documents proving it was faulty, they won't help. So now we are facing \$1000 for labor and coil or a new unit for \$2000. Not going with Goodman though. Researching other brands.	
Name:	Jack Cervenka
Date Created:	August 5, 2012

Site:	www.furnacecompare.com
"homeowner" - Our unit has failed us. The coil has gone bad and Goodman will not cover the repair. The system is less than 1 year old. Please put your money into any other brand.	
Name:	M. Rowland
Date Created:	July 19, 2012
Site:	www.furnacecompare.com
Had 3 ton, 15 seer all in one Goodman unit installed July 2008. July 2009, needed coolant. September 2009, needed coolant. May 2010, needed coolant. May 2011, guess what? Needed coolant. April 2012, needed ... wait for it...coolant! Evaporator coil replaced at that time (\$475 labor estimate-got a deal--only \$300). Now it's the middle of July 2012 in Florida and the Good 4 nothing needs a blower unit. (\$500-600 estimate for labor cost) I'm getting the total runaround from the manufacturer. I'm getting estimates for another unit and every company tech that comes out says how surprised he is that the Good 4 nothing unit isn't working and how it's the top of the line. Class action lawsuit? Count me in!	
Name:	Mark C.
Date Created:	May 7, 2012
Site:	www.furnacecompare.com
Please consider other companies' products before buying Goodman. Bad experience here with coil leaking, capacitor failure, motor vibration and cost to resolve. I am told that the new liquid coolants required by law burst thru Goodman coils. So why do they sell them and press you to buy extended warranty? You still pay for parts after they try and give you a story. Some good companies don't ask you to buy warranty, they back the product. Spend the \$\$ and get a Trane or something else. There is a difference. Stay away from Goodman/Amana. Good luck.	
Name:	Tony
Date Created:	August 22, 2013
Site:	www.furnacecompare.com
I bought this unit in June of 2009 and it's now on the 5th compressor second inside coil and second outside coil, and additional \$1100 in labor. Don't buy this model the worst Goodman product.	
Name:	R. McKenney
Date Created:	April 3, 2012
Site:	www.furnacecompare.com
"Unreliable Product" - Copper pipe used (exterior and interior) has developed leaks in 2 of 3 years owned. Warranty covered replacement part but not labor or 21 lbs coolant. \$1500 in extra charges in 2 years.	

Name:	Matt
Date Created:	March 29, 2012
Site:	www.furnacecompare.com
<p>"Leaks and More Leaks" - I've had 5 coils replaced on two units and about to replace another 1 or 2 as both units froze up last night. In spite of what some of the professionals on here say, these units are defective by design, plain and simple. This is not an "installation" issue, there are almost 70% negative reviews on here and it is doubtful 70% of installations are defective and repeated as many times as some of us have experienced. Meanwhile the outside units hardware is corroding after only 6 years. If you cannot design and build hardware to last in the environment that it has to operate in (yes it gets wet,duh) then your warranty means nothing as the homeowner has to absorb the cost of labor and Freon at \$40/lb plus replacement of parts not covered that are very expensive. The auto industry gets it why not the ac industry. I have an 11 year old car that is outside all the time, has no rust and the ac still works!</p>	
Name:	John
Date Created:	March 26, 2012
Site:	www.furnacecomare.com
<p>Capacity 4100 Eer 13 Seer 15- I bought this unit 3 years ago paying \$5,000 In Year 2 the capacitor went out. Now in year 3 the evaporator coil has gone out. While the parts are covered the labor is not. I just spent \$200 in labor and the guy said he gave me a deal because the normal price is 800-900 dollars in labor. My previous unit was put in in 1983. When I had it replaced in 2007 it was still working just fine. It was a Trane and although today's may not be as good it has to be better than this Goodman piece of junk!</p>	
Name:	Christian Drew
Date Created:	February 26, 2012
Site:	www.furnacecompare.com
<p>My coil has been replaced 4 times, it just went out again last night and I live in south florida</p>	
Name:	Kevin Obrien
Date Created:	August 20, 2011
Site:	www.furnacecompare.com
<p>"Goodman Unit Dead After 2 years... Do not buy!" - I replaced a 19 year old ac Unit and Air Handler with a Goodman Unit to keep up the expensive repairs. I immediately put a service contract on the unit and had it serviced 3 times a year. The ac was blowing hot I had freon pumped it lasted one day we found the coil had a leak a week later unit was blowing hot had the system checked the compressor was bad. I have several properties and have replaced units before but not this quick. We spent \$2,000 fixing this two year old unit. Goodman will warranty parts I could deal with one part being bad</p>	

but having the coil and compressor go bad in 2 years is unacceptable. Do not buy Goodman products.	
Name:	David
Date Created:	June 10, 2011
Site:	www.furnacecompare.com
I had a Goodman unit installed 4 years ago. It has been a problem since the first month it was installed. The Company that installed it refuses to come out and work on it. I have had the evaporator coil replaced three times. Each time it cost me \$825.00 for freon and labor. I called Goodman and their reply is we only warranty the parts. Goodman products are junk. There should be a law suit filed against the company. This is fraud. Everyone one including Goodman knows they have an issue with their product. Goodman be responsible DO SOMETHING with your product.	
Name:	C. Mobley
Date Created:	August 16, 2010
Site:	www.furnacecompare.com
Moved into a new house Nov. 2006, builder had installed two Goodman a/c units. Less than 2 yrs. later, had to replace one unit for leaky coils, \$500 labor. One year after that, 2nd unit had to be replaced for leaky coils, \$500 labor. One year later, the first unit again went out, with same problem and needs to be replaced, \$500 labor. Contacted Goodman in May, seemed friendly and helpful, have tried numerous times since to contact them, do not return calls.	
Name:	Marlene Diaz
Date Created:	July 28, 2010
Site:	www.furnacecompare.com
"My worst nightmare!" - I just bought this unit on June 2010. I live in Miami, FL. Since the first day it was installed, it has not work. I put it at 74 degrees and during the day start going up to 80 degrees. Then at night time, it starts cooling. In one month, they have sent 3 different technicians to check it out and still not working. As I'm writing now, they came to take the coil and replace it for a new one. It's so hot in Miami that I can't take it anymore. I have to leave the house with my 3 year old son. I think I bought an oven not an A/C. Never again.	

103. Even professional HVAC technicians criticize the poor quality of Goodman products and the fact that its coils prematurely corrode and causing leakage:

Name:	Dgussler
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Date Created:	November 7, 2012
Site:	www.HVAC-Talk.com
I have run into the same thing with Goodman condensing units, especially older models. They will leak right in the coil itself and most of the time they are down low in the coil. I used to take a pair of needle nose pliers and rip out the aluminum fins surrounding the copper and repair the leak. Most of the time it is a thin hairline crack in the tubing. I don't repair them anymore I just replace the coil. But yeah they are junk.	
Name:	Eppy
Date Created:	November 10, 2012
Site:	www.HVAC-Talk.com
We did a large apartment building this year with nothing but Goodman, 180 units or so. We had around 16 leaking coils right out of the box. Coils and hot surface ignitors were a big issue. I never want to see another Goodman again.	
Name:	Ben Boutin
Date Created:	August 30, 2012
Site:	www.furnacecompare.com
I am a 10 year journeyman hvac installer/service technician and have for the first time in my life, felt compelled to formally complain about any hvac equipment company. I have installed 20 or so Goodman units (commercial/residential) in the last few years and would strongly recommend to anyone, choose a different brand! I've worked with every brand of hvac equipment and by far, have had the highest ratio of units requiring service calls on "new" units from Goodman. They are junk. The quality control from the manufacturer is horrible. If I had to explain the repairs I've had to do on new equipment, this review would take you hours to read. Don't let their fancy warranty impress you, or their cheaper price tag. Buy anything else and get a professional installer. Trust somebody in this trade and save writing your own review.	
Name:	ChairAir
Date Created:	April 6, 2010
Site:	www.HVAC-Talk.com
I have been installing units for 10 years, as a contractor for 5. Last year we installed about 100 Amana/Goodman units. I have not kept accurate statistics, but it sure does seem like a lot of these evaporator coils have been bad in the first year (like 5% or more) They are leaking in the coil itself.	
Name:	Special Ed
Date Created:	October 24, 2010
Site:	www.HVAC-Talk.com
The aluminum coils are nice. But we don't typically change them for	

performance reasons; we do it because the copper one was leaking like a sieve.	
Name:	Eric P.
Date Created:	August 8, 2012
Site:	www.pissedconsumer.com
i've had a goodman air conditioner/furnace for 2 yrs. I opened up the evaporator to check on the coil and noticed strange corrosion where the smaller capillaries connect. It looks like some kind of galvanic corrosion issue, a design flaw , like an incompatible contact between metals of coil and frame. For work I regularly service carrier heat pumps at commercial buildings that sometimes have never been cleaned in 30yrs. they still run and the coils don't have the kind of corrosion that i see on this junk.	

104. Tom Durbin, an HVAC technician with over forty-five years of experience and a third generation Air Conditioning and Heating Master License technician, wrote on his website:

<p>Goodman and Amana are changing their policies on how they treat these warranty coil repairs on a weekly basis. I don't think you'll find very many dealers that are happy about how things are going. And for sure you will not find any customers that feel that they are being treated properly. The leaking coil causes Freon to escape and it has to be replaced, there is no compensation from the manufacture for that problem. So the technician is faced with do I leave my customer unhappy and hot or do I add some Freon to getting them by until the necessary approval of the replacement coil can be made. We also have to find the leak, I will tell you this over the last three years we have only found two maybe three leaks that were not in the evaporator coil. Now we are checking the evaporator coil before we look for leak anywhere else. This is a directive that we have received from Goodman is that any coil with a ser member that starts with 07 or 08 is the only coils that they are going to stand responsible for and pay a labor allowance to change.</p> <p>Goodman is indicating to its dealers that there are having problems with copper coils that were manufactured during the years of 2007 and 2008. They're saying that these copper coils are what are causing the problems during those years. [emphasis added]</p> <p style="text-align: center;">***</p> <p>Received notification from Goodman today 5/29/2012 that no one is getting paid on the coil program. Just as I earlier mentioned Goodman is changing their policies on their warranty programs on a daily basis . I have customers that have had as many as three coil changes and another with as many as</p>
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four, I think it's time to take a little action. [emphasis added]

www.tomdurbin.com

105. Goodman was or should have been fully aware of the defective coils in the Goodman Products. Goodman Products contained coils with copper tubing that were manufactured and/or designed too thin and corroded prematurely, which caused refrigerant to leak out. These defects in the Goodman products were not discoverable upon reasonable inspection of the units by Plaintiffs or members of the Classes.

106. Goodman's refusal to pay for diagnostic, labor and refrigerant costs is unconscionable because it knew, at the time of selling the Goodman Products, that the coils were defective, caused refrigerant leakage, and that Plaintiffs and other consumers would unjustly incur significant out-of-pocket costs to hire an HVAC technician to diagnose the problem, replace the coil, and replace the refrigerant.

107. Although Defendants knew about the coil defects, they continued to market and sell Goodman Products without notifying consumers of the defects. In certain instances where angry consumers demanded recourse from Goodman, Goodman attempted to put a temporary band-aid on the problem by offering to reimburse some of the costs, purportedly as a "goodwill" gesture, in exchange for the consumers' agreement not to sue. As Goodman consumers noted:

Name:	J. Michael
Date Created:	November 10, 2009
Site:	Furnacecompare.com
<p>"Two units failed after 28 months" - Tenth repair/adjustment of units since buying new (both heat and cooling problems). Two units in house and both coils have leaks and need replacement, total labor cost \$1,300 (obtained several quotes to get this price). Goodman provided parts at no cost, but labor to reinstall inferior products is unacceptable. Goodman Consumer Affairs told me to submit invoices and Goodman would cover the labor. not! Just</p>	

received legal letter from their Consumer Affairs Mgr saying they would cover \$300 if I agree to release Goodman and all associates from any and all claims, now and forever. Does this sound like a company operating in good faith?

Name:	WO
Date Created:	November 3, 2011
Site:	www.furnacecompare.com

"BEWARE!!!" - We had the Goodman GSH130241A until installed after our other was hit by lighting. Less than a year after it was installed the unit froze over and the ac company that did the insurance install said the coil was leaking so they replaced them. Since it was less than a year from the install there was no out of pocket for us. Then just 26 months later same issue again however this time we were over \$400 because it was over a year since the coils were replaced. Called and emailed Goodman and was asked to send in all my receipts and they would review it for reimbursement. I then filed a complaint with the Florida Department of Consumer Affairs and they also opened a case and followed up. I then received a letter from FDCA stating that Goodman was going to follow up with a resolution and to work with them. Goodman's resolution was an offer of \$148 and wanted us to sign a release letter not holding them liable...right. Then, just a few months later the same thing again. Coils leaking...so here we are now with a Goodman representative and the installers technicians at our house. This is still ongoing not sure what the resolution is going to be but at this point...stay far, far away from this company if you want a reliable ac unit!!!!

108. Furthermore, in a survey conducted by the Consumer Reports National Research Center of more than 40,000 readers of Consumer Reports Magazine who bought a central air conditioning system, it was found that Goodman, Amana (which is a Goodman brand) and another brand had the most repairs out of ten brands of air conditioners. Goodman was also ranked the very worst, as compared to seven other brands, with respect to repair of central heat pumps. The Consumer Reports survey further found that “fixing any central A/C system can be a real headache. ... the roughly 30 percent who had problems shelled out \$150 or more for the repair.”

Goodman Identified Formicary Corrosion as the Cause of Its Coil

**Problems, but Continued to Sell Those Coils, and Took Steps to
Hide the Cause of the Failures.**

109. Formicary corrosion has been identified as a potential cause of refrigerant leakage, at least in copper coils. Formicary corrosion is a corrosion process occurring in copper that is so named because the tunnels or perforations formed in the copper by the corrosion process wind and intersect and when viewed in cross-section resemble an ant's nest, or formicary. For formicary corrosion to occur, three items must be present: 1) oxygen, 2) moisture, and 3) organic acid. Clearly, oxygen and moisture are normally present on the surface of coils in normal service. Moisture is present because in addition to cooling the inside air in the home, the evaporator coil dehumidifies the air and moisture condenses on the outside surface of the evaporator coil, while in condenser coils, humidity exists in the natural environment. Formicary corrosion may be seen somewhat less often in condenser coils, because they are hotter and moisture condensation is less common.

110. In time, the industry determined that organic acids were present or could be formed by the chemical breakdown of common household items including cleaners, plastics, laminates, adhesives, etc. The presence of these organic acids, along with moisture and oxygen caused formicary corrosion. Added to the equation was the fact that in the 1990's, homes started becoming more air tight. Thus, volatile organic substances such as these acids started to concentrate in homes, instead of being exhausted from the home via normal air circulation, resulting in more frequent occurrences of formicary corrosion in evaporator coils.

111. In the late 1990's and early 2000's the industry learned, however, that not all of the organic acids came from the household environment. In fact, many of the chemicals utilized in producing the coils themselves contained components that would break down and form

organic acids that caused formicary corrosion in the coils. This led some manufacturers to develop screening processes to carefully evaluate any chemicals coming into contact with their coils during manufacture and to assure they were chemically stable and did not form organic acids in the presence of moisture. These manufacturers then monitored their internal manufacturing processes to assure no unapproved chemicals were utilized.

112. Certain manufacturers took measures to address the formicary corrosion issue, such as scrubbing their manufacturing processes, materials, and environment to ensure that corrosive agents were not present in the production environment.

113. Goodman took measures consistent with addressing the formicary corrosion problem, such as eventually changing the design of all its evaporator coils from copper to all aluminum, which, as noted above, Goodman explained would “prevent a leading cause of premature evaporator coils failures[.]”

114. As also explained above, Goodman implemented a program to reimburse its dealers (its direct customers) for the premature failure of its coils. But Goodman did not implement such a program to reimburse consumers and refused to acknowledge publicly, or in its communications with consumers that reported coil failures, that its evaporator and condenser coils were defective. Nor did Goodman issue a recall.

115. After lawsuits such as the instant action were filed, Goodman started offering a “goodwill” credit to consumers that complained about their leaking coils so long as the consumer would sign a release waiving their right to pursue any legal action against Goodman.

116. Goodman’s website claims “When you choose the Goodman brand, you can rest assured that you’ll receive a refreshingly affordable product that’s covered by what many consider to be the best product warranties in the heating and cooling industry.” Instead of having

some of the best warranties in the HVAC industry, Goodman actually used its limited warranties to shift the burden of the defective nature of its product onto consumers. Such affirmative acts prevented, and in fact did prevent, consumers from discovering the defects or pursuing their rights appropriately.

Goodman's Warranty and Its Unconscionable Limitations.

117. Goodman expressly and impliedly warranted, via its user manuals, website, brochures, specifications, and/or models that the Goodman Products are fit for the ordinary purpose in which such goods are used.

118. All Goodman Products bearing the Goodman® trade name came with an express warranty between defendant Goodman Manufacturing Company, L.P. and the owner of the Goodman Unit. All Goodman Products bearing the Amana® trade name came with an express warranty between defendant Goodman Company, L.P. and the owner of the Goodman Unit. In their express warranties, Goodman Manufacturing Company, L.P. and Goodman Company, L.P. expressly warranted to the owners of the Goodman Products that the Goodman Products were “free from defects in materials and workmanship that affect performance under normal use and maintenance” for a period of 10 years if the unit is registered with Goodman online within 60 days after original installation or for a period of 5 years if the product is not registered.

119. Goodman Manufacturing Company, L.P. and Goodman Company, L.P.'s warranties also state that “ALL IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE ARE LIMITED TO THE DURATION OF THIS WARRANTY.” In other words, the duration of any implied warranties is limited to the duration of the express warranty.

120. In their express warranties, Goodman Manufacturing Company, L.P. and

Goodman Company, L.P. also expressly warranted to the owners of the Goodman Products that:

As its only responsibility, and your only remedy, Goodman will furnish a replacement part, without charge for the part only, to replace any part that is found to be defective due to workmanship or materials under normal use and maintenance. For warranty credit, the defective part must be returned to a Goodman heating and air conditioning products distributor by a state certified or licensed contractor.

121. Goodman Manufacturing Company, L.P. and Goodman Company, L.P. also expressly warranted that “[t]hese warranties do not apply to labor, freight, or any other cost associated with the service, repair or operation of the unit.”

122. Goodman Manufacturing Company, L.P. and Goodman Company, L.P.’s warranties further state that “GOODMAN SHALL IN NO EVENT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO EXTRA UTILITY EXPENSES OR DAMAGES TO PROPERTY.”

123. The above warranty limitations on a Goodman Unit owner’s potential remedies are unconscionable and/or fail their essential purpose because the Goodman Products contained defective evaporator and condenser coils that were defective at the time plaintiff and members of the acquired their Goodman Products and because Goodman knew that its coils were defective, but continued to represent that the Goodman Products were free of defects and failed to inform consumers about the defective coils.

124. The real costs associated with an evaporator or condenser coil that leaks prematurely are the cost of labor and refrigerant associated with removing the defective coil and replacing it with a new one. By way of its limited warranty, Goodman is seeking to shift the entire burden of these costs onto the consumer, even though Goodman knew all too well that its coils were defective and the cause of the problem. Furthermore, Goodman was replacing its

defective coils with replacement coils that had the same problem as the original coil and were equally prone to failure. Many consumers, therefore, have had to pay for the cost of replacing a defective Goodman evaporator and/or condenser coil multiple times. Under these circumstances, Goodman's limited warranty is unconscionable and fails its essential purpose.

125. The above warranty limitations on a Goodman Unit owner's potential remedies are also unconscionable and/or fail their essential purpose because plaintiff and members of the class had no ability to detect the defect in the Goodman Products and had no notice of the defect.

126. Accordingly, the bargaining power between the parties was grossly unequal and the warranty limitations rendered the warranty substantially one-sided, thereby rendering the warranty limitations unconscionable.

127. In fact, not only did Goodman fail to inform consumers about the defective coils, but Goodman falsely represented, and continues to falsely represent on its website, www.goodmanmfg.com, inter alia, that:

- a. Goodman has "focused on the design, engineering, and manufacture of dependable products that helped millions and millions of homeowners achieve reliable, high-quality, and affordable indoor comfort;"
- b. Goodman's goal is to "build more reliable, longer lasting products than anyone else;"
- c. Goodman's philosophy is to "[c]reate products that are engineered for reliable long life, utilizing the best components with some of the lowest failure[] rates in the industry;"
- d. Consumers should not "choose between affordability, durability, and optimum cooling comfort. Install a Goodman brand air conditioner and get all three;"

and

- e. “Every Goodman brand indoor comfort product is built to the highest standards of the heating and cooling industry, and in many cases Goodman products exceed those standards. The high quality of our product warranties reflects the high standards of our manufacturing processes.”

128. Goodman also repeatedly promotes the quality and superiority of the warranties it offers with its Units on its website. For example, Goodman claims on its website that “[a]ll Goodman brand air conditioners come with outstanding warranty coverage.” In a February 2, 2012 press release published on its website, Goodman claims that “the Goodman brand layers on some of the industry’s most robust limited warranties on its products.” And that limited warranties like Goodman’s “can only come from a company that is 100% certain of the quality and reliability of its products.”

129. Accordingly, Goodman intended to give consumers, via the representations on its website, the impression that the Goodman Products were reliable, durable, dependable, and long-lasting. In fact, as noted above, Goodman states on its website that if the Goodman Products are properly maintained, consumers can expect them to last 12 to 15 years. Goodman also intended to give consumers the impression that in the unlikely event that the Goodman Products failed prematurely, the consumer would be secured by Goodman’s outstanding warranty coverage. All of these representations were intended to induce, and did induce, plaintiff and members of the class to purchase Goodman Products.

130. The representations on Goodman’s website were false and/or misleading because the Goodman Products were not reliable, durable, dependable, and long lasting due to the defective coils. Additionally, Goodman’s warranties failed to make plaintiff and members of the

class whole or provide them with the benefit of their bargain.

131. Defendants were aware of the defective coils but nonetheless failed to disclose the defects to Plaintiffs or to the public. Plaintiffs suffered damages in that Plaintiffs incurred costs to diagnose the problem, labor costs to repair the defective Goodman units, and costs to replace the refrigerant. These costs were unreasonable and unconscionable for Plaintiffs to bear because Goodman was aware that the Goodman Products were defective and were prone to fail prematurely. In addition, Plaintiffs and other Class Members have conferred a benefit on Goodman by overpaying for their defective Goodman Products. As a result of Goodman's misconduct and omissions, Plaintiffs and other Class members failed to receive their benefit of the bargain and suffered losses.

132. On February 2, 2012, in a press release entitled "The Nation's 'Newest' HVAC Manufacturer Celebrates 30 Years of HVAC Goodness," Goodman touted the "robust" warranties on its products and how "a homeowner may never need these warranties." In the press release, Goodman also announced that it had introduced an all-aluminum coil "[t]o prevent a leading cause of premature evaporator coil failures." However, Goodman did not admit or acknowledge that the Goodman Products had experienced premature coil failures, or that such failures were widespread.

FIRST CAUSE OF ACTION

Declaratory Relief

(Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq.*)

(On behalf of all Plaintiffs, and members of the Classes)

133. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows an actual controversy, over which this Court has jurisdiction, now exists between Plaintiffs and Defendants concerning their respective rights, duties and

obligations for which Plaintiffs' desire a declaration of rights under the Express Warranties. Pursuant to 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."

134. Goodman's Express Warranties promise to replace the common defect, namely, the defective air conditioning coils in the Goodman Products, regardless of whether the defect manifested itself within the warranty period. Goodman breached the Express Warranties by causing Plaintiffs and Class Members to receive HVAC units worth less than those HVAC units that conform to the promise contained in the warranty agreement, and by refusing to repair or replace the defectively designed HVAC units within the applicable warranty period. Goodman disputes each of Plaintiffs' contentions.

135. Plaintiffs desire a judicial determination and declaration of the parties' respective rights, duties and obligations under the Express Warranties, and specifically that Plaintiffs and the Class are entitled to coverage of the repair and replacement of the defective HVAC units, or any of their component parts under the Express Warranties.

136. A judicial declaration is necessary and appropriate at this time under the circumstances in order that Plaintiffs and each Class member may ascertain their rights and duties under the Express Warranties. At this time, Plaintiffs and each Class member have a Goodman Product that was or currently is defective in design, materials and/or workmanship. Plaintiffs and each Class member have suffered economic damages at the time of their purchases and have paid repair and replacement costs as a result of the defective Goodman Products, or will have to pay for such costs.

SECOND CAUSE OF ACTION

Injunctive Relief

(On behalf of all Plaintiffs and members of the Classes)

137. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

138. Goodman designed, manufactured, produced, tested, inspected, marketed, distributed, and sold Goodman Products that contain a material defect as described above.

139. Goodman continues to market, distribute, and sell Goodman Products that contain the material defect in design, materials and/or workmanship and has done nothing to remove, retrofit or repair Goodman Products containing the defect described herein from the market and from the possession of consumers.

140. The material defect in design, materials and/or workmanship described herein poses an imminent risk of failure to consumers and the public.

141. Goodman has taken no corrective action concerning the defect described herein and has not issued any warnings or notices concerning the defect, replaced, retrofitted or repaired the defective Goodman Products, or implemented a product recall.

142. Plaintiffs and Class Members have suffered actual damage or injury or are in immediate risk of suffering losses due to the defective Goodman Products.

143. Goodman should be required to take corrective action to avoid the serious and immediate risks its Goodman Products pose, including: issuing a nationwide recall to replace and/or retrofit the defective Goodman Products; issuing warnings and/or notices to consumers and the Class Members concerning the design defect and the risks it poses; and, if Goodman has not already done so, immediately discontinuing the manufacture, production, marketing, distribution, and sale of the defectively designed Goodman Products.

THIRD CAUSE OF ACTION
Breach of Express Warranty

(On behalf of all Plaintiffs and members of the Classes)

144. Plaintiffs repeat and reallege each and every allegation contained in paragraphs above as if fully set forth herein.

145. Plaintiffs purchased or were required to repair/replace one or more Goodman Products.

146. Goodman expressly warranted to Plaintiffs and the Classes that the Goodman Products: (a) came with a ten year warranty under certain circumstances or at least a five year warranty; and (b) would be “free from defects in materials and workmanship that affect performance under normal use and maintenance.” Goodman’s Limited Warranty (attached hereto as Exhibit A) provides, in relevant part, that:

This heating or air condition unit is warranted by Goodman Manufacturing Company, L.P. (“Goodman”) to be free from defects in materials and workmanship that affect performance under normal use and maintenance as described below:

- To the original registered owner and his or her spouse (“owner”), all parts are warranted for a period of 10 years or for as long as the owner owns the home in which the unit was originally installed (whoever ends first), except as provided below. However, this warranty applies only if:
 - 1) The unit is installed in an owner-occupied, single family residence, and
 - 2) The unit is properly registered with Goodman online within 60 days after the original installation....
- If the above warranty does not apply, then all parts are warranted for a period of 5 years.

* * *

The warranty period begins on a date of the original installation. Where a product is installed in a newly constructed home; the date of installation is the date the

homeowner purchased the home from the builder. If that date cannot be verified, the warranty period begins three months from the date of manufacture (indicated by the first four digits of the serial number (yyymm)).

A true and correct copy of the Express Warranty is attached hereto as Exhibit A.

147. Goodman breached its warranty because Plaintiffs did not receive a Goodman Product that was free of defects. Specifically, the Goodman Products were defectively manufactured using materials which are insufficient for the pressures required in the coils, leading to premature evaporator and condenser coil corrosion and refrigerant leaks from the Goodman Products.

148. The defects in the Goodman Products are latent and not discoverable on reasonable inspection. As such, Goodman's express warranty fails in its essential purpose.

149. In addition, because the Goodman Products contain a latent defect, any warranty limits are unconscionable.

FOURTH CAUSE OF ACTION
Breach of Written Warranty
(Magnuson-Moss Warranty Act, 15 U.S.C. §§ 2301 *et seq.*)
(On behalf of all Plaintiffs and members of the Classes)

150. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

151. This Court has jurisdiction to decide claims brought under 15 U.S.C. § 2301 by virtue of 28 U.S.C. § 1332 (a)-(d).

152. Plaintiffs are "consumers" within the meaning of Magnuson-Moss Act, 15 U.S.C. § 2301(3).

153. Goodman is a "supplier" and "warrantor" within the meaning of the Magnuson-Moss Act, 15 U.S.C. §§ 2301(4)-(5).

154. The defective Goodman Products at issue in this lawsuit are “consumer products” within the meaning of the Magnuson-Moss Act, 15 U.S.C. § 2301(1).

155. 15 U.S.C. § 2301(d)(1) provides a cause of action for any consumer who is damaged by the failure of a warrantor to comply with a written or implied warranty.

156. Goodman’s express warranties are written warranties within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(6). The defective Goodman Products’ implied warranties are covered under 15 U.S.C. § 2301(7).

157. Goodman breached these warranties as described in more detail above, but generally by manufacturing HVAC units that are defective in design, materials and workmanship and that are likely to fail prematurely; providing defective Goodman Products not in merchantable condition and which present an unreasonable risk of failure and are not fit for the ordinary purpose for which HVAC units are used; providing HVAC units that were not fully operational, or reliable; refusing to repair or replace, free of charge, the defective Goodman Products or any of their component parts and instead charging for repair and replacement parts; and not curing defects and nonconformities once they were identified.

158. Plaintiffs have had sufficient dealings with Goodman through its written warranties to establish privity of contract between Goodman, Plaintiffs, and all members of the Classes. Notwithstanding this, privity is not required in this case because Plaintiffs and all members of the Classes are intended third-party beneficiaries of Goodman’s implied warranties. The Goodman dealers were not intended to be the ultimate consumers of the Goodman Products and have no rights under the warranty agreements provided with the Goodman Products; rather, the warranty agreements were designed for an intended to benefit the ultimate consumers only. Finally, privity is also not required because all members of the Classes’ Goodman Products are

defective instrumentalities due to the aforementioned defect.

159. The amount in controversy of each Plaintiff's individual claim meets or exceeds the sum or value of \$25. In addition, the amount in controversy meets or exceeds the sum or value of \$50,000 (exclusive of interests and costs) computed on the basis of all claims to be determined in this suit.

160. As a direct and proximate result of Goodman's breach of written warranties, Plaintiffs and all members of the Classes sustained damages and other losses in an amount to be determined at trial. Goodman's conduct caused Plaintiffs' and all members of the Classes' damages and accordingly Plaintiffs and all members of the Classes are entitled to recover damages, specific performance, diminution in value, costs, attorney fees, rescission, and/or other relief as appropriate.

161. Goodman is liable to Plaintiffs and all members of the Classes pursuant to 15 U.S.C. § 2310(d)(1), because it breached the implied warranty of merchantability. Specifically, the Goodman Products have a design defect that renders the Goodman Products incapable of performing their intended function.

162. Goodman also is liable to Plaintiffs and all members of the Classes pursuant to 15 U.S.C. § 2310(d)(1), because it breached its written warranties to Plaintiffs and Class members. Specifically, Goodman breached its written warranties to Plaintiffs and all members of the Classes by failing to provide non-defective Goodman Products, and/or perform repairs/retrofits sufficient to render the Goodman Products non-defective during the warranty period despite knowledge of the design defect and the serious risks they pose to Plaintiffs and all members of the Classes.

163. Plaintiffs and the Class members gave Goodman an opportunity to cure pursuant

to 15 U.S.C. § 2310(e) by inter alia, their repeated contacts with Goodman over the defect as described herein which notified Goodman of the defect present in all Goodman Products purchased by all members of the Classes, but Goodman failed to provide Plaintiffs and all members of the Classes with non-defective Goodman Products.

164. Further, when notified of a defective Goodman Product, it is Goodman's practice to routinely deny liability for costs of labor for diagnosing the problem, repair costs, replacement of the leaked refrigerant, higher utility bills, or any damage caused by the defect.

165. Even if this were not the case, requiring an informal dispute settlement procedure and/or to afford Goodman a reasonable opportunity to cure its breach of written warranties to Plaintiffs would be unnecessary and futile. At the time of sale to Plaintiffs, Goodman knew, should have known, or was reckless in not knowing of the defect and Goodman's misrepresentations concerning the defectively designed and/or manufactured HVAC unit's inability to perform as warranted, but nevertheless failed to rectify the situation and/or disclose it to Plaintiffs. Moreover, the remedies available through any informal dispute settlement procedure would be wholly inadequate under the circumstances. Accordingly, and requirement under the Magnuson-Moss Act or otherwise that plaintiffs resort to any informal dispute settlement procedure and/or to afford Goodman a reasonable opportunity to cure its breach of written warranties to Plaintiffs is excused and, thereby, deemed satisfied.

166. Plaintiffs and all members of the Classes would suffer economic hardship if they returned their HVAC units but did not receive the return of all payments made by them. Because Goodman is refusing to acknowledge any revocation of acceptance and return immediately any payments made, Plaintiffs and all members of the Classes have not re-accepted their defective Goodman Products by retaining them.

167. Pursuant to 15 U.S.C. § 2310(d)(1), Plaintiffs and all members of the Classes seek to revoke their acceptance of the defective Goodman Products, or, in the alternative seek all damages caused to them by Goodman's breaches of implied and express warranties, which damages constitute the cost of replacing the Goodman Products with non-defective Goodman Products, retrofit of the defective Goodman Products, diminution in value of their HVAC units plus all costs Plaintiffs and Class members reasonably incurred or will incur in removing and re-installing, replacing or retrofitting the Goodman Products.

168. In addition, pursuant to 15 U.S.C. § 2310(d)(2), Plaintiffs and all members of the Classes are entitled to recover a sum equal to the aggregate amount of costs and expenses (including attorneys' fees based on actual time expended) determined by the Court to have been reasonably incurred by Plaintiffs and all members of the Classes in connection with the commencement and prosecution of this action.

FIFTH CAUSE OF ACTION

Negligence

(On behalf of all Plaintiffs and members of the Classes)

169. Each of the preceding paragraphs is incorporated by reference as though fully set forth herein.

170. Goodman was negligent in that they failed to use reasonable care when they designed, created, manufactured, assembled, labeled, tested, distributed and sold their defective Goodman Products.

171. As the manufacturer and/or seller of a consumer product, Goodman owed a duty to Plaintiffs and the putative Class members to provide a quality product, and a duty to provide a product that would perform as it was intended and expected. Goodman also owed a duty to Plaintiffs and the putative Classes to provide adequate instructions and warnings for proper use

of the product. Goodman further owed a duty to provide Plaintiffs and the putative Classes with information related to Goodman Products' reasonable expected life and information related to its maintenance and replacement.

172. Goodman breached each one of these duties.

173. As a direct and proximate result of Goodman' negligence, lack of care, and other wrongful acts, Plaintiffs and the putative Class members sustained damages.

174. As a result of Goodman' negligence, Plaintiffs and the putative Classes have suffered actual damages in the amounts they have paid to repair/replace defective Goodman Products and components, together with consequential and incidental damages.

175. That as a direct, proximate and foreseeable result of Goodman' negligence, Plaintiffs and the putative Class members have been damaged in the aggregate, in an amount to be determined at trial.

SIXTH CAUSE OF ACTION
Strict Liability-Design Defect and Failure to Warn
(On behalf of all Plaintiffs and members of the Classes)

176. Each of the preceding paragraphs is incorporated by reference as though fully set forth herein.

177. Goodman designed, manufactured, sold and/or distributed defective Goodman Products to Plaintiffs and the putative Classes.

178. Goodman Products that Goodman designed, manufactured, sold and/or distributed were defective in their design. Further, the Goodman Products were defective when they left Goodman's control.

179. Goodman knew, or should have known, that the Goodman Products contained a non-obvious danger of failure in their materials/design. Goodman knew that the Goodman

Products were highly susceptible to failure under expected installation conditions, and that consumers would not repair/replace their defective Goodman Products without an instruction to do so.

180. Goodman knew that Plaintiffs and the Classes would use the Goodman Products without first inspecting their durability. Goodman failed to inform Plaintiffs and the members of the Classes as to the Goodman Products susceptibility to failure and warn them to repair/replace the Goodman Products.

181. The Goodman Products designed, manufactured, sold and/or distributed by Goodman were defective due to inadequate warnings and inadequate inspection and testing, and inadequate reporting regarding the results of quality-control testing and inspections, or lack thereof.

182. Had Plaintiffs and the members of the Classes been adequately warned about the likelihood that Goodman Products would fail, they would have taken steps to avoid damages by replacing the Goodman Products.

183. As a direct and proximate result of the defective condition of the Goodman Products as designed, sold and/or distributed by Goodman, Plaintiffs and other members of the Classes have been injured by having to incur repair/replacement costs they would not have otherwise had to suffer.

SEVENTH CAUSE OF ACTION

Negligent Failure to Warn

(On behalf of all Plaintiffs and members of the Classes)

184. Each of the preceding paragraphs is incorporated by reference as though fully set forth herein.

185. Goodman designed, sold and/or distributed defective Goodman Products to

Plaintiffs and the Classes.

186. Goodman knew or reasonably should have known that their Goodman Products were defective and/or were likely to fail when used in a reasonably foreseeable manner.

187. Goodman knew or reasonably should have known that Plaintiffs and the Classes would not realize that the Goodman Products were defective.

188. Goodman failed to adequately warn of the potential; failure of the Goodman Products or to instruct Plaintiffs and the Classes on the proper use of the product, including repair/replacement of defective components.

189. A reasonable manufacturer, distributor, assembler, or seller under the same or similar circumstances would have warned of the danger of failure or instructed on the proper use of the Goodman Products, including but not limited to, providing detailed installation instructions together with warnings to repair/replace the Goodman Products and/or their defective components.

190. As a direct and proximate result of the defective condition of the Goodman Products as designed, manufactured, sold, assembled, and/or distributed by Goodman, Plaintiffs and other members of the Classes have been injured by having to incur repair/replacement costs they would not have otherwise had to suffer.

191. Goodman's failure to warn or instruct Plaintiffs and the Classes was a substantial factor in causing their harm.

EIGHTH CAUSE OF ACTION
Breach of Express Warranty
(Ohio Rev. Code Ann. § 1302.26)
(Plaintiffs Rocco and Janet Siriano individually
and on behalf of the Ohio Class)

192. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged

herein and further allege as follows Goodman is a “merchant” within the meaning of Ohio Rev. Code § 1302.01(5).

193. The Goodman Products are “goods” within the meaning of Ohio Rev. Code § 1302.01(8).

194. As fully pled above, Goodman’s advertising and website held its products out as superior products with a superior warranty, stating that “Warranties like these can only come from a company that is 100% certain of the quality and reliability of its products.”

195. Goodman’s promises of quality and reliability became part of the basis of the bargain which the Sirianos and Ohio Class reasonably relied upon when the Plaintiffs and Class members purchased the Goodman Products.

196. As fully pled above, Goodman had knowledge of the defect alleged herein and that it posed a serious risk of failure to consumers like Plaintiffs Rocco and Janet Siriano and the Ohio Class. Further, the defect alleged herein existed at the time that the products left the Goodman’s control.

197. By issuing Goodman Products containing the defect to consumers like Plaintiffs and Ohio Class members after it gained knowledge of the defect, Goodman breached its express warranty to provide Goodman Products that were free from defects.

198. Goodman also breached its express warranty to repair to correct material defects or component malfunctions in its Goodman Products when it failed to do so despite knowledge of the defect and/or despite knowledge of alternative designs, alternative materials and/or options for retrofits.

199. Goodman has not repaired such material defects or component malfunctions in its Goodman Products.

200. Further, any “repairs” Goodman offers do not remedy the issue with its Goodman Products and are not adequate and cannot be adequate to remedy the serious issues caused by the effect.

201. The limited warranty of repair to the Goodman Products fails in its essential purpose because the contractual remedy is insufficient to make Plaintiffs Rocco and Janet Siriano and the Ohio Class whole and/or because Goodman has refused to provide the promised remedies within a reasonable time.

202. Also, as alleged in more detail herein, at the time Goodman warranted and sold the Goodman Products, it knew that the Goodman Products did not conform to the warranties and were inherently defective, and Goodman wrongfully and fraudulently misrepresented and/or concealed material facts regarding their Goodman Products.

203. Accordingly, Plaintiffs Rocco and Janet Siriano and the Ohio Class are not limited to the limited warranty of “repair” and Plaintiffs Rocco and Janet Siriano and the Ohio Class seek all remedies allowed by law.

204. As more fully detailed above, Goodman was notified of Plaintiffs’ Goodman Product defect but failed to provide a defect-free Goodman Product to Plaintiffs Rocco and Janet Siriano and the Ohio Class free of charge or to provide an adequate retrofit to remedy the defect.

205. As more fully detailed above, Goodman was provided with notice and has been on notice of the defect and of its breach of express written warranties through thousands of consumer warranty claims reporting problems in the Goodman Products, customer complaints, and its own internal and external testing and still failed to repair, replace or retrofit the Goodman Products to ensure they were free of materials defects or component malfunctions as Goodman promised.

206. As a direct and proximate result of Goodman's breach of its express warranties, Plaintiffs Rocco and Janet Siriano and the Ohio Class have suffered damages.

NINTH CAUSE OF ACTION
Breach of Implied Warranty of Merchantability
(Ohio Rev. Code Ann. § 1302.27)
(Plaintiffs Rocco and Janet Siriano individually and on behalf of the
Ohio Class)

207. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows Goodman is a "merchant" within the meaning of Ohio Rev. Code § 1302.01(5).

208. The Goodman Products are "goods" within the meaning of Ohio Rev. Code § 1302.01(8).

209. Goodman's implied warranty of merchantability accompanied the sale of the Goodman Products to Plaintiffs Rocco and Janet Siriano and the Ohio Class.

210. Goodman, by implication, warranted that the Goodman Products were fit for ordinary use.

211. The design and frequent failure of the Goodman Products made them defective and, thus, unfit for the ordinary purposes for which the goods are used. The Goodman Products are not fit for ordinary use.

212. As set forth herein, any effort by Goodman to disclaim or otherwise limit its responsibility for the defective Goodman Products is unconscionable under all of the circumstances, including because Goodman knew that the Goodman Products were unfit for normal use. Through the conduct described herein, Goodman has breached its implied warranty of merchantability and is liable to Plaintiffs Siriano and the Ohio Class and Subclass.

213. Plaintiffs Rocco and Janet Siriano and the Ohio Class have sustained damages as

a result of Goodman's breaches.

214. Plaintiffs Siriano and the Ohio Class have provided notice to Goodman regarding the problems they experienced with the Goodman Products and, notwithstanding such notice, Goodman has failed and refused to remedy the problems. Further, Goodman had actual knowledge of the defects.

215. As a result of Goodman's breach of the implied warranty of merchantability, Plaintiffs Siriano and the Ohio Class suffered damages.

TENTH CAUSE OF ACTION
Violation of Ohio's Consumer Sales Protection Act
(Ohio Rev. Code Ann. § 1345.01)
(Plaintiffs Rocco and Janet Siriano individually and on behalf of the
Ohio Class)

216. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows Goodman is a "merchant" within the meaning of Ohio Rev. Code § 1302.01(5).

217. Plaintiffs were each "consumers," Goodman was a "supplier," and the purchase of the defective Goodman Products constitutes a "consumer transaction" under Ohio Rev. Code § 1345.01.

218. Defendants represented that the defective Goodman Products had performance characteristics, uses, or benefits that it did not have. To wit, Defendants represented that the Goodman Products were "engineered for reliable long life, utilizing the best components with some of the lowest failure rates in the industry" and "built to the highest standards of the heating and cooling industry, and in many models exceeds those standards," when—in truth—the Goodman Products were defective because the products were manufactured with evaporator and

condenser coils that were too thin and easily corroded, causing refrigerant to leak out of the Goodman Products and causing their failure. Thus, Defendants committed an unfair and deceptive trade practice under Ohio Rev. Code § 1345.02(B)(1).

219. Defendants' representations had the likelihood of inducing in the mind of a consumer a belief which was not in accord with the truth of the product's characteristics, uses, and benefits.

220. Defendants knowingly made the representations that constitute an unfair and deceptive trade practice.

221. Therefore, the plaintiffs seek private remedies under Ohio Rev. Code § 1345.09, as appropriate and applicable to this action.

ELEVENTH CAUSE OF ACTION

Breach of Express Warranty

(13 Pa.C.S. § 2313)

(Plaintiffs Stephanie and Jason Oakley individually and on behalf of the
Pennsylvania Class)

222. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows Goodman is a "merchant" within the meaning of 13 Pa.C.S. § 2313.

223. The Goodman Products are "goods" within the meaning of 13 Pa.C.S. § 2313.

224. As fully pled above, Goodman had knowledge of the defect alleged herein and that it posed a serious risk of failure to consumers like Plaintiffs Stephanie and Jason Oakley and the Pennsylvania Class.

225. By issuing Goodman Products containing the defect to consumers like Plaintiffs and Pennsylvania Class members after it gained knowledge of the defect, Goodman breached its express warranty to provide Goodman Products that were free from defects.

226. Goodman also breached its express warranty to repair to correct material defects or component malfunctions in its Goodman Products when it failed to do so despite knowledge of the defect and/or despite knowledge of alternative designs, alternative materials and/or options for retrofits.

227. Goodman has not repaired such material defects or component malfunctions in its Goodman Products.

228. Further, any “repairs” Goodman offers do not remedy the issue with its Goodman Products and are not adequate and cannot be adequate to remedy the serious issues caused by the defect.

229. The limited warranty of repair to the Goodman Products fails in its essential purpose because the contractual remedy is insufficient to make Plaintiffs Stephanie and Jason Oakley and the Pennsylvania Class whole and/or because Goodman has refused to provide the promised remedies within a reasonable time.

230. Also, as alleged in more detail herein, at the time Goodman warranted and sold the Goodman Products, it knew that the Goodman Products did not conform to the warranties and were inherently defective, and Goodman wrongfully and fraudulently misrepresented and/or concealed material facts regarding their Goodman Products.

231. Accordingly, Plaintiffs Stephanie and Jason Oakley and the Pennsylvania Class are not limited to the limited warranty of “repair” and Plaintiffs Stephanie and Jason Oakley and the Pennsylvania Class seek all remedies allowed by law.

232. As more fully detailed above, Goodman was notified of Plaintiffs’ Goodman Product defect but failed to provide a defect-free Goodman Product to Plaintiffs Stephanie and Jason Oakley and the Pennsylvania Class free of charge or to provide an adequate retrofit to

remedy the defect.

233. As more fully detailed above, Goodman was provided with notice and has been on notice of the defect and of its breach of express written warranties through thousands of consumer warranty claims reporting problems in the Goodman Products, customer complaints, and its own internal and external testing and still failed to repair, replace or retrofit the Goodman Products to ensure they were free of materials defects or component malfunctions as Goodman promised.

234. As a direct and proximate result of Goodman's breach of its express warranties, Plaintiffs Stephanie and Jason Oakley and the Pennsylvania Class have suffered damages.

TWELFTH CAUSE OF ACTION
Breach of Implied Warranty of Merchantability
(13 Pa.C.S. § 2314)

(Plaintiffs Stephanie and Jason Oakley individually and on behalf of the
Pennsylvania Class)

235. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows Goodman is a "merchant" within the meaning of 13 Pa.C.S. § 2314.

236. The Goodman Products are "goods" within the meaning of 13 Pa.C.S. § 2314.

237. Goodman's implied warranty of merchantability accompanied the sale of the Goodman Products to Plaintiffs Stephanie and Jason Oakley and the Pennsylvania Class.

238. Goodman, by implication, warranted that the Goodman Products were fit for ordinary use.

239. The design and frequent failure of the Goodman Products made them defective and, thus, unfit for the ordinary purposes for which the goods are used. The Goodman Products are not fit for ordinary use.

240. As set forth herein, any effort by Goodman to disclaim or otherwise limit its responsibility for the defective Goodman Products is unconscionable under all of the circumstances, including because Goodman knew that the Goodman Products were unfit for normal use. Through the conduct described herein, Goodman has breached its implied warranty of merchantability and is liable to Plaintiffs Oakley and the Pennsylvania Class and Subclass.

241. Plaintiffs Stephanie and Jason Oakley and the Pennsylvania Class have sustained damages as a result of Goodman's breaches.

242. Plaintiffs Oakley and the Pennsylvania Class have provided notice to Goodman regarding the problems they experienced with the Goodman Products and, notwithstanding such notice, Goodman has failed and refused to remedy the problems. Further, Goodman had actual knowledge of the Defects.

243. As a result of Goodman's breach of the implied warranty of merchantability, Plaintiffs Oakley and the Pennsylvania Class suffered damages.

THIRTEENTH CAUSE OF ACTION

Violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Act

(73 P.S. § 201-1 *et seq.*)

(Plaintiffs Stephanie and Jason Oakley individually and on behalf of the
Pennsylvania Class)

244. The Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 Pa. Cons. Stat. § 201-1, *et seq.* ("UTPCPL") protects consumers from fraud and unfair or deceptive business practices.

245. Under the Pennsylvania UTPCPL, representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or qualities that they do not have is unlawful. 73 Pa. Cons. St. § 201-2(4)(v); 73 Pa. Cons. St. § 201-3. In addition,

misrepresenting that goods or services are of a particular standard, quality or grade is also unlawful. 73 Pa. Cons. St. § 201-2(4)(vii); 73 Pa. Cons. St. § 201-3.

246. Defendants represented that the defective Goodman Products had performance characteristics, uses, or benefits that it did not have. To wit, Defendants represented that the Goodman Products were “engineered for reliable long life, utilizing the best components with some of the lowest failure rates in the industry” and “built to the highest standards of the heating and cooling industry, and in many models exceeds those standards,” when—in truth—the Goodman Products were defective because the coils were too thin and easily corroded, causing refrigerant to leak out of the Goodman Products and causing their failure. Thus, Defendants committed an unfair and deceptive trade practice under Ohio Rev. Code § 1345.02(B)(1).

247. Defendants’ representations had the likelihood of inducing in the mind of a consumer a belief which was not in accord with the truth of the product’s characteristics, uses, and benefits.

248. Defendants knowingly made the representations that constitute an unfair and deceptive trade practice.

249. As a result of Goodman’s violations of the Violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Act, Plaintiffs and the Pennsylvania Class Members have been damaged and seek appropriate injunctive relief to remedy this misconduct, along with all other remedies or damages available under 73 P.S. § 201-1 et seq.

FOURTEENTH CAUSE OF ACTION

Breach of Express Warranty

(Tenn. Code Ann. § 47-2-313)

(Plaintiff Molleur individually and on behalf of the
Tennessee Class)

250. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged

herein and further allege as follows.

251. Goodman is a “merchant” within the meaning of Tenn. Code Ann. § 47-2-313.

252. The Goodman Products are “goods” within the meaning of Tenn. Code Ann. § 47-2-313.

253. As fully pled above, Goodman had knowledge of the defects alleged herein by Plaintiff Molleur and the Tennessee Class.

254. Despite knowledge of the defects alleged herein, at all times relevant, Goodman expressly warranted in writing that the Goodman Products would be “free from defects in materials and workmanship under normal use and maintenance,” for a period of 10 years.

255. By issuing Goodman Products containing the defect to consumers like Plaintiff Molleur and Tennessee Class members after it gained knowledge of the defect, Goodman breached its express warranty to provide Goodman Products that were free from defects.

256. Goodman also breached its express warranty to repair to correct material defects or component malfunctions in its Goodman Products when it failed to do so despite knowledge of the defect and/or despite knowledge of alternative designs, alternative materials and/or options for retrofits.

257. Goodman has not repaired such material defects or component malfunctions in its Goodman Products.

258. Further, any “repairs” Goodman offers do not remedy the defects with its Goodman Products and are not adequate and cannot be adequate to remedy the issues caused by the defect.

259. The warranty of repair to the Goodman Products fails in its essential purpose because the contractual remedy is insufficient to make Plaintiff Molleur and the Tennessee Class

whole and/or because Goodman has refused to provide the promised remedies within a reasonable time.

260. Also, as alleged in more detail herein, at the time Goodman warranted and sold the Goodman Products, it knew that the Goodman Products did not conform to the warranties and were inherently defective, and Goodman wrongfully and fraudulently misrepresented and/or concealed material facts regarding their Goodman Products.

261. Accordingly, Plaintiff Molleur and the Tennessee Class are not limited to the limited warranty of “repair” and Plaintiff Molleur and the Tennessee Class seek all remedies allowed by law.

262. As more fully detailed above, Goodman was notified of Plaintiff’s Goodman Product defect but failed to provide a defect-free Goodman Product to Plaintiff Molleur and Tennessee Class members free of charge or to provide an adequate retrofit to remedy the defect.

263. As more fully detailed above, Goodman was provided with notice and has been on notice of the defect and of its breach of express written warranties through thousands of consumer warranty claims reporting problems with the Goodman Products, customer complaints, installer and repairman complaints and its own internal and external testing and failed to repair, replace or retrofit the Goodman Products to ensure they were free of materials defects or component malfunctions as Goodman promised.

264. As a direct and proximate result of Goodman’s breach of its express warranties, Plaintiff Molleur and Tennessee Class members have suffered damages.

FIFTEENTH CAUSE OF ACTION
Breach of Implied Warranty of Merchantability
(Tenn. Code Ann. § 47-2-314)
(Plaintiff Molleur individually and on behalf of the
Tennessee Class)

265. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

266. Goodman is a “merchant” within the meaning of Tenn. Code Ann. § 47-2-314.

267. The Goodman Products are “goods” within the meaning of Tenn. Code Ann. § 47-2-314.

268. Goodman’s implied warranty of merchantability accompanied the sale of the Goodman Products to Plaintiff Molleur and Tennessee Class members.

269. Goodman, by implication, warranted that the Goodman Products were fit for ordinary use.

270. The design and frequent failure of the Goodman Products made them defective and, thus, unfit for the ordinary purposes for which the goods are used. The Goodman Products are not fit for ordinary use.

271. As set forth herein, any effort by Goodman to disclaim or otherwise limit its responsibility for the defective Goodman Products is unconscionable under all of the circumstances, including because Goodman knew that the Goodman Products were unfit for normal use. Through the conduct described herein, Goodman has breached its implied warranty of merchantability and is liable to Plaintiff Molleur and the Tennessee Class.

272. Plaintiff Molleur and the Tennessee Class have sustained damages as a result of Goodman’s breaches.

273. Plaintiff Molleur and the Tennessee Class have provided notice to Goodman regarding the problems they experienced with the Goodman Products and, notwithstanding such notice, Goodman has failed and refused to remedy the problems. Further, Goodman had actual

knowledge of the defect.

274. As a result of Goodman's breach of the implied warranty of merchantability, Plaintiff Molleur and the Tennessee Class have suffered damages.

SIXTEENTH CAUSE OF ACTION

Breach of Express Warranty

(N.C. Gen. Stat. § 25-2-313)

(Plaintiffs Laura and Thomas Cook individually and on behalf of the
North Carolina Class)

275. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

276. Plaintiffs Laura and Thomas Cook bring this Count on behalf of the North Carolina Class.

277. Goodman is and was at all relevant times a merchant with respect to motor Goodman Products under N.C. Gen. Stat. § 25-2-313.

278. In the course of selling the Goodman Products, Goodman expressly warranted it would repair and adjust to correct defects in materials and workmanship of any part supplied by Goodman. Goodman has not repaired or adjusted, and has been unable to repair or adjust, the Goodman Products' materials and workmanship defects.

279. These warranties were made, inter alia, in advertisements and in uniform statements provided by Goodman to be made by salespeople. These affirmations and promises were part of the basis of the bargain between Goodman, on the one hand, and Plaintiffs Laura and Thomas Cook and the North Carolina Class, on the other hand. Plaintiffs Laura and Thomas Cook and the North Carolina Class relied upon the existence of the express warranties and Goodman's express warranty became a basis for the bargain between Plaintiffs Laura and Thomas Cook and the North Carolina Class, on the one hand, and Goodman on the other.

280. Goodman did not provide at the time of sale, and has not provided since then, Goodman Products conforming to these express warranties.

281. Furthermore, the limited warranty of repair and/or adjustments to defective parts fails in its essential purpose because the contractual remedy is insufficient to make Plaintiffs Laura and Thomas Cook and the North Carolina Class whole.

282. Accordingly, recovery by Plaintiffs Laura and Thomas Cook and the North Carolina Class is not limited to the limited warranty of repair or adjustments to parts defective in materials or workmanship, and Plaintiffs Laura and Thomas Cook and the North Carolina Class, seek all remedies as allowed by law.

283. Moreover, as alleged in more detail herein, at the time that Goodman warranted and sold the Goodman Products, it knew that the Goodman Products did not conform to the warranties and were inherently defective, and Goodman wrongfully and fraudulently misrepresented and/or concealed material facts regarding the Goodman Products.

284. Plaintiffs Laura and Thomas Cook and the North Carolina Class therefore purchased the Goodman Products under false and/or fraudulent pretenses.

285. Moreover, many of the damages flowing from the Goodman Products cannot be resolved through the limited remedy of “replacement or adjustments,” as those incidental and consequential damages have already been suffered due to Goodman’s conduct as alleged herein, and due to their failure and/or continued failure to provide such limited remedy within a reasonable time, and any limitation on Plaintiffs Laura and Thomas Cook and North Carolina Class Members’ remedies would be insufficient to make Plaintiffs Laura and Thomas Cook and the North Carolina Class whole.

286. As a direct and proximate result of Goodman’s breach of express warranties,

Plaintiffs Laura and Thomas Cook and the North Carolina Class have been damaged in an amount to be determined at trial.

SEVENTEENTH CAUSE OF ACTION
Breach of Implied Warranty of Merchantability
(N.C. Gen. Stat. § 25-2-314)

(Plaintiffs Laura and Thomas Cook individually and on behalf
of the North Carolina Class)

287. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

288. Plaintiffs Laura and Thomas Cook bring this Count on behalf of the North Carolina Class.

289. Goodman is and was at all relevant times a “merchant” with respect to Goodman Products.

290. A warranty that the Goodman Products were in merchantable condition is implied by law in the instant transactions.

291. These Goodman Products, when sold and at all times thereafter, were not in merchantable condition and are not fit for the ordinary purpose for which air conditioning units are used. Specifically, the Goodman Products suffer from the defect described more fully above. In addition, and most significantly, regardless of the cause of these admittedly foreseeable events, the Goodman Products share a common defect.

292. Goodman was provided notice of these issues and defects through numerous complaints filed against it, as well as internal knowledge derived from testing and internal expert analysis.

293. The defect in the Goodman Products was a substantial factor in causing the injury to Plaintiffs Cook and the North Carolina class and subclass, and it existed at the time the

Goodman Products left Goodman's manufacturing facilities and entered the market.

294. As a direct and proximate result of Goodman's breach of the warranties of merchantability, Plaintiffs Cook and the North Carolina class and subclass have been damaged in an amount to be proven at trial.

EIGHTEENTH CAUSE OF ACTION
North Carolina Unfair Trade Practices Act
(N.C. Gen. Stat. § 75-1.1)

(Plaintiffs Laura and Thomas Cook individually and on behalf of the
North Carolina Class)

295. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

296. Plaintiffs Laura and Thomas bring this Count on behalf of the North Carolina Class.

297. Goodman caused to be made or disseminated through North Carolina, through advertising, marketing, and other publications, statements that were untrue or misleading, and that were known, or that by the exercise of reasonable care should have been known to Goodman, to be untrue and misleading to Plaintiffs and the North Carolina Class Members.

298. Goodman has violated N.C. Gen. Stat. § 75-1.1 because the misrepresentations and omissions regarding the quality and reliability of the Goodman Products were material and likely to deceive a reasonable consumer.

299. Plaintiffs Laura and Thomas Cook and the North Carolina Class have suffered an injury, including the loss of money or property, as a result of Goodman's false advertising. In purchasing their Goodman Products, Plaintiffs Laura and Thomas Cook and the North Carolina Class relied on the misrepresentations and/or omissions of Goodman with respect to the quality and reliability of the Goodman Products. Had Plaintiffs Laura and Thomas Cook and the North

Carolina Class known of the defects they would not have purchased or leased their Goodman Products and/or paid as much for them.

300. Accordingly, Plaintiffs Laura and Thomas Cook and the North Carolina Class overpaid for their Goodman Products and did not receive the benefit of the bargain for their Goodman Products, which have also suffered a diminution in value.

301. Plaintiffs Laura and Thomas Cook, individually and on behalf of the North Carolina Class, request that this Court enter such orders or judgments as may be necessary to enjoin Goodman from continuing their unfair, unlawful, and/or deceptive practices. Plaintiffs Laura and Thomas Cook and the North Carolina Class are also entitled to recover their actual damages or \$500, whichever is greater. Because Goodman acted willfully or knowingly, Plaintiffs Laura and Thomas Cook and the North Carolina Class are entitled to recover three times actual damages, up to \$10,000.

NINETEENTH CAUSE OF ACTION

Breach of Express Warranty

(Miss. Code Ann. § 75-2-313)

(Plaintiff Bormann individually and on behalf of the
Mississippi Class)

302. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows Goodman is a “merchant” within the meaning of Miss. Code Ann. § 75-2-313.

303. The Goodman Products are “goods” within the meaning of Miss. Code Ann. § 75-2-313.

304. As fully pled above, Goodman had knowledge of the defect alleged herein and that it posed a serious risk of failure to consumers like Plaintiff Bormann and the Mississippi Class.

305. Despite that knowledge, at all times relevant, Goodman expressly warranted its products as described above.

306. In the course of selling the Goodman Products, Goodman expressly warranted in writing to repair and adjust to correct defects in materials and workmanship of any part supplied by Goodman. Goodman has not repaired or adjusted, and has been unable to repair or adjust, the Goodman Products' materials and workmanship defects.

307. These warranties were made not only under its written agreement to customers but also in advertisements and in uniform statements provided by Goodman to be made by salespeople.

308. These affirmations and promises were part of the basis of the bargain between Goodman, on the one hand, and Plaintiff and the Mississippi Class Members, on the other hand. Plaintiff Bormann and the Mississippi Class relied upon the existence of the express warranties and Goodman's express warranty became a basis for the bargain between Plaintiff Bormann and the Mississippi Class, on the one hand, and Goodman on the other.

309. By issuing Goodman Products containing the defect to consumers like Plaintiff Bormann and Mississippi Class members after it gained knowledge of the defect, Goodman breached its express warranty to provide Goodman Products that were free from defects.

310. Goodman also breached its express warranty to repair to correct material defects or component malfunctions in its Goodman Products when it failed to do so despite knowledge of the defect and/or despite knowledge of alternative designs, alternative materials and/or options for retrofits.

311. Goodman has not repaired such material defects or component malfunctions in its Goodman Products.

312. Further, any “repairs” Goodman offers do not remedy the issue with its Goodman Products and are not adequate and cannot be adequate to remedy the serious issues caused by the defect.

313. The warranty of repair to the Goodman Products fails in its essential purpose because the contractual remedy is insufficient to make Plaintiff Bormann and the Mississippi Class whole and/or because Goodman has refused to provide the promised remedies within a reasonable time.

314. Also, as alleged in more detail herein, at the time Goodman warranted and sold the Goodman Products, it knew that the Goodman Products did not conform to the warranties and were inherently defective, and Goodman wrongfully and fraudulently misrepresented and/or concealed material facts regarding their Goodman Products.

315. Accordingly, Plaintiff Bormann and the Mississippi Class are not limited to the limited warranty of “repair” and Plaintiff Bormann and the Mississippi Class seek all remedies allowed by law.

316. As more fully detailed above, Goodman was notified of Plaintiff’s Goodman Product defect but failed to provide a defect-free Goodman Product to Plaintiff Bormann and Mississippi Class members free of charge or to provide an adequate retrofit to remedy the defect.

317. As more fully detailed above, Goodman was provided with notice and has been on notice of the defect and of its breach of express written warranties through thousands of consumer warranty claims reporting problems with the Goodman Products, customer complaints, and its own internal and external testing and failed to repair, replace or retrofit the Goodman Products to ensure they were free of materials defects or component malfunctions as Goodman promised.

318. As a direct and proximate result of Goodman's breach of its express warranties, Plaintiff Bormann and Mississippi Class members have suffered damages in an amount to be proven at trial..

TWENTIETH CAUSE OF ACTION
Breach of Implied Warranty of Merchantability
(Miss. Code Ann. § 75-2-314)
(Plaintiff Bormann individually and on behalf of
the Mississippi Class)

319. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows Goodman is a "merchant" within the meaning of Miss. Code Ann. § 75-2-314.

320. The Goodman Products are "goods" within the meaning of Miss. Code Ann. § 75-2-314.

321. Goodman's implied warranty of merchantability accompanied the sale of the Goodman Products to Plaintiff Bormann and Mississippi Class members.

322. Goodman, by implication, warranted that the Goodman Products were fit for ordinary use.

323. The design, manufacture, and frequent failure of the Goodman Products made them defective and, thus, unfit for the ordinary purposes for which the goods are used. The Goodman Products are not fit for ordinary use.

324. As set forth herein, any effort by Goodman to disclaim or otherwise limit its responsibility for the defective Goodman Products is unconscionable under all of the circumstances, including because Goodman knew that the Goodman Products were unfit for normal use. Through the conduct described herein, Goodman has breached its implied warranty of merchantability and is liable to Plaintiff Bormann and Mississippi Class.

325. Plaintiff Bormann and Mississippi Class have sustained damages as a result of Goodman's breaches.

326. Plaintiff Bormann and Mississippi Class have provided notice to Goodman regarding the problems they experienced with the Goodman Products and, notwithstanding such notice, Goodman has failed and refused to remedy the problems. Further, Goodman had actual knowledge of the defect.

327. As a result of Goodman's breach of the implied warranty of merchantability, Plaintiff Bormann and Mississippi Class suffered damages in an amount to be proven at trial.

TWENTY-FIRST CAUSE OF ACTION

Breach of Express Warranty

(O.C.G.A. § 11-2-313)

(Plaintiff LaPread individually and on behalf of the
Georgia Class)

328. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows Goodman is a "merchant" within the meaning of O.C.G.A. § 11-2-313.

329. The Goodman Products are "goods" within the meaning of O.C.G.A. § 11-2-313.

330. As fully pled above, Goodman had knowledge of the defect alleged herein and that it posed a risk of failure to consumers like Plaintiff LaPread and the Georgia Class.

331. By issuing Goodman Products containing the defect to consumers like Plaintiff LaPread and the Georgia Class after it gained knowledge of the defect, Goodman breached its express warranty to provide Goodman Products that were free from defects.

332. Goodman also breached its express warranty to repair to correct material defects or component malfunctions in its Goodman Products when it failed to do so despite knowledge

of the defect and/or despite knowledge of alternative designs, alternative materials and/or options for retrofits.

333. Goodman has not repaired such material defects or component malfunctions in its Goodman Products.

334. Further, any “repairs” Goodman offers do not remedy the issue with its Goodman Products and are not adequate and cannot be adequate to remedy the serious issues caused by the effect.

335. The limited warranty of repair to the Goodman Products fails in its essential purpose because the contractual remedy is insufficient to make Plaintiff LaPread and the Georgia Class whole and/or because Goodman has refused to provide the promised remedies within a reasonable time.

336. Also, as alleged in more detail herein, at the time Goodman warranted and sold the Goodman Products, it knew that the Goodman Products did not conform to the warranties and were inherently defective, and Goodman wrongfully and fraudulently misrepresented and/or concealed material facts regarding their Goodman Products.

337. Accordingly, Plaintiff LaPread and the Georgia Class are not limited to the limited warranty of “repair” and Plaintiff LaPread and the Georgia Class seek all remedies allowed by law.

338. As more fully detailed above, Goodman was notified of Plaintiff’s Goodman Product defect but failed to provide a defect-free Goodman Product to Plaintiff LaPread and the Georgia Class free of charge or to provide an adequate retrofit to remedy the defect.

339. As more fully detailed above, Goodman was provided with notice and has been on notice of the defect and of its breach of express written warranties through thousands of

consumer warranty claims reporting problems in the Goodman Products, customer complaints, and its own internal and external testing and still failed to repair, replace or retrofit the Goodman Products to ensure they were free of materials defects or component malfunctions as Goodman promised.

340. As a direct and proximate result of Goodman's breach of its express warranties, Plaintiff LaPread and the Georgia Class have suffered damages in an amount to be proven at trial.

TWENTY-SECOND CAUSE OF ACTION
Breach of Implied Warranty of Merchantability
(O.C.G.A. § 11-2-314)
(Plaintiff LaPread individually and on behalf of the
Georgia Class)

341. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

342. Goodman's implied warranty of merchantability accompanied the sale of the Goodman Products to Plaintiff LaPread and Georgia Class.

343. Goodman, by implication, warranted that the Goodman Products were fit for ordinary use.

344. The design and frequent failure of the Goodman Products made them defective and, thus, unfit for the ordinary purposes for which the goods are used. The Goodman Products are not fit for ordinary use.

345. As set forth herein, any effort by Goodman to disclaim or otherwise limit its responsibility for the defective Goodman Products is unconscionable under all of the circumstances, including because Goodman knew that the Goodman Products were unfit for

normal use. Through the conduct described herein, Goodman has breached its implied warranty of merchantability and is liable Plaintiff LaPread and the Georgia Class.

346. Plaintiff LaPread and the Georgia Class have sustained damages as a result of Goodman's breaches.

347. Plaintiff LaPread and the Georgia Class have provided notice to Goodman regarding the problems they experienced with the Goodman Products and, notwithstanding such notice, Goodman has failed and refused to remedy the problems. Further, Goodman had actual knowledge of the Defects.

348. As a result of Goodman's breach of the implied warranty of merchantability, Plaintiff LaPread and the Georgia Class suffered damages in an amount to be proven at trial.

TWENTH-THIRD CAUSE OF ACTION
Violation of the
Georgia Uniform Deceptive Trade Practices Act
(O.C.G.A. § 10-1-371, *et seq.*)
(Plaintiff LaPread individually and on behalf of the
Georgia Class)

349. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

350. In marketing, promoting and selling Goodman Products as suitable for ordinary use, Goodman has:

- a. represented that the Goodman Products have sponsorship, approval, characteristics, components, uses, benefits or qualities that they do not have;
- b. represented that the Goodman Products are of a particular standard, quality or grade when they are of another; and

c. advertised Goodman Products with the intent not to sell them as advertised.

351. Plaintiff LaPread and Georgia Class members have personally suffered harm as a result of purchasing a Goodman Product that was not merchantable.

352. As a result of Goodman's violations of the Violation of the Georgia Uniform Deceptive Trade Practices Act, Plaintiff LaPread and the Georgia Class have been damaged and seek appropriate injunctive relief to remedy this misconduct, along with all other remedies or damages available under O.C.G.A. § 10-1-371, *et seq.*

TWENTY-FOURTH CAUSE OF ACTION

Breach of Express Warranty

(Mo. Rev. Stat. § 400.2-313)

(Plaintiffs Andrew and Jennifer Bilen, Individually, and on Behalf of the Missouri Class)

353. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

354. As fully pled above, Goodman had knowledge of the defects alleged herein and the risk to consumers like Plaintiffs Andrew and Jennifer Bilen and the Missouri Class for their purchase of defective Goodman Products.

355. Despite knowledge of the defects alleged herein, at all times relevant, Goodman expressly warranted in writing that the Goodman Products it warranted were to be "free from defects in materials and workmanship under normal use and maintenance," for a period of 10 years. By issuing Goodman Products containing the defects to consumers like Plaintiffs Andrew and Jennifer Bilen and the Missouri Class after Goodman gained knowledge of the defect, Goodman breached its express warranty to provide Goodman Products that were free from defects.

356. Goodman also breached its express warranty to repair to correct material defects

or component malfunctions in its Goodman Products when it failed to do so despite knowledge of the defects and/or despite knowledge of alternative designs, alternative materials and/or options for retrofits.

357. Goodman has not repaired such material defects or component malfunctions in its Goodman Products.

358. Further, any “repairs” Goodman offers do not include replacement of the leaking refrigerant caused by the defective coils nor the labor incurred for the work done on the Goodman Products and are not adequate and cannot be adequate to fix the issues caused by the defects.

359. The limited warranty of repair to the Goodman Products fails in its essential purpose because the contractual remedy is insufficient to make Plaintiffs Andrew and Jennifer Bilen and the Missouri Class whole and/or because Goodman has refused to provide the promised remedies within a reasonable time.

360. Also, as alleged in more detail herein, at the time Goodman warranted and sold the Goodman Products, it knew that the Goodman Products did not conform to the warranties and were inherently defective, and Defendants wrongfully and fraudulently misrepresented and/or concealed material facts regarding their Goodman Products.

361. Accordingly, Plaintiffs Andrew and Jennifer Bilen and the Missouri Class are not limited to the limited warranty of “repair” and instead seek all remedies allowed by law.

362. As more fully detailed above, Goodman was notified of Plaintiffs Andrew and Jennifer Bilen and Missouri Class members’ Goodman Product defects, but failed to provide a defect free Goodman Product to Plaintiffs Andrew and Jennifer Bilen and Missouri Class members free of charge or to provide an adequate retrofit to remedy the defects.

363. As more fully detailed above, Goodman was provided with notice and has been on notice of the defects and of its breach of express written warranties through many consumer warranty claims reporting coolant or Freon leaks in the Goodman Products, customer complaints, and its own internal and external testing and failed to repair, replace or retrofit the Goodman Products to ensure they were free of materials defects or component malfunctions as Goodman promised.

364. As a direct and proximate result of Goodman's breach of its implied warranties, Plaintiffs Andrew and Jennifer Bilen and Missouri Class and class members have suffered damages.

365. Goodman has been unjustly enriched by keeping the profits from the sale of its unsafe Goodman Products while never having to incur the cost of repair, coolant costs, labor costs, replacement, retrofit or a recall.

TWENTY-FIFTH CAUSE OF ACTION
Breach of the Implied Warranty of Merchantability
(Mo. Rev. Stat. § 400.2-314)

(Plaintiffs Andrew and Jennifer Bilen, Individually, and on Behalf of the Missouri Class)

366. Plaintiffs incorporate by reference and re-allege all paragraphs previously alleged herein and further allege as follows.

367. Goodman is and was at all relevant times a merchant with respect to the manufacture and sale of Goodman Products.

368. A warranty that the defective Goodman Products were in merchantable condition was implied by law when the Goodman Products were sold to Plaintiffs Andrew and Jennifer Bilen and Missouri Class members, pursuant to Mo. Rev. Stat. § 400.2-314.

369. At all times relevant hereto, Mo. Rev. Stat. § 400.2-314 imposed a duty that

requires a manufacturer or seller's product be reasonably fit for the ordinary purposes for which such products are used, and that the product be acceptable in trade for the product description. This implied warranty of merchantability is part of the basis for the bargain between Goodman, on the one hand, and Plaintiffs Andrew and Jennifer Bilen and Missouri Class members, on the other.

370. The Goodman Products left Goodman's facilities and control with defects caused by defective design and or materials incorporated into the manufacture of the Goodman Products.

371. Notwithstanding the aforementioned duty, at the time of delivery, Goodman breached the implied warranty of merchantability in that the Goodman Products were defective and would not pass without objection, are not fit for the ordinary purposes for which such goods are used of in a residential setting, and failed to conform to the standard performance of like products used in the trade.

372. Goodman knew or should have known that the Goodman Products were defective and knew or should have known of these breaches of implied warranties prior to sale of the Goodman Products to Plaintiffs Andrew and Jennifer Bilen and Missouri Class members.

373. As a direct and proximate result of Goodman's breaches of its implied warranties, Plaintiff Andrew and Jennifer Bilen and the Missouri Class bought the Goodman Products without knowledge of the defects alleged herein.

374. As a direct and proximate result of Goodman's breach of its implied warranties Plaintiff Andrew and Jennifer Bilen and the Missouri Class purchased products which could not be used for their intended use of providing air-conditioning in a residential setting.

375. As a direct and proximate result of Goodman's breach of its implied warranties,

Plaintiff Andrew and Jennifer Bilen and the Missouri Class have suffered damages in an amount to be proven at trial.

376. Goodman was unjustly enriched by keeping the profits for its defective products while never having to incur the cost of repair, replacement or refrigerant, labor costs or a recall.

TWENTY-SIXTH CAUSE OF ACTION

Unjust Enrichment

(On behalf of all Plaintiffs and members of the Classes)

377. Plaintiffs incorporate by reference each of the foregoing allegations. Substantial benefits have been conferred on Goodman by Plaintiffs and the Class by purchasing Goodman Products, and Goodman knowingly and willingly accepted and enjoyed those benefits.

378. Goodman knew or should have known that payments received from Plaintiffs and the Classes for Goodman Products were paid with the expectation that the Goodman Products would perform as represented.

379. Goodman's retention of these benefits is inequitable.

380. Plaintiffs and the Classes are entitled to recover from Goodman all amounts wrongfully collected and improperly retained by Goodman, plus interest.

381. As a direct and proximate cause of Goodman's wrongful conduct and unjust enrichment, Plaintiffs and the Classes are entitled to an accounting, restitution, attorneys' fees, costs and interest.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on their own behalf and on behalf of the members of the respective Classes, pray for judgment against Defendants as follows:

A. An Order certifying the proposed Classes and appointing Plaintiffs and their counsel to represent the respective Classes;

- B. An Order declaring the Goodman Products to be defective;
- C. An Order declaring that the Goodman Products pose a risk of failure to consumers and the public;
- D. An Order awarding injunctive relief by requiring Goodman to take corrective actions including notification, recall, repair, retrofitting, or to establish a fund in order to make necessary repairs to correct the defects found in the Goodman Products as alleged herein; and/or replacement of the defectively designed Goodman Products;
- E. Payment to Plaintiffs and the members of the Classes of all damages associated with the repair, retrofitting and/or replacement of the defective products and parts, in an amount to be proven at trial;
- F. Payment to Plaintiffs and the members of the Classes of all damages associated with property damage as a result of the defective products, in an amount to be proven at trial;
- G. Payment to Plaintiffs and the members of the Classes of all damages associated with loss of value and/or reduced value of the Goodman Products and less of the benefit of the bargain as a result of the design defect, in an amount to be proven at trial;
- H. Restitution as authorized by law;
- I. Punitive damages as authorized by law;
- J. Specific performance under Goodman's Express Warranties;
- K. An award of attorneys' fees and costs, as provided by law and/or as would be reasonable from any recovery of monies recovered for or benefits bestowed on the class;
- L. Interest as provided by law, including but not limited to pre-judgment and post-judgment interest as provided by rule or statute; and
- M. Such other and further relief as this Court may deem just, equitable, or proper.

DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 38(b), Plaintiffs demand a trial by jury of any and all issues in this action so triable of right.

Dated: November 10, 2014

RESPECTFULLY SUBMITTED,

LANDSKRONER - GRIECO - MERRIMAN, LLC

s/ Drew Legando

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