

## Exhibit A

Copies of All Process, Pleadings, and Orders  
Served on Defendants in State Court Action

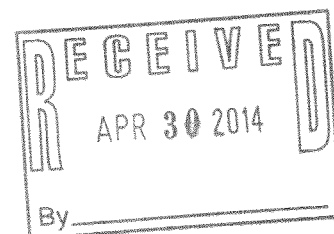
**FedEx Tracking # :** 798676944378  
**Created By :** Swapnil Darji  
**Created On :** 04/28/2014 11:41 AM

**Recipient :** Ray Carroll

**Title :** --  
**Customer :** Goodman Manufacturing Company, L.P.  
**Address :** 5151 San Felipe  
**Email :** RAY.CARROLL@GOODMANMFG.COM  
**Phone :** 713-263-5284 **Fax :** 713-426-1248

**Package Type :** Envelope  
**Items shipped :** 1

Log #	Case #	Entity Name
524843766	14CVS00754	Goodman Manufacturing Company, L.P.



**Service of Process  
Transmittal**

04/28/2014

CT Log Number 524843766

**TO:** Ray Carroll  
Goodman Manufacturing Company, L.P.  
5151 San Felipe, Suite 500  
Houston, TX 77056

**RE: Process Served in North Carolina**

**FOR:** Goodman Manufacturing Company, L.P. (Domestic State: TX)

**ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:**

**TITLE OF ACTION:** Evan Whitaker, etc., Pltf. vs. Goodman Global, Inc., et al. including Goodman Manufacturing Company, L.P., Dfts.

**DOCUMENT(S) SERVED:** Summons, Return, Complaint, Exhibit(s)

**COURT/AGENCY:** Harnett County Superior Court, NC  
Case # 14CV500754

**NATURE OF ACTION:** Product Liability Litigation - Manufacturing Defect - Evaporator Coils

**ON WHOM PROCESS WAS SERVED:** C T Corporation System, Raleigh, NC

**DATE AND HOUR OF SERVICE:** By Certified Mail on 04/28/2014 postmarked on 04/24/2014

**JURISDICTION SERVED :** North Carolina

**APPEARANCE OR ANSWER DUE:** Within 30 days after service

**ATTORNEY(S) / SENDER(S):** Scott C. Harris  
Whitfield Bryson & Mason LLP  
900 W. Morgan Street  
Raleigh, NC 27603  
919-600-5000

**ACTION ITEMS:** SOP Papers with Transmittal, via Fed Ex 2 Day , 798676944378  
Email Notification, Ray Carroll RAY.CARROLL@GOODMANMFG.COM

**SIGNED:** C T Corporation System

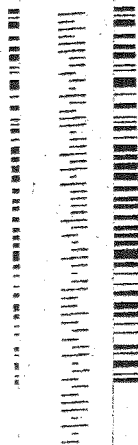
**PER:** Ronnie Strickland

**ADDRESS:** 150 Fayetteville St.  
Box 1011  
Raleigh, NC 27601

**TELEPHONE:** 919-821-7139

Page 1 of 1 / SD

Information displayed on this transmittal is for CT Corporation's record keeping purposes only and is provided to the recipient for quick reference. This information does not constitute a legal opinion as to the nature of action, the amount of damages, the answer date, or any information contained in the documents themselves. Recipient is responsible for interpreting said documents and for taking appropriate action. Signatures on certified mail receipts confirm receipt of package only, not contents.



7013 1090 0000 4826 3385



UNITED WE STAND



02 1P  
\$ 008.660  
0001689580 APR 24 2014  
MAILED FROM ZIP CODE 27603



WHITFIELD BRYSON  
& MASON LLP  
ATTORNEYS AT LAW

900 W. Morgan Street  
Raleigh, North Carolina 27603

Goodman Manufacturing Company, L.P.  
c/o CT Corporation System  
150 Fayetteville St., Box 1011  
Raleigh, NC 27601

## STATE OF NORTH CAROLINA

File No. 14CV 00754

HARNETT County

In The General Court Of Justice  
☐ District ☒ Superior Court Division

Name Of Plaintiff

EVAN WHITAKER

Address

City, State, Zip

VERSUS

Name Of Defendant(s)

GOODMAN GLOBAL, INC.,  
GOODMAN MANUFACTURING COMPANY, L.P., and  
GOODMAN COMPANY, L.P.

Date Original Summons Issued

G.S. 1A-1, Rules 3, 4

Date(s) Subsequent Summons(es) Issued

## CIVIL SUMMONS

☐ ALIAS AND PLURIES SUMMONS (ASSESS FEE)

## To Each Of The Defendant(s) Named Below:

Name And Address Of Defendant 1

Goodman Global, Inc.  
c/o The Corporation Trust Company  
Corporation Trust Center 1209 Orange Street  
Wilmington DE 19801

Name And Address Of Defendant 2

Goodman Company, L.P.  
c/o The Corporation Trust Company  
Corporation Trust Center 1209 Orange Street  
Wilmington DE 19801

## A Civil Action Has Been Commenced Against You!

You are notified to appear and answer the complaint of the plaintiff as follows:

1. Serve a copy of your written answer to the complaint upon the plaintiff or plaintiff's attorney within thirty (30) days after you have been served. You may serve your answer by delivering a copy to the plaintiff or by mailing it to the plaintiff's last known address, and
2. File the original of the written answer with the Clerk of Superior Court of the county named above.

If you fail to answer the complaint, the plaintiff will apply to the Court for the relief demanded in the complaint.

Name And Address Of Plaintiff's Attorney (If None, Address Of Plaintiff)

Daniel K. Bryson / Scott C. Harris  
Whitfield Bryson & Mason LLP  
900 W. Morgan Street  
Raleigh NC 27603

Date Issued

4/22/14

Time

9:17

☒ AM  
☐ PM

Signature

☒ Deputy CSC☐ Assistant CSC☐ Clerk Of Superior Court☐ ENDORSEMENT (ASSESS FEE)

This Summons was originally issued on the date indicated above and returned not served. At the request of the plaintiff, the time within which this Summons must be served is extended sixty (60) days.

Date Of Endorsement

Time

☐ AM  
☐ PM

Signature

☐ Deputy CSC☐ Assistant CSC☐ Clerk Of Superior Court

**NOTE TO PARTIES:** Many counties have **MANDATORY ARBITRATION** programs in which most cases where the amount in controversy is \$15,000 or less are heard by an arbitrator before a trial. The parties will be notified if this case is assigned for mandatory arbitration, and, if so, what procedure is to be followed.

# RETURN OF SERVICE

I certify that this Summons and a copy of the complaint were received and served as follows:

## DEFENDANT 1

Date Served	Time Served <input type="checkbox"/> AM <input type="checkbox"/> PM	Name Of Defendant
-------------	--	-------------------

- ☐ By delivering to the defendant named above a copy of the summons and complaint.
- ☐ By leaving a copy of the summons and complaint at the dwelling house or usual place of abode of the defendant named above with a person of suitable age and discretion then residing therein.
- ☐ As the defendant is a corporation, service was effected by delivering a copy of the summons and complaint to the person named below.

Name And Address Of Person With Whom Copies Left (if corporation, give title of person copies left with)

- ☐ Other manner of service (specify)

- ☐ Defendant WAS NOT served for the following reason:

## DEFENDANT 2

Date Served	Time Served <input type="checkbox"/> AM <input type="checkbox"/> PM	Name Of Defendant
-------------	--	-------------------

- ☐ By delivering to the defendant named above a copy of the summons and complaint.
- ☐ By leaving a copy of the summons and complaint at the dwelling house or usual place of abode of the defendant named above with a person of suitable age and discretion then residing therein.
- ☐ As the defendant is a corporation, service was effected by delivering a copy of the summons and complaint to the person named below.

Name And Address Of Person With Whom Copies Left (if corporation, give title of person copies left with)

- ☐ Other manner of service (specify)

- ☐ Defendant WAS NOT served for the following reason.

Service Fee Paid \$	Signature Of Deputy Sheriff Making Return
Date Received	Name Of Sheriff (Type Or Print)
Date Of Return	County Of Sheriff

STATE OF NORTH CAROLINA  
COUNTY OF HARNETT

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
FILE NO.: ~~14CV 00754~~

EVAN WHITAKER, on behalf of himself and  
all others similarly situated,

Plaintiff,

v.

GOODMAN GLOBAL, INC., GOODMAN  
MANUFACTURING COMPANY, L.P., and  
GOODMAN COMPANY, L.P.,

Defendants.

**CLASS ACTION COMPLAINT**  
(JURY TRIAL DEMANDED)

2014 APR 22 AM 9:18  
HARNETT COUNTY C.S.C.

FILED

Plaintiff Evan Whitaker individually on behalf of himself and all others similarly situated, brings this Class Action Complaint against defendants Goodman Global, Inc., Goodman Manufacturing Company, L.P., and Goodman Company, L.P. (collectively, "Goodman") and in support alleges as follows:

**I.  
NATURE OF THIS ACTION**

1. Goodman is the second largest manufacturer of heating, ventilation, and air conditioning ("HVAC") products 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 Units").

2. The Goodman Units contain defective evaporator coils that improperly and prematurely leak refrigerant (a.k.a. Freon) under normal use. Evaporator coils are an essential component of air conditioning and heat pump systems. The defective coils render the Goodman Units unfit for their ordinary purpose because the loss of refrigerant due to leakage reduces and ultimately eliminates the Goodman Units' ability to provide cold air, or warm air in the case of

Goodman Units that are heat pumps operating on heating mode.

3. Goodman knew that the evaporator coils in the Goodman Units sold since at least January 2007 were defective because the evaporator 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 Units with the defective evaporator coils for the costs associated with replacing those coils.

4. Goodman was also aware that the evaporator coils in the Goodman Units were defective because it received, and continues to receive, complaints from consumers and air conditioning service technicians that the Goodman Units sold since at least 2007 contain defective evaporator coils that improperly and prematurely leak refrigerant.

5. Thus, Goodman knew, or reasonably should have known, that the evaporator coils in its air conditioners and heat pumps sold since at least 2007 were defective, but has failed or refused to inform consumers or issue a recall.

6. Indeed, far from informing consumers about the defective evaporator coils that cause the Goodman Units to prematurely fail, Goodman falsely and deceptively represented, and continues to falsely and deceptively represent on its website, that the Goodman Units 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 Units.



7. Moreover, even though it knew that the Goodman Units sold since 2007 were defective, Goodman nevertheless expressly warranted that the Goodman Units 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 a replacement evaporator coil, instead of agreeing to repair the Goodman Units or reimburse consumers for the labor costs they incurred to repair their Goodman Units. Goodman's warranty limitations were unconscionable and failed their essential purpose because *inter alia*:

(i) Goodman knew that the evaporator coils in the Goodman Units were defective;

(ii) The replacement evaporator coils it provided consumers were as defective as the coils being replaced; and

(iii) Offering to provide a consumer with a replacement evaporator 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 cost 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.

## **II. THE PARTIES**

8. Plaintiff Evan Whitaker is a resident of Lillington, Harnett County, North Carolina.

9. Defendant Goodman Global, Inc. is a Delaware corporation with its corporate headquarters located at 5151 San Felipe, Suite 500, Houston, Harris County, Texas.

10. 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.

11. Defendant Goodman Company, L.P. is a Delaware limited partnership with its headquarters located at 5151 San Felipe, Suite 500, Houston, Harris County, Texas.

12. 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.

13. Although Goodman's corporate headquarters is located in Texas, Goodman has manufacturing and assembly facilities in Pennsylvania, Tennessee, Arizona, and Florida. In addition, Goodman distributes the Goodman Units all over North America via a distribution network with over 700 distribution points, including 136 company-operated distribution centers throughout the country.

### **III. JURISDICTION AND VENUE**

14. Pursuant to N.C. Gen. Stat. § 7A-243, this Court has original subject matter jurisdiction as the facts that form the basis of this Complaint took place in this County, and the amount in controversy exceeds \$25,000.

15. This Court has personal jurisdiction over Defendants pursuant to N.C. Gen. Stat. § 1-75.4 by virtue of Defendants engaging in substantial activity within this State, as well as the fact that products manufactured by Defendants are used within this State in the ordinary course of trade, and/or because this action relates to goods received from Defendants by the Plaintiff in this State.

16. Venue is proper in this County under N.C. Gen. Stat. § 1-80 because Plaintiff's

cause of action arose in this County, because Defendants regularly do business in this County, and/or because Plaintiff resides in this County.

#### IV. FACTS COMMON TO ALL CLAIMS

17. Air conditioners and heat pumps use refrigerant (a.k.a. Freon) in a closed-loop system designed to take advantage of a physical law known as phase conversion to provide cool or warm air. When liquid is converted into gas, the process results in the absorption of heat. Refrigerants are substances that change phase at relatively low temperatures.

18. All air conditioners and heat pumps contain the following three major components: a compressor, a condenser, and an evaporator. In central air conditioners used for household purposes, the compressor and the condenser are located outside a consumer's house. The compressor compresses the refrigerant into high pressure gas which then travels to the condenser where it is cooled into high pressure liquid.

19. The evaporator for central air conditioners is usually located within the consumer's house and includes a series of coils known as "evaporator coils." The liquid refrigerant is fed into the evaporator coils where it experiences a pressure drop that results in the refrigerant converting from liquid to gas. This phase conversion absorbs heat from the hot indoor air circulated over the evaporator coils by a fan, which cools the air. The cool air is then blown through the house via ducts.

20. Heat pumps used for household purposes have the same major components as central air conditioners except that they also contain a reversing valve that reverses the flow of refrigerant. Accordingly, a heat pump is essentially a central air conditioning system capable of providing both cool and warm air. In cooling mode, a heat pump functions in the same manner as a central air conditioner. But in heating mode, the refrigerant cycle is reversed and the

evaporator acts as the condenser and the condenser as the evaporator. Thus, in heating mode, the evaporator coil is producing heat that is blown through the house via ducts.

**A. The Goodman Units Contain Defective Evaporator Coils.**

21. The models of air central conditioners and heat pumps at issue were manufactured by Goodman and sold under the trade names Goodman® and Amana® from January 2007 to the present.

22. Like all central air conditioners and heat pumps used for residential purposes, the Goodman Units at issue contain evaporator coils. Goodman uses the same evaporator coils for its central air conditioning units and heat pumps.

23. The Goodman Units' evaporator coils are defective because they improperly and prematurely leak refrigerant during normal use. The defective evaporator coils render the Goodman Units unfit for the ordinary purpose for which they are used because the loss of refrigerant reduces and/or eliminates the Goodman Units' ability to provide cool air, or warm air in the case of Goodman Units that are heat pumps operating in heating mode. Although the evaporator coils might not be immediately inoperable, they are defective when they leave Goodman's control, as they have the propensity to fail at a much higher rate and in a much shorter period of time than what would be acceptable under industry standards.

**1. The Evaporator Coils In The Goodman Units Fail Prematurely And At Rates That Far Exceed The Industry Average.**

24. 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 non-profit 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 products 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.”

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

26. The evaporator coils within Goodman Units, however, fail far in advance of their life expectancy and fail at rates that far exceed the industry average.

27. Although plaintiff has been unable to locate any publicly available data regarding the failure rate of Goodman evaporator coils, or the failure rate of evaporator coils in general, numerous air conditioning dealers have observed that the evaporator coils in the Goodman Units are leaking and prematurely failing at rates well above the industry average.

28. For example, Dealer A<sup>1</sup> 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.

29. In or around 2009, Dealer A observed that the evaporator coils in Goodman Units sold since 2007 were leaking and failing at much higher rates than the industry average. According to Dealer A, approximately 15% of Goodman Units 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 1-2%.

---

<sup>1</sup> Plaintiff has given pseudonyms to the individuals and entities discussed in paragraphs 28-32.

30. 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 Units for approximately 13 years. Dealer B also supplies and installs other brands of central air conditioning units besides Goodman.

31. In or around 2007, Dealer B observed that the evaporator coils in Goodman Units sold since 2007 were leaking and failing at much higher rates than the industry average. According to Dealer B, approximately 35% of Goodman Units 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.

32. Another example is Dealer C, an air conditioning installation and service company based in Rankin County, Mississippi that sells Goodman Units. Dealer C estimates that approximately 20% of Goodman Units 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 Units during the 2008 to 2011 time frame.

33. The complaint in a related action alleges that others in the HVAC industry report similar problems with Goodman evaporator coils. One Goodman dealer has reported that approximately 80% of the Goodman Units installed by his company between 2009 and 2011

suffered from leaking evaporator coils. Another HVAC installer had to replace at least 40 of the approximately 100 Goodman Units that his company had installed—the company replaced the Goodman Units with Ruud systems and has not had problems with the Ruud units.

**2. Goodman Failed To Design And/Or Manufacture Evaporator Coils Capable Of Handling The HVAC Industry's Shift From Low To High Pressure Refrigerant.**

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

35. 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) had been 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.

36. 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.

37. The most popular substitute for R-22 is a refrigerant known as R-410A. R-410A is a blend of hydrofluorocarbons that does not contribute to depletion of the ozone layer. On the

other hand, 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.

38. The evaporator coils for the Goodman Units were 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 evaporator 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 R-410A refrigerant. Thus, Goodman's already deficient evaporator coils were not capable of handling the higher pressure associated with the R-410A refrigerant, worsening the leakage problem.

39. As of the date of this Complaint, at least seven other class action lawsuits have been filed against Goodman on behalf of consumers also alleging that the Goodman Units' evaporator 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 Kotsur v. Goodman Global, Inc. et al.*, 2:14-cv-01147 (E.D. Pa. Feb. 25, 2014).

**B. Goodman Knew That Its Evaporator Coils Were Defective.**

40. Goodman knew that its evaporator coils were defective because, as described



below, for a consumer to receive a replacement evaporator 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 evaporator coils sold since 2007 were failing prematurely and at rates far higher than the industry average.

41. 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 evaporator coils. Goodman would reimburse dealers \$350 for labor and \$100 for Freon for each evaporator coil that was replaced.

42. An example of Goodman's reimbursement program is memorialized in **Exhibit A**. 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 Units "until this matter is taken care of." James Hayes had previously purchased 261 Goodman Units 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.

43. Thus, not only was Goodman aware that their evaporator coils were defective, but it implemented a program to reimburse its direct customers, the dealers, for costs associated with the problem to avoid losing business. But Goodman did not implement any such program to compensate consumers for their losses.

44. 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 evaporator coils, but only if the consumers

first execute a release discharging Goodman from any liability for any claims they have against Goodman. See **Exhibit B**.<sup>2</sup> This further demonstrates that Goodman was aware that its evaporator 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.

45. Goodman representatives have also acknowledged that the company was aware that its evaporator coils were defective. As stated on Dealer A's website:

Goodman is indicating to its dealers that the[y] 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.

46. 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 evaporator coils. The manager acknowledged that the evaporator 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.

47. 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 the engineer left the company in 2011.

48. 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

---

<sup>2</sup> Portions of **Exhibit B** have been redacted.

2, 2012, Goodman issued a press release stating that it had introduced a single-metal solution with its All-Aluminum<sup>TM</sup> evaporator coils “[t]o prevent a leading cause of premature evaporator coils failures[.]”

49. Finally, consumers, as well as HVAC dealers, technicians, and contractors have been publicly complaining about the defective evaporator coils in Goodman Units sold since at least 2007. Hundreds of consumers from all over the United States have posted complaints on various online message boards regarding their negative experience with Goodman’s evaporator coils. A representative sample of these complaints is attached hereto as **Exhibit C**.

50. HVAC dealers and technicians, as well as contractors, from across the country have similarly voiced their concerns publicly on online message boards about the defective evaporator coils in Goodman Units sold since at least 2007. A representative sample of these complaints is attached hereto as **Exhibit D**.

51. The defective evaporator coils in the Goodman Units caused plaintiff and members of the class to suffer damages, including, but not limited to: (i) the difference in value of the Goodman Units as warranted and the Goodman Units they received with the defective evaporator coils, (ii) loss of use of their Goodman Units, (iii) increased utility costs, (iv) labor costs, (v) repair costs, (vi) and replacement refrigerant costs.

52. The costs associated with repairing and replacing the defective evaporator coil can exceed \$1,000—as much as it costs to purchase an entirely new Goodman Unit.

53. The defective evaporator coils were the direct, proximate, and foreseeable cause of damages incurred by plaintiff and members of the class.

54. Had the Goodman Units been properly manufactured and/or free from design defects, plaintiff and the class would not have suffered the damages complained of herein.

55. Had plaintiff and members of the class been informed about the defective evaporator coils in the Goodman Units, they would not have purchased the Goodman Units or would have at least paid less for them.

**C. Goodman's Warranty And Its Unconscionable Limitations.**

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

57. All Goodman Units 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 Units bearing the Amana® trade name came with an express warranty between defendant Goodman Company, L.P. and the owner of the Goodman Unit.

58. In their express warranties, Goodman Manufacturing Company, L.P. and Goodman Company, L.P. expressly warranted to the owners of the Goodman Units that the Goodman Units 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. 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.

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

Goodman Company, L.P. also expressly warranted to the owners of the Goodman Units 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.

60. 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.”

61. 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.”** The warranties do not, however, disclaim liability for direct damages.

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

63. The above warranty limitations on a Goodman Unit owner’s potential remedies are unconscionable and/or fail their essential purpose because the costs of repairing and replacing the defective evaporator coil can exceed the cost of purchasing an entirely new Goodman Unit.

64. 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 Units and had no notice of the defect. 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.

65. In fact, not only did Goodman fail to inform consumers about the defective evaporator coils, but Goodman falsely represented, and continues to falsely represent on its website, [www.goodmanmfg.com](http://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.”

66. Goodman also repeatedly promotes the quality and superiority of the warranties it offers with its products 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.”

67. Accordingly, Goodman intended to give consumers, via the representations on its website, the impression that the Goodman Units were reliable, durable, dependable, and long lasting. In fact, Goodman states on its website that if the Goodman Units 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 Units 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 Units.

68. The representations on Goodman’s website were false and/or misleading because the Goodman Units were not reliable, durable, dependable, and long lasting due to the defective evaporator coils. And Goodman’s warranties failed to make plaintiff and members of the class whole or provide them with the benefit of their bargain.

## **V. NAMED PLAINTIFF’S FACTS**

69. In or about September of 2011, plaintiff Evan Whitaker purchased a new home which had been built equipped with a Goodman Unit. Accordingly, Whitaker was the original

owner of his Goodman Unit, and he and his family were the first people to use their Goodman Unit. Whitaker's unit was a heat pump unit.

70. Whitaker experienced problems with his Goodman Unit in or about July of 2013, when his Goodman Unit failed to cool his home. A service technician found that Whitaker's Goodman Unit was low on refrigerant and added four pounds of refrigerant, which immediately leaked out of the system. After observing this, the technician determined that the evaporator coil in Whitaker's Goodman Unit was leaking and needed to be replaced.

71. The service technician returned Whitaker's old defective evaporator coil to Goodman in exchange for a new evaporator coil, pursuant to Whitaker's warranty with Goodman. The service technician performed the service necessary to install Whitaker's new evaporator coil, which included adding additional refrigerant to the system. Goodman provided the evaporator coil free of charge, but Goodman did not cover the labor and refrigerant costs associated with the defective evaporator coil. Whitaker incurred charges of over \$650 for that service.

## VI. TOLLING AND ESTOPPEL OF STATUTES OF LIMITATION

72. Goodman knew that the evaporator coils in the Goodman Units sold since 2007 were defective because the evaporator coils in these units were failing at rates that far exceeded the industry average. In addition, Goodman has received, and continues to receive, complaints from consumers and HVAC dealers, technicians, and contractors that its Goodman Units sold since at least January 2007 contain defective evaporator coils that improperly and prematurely leak refrigerant. Thus, Goodman was aware that the evaporator coils in the Goodman Units sold since at least January 2007 were defective and would improperly and prematurely leak refrigerant under normal use.



73. Although Goodman was aware that the evaporator coils in the Goodman Units were defective, it took no steps to warn plaintiff or the class of the defect. Goodman continued to sell its defective air conditioners to plaintiff and the class.

74. The defects in the design and/or manufacture of the Goodman Units were not detectible, or capable of being detected, by plaintiff or members of the class until they were informed by experienced service technicians that the evaporator coils on their Goodman Units were defective and needed to be replaced.

75. Goodman actively concealed the existence of this defect and/or failed to inform members of the class of the existence of the defect.

## **VII. CLASS ACTION ALLEGATIONS**

76. Plaintiff brings this action on behalf of himself and the members of a class comprising of:

All persons residing in the State of North Carolina who purchased a Goodman Unit since January 2007 for primarily personal, family or household purposes, and not for resale.

77. Subject to additional information obtained through further investigation and discovery, the foregoing class may be expanded or narrowed by amendment or amended complaint. Specifically excluded from the class is any entity in which defendants had a controlling interest or which has a controlling interest in defendants, and defendants' legal representatives, assigns, and successors.

78. Members of the class are so numerous that joinder is impracticable. While the exact number of class members is unknown to plaintiff, it is believed that the class is comprised of at least thousands of members geographically dispersed throughout the State of North Carolina. The class, however, is readily identifiable from information and records in the

possession of Goodman.

79. Common questions of law and fact exist as to all members of the class. These questions predominate over questions that may affect only individual class members because Goodman has acted on grounds generally applicable to the class. Such common legal or factual questions include:

- (a) Whether the Goodman Units are defective;
- (b) Whether the Goodman Units are defectively designed and/or manufactured;
- (c) Whether Goodman knew or reasonably should have known about the defects prior to distributing the Goodman Units to plaintiff and the class;
- (d) Whether Goodman concealed from and/or failed to disclose to plaintiff and the class the problems with the Goodman Units;
- (e) Whether Goodman knew or reasonably should have known about the defects after distributing the Goodman Units to plaintiff and the class;
- (f) Whether Goodman breached express warranties relating to the Goodman Units;
- (g) Whether Goodman breached the implied warranty of merchantability relating to the Goodman Units;
- (h) Whether the terms of Goodman's written warranties relating to the Goodman Units were unconscionable and/or failed their essential purpose;
- (i) Whether Goodman was unjustly enriched by receiving moneys in exchange for air conditioners and heat pumps that were defective;
- (j) Whether Goodman should be ordered to disgorge all or part of the ill-gotten profits it received from the sale of the defective Goodman Units;
- (k) Whether plaintiff and the class are entitled to damages, including compensatory, exemplary, and statutory damages;
- (l) Whether Goodman should be enjoined from selling and marketing the defective Goodman Units;
- (m) Whether Goodman engaged in unfair, false, misleading, or deceptive trade

practices by selling and/or marketing defective air conditioners and heat pumps;

(n) Whether Goodman engaged in unfair, false, misleading, or deceptive trade practices by placing unconscionable limitations on express and implied warranties associated with the Goodman Units;

(o) Whether Goodman engaged in unfair, false, misleading, or deceptive trade practices by concealing and/or failing to inform plaintiff and members of the class that the Goodman Units were defective;

(p) Whether Goodman engaged in unfair, false, misleading, or deceptive trade practices by falsely representing that the Goodman units are reliable, durable, dependable, long lasting, and meet or exceed the highest standards in the heating and cooling industry; and

(q) Whether Goodman engaged in unfair, false, misleading, or deceptive trade practices by making false representations regarding the quality of its warranties.

80. Goodman's defenses to plaintiff's claims are typical of its defenses to claims of the members of the class.

81. Plaintiff's claims are typical of the members of the class as all members of the class are similarly affected by Goodman's actionable conduct. Plaintiff and all members of the class own Goodman Units with defect(s) that make the air conditioners unfit for their ordinary purpose. In addition, Goodman's conduct that gave rise to the claims of plaintiff and members of the class (*i.e.* selling defective air conditioners, concealing the defect, and breaching warranties respecting the air conditioners) is the same for all members of the class.

82. Plaintiff will fairly and adequately protect the interests of the class because plaintiff has no interests antagonistic to, or in conflict with, the class that plaintiff seeks to represent. Furthermore, plaintiff has retained counsel experienced and competent in the prosecution of complex class action litigation. Plaintiff has or can acquire adequate financial resources to assure that the interests of the class will not be harmed.

83. Class action treatment is a superior method for the fair and efficient adjudication of this controversy in that, among other things, such treatment will permit a large number of

similarly situated persons or entities to prosecute their common claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of evidence, effort, expense, or the possibility of inconsistent or contradictory judgments that numerous individual actions would engender. The benefits of the class mechanism, including providing injured persons or entities with a method for obtaining redress on claims that might not be practicable to pursue individually, substantially outweigh any difficulties that may arise in the management of this class action.

84. Plaintiff knows of no difficulty to be encountered in the maintenance of this action that would preclude its maintenance as a class action.

85. Plaintiff has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole.

86. This forum is an appropriate forum for litigation of the claims of the class, which is comprised only of persons residing in the State of North Carolina.

#### **COUNT I (Express Warranty)**

87. Plaintiff re-alleges and incorporates each and every allegation set forth above as if fully written herein.

88. Goodman is a "seller" within the meaning of N.C. Gen. Stat. § 25-2-103(1)(d).

89. The Goodman Units are "goods" within the meaning of N.C. Gen. Stat. § 25-2-105(1).

90. Plaintiff and the members of the class are "buyers" within the meaning of N.C. Gen. Stat. § 25-2-103(1)(a).

91. Goodman expressly warranted via its user manuals, website, brochures,

specifications, and/or models that the Goodman Units are fit for the ordinary purpose in which such goods are used. Goodman expressly warranted in its user manuals that the Goodman Units 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 the defendant online within 60 days after original installation or for a period of 5 years if the product is not registered.

92. Goodman's express warranties were part of the basis of the bargain between Goodman and plaintiff and members of the class.

93. Goodman breached its express warranties because the Goodman Units were not fit for the ordinary purpose in which they are used and because they were not free from defects in materials and workmanship that affect performance under normal use and maintenance. Specifically, the Goodman Units are defective because their evaporator coils improperly and prematurely leak refrigerant under normal use, which renders them unfit for their ordinary purpose because the loss of refrigerant stops the Goodman Units from emitting cool air and cooling consumers' homes, or warming consumers' homes in the case of Goodman Units that are heat pumps operating in heating mode. Goodman also breached its express warranty by refusing to repair the Goodman Units and/or replace the defective evaporator coils.

94. Goodman was aware of the defects in its evaporator coils when it sold the Goodman Units to plaintiff and members of the class, yet it concealed this fact from plaintiff and members of the class.

95. Plaintiff and members of the class relied upon the representation and/or warranty that they would be supplied a Goodman Unit free of defects.

96. The limited remedy in Goodman's express warranties required plaintiff and members of the class to incur significant expenses when their evaporator coils fail, including (1)

hiring a licensed contractor to remove the defective evaporator coil and return it to Goodman, (2) paying to have the new evaporator coil installed, and (3) paying to add new refrigerant to the system. These costs can exceed the value of the evaporator coil itself, or even the value of an entire Goodman Unit.

97. The limited remedy in Goodman's express warranty only provided plaintiff and members of the class with another evaporator coil that also was prone to failure.

98. Plaintiff and members of the class had no reason to expect that either (1) the Goodman Units were not free from defects, and (2) that if the Goodman Units were not free from defects, they—and not Goodman—would be financially liable. Had plaintiff and members of the class known that the evaporator coils in the Goodman Units were defective, they would not have purchased them.

99. Plaintiff and members of the class had no meaningful choice with respect to the limited remedy, and it unreasonably favored Goodman.

100. Plaintiff and members of the class notified Goodman of the breach.

101. Plaintiff and members of the class sustained injuries and damages as a result of the breach.

102. The limitations on Goodman's express warranty are unconscionable and/or fail their essential purpose.

## **COUNT II**

### **(Implied Warranty Of Merchantability)**

103. Plaintiff re-alleges and incorporates each and every allegation set forth above as if fully written herein.

104. The Goodman Units are "goods" within the meaning of N.C. Gen. Stat. § 25-2-105(1).

105. Plaintiff and the members of the class are “buyers” within the meaning of N.C. Gen. Stat. § 25-2-103(1)(a).

106. A warranty that goods shall be merchantable and fit for the ordinary purposes for which such goods are used is implied in a contract for their sale if the seller is a merchant with respect to goods of that kind. N.C. Gen. Stat. § 25-2-314.

107. Goodman is a “merchant” with respect to air conditioners within the meaning of N.C. Gen. Stat. § 25-2-104(1).

108. Goodman’s implied warranty that the Goodman Units were merchantable was part of the basis of the bargain between Goodman and plaintiff and members of the class.

109. Goodman breached the implied warranty of merchantability because the Goodman Units were not fit for the ordinary purpose in which such goods are used. Specifically, the Goodman Units are defective because their evaporator coils improperly and prematurely leak refrigerant under normal use, which renders them unfit for their ordinary purpose because the loss of refrigerant stops the Goodman Units from emitting cool air and cooling consumers’ homes.

110. The evaporator coils were defective, and therefore not merchantable, when they left Goodman’s control.

111. Plaintiff and members of the class notified Goodman of the breach.

112. Plaintiff and members of the class sustained injuries and damages as a result of the breach.

113. The limitations on Goodman’s implied warranties are unconscionable and/or fail their essential purpose.

**COUNT III**  
**(Violation of North Carolina Unfair and Deceptive Trade Practices Act,**  
**N.C. Gen. Stat. § 75-1.1, *et seq.*)**

114. Plaintiff re-alleges and incorporates each and every allegation set forth above as if fully written herein.

115. The North Carolina Unfair and Deceptive Trade Practices Act ("UDTPA") declares unlawful unfair or deceptive acts or practices in or affecting commerce. *See* N.C. Gen. Stat. § 75-1.1.

116. Goodman committed unfair or deceptive acts or practices in or affecting commerce by manufacturing, designing, engineering, fabricating, assembling, constructing, testing, examining, warranting, selling, distributing, and/or marketing the Goodman Units with defective evaporator coils.

117. Goodman committed unfair or deceptive acts or practices in or affecting commerce by manufacturing, designing, engineering, fabricating, assembling, constructing, testing, examining, warranting, selling, distributing, and/or marketing the Goodman Units with defective evaporator coils with unconscionable warranty limitations.

118. Goodman committed unfair or deceptive acts or practices in or affecting commerce by concealing and/or failing to inform plaintiff and members of the class that the Goodman Units were defective.

119. Goodman committed unfair or deceptive acts or practices in or affecting commerce by falsely representing that the Goodman units are reliable, durable, dependable, long lasting, and meet or exceed the highest standards in the heating and cooling industry.

120. Goodman committed unfair or deceptive acts or practices in or affecting commerce by making false representations regarding the quality of its warranties.



121. Goodman's unfair or deceptive acts or practices offended established public policy and was immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers.

122. Plaintiff and members of the class relied on Goodman's false or deceptive representations.

123. The UDTPA applies to all claims of the members of the class because the conduct which constitutes violations of the code by Goodman occurred within the State of North Carolina.

124. These unfair or deceptive acts or practices proximately caused damages to plaintiff and members of the class.

**COUNT IV  
(Unjust Enrichment)**

125. Plaintiff re-alleges and incorporates each and every allegation set forth above as if fully written herein.

126. Plaintiff and members of the class conferred a measureable and non-gratuitous benefit upon Goodman. Plaintiff and members of the class paid money to acquire ownership of their Goodman Units. Accordingly, plaintiff and members of the class conferred an economic benefit upon Goodman because Goodman profited as a result from plaintiff and members of the class paying money to acquire ownership of their Goodman Units.

127. Goodman consciously accepted, retained, and appreciated the benefit conferred upon it by plaintiff and members of the class.

128. Goodman, however, retained that benefit under circumstances that make it inequitable for Goodman to retain it without paying the value thereof. Specifically, Goodman retained that benefit despite the fact that the Goodman Units were defective and despite the fact

that Goodman knew or reasonably should have known that the Goodman Units were defective, but failed to disclose the defect to plaintiff and members of the class.

#### **REQUESTS FOR RELIEF**


WHEREFORE, plaintiff, on behalf of himself and all others similarly situated, respectfully request that this Court:

- A. Certify the class pursuant to Rule 23 of the North Carolina Rules of Civil Procedure;
- B. Award damages, including compensatory, exemplary, and statutory damages, to Plaintiff and the class in an amount to be determined at trial;
- C. Grant restitution to plaintiff and the class and require Goodman to disgorge its ill-gotten gains;
- D. Permanently enjoin Goodman from engaging in the wrongful and unlawful conduct alleged herein;
- E. Award plaintiff and the class their expenses and costs of suit, including reasonable attorneys' fees to the extent provided by law;
- F. Award plaintiff and the class pre-judgment and post-judgment interest at the highest legal rate to the extent provided by law; and
- G. Award such further relief as the Court deems appropriate.

**PLAINTIFF DEMANDS A JURY TRIAL ON ALL ISSUES SO TRIABLE.**

[SIGNATURE ON FOLLOWIGN PAGE]

This the 18<sup>th</sup> day of April, 2014.



---

Daniel K. Bryson  
N.C. Bar No.: 15781  
Scott C. Harris  
N.C. Bar No.: 35328  
Whitfield Bryson & Mason LLP  
900 W. Morgan Street  
Raleigh, NC 27603  
Ph: (919) 600-5000  
Fax: (919) 600-5035  
Email: [dan@wbmlp.com](mailto:dan@wbmlp.com)  
Email: [scott@wbmlp.com](mailto:scott@wbmlp.com)

Gary E. Mason  
WHITFIELD BRYSON & MASON LLP  
1625 Massachusetts Ave., N.W., Suite 605  
Washington, D.C. 20036  
Ph: (202) 429-2290  
Fax: (202) 429-2294  
Email: [gmason@wbmlp.com](mailto:gmason@wbmlp.com)

Jonathan K. Tycko  
Lorenzo B. Cellini  
Andrew J. Silver  
TYCKO & ZAVAREEI LLP  
2000 L Street, N.W., Suite 808  
Washington, D.C. 20036  
Ph.: (202) 973-0900  
Fax: (202) 973-0950  
Email: [jtycko@tzlegal.com](mailto:jtycko@tzlegal.com)  
Email: [lcellini@tzlegal.com](mailto:lcellini@tzlegal.com)  
Email: [asilver@tzlegal.com](mailto:asilver@tzlegal.com)

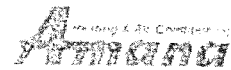
*Attorneys for Plaintiff*



Air Conditioning &amp; Heating

10046000 - BOLES SUPPLY, INC.

**GOODMAN GLOBAL  
SPECIAL PROJECT AUTHORIZATION FORM  
Status - Approved**



**GENERAL INFORMATION**

Project Code:	8334	Project Title:*	James Hayes Heating and AC	Exp. Total Cost:*	\$6,623
Project Start Date:		Project End Date:			
Requestor:*	Dan Copeland		Requestor Email:*	dan.copeland@bolessupply.com	
Issue/Solution:*( <500 char)			Business Justification:*( <500 char)		
Customer has experienced evaporator coil failures in air handlers ranging from 2007 - 2010. Customer is looking to recoup losses from customers unwilling to pay for labor on warranty replacements.			Customer has since stop buying Goodman until this matter is taken care of.		

**ASSESSMENT INFORMATION**

**FILL ALL INFORMATION THAT APPLIES**

Site Assessment Performed By:		Estimated Exposure	
Site Visit Date:		Qty Units Affected:	261
Install Period From:	10/01/2009	Part Cost per Unit:	\$0
Production Date From:	01/01/2007	Labor per Unit:	\$350
	End: 10/18/2011	Total Exposure:	\$91,350
	End: 02/28/2010	Incident Rate Est:	%7.25
Assessment Notes/Special Notes relative to information above: (< 500 char)		Qty Estimate:	19
The customer has brought 261 air handlers during this time period. He has 24 failures to date.		Total Est Cost:	\$6,623
		Other Allowance:	\$0
		Grand Total:	\$6,623

**PROJECT SPECIFICS**

Channel * : IND	
Project Details: (< 1000 char)	
All air handlers are installed in single family homes.	
Target Distributors if limited to specific Distributors: (<500 char)	Target Dealers if limited to specific Dealers/Contractors: (<500 char)

**List Models Below**

Models	Description	Serial#	From	Serial#	To	Parts	Description

Attached File	
JH SH.xls	
JAMES HAYES BAD COILS (2).xlsx	
Logs	
Operation	Date

GOODMAN MANUFACTURING COMPANY, L.P.  
7401 Security Way  
Houston, Texas 77040

August 9, 2013

[REDACTED]

Dear [REDACTED]

In consideration of the payment to [REDACTED] (hereinafter "Releasing Party") of \$350.00, to be paid by check upon receipt of the original of this letter executed by the Releasing Party, Releasing Party hereby agrees as follows:

Releasing Party, on its own behalf and on behalf any person or entity claiming by, through, or under Releasing Party (collectively, the "Releasing Parties"), hereby RELEASES, ACQUITS AND FOREVER DISCHARGES AND INDEMNIFIES Goodman Manufacturing Company, L.P. and its parents, partners, subsidiaries and affiliates, and their respective employees, equity holders, officers, directors, agents, representatives, attorneys, successors, and assigns or the like (collectively, the "Goodman Parties") from and against any and all payments, claims, demands or causes of action whatsoever, in law or equity, of any and every character, kind and nature whatsoever, for matters that arose on or prior to the date of the execution of this letter by Releasing Party relating to, concerning or arising out of the use or operation of that certain product manufactured or supplied by the Goodman Parties with serial number 0711120386 and model number GSC130361.

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of law rules. Releasing Parties represent and warrant that they have not assigned any claim released herein.

If this offer is acceptable, please sign and return this letter to us. We will then initiate the process to issue the check.

Please send the executed original of this letter to my attention at the address set forth above. If an executed original of this letter is not received by the undersigned within 15 business days from the above date this offer will lapse and be of no further force or effect.

Signing this offer letter does not waive the original Limited Parts Warranty on the unit(s) mentioned in this letter.

**PLEASE ALLOW 4-5 WEEKS FROM THE DATE THAT WE RECEIVE THE SIGNED LETTER FOR PROCESSING.**

Sincerely,

*Nick Belcher*

Nick Belcher  
Manager Consumer Affairs  
Goodman Manufacturing Company, L.P.

ACCEPTED BY:

[REDACTED]

EXHIBIT B

On June 17, 2008 Ticked off from Florida posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- Unit barely 1 1/2 years old, brand new house, and already I'm shelling out \$600 to replace the evaporator coil that sprung a leak. It's under warranty, but not the labor of course. So what does the tech tell me that comes out when I ask if this is normal? You have a Goodman so yes, it is normal for this brand of A/C unit. He's been replacing a lot of them lately as they were all installed approximately the same time as mine. I'm filing a complaint with the builder, with Goodman, with my attorney, and with everyone else I can possibly find to complain to.

On August 4, 2008 Robert Collins posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- This unit is 1 year old and is a piece of junk. The evaporator coil already has a leak that cannot be repaired. The unit appears to be of very poor quality and I would not recommend one to anyone.

On March 13, 2009 javajunkies2 posted on [www.city-data.com](http://www.city-data.com) the following:

- A Goodman air conditioner system was installed by the builder in my home 3 1/2 years ago. In that time I've spent over \$1000 on repairs. The starter and evaporator coils have been replaced. I was told by the service tech that Goodman is the cheapest a/c system on the market.

On May 18, 2009 J. Gibson posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- I could have written Charlotte's review! Our air conditioning system is only two years old, and a repairman had to add four pounds of freon because of a leak in the coil! It cost \$95 for that, and the labor for replacing the coil is going to be \$545! That's outrageous. We lived in our last home 28 years and never had a problem like that. We replaced our unit once, but that was after many, many years.

On July 7, 2009 James Sullivan posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- We moved into our brand new home two years ago. Our air has already gone out twice! Last summer we had to have it serviced (all the freon had leaked out). This is not covered by warranty. We had to have it filled and pay out of pocket on a 1 year old air system. Now once again our air is out and the repair man just left (\$70) later we are told the inner coil has several pin hole leaks in the coils (from factory sauderling). Estimated repairs is over \$400 out of pocket. Come on - 2 yrs old...???

On July 22, 2009 Alison H. posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- We had a brand-new house built and Goodman's air conditioner was installed by the builder. All was great for the first year. Then all of a sudden the upstairs air conditioner would not blow cold air, so we had it checked. Freon added. About a year later, the same problem. More freon added. They checked for a leak and there wasn't one. 3 weeks later the stupid thing only blew warm air. The coils were frozen so we had to thaw it out for 24

EXHIBIT C

hrs before the guy could come back (and it was 85 degrees in the house- miserable). When the ac guy checked the unit, it needed 2 pounds of freon. This caused him to check the coils, and it turns out they were bad. We had to wait a month for the new coils to come in and pray the freon didn't run out again before the coils could be replaced. So far we've been running the upstairs air conditioner as little as possible and the coil is being replaced tomorrow. They will have to add more freon..AGAIN. I found out that many of the units in my neighborhood are having the exact same problem, but Goodman refuses to accept that it is the quality of their product. So, our builder is taking the responsibility of the cost and paying all charges since they don't want to make it the homeowner's responsibility. Good thing, because I am told the cost is close to \$700. DON'T buy a Goodman unit and pay more for a better (and more reliable) AC system if you can!! PS: This is for our upstairs unit right now, but we are being told the same thing will probably happen for our downstairs unit. It's not a matter of if, but WHEN.

On August 11, 2009 Scott S. posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- Less than 2 years, evap coil is leaking. Avoid this manufacturer

On April 8, 2010 Darell Shaw posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- We moved into our brand new home nine months ago. Our air has already gone out! We had to have it serviced (all the freon had leaked out). This is not covered by warranty. We had to have it filled and pay out of pocket on a 9 month old air system. The repair man just left (\$90). Later, we are told that the inner coil has several pin hole leaks in the coils (from factory sauderling). Estimated repairs is over \$475 out of pocket. Come on - 9 months old...??? Never again will I own one of these systems. I think I should be entitled to a refund of all the money I have wasted on this defective system. Very poor quality.

On April 10, 2010 Jeff Seasholtz posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- Had a new Goodman 16 seer central air system installed in March 2008. By end of the cooling system, it started throwing warm air. At start up of 2009 season in May had no 410 freon in the system. The cooling coil was bad. Had to pay \$900 to have a new one installed. Coil was covered but not the labor. Again 2010, tried to start this time in April. Same situation not compressor function. Called the repair rep out and they found another bad cooling coil. Luckily, this year both the labor and coil are under warranty. But this is another disruption to normal life. Last year, I notified Goodman and they did not give me the time of day. Really pissed me off. I just emailed them this morning and honestly expect the same flippant attitude. I WOULD NOT RECOMMEND A GOODMAN PRODUCT. PURCHASE ANOTHER MANUFACTURER.

On April 30, 2010 Dareyl W. Stark posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- I had a package unit installed by a Goodman dealer and I've had it worked on twice in 1 year. It quit heating the house so when I tried the electric heat strip it was unserviceable, so during the service call \$374.00 they found it was also low on freon, but they couldn't detect a leak??? Added 5lb r22 and was on their way. Long behold 5 months later no cooling, again low on freon. Added another 5lbs and charged nothing since this service

## EXHIBIT C

call was done by a Goodman rep who understood my frustration and also found the leak in the coil with a dye test and sniffer "inside" the house with the freon blowing out the registers. Goodman has jacked us around for 2 months trying to get a new coil and/or replace the unit. The latest service tech Shane Clevenger with "Able Co." out of Beaufort, SC is the only good thing in the word Goodman. He has spent "his time and money" to keep me and my family climatized in our home while Goodman continues to play their games with Me, Able Co, & his Supplier. Don't buy a Goodman. Their Service Reps are awesome. The company sucks!!!! They need to take a hard look at customer satisfaction and service. Bet the President of the Company is warm/cool in his house.

On May 5, 2010 SWFloridaGlades posted on [www.hvac-talk.com](http://www.hvac-talk.com) the following:

- Hello All. These photos are all of the same evaporator coil, replaced last year (May 2009). This coil lasted 3 years (original). The replacement coil (from last year) is leaking already. I am considering a new system or a new evaporator. Are epoxy coated coils more durable? Any advice would be appreciated.

On June 30, 2010 hotmommy posted on [www.hvac-talk.com](http://www.hvac-talk.com) the following:

- 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. does 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

On July 24, 2010 Julie from Tennessee posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- It's terrible! Do not fall victim like we did. We purchased a new construction house in Nov. of 2007. The first service call was March 2008 leaking coolant from coils. February 2009, we had no heat. April 2009, we have the a/c added coolant. January 2010, no aux. heat. June 2010, had to fix evaporation coil and put coolant back in. Today, 7/24/2010 replaced fan motor! (It's 100 degrees today in Tennessee!) We have now spent \$1400 on repairs. Seriously, I complained in February to The Goodman company and finally got a response of sorry basically, but nothing done. As I read other posts, they are very similar to our situation. I am so mad over the whole thing.

On September 5, 2010 Jack Snow from Gainesville, FL posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- My new home came with a gsc14 Goodman a/ unit in Jan 2008. It worked fine for 32 months. The contractor came out two weeks ago, said the coil was leaking. They don't make that coil anymore. Contractor installed the newly designed coil on Wednesday 9-1-10. On 9-4-10 no more cool air. Called a service technician on Labor Day Weekend (ouch). Technician says new coil is leaking. Added r-22 and say I need a new a/c unit. Don't know where to go from here.

On September 7, 2010 M. Bachman posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

EXHIBIT C



- 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 in the attic has a leak. The repair man also stated this is a know issue and is also a design issue, which goodman has fixed as of July 2010 but is only on new units. The price to fix this is \$800.00. I called the company in Texas and the person that answered the phone was very arrogant and not-supportive to customer feedback. Unporfessional and not customer oriented company. DO NOT BUY A GOODMAN! I PLAN ON FILING A CLASS ACTION LAWSUIT.

On September 10, 2010 MSR from Orlando, FL posted on [www.ripoffreport.com](http://www.ripoffreport.com) the following:

- I purchased a goodman air handler on 06/23/2009 on 09/07/2010 my a/c broke and the a/c company found that the air handler has bad coils that are leaking. This will cost \$580.00 in labor. I call goodman to report this defected product because this should not happen to a air handler in 14 months. I spoke to Jose in Consumer affairs at Goodman he stated it because I have a mix match a/c unit in which I stated this to 3 a/c companies and they all said this is untrue. It has nothing to do with the outside unit. I then spoke to his manager, Sashi that stated the same thing. this company is a rip off that sell defected items. I had a air handler prior to this one that lasted 17 years and 5 of those years had a miss match outside unit. This company has a commercial that states there products last and last. What a Lie.

On September 13, 2010 Doug D. from Montgomery, Alabama posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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 in the attic has a leak. The repair man also stated this is a know issue and is also a design issue, which goodman has fixed as of July 2010 but is only on new units. The price to fix this is \$800.00. I called the company in Texas and the person that answered the phone was very arrogant and not-supportive to customer feedback. Unporfessional and not customer oriented company. DO NOT BUY A GOODMAN! I PLAN ON FILING A CLASS ACTION LAWSUIT.

On September 15, 2010 Hot and Unhappy from California posted on [www.furnacerepair.com](http://www.furnacerepair.com) the following:

- Two years ago we have a Goodman installed. The next year it wasnt cooling. The tech said there must be a leak in the pipes to the attic and did over \$1100 in work for new pipes and replaced the gas. This year we had a different tech come out. He found a leak in coil. He said Goodmans have a very high rate of failure and his company has (at their cost) replaced every Goodman they installed. Too bad I did use them initially. :) Well Over \$200 later he tells me that the new pipes were not needed. And that I have a huge paper weight now. Being that this is an "older" style with the type of gas that is not currently used it would be \$500 to recharge and that would only last a short time. He said if I turn it on as it, that is would destroy the rest of the system with the lack of gas in it. So a 2 year old system is worthless. :( We dont have the money for a replacement or even to pay the labor on warranty parts and gas. Just crap.

EXHIBIT C

On September 17, 2010 Greg posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- Have a 4 ton Goodman AC that is 18 months old. Inside coil failure and I have to pay for shipping and labor. P Poor warranty not to mention poor quality due to early failure.

On October 29, 2010 Lee Sanders from Florida posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- Had new 8 kw A/C unit installed in 20 November 2009, to take advantage of tax credit. Old unit was still okay but 15 years old. Goodman installed by local dealer and had minor problem with cooling. Fast forward to Oct 2010 during summer I noticed minor cooling problem now unit stopped cooling entirely. Tech said refrigerant leak in coils. The entire system has to be removed and replaced. Fortunately, it was less than one year as I had no labor warranty just the 10 company warranty. Now I wonder how long before it craps out again. Two neighbors one across from me spent over \$1200 to have same problem after 2 1/2 years same type unit. I would not recommend this company to anyone.

On October 30, 2010 L. Michael posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- On 3/8/08 a Certified a/c contractor installed a Goodman 3.0 ton 14 seer Central a/c system, aepf426016 3.5,5.0 ton low leak air hndl, and ssx140361 14 seer ac, 3 ton compressor. On 10/17/09 a Certified a/c contractor came out and replaced the leaking evap coil, on 10/26/10 Certified a/c contractor came out and the evap coil needs to be replaced again. I have spent \$750.00 on warranty items. Goodman needs to reimburse me and many others for selling a faulty product. I had two Whirlpool units which lasted for 25 years before failure. Where is Goodman buying these below quality parts from and then selling them to us Americans.

On November 2, 2010 Angry in TN from Franklin, TN posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- We had similar bad experience with the Goodman HVAC unit in our brand new home. Evap coil went out after only 18 months. Sure the part is in warranty but service call and labor to replace the part are running \$1000. Goodman will not budge on the "parts only" warranty. If you search the internet, you'll find that Goodman products get terrible reviews. I'll not purchase another Goodman product and I'm out to let everyone know what a inferior product they manufacture.

On January 27, 2011 Penny from Guyton, GA posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- We have had our home for only three years and we already have to replace the evaporator coil in our unit. I spoke to several heating and air repair places and they all said the goodman units were bad for this.

On February 27, 2011 Danny1976 posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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

EXHIBIT C

warrant the part and not include the installation. They made defective coils they should also pay for the labor. The coils on my unit leaked within the 1st year.

On May 25, 2011 M. Kennedy from Austin, TX posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- I moved into a brand new house less than 2 years ago, and last night I had to call an AC repair place because my unit was not cooling despite running 24/7. The repair man said that he had to add 10 pounds of freon because the evaporator coil was leaking and that it needs replacing. He said the good news is that the part is under warranty, but the bad news is that labor isn't covered and is \$1268!!!! OMG! I can't believe that I paid \$404 for the service call and freon last night, and now I have to pay for labor to replace a part that is less than 2 years old?!?!?! I will never have a Goodman again!!!!

On May 26, 2011 Georg from Greensboro posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- My Goodman unit came with the house unfortunately. I even have a service agreement, so my unit was always taken a good care of. I even put a cover on the outside unit in the winter time to protect it. Today it stop cooling the air all together, on a 92 F day. I was told by the repair man that my evaporator coil was leaking on two places, none the less. The coil is under warranty (5 years), but the installation is not. the total damage was 1.150 Do not buy this brand, unless you are already stuck with it.

On June 7, 2011 J. Hood from Raleigh, NC posted [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- We bought a new home 3 years ago -year 2 our upstairs unit went bad (evaporator coil), now year 3 our downstairs 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.

On June 11, 2011 Richard Mosher posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- When my wife and I purchased our house it was 18 months old. We got a service maintenance plan, when the company came out to check our system, they found it to be 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 in the new one was \$900.00. Now I am finding out that a large number of the coils in our development are failing.

On July 11, 2011 JBinAL posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- I too am another victim. New construction with 2 new heat pumps. Primary unit (4Ton) 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 verses copper coils?

EXHIBIT C

On July 28, 2011 JCranston from Granbury, TX posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- New house; New ac Goodman; 4 years old now. Every year issues; leaking; refrigerant; many days of no ac in tx. Today had Evaporator coil system replaced (just like man below). Turns out with copper tubing and aluminum body, the dissimilar metals cause reaction and premature corrosion/rust to the point of way too early leaking. The man put in a new Gibson coil that is 100% aluminum and he says it will last a long time. He says all over the neighborhood these are failing.

On July 28, 2011 Glynn from Mesquite, TX posted on [www.ripoffreport.com](http://www.ripoffreport.com) the following:

- In 2009 we had a complete install of the upstairs AC unit done by ESP services. They installed an Amana 2.5 ton condenser unit. GSX 130301. On July 7 of this year 2011 the air stopped cooling.. Had to get ESp out here to tell us we have leaks in the coil. We paid 157 for service call and 2lbs of freon. Found out the replacement would cost us 900. Shopped around for a few days and found the lowest cost would be 750. The contractor called Goodman on Mon. and requested to pay for a 3 day ship . He had to call them back on Thurs to find out that they could not get the part for another week... No heads up to the contractor or to us the customer while our upper level is 98 degrees daily with fans and where the kitchen happens to be located. Thank God we have a lower level with a different unit that works. Called Goodman's Customer service and Amy pretty much tells us we should have gotten an extended service warranty. Our fault we have to pay so much to replace this. So the website says they make quality products and have been since 1982. When did they stop? Seems the extended warranty is a must have if their products wont last more than 2 years. Next step is BBB then a letter to Consumer Affairs and present CEO of Goodman since they may be bought out by a Japanese Co if they have not already... Wish so much we had the inclination to research this product before we bought it. Showing many complaints. Never buy this system.

On August 19, 2011 Armchaircmdr posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- I purchased this house new exactly 3 years ago and today I 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 has 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.

On September 15, 2011 T Turner from Valdosta, GA posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

EXHIBIT C

- The unit was installed in new house. Now 2 1/2 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.

On November 3, 2011 WpO posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- Well here is another unsatisfied customer of Goodman. We have now had the coils replaced 2x and looking at a 3rd time. Their field Rep came to our house to inspect the defective coils this time and yes you guessed it. Coils bad not install!!! The last replacement coils cost us over \$400 and we expect that to be reimbursed by Goodman. Don't sit back and let this company rip you off for their defective merchandise! Can you say class action...

On March 11, 2012 Tony posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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. The technician who replaced my coils was the same technician who installed the original units. According to him, Goodman continued using older coils which were designed for R-22 Freon on their newer 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. 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.

On April 5, 2012 coveredbrdgelady posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- We too have a LEMON Amana product, or should say, HAD as it went to the landfill yesterday. Amana Heatpump, started breaking down at two years with coil leaking and had to be replaced, compressor went out and replaced, contactor and wires burned, had electrical issues and never knew when it would run or wouldn't run. No help at all from Goodman's. Basically told me to get lost. Local dealer was ready to throw up his hands and quit servicing it, as he couldn't find the problem. Tech Rep was supposed to come and go through the whole unit. He won't return calls, emails, or make an appointment. Believe me, we are bad-mouthing this piece of junk everywhere we can. Happy day yesterday when the crane took it off the roof and replaced it with a beautiful RHEEM. Should have bought this in the first place. THIS AMANA JUNK WAS ONLY 3 YEARS OLD WHEN WE REPLACED IT!!

On April 25, 2012 One disappointed customer of the Goodman product from Milledgeville, Georgia posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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

**EXHIBIT C**

stopped and it's 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.

On May 17, 2012 J. Torres from Durham, NC posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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 needs 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 goodman at all costs. Worst a/c unit ever made.

On June 4, 2012 tmac71 posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- 2 Goodman split systems installed in late Nov 2010. One system already has evaporator coil leak. Made it through ONE summer?!?! Goodman is offering to only replace the copper units with new aluminum ones. This is practically an admission of the poor original design. They need to be held responsible for their negligent actions. I am checking into class action now.

On June 4, 2012 Ccorona22070 from Slidell, Louisiana posted on [www.pissedconsumer.com](http://www.pissedconsumer.com) the following:

- Installed a goodman 5 ton a/c back in 9/2010, i started having problems with it on 7/10/2010, evaporator coil was leaking, part was under warranty, labor & freon costed me 997.00. I know still have the same problem with the evaporator coil leaking as of 6/4/2012, i need to have it replaced again at a cost of 1327.00, service fee to diagnose 327.00, 974.00 for labor & freon. I WOULD NOT RECOMMEND ANYONE TO PURCHASE THIS A/C, DUE TO EXTENSIVE LABOR REPAIRS. YOU WOULD DO BETTER OFF IF YOU TAKE THE JUNK OUT & REPLACE IT WITH A REPUTABLE MANUFACTURE. 11b6d6b

On June 4, 2012 Ccorona22070 from Slidell, Louisiana posted on [www.pissedconsumer.com](http://www.pissedconsumer.com) the following:

- I had a 5 ton Goodman A/C installed in 9/2007, I had to replace the evaporator coil on 7/10/2010, the coil needs to be replaced again 6/4/2012. The product is junk, I would not recommend for any one to buy this products, or you are looking at very expensive repair bills, you will do better taken the junk out & replacing it with a reputable one manufacture. I think we need to bring a lawsuit for us to get reimbursed for the labor money that we spent. I'm on board, I'm tired of being ripped off. 11b73ab

EXHIBIT C

On June 18, 2012 nogoodatgolf from Raleigh, NC posted on [www.pissedconsumer.com](http://www.pissedconsumer.com) the following:

- In less then 4 years in a new house, I've had atleast 4 HVAC service calls. 2 calls have resulted in the need to replace the evaporator coil. While it's under warranty, the labor has cost me over \$1,000. I don't understand why I should have to pay labor for a bad product. When a car manufacturer announces a recall, they replace the part and do not charge for labor. How come HVAC manufacturers don't have to stand by their product in this manner ?

On July 17, 2012 Jeff P from Sacramento, CA posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- Purchased package heat/air Jan '11. Worked fine last Summer but first hint of heat this Spring, no cold air. Evaporator coil found to have small leak. Parts/labor covered, but left us with \$365 bill for reffridgerant. Called manufacturer and was told there is optional coverage during purchase process for that. Really? No complaints other than \$7k for new heat/ac and 1.5 years later shelling out couple hundred bucks to replace what dealer said was likely damage during shipping.

On July 19, 2012 M. Rowland from Floral City, FL posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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!

On July 23, 2012 B. Connaughton from Wiliminton, NC posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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 and, again, we were told we had to replace the coil. The coil was not readily available and had to be ordered. Now our downstairs unit has gone out as well. So, while I sit here, sweating, I decided to write others regarding the Goodman product. hvac installers and builders should be made aware of this problem as well!

On July 23, 2012 sworkman posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- I have joined the group of a leaking evaporator coil. Instead of paying for freon to "get me by until the part comes in", I shut the system down, 90 degree weather, for 4 days. Thank goodness I have an old window unit to get me thru in one room. I can't see spending a ridiculous price for freon only to have it leak out again, and then turn around

EXHIBIT C

and pay for more. This is Goodman's failure and I think they should have to pay for all repair cost including labor and freon. This system is only 4 years old and I am having to pay an outrageous amount that I don't have. I hope there is a class action lawsuit. I will be interested in it.

On August 5, 2012 Jack Cervenka from Dunnellon, FL posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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. Thanks Jack Cervenka This info will be posted everywhere it can be.

On August 6, 2012 T. Pruitt from Kingston Springs, TN posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- I purchased a Goodman 5 ton gas/elec and installed it 06/2009. It worked fine for 2 years but the third summer season it stopped cooling. I called a local contractor to look at it and they found a leak in the coil that could not be repaired. After letting it unfreeze and filling it up with r22 and billed for \$367 I was told the part would be ordered. In May, this is August and I received a call today to let me know it is in and will cost me an additional \$560 for them to install the (warrantied item) "whew, good thing it's under warranty I suppose) so I'm out a \$1,000 to have my unit fixed "under warranty". This is my first Goodman and most likely will be my last one. I replaced a 20 Y.O. Carrier 5 ton with this jewel.

On August 26, 2012 RealtorMarcy posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- Goodman absolutely sucks! Sign me up for a class-action suit. We've had problems every year since we had it installed & this week we're replacing the coil. This crap company needs to be shut down!

On August 29, 2012 Melisa K from Charlotte, NC posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- 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 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,

On August 29, 2012 mwood2278 posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- I have a goodman a/c unit in my brand new condo which I have lived in for 3.5 years. Me and many other residents have been having problems with the leaking freon and the coils. I have called a HVAC repairman now 4 times. I have to replace the coil for \$1400 and Ive been told the contractor never registered the product (all though my neighbor had his registered). What a piece of junk this a/c system is.

EXHIBIT C



On October 30, 2012 blr1951 posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- We too have a Goodman unit which is 3 years old. Our coil was also leaking so we had to have it replaced. The coil was under warranty but the labor and charge for refrigerant plus the original service call totaled a lovely \$1029.00. Goodman needs to be honest, suck it up and cover the repairs for these units. Other companies are held responsible, why not Goodman?

On August 31, 2012 joesmosax posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- I've got the same problem. Unit is 3 yrs old has been leaking for months. Now the coil needs to be replaced- Labor not covered. Not sure I even want the free parts if I'm facing this problem in 3 years again...

On April 15, 2013 cw93 posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- My system was part of my brand new house in 2009. This is the second year in a row, we've had to add freon. Was quoted 1200 to replace coils. Technician said that the coils are bad. I noticed online that there is a pending lawsuit in Washington, DC. Does anyone know that status of this?

On April 18, 2013 CMatthews from Houston, TX posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- This unit was installed in my home which was built last 2009, and I m already having problems with it. I m trying to get some help but it's too much costly and I can't afford it. So far I'm being told that the problem is in the coil, but the darn labor is what kills me most. What do I need to do to get out of business?

On June 4, 2013 M Moore from Sugar Land, TX posted on [www.furnacecompare.com](http://www.furnacecompare.com) the following:

- Installed two new Goodman cooling units and one compressor unit in 2009. Needed service for low freon in 2010 and again in 2011 and 2012. May 2013 both units needed freon and inspector says both cooling coils need to be replaced. In my view neither were good from the start.

On June 17, 2013 gnarlz posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- Goodman system installed april 2010, stopped cooling today, checked the outside unit, block of ice at lines coming into unit. inside outside unit full of ice. called technician, freon low, checked for leaks and wah, coil leaking. \$160.00 for trip charge and freon, \$500.00 + for labor to replace coil. It is truly amazing a company can not stand fully behind it's warranty. 1, 2, 3 year old units going bad, some multiple times. Anyone who defends Goodman and their parts only warranty when it comes to the defective coils are nothing but TOOLS. Class action suit, it's the only way !

July 10, 2013 pedsot posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

EXHIBIT C

- We purchased our "house" new in 2009 and unfortunately were misled throughout the whole process, but I will limit my comment to the Goodman unit that stopped cooling this summer. Just shy of 4 years old and the coil was bad. The first technician came out and charged \$185 for less than an hour of work to put in 2lbs. of Freon and tell us there is a leak, but it is probably under warranty and we should check that before paying him to do any more. I'm glad he did because the person who actually fixed it only charged \$25/hour for labor instead of the \$80 from the first company. Unfortunately we spent a week in the latter part of June looking for someone who would touch it. Living 45 minutes from any major city makes it hard to get people to come out and look and when you mention Goodman warranty, they all but hang up on you. So second company comes out and checks with a sniffer and says the coil is leaking, but he wants to check with another sniffer to make sure it cannot be repaired. Well, the whole coil was lighting up, so multiple leaks meant it needed to be repaired. So, another week to wait for the part to come in and he took 5 3/4 hours installing it which I saw when researching it, is pretty typical. So 2 weeks without air in which the second week was 90+ for a high every day and nights cooled to about 75. The second repairman cost us \$375, which was a few hundred less than I expected considering he spent about 8 hours working at my house in the two weeks and then said he was going to have to go back to his shop and work for a couple more hours marking every leak so he can get reimbursed for the cost of the part. CRAZY! I WANT SO BAD TO GET MY MONEY BACK! if anyone knows how to initiate a class action law suit, I'm in. Contact me [ilpedsot@gmail.com](mailto:ilpedsot@gmail.com)

On August 5, 2013 Anonymous posted on [www.pissedconsumer.com](http://www.pissedconsumer.com) the following:

- I JUST HAD MY FOURTH COIL REPLACED,I LIVE ON A REMOTE ISLAND.I HAVE SPENT A LARGE AMOUNT OF MONEY ON,INSTALLATION,FREIGHT,IMPORT DUTY,FREON AND TRANSPORTATION FOR SERVICE PEOPLE .ONE COIL FAILED IN LESS THAN THREE MONTHS,AND ANOTHER IN JUST OVER A YEAR.GOODMAN NOW REFUSES TO HONOR ANY WARRENTY ON THE COIL.ALL A.C. SERVICEPEOPLE ARE TELLING ME THIS IS A COMMON PROBLEM.THEY SAY GOODMAN IS KNOWN THROUGHOUT THE INDUSTRY FOR COIL FAILURE.THEY ALSO SAY THAT GOODMAN IS UNLIKLEY TO HONOR ANY WARRENTY.THEY SUGGEST THAT I REPLACE THE UNIT WITH A RESPECTED BRAND.THIS REPLACEMENT WILL NOW COST ME MORE THAN #10,000.00.

On August 12, 2013 syelnif posted on [www.complaintsboard.com](http://www.complaintsboard.com) the following:

- We move in our new home March, 2007 and we have a goodman a/c . the first three months during the early summer the a/c starting blowing hot air, I call they added Freon, then later that winter it was not warming the house so I called again, and the technician came back and fixed something, I'm not sure, later by 2010 it wasn't cooling and I called again this time they said the coil were leaking so I paid for a coil. Now it's blowing warm air again. I called July 1, 2013 the technician, and he added 4 lbs of R22 and charge me \$300 dollars on August 4, 2013 the a/c were blowing warm air again. Today I'm checking with another a/c company and they say I have a leak I'm not able to get it fixed, glad I

EXHIBIT C

found this site something need to be done, so Goodman cannot keep selling junk and getting away with it.

EXHIBIT C

On September 15, 2009 jweig20 posted on [www.hvac-talk.com](http://www.hvac-talk.com) the following:

- Is anyone having problems with Amana Airhandler evap coils? You cant beat the cost. But i guess you get what you pay for... Changed out 3 this week already. leaks are happening on the bottom left inside the coil. this \*\*\*\* is getting old fast! I know all brands leak. but someone needs to hurry up on that aluminum coil again!!! Do you think husky coating the coil will help?

On September 16, 2009 jweig20 posted on [www.hvac-talk.com](http://www.hvac-talk.com) the following:

- O i know other brands have leaking coils, but for some reason more so amana. and no we have not gotten a treated coil to replace with.... I just feel bad for the customer who spent alot of money for a new system to have problems within the first 2 months... I had one today where it was installed on june 30th of this year. found leaking coil. so we pulled it out after replacing it. ported it off and pressurized w 250lbs of nitro, and sprayed w soap. there was over 10 leaks we counted on the left side, inside the coil.. we even did a acid test and everything was ok.... hope things get better for amana

On July 19, 2010 C.T. posted on [www.furnacerepair.com](http://www.furnacerepair.com) the following:

- I have installed about 75 of these units last year with the new 410a refrigerant. We have had greater than 15% failure of the evap coil in the first 12 months. 3 reversing valves which are a major pain. I hate this junk. I can tell you with authority, it is the Chinese parts they used, and Chinese copper. Other brands have similar problems, with Amana/Goodman it has been catastrophic. Do not install this stuff if you can avoid it. They have made a new aluminum coil, but the units still come with the piece of junk Chinese copper one. You better have an ethical contractor install and back it up. It costs us a fortune to warranty this junk.

On October 21, 2010 rickboggs posted on [www.hvac-talk.com](http://www.hvac-talk.com) the following:

- Goodman evap coils we've replaced under warranty in the last 7 months:  
5 years old...8  
2 years old...6  
1 year old...15  
Less than 1 year...7  
and counting

On August 27, 2012 swampfox from Hell Hole Swamp posted on [www.hvacproforums.com](http://www.hvacproforums.com) the following:

- You will probably have an evap leak next

Gooman didnt make the valve though

EXHIBIT D

just sayin

On August 27, 2012 Swampfox from Hell Hole Swamp posted on [www.hvacproforums.com](http://www.hvacproforums.com) the following:

- Im the warranty processor at work

lots and lots of evap coils and X13 motors

I hope the aluminum coils and Emerson motors solve the problem

On May 11, 2013 allpro from Suwanee, GA posted on [www.hvaclawrenceville.com](http://www.hvaclawrenceville.com) the following:

- Recently our firm replaced a Heat Pump System in the Housing Development at Alcovey Falls in Lawrenceville Georgia and found a trend of coil failures for Amana/Goodman Air Handlers amongst the residents living in this neighborhood. The homes at Alcovey Falls all have Amana/Goodman equipment in them and they have had problems with Freon leaks according to several residents. One in particular in which we replaced last weekend showed the age of coils equal other manufacturers coils that have 20 or more years in service. This is an alarming trend and our advice when purchasing a home with an Amana or Goodman System in it is to ask the seller to provide you with a 10 year warranty for the coils that will cover the cost of a replacement system if the system fails inside of 10 years from the date of purchase.

EXHIBIT D