UNITED STATES DISTRICT COURT EASTERN DISTRICT OF TEXAS SHERMAN DIVISION

§

Civil Action No. 4:22-cv-00447

Hon. Amos L. Mazzant

JASON WILSON, PATRICK KRENEK, DONALD AKRIDGE, TIM VANGEE, LESLIE DALY, JOSEPH BASS, JAMES NEU, and CHRISTOPHER ADAMS, individually, and on behalf of all others similarly situated,

v.

FCA US LLC,

Defendant.

Plaintiffs,

AMENDED CONSOLIDATED CLASS ACTION COMPLAINT

Plaintiffs Jason Wilson, Patrick Krenek, Donald Akridge, Tim VanGee, Leslie Daly, and Joseph Bass (collectively the "Texas Plaintiffs") and James Neu, and Christopher Adams (collectively the "California Plaintiffs" and, with the Texas Plaintiffs, "Plaintiffs"), by and through their attorneys, file this action on behalf of themselves and all others similarly situated against Defendant FCA US LLC (Defendant "FCA"), and allege as follows:

NATURE OF THE ACTION

1. Plaintiffs Wilson, Krenek, Akridge, VanGee, Daly, and Bass bring this action individually and on behalf of a class of Texas residents and Plaintiffs Neu and Adams bring this action individual and on behalf of a class of California residents (collectively, the "Class"), for the benefit and protection of owners and lessees of model year 2017-2018 Ram 2500s and 2017-2018 Ram 3500s (collectively, the "Vehicles" or "Class Vehicles").

2. As alleged herein, the Class Vehicles are unsafe and defective. The Vehicles have dangerous and defective hydraulic control units ("HCU") and anti-lock braking system ("ABS")

modules that cause the ABS, cruise control, and traction control systems to become inoperable (the "Defect"). The Defect is due to defective materials used in the ABS and HCU. Without these systems, the Vehicles become more difficult to control and driving the Vehicles becomes especially dangerous in already dangerous road conditions, such as when the road is wet or snowy, as braking becomes much more difficult.

3. Defendant knew or should have known about the Defect before selling the Vehicles to Plaintiffs and Class members. Defendant performs rigorous pre-sale testing and received numerous consumer complaints relating to the Defect. Their knowledge of the Defect is evidenced by a Technical Service Bulletin ("TSB") regarding the faulty HCU and ABS.

4. The Class Vehicles did not perform as warranted and Defendant omitted information about the Defect.

5. Plaintiffs and Class members were injured by Defendant's omissions, as they received Vehicles that were fundamentally different from what they believed they were purchasing, and less valuable than was represented.

6. Despite Defendant's knowledge of the Defect, they have failed to issue a recall or offer another remedy. This means that Class members with out-of-warranty Vehicles must choose between paying for the expensive replacement of the HCU and ABS modules or driving an unsafe vehicle.

7. Plaintiffs bring this action to obtain redress for those who have purchased or leased the Vehicles in Texas or California. Plaintiffs seek remedies for Defendant's breach of implied warranties, fraud, and unjust enrichment, and seek declaratory and injunctive relief to prevent Defendant's continued misconduct.

JURISDICTION AND VENUE

8. The Court has subject matter jurisdiction over Plaintiff's claims under 28 U.S.C. § 1332(d)(2), because (a) there are 100 or more Class members, (b) at least one Class member is a citizen of a state that is diverse from Defendant's citizenship, and (c) the matter in controversy exceeds \$5,000,000, exclusive of interest and costs.

9. This Court has personal jurisdiction over Defendant and venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events and omissions giving rise to Plaintiff's claims occurred within this District. Plaintiff Jason Wilson is a resident of Grayson County, Texas and purchased his Vehicle in this District. Defendant marketed, advertised, sold, and leased Class Vehicles within this District.

PARTIES

Plaintiff Jason Wilson

10. Plaintiff Jason Wilson resides in Collinsville, Texas. Plaintiff Wilson owns a 2018 Ram 2500 that he purchased new on April 23, 2019, from Freedom Chrysler Dodge Jeep Ram North by Ed Morse, f/k/a Hoyte Chrysler Dodge Jeep Ram in Whitesboro, Texas.

11. Before purchasing his Vehicle, Plaintiff Wilson compared the vehicle to other similar pickup trucks. Plaintiff Wilson saw no representations from Defendant that his vehicle contained a defect that would result in the malfunction of his ABS, cruise control, and traction control.

12. In or about the summer of 2021, Plaintiff Wilson's Vehicle began to output warnings, such as the ABS light. He then took his Vehicle to Glenn Polk Autoplex in Gainesville, Texas to be examined. The dealership confirmed that the ABS Module needed to be replaced. Plaintiff Wilson paid \$936.49 for the replacement.

13. Had Defendant disclosed the Defect on their website, through their dealership, in their warranty manual, or elsewhere prior to Plaintiff Wilson purchasing his Vehicle, Plaintiff Wilson would not have made the purchase, or would have paid less for the Vehicle. As a result, Plaintiff Wilson received less than what he paid for his Vehicle and did not receive the benefit of his bargain.

Plaintiff Robert Krenek

Plaintiff Robert Krenek resides in Victoria, Texas. Plaintiff Krenek owns a 2018
 Ram 3500 that he purchased new on June 23, 2018, from Boerne Chrysler Dodge Jeep Ram in
 Boerne, Texas.

15. Before purchasing his Vehicle, Plaintiff Krenek reviewed sales materials online regarding the 2018 Ram 3500. Plaintiff Krenek saw no representations from Defendant that his Vehicle contained a defect that would result in the malfunction of his ABS, cruise control, and traction control.

16. In or about the summer of 2021, the defect manifested in Plaintiff Krenek's car. The ABS warning light came on in the Vehicle. The light would sometimes disappear, but would reappear. He took his Vehicle to a mechanic, who told him that he would need to get an ABS module replacement. He did not get the ABS module replaced at this time. He then took his Vehicle to Victoria Chrysler Jeep Dodge Ram on September 15, 2021. The dealership confirmed that the Vehicle's ABS module needed to be replaced. The dealership required him to pay \$296.18 in labor costs for the replacement.

17. Had Defendant disclosed the Defect on their website, through their dealership, in their warranty manual, or elsewhere prior to Plaintiff Krenek purchasing his Vehicle, Plaintiff Krenek would not have made the purchase, or would have paid less for the Vehicle. As a result,

Plaintiff Krenek received less than what he paid for his Vehicle and did not receive the benefit of his bargain.

Plaintiff Donald Akridge

Plaintiff Donald Akridge resides in Evadale, Texas. Plaintiff Akridge owns a 2018
 Ram 2500 that he purchased new on February 1, 2019, from Weaver Brothers Motor Company,
 Inc. in Jasper, Texas.

19. Before purchasing his Vehicle, Plaintiff Akridge reviewed sales material regarding the 2018 Ram 2500. Plaintiff Akridge saw no representations from Defendant that his Vehicle contained a defect that would result in the malfunction of his ABS, cruise control, and traction control.

20. In or about April of 2022, the Defect in Plaintiff Akridge's Vehicle began to manifest. His Vehicle intermittently makes a noise and displays a warning message regarding the Vehicle's ABS and a message stating, "Service Electronic Braking System."

21. Had Defendant disclosed the Defect on their website, through their dealership, in their warranty manual, or elsewhere prior to Plaintiff Akridge purchasing his Vehicle, Plaintiff Akridge would not have made the purchase, or would have paid less for the Vehicle. As a result, Plaintiff Akridge received less than what he paid for his Vehicle and did not receive the benefit of his bargain.

Plaintiff Tim VanGee

22. Plaintiff Tim VanGee resides in Gainesville, Texas. Plaintiff VanGee owns a 2018 Ram 2500 with approximately 47,000 miles on the odometer. Plaintiff VanGee purchased his vehicle new in or about September 2017.

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23. Plaintiff has had his vehicle serviced at Glenn Polk Chrysler Dodge Jeep Ram Fiat in Gainesville, Texas.

24. Before purchasing his Vehicle, Plaintiff VanGee compared the vehicle to other similar pickup trucks. Plaintiff VanGee saw no representations from Defendant that his vehicle contained a defect that would result in the malfunction of his ABS, cruise control, and traction control.

25. Had Defendant disclosed the Defect on its website, through its dealership, in its warranty manual, or elsewhere prior to Plaintiff VanGee purchasing his Vehicle, Plaintiff VanGee would not have made the purchase, or would have paid less for the Vehicle. As a result, Plaintiff VanGee received less than what he paid for his Vehicle and did not receive the benefit of his bargain.

Plaintiff Leslie Daly

26. Plaintiff Leslie Daly resides in Whitehouse, Texas. In 2018, Plaintiff Daly purchased a new 2017 Ram 2500 from Crown Kia in Tyler, Texas. Plaintiff Daly's vehicle currently has fewer than 50,000 miles on the odometer.

27. In the last six months, warning lights indicating failure of the HCU have been illuminated and the cruise control on Plaintiff Daly's vehicle has ceased to function.

28. Before purchasing his Vehicle, Plaintiff Daly compared the vehicle to other similar pickup trucks. Plaintiff Daly saw no representations from Defendant that his vehicle contained a defect that would result in the malfunction of his ABS, cruise control, and traction control.

29. Had Defendant disclosed the Defect on its website, through its dealership, in its warranty manual, or elsewhere prior to Plaintiff Daly purchasing his Vehicle, Plaintiff Daly would

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not have made the purchase, or would have paid less for the Vehicle. As a result, Plaintiff Daly received less than what he paid for his Vehicle and did not receive the benefit of his bargain.

Plaintiff Joseph Bass

30. Plaintiff Joseph Bass resides in Canton, Texas. In 2018, Plaintiff Bass purchased a new 2018 Dodge Ram 2500 from Frisco Chrysler Dodge Jeep Ram in Frisco, Texas.

31. Beginning at approximately 40,000 miles, Plaintiff Bass's vehicle began intermittently displaying error codes reading "Service Electronic Braking System" and "Service Antilock Braking System," indicating the failure of his vehicle's HCU.

32. Before purchasing his Vehicle, Plaintiff Bass compared the vehicle to other similar pickup trucks. Plaintiff Bass saw no representations from Defendant that his vehicle contained a defect that would result in the malfunction of his ABS, cruise control, and traction control.

33. Had Defendant disclosed the Defect on its website, through its dealership, in its warranty manual, or elsewhere prior to Plaintiff Bass purchasing his Vehicle, Plaintiff Bass would not have made the purchase, or would have paid less for the Vehicle. As a result, Plaintiff Bass received less than what he paid for his Vehicle and did not receive the benefit of his bargain.

Plaintiff James Neu

34. Plaintiff James Neu resides in Menifee, California. Plaintiff Neu owns a 2018 Ram 2500 Cummins Diesel with approximately 24,000 miles on the odometer. Plaintiff Neu purchased his vehicle new in 2018, from Moss Brothers Chrysler Dodge Jeep Ram Moreno Valley, in Moreno Valley, California. Moss Brothers Chrysler Dodge Jeep Ram Moreno Valley is an authorized dealer of vehicles Chrysler FCA US, LLC vehicles.

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35. Before purchasing his Vehicle, Plaintiff Neu compared the vehicle to other similar pickup trucks. Plaintiff Neu saw no representations from Defendant that his vehicle contained a defect that would result in the malfunction of his ABS, cruise control, and traction control.

36. Beginning in or about October or November 2022, Plaintiff Neu's vehicle began to output warnings indicating that both the ABS and HCU modules had failed. Concurrently, the cruise control in Plaintiff Neu's vehicle ceased to function. Plaintiff Neu took his vehicle to Lake Elsinore Chrysler Dodge Jeep Ram, DCH Chrysler Dodge Jeep Ram Fiat of Temecula, and a local independent mechanic in Menifee, CA. When Plaintiff Neu took his Vehicle to Lake Elsinore Chrysler Dodge Jeep Ram, as soon as he described the problem, dealership staff told him that they knew of the issue. After examining his Vehicle, the dealership told him that the HCU module had failed and would have to be replaced at a cost of approximately \$1,200 but that parts for the replacement would not be available for approximately three months. Mr. Neu thereafter took the vehicle to an independent mechanic in Menifee, California where he was given an estimate of approximately \$1,700.00 for replacement of the HCU. Plaintiff Neu has parked his vehicle and, since October or November 2022 is driving it as little as possible as he is concerned for his and his family's safety.

37. Had Defendant disclosed the Defect on its website, through its dealership, in its warranty manual, or elsewhere prior to Plaintiff Neu purchasing his Vehicle, Plaintiff Neu would not have made the purchase, or would have paid less for the Vehicle. As a result, Plaintiff Neu received less than what he paid for his Vehicle and did not receive the benefit of his bargain. Had FCA timely disclosed the Defect within the limited warranty period applicable to his vehicle, Neu would have made and preserved a warranty claim entitling he or his assignees to receive the benefit of FCA's limited warranty.

Plaintiff Christopher Adams

38. Plaintiff Christopher Adams resides in El Cajon, California. Plaintiff Adams owns a 2018 Ram 2500. Plaintiff Adams purchased his vehicle new in June, 2019, from Jack Powell Chrysler Dodge Jeep Ram, in Escondido, California. Jack Powell Chrysler Dodge Jeep Ram is an authorized dealer of vehicles Chrysler FCA US, LLC vehicles.

39. Before purchasing his Vehicle, Plaintiff Adams compared the vehicle to other similar pickup trucks. Plaintiff Adams saw no representations from Defendant that his vehicle contained a defect that would result in the malfunction of his ABS, cruise control, and traction control.

40. In April 2023, while on a trip to Colorado, warnings indicating errors indicating failure of his vehicle's ABS system became illuminated. While returning from Colorado, Plaintiff Adams sought to have his vehicle serviced at Planet Chrysler Dodge Jeep Ram in Flagstaff, Arizona. The dealership diagnosed an internal failure of the HCU unit and recommended replacement. However, the dealership indicated that it was unable to complete the repair because the HCU unit was on backorder. Thereafter, error messages and warnings indicating failure of the HCU unit have continued to cycle on and off, sometimes multiple times during a single drive.

41. Had Defendant disclosed the Defect on its website, through its dealership, in its warranty manual, or elsewhere prior to Plaintiff Adams purchasing his Vehicle, Plaintiff Adams would not have made the purchase, or would have paid less for the Vehicle. As a result, Plaintiff Adams received less than what he paid for his Vehicle and did not receive the benefit of his bargain. Had FCA timely disclosed the Defect within the limited warranty period applicable to his vehicle, Plaintiff Adams would have made and preserved a warranty claim entitling he or his assignees to receive the benefit of FCA's limited warranty.

Defendant FCA US LLC

42. Defendant FCA US LLC is a Delaware limited liability company with its principal place of business in Auburn Hills, Michigan. Defendant FCA US LLC designed, manufactured, marketed, distributed, leased, and sold, through its authorized dealers, distributors, and other agents, the Class Vehicles in Texas or California to Plaintiffs and Class members.

43. FCA US LLC's authorized dealers are agents of FCA US LLC. This agency is factually supported by at least the following: 1) FCA US LLC issues TSBs to its dealerships relating to common issues in its vehicles, including a TSB relating to the Defect; 2) FCA US LLC's warranty directs Class Vehicle owners to present their vehicles to FCA US LLC's authorized dealerships for repairs; and 3) FCA US LLC requires dealerships to submit detailed data to it regarding repairs performed at dealerships.

SUBSTANTIVE ALLEGATIONS

44. This action is brought against FCA on behalf of Plaintiffs and all Texas or
 California residents who purchased or leased model year 2017-2018 Ram 2500 vehicles and 2017 2018 Ram 3500 vehicles.

45. Defendants sell Class Vehicles to its authorized distributors and dealerships, which, in turn, sell or lease those vehicles to consumers. After these dealerships sell cars to consumers, including Plaintiffs and members of the classes, they purchased additional inventory from Defendant to replace the vehicles sold and leased, increasing Defendant's revenues. Thus, Plaintiffs' and class members' purchases of Vehicles accrue to the benefit of Defendant by increasing their revenues. Defendant acknowledges, both in warranty documents, and elsewhere, that end purchasers, such as Plaintiffs, not authorized dealers, are the intended consumers of its vehicles.

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46. Defendant utilizes authorized dealerships to conduct business with consumers, such as Plaintiffs and the Class Members.

47. Warranty information for the Class Vehicles acknowledges that (a) FCA US LLC is the warrantor of the Class Vehicles, (b) that consumers are the intended beneficiaries of said warranties, and (c) that "[w]arranty service must be done by an authorized Chrysler, Dodge, Jeep or Ram dealer."¹ The warranties provided by FCA US, LLC also establish requirements that FCA US LLC, makes of its, agents, the dealers. For example, "dealers must inspect each vehicle before delivery. They repair any defects or damage detected before the vehicle is delivered to you." *Id.*

48. In addition, while the warranties accompanying Class Vehicles are issued by FCA US LLC, FCA states that its authorized dealerships are responsible for fulfilling the terms of the warranty. "These warranty repairs or adjustments — including all parts and labor connected with them — will be made by your dealer at no charge" *Id.* "Normally, warranty problems can be resolved by your dealer's sales or service departments. That's why you should always talk to your dealer's service manager or sales manager first." *Id.* While using its agents, its authorized dealers, to perform warranty services, Defendant assures consumers that FCA US LLC, not the authorized dealer makes "FCA US LLC's warranties[.]" *Id.*

49. Defendant's dealers are not the intended beneficiary of thewarranties provided by Defendant. Instead, Defendant asserts that "[y]ou are covered by the Basic Limited Warranty if you are a purchaser for use of the vehicle." *Id*.

50. FCA's copyrighted warranty information booklets/manuals and product brochures respecting the Class Vehicles utilize its trademark RAM logo and are designed and presented to the intended owners who purchase them: Plaintiffs and Class members. The warranty information booklet informs vehicle owners – Class members – that the "booklet contains FCA US LLC limited

¹ 2018 Dodge Ram Truck 2500/3500 Warranty Information, available at <u>https://vehicleinfo.mopar.com/assets/publications/en-</u>

<u>us/Ram/2018/2500/9418.pdf?_gl=1*1r5p8ep*_gcl_au*NDQ4MTE0MjMwLjE3MDAxNjk1NTM</u>. Last visited on November 22, 2023,

warranties.² It should be kept in **your** vehicle and presented to **your** dealer if any warranty service is needed." *Id.* The contents of such Class Vehicle brochures and warranty booklets containing FCA US LLC's limited warranties are clearly intended to speak to prospective and actual owners such as Plaintiffs and Class members since they are the intended end-user purchasers. They are the intended beneficiaries of FCA's limited warranties, not its authorized dealer agents.

51. Defendant FCA US LLC prepares and provides an owner's manual for every Class

Vehicle that it sells. That manual is prepared for consumers, such as Plaintiffs and begins "[d]ear

Customer, congratulations on selecting your new vehicle."³ The owner's manual continues:

This Owner's Manual has been prepared with the assistance of service and engineering specialists to acquaint you with the operation and maintenance of your vehicle. It is supplemented by Warranty Information, and *customer oriented documents*. In the attached Warranty Booklet you will find a description of the *services that FCA offers to its customers*, the Warranty Certificate and the details of the terms and conditions for maintaining its validity.

(Empahsis added). Id. The owner's manual does not disclose the Defect. Id.

52. Defendant FCA US LLC is also responsible for the content of the Monroney sticker, or window sticker, provided with each new Class Vehicle. Plaintiffs are informed and believe, and thereupon allege that the Monroney sticker provided with each Class Vehicle omitted or otherwise failed to disclose the Defect.

ABS and the Defect

53. ABS is an important safety feature in vehicles that prevents wheel lock up during emergency braking or low traction situations—thereby helping prevent loss of driver control. The ABS system has sensors that monitor the deceleration of each wheel. If the deceleration occurs too

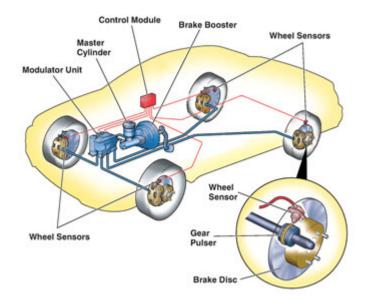
² 2018 Dodge Ram Truck 2500/3500 Warranty Information, available at https://vehicleinfo.mopar.com/assets/publications/en-

<u>us/Ram/2018/2500/9418.pdf?_gl=1*1r5p8ep*_gcl_au*NDQ4MTE0MjMwLjE3MDAxNjk1NTM</u>. Last visited on November 22, 2023,

³ <u>https://vehicleinfo.mopar.com/assets/publications/en-</u>

us/Ram/2018/3500/P127381_18_DSDJD2_OM_EN_USC_DIGITAL.pdf last visited November 22, 2023.

rapidly, the other components of the ABS system work to control the deceleration so that the wheel does not lock up.⁴ The ABS module is also a necessary component of other critical safety features in the Vehicles, such as traction control. Below is a diagram of an ABS system⁵:



54. Defendant's defective ABS module and HCU causes intermittent failure of the Vehicles' ABS.

55. ABS is a critical safety feature in the Vehicles. Without the ABS, braking can become more difficult, especially in situations where brakes need to be applied quickly. Failure of the ABS module will also result in other connected systems to fail, such as cruise control and traction control.

56. FCA has produced a TSB regarding the Defect. The TSB lists the "Symptom/Vehicle Issue" as "C0020-01-ABS PUMP MOTOR CONTROL – GENERAL

⁴ Karim Nice, *How Anti-Lock Brakes Work*, HOWSTUFFWORKS.COM, https://auto.howstuffworks.com/auto-parts/brakes/brake-types/anti-lock-brake.htm (last accessed May 19, 2022).

⁵ Inside the Tech: Anti-Lock Braking System (ABS), MOTOR WORKS (Aug. 15, 2017), https://www.motor-works.com/blog/inside-the-tech--anti-lock-braking-system--abs-.

ELECTRICAL FAILURE."⁶ The current iteration of the TSB advises FCA's dealers that the HCU and the ABS module can be serviced as separate components.⁷ An earlier version of the TSB directed dealers to replace the HCU first, test drive the vehicle, and, if after the test drive the Vehicle still did not have a functioning ABS, to replace the electronic control unit.⁸ The earlier version of the TSB also noted that the ABS module was "on parts restriction through the STAR Center."⁹

Defendant's Internal Testing

57. Defendant was aware of or should have been aware of the Defect in the Class Vehicles at the time it was selling the Vehicles to Plaintiffs and Class members because of their rigorous internal testing coupled with their past experience and expertise in designing automobiles.

58. Defendant performs extensive durability testing on their vehicles before the vehicles are sold. FCA notes that "[s]ome of the most punishing vehicle tests at [the Chrysler Technology Center] involve the Road Test Simulator (RTS), also known by its well-earned nickname [] 'The Shaker.'"¹⁰ FCA continues, "[The Road Test Simulator] recreates the abuse vehicles endure at the hands of a 95th percentile customer – meaning a customer who drives the vehicle in more severe conditions than 95 percent of all drivers. The Shaker mimics a wide range of on-road and off-road driving surfaces and puts a lifetime of wear and tear on a vehicle in only

⁶ *Manufacturer Communication S2005000004 Rev. C*, NATIONAL HIGHWAY TRAFFIC SAFETY ADMIN., https://static.nhtsa.gov/odi/tsbs/2020/MC-10181550-9999.pdf (Last accessed May 20, 2022).

⁷ Id.

⁸ *RAM TSB S2005000004*, TSBSEARCH, https://www.tsbsearch.com/RAM/S2005000004 (last accessed May 20, 2022).

⁹ Id.

¹⁰ *Quality is Everyone's Mission at FCA US LLC*, STELLANTIS (August 31, 2015), https://media.stellantisnorthamerica.com/newsrelease.do?id=16717&mid=.

one month's time."¹¹ FCA also states that it conducts "thousands of simulated and laboratory tests" at the Chrysler Technology Center and more tests at proving grounds across the world.¹²

59. FCA also employs a test fleet of vehicles to test reliability. FCA claims, "Reliability test fleet vehicles are driven day and night on all kinds of public road surfaces, at high and low altitudes and through blizzard conditions, as well as dry, desert heat and hot, humid locations all over the globe."¹³

60. In addition, Federal regulations require automobile manufacturers to build vehicles that comply with the Federal Motor Vehicle Safety Standards (49 C.F.R. § 571). The existence of these standards necessarily requires Defendant to extensively test its vehicles prior to selling them. Specifically, 49 CFR § 571.105 provides requirements for hydraulic and electric brake systems. Before selling the Vehicles, FCA was required to ensure that the ABS worked properly.

61. During the course of these and other quality validation testing conducted by its engineers prior to their sale, Defendant became aware of the Defect.

NHTSA Complaints and Other Consumer Complaints

62. That Defendant knew of or should have known of the Defect is also evidenced by the many NHTSA consumer complaints and complaints on web forums regarding the Defect.

63. The prevalence of these consumer complaints provides evidence that Defendant knew of, or should have known of, the Defect prior to selling the Vehicles. Because the Defect is so widespread among the Vehicles and so many consumers' Vehicles are experiencing the Defect, the Defect is even more likely to have manifested during Defendant's pre-sale testing of the Vehicles.

¹³ *Id*.

¹¹ *Id*.

¹² *Id*.

64. Defendant specifically monitors customers' complaints made to NHTSA. Federal law requires automakers like Defendant to be in close contact with NHTSA regarding potential automobile defects, including imposing a legal requirement (backed by criminal penalties) compelling the confidential disclosure of defects and related data by automakers to NHTSA, including field reports, customer complaints, and warranty data. See TREAD Act, Pub. L. No. 106-414, 114 Stat.1800 (2000).

65. Complaints of the Defect in the Vehicles date back to at least October 29, 2018. Below are some examples of complaints from owners and lessees of the Vehicles concerning the Defect available through NHTSA's website¹⁴:

¹⁴ NATIONAL HIGHWAY TRAFFIC SAFETY ADMIN., *Safety Issues & Recalls*, https://www.nhtsa.gov/recalls#vehicle (last accessed May 19, 2022).

October 29, 2018 NHTSA ID NUMBER: 11143741



Components: ELECTRONIC STABILITY CONTROL, SERVICE BRAKES

NHTSA ID Number: 11143741

Incident Date October 15, 2018

Consumer Location MEANSVILLE, GA

Vehicle Identification Number 3C6UR5DL8HG****

Summary of Complaint

CRASH	No	MY ABS TRACTION CONTROL LIGHT CAME ON
FIRE	No	INTERMITTENTLY PRIOR TO 36,000 MILES. TOOK TO DEALER
FIRE	NO	AND THEY COULD NOT FIND PROBLEM. WITH 42,600 MILES
INJURIES	0	LIGHTS HAVE COME ON AND SET A CODE. RAM HAS SAID
DEATHS	0	THEY WILL NOT FIX THE PROBLEM. A COMPUTER HAS
DEATHS	Ū	FAILED. THIS IS A SAFETY ISSUE AND SHOULD BE
		CORRECTED BY RAM. I DON'T KNOW IF THIS IS A
		CONTINUING PROBLEM IN THESE TRUCKS OR IF FAULTY
		PARTS WERE PLACED ON MINE. I WANT THIS ISSUE DULY
		NOTED. THE FAILED PARTS ARE THE ABS MODULE AND THE
		HYDRAULIC CONTROL UNIT. RAM HAS TOLD ME THAT THIS IS
		MY PROBLEM WHEN IT IS IN FACT THEIR PROBLEM WHICH
		THEY WILL NOT TAKE CARE OF.

1 Affected Product -

MAKE	MODEL	YEAR
RAM	2500	2017

July 14, 2019 NHTSA ID NUMBER: 11231734 Components: VEHICLE SPEED CONTROL, ELECTRONIC STABILITY CONTROL, SERVICE BRAKES

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NHTSA ID Number: 11231734

Incident Date June 26, 2019

Consumer Location MOUNT JULIET, TN

Vehicle Identification Number 3C6UR5CL7HG****

Summary of Complaint

CRASH	No	JUNE 26TH 2019 MY TRUCK FELT LIKE IT SHIFTED INTO 4WD
FIRE	No	ON ITS OWN, LATER THAT DAY I LOST ABS, TRACTION CONTROL AND CRUISE CONTROL. IT WENT TO THE
INJURIES	0	DEALERSHIP WHERE IT TOOK 3 DAYS TO DIAGNOSE. WAS
DEATHS	0	INFORMED THAT ABS PUMP AND ABS CONTROL MODULE
		NEED TO BE REPLACED AND THE PART IS NOT CURRENTLY
		AVAILABLE. FURTHER RESEARCH OF INTERNET FORUMS
		SHOWS THIS IS A KNOWN PROBLEM AND DOES NOT APPEAR
		TO BE ADDRESSED PROPERLY. I AM STILL WAITING FOR MY
		TRUCK TO BE REPAIRED AND THERE IS A WARRANTY ON IT.
		DEALERSHIP ALLOWED ME TO PICKUP THE TRUCK WITHOUT
		THE REPAIR AND DID NOT PROVIDE RECEIPTS OR WORK
		ORDERS BECAUSE I DID NOT HAVE ANY OTHER
		TRANSPORTATION. IN HEAVY RAIN THE TRUCK HAS BECOME
		QUITE DANGEROUS TO DRIVE.

1 Affected Product -

MAKE	MODEL	YEAR
RAM	2500	2017

 \ominus

September 2, 2019 NHTSA ID NUMBER: 11252781

Components: ELECTRONIC STABILITY CONTROL, SERVICE BRAKES

NHTSA ID Number: 11252781

Incident Date August 28, 2019

Consumer Location HEPHZIBAH, GA

Vehicle Identification Number 3C6UR5HLXHG****

Summary of Complaint

CRASH	No	INTERMITTENT MIL FOR ABS AND ELECTRONIC BRAKING
FIRE		SYSTEM, BECAME MORE FREQUENT OVER 1-2 WEEKS WHILE
FIRE	No	WAITING FOR APPOINTMENT AT DEALERSHIP (OUT OF
INJURIES	0	TOWN). DAY OF THE APPOINTMENT, MIL CAME ON AND
DEATHS	0	STAYED ON. DEALER READ CODES AND STATED 'INTERNAL
DEATHS	0	CODES FOUND, REPLACE PUMP AND MODULE' THEN
		INFORMED ME PARTS WERE ON 'NATIONAL BACKORDER'
		VEHICLE HAS 46,500 MILES AT TIME OF FAILURE.

1 Affected Product -

MAKE	MODEL	YEAR
RAM	2500	2017

 \ominus

October 23, 2019 NHTSA ID NUMBER: 11270492

Components: SERVICE BRAKES

NHTSA ID Number: 11270492

Incident Date October 22, 2019

Consumer Location Unknown

Vehicle Identification Number 3C6UR5DL6JG****

Summary of Complaint

CRASH	No	WHILE DRIVING TO WORK ON A STATE HIGHWAY THE
FIRE	No	BRAKES ON MY VEHICLE FAILED. THE VEHICLE IS 10 MONTHS OLD AND HAS ~8000 MILES ON IT. THE ABS
INJURIES	0	ACTIVATED WHILE NOT APPLYING THE BRAKES. WHEN I
DEATHS	0	STEPPED ON THE BRAKES TO SLOW THE SPEED OF THE VEHICLE, THE VEHICLE TOOK MUCH LONGER TO SLOW DOWN AND OR STOP. AFTER WHICH, THE ABS AND TRACTION CONTROL LIGHT CAME ON. THE LIGHT THEN BEGAN TO COME OFF AND ON WITHOUT A PATTERN. THE CAR WAS TAKEN TO THE DEALERSHIP AND THE ABS PUMP AND ABS CONTROL MODULE WERE REPLACED. THIS ISSUE OCCURRED WITHOUT WARNING. IF THE CONDITIONS HAD
		BEEN DIFFERENT, THIS LOSS IN BRAKING COULD HAVE CAUSED A SERIOUS ACCIDENT.

1 Affected Product -

MAKE	MODEL	YEAR
RAM	2500	2018

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April 29, 2022 NHTSA ID NUMBER: 11462815

Components: SERVICE BRAKES

NHTSA ID Number: 11462815

Incident Date September 6, 2021

Consumer Location JAMESTOWN, OH

Vehicle Identification Number 3C6UR5CL1HG****

Summary of Complaint

CRASH	No	The truck had this issue at 7800 miles when I purchased it and
FIRE	No	now at 33000 miles I have it diagnosed. The ABS control
FIRE	NO	module and hydraulic control module have failed which causes
INJURIES	0	the ABS to not work. This has caused the tires to skid during
DEATHS	•	hard braking or winter weather. Luckily, I am aware of this issue
DEATHS 0		and can anticipate braking needs and adjust accordingly.

1 Affected Product -

Vehicle

MAKE	MODEL	YEAR
RAM	2500	2017

December 17, 2019 NHTSA ID NUMBER: 11289725

Components: ELECTRICAL SYSTEM, ELECTRONIC STABILITY CONTROL, SERVICE BRAKES

NHTSA ID Number: 11289725

Incident Date December 17, 2019

Consumer Location HUMBLE, TX

Vehicle Identification Number 3C6UR5CL7JG****

Summary of Complaint

CRASH	No	WHILE OPERATING VEHICLE THE ABS AND TRACTION
FIRE	No	CONTROL LIGHTS WOULD FLASH ON AND OFF AND
FIRE	NO	MESSAGE SERVICE ANTI LOCK BRAKE SYSTEM. THEN
INJURIES	0	SERVICE ELECTRIC BRAKE SYSTEM WOULD FLASH IN
DEATHS	0	MESSAGE CENTER. AFTER FLASHING ON AND OFF MULTIPLE
DEATHS	Ū	TIMES THE MESSAGES SELF CLEARED AND LIGHTS WENT
		OUT

1 Affected Product -

MAKE	MODEL	YEAR
RAM	2500	2018

March 23, 2022 NHTSA ID NUMBER: 11458044

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Components: ELECTRICAL SYSTEM, VEHICLE SPEED CONTROL, SERVICE BRAKES

NHTSA ID Number: 11458044

Incident Date March 23, 2022

Consumer Location SALADO, TX

Vehicle Identification Number 3C6UR5CL7JG****

Summary of Complaint

CRASH	No	I have been having intermittent ABS/traction control lights
FIRE	No	flashing on my dash. When I hooked my truck up to my DTC code reader, it says I have a C0020-21 stored. ABS pump
INJURIES	0	motorcontrol - general electrical failure. I have noticed
DEATHS	0	thousands of complaints on various websites about the same issue. My truck only has 38,000 miles on it. This must be a defective partI called and asked my local dealership about this and they said its a very common issue. I believe it is a safety issue because it reduces the trucks ability to stop quickly, it may cause my truck to swerve in an emergency stop situation, and if this happens while the cruise control is on it turns the cruise control off unexpectedly. This happened to me in a bad rainstorm and caused my truck to swerve into the next lane over. I asked the dealer when they could get to repairing it and thy told me it would be months before they could repair it and it would cost approximately 1,800 dollars. They told me to just keep driving it with the error codes active. This is ridiculous. This part needs to be recalled because it affects thousands of vehicles and it is unsafe. My vehicle is available
		for inspection.

1 Affected Product -

MAKE	MODEL	YEAR
RAM	2500	2018

August 9, 2021 NHTSA ID NUMBER: 11428358 Components: SERVICE BRAKES

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NHTSA ID Number: 11428358

Incident Date August 7, 2021

Consumer Location DENISON, TX

Vehicle Identification Number 3C63RRKL8JG****

Summary of Complaint

CRASH	No	The abs and tc lights came on and beeped. The message
FIRE	No	board said service abs. The brake pedal became spongy and unresponsive. I called a dealership and they stated they have
INJURIES	0	changed a bunch of hydraulic brake pumps on the ram pickup
DEATHS	0	especially this year model. I asked is this a safety problem? After hesitation he said yes. My other ram is doing the same thing and I know of another 2018 a friend had changed at 10,000 miles.

1 Affected Product -

Vehicle

МАКЕ	MODEL	YEAR
RAM	3500	2018

February 22, 2022 NHTSA ID NUMBER: 11453424

Components: UNKNOWN OR OTHER, SERVICE BRAKES

NHTSA ID Number: 11453424

Incident Date November 1, 2021

Consumer Location LOMPOC, CA

Vehicle Identification Number 3c63rrjI0jg****

Summary of Complaint

CRASH	No	ABS pump module failed with vehicle under 25K miles. Pump
FIRE	No	failed prematurely and failed while I was driving, disabling my ABS brakes. The ABS lights and check engine light did light up,
INJURIES	0	it has since been replaced and there is no recall on this issue.
DEATHS	0	Seems to be a common issue with FIAT Chrysler cars.

1 Affected Product -

MAKE	MODEL	YEAR
RAM	3500	2018

April 28, 2022 NHTSA ID NUMBER: 11462539 Components: ELECTRICAL SYSTEM, VEHICLE SPEED CONTROL, SERVICE BRAKES



NHTSA ID Number: 11462539

Incident Date April 27, 2022

Consumer Location OAKLAND, CA

Vehicle Identification Number 3C63R3GL0JG****

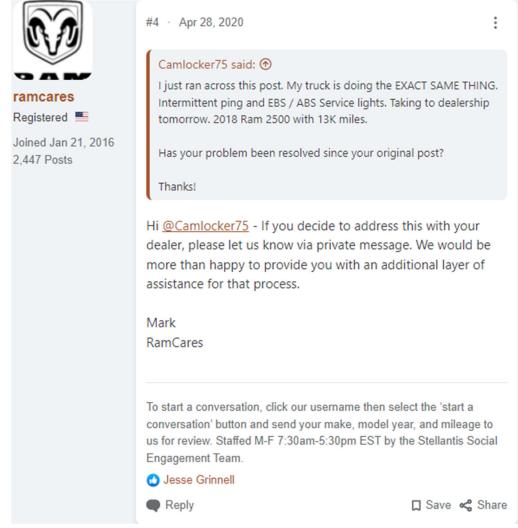
Summary of Complaint

CRASH No	The warning chirp occurred and the ABS and ESC lights came
FIRE No	on the first two times. The incident happened so quickly I could not clearly determine which warning lights illuminated. On April
INJURIES 0	18 with just over 39,000 miles on the vehicle the chirping alarm
DEATHS 0	and the ABS and ESC light illuminated. In addition two warnings appeared in the dash: "Service Antilock Brake System" and "Service Electronic Braking System." The warnings happened multiple times per minute in some cases. Other times the vehicle would go for many miles without the warning. Every time the warning chirp was heard the cruise control would disengage. I did not notice any problems with the brakes of the truck. In researching the issue I learned that many people are having this problem. I contacted Ram and they directed me to a dealer who diagnosed the C0020-01 fault code and that the hydraulic control unit (HCU) for the ABS system was defective. According the the TSB Ram has put out about the issue the ABS module could also be bad, but the first part of the repair it to replace the HCU and if the problem persists to then replace the ABS module. Ram apparently has an inconsistent level of support for owners experiencing this malfunction with some getting the repair done out of warranty, while others have to pay for the repair. Because it is brake related it seems this should be an item replaced as a safety issue, no matter what the mileage on the vehicle.

1 Affected Product -

MAKE	MODEL	YEAR
RAM	3500	2018

66. But consumer complaints are not limited to NHTSA. Class members have also posted about the Defect on forums dedicated to the Subject Vehicles. One such forum topic, which was started on August 21, 2019, has over 245 posts discussing the Defect.¹⁵ An example of one of the customer support posts is below¹⁶:



Plaintiffs' and Class Members' Injuries

¹⁵ Warnings About Service Electronic Brake System, RAM FORUMZ,

https://www.ramforumz.com/threads/warnings-about-service-electronic-brake-system.269449/ (last accessed May 19, 2022).

¹⁶ *Id*.

67. To date, Defendant has not demonstrated that it is capable of providing an adequate repair for the Defect, and Plaintiffs and Class members do not know whether Defendant is capable of providing a repair for the Defect. As such, and without the benefit of discovery, it is for all practical purposes impossible to know at this time whether a remedy at law or in equity will provide the appropriate full relief for Plaintiffs and Class members. As a result, Plaintiffs, at this stage of the litigation, seek both restitution and a remedy at law, where the claims so permit.

68. Plaintiffs and Class members paid for Vehicles expecting that the Vehicles were not defective. Plaintiffs and Class members are owed damages of the difference between the price that Plaintiffs and Class members paid for the Vehicle and the price of the Vehicles with the Defect.

69. In addition, Plaintiffs and Class members have suffered out-of-pocket losses related to obtaining replacements of ABS and HCU modules, damage to the Vehicles or areas surrounding the Vehicle caused by the Defect, diminution in value of the Vehicles, costs associated with arranging and obtaining alternative means of transportation, and any other incidental and consequential damages recoverable under the law.

TOLLING OF THE STATUTE OF LIMITATIONS AND ESTOPPEL

70. Any applicable statute of limitations has been tolled by Defendant's knowing and active concealment of the Defect and misrepresentations and omissions alleged herein. Through no fault or lack of diligence, Plaintiffs and Class members were deceived regarding the Class Vehicles and could not reasonably discover the Defect or Defendant's deception with respect to the Defect.

71. Plaintiffs and Class members did not discover and did not know of any facts that would have caused a reasonable person to suspect that the Defendant was concealing a defect and/or the Class Vehicles contained the Defect and the corresponding safety risk. As alleged

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herein, the existence of the Defect was material to Plaintiffs and Class members at all relevant times. Within the time period of any applicable statutes of limitations, Plaintiffs and Class members could not have discovered—through the exercise of reasonable diligence—the existence of the Defect or that the Defendant was concealing the Defect.

72. At all times, Defendant is and was under a continuous duty to disclose to Plaintiffs and Class members the true standard, quality, and grade of the Class Vehicles and to disclose the Defect and corresponding safety risk due to their exclusive and superior knowledge of the existence and extent of the Defect in Class Vehicles.

73. Defendant knowingly, actively, and affirmatively concealed the facts alleged herein, and the Defect. Plaintiffs and class members reasonably relied on Defendant's knowing, active, and affirmative concealment.

74. For these reasons, all applicable statutes of limitation have been tolled based on the discovery rule and Defendant's fraudulent concealment, and Defendant is estopped from relying on any statutes of limitations.

CLASS ACTION ALLEGATIONS

75. Plaintiffs, individually, and as a class action on behalf of similarly situated purchasers and lessees of the Vehicles pursuant to Federal Rule of Civil Procedure 23(b)(2) and (3), seek to represent the following classes:

Texas Class:

All Texas residents who own, owned, lease, or leased model year 2017-2018 Ram 2500 vehicles and 2017-2018 Ram 3500 vehicles purchased or leased in the United States and its territories.

California Class:

All California residents who own, owned, lease, or leased model year 2017-2018 Ram 2500 vehicles and 2017-2018 Ram 3500 vehicles purchased or leased in the United States and its territories.

76. Excluded from these classes are Defendant, as well as Defendant's affiliates, employees, officers and directors, and the judge to whom this case is assigned. Plaintiffs reserve the right to amend the definition of the class if discovery and/or further investigation reveal that the classes should be expanded or otherwise modified.

77. Certification of Plaintiffs' claims for class-wide treatment is appropriate because Plaintiffs can prove the elements of their claims on a class-wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claims.

78. <u>Numerosity</u>: The members of the Class are so numerous that joinder of all class members in a single proceeding would be impracticable. While the exact number and identities of individual members of the class is unknown at this time, such information being in the sole possession of Defendant and obtainable by Plaintiffs only through the discovery process, Plaintiffs believe, and on that basis allege, that thousands of Class Vehicles have been sold and leased in Texas or California.

79. Existence/Predominance of Common Questions of Fact and Law: Common questions of law and fact exist as to all class members and predominate over questions affecting only individual class members. Such common questions of law or fact include, *inter alia*:

- a. whether Defendant engaged in the conduct alleged herein;
- whether Defendant omitted and misrepresented material facts to purchasers and lessees of Class Vehicles;
- whether Defendant's omissions and misrepresentations regarding the Class
 Vehicles were likely to mislead a reasonable consumer;
- d. whether Defendant breached implied warranties with Plaintiffs and Class members when it produced, distributed, and sold the Class Vehicles;

- e. whether Plaintiffs' and Class members' Vehicles were worth less than as represented as a result of the Defect and conduct alleged herein;
- f. whether Plaintiffs and Class members have been damaged and, if so, the extent of such damages; and
- g. whether Plaintiffs and Class members are entitled to equitable relief, including, but not limited to, restitution and injunctive relief.

80. Defendant engaged in a common course of conduct giving rise to the legal rights sought to be enforced by Plaintiffs individually and on behalf of the other class members. Similar or identical common law violations, business practices, and injuries are involved. Individual questions, if any, are substantially overcome, in both quality and quantity, by the numerous common questions that dominate this action.

81. **<u>Typicality</u>**: Plaintiffs' claims are typical of the claims of the other Class members because, among other things, Plaintiffs and the other Class members were injured through the substantially uniform misconduct described above. As with Plaintiffs, Class members also purchased or leased a Class Vehicle containing the Defect. Plaintiffs are advancing the same claims and legal theories on behalf of themselves and all other class members, and no defense is available to Defendant that is unique to Plaintiffs. The same events giving rise to Plaintiffs' claims for relief are identical to those giving rise to the claims of all Class members. Plaintiffs and Class members sustained monetary and economic injuries including, but not limited to, ascertainable losses arising out of Defendant's wrongful conduct in selling/leasing and failing to adequately remedy the Defect.

82. <u>Adequacy</u>: Plaintiffs are adequate class representatives because they will fairly represent the interests of the class. Plaintiffs have retained counsel with substantial experience in

prosecuting consumer class actions, including consumer fraud and automobile defect class action cases. Plaintiffs and their counsel are committed to prosecuting this action vigorously on behalf of the class they seek to represent and have the resources to do so. Neither Plaintiffs nor their counsel have any interest adverse or antagonistic to those of the class.

83. <u>Superiority</u>: A class action is superior to any other available means for the fair and efficient adjudication of this controversy, and no unusual difficulties are likely to be encountered in the management of this class action. The damages or other detriment suffered by Plaintiffs and Class members are relatively small compared to the burden and expense that would be required to individually litigate their claims against Defendant, so it would be impracticable for Class members to individually seek redress for Defendant's wrongful conduct. Even if Class members could afford individual litigation, the court system should not be required to undertake such an unnecessary burden. Individualized litigation would also create a potential for inconsistent or contradictory judgments and increase the delay and expense to all parties and the court system. By contrast, the class action device presents no significant management difficulties, if any, and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

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

85. Upon information and belief, Class members can be readily identified and notified based upon, *inter alia*, the records (including databases, e-mails, dealership records and files, etc.) Defendant maintains regarding their sales and leases of Class Vehicles.

86. Unless the classes are certified, Defendant will improperly retain monies that they received from Plaintiffs and Class members as a result of their conduct.

CAUSES OF ACTION

COUNT I Breach of the Implied Warranty of Merchantability (brought by the Texas Plaintiffs on behalf of the Texas Class and the California Plaintiffs on behalf of the California Class)

87. Plaintiffs reallege and incorporate by reference the preceding paragraphs as if fully set forth herein.

88. Defendant is and was at all relevant times merchants with respect to the Vehicles, and manufactured, distributed, warranted, and sold the Vehicles.

89. A warranty that the Vehicles were in merchantable condition and fit for ordinary purposes for which they were sold is implied by law.

90. Plaintiffs and Class members purchased or leased the Vehicles manufactured and sold by Defendant in consumer transactions.

91. The Vehicles, when sold and at all times thereafter, were not in merchantable condition and the HCU and ABS module were not in merchantable condition and were not fit for the ordinary purpose for which cars are used. The Vehicles left Defendant's possession and control with defective HCU and ABS modules that rendered them at all times thereafter unmerchantable, unfit for ordinary use, unsafe, and a threat to safety.

92. Defendant knew or should have known before the time of sale to Plaintiffs and the other class members, or earlier, that the Vehicles were produced with defective ABS modules that were unfit for ordinary use, that rendered the Vehicles unfit for their ordinary purposes, and that posed a serious safety threat to drivers, passengers, and everyone else sharing the road with the Vehicles. This knowledge was based on Defendant's own industry standard internal validation of

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its vehicles prior to launching a new model, internal testing, knowledge about and familiarity with the ABS included in the Vehicles, and complaints by consumers and third parties.

93. The existence and ubiquity of the Defect is illustrated by the numerous consumer complaints that Defendant received.

94. Despite Plaintiffs' and the other class members' normal, ordinary, and intended uses, maintenance, and upkeep, the HCU and ABS modules of the Vehicles experienced and continue to experience the Defect.

95. The defective HCU and ABS modules in the Vehicles and the Vehicles themselves are, and at all times and were, not of fair or average quality, and would not pass without objection.

96. All conditions precedent have occurred or been performed.

97. Plaintiffs and Class members have used their Vehicles in a manner consistent with the Vehicles' intended use, and have performed each and every duty required under Defendant's warranty, including presentment, except as may have been excused or prevented by the conduct of Defendant or by operation of law in light of Defendant's unconscionable conduct described throughout this Complaint.

98. Defendant received timely notice regarding the problems at issue in this litigation and, notwithstanding such notice, have failed and refused to offer an effective remedy.

99. In addition, upon information and belief, Defendant received numerous complaints, notices of the need for repair and resulting safety issues, and requests for warranty repairs and coverage relating to the Defect from other members of the class.

100. In its capacity as a supplier and/or warrantor, and by the conduct described herein, any attempt by Defendant to disclaim or otherwise limit express warranties in a manner that would exclude or limit coverage for the Defect that was present at the time of sale and/or lease, which

Defendant knew or should have known about prior to offering the Vehicles for sale or lease, and which Defendant did not disclose and did not remedy prior to (or after) sale or lease, is unconscionable, and Defendant should be estopped from pursuing such defenses.

101. Defendant's warranty disclaimers, exclusions, and limitations, to the extent that they may be argued to apply, were, at the time of sale, and continue to be, unconscionable and unenforceable to disclaim liability for a known, latent defect. Defendant knew or should have known when they first made these warranties and their limitations that the Defect existed, and the warranties might expire before a reasonable consumer would notice or observe the Defect. Defendant also failed to take necessary actions to adequately disclose or cure the Defect after the existence of the Defect came to the public's attention and sat on its reasonable opportunity to cure or remedy the Defect, its breaches of warranty, and consumers' losses. Under these circumstances, it would be futile to enforce any informal resolution procedures or give Defendant any more time to cure the Defect or cure its breaches of warranty.

102. As such, Defendant should be estopped from disclaiming liability for their actions.

103. Privity of contract is not required for consumer implied warranty claims under the relevant laws. However, Plaintiffs and Class members had sufficient direct dealings with Defendant and its agents (dealers) to establish privity of contract. Defendant, on the one hand, and Plaintiffs and Class members, on the other hand, are in privity because of FCA's New-Vehicle Limited Warranty, which Defendant extends to Plaintiffs and Class members.

104. Privity is also not required in this case because Plaintiffs and Class members are intended third-party beneficiaries of contracts between Defendant and their dealers (i.e., its agents); specifically, they are the intended beneficiaries of Defendant's implied warranties. The dealers were not intended to be the ultimate consumers of the Vehicles; the warranty agreements

were designed for, and intended to benefit, only the ultimate consumers—such as Plaintiffs and Class members. Privity is also not required because Plaintiffs' and Class members' Vehicles are inherently dangerous due to the aforementioned defects and nonconformities.

105. As a result of Defendant's breaches of the implied warranty of merchantability, Plaintiffs and Class members suffered and will suffer out-of-pocket losses related to obtaining replacements of ABS and HCU modules, damage to the Vehicles or areas surrounding the Vehicle caused by the Defect, diminution in value of the Vehicles, costs associated with arranging and obtaining alternative means of transportation, and any other incidental and consequential damages recoverable under the law.

COUNT II Fraud/Fraudulent Omission (brought by the Texas Plaintiffs on behalf of the Texas Class and the California Plaintiffs on behalf of the California Class)

106. Plaintiffs reallege and incorporate by reference the preceding paragraphs as if fully set forth herein.

107. Defendant actively, intentionally, and knowingly concealed, suppressed, and/or omitted material facts including the existence of the Defect and the standard, quality, or grade of the Vehicles and the fact that the Vehicles contain a Defect and corresponding safety risk, with the intent that Plaintiffs and Class members rely on Defendant's omissions. As a direct result of Defendant's fraudulent conduct, as alleged herein, Plaintiffs and Class members have suffered actual damages.

108. Defendant knew or should have known at the time of sale or lease and thereafter that the Vehicles contained the Defect, omitted material information about the safety of the Vehicles, and actively concealed the Defect. 109. Defendant possessed superior and exclusive knowledge regarding the Defect, and therefore had a duty to disclose any information relating to the safety and functionality of key safety features in the Vehicles.

110. The Defect is material to Plaintiffs and Class members because Plaintiffs and Class members had a reasonable expectation that the Vehicles would contain a non-defective ABS module and HCU. No reasonable consumer expects a vehicle to contain a concealed Defect in materials or workmanship, such as the Defect, as well as its associated safety risk.

111. Plaintiffs and Class members would not have purchased or leased the Vehicles but for Defendant's omissions and concealment of material facts regarding the nature and quality of the Vehicles and the existence of the Defect and corresponding safety risk, or would have paid less for the Vehicles.

112. Defendant knew their concealment and suppression of the Defect was false and misleading and knew the effect of concealing those material facts. Defendant knew their misstatements, concealment, and suppression of the Defect would sell more Vehicles. Further, Defendant intended to induce Plaintiffs and Class members into purchasing or leasing the Vehicles in order to decrease costs and increase profits.

113. Plaintiffs and Class members reasonably relied upon Defendant's knowing misrepresentations, concealment and omissions. As a direct and proximate result of Defendant' misrepresentations, omissions and active concealment of material facts regarding the Defect and the associated safety risk, Plaintiffs and Class members have suffered actual damages in an amount to be determined at trial.

COUNT III Unjust Enrichment (brought by the Texas Plaintiffs on behalf of the Texas Class and the California Plaintiffs on behalf of the California Class)

114. Plaintiffs reallege and incorporate by reference the preceding paragraphs as if fully set forth herein.

115. This claim is pleaded in the alternative to the other claims herein.

116. As a direct and proximate result of Defendant's omissions and its failure to disclose the known Defect, Defendant has profited through the sale and lease of the Vehicles. Although these Vehicles are purchased through Defendant's agents, the money from the Vehicle sales flows directly back to Defendant.

117. As a result of its wrongful acts, concealments, and omissions of the Defect in its Vehicles, as set forth above, Defendant charged a higher price for the Vehicles than the Vehicles' true value. Plaintiffs and Class members paid that higher price for their Vehicles to Defendant's authorized distributors and dealers, which are in Defendant's control.

118. Additionally, as a direct and proximate result of Defendant's failure to disclose known Defect in the Vehicles, Plaintiffs and Class members have Vehicles that will require high-cost repairs that can and therefore have conferred an unjust substantial benefit upon Defendant.

119. Defendant has been unjustly enriched due to the known Defect in the Vehicles through the money paid that earned interest or otherwise added to Defendant's profits when said money should have remained with Plaintiffs and Class members.

120. As a result of the Defendant's unjust enrichment, Plaintiffs and Class members have suffered damages.

121. Equity and good conscience militate against allowing Defendant to retain their illgotten gains, and requires disgorgement and restitution of the same.

COUNT IV

Violations of the Consumer Legal Remedies Act (Cal. Civ. Code § 1750, *et seq.*) (brought on behalf of the California Plaintiffs and the California Subclass)

122. California Plaintiffs, on behalf of themselves and the California Subclass ("Class" for the purposes of this claim) reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

123. FCA US LLC is a "person" under California Civil Code § 1761(c).

124. Consumer Plaintiffs Neu and Adams are each a "consumer," as defined by California Civil Code § 1761(d), who purchased or leased a Defective Vehicle.

125. The Defendant participated in unfair or deceptive acts or practices that violated the Consumer Legal Remedies Act ("CLRA"), CAL. CIV. CODE § 1750, *et seq.*, as described above and below and is directly liable for such violations.

126. By failing to adequate disclose and actively concealing the dangerous and defective HCU and ABS modules that cause the ABS, cruise control, and traction control systems to become inoperable, FCA engaged in deceptive business practices prohibited by the CLRA, CAL. CIV. CODE § 1750, *et seq.*, including (1) representing that the Class Vehicles have characteristics, uses, benefits, and qualities which they do not have, (2) representing that the Class Vehicles are of a particular standard, quality, and grade when they are not, (3) advertising the Class Vehicles with the intent not to sell them as advertised, (4) representing that a transaction involving the Class Vehicles confers or involves rights, remedies, and obligations which it does not, and (5) representing that the subject of a transaction involving the Class Vehicles has been supplied in accordance with a previous representation when it has not.

127. The Defendant made numerous material statements about the safety and reliability of the Class Vehicles that were either false or misleading. Each of these statements contributed to the deceptive context of the Defendant's unlawful advertising and representations as a whole.

128. Defendant knew that the HCU and ABS modules in the Class Vehicles were defectively designed and/or manufactured, would fail without warning, and was not suitable for

their intended use. Defendant nevertheless failed to warn consumers and Plaintiffs about such inherent danger despite having a duty to do so.

129. Defendant owed Plaintiff Neu, Plaintiff Adams, and the Class Members a duty to disclose the Class Vehicles' dangerous risk of failure of the ABS, cruise control, and traction control systems, and lack of adequate fail-safe mechanisms, because Defendant:

- a. Possessed exclusive knowledge of the defects rendering the Class Vehicles inherently more dangerous and unreliable than similar vehicles;
- Intentionally concealed the hazardous situation with the Class Vehicles through its deceptive marketing campaign and any related program that it designed to hide the life-threatening problems from Plaintiffs and Class Members; and/or
- c. Made incomplete representations about the safety and reliability of the Class Vehicles generally, and their HBS and HCU modules in particular, while purposefully withholding material facts from Plaintiffs and the Class Members that contradicted these representations.

130. Class Vehicles equipped with the defective HBS and HCU modules pose an unreasonable safety risk to Plaintiff Neu, Plaintiff Adams, their respective passengers, other motorists, pedestrians, and the public at large, because they are susceptible to failures that can hinder the ability to timely and effectively stop the vehicle on demand and/or to control the vehicle.

131. Whether or not a vehicle decelerates and stops when commanded to do so are facts that a reasonable consumer would consider important in selecting a vehicle to purchase or lease. When Plaintiffs and Class Members bought or leased a Defective Class Vehicle for personal, family, or household purposes, they reasonably expected that the ABS, cruise control, and traction control systems would not be subject to failure, and were equipped with any necessary fail-safe mechanisms.

132. Defendant's unfair or deceptive acts or practices were likely to, and did in fact, deceive reasonable consumers, including Plaintiffs, about the true safety and reliability of the Class Vehicles.

133. As a result of the violations of the CLRA detailed above, Defendant caused actual damage to Plaintiffs and Class Members and, if not stopped, will continue to harm Plaintiffs and Class Members. Plaintiff Neu and Plaintiff Adams currently own a Class Vehicles that are defective and inherently unsafe. As a result of the Defect, Class Vehicles are worth less than they would have been absent the Defect.

134. Plaintiffs and Class Members risk irreparable injury as a result of Defendant's acts and omissions in violation of the CLRA, and these violations present a continuing risk to Plaintiffs and Class Members, as well as to the general public.

135. Plaintiff Neu, via counsel, provided FCA US LLC, at its principal place of business, with notice, as of March 23, 2023, in compliance with California Civil Code § 1782 and satisfying California Civil Code § 1782(a).

136. Defendant failed to provide appropriate relief for its violations of the CLRA within thirty days of receipt of Plaintiff's notification. In accordance with Section 1782(b) of the CLRA, Plaintiff Neu and the Class are entitled, under Section 1780 of the CLRA, to recover and obtain the following relief for Defendant's violations of the CLRA:

- a. actual damages under section 1780(a)(1) of the CLRA;
- b. restitution under section 1780(a)(3) of the CLRA;
- c. punitive damages under section 1780(a)(4) of the CLRA arising from Defendant's engagement in fraud, malice, or oppression; and
- any other relief the Court deems proper under section 1780(a)(5) of the CLRA.

137. Defendant's fraudulent and deceptive practices proximately caused damages to Plaintiffs and the Class.

138. Plaintiffs seeks equitable relief and an order enjoining Defendant's unfair or deceptive acts or practices under California Civil Code § 1780(e).

COUNT V

Violations of the Song-Beverly Act – Breach of Implied Warranty (Cal. Civ. Code §§ 1792, 1791.1, *et seq.*) (brought on behalf of the California Plaintiffs and the California Class)

139. The California Plaintiffs, on behalf of the California Subclass ("Class," for the purposes of this claim) reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

140. At all relevant times hereto, FCA was the manufacturer, distributor, warrantor, and/or seller of the Class Vehicles. FCA knew or should have known of the specific use for which the Class Vehicles were purchased.

141. FCA provided Plaintiffs and the Class members with an implied warranty that the Class Vehicles, and any parts thereof, are merchantable and fit for the ordinary purposes for which they were sold. The Class Vehicles, however, are not fit for their ordinary purpose because, *inter alia*, the Class Vehicles suffered from an inherent defect at the time of sale.

142. The Class Vehicles are not fit for the purpose of providing safe and reliable transportation because of the Defect.

143. FCA impliedly warranted that the Class Vehicles were of merchantable quality and fit for such use. This implied warranty included, inter alia, the following: (i) a warranty that the Class Vehicles were manufactured, supplied, distributed, and/or sold by FCA were safe and reliable for providing transportation; and (ii) a warranty that the Class Vehicles would be fit for their intended use – providing safe and reliable transportation – while the Class Vehicles were being operated.

144. Contrary to the applicable implied warranties, the Class Vehicles were not fit for their ordinary and intended purpose. Instead, the Class Vehicles are defective, including, but not limited to, the Defect.

145. FCA's actions, as complained of herein, breached the implied warranty that the Class Vehicles were of merchantable quality and fit for such use in violation of California Civil Code §§ 1792 and 1791.1.

COUNT VII

Violation of the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200, *et seq*.) (brought on behalf of the California Plaintiffs and the California Subclass)

146. The California Plaintiffs, on behalf of the California Class ("Class," for the purposes of this claim) reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

147. Plaintiffs assert this claim on behalf of Class Members that purchased or leased a vehicle from FCA or a FCA dealership.

148. California Business and Professions Code section 17200 prohibits any "unlawful, unfair, or fraudulent business act or practices." Defendant has engaged in unlawful, fraudulent, and unfair business acts and practices in violation of the UCL.

149. The Defect presents and constitutes a safety issue that FCA has a duty to disclose.

150. Defendant has violated the unlawful prong of section 17200 by its violations of both the Consumer Legal Remedies Act, Cal. Civ. Code § 1750, *et seq.*, and the Song-Beverly Act, Cal. Civ. Code § 1792, 1791.1, *et seq.* as alleged above, respectively, by the acts and practices set forth in this Complaint.

151. Defendant has also violated the unlawful prong because Defendant has engaged in business acts or practices that are unlawful because they violate the National Traffic and Motor

Vehicle Safety Act of 1996 (the "Safety Act"), codified at 49 U.S.C. § 30101, *et seq.*, and its regulations.

152. Defendant has violated the fraudulent prong of section 17200 because the misrepresentations and omissions regarding the safety and reliability of its vehicles as set forth in this Complaint were likely to deceive a reasonable consumer, and the information would be material to a reasonable consumer.

153. Defendant has violated the unfair prong of section 17200 because the acts and practices set forth in the Complaint, including the manufacture and sale of vehicles with a defective and dangerous braking system and Defendant's failure to adequately investigate, disclose, and remedy that defect, offend established public policy, and because the harm they cause to consumers greatly outweighs any benefits associated with those practices. Defendant's conduct has also impaired competition within the automotive vehicles market and has prevented Plaintiffs and Class Members from making fully informed decisions about whether to purchase or lease the Class Vehicles and/or the price to be paid to purchase or lease Class Vehicles.

154. Plaintiffs have suffered an injury in fact, including the loss of money or property, as a result of Defendant's unfair, unlawful, and/or deceptive practices. In purchasing their Class Vehicles, Plaintiffs relied on the misrepresentations and/or omissions of FCA with respect of the safety and reliability of the vehicle. FCA's representations turned out not to be true because the Class Vehicles were equipped with defective ABS and HCU modules.

155. Had Plaintiffs known this, they would not have purchased their Class Vehicles and/or paid as much for them.

156. All of the wrongful conduct alleged herein occurred, and continues to occur, in the conduct of Defendant's business. Defendant's wrongful conduct is part of a pattern or generalized course of conduct that is still perpetuated and repeated in the State of California.

157. Plaintiffs request that this Court enter such orders or judgments as may be necessary to enjoin Defendant from continuing its unfair, unlawful, and/or deceptive practices and to restore to Plaintiffs and members of the Class any money FCA acquired by unfair competition, including

restitution and/or restitutionary disgorgement, as provided in CAL. BUS. & PROF. CODE § 17203 and CAL. CIV. CODE § 3345; and for such other relief set forth below.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and members of the proposed Class, pray for judgment as follows:

- a) Certification of the Texas Class and California under Federal Rule of Civil Procedure 23;
- b) Appointment of Plaintiffs as representatives of their respective classes and their counsel as class counsel;
- c) Compensatory and other damages for economic and non-economic damages;
- d) An award of restitution and/or disgorgement;
- e) An injunction requiring Defendant to cease and desist from engaging in the alleged wrongful conduct and to engage in a corrective advertising campaign;
- f) Statutory pre-judgment and post-judgment interest on any amounts;
- g) Payment of reasonable attorneys' fees and recoverable litigation costs and expenses as may be allowable under applicable law; and
- h) Such other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury on all causes of action so triable.

Dated: March 19, 2024.

Respectfully submitted,

By: <u>/s/ Bruce W. Steckler</u> Bruce W. Steckler State Bar No. 00785039 bruce@swclaw.com

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CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of March 2024, I caused a true and correct copy of the foregoing to be filed with the Clerk of the Court via the Court's CM/ECF system, which will cause a copy to be electronically served upon all counsel of record.

<u>/s/ Bruce W. Steckler</u> Bruce W. Steckler

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Ram Brake Settlement Resolves Class</u> <u>Action Suit Over Alleged ABS Module, Hydraulic Control Unit Defect</u>