UNITED STATES DISTRICT COURT
DISTRICT OF WASHINGTON
AT SEATTLE

LAWRENCE EDWARD GOODELL, JR., individually, and on behalf of all similarly situated individuals, Plaintiff, v. MITSUBISHI HEAVY INDUSTRIES, LTD.; MITSUBISHI HEAVY INDUSTRIES AMERICA, INC.; MITSUBISHI HEAVY INDUSTRIES ENGINE & TURBOCHARGER, LTD.; MITSUBISHI TURBOCHARGER & ENGINE AMERICA; HATTON MARINE & INDUSTRIAL REPAIR, INC., Defendants.	No. CLASS ACTION COMPLAINT JURY DEMAND

I. INTRODUCTION

1. This case concerns fraud committed by a multinational corporation and its affiliates and authorized dealers against consumers in the State of Washington and throughout the United States. From at least 2019, and potentially as far back as 2013, and up through the date of this filing, Mitsubishi has defrauded hundreds, if not thousands, of consumers of Mitsubishi marine engines. Specifically, Mitsubishi and its subsidiaries,

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affiliates, officers, and employees, across a number of related business units, repeatedly lied to and/or misled consumers as part of a scheme to import and sell its replacement marine engines (the "Class Engines") that it falsely said complied with U.S. law and, on information and belief, also emit illegal levels of pollution.

2. Over the course of the past several decades, the U.S. Environmental Protection Agency has developed emissions standards for nonroad (or off-road) heavy and industrial engines and vehicles. The first federal standard (Tier 1) was adopted in 1994. Subsequently, EPA adopted more stringent successive standards: Tier 2, Tier 3, and eventually Tier 4 (the most recent and stringent standard). The higher the tier, the lower the allowable pollutants and emissions that the engine may emit.

3. Manufacturers of marine, emergency, stationary, and nonroad engines that manufacture such engines in the United States or import such engines into the United States are regulated under federal law. These regulations include a mandate to sell only the highest-tier engine. In limited circumstances, a manufacturer of marine engines like Mitsubishi is permitted to sell a lower-tier engine when replacing an engine. The exemption permits manufacturers to sell lower-tier engines in instances where engines certified to current standards do not have the physical or performance characteristics needed to power a marine vessel. In other words, if no engine meeting the strictest applicable EPA emissions requirements (Tier 3 or 4, depending on the circumstance) could be installed in a vessel, it may be permissible to manufacture, sell, and use a lower-tier engine. As detailed more fully below, the exemption requires that the manufacturer use "good engineering judgment" to determine which lower-tier engine is appropriate when a vessel is supposedly incompatible with the highest-tier engines.

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4. Notwithstanding that exemption, EPA regulations require that engine manufacturers that sell replacement engines identify and sell a replacement engine that offers the cleanest possible emissions. For example, if a manufacturer's Tier 4 engine is required but cannot be used as a replacement engine, a manufacturer must consider its Tier 3 engines before considering Tier 2 ones. Likewise, a manufacturer must consider whether other manufacturers, including its competition, offer suitable cleaner engines before selling a dirtier engine to a customer.

5. EPA's replacement-engine exemption is just that—an exemption, to be used in limited cases where an engine compliant with current regulations cannot practically be installed to power older equipment that was already in use. Nonetheless, Mitsubishi, together with the defendants named herein, have sold hundreds of replacement engines to marine vessel owners throughout the United States, not based on any engineering judgment, let alone the good engineering judgment required under law. Rather, it concocted made-up and often boilerplate engineering justifications and then subsequently submitted false reports to EPA stating that using a noncompliant replacement engine was justified under the law.

6. Defendants represented to Plaintiff and the Class Members that the engines they purchased had been sold because, after using good engineering judgment, no other engine could be used. The claims were false. Plaintiff and the Class Members now have engines that are not compliant with federal law, pollute more, consume more fuel, and are worth less.

7. In summary, Mitsubishi violated U.S. law and then defrauded Plaintiff and the Classes when it represented that the marine engines it sold comported with U.S. law.

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8. As a result of Defendants' conduct, Plaintiff asserts the following claims on behalf of himself and, as applicable, a nationwide class and several subclasses: breach of express and implied warranties, common-law fraud, unjust enrichment, and violations of the Washington Consumer Protection Act, WRC § 19.86.010, *et seq.*

II. PARTIES

9. Plaintiff Lawrence Edward Goodell Jr. is a natural person and a resident and citizen of the State of Washington, where he has resided at all relevant times.

10. Mitsubishi Heavy Industries, Ltd. ("MHI") is a Japanese corporation with its principal place of business in Tokyo, Japan. MHI designs, develops, manufactures, and sells, among other products, marine engines.

11. MHI is a global integrated business enterprise with hundreds of subsidiaries and business groups that operate across a diverse array of industries. These include natural gas, industrial materials, petroleum and chemicals, mineral resources, industrial infrastructure, automotive and mobility, food, consumer products, power solutions, and urban development. On information and belief, MHI also does business in the United States either under the name of or as an affiliate of Mitsubishi Heavy Industries America, Inc.

12. Mitsubishi Heavy Industries America, Inc. ("MHIA") is a Delaware corporation with its principal place of business in Houston, Texas. MHIA is a subsidiary of and wholly owned and/or controlled by its parent, MHI. MHIA manufactured, marketed, and/or sold marine engines throughout the United States, including in this District, during the Class Period. MHIA engages in business—including manufacturing, research and development, sales, and parts distribution—in all 50 states. MHIA regularly submits applications to EPA to obtain certifications necessary to sell Mitsubishi marine engines in the

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United States. MHI approved MHIA's submissions, which were necessary for MHI to export its products for sale in the United States.

13. Mitsubishi Heavy Industries Engine & Turbocharger, Ltd. ("MHIET") is a Japanese corporation located in Sagamihara, Japan. MHIET is a subsidiary of MHI. MHIET is the manufacturer of many of the marine engines at issue in this case. After manufacturing the engines in Japan, it exports them into the United States.

14. Mitsubishi Turbocharger and Engine America, Inc. ("MTEA") is a subsidiary of MHIET and/or MHIA and provides engineering support and sales services related to Mitsubishi marine engines within the United States. MTEA has a number of domestic offices and facilities, including its principal office, located at 2 Pierce Place, Suite 1100, Itasca, IL 60143. Its registered agent and office is MFEM Registered Agent, LLC, 203 N. LaSalle St. #2500, Chicago, IL 60601. On information and belief MTEA stores marine engines at a warehouse located at 1250 Greenbriar Drive, Suite E, Addison, IL 60101.[1]

15. Hatton Marine & Industrial Repair, Inc. ("Hatton") is a Washington corporation with its principal place of business located at 4735 Shilshole Ave NW, Seattle, Washington 98107. Its registered agent is Keil A. Larsen PLLC, located at 19929 Ballinger Way NE, Shoreline, Washington 98155. Hatton currently does business as "Hatton Power & Propulsion" and previously did business as "Hatton Marine."

III. JURISDICTION AND VENUE

A. Subject-Matter Jurisdiction

16. The Court has jurisdiction over this action pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d)(2), as the parties are minimally diverse; the aggregate

[1] MHI, MHIA, MHIET, and MTEA are sometimes collectively referred to as "the Mitsubishi Defendants."

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number of members of the proposed class is 100 or more; and the amount in controversy exceeds the sum or value of $5 million, exclusive of interest and costs.

17. This Court has supplemental jurisdiction over Plaintiff's state law claims pursuant to 28 U.S.C. § 1367.

B. Personal Jurisdiction

18. Each of the Mitsubishi Defendants purposefully directed their activities toward the United States, including the State of Washington, and availed themselves of the privilege of conducting activities in the United States and Washington.

19. The Mitsubishi Defendants are in the business of designing, developing, manufacturing, marketing, or selling marine engines, including in the United States and Washington. Defendants sold hundreds of marine engines in the United States in 2023 alone.

20. The Mitsubishi Defendants controlled the design, distribution, and sale of the Class Engines.

21. MHI, together with its U.S. subsidiaries, operate and hold themselves out to the public as the unified brand of "Mitsubishi." They cater to U.S. consumers and purposefully avail themselves of the United States market for Mitsubishi-branded engines.

22. The Mitsubishi Defendants targeted consumers in each of the 50 states, including Washington, with advertising for the Class Engines.

23. The Class Engines, including Plaintiff's engine, were the subject of advertising campaigns that were intended to reach and did in fact reach consumers in Washington. Those campaigns, which the Mitsubishi Defendants created and paid for, advertised and promoted the emissions performance of the Class Engines, and were controlled, directed, funded, and/or approved by its parent companies. MTEA directed and

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approved the publication and distribution of these advertisements toward Washington consumers and Plaintiff, with the intent and knowledge that they would reach consumers, including Class Members, in Washington, via print publications and the internet.

24. MTEA's and MHI's websites have been accessible and accessed in Washington by Class Members, including Plaintiff. These websites solicited the sale of the Class Engines and connected customers with Mitsubishi-authorized dealers in the United States, including in Washington.

25. The Mitsubishi Defendants also established channels for marketing Class Engines and providing regular advice to owners and lessees of Class Engines, including Plaintiff, in the United States and Washington by licensing trademarks to dealerships and authorizing dealerships to sell Mitsubishi-branded engines.

26. The Mitsubishi Defendants' marketing further targeted Washington through tradeshows. For example, Hatton attends an annual tradeshow in Seattle, Washington, where it displays Mitsubishi products.

27. Washington is a significant market for the Mitsubishi Defendants. There are several Mitsubishi-authorized dealerships in Washington that sell or lease Mitsubishi-branded marine engines. The Mitsubishi Defendants created or controlled the distribution network that brought Class Engines, including Plaintiff's, into the United States and Washington.

28. MHI's network of authorized dealers, including Hatton, offers maintenance and repair services, thus fostering an ongoing relationship between Defendants and their customers in Washington.

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29. MHI manufactured Mitsubishi engines in Japan and the United States and, in the case of Japan, exported those engines for sale to the United States. MHI engineered, designed, developed, and manufactured the marine engines complained of herein and exported those marine engines with the knowledge and understanding that they would be sold throughout the United States, including in Washington.

30. MHI regularly submitted applications to obtain certification from EPA that was necessary for the sale of Mitsubishi marine engines in the United States, including Washington.

31. MTEA, in turn, distributed, marketed, and sold the engines manufactured by MHI within the United States, including in Washington. In so doing, MTEA regularly transported and distributed for sale numerous Class Engines to authorized dealerships in Washington to facilitate their sale to consumers in Washington.

32. Defendants' contacts with the United States and Washington were all in furtherance of marketing, selling, or leasing their engines in the United States. This marketing, selling, and/or leasing of the Class Engines while concealing the emissions and classification fraud related to those vessels gives rise and relates to Plaintiff's claims.

C. Venue

33. Venue is proper in this District under 28 U.S.C. § 1391(b) because a substantial part of the events or omissions giving rise to the claims occurred in this District and because Defendants have caused harm to Class members residing in this District, including Plaintiff. Defendants have marketed, advertised, sold, and leased the Class Engines from authorized dealers located in this District.

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34. Additionally for venue purposes, any defendant nonresident of the United States may be sued in any judicial district. 28 U.S.C. § 1391(c)(3), (d).

IV. LEGAL FRAMEWORK

A. Emission Standards for Nonroad Engines

35. The CAA authorizes and requires EPA to promulgate air-pollution emissions standards for all new nonroad engines offered for sale in the United States to protect public health and welfare. 42 U.S.C. § 7547(a). EPA enforces these regulations in the same manner as standards for new motor vehicle engines. See *id.* § 7547(d).

36. *Nonroad engine* "means an internal combustion engine (including the fuel system) that is not used in a motor vehicle or a vehicle used solely for competition, or that is not subject to standards promulgated under [42 U.S.C. §§ 7411, 7521]." *Id.* § 7550(10).

37. In accordance with § 7547, EPA promulgated emissions standards for nonroad engines, and 40 C.F.R. Pt. 1042 contains environmental regulations for all "new compression-ignition marine engines." 40 C.F.R. § 1042.1.[2]

38. Vehicle or engine manufacturers cannot sell a new vehicle or engine in the United States unless the vehicle or engine is covered by a federal certificate of conformity. 42 U.S.C. § 7522(a)(1). EPA issues certificates to manufacturers pursuant to 42 U.S.C. § 7525(a) to certify that a particular class and model year of motor vehicles or engines, with specified emission control devices installed, meet all applicable emission standards at the time of original sale.

39. Any person, including a corporation, who violates § 7522(a)(1) is subject to a civil penalty of up to $25,000 for each illegal vehicle or engine. *Id.* § 7524(a); *see id.*

[2] Definitions for *new marine engine*, *compression-ignition*, and *marine engine* are at 40 C.F.R. § 1042.901.

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1 § 7602(e). Adjusted for inflation, this penalty is $37,500 for a violation committed between
2 January 13, 2009, and November 2, 2015, and $59,114 for a violation committed after
3 November 2, 2015. 40 C.F.R. § 19.4.

4 40. The emissions limit for a marine engine depends on what "tier" the engine
5 falls under. This is a combination of the type of engine and its model year. There are multiple
6 tables and sections that detail when a tier applies and what its limits are, and 40 C.F.R.
7 § 1042.901 sets out where these rules are located:

8 *Table 1. Regulations Detailing Tier Applicability and Emissions Limits*

Tier	Regulations: 40 C.F.R.
1	pt. 1042 app. I
2	§ 1042.104, pt. 1042 app. I
3	§§ 1042.101, .104
4	§ 1042.101

9 10 11 12 13 14

15 41. Higher tiers set lower maximum pollution and emissions limits.

16 42. Currently, all new marine engines must be either a Tier 3 or 4, depending on
17 the type of engine. *See* 40 C.F.R. §§ 1042.101, .104.

18 43. When a manufacturer produces a new engine to replace an older one in a
19 vessel that is not new (as defined in 40 C.F.R. § 1042.901), the replacement engine must
20 meet the standards of its model year, *not* the year of the engine it replaces. *See id.*
21 § 1068.101(a)(1)(ii). That requirement applies unless there are *no engines*—sold by any
22 manufacturer—that meet the current emissions requirements and have "the appropriate
23 physical or performance characteristics to repower the vessel." *Id.* § 1042.615(a)(1).

24 44. The manufacturer must use "good engineering judgment" to determine that no
25 engine both complies with current regulations and has the appropriate characteristics. *Id.*

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1 *Good engineering judgment* “means judgments made consistent with generally accepted
2 scientific and engineering principles and all available relevant information.” *Id.* §§ 1068.30,
3 1402.901.
4 45. This analysis is engine- and vessel-specific. The question is whether a
5 replacement engine with particular qualities can be installed in a vessel given its unique
6 attributes.
7
8 46. Conversely, this analysis is not generalizable. That an engine was
9 incompatible with one vessel does not necessarily mean that engine is incompatible with any
10 other vessel.
11
12 47. Considerations under this analysis can include the replacement engine’s
13 performance characteristics (i.e., if the engine could provide enough power to and speed for
14 the vessel), physical characteristics (i.e., if the engine would fit in the vessel or weigh too
15 much), compatibility with other components of the vessel (e.g., transmission or cooling
16 system), and compatibility with other engines in a multi-engine vessel. *Id.*
17 § 1042.615(a)(2)(i)–(iv).
18 48. The manufacturer must assess all engines “produced by *any* manufacturer,” *id.*
19 § 1042.615(a)(1) (emphasis added), when determining whether there is an engine that meets
20 the current requirements and has the appropriate characteristics. In other words, a
21 manufacturer cannot sell a dirtier engine if its competition makes a cleaner one.
22
23 49. If there is no vessel-appropriate engine produced by anyone that meets the
24 current emissions limits, the analysis becomes more nuanced. The manufacturer must assess
25 its own product line and address every tier that is more stringent than the tier of the engine
26 being replaced. *Id.* § 1042.615(a)(2)(v). If the manufacturer has multiple engines that could

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1 replace the current one, the manufacturer must use the highest tier available. *Id.* The
2 regulations provide an example:

3 > [I]f the engine being replaced was built before the Tier 1 standards started
4 > to apply and engines of that size are currently subject to Tier 3 standards,
5 > you must consider whether any Tier 1 or Tier 2 engines that you produce
> have the appropriate physical and performance characteristics for replacing
6 > the old engine; if you can produce a Tier 2 engine with the appropriate
> physical and performance characteristics, you must use it as the
7 > replacement engine.

8 *Id*.

9 50. The manufacturer must keep records of the determinations regarding
10 replacement engines—explaining, as applicable, why no engine from it or its competition at
11 the current highest tier is vessel-appropriate *or* why higher-tier engines from its own line are
12 not vessel-appropriate. *Id.* § 1042.615(a)(2)(i), (v).

13

14 51. Federal law also requires the manufacturer to warrant that its engines are
15 compliant with applicable EPA regulations: "You must warrant to the ultimate purchaser and
16 each subsequent purchaser that the new engine … is designed, built, and equipped so it
17 conforms at the time of sale to the ultimate purchaser with the requirements of [40 C.F.R. pt.
18 1042]." *Id.* § 1042.120(a)(1).

19

20 52. EPA published guidance regarding these regulations recently on July 21,
21 2025. [Exhibit 1.] The guidance's summary of the regulations is substantively the same as
22 this complaint's. *See id*.

23 **V. FACTS**

24 **A. The Sales Scheme to Subvert EPA Regulations**

25 53. Recognizing the substantial costs faced by customers who seek to replace
26 their marine engines, Defendants saw an opportunity to replace engines with cheaper, dirtier

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1 alternatives than those permitted under applicable law. To that end, the Mitsubishi
2 Defendants designed a system to circumvent the regulatory regime, skip the time-consuming
3 process of applying good engineering judgment, and make sales of noncompliant engines as
4 quickly and cheaply as possible. In doing so, the Mitsubishi Defendants gained a significant
5 advantage over competitors who followed the regulatory process.
6
7 54. It is a time-consuming and costly process to evaluate a vessel to determine
8 based on "good engineering judgment" that an exemption to the Tier 3 or 4 standard is
9 appropriate. As noted above, it can require calculating the power and speed an engine would
10 be able to supply to a vessel, a comparison of the weights and measurements of the old and
11 replacement engines, a review of the vessel's other components, and determining the age and
12 hours on the other engines in a multi-engine vessel.
13
14 55. The Mitsubishi Defendants knew that potential customers looking for a
15 replacement engine would turn to it and to various distributors that Mitsubishi sells engines
16 to in order to find a replacement as quickly and cheaply as possible.
17 56. Understanding that time and costs were the main customer concerns, the
18 Mitsubishi Defendants concluded that if it could justify providing a cheaper, "dirtier"
19 engine—rather than a legally compliant, "cleaner" engine with a lengthier sales process—it
20 could quickly solve its customer's problem, ensuring said customer did not look elsewhere
21 for a suitable replacement.
22
23 57. For the Mitsubishi Defendants the conclusion was simple: circumvent the
24 regulatory process, skip any legitimate "engineering judgment," sell noncompliant engines,
25 and then, after the fact, document a phony justification for selling a lower-tier replacement
26 engine for submission to U.S. regulators. Moreover, the Mitsubishi Defendants violated the

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1 legal requirement that it also consider engines produced by other manufacturers before it sold
2 a lower-tier engine to a customer. The reason for this omission is likewise simple: the
3 Mitsubishi Defendants wanted to sell their own engines, and regardless of the legal
4 requirement, they refused to direct potential customers to competitor companies given the
5 potential lost sales and market share.
6
7 58. To facilitate this scheme, the Mitsubishi Defendants stockpiled lower-tier
8 engines. This stockpiling is independently a violation of EPA regulations, *see* 40 C.F.R.
9 § 1068.103(g), and shows the Mitsubishi Defendants' intent to push lower-tier engines.
10
11 59. Starting in 2019 at the latest (and likely as far back as 2013), the Mitsubishi
12 Defendants routinely fabricated an engineering justification that replacement with a lower-
13 tier engine was appropriate when there were no legitimate scientific or engineering principles
14 supporting such a determination.
15
16 60. For example, the Mitsubishi Defendants frequently, and inappropriately,
17 "justified" using a lower-tier engine by saying that a highest-tier engine was incompatible
18 with the vessel's cooling system.
19
20 61. The Mitsubishi Defendants concocted these cooling-system "justifications"
21 and provided them to U.S. regulators without evaluating whether any higher-tier engine, let
22 alone a Tier 3 or 4 engine or one made by a Mitsubishi competitor, would have been a viable
23 replacement.
24
25 62. The Mitsubishi Defendants used other made-up, after-the-fact, and rote
26 reasoning to justify using a lower-tier engine.

63. To summarize, it is not that the Mitsubishi Defendants used incorrect
engineering judgment; rather, it purposely developed a scheme whereby it used *no*

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engineering judgment, consistently, for every lower-tier replacement engine it sold or installed.

B. Negative Environmental Impact of Noncompliant, "Dirty" Engines

64. The noncompliant engines are, not surprisingly, far worse for the environment than the current standards for engines. When comparing Tier 1 to 4, there is a 96% reduction in both nitrogen oxides and particulate matter released into the atmosphere. Also, Tier 4 reduced nitrogen-oxide and hydrocarbon (also known as *greenhouse gas*) emissions by 64% compared to Tier 3 regulations for many of the engines above 600 kW power output.

65. Of particular concern, push and tugboat exhaust emissions have been considered one of the most severe sources of air pollution in port cities and inland river areas. This pollution has a serious impact on global climate change and human health.

66. Notably, commercial harbor craft vessels that use old engine technology, such as Tier 2 engines, release 162 times more diesel particulate matter than a 5-year-old school bus.

67. Despite illegally pushing dirtier engines, MHI claims to care about the environment. Its tagline is "MOVE THE WORLD FORWARD," which supposedly "represents [its] commitment to working together with [its] customers, partners, and communities across the globe to make the world a better place," including through "further accelerat[ing its] Energy Transition initiatives toward carbon neutrality." *Who We Are*, Mitsubishi Heavy Industries, https://www.mhi.com/company/outline (last visited August 15, 2025). MHI says it "promise[s]" and calls on its employees "to continually look for new ways to create a better future and to help our customers, partners and stakeholders to do the same." *Id.*

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C. The Plaintiff and His Engine Purchase

68. Plaintiff is a commercial fisherman, and the owner and operator of the fishing vessel *Pacific Rooster*. In late 2019, *Pacific Rooster*'s marine engine began to fail (a Lugger 6140). Without an engine on his vessel, Plaintiff cannot fish and thus cannot earn a livelihood.

69. Initially, Plaintiff intended to remanufacture his existing Lugger engine (this would have consisted of, among other actions, replacing worn cylinder components), but after Hatton, the engine dealership, represented that remanufacture was not feasible, he was forced to purchase a new engine to replace *Pacific Rooster*'s engine.

70. On or about October 16, 2019, Hatton represented to Plaintiff that it would sell him a Tier 3 engine, specifically a Mitsubishi S6A3-Y3MPTK-4 marine diesel engine.

71. Hatton provided to Plaintiff a brochure for this Tier 3 engine when making the sale. [Exhibit 2.]

72. Plaintiff intended to purchase—and based upon representations by Hatton believed until several months ago that he had in fact purchased—a Tier 3 replacement engine, and one that complied with applicable law.

73. But in late 2019, MHI and Hatton installed a noncompliant Tier 1 engine in *Pacific Rooster*. The engine's model number (S6A3-Y1MPTA-3) as printed on the engine plate [Exhibit 3] and that model's brochure [Exhibit 4] confirm this.

74. The Mitsubishi Defendants purported to have used "good engineering judgment" with respect to replacing *Pacific Rooster*'s engine with a Tier 1 engine. None did.

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75. The Mitsubishi Defendants provided to Plaintiff and members of the Class the federally required warranty that its engines complied with federal law. *See* 40 C.F.R. § 1042.120. Specifically, they warranted:

> Mitsubishi Heavy Industries, Ltd. warrants to the ultimate purchaser and each subsequent purchaser **that the new marine and stationary engine**, including all parts of its emission-control system, meets two conditions:
>
> 1. It is designed, built, and equipped so it conforms at the time of sale to the ultimate purchaser with applicable regulation of the U.S. Environmental Protection Agency. If the vehicle in which the engine is installed is registered in the state of California, a separate California emission regulation also applies.
> 2. It is free from defects in materials and workmanship that may keep it from meeting these requirements.

[Exhibit 5, p. 6.]

D. Effects of Defendants' Actions on Plaintiff and the Class

76. Plaintiff and the class suffer injuries-in-fact from Defendants' conduct. Because the Mitsubishi Defendants did not use good engineering judgment, the engines that Plaintiff and the class have do not comply with U.S. law. Thus, their engines are worth less than compliant engines, and they suffer economic injuries.

77. Defendants' CAA violations have caused Plaintiff's and the class's injuries. Had they used good engineering judgment, Plaintiff and the class would have a compliant and more valuable engine.

78. Injunctive relief from Defendants would redress Plaintiff's and the class's injuries.

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79. Hatton's actions have caused specific injuries to Plaintiff:

a. Plaintiff has an engine that does not comply with U.S. law. Thus, his engine is worth less than compliant engines, and he suffers economic injuries.

b. The Tier 1 engine Hatton installed has lower horsepower than what Hatton had represented to Plaintiff. The ship's propeller therefore was too big for the replacement engine to handle, which resulted in overheating and undue stress on the motor and transmission. Plaintiff had to replace the propeller with a smaller one. This causes *Pacific Rooster* to burn more fuel to achieve adequate cruising speed. The higher-horsepower engine that Hatton represented it would sell to Plaintiff would not have caused these negative outcomes.

c. The engine Hatton installed did not fit *Pacific Rooster*, despite Hatton's assurances that it would. *Pacific Rooster* had to have its oil pan replaced to get the engine to fit. The ship now uses an oil pan that is made for trucks and has less oil capacity.

VI. TOLLING OF STATUTE OF LIMITATIONS

A. Discovery Rule Tolling

80. For the following reasons, any otherwise-applicable statutes of limitation have been tolled by the discovery rule with respect to all claims.

81. Through the exercise of reasonable diligence, and within any applicable statutes of limitation, Plaintiff and members of the proposed Classes could not have

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discovered that Defendants were concealing and misrepresenting the fact that Class Engines were sold illegally.

82. Likewise, a reasonable and diligent investigation could not have disclosed that Defendants had information in their possession about the existence of its sophisticated emissions deceptions and that they concealed that information, which Plaintiff discovered only shortly before this action was filed.

B. Tolling Due to Fraudulent Concealment

83. Throughout the relevant time period, all applicable statutes of limitation have been tolled due to Defendants' knowing and active fraudulent concealment and denial of the facts alleged in this Complaint.

84. Instead of disclosing their deception, Defendants falsely represented the Class Engines were compliant with U.S. law.

85. Relatedly, Hatton did not disclose that it had falsely represented the true tier of the engine it had installed in *Pacific Rooster*.

86. Any otherwise-applicable statutes of limitation have therefore been tolled by Defendants' exclusive knowledge and active concealment of the facts alleged herein.

C. Estoppel

87. Defendants were and are under a continuous duty to disclose to Plaintiff and Class members the true character, quality, and nature of the Class Engines.

88. Although Defendants had the duty throughout the relevant period to disclose to Plaintiff and Class members that they had engaged in the deception described in this Complaint, Defendants did not correct their misleading disclosures with respect to the Class Engines; actively concealed the true character, quality, and nature of the Class Engines; and

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1 made misrepresentations about the quality, reliability, characteristics, and/or performance of
2 the Class Engines. Plaintiff and the class members reasonably relied upon Defendants'
3 knowing and active concealment of these facts.
4
5 89. Based on the foregoing, Defendants are estopped from relying on any statutes of limitations in defense of this action.
6
7 ## VII. CLASS ALLEGATIONS

8 90. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiff brings
9 this action for himself and on behalf of a nationwide class and several subclasses.

10 91. The nationwide class includes:

11 All persons and entities who were sold, in the United States or its territories, a
12 Mitsubishi marine replacement engine that was not the then-highest tier under
13 EPA regulations at the time of sale in the United States or its territories.

14 92. The Washington subclass includes:

15 All persons or entities who were sold, in Washington, a Mitsubishi marine
16 replacement engine that was not the then-highest tier under EPA regulations at the time of sale.

17 93. The Hatton subclass includes:

18 All persons and entities to whom Hatton sold a Mitsubishi marine replacement
19 engine that was not the then-highest tier under EPA regulations at the time of sale.

20
21 94. Excluded from the Classes are:

22 a. Defendants' officers, directors and employees; Defendants' affiliates
23 and affiliates' officers, directors and employees; Defendants'
24 distributors and distributors' officers, directors and employees; and
25 b. Judicial officers and their immediate family members and associated
26 court staff assigned to this case.

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95. Plaintiff is a member of the nationwide class, Washington subclass, and Hatton subclass.

96. **Numerosity. Fed. R. Civ. P. 23(a)(1)**. Upon information and belief, the class members are so numerous that joinder of all is impractical. The names and addresses of the class members are identifiable through the internal business records maintained by Defendants, and the class members may be notified of the pendency of this action by published and/or mailed notice.

97. **Commonality. Fed. R. Civ. P. 23(a)(2)**. Common questions of law and fact exist as to all members of the putative class, including but not limited to:

98. Whether the Mitsubishi Defendants forwent using any good engineering judgment when selling, leasing, or distributing lower-tier engines;

a. Whether the Mitsubishi Defendants knew that the Class Engines did not comply with U.S. law;

b. Whether the Mitsubishi Defendants breached the express warranty that 40 C.F.R. § 1042.120(a)(1) requires them to make;

c. Whether Defendants misrepresented the Class Engines' tier, compliance with EPA regulations, fuel economy, or emissions characteristics;

d. Whether a reasonable consumer would find material Defendants' misrepresentations and the Class Engines' noncompliance with U.S. law;

e. Whether Defendants' nondisclosure constituted concealment; and

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f. Whether Plaintiff and the class suffered damages as a result of Defendants' conduct.

99. **Typicality. Fed. R. Civ. P. 23(a)(3)**. Plaintiff's claims are typical of the claims of each putative class member because Plaintiff and each Class member purchased or leased a Class Engine and were comparably injured through Defendants' wrongful conduct as described above. Plaintiff and the other Class members suffered damages as a result of the same wrongful practices by Defendants. Plaintiff's claims arise from the same practices and conduct that give rise to the claims of the other Class members. Plaintiff's claims are based upon the same legal theories as the claims of the other Class members.

100. **Adequacy of Representation. Fed. R. Civ. P. 23(a)(4)**. Plaintiff and his counsel will fairly and adequately protect the interests of the class. Plaintiff is an adequate representative of the putative classes because his interests coincide with, and are not antagonistic to, the interests of the members of the classes he seeks to represent; he has retained counsel competent and experienced in complex class litigation and this case's subject matter—including federal environmental law, EPA regulations, and consumer protection. Plaintiff and his counsel have and intend to continue to prosecute the action vigorously. They do not have any interests which might cause them to not vigorously pursue this action.

101. **Injunctive and Declaratory Relief. Fed. R. Civ. P. 23(b)(2)**. Defendants have acted or refused to act on grounds that apply generally to the class, thereby making injunctive relief or corresponding declaratory relief appropriate respecting the class as a whole.

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102. **Predominance. Fed. R. Civ. P. 23(b)(3)**. The questions of law or fact common to class members predominate over any questions affecting only individual members.

103. **Superiority. Fed. R. Civ. P. 23(b)(3)**. A class action is superior to other available methods for fairly and efficiently adjudicating the controversy, in that: (a) individual actions are not economically feasible because the damages or other financial detriment suffered by Plaintiff and the other Class members are relatively small compared to the burden and expense that would be required to individually litigate their claims against Defendants, and (b) members of the class are likely to be unaware of their rights. Moreover, individualized litigation creates a potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and the court system; by contrast, the class action device presents far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

Count 1: Fraud by Concealment

(Nationwide Class and Washington and Hatton Subclasses Against All Defendants)

104. Plaintiff restates each of the allegations in the preceding paragraphs as if set forth at length herein.

105. Plaintiff brings this claim individually and on behalf of the nationwide class or—in the alternative, on behalf of the state subclasses and the Hatton subclass—against all Defendants.

106. Defendants are liable for both fraudulent concealment and nondisclosure. *See, e.g.*, Restatement (Second) of Torts §§ 550–51 (1977).

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107. Defendants represented to Plaintiff and class members via the Class Engines' warranties that the engines complied with U.S. law. These representations are false because the Mitsubishi Defendants did not apply any good engineering judgment.

108. Defendants omitted any statements that the Mitsubishi Defendants had not used any good engineering judgment in violation of U.S. law.

109. For Plaintiff, these statements or omissions occurred from October to December 2019, the period where he coordinated with Hatton regarding purchasing and installing a replacement engine for *Pacific Rooster*.

110. Hatton additionally misrepresented what tier of engine it sold to Plaintiff. On or around October 16, 2019, it said it would sell Plaintiff a Tier 3 engine, but in late 2019 it installed a Tier 1 engine into *Pacific Rooster*.

111. A reasonable customer would not have expected for the Class Engines they paid for to:

a. not comply with emissions laws; and

b. be less fuel efficient, pollute more, and have less horsepower than represented by Defendants to Plaintiff and the Classes.

112. Defendants knew that these facts about the Class Engines would be important to customers deciding to purchase or lease them. Defendants ensured that Plaintiff and the Class did not discover this information through actively concealing it. Defendants intended for Plaintiff and the Class to rely on their omissions—which they did by paying for the Class Engines.

113. Defendants had a duty to disclose that the Class Engines did not comply with EPA regulations, consumed more fuel, polluted more, and had less horsepower. Defendants

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also had a duty to disclose the true nature of the Class Engines in light of their affirmative statements about the Class Engines with respect to emissions standards and fuel efficiency. Because they volunteered to provide information about the Class Engines that they offered for sale to Plaintiff and the Class, Defendants had the duty to disclose the whole truth.

114. Defendants knew these statements were misleading, deceptive, and incomplete without the disclosure of the additional facts set forth above regarding the existence of the sales scheme.

115. These important facts were known and/or accessible only to Defendants, including due to their involvement in the design, installment, and testing of engines in the Class Engines. Defendants also knew that these technical facts were not known to or reasonably discoverable by Plaintiff and the Classes.

116. Defendants did not fulfill their duties to disclose to Plaintiff and the Classes. Instead, they actively concealed the truth.

117. Defendants' deceptive actions harmed Plaintiff and the Classes. Because Defendants fraudulently concealed the truth about the Class Engines' compliance with EPA regulations, fuel economy, and emissions characteristics, customers who paid for the Class Engines suffered economic losses. Plaintiff suffered damages including but not limited to payment for additional fuel costs required by the lower fuel economy performance in their Class Engines. Accordingly, Defendants are liable to Plaintiff and the Class for damages in an amount to be proven at trial.

118. Defendants' acts were done wantonly, maliciously, oppressively, deliberately, and with intent to defraud; in reckless disregard of the rights of Plaintiff and the Class; and to enrich themselves. Their misconduct warrants an assessment of punitive damages in an

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1 amount sufficient to deter conduct in the future, which amount shall be determined according
2 to proof at trial.

3 **Count 2: Violation of the Washington Consumer Protection Act,**
4 **Wash Rev. Code § 19.86.010 *et seq.***

5 **(Washington and Hatton Subclasses Against All Defendants)**

6 119. Plaintiff restates each of the allegations in the preceding paragraphs as if set
7 forth at length herein.

8 120. Plaintiff brings this claim on behalf of themselves and the Washington and
9 Hatton subclasses against all Defendants.

10 121. Defendants committed the acts alleged here in the course of trade or
11 commerce within the meaning of Wash. Rev. Code § 19.96.010.

12 122. The Washington Consumer Protection Act ("Washington CPA") broadly
13 prohibits "[u]nfair methods of competition and unfair or deceptive acts or practices in the
14 conduct of any trade or commerce," Wash. Rev. Code § 19.86.020, and provides a private
15 right of action for "[a]ny person who is injured in [their] business or property by" violations
16 of the Act, *id.* § 19.86.090.

17 123. Defendants knew that the Class Engines were sold in violation of federal law
18 and were not suitable for their intended use.

19 124. Hatton in particular knew it had sold and installed a Tier 1 engine into
20 Plaintiff's vessel, *Pacific Rooster*, despite its previous representation that the engine was
21 Tier 3.

22 125. Defendants participated in deceptive trade practices that violated the
23 Washington CPA. In the course of their business, Defendants knowingly and intentionally
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1 concealed, suppressed, misrepresented, and omitted material facts concerning the Class
2 Engines.
3 126. Defendants also engaged in unlawful trade practices by employing deception;
4 deceptive acts or practices; fraud; misrepresentations; or concealment, suppression, or
5 omission of any material fact with intent that others rely upon such concealment,
6 suppression, or omission—in connection with the sale of the Class Engines.
7
8 127. Defendants' unfair and deceptive acts or practices occurred repeatedly in
9 Defendants' trade or business, were capable of deceiving a substantial portion of the
10 purchasing public, and imposed a serious safety risk on the public.
11
12 128. Defendants knew or should have known that their conduct violated the
13 Washington CPA.
14 129. Plaintiff and the Class Members reasonably relied on Defendants'
15 misrepresentations and omissions of material facts in its advertisements of the Class Engines
16 and in the purchase of the Class Engines.
17 130. Had Plaintiff and the Class Members known that the Class Engines were
18 lower-tier and not proper replacement engines, they would not have purchased or leased the
19 Class Engines or would have paid less for them. Plaintiff did not receive the benefit of his
20 bargain as a result of Defendants' misconduct. Defendants' actions deprived Plaintiff and
21 Class Members with information they would have wanted to know, as would any reasonable
22 person in their position.
23
24 131. Plaintiff and the Class Members suffered injuries-in-fact to legally protected
25 interests. As a result of Defendants' conduct, Plaintiff and the Washington Consumer
26

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1 Protection Class Members were harmed and suffered actual damages in the form of the
2 diminished value of their engines and vessels.
3 132. As a direct and proximate result of Defendants' unfair or deceptive acts or
4 practices, Plaintiff and the Class Members suffered and will continue to suffer injury in fact
5 and/or actual damages.
6
7 133. Defendants are liable to Plaintiff and the Class for damages in amounts to be
8 proven at trial, including punitive damages, attorneys' fees, costs, and any other remedies the
9 Court may deem appropriate under Wash. Rev. Code § 19.86.090. Because Defendants
10 actions were willful and knowing, Plaintiff's damages should be trebled.
11 134. Defendants are also liable for injunctive relief.
12
13 **Count 3: Breach of Express Warranty,**
Wash Rev. Code §§ 62A.2-313, 62A.2A-210
14 **(Washington Subclass Claim Against Mitsubishi Defendants)**
15 135. Plaintiff restates each of the allegations in the preceding paragraphs as if set
16 forth at length herein.
17
18 136. Plaintiff brings this claim on behalf of himself and the Washington subclass
19 against the Mitsubishi Defendants.
20 137. The Mitsubishi Defendants are and were at all relevant times *merchants* with
21 respect to marine engines, *see* Wash. Rev. Code §§ 62A.2-104(1), 62A.2A-103(1)(t), and
22 *sellers* of marine engines, *see id.* § 2.103(a)(4).
23 138. The Class Engines are and were at all relevant times *goods* within the
24 meaning of Wash. Rev. Code §§ 62A.2-105(1) and 62A.2A-103(1)(h).
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26

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139. The Mitsubishi Defendants expressly warranted to all purchasers of the Class Engines, including Plaintiff, that the Class Engines conformed to all EPA regulations at the time of sale to the ultimate purchaser, as required by 40 C.F.R. § 1042.120.

140. The Mitsubishi Defendants' warranties formed a basis and became material parts of the bargain that was reached when consumers purchased or leased Class Engines.

141. Plaintiff relied on Defendants' express warranties, which were a material part of the bargain, when purchasing or leasing their Class Engines.

142. The Mitsubishi Defendants breached the express warranty by selling replacement engines that did not conform to applicable EPA regulations.

143. As a direct and proximate cause of the Mitsubishi Defendants' breach, Plaintiff and the Class Members suffered damages and continue to suffer damages, including economic damages at the point of sale or lease and diminution of value of their Class Engines. Additionally, Plaintiff and the Class Members have incurred or will incur economic damages in the form of repair and/or replacement costs.

144. As a direct and proximate result of the Mitsubishi Defendants' breach of express warranties, Plaintiff and the Washington Sub-Class Members have been damaged in an amount to be determined at trial.

145. Plaintiff and the Class Members have complied with all obligations under the warranties or otherwise have been excused from performance of said obligations as a result of the Mitsubishi Defendants' conduct described herein.

146. Plaintiff provided notice to the Mitsubishi Defendants pursuant to Wash. Rev. Code § 62A.2-607(3)(a) on the dates listed below in Table 2. This was within a reasonable time after he discovered or should have discovered the breach.

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Table 2. Dates Mitsubishi Defendants Received Notice of Plaintiff's Warranty Claim

Mitsubishi Defendant	Date of Notice
Mitsubishi Heavy Industry	August 22, 2025
Mitsubishi Heavy Industry America	August 28, 2025
Mitsubishi Heavy Industries Engine & Turbocharger	August 22, 2025
Mitsubishi Turbocharger and Engine America	August 19, 2025

Count 4: Breach of Express Warranty, Wash Rev. Code §§ 62A.2-313, 62A.2A-210

(Plaintiff Individually Against Hatton)

147. Plaintiff restates each of the allegations in the preceding paragraphs as if set forth at length herein.

148. Plaintiff brings this claim on behalf of himself against Hatton.

149. Hatton is and was at all relevant times a *merchant* with respect to marine engines, *see* Wash. Rev. Code §§ 62A.2-104(1), 62A.2A-103(1)(t), and a *seller* of marine engines, see *id.* § 2.103(a)(4).

150. The engine Hatton sold to Plaintiff is and was at all relevant times a *good* within the meaning of Wash. Rev. Code §§ 62A.2-105(1) and 62A.2A-103(1)(h).

151. Hatton expressly warranted to Plaintiff that he would receive a Tier 3 engine.

152. Hatton's warranty formed a basis and became material parts of the bargain that was reached when Plaintiff purchased or leased Class Engines.

153. Plaintiff relied on Defendants' express warranties, which were a material part of the bargain, when purchasing or leasing their Class Engines.

154. Hatton breached the express warranty by selling a Tier 1 engine to Plaintiff.

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155. As a direct and proximate cause of Hatton's breach, Plaintiff suffered damages and continues to suffer damages, including economic damages at the point of sale or lease and diminution of value of the engine. Additionally, Plaintiff has incurred or will incur economic damages in the form of repair and/or replacement costs.

156. As a direct and proximate result of Hatton's breach of express warranties, Plaintiff has been damaged in an amount to be determined at trial.

157. Plaintiff has complied with all obligations under the warranties or otherwise has been excused from performance of said obligations as a result of Hatton's conduct described herein.

158. Plaintiff provided notice to Hatton pursuant to Wash. Rev. Code § 62A.2-607(3)(a) on September 2, 2025. This was within a reasonable time after he discovered or should have discovered the breach.

Count 5: Breach of Implied Warranties of Fitness for a Particular Purpose, Wash Rev. Code §§ 62A.2-315, 62A.2A-213

(Plaintiff Individually Against Hatton)

159. Plaintiff restates each of the allegations in the preceding paragraphs as if set forth at length herein.

160. Plaintiff brings this claim on behalf of himself against Hatton.

161. Hatton is and was at all relevant times a *merchant* with respect to marine engines, *see* Wash. Rev. Code §§ 62A.2-104(1), 62A.2A-103(1)(t), and a *seller* of marine engines, *see id.* § 2.103(a)(4).

162. The engine Hatton sold to Plaintiff is and was at all relevant times a *good* within the meaning of Wash. Rev. Code §§ 62A.2-105(1) and 62A.2A-103(1)(h).

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163. Plaintiff communicated to Hatton that the particular purpose for which the engine was required was to provide a propulsion (or main) engine for *Pacific Rooster*.

164. Plaintiff relied on Hatton's skill or judgment to select a replacement engine for *Pacific Rooster*.

165. The replacement engine Hatton selected was not fit for its particular purpose. The replacement engine had insufficient horsepower for *Pacific Rooster*'s propeller, requiring modifications to the propeller. The engine also required a replacement oil pan with less oil capacity.

166. As a direct and proximate cause of Hatton's breach, Plaintiff suffered damages and continues to suffer damages, including economic damages at the point of sale or lease and diminution of value of the engine. Additionally, Plaintiff has incurred or will incur economic damages in the form of repair and/or replacement costs.

167. As a direct and proximate result of Hatton's breach of express warranties, Plaintiff has been damaged in an amount to be determined at trial.

168. Plaintiff has complied with all obligations under the warranties or otherwise has been excused from performance of said obligations as a result of Hatton's conduct described herein.

169. Plaintiff provided notice to Hatton pursuant to Wash. Rev. Code § 62A.2-607(3)(a) on September 2, 2025. This was within a reasonable time after he discovered or should have discovered the breach.

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Count 6: Unjust Enrichment

(Nationwide Class and Washington and Hatton Subclasses Against All Defendants)

170. Plaintiff restates each of the allegations in the preceding paragraphs as if set forth at length herein.

171. Plaintiff brings this claim individually and on behalf of the nationwide class or—in the alternative, on behalf of the state subclasses and the Hatton subclass—against all Defendants.

172. The Mitsubishi Defendants did not disclose that they did not use good engineering judgment when selecting a lower-tier replacement engine for the Class Engines.

173. No Defendant disclosed that the Class Engines did not comply with U.S. law as a result of the Mitsubishi Defendants' failure to use good engineering judgment.

174. Hatton did not disclose that it was selling Plaintiff a Tier 1 engine, despite its representations that it was selling him a Tier 3 one.

175. As a direct and proximate result of Defendants' failure to disclose known defects and material misrepresentations regarding known defects, Defendants have profited through the sale and lease of said engines. In cases where these engines were purchased through a Defendant's agent, the money from the engine sales flows directly back to that Defendant.

176. Additionally, as a direct and proximate result of Defendants' failure to disclose known defects and material misrepresentations regarding known defects in the Class Engines, Plaintiff and Class Members have vessels that require high-cost repairs that can and therefore have conferred an unjust substantial benefit upon Defendants.

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177. Defendants have therefore been unjustly enriched due to the known defects in the Class Engines through the use of funds that earned interest or otherwise added to Defendant's profits when said money should have remained with Plaintiff and Class Members.

178. As a result of the Defendants' unjust enrichment, Plaintiff and Class Members have suffered damages.

VIII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that the Court enter judgment for Plaintiff and against Defendants as follows:

A. An Order certifying the proposed Classes and Subclasses under Fed. R. Civ. P. 23(b)(2) and (3) and appointing Plaintiff as class representative and his counsel as class counsel, as soon as practicable;

B. An Order declaring that Defendants are financially responsible for notifying class members of the pendency of this suit;

C. An Order declaring that Defendants committed the violations of law alleged herein;

D. An Order providing for any and all injunctive relief the Court deems appropriate—including but not limited to conducting a good-engineering-judgment analysis for all vessels with a Class Engine, replacing Class Engines with proper higher-tier ones, and repairing damage to vessels caused by lower-tier engines;

E. An Order awarding monetary damages including, but not limited to, any actual, statutory, compensatory, punitive, incidental, or consequential damages in an amount to be determined by the Court or jury;

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F. An Order awarding treble damages in accordance with proof and in an amount consistent with applicable precedent;

G. An Order awarding interest at the maximum allowable legal rate on the foregoing sums;

H. An Order awarding Plaintiff his reasonable costs and expenses of suit, including attorney and expert-witness fees; and

I. Such further relief as the Court may deem just and proper.

DATED this 8th day of September, 2025.

Respectfully submitted,
WALLACE MILLER

Edward A. Wallace
Mark R. Miller
Matthew J. Goldstein
Jacob M. Podell
(all pending *pro hac vice* admission)

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