

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

**MIC GENERAL INSURANCE
CORPORATION**

P.O. Box 3199
Winton-Salem, NC 27102

Plaintiff,

v.

MIDEA AMERICA CORPORATION

300 Kimball Drive, Ste 201,
Parsippany, NJ 07054

AND

MIDEA AMERICA CORP.

300 Kimball Drive, Ste 201,
Parsippany, NJ 07054

AND

MIDEA USA INC.

300 Kimball Drive, Ste 201,
Parsippany, NJ 07054

AND

WALMART INC.

702 SW 8th St
Bentonville, AR 72716

Defendants.

Civil Action No.:

JURY TRIAL DEMANDED

COMPLAINT

MIC General Insurance Corporation, by and through the undersigned counsel, de Luca Levine LLC, hereby demands judgment against the above-named Defendants, and in support thereof, alleges the following:

PARTIES

1. Plaintiff, MIC General Insurance Corporation (hereinafter “Plaintiff” or “MIC”), at all times relevant hereto, is and was a North Carolina corporation with its principal place of business located at P.O. Box 3119, Winston-Salem, NC 27152 and at all times material hereto was duly authorized to engage in the business of insurance in the State of New Jersey.

2. At all times material hereto, Plaintiff provided, *inter alia*, property insurance to Kevin Liao and Jessica Park (hereinafter the “subrogors” or “Plaintiff’s insureds”) in connection with their property located at 15 Cambridge Place, Englewood Cliffs, NJ 07632 (hereinafter the “subject property”).

3. In the wake of the fire loss described below, as a result of claims made on said policy (which were duly paid pursuant thereto), Plaintiff became subrogated to certain rights and interests of its subrogors for monies paid thereunder, including the claims giving rise to the within cause of action.

4. Defendant, Midea America Corporation (hereinafter “Midea America”) is a corporation existing under the laws of the State of Florida with its principal place of business located at 300 Kimball Drive, Ste 201, Parsippany, NJ 07054, and was authorized to do business within the State of New Jersey. Midea America regularly conducts business in New Jersey.

5. At all times relevant hereto, Midea America was engaged in, *inter alia*, the business of designing, manufacturing, assembling, selling, distributing and/or marketing electrical appliances, including the dehumidifiers, and – pursuant thereto – did design, manufacture, assemble, sell, distribute and/or market the dehumidifier at issue in this action (hereinafter the “subject dehumidifier” and/or “product”).

6. Defendant, Midea America Corp. is a corporation existing under the laws of the State of Florida with its principal place of business located at 300 Kimball Drive, Ste 201, Parsippany, NJ 07054, and was authorized to do business within the State of New Jersey. Midea America Corp. regularly conducts business in New Jersey.

7. At all times relevant hereto, Midea America Corp. was engaged in, *inter alia*, the business of designing, manufacturing, assembling, selling, distributing and/or marketing electrical appliances, including the dehumidifiers, and – pursuant thereto – did design, manufacture, assemble, sell, distribute and/or market the dehumidifier at issue in this action.

8. Defendant, Midea USA Inc. (hereinafter “Midea USA”) is a corporation existing under the laws of the State of Florida with its principal place of business located at 300 Kimball Drive, Ste 201, Parsippany, NJ 07054, and was authorized to do business within the State of New Jersey. Midea USA regularly conducts business in New Jersey.

9. At all times relevant hereto, Midea USA was engaged in, *inter alia*, the business of designing, manufacturing, assembling, selling, distributing and/or marketing electrical appliances, including the dehumidifiers, and – pursuant thereto – did design, manufacture, assemble, sell, distribute and/or market the dehumidifier at issue in this action.

10. Defendant, Walmart Inc. (hereinafter “Walmart”) is a corporation existing under the laws of the State of Arkansas with its principal place of business located at 702 SW 8th Street, Bentonville, AR 72716, and was authorized to do business within the State of New Jersey. Walmart regularly conducts business in New Jersey.

11. At all times relevant hereto, Walmart was engaged in, *inter alia*, the business of designing, manufacturing, assembling, selling, distributing and/or marketing electrical appliances, including the dehumidifiers, and – pursuant thereto – did design, manufacture, assemble, sell,

distribute and/or market the dehumidifier at issue in this action.

JURISDICTION AND VENUE

12. Jurisdiction is based on 28 U.S.C. §1332(a)(1) as this action involves a controversy between entities and/or citizens of different states. Moreover, the amount in controversy exceeds the jurisdictional threshold of this Court (exclusive of interest and costs).

13. Venue is proper in this district based on 28 U.S.C. §1391(a) in that the events giving rise to this claim occurred within this district.

STATEMENT OF FACTS

14. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

15. Prior to September 15, 2024, Defendants, designed, manufactured, assembled, tested, inspected, marketed, distributed and placed into the stream of commerce the subject dehumidifier – a Frigidaire dehumidifier, with accompanying component parts – said product being intended for use by consumers for the ordinary purpose associated with dehumidifiers.

16. Prior to September 15, 2024, Plaintiff's subrogors operated the subject dehumidifier in a foreseeable, normal, ordinary, and intended manner and purpose.

17. Prior to September 15, 2024, Plaintiff's subrogors never experienced any problems with the functionality of the subject dehumidifier.

18. On or about September 15, 2024, a fire erupted at the subject property as a direct result of a malfunction and/or defect of the subject dehumidifier while the product was being used in a normal and foreseeable manner.

19. The fire damaged the real property of Plaintiff's subrogors, and caused other consequential and incidental damages including clean-up costs, repairs, and other associated

expenses.

20. At all times material hereto, the dehumidifier, which was designed, manufactured, assembled, tested, inspected, marketed, distributed, and placed into the stream of commerce by the Defendants, was not modified, changed, altered, or abused by Plaintiff's subrogors or other users at said property prior to or during its use.

21. At all times material hereto, the Defendants knew and intended that the dehumidifier would be used by members of the general public, and knew of the specific uses, purposes and requirements for which dehumidifiers would be utilized.

22. Defendants designed, manufactured, assembled, tested, inspected, marketed, distributed, and placed into the stream of commerce the aforesaid dehumidifier, including its component parts, in a dangerous defective condition, which catastrophically failed due to a defect and/or malfunction.

23. The damages at issue resulted solely from the liability producing conduct of the Defendants as more particularly set forth herein and was due in no manner whatsoever from any act or failure to act on behalf of Plaintiff, their insureds, or any other party.

24. As a result of the aforementioned fire and damages sustained by the Plaintiff's subrogors, claims were made on the insurance policy and were duly paid by Plaintiff in an amount in excess of \$2,338,340.70.

25. Plaintiff became subrogated to certain rights and interests of its subrogors for monies paid thereunder, including all claims giving rise to the instant cause of action.

COUNT I – PRODUCTS LIABILITY UNDER N.J.S.A. 2A:58C ET SEQ.
PLAINTIFF v. MIDEA AMERICA CORPORATION

26. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

27. Defendant, Midea America was engaged, and at all times relevant hereto was engaged, in the business of designing, manufacturing, assembling, selling, distributing and/or marketing dehumidifiers and specifically did so with the products at issue in this case.

28. Defendant, Midea America designed, manufactured, assembled, distributed, marketed and/or sold the subject product in a defective condition, unreasonably dangerous to consumers.

29. The subject dehumidifier designed, manufactured, assembled, distributed, tested, marketed, and/or sold by Midea America, reached users and/or consumers without any material change in its condition or design.

30. Plaintiff's insureds were the intended user/consumer of the subject dehumidifier designed, manufactured, assembled, distributed, tested, marketed, and/or sold by Midea America.

31. Defendant, Midea America knew or should have known that the products would, and did, reach the Plaintiff's insureds without substantial change in the condition in which originally distributed and sold.

32. The aforementioned defects consisted of:

a. design defects, including, but not limited to:

- i. designing a product that had the propensity for overheating and catching fire;
- ii. designing a product that failed to employ safety mechanisms which would have prevented the overheating and ignition of the product;
- iii. designing a product that failed to eliminate the avoidable danger of overheating and ignition of the product;

b. manufacturing defects, including, but not limited to:

- i. manufacturing a product that had the propensity for overheating and catching fire;
- ii. manufacturing a product that failed to employ safety mechanisms which

- iii. would have prevented the overheating and ignition of the product;
manufacturing a product that failed to eliminate the avoidable danger of overheating and ignition of the product;

c. use-instruction and/or warnings defects, including, but not limited to:

- i. failing to provide Plaintiff's insureds and other consumers or users of the subject product with adequate and conspicuous warnings concerning the safe use of the subject product, which possess the dangerous and/or hazardous propensity of overheating and ignition, as the subject product did not provide:

1. warnings that were adequately prominent and conspicuous;
2. warning that were in a prominent and conspicuous location;
3. warnings employing wording, that would adequately draw the user's attention to the inadvertent actuation risk; and/or
4. warnings employing wording, that would clearly and adequately warn consumers as to such overheating and ignition risk employing universally understandable terms;

d. a failure to warn of the design, and/or manufacturing, and/or properly provide warning and/or safe use instructions, including, but not limited to:

- i. failing to provide Plaintiff's insureds and other consumers or users of the subject product with adequate information, instructions or warnings concerning the safe usage of the product, as the subject product did not provide:

1. warnings that were adequately prominent and conspicuous;
2. warning that were in a prominent and conspicuous location in the user manual;
3. warnings employing wording, that would adequately draw the user's attention to the overheating and ignition risk; and/or
4. warnings employing wording, that would clearly and adequately warn as to such inadvertent actuation risk employing universally understandable terms;

e. the subject product, based upon its risks, was designed and manufactured in a defective and unreasonably dangerous manner when considered under the State of New Jersey's "consumer expectations" test, "risk-utility" test, both or otherwise.

33. The design, manufacturing, distribution, testing, selling, and/or marketing of the subject dehumidifier with the aforementioned defects, made the subject dehumidifier

defective and unreasonably dangerous for its intended use.

34. At all times material hereto, the subject dehumidifier designed, manufactured, distributed, marketed, tested, and/or sold by Midea America was used for the purpose and in the manner intended and/or expected by Midea America.

35. As a direct and proximate result of such defects, Plaintiff's insureds sustained damages to their property, as well as the imposition of other expenses and harms besides, in an amount in excess of \$2,338,340.70.

36. For these reasons, Defendant is strictly liable to Plaintiff under Section 402A of the Restatement (2d) of Torts, the New Jersey Product Liability Act (N.J.S.A. 2A:58C, et seq.) and/or other applicable case law/statutes of the State of New Jersey.

37. Pursuant to the terms and conditions of the subject residential insurance policy with Plaintiff, the Plaintiff made payments to its insured consistent with the policy's terms and conditions following the described incident. Plaintiff thereby became subrogated to the claims now asserted herein.

WHEREFORE, Plaintiff respectfully requests judgment against Defendant, Midea America Corporation in an amount in excess of \$2,338,340.70, plus costs incident to this suit, delay damages, attorney fees, and for such other relief as this Honorable Court shall deem appropriate under the circumstances.

**COUNT II – STRICT LIABILITY FOR BREACH/VIOLATION OF NEW JERSEY'S
CONSUMER FRAUD ACE N.J.S.A. 56:8-1 ET ESQ.
PLAINTIFF v. MIDEA AMERICA CORPORATION**

38. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

39. Defendant, Midea America, was fully aware that Plaintiff's insureds were

consumers and were relying on Midea America to furnish a product that was safe and effective to members of the consuming public, including the Plaintiff's insureds, and was compliant with the applicable product safety standards, so as to not place Plaintiff's insureds' property at risk for severe and catastrophic property damage.

40. Defendant, Midea America's conduct, which caused Plaintiff's insureds' damages, as foresaid, constitutes unfair or deceptive acts or practices as defined by one or more sections of N.J.S.A. 56:8-1 et seq., including, but not limited to, 56:8-2. Fraud, etc., in connection with sale or advertisement of merchandise or real estate as unlawful practice, thus entitling Plaintiff to assert this civil action via private right of action pursuant to N.J.S.A. 56:8-1 et seq..

41. Defendant, Midea America's conduct was a direct and proximate result of Plaintiff's insureds' severe and catastrophic property damage and losses.

WHEREFORE, Plaintiff respectfully requests judgment against Defendant, Midea America Corporation in an amount in excess of \$2,338,340.70, plus costs incident to this suit, delay damages, attorney fees, and for such other relief as this Honorable Court shall deem appropriate under the circumstances.

COUNT III – PRODUCTS LIABILITY UNDER N.J.S.A. 2A:58C ET SEQ.
PLAINTIFF v. MIDEA AMERICA CORP.

42. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

43. Defendant, Midea America Corp. was engaged, and at all times relevant hereto was engaged, in the business of designing, manufacturing, assembling, selling, distributing and/or marketing dehumidifiers and specifically did so with the products at issue in this case.

44. Defendant, Midea America Corp. designed, manufactured, assembled, distributed, marketed and/or sold the subject product in a defective condition, unreasonably dangerous to consumers.

45. The subject dehumidifier designed, manufactured, assembled, distributed, tested, marketed, and/or sold by Midea America Corp., reached users and/or consumers without any material change in its condition or design.

46. Plaintiff's insureds were the intended user/consumer of the subject dehumidifier designed, manufactured, assembled, distributed, tested, marketed, and/or sold by Midea America Corp..

47. Defendant, Midea America Corp. knew or should have known that the products would, and did, reach the Plaintiff's insureds without substantial change in the condition in which originally distributed and sold.

48. The aforementioned defects consisted of:

a. design defects, including, but not limited to:

- i. designing a product that had the propensity for overheating and catching fire;
- ii. designing a product that failed to employ safety mechanisms which would have prevented the overheating and ignition of the product;
- iii. designing a product that failed to eliminate the avoidable danger of overheating and ignition of the product;

b. manufacturing defects, including, but not limited to:

- i. manufacturing a product that had the propensity for overheating and catching fire;
- ii. manufacturing a product that failed to employ safety mechanisms which would have prevented the overheating and ignition of the product;
- iii. manufacturing a product that failed to eliminate the avoidable danger of overheating and ignition of the product;

c. use-instruction and/or warnings defects, including, but not limited to:

- i. failing to provide Plaintiff's insureds and other consumers or users of the subject product with adequate and conspicuous warnings concerning the safe use of the subject product, which possess the dangerous and/or hazardous propensity of overheating and ignition, as the subject product did not provide:
 - 1. warnings that were adequately prominent and conspicuous;
 - 2. warning that were in a prominent and conspicuous location;
 - 3. warnings employing wording, that would adequately draw the user's attention to the inadvertent actuation risk; and/or
 - 4. warnings employing wording, that would clearly and adequately warn consumers as to such overheating and ignition risk employing universally understandable terms;
- d. a failure to warn of the design, and/or manufacturing, and/or properly provide warning and/or safe use instructions, including, but not limited to:
 - i. failing to provide Plaintiff's insureds and other consumers or users of the subject product with adequate information, instructions or warnings concerning the safe usage of the product, as the subject product did not provide:
 - 1. warnings that were adequately prominent and conspicuous;
 - 2. warning that were in a prominent and conspicuous location in the user manual;
 - 3. warnings employing wording, that would adequately draw the user's attention to the overheating and ignition risk; and/or
 - 4. warnings employing wording, that would clearly and adequately warn as to such inadvertent actuation risk employing universally understandable terms;
 - e. the subject product, based upon its risks, was designed and manufactured in a defective and unreasonably dangerous manner when considered under the State of New Jersey's "consumer expectations" test, "risk-utility" test, both or otherwise.

49. The design, manufacturing, distribution, testing, selling, and/or marketing of the subject dehumidifier with the aforementioned defects, made the subject dehumidifier defective and unreasonably dangerous for its intended use.

50. At all times material hereto, the subject dehumidifier designed, manufactured, distributed, marketed, tested, and/or sold by Midea America Corp. was used for the purpose and

in the manner intended and/or expected by Midea America Corp.

51. As a direct and proximate result of such defects, Plaintiff's insureds sustained damages to their property, as well as the imposition of other expenses and harms besides, in an amount in excess of \$2,338,340.70.

52. For these reasons, Defendant is strictly liable to Plaintiff under Section 402A of the Restatement (2d) of Torts, the New Jersey Product Liability Act (N.J.S.A. 2A:58C, et seq.) and/or other applicable case law/statutes of the State of New Jersey.

53. Pursuant to the terms and conditions of the subject residential insurance policy with Plaintiff, the Plaintiff made payments to its insured consistent with the policy's terms and conditions following the described incident. Plaintiff thereby became subrogated to the claims now asserted herein.

WHEREFORE, Plaintiff respectfully requests judgment against Defendant, Midea America Corp. in an amount in excess of \$2,338,340.70, plus costs incident to this suit, delay damages, attorney fees, and for such other relief as this Honorable Court shall deem appropriate under the circumstances.

**COUNT IV – STRICT LIABILITY FOR BREACH/VIOLATION OF NEW JERSEY'S
CONSUMER FRAUD ACE N.J.S.A. 56:8-1 ET SEQ.
PLAINTIFF v. MIDEA AMERICA CORP.**

54. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

55. Defendant, Midea America Corp., was fully aware that Plaintiff's insureds were consumers and were relying on Midea America Corp. to furnish a product that was safe and effective to members of the consuming public, including the Plaintiff's insureds, and was compliant with the applicable product safety standards, so as to not place Plaintiff's insureds'

property at risk for sever and catastrophic property damage.

56. Defendant, Midea America Corp.'s conduct, which caused Plaintiff's insureds' damages, as foresaid, constitutes unfair or deceptive acts or practices as defined by one or more sections of N.J.S.A. 56:8-1 et seq., including, but not limited to, 56:8-2. Fraud, etc., in connection with sale or advertisement of merchandise or real estate as unlawful practice, thus entitling Plaintiff to assert this civil action via private right of action pursuant to N.J.S.A. 56:8-1 et seq..

57. Defendant, Midea America Corp.'s conduct was a direct and proximate result of Plaintiff's insureds' serve and catastrophic property damage and losses.

WHEREFORE, Plaintiff respectfully requests judgment against Defendant, Midea America Corp. in an amount in excess of \$2,338,340.70, plus costs incident to this suit, delay damages, attorney fees, and for such other relief as this Honorable Court shall deem appropriate under the circumstances.

COUNT V – PRODUCTS LIABILITY UNDER N.J.S.A. 2A:58C ET SEQ.
PLAINTIFF v. MIDEA USA INC.

58. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

59. Defendant, Midea USA was engaged, and at all times relevant hereto was engaged, in the business of designing, manufacturing, assembling, selling, distributing and/or marketing dehumidifiers and specifically did so with the products at issue in this case.

60. Defendant, Midea USA designed, manufactured, assembled, distributed, marketed and/or sold the subject product in a defective condition, unreasonably dangerous to consumers.

61. The subject dehumidifier designed, manufactured, assembled, distributed, tested, marketed, and/or sold by Midea USA, reached users and/or consumers without any material change in its condition or design.

62. Plaintiff's insureds were the intended user/consumer of the subject dehumidifier designed, manufactured, assembled, distributed, tested, marketed, and/or sold by Midea USA.

63. Defendant, Midea USA knew or should have known that the products would, and did, reach the Plaintiff's insureds without substantial change in the condition in which originally distributed and sold.

64. The aforementioned defects consisted of:

a. design defects, including, but not limited to:

- i. designing a product that had the propensity for overheating and catching fire;
- ii. designing a product that failed to employ safety mechanisms which would have prevented the overheating and ignition of the product;
- iii. designing a product that failed to eliminate the avoidable danger of overheating and ignition of the product;

b. manufacturing defects, including, but not limited to:

- i. manufacturing a product that had the propensity for overheating and catching fire;
- ii. manufacturing a product that failed to employ safety mechanisms which would have prevented the overheating and ignition of the product;
- iii. manufacturing a product that failed to eliminate the avoidable danger of overheating and ignition of the product;

c. use-instruction and/or warnings defects, including, but not limited to:

- i. failing to provide Plaintiff's insureds and other consumers or users of the subject product with adequate and conspicuous warnings concerning the safe use of the subject product, which possess the dangerous and/or hazardous propensity of overheating and ignition, as the subject product did not provide:
 1. warnings that were adequately prominent and conspicuous;
 2. warning that were in a prominent and conspicuous location;
 3. warnings employing wording, that would adequately draw the user's attention to the inadvertent actuation risk; and/or
 4. warnings employing wording, that would clearly and adequately warn consumers as to such overheating and ignition risk

employing universally understandable terms;

- d. a failure to warn of the design, and/or manufacturing, and/or properly provide warning and/or safe use instructions, including, but not limited to:
 - i. failing to provide Plaintiff's insureds and other consumers or users of the subject product with adequate information, instructions or warnings concerning the safe usage of the product, as the subject product did not provide:
 - 1. warnings that were adequately prominent and conspicuous;
 - 2. warning that were in a prominent and conspicuous location in the user manual;
 - 3. warnings employing wording, that would adequately draw the user's attention to the overheating and ignition risk; and/or
 - 4. warnings employing wording, that would clearly and adequately warn as to such inadvertent actuation risk employing universally understandable terms;
- e. the subject product, based upon its risks, was designed and manufactured in a defective and unreasonably dangerous manner when considered under the State of New Jersey's "consumer expectations" test, "risk-utility" test, both or otherwise.

65. The design, manufacturing, distribution, testing, selling, and/or marketing of the subject dehumidifier with the aforementioned defects, made the subject dehumidifier defective and unreasonably dangerous for its intended use.

66. At all times material hereto, the subject dehumidifier designed, manufactured, distributed, marketed, tested, and/or sold by Midea USA was used for the purpose and in the manner intended and/or expected by Midea USA.

67. As a direct and proximate result of such defects, Plaintiff's insureds sustained damages to their property, as well as the imposition of other expenses and harms besides, in an amount in excess of \$2,338,340.70.

68. For these reasons, Defendant is strictly liable to Plaintiff under Section 402A of the Restatement (2d) of Torts, the New Jersey Product Liability Act (N.J.S.A. 2A:58C, et seq.) and/or other applicable case law/statutes of the State of New Jersey.

69. Pursuant to the terms and conditions of the subject residential insurance policy with Plaintiff, the Plaintiff made payments to its insured consistent with the policy's terms and conditions following the described incident. Plaintiff thereby became subrogated to the claims now asserted herein.

WHEREFORE, Plaintiff respectfully requests judgment against Defendant, Midea USA Inc. in an amount in excess of \$2,338,340.70, plus costs incident to this suit, delay damages, attorney fees, and for such other relief as this Honorable Court shall deem appropriate under the circumstances.

**COUNT VI – STRICT LIABILITY FOR BREACH/VIOLATION OF NEW JERSEY'S
CONSUMER FRAUD ACE N.J.S.A. 56:8-1 ET SEQ.
PLAINTIFF v. MIDEA USA INC.**

70. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

71. Defendant, Midea USA, was fully aware that Plaintiff's insureds were consumers and were relying on Midea USA to furnish a product that was safe and effective to members of the consuming public, including the Plaintiff's insureds, and was compliant with the applicable product safety standards, so as to not place Plaintiff's insureds' property at risk for sever and catastrophic property damage.

72. Defendant, Midea USA's conduct, which caused Plaintiff's insureds' damages, as foresaid, constitutes unfair or deceptive acts or practices as defined by one or more sections of N.J.S.A. 56:8-1 et seq., including, but not limited to, 56:8-2. Fraud, etc., in connection with sale

or advertisement of merchandise or real estate as unlawful practice, thus entitling Plaintiff to assert this civil action via private right of action pursuant to N.J.S.A. 56:8-1 et seq..

73. Defendant, Midea USA's conduct was a direct and proximate result of Plaintiff's insureds' severe and catastrophic property damage and losses.

WHEREFORE, Plaintiff respectfully requests judgment against Defendant, Midea USA Inc. in an amount in excess of \$2,338,340.70, plus costs incident to this suit, delay damages, attorney fees, and for such other relief as this Honorable Court shall deem appropriate under the circumstances.

COUNT VII – PRODUCTS LIABILITY UNDER N.J.S.A. 2A:58C ET SEQ.
PLAINTIFF v. WALMART INC.

74. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

75. Defendant, Walmart was engaged, and at all times relevant hereto was engaged, in the business of designing, manufacturing, assembling, selling, distributing and/or marketing dehumidifiers and specifically did so with the products at issue in this case.

76. Defendant, Walmart designed, manufactured, assembled, distributed, marketed and/or sold the subject product in a defective condition, unreasonably dangerous to consumers.

77. The subject dehumidifier designed, manufactured, assembled, distributed, tested, marketed, and/or sold by Walmart, reached users and/or consumers without any material change in its condition or design.

78. Plaintiff's insureds were the intended user/consumer of the subject dehumidifier designed, manufactured, assembled, distributed, tested, marketed, and/or sold by Walmart.

79. Defendant, Walmart knew or should have known that the products would, and did, reach the Plaintiff's insureds without substantial change in the condition in which originally distributed and sold.

80. The aforementioned defects consisted of:

a. design defects, including, but not limited to:

- i. designing a product that had the propensity for overheating and catching fire;
- ii. designing a product that failed to employ safety mechanisms which would have prevented the overheating and ignition of the product;
- iii. designing a product that failed to eliminate the avoidable danger of overheating and ignition of the product;

b. manufacturing defects, including, but not limited to:

- i. manufacturing a product that had the propensity for overheating and catching fire;
- ii. manufacturing a product that failed to employ safety mechanisms which would have prevented the overheating and ignition of the product;
- iii. manufacturing a product that failed to eliminate the avoidable danger of overheating and ignition of the product;

c. use-instruction and/or warnings defects, including, but not limited to:

i. failing to provide Plaintiff's insureds and other consumers or users of the subject product with adequate and conspicuous warnings concerning the safe use of the subject product, which possess the dangerous and/or hazardous propensity of overheating and ignition, as the subject product did not provide:

1. warnings that were adequately prominent and conspicuous;
2. warning that were in a prominent and conspicuous location;
3. warnings employing wording, that would adequately draw the user's attention to the inadvertent actuation risk; and/or
4. warnings employing wording, that would clearly and adequately warn consumers as to such overheating and ignition risk employing universally understandable terms;

d. a failure to warn of the design, and/or manufacturing, and/or properly provide warning and/or safe use instructions, including, but not limited to:

i. failing to provide Plaintiff's insureds and other consumers or users of

the subject product with adequate information, instructions or warnings concerning the safe usage of the product, as the subject product did not provide:

1. warnings that were adequately prominent and conspicuous;
2. warning that were in a prominent and conspicuous location in the user manual;
3. warnings employing wording, that would adequately draw the user's attention to the overheating and ignition risk; and/or
4. warnings employing wording, that would clearly and adequately warn as to such inadvertent actuation risk employing universally understandable terms;

- e. the subject product, based upon its risks, was designed and manufactured in a defective and unreasonably dangerous manner when considered under the State of New Jersey's "consumer expectations" test, "risk-utility" test, both or otherwise.

81. The design, manufacturing, distribution, testing, selling, and/or marketing of the subject dehumidifier with the aforementioned defects, made the subject dehumidifier defective and unreasonably dangerous for its intended use.

82. At all times material hereto, the subject dehumidifier designed, manufactured, distributed, marketed, tested, and/or sold by Walmart was used for the purpose and in the manner intended and/or expected by Walmart.

83. As a direct and proximate result of such defects, Plaintiff's insureds sustained damages to their property, as well as the imposition of other expenses and harms besides, in an amount in excess of \$2,338,340.70.

84. For these reasons, Defendant is strictly liable to Plaintiff under Section 402A of the Restatement (2d) of Torts, the New Jersey Product Liability Act (N.J.S.A. 2A:58C, et seq.) and/or other applicable case law/statutes of the State of New Jersey.

85. Pursuant to the terms and conditions of the subject residential insurance policy with Plaintiff, the Plaintiff made payments to its insured consistent with the policy's terms and

conditions following the described incident. Plaintiff thereby became subrogated to the claims now asserted herein.

WHEREFORE, Plaintiff respectfully requests judgment against Defendant, Walmart Inc. in an amount in excess of \$2,338,340.70, plus costs incident to this suit, delay damages, attorney fees, and for such other relief as this Honorable Court shall deem appropriate under the circumstances.

**COUNT VIII – STRICT LIABILITY FOR BREACH/VIOLATION OF NEW JERSEY’S
CONSUMER FRAUD ACE N.J.S.A. 56:8-1 ET ESQ.
PLAINTIFF v. WALMART INC.**

86. Plaintiff incorporates by reference the preceding averments as though set forth at length herein.

87. Defendant, Walmart, was fully aware that Plaintiff’s insureds were consumers and were relying on Walmart to furnish a product that was safe and effective to members of the consuming public, including the Plaintiff’s insureds, and was compliant with the applicable product safety standards, so as to not place Plaintiff’s insureds’ property at risk for sever and catastrophic property damage.

88. Defendant, Walmart’s conduct, which caused Plaintiff’s insureds’ damages, as foresaid, constitutes unfair or deceptive acts or practices as defined by one or more sections of N.J.S.A. 56:8-1 et seq., including, but not limited to, 56:8-2. Fraud, etc., in connection with sale or advertisement of merchandise or real estate as unlawful practice, thus entitling Plaintiff to assert this civil action via private right of action pursuant to N.J.S.A. 56:8-1 et seq..

89. Defendant, Walmart’s conduct was a direct and proximate result of Plaintiff’s insureds’ serve and catastrophic property damage and losses.

WHEREFORE, Plaintiff respectfully requests judgment against Defendant, Walmart Inc.

in an amount in excess of \$2,338,340.70, plus costs incident to this suit, delay damages, attorney fees, and for such other relief as this Honorable Court shall deem appropriate under the circumstances.

de LUCA LEVINE LLC

BY:  _____

RAYMOND E. MACK

NJ ID: 028372003

JAMES P. CARFAGNO

NJ ID: 025161998

301 E. Germantown Pike, 3rd Floor,
East Norriton, PA 19401

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**ATTORNEYS FOR PLAINTIFF,
MIC GENERAL INSURANCE
CORPORATION**

Dated: April 7, 2026