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COMMON PLEAS DIVISION

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PAVAN PARIKH
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Hamilton County, Ohio
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STATE EX REL ATTORNEY
GENERAL DAVE YOST
vs.
ZC HOME LLC

A 2504541

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IN THE COURT OF COMMON PLEAS HAMILTON COUNTY, OHIO

STATE OF OHIO ex rel. : ATTORNEY GENERAL :

DAVE YOST

30 E. Broad Street, 14th Floor

Columbus, Ohio 43215 : Case No.

:

Plaintiff,

Judge

V. :

:

ZC HOME LLC :

dba Esolution Tech (we record SN),
dba Pro tech4U (we record every serial:

number), and

dba E-Tech Pro

5726 Salem Road : <u>COMPLAINT AND REQUEST</u>

Cincinnati, Ohio 45230 : FOR DECLARATORY JUDGMENT,

: INJUNCTIVE RELIEF, CIVIL

and : <u>PENALTIES, CONSUMER DAMAGES,</u>

AND OTHER APPROPRIATE RELIEF

ZHENG M. ZHANG

8760 Sturbridge Drive

Cincinnati, Ohio 45236 :

:

and

:

ZHILIAN CHEN : 8760 Sturbridge Drive : Cincinnati, Ohio 45236 : :

:

Defendants.

JURISDICTION AND VENUE

1. Plaintiff, State of Ohio, through Attorney General Dave Yost, having reasonable cause to believe that violations of Ohio's consumer protection laws have occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in the Attorney General by R.C. 1345.07 of the Consumer Sales Practices Act ("CSPA"), R.C.

- 1345.01 et seq.
- 2. The actions described below of Defendants ZC Home LLC dba Esolution Tech (we record SN), dba Pro_tech4U (we record every serial number), and dba E-Tech Pro (collectively, "ZC Home"), Zheng M. Zhang ("Zhang"), and Zhilian Chen ("Chen") (collectively, "Defendants") have occurred in the State of Ohio, including in Hamilton County, and, as set forth below, are in violation of the CSPA, R.C. 1345.01 et seq., and its Substantive Rules, Ohio Adm.Code 109:4-3-01 et seq.
- Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C.
 1345.04 of the CSPA.
- 4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(C)(1)-(3), in that Hamilton County is where Defendants Zhang and Chen reside, where Defendants' principal place of business was located, and where Defendants conducted some of the activity that gave rise to Plaintiff's claims for relief.

DEFENDANTS

- 5. Defendant ZC Home is a limited liability corporation registered with the Ohio Secretary of State with a principal place of business of 5726 Salem Road, Cincinnati, Ohio 45230.
- 6. Defendant ZC Home also operates at 8760 Sturbridge Drive, Cincinnati, Ohio 45236, the Individual Defendants' residential address.
- 7. On information and belief, Defendant ZC Home may also operate from other properties owned by Individual Defendants.
- 8. Defendants do business in Ohio using the following unregistered fictitious business names:

 Esolution Tech (we record SN), Pro_tech4U (we record every serial number), and E-Tech

 Pro.

- Defendant Zhang is a natural person who resides at 8760 Sturbridge Drive, Cincinnati,
 Ohio 45236. Defendant Zhang is an "Individual Defendant."
- 10. Defendant Chen is a natural person who resides at 8760 Sturbridge Drive, Cincinnati, Ohio45236. Defendant Chen is an "Individual Defendant."
- 11. Defendants Zhang and Chen each dominated, controlled, directed, and approved the business activities and sales conduct of Defendant ZC Home at the time of the violations set forth in this Complaint and caused, personally participated in, or ratified the acts and practices of Defendant ZC Home as described in this Complaint.
- 12. Defendant ZC Home's acts and practices described herein could not have occurred without the personal participation and direction of Defendants Zhang and Chen.
- 13. Defendant Zhang's control over and personal participation in Defendant ZC Home's acts and practices include, but are not limited to, the following:
 - a. Ordering refurbished Dyson products to resell to consumers;
 - b. Opening an Amazon seller account under the name Pro_Tech4U (we record every serial number);
 - Opening a Payoneer Global, Inc. account for Defendant ZC Home, which enabled
 Defendant ZC Home to accept payments from Walmart and disburse said payments
 to Individual Defendants; and
 - d. Corresponding with consumers regarding their complaints.
- 14. Defendant Chen's control over and personal participation in Defendant ZC Home's acts and practices include, but are not limited to, the following:
 - a. Opening multiple bank accounts at multiple financial institutions for Defendant ZC
 Home;

- b. Serving as the Secretary and sole Member of Defendant ZC Home;
- c. Opening a Walmart seller account for Defendant ZC Home;
- d. Applying for and receiving an Employer Identification Number (EIN) for Defendant ZC Home; and
- e. Serving as agent for process for Defendant ZC Home.
- 15. Defendant ZC Home repeatedly diverted its funds for the personal use of Individual Defendants. For example, Individual Defendants used Defendant ZC Home's resources to pay for the personal travel of at least one of their children, to pay Duke Energy bills, and to pay off balances on personal credit card accounts held by Individual Defendants.
- 16. Individual Defendants co-mingled their personal finances with Defendant ZC Home. For example, Defendant Chen deposited checks in her name into bank accounts held in Defendant ZC Home's name. Individual Defendants also used money from their personal accounts to pay expenses on behalf of Defendant ZC Home.
- 17. Upon information and belief, Defendant ZC Home has grossly inadequate capitalization.

 Defendant ZC Home regularly keeps the monthly balances on its bank accounts relatively low by quickly transferring the profits of the scheme to personal credit card bills and financial accounts held in the names of Individual Defendants.
- 18. Upon information and belief, Defendant ZC Home does not observe corporate formalities.
- Individual Defendants used their control over Defendant ZC Home to violate the CSPA as described herein.
- 20. Upon information and belief, Defendants currently possess a significant number of refurbished Dyson products that they intend to resell to consumers nationwide.
- 21. Defendants were, at all times relevant to this action, engaged in the business of soliciting,

- offering for sale, and selling household appliances to consumers, primarily Dyson products such as vacuum cleaners, hair dryers, air purifiers, fans, and parts.
- 22. Defendants are "supplier[s]" as that term is defined in R.C. 1345.01(C), as Defendants were, at all times relevant herein, engaged in the business of effecting or soliciting "consumer transactions" by soliciting and selling goods or services to individuals for purposes that were primarily personal, family, or household within the meanings specified in R.C. 1345.01(A) and (D).

STATEMENT OF FACTS

- 23. Dyson, Inc. ("Dyson") is a manufacturer and retailer of household appliances, including vacuum cleaners, hair dryers, air purifiers, fans, and parts.
- 24. In addition to "new products," Dyson sells "refurbished products." A refurbished product is one that has been used and returned to Dyson for inspection, cleaning, repair, and testing by Dyson technicians. These activities are exclusively performed in a Dyson factory by Dyson employees. Dyson refers to this as its "Dyson Renewed" program.
- 25. Dyson employees apply a serial number that ends with the letter "A" to all new Dyson products, indicating that the item is new and "A-Grade."
- 26. Before a refurbished product leaves Dyson's factory, a Dyson employee removes the serial number ending in "A" and replaces it with a serial number ending with the letter "B," indicating that the item is refurbished and "B-Grade."
- 27. New Dyson products come with a two- or five-year warranty, depending on the product, the date of purchase, and the consumer's use of the item¹. Refurbished Dyson products

¹ Dyson Limited Warranty Terms & Conditions, DYSON, https://www.dyson.com/inside-dyson/terms/the-dyson-limited-

- come with a Dyson Renewed six-month or one-year warranty, depending on the product².
- 28. New Dyson products are shipped in a Dyson-branded box. Refurbished Dyson products are shipped in a plain, brown box.
- 29. A "Refurbishment Letter" is placed in the box of every refurbished Dyson product, reminding the consumer that they have purchased a refurbished item and informing them of the terms of the product's Dyson Renewed warranty.
- 30. Compared to new products, Dyson and Dyson retailers typically sell refurbished products at a significant discount.
- 31. Dyson authorizes certain entities, such as NewEgg.com and Walmart.com, to sell Dyson products.
- 32. Defendants are not authorized retailers of new or refurbished Dyson products.
- 33. Defendants purchase large quantities of Dyson products from various retailers, including NewEgg.com and Walmart.com.
- 34. While Defendants purchase a small number of new Dyson products, the vast majority of Defendants' purchases are refurbished Dyson products. For example, from August 16, 2023, to July 15, 2025, Defendants purchased 4,681 Dyson products from retailers including Walmart, eBay, and NewEgg.com. Of those 4,681 Dyson products, 4,506 Dyson products were refurbished and 175 were new Dyson products.
- 35. After Defendants purchase refurbished Dyson products, Defendants advertise the refurbished Dyson products as new and sell them to consumers at a price that is only

warranty#:~:text=Your%20Dyson%20machine%20is%20covered,with%20the%20Dyson%20User%20manual (last visited May 14, 2025).

²Dyson Renewed, Dyson,

https://www.dyson.com/outlet#:~:text=All%20refurbished%20Dyson%20vacuums%2C%20purifiers,with%20a%20 lifetime%20of%20support (last visited May 14, 2025).

- slightly discounted from the price of a new Dyson product and thus higher than the typical price of a refurbished Dyson product.
- 36. Refurbished Dyson products sell for, on average, 30-50% less than the price of the same new Dyson product.
- 37. Defendants, as regular purchasers of Dyson products, were aware at the time of the consumer transactions that consumers were able to obtain new Dyson products at a similar price to the purchase price of the refurbished Dyson products sold by Defendants.
- 38. Defendants advertised their refurbished Dyson products for a price slightly lower than the price of the same new Dyson product in order to divert consumers seeking new Dyson products to purchase their refurbished Dyson products.
- 39. On or around February 23, 2010, Defendants began operating as a third-party seller on Amazon.com, using the name Pro_Tech4u (we record every serial number).
- 40. As a third-party seller, Defendants are responsible for all information contained in product listings on Amazon's online platform, including the product name, description, and price.
- 41. At least as early as February 1, 2023, Defendants sold consumer products, including Dyson products, to consumers as a third-party Amazon seller.
- 42. Through their Amazon storefront, Defendants sold refurbished Dyson products to consumers but represented that those products were in "new" condition.

43. In many instances, Defendants represented to consumers that the Dyson device listed on Amazon was "new" but subsequently noted, to Amazon, that the Dyson product would be shipped in a "plain box." For example:

Dear zhangzh1985@hotmail.com,

Congratulations! You just sold an item on Amazon!

Keep in mind that you agreed to ship this order no later than 10/11/2023. You are responsible for the item until it reaches the buyer at the address provided in your seller account. We recommend purchasing insurance for high value shipments.

After you ship the order, return to your seller account to confirm shipment. If you do not confirm shipment of the order within 7 days, Amazon will cancel the order, and you will not receive payment for it. (Or within 30 days if this is an Arranged Delivery order.)

Please see the remainder of this e-mail below for more information about shipping and confirming your order.

Order ID: 114-9415475-7769842

Please ship this order using Standard shipping.

Ship by: 10/11/2023
Item: Dyson Purifier Hot+CoolTM HP07 Air Purifier, Heater, and Fan - White/Silver, Large Condition: New
Condition note: Never used in plain box
SKU: 6M-ZFXM-9EUW
Quantity: 1
Order date: 10/09/2023
Price: \$638.00

Tax: \$63.80

Tax: \$63.80

Shipping: \$27.57

Shipping tax: \$2.76

Amazon fees: -\$99.84

Marketplace Facilitator Tax: -\$63.80 Marketplace Facilitator Shipping Tax: -\$2.76 Your earnings: \$565.73

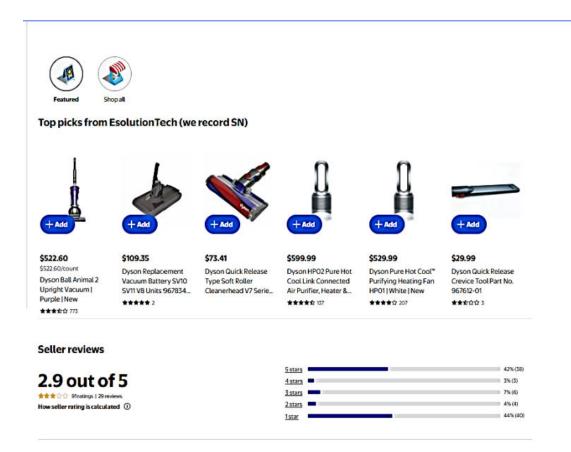
- 44. Many consumers who purchased a "new" Dyson product from Defendants on Amazon complained to Defendants that the Dyson products they received were refurbished and requested to return the product for a full refund.
- 45. Defendants, in many instances, failed to provide a full refund to the affected consumers, despite the requests.
- 46. Defendants, in many instances, charged or attempted to charge consumers who were returning Defendants' product an exorbitant undisclosed "restocking fee," which was deducted from the consumer's refund.
- 47. This "restocking fee" was typically hundreds of dollars, ranging up to 50% of the price of the purchased item.
- 48. In many instances, Defendants failed to provide consumers with full refunds.

- 49. In some instances, Defendants conditioned a consumer's refund on the consumer's removal of a truthful negative review.
- 50. In many instances, Defendants falsely accused consumers of receiving a new Dyson product but returning a used Dyson product to Defendants in order to impermissibly seek a refund.
- 51. At least once, Amazon communicated to Defendants that a Dyson product sold by Defendants was "used" despite Defendants' representations that the Dyson product was "new."
- 52. At least once, Amazon warned Defendants that they were unauthorized resellers of Dyson products.
- 53. At least once, Amazon warned Defendants that they were violating Dyson's intellectual property rights by selling Dyson products on Amazon without Dyson's authorization.
- 54. On multiple occasions, Defendants' listings of Dyson products on Amazon were temporarily removed from Amazon due to "inauthenticity" or "counterfeit" concerns.
- 55. Ultimately, on February 7, 2024, Defendants were prohibited from selling Dyson products on Amazon's platform due to Amazon's concern about the authenticity of the Dyson products that Defendants were selling.

Hello Zhang Zheng, As of 02/07/2024, your ability to sell dyson products has been removed and you will no longer be able to fulfill future orders with the listings. As part of our ongoing efforts to provide the best possible customer experience, approval is required to continue selling these products. You can find a list of the affected listings at the bottom of this message. Why is this happening?

- 56. Defendants largely ceased selling products on Amazon under the name Pro_Tech4u (we record every serial number) on February 8, 2024.
- 57. On or around February 10, 2024, Defendants began operating as a third-party seller on Walmart Online Marketplace ("Walmart.com"), using the name Esolution Tech (we record SN).
- 58. When creating their seller account for Walmart Marketplace, Defendants agreed to many terms and conditions, including Walmart's "Restored Program Terms and Conditions."

 These terms and conditions create specific rules resellers must follow to sell refurbished products on Walmart.com.
- 59. As a third-party seller, Defendants are responsible for all information contained in product listings on Walmart.com, including the product name, description, and price.
- 60. From March 2024 to March 2025, Defendants received over \$1.3 million dollars selling consumer products on Walmart.com. Defendants sell a small number of non-Dyson consumer products on Walmart.com, however, the vast majority of Defendants' listings on Walmart.com are Dyson products.
- 61. "New" Dyson products constitute the vast majority of product listings created by Defendants' Walmart.com seller account. Defendants explicitly advertise that these Dyson products are "New" by inserting the word "New" in their advertisements. For example, the majority of Defendants' product listings are presented in this format: "Dyson Ball Animal 2 Upright Vacuum | Purple | New."



- 62. Defendants advertise their refurbished Dyson products at nearly the same price as a new Dyson product. This minimal price difference signals to the consumer that the product is new, as refurbished Dyson products are typically advertised for a significantly lower price.
- 63. In most cases, when consumers purchase a Dyson product advertised as "new" from Defendants' Walmart.com seller account, Defendants ship the consumer a refurbished Dyson product bearing a serial number that ends in "B."
- 64. Defendants remove Dyson's Refurbishment Letter from the refurbished product's packaging, replacing it with a small business card. The business card instructs consumers to contact Defendants before leaving a negative review and instructs consumers on how to return their product.
- 65. Defendants' business card includes the following language: "We offer hassle-free returns on all orders...Select 'No longer needed' as the reason to get an instant free return

label...Incorrect return reasons may delay your refund."





- 66. Some consumers, upon receiving their Dyson product sold by Defendants, visit Dyson's website to register their product for warranty benefits. It is at this time that consumers learn that their product is refurbished and not eligible for the two- or five-year warranty Dyson offers for new products.
- 67. Consumers complain that the Dyson products they receive from Defendants are refurbished and not new as advertised. Many of these products arrive with signs of use such as scuff marks.
- 68. Consumers did not intend to buy refurbished Dyson products or pay new Dyson prices for refurbished Dyson products.

<u>CAUSES OF ACTION – VIOLATIONS OF THE</u> CSPA

Count One - Exclusions and Limitations in Advertising

- 66. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in the previous paragraphs of this Complaint.
- 67. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), and the Exclusions and Limitations Rule, Ohio Adm.Code 109:4-3-02(A)(1), by advertising goods or services without stating clearly and conspicuously in close proximity to the words stating the offer any material exclusions, reservations, limitations, modifications, or conditions.

Count Two - New for Used

- 69. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in the previous paragraphs of this Complaint.
- 70. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(3), and the New for Used Rule, Ohio Adm.Code 109:4-3-08(A), by representing that an item of goods is new when such is not the case.

Count Three – Failure to Register Fictitious Business Name

- 71. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in the previous paragraphs of this Complaint.
- 72. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by failing to register or report the use of all fictitious business names with the Secretary of State prior to doing business in Ohio under such fictitious names, as required by R.C. 1329.01.

73. Such acts and practices have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violations after such decisions were made available for public inspection pursuant to R.C. 1345.05(A)(3).

Count Four – Return Misrepresentations

- 74. Plaintiff incorporates by references, as if completely rewritten herein, the allegations set forth in the previous paragraphs of this Complaint.
- 75. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(5), by representing that the subject of a consumer transaction had been supplied in accordance with a previous representation, when it had not. Specifically, Defendants maintained that the Dyson products they sold consumers were "new," despite the Dyson products actually being refurbished.
- 76. Such acts and practices have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violations after such decisions were made available for public inspection pursuant to R.C. 1345.05(A)(3).

Count Five – Harassment and Intimidation

- 88. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in the previous paragraphs of this Complaint.
- 89. Defendants have committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by making comments to the consumer in an effort to intimidate or coerce the consumer and prevent the consumer from exercising their right to return a product that was not supplied in accordance with representations.

90. Such acts and practices have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violations after such decisions were made available for public inspection pursuant to R.C. 1345.05(A)(3).

Count Six – Review Removals

- 91. Plaintiff incorporates by references, as if completely rewritten herein, the allegations set forth in the previous paragraphs of this complaint.
- 92. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by refusing to provide consumers with their refunds until they removed a truthful negative review from an internet forum.

Count Seven – Failure to Register as a Second-Hand Dealer

- 91. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in the previous paragraphs of this Complaint.
- 92. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and (G), by conducting business as a "Second-Hand Dealer" without being licensed in Cincinnati, Ohio, as required by City of Cincinnati Ordinance Sec. 843-1-S2 and 843-3.
- 93. Such acts and practices have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violations after such decisions were made available for public inspection pursuant to R.C. 1345.05(A)(3).

Count Eight – Quality Misrepresentations

93. Plaintiff incorporates by reference, as if completely rewritten here in, the allegations set forth in the previous paragraphs of this Complaint.

- 94. Defendants committed unfair, deceptive, or unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.03(B)(2), by selling consumers refurbished Dyson products at a price substantially similar to the purchase price of the new version of the Dyson products.
- 95. Such acts and practices have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violations after such decisions were made available for public inspection pursuant to R.C. 1345.05(A)(3).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court grant the following relief:

- A. ISSUE A PERMANENT INJUNCTION, pursuant to R.C. 1345.07(A)(2), enjoining Defendants, doing business under their own names, the names Esolution Tech (we record SN), Pro_tech4U (we record every serial number), E-Tech Pro, or any other names, their agents, representatives, salespeople, employees, successors, and assigns, and all persons acting in concert and participation with them, directly or indirectly, from committing any unfair, deceptive, or unconscionable acts or practices that violate the CSPA, R.C. 1345.01 et seq., and its Substantive Rules, Ohio Adm.Code 109:4-3-01 et seq., including, but not limited to, violating the specific provisions alleged to have been violated herein.
- B. DECLARE, pursuant to R.C. 1345.07(A)(1), that each act or practice complained of herein violates the CSPA, R.C. 1345.01 et seq., and its Substantive Rules, Ohio Adm. Code 109:4-3-01 et seq., in the manner set forth in this Complaint.
- C. ORDER Defendants, pursuant to R.C. 1345.07(B), to pay damages to all consumers injured by the conduct of Defendants.
- D. ASSESS, FINE, AND IMPOSE upon Defendants a civil penalty of \$25,000 for each

- separate and appropriate violation described herein, pursuant to R.C. 1345.07(D).
- E. ISSUE AN INJUNCTION prohibiting Defendants from engaging in business as suppliers in any consumer transaction in the State of Ohio until such time as Defendants have satisfied all of their respective monetary obligations ordered by the Court, and any other Court in Ohio in connection with a consumer transaction.
- F. GRANT Plaintiff its costs in bringing this action including, but not limited to, the costs of collecting on any judgment awarded.
- G. ORDER Defendants to pay all court costs.
- H. GRANT such other relief as the Court deems to be just, equitable, and appropriate.

Respectfully submitted,

DAVE YOST Ohio Attorney General

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