

10/24/19 REUTERS LEGAL 18:38:27

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October 24, 2019

Monat Global loses bid to dismiss lawsuit over trendy haircare products

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(Reuters) - Beauty conglomerate Monat Global Corp must face a proposed class action by consumers who say they suffered hair loss and scalp irritation after using hair products containing harsh chemicals that were made in contaminated facilities, a federal judge has ruled.

U.S. District Judge Darrin Gayles in Miami, Florida, ruled the plaintiffs sufficiently alleged the Alcora Corp subsidiary's products were defectively designed and that Monat failed to inspect their ingredients for contamination.

Julie Braman Kane, a lawyer for the plaintiffs at Colson Hicks Eidson, in a statement said the ruling "allows the claims of millions of purchasers of these products to challenge Monat's misrepresentations and dangerously defective cosmetics."

Monat argued the products' ingredients are safe and that the 18 users named as plaintiffs had failed to adequately allege they suffered bodily harm.

But Gayles noted allegations in the plaintiffs' complaint that the products were defective because they contained ingredients such as cocamidopropyl betaine, benzyl alcohol and sulfates that are known to cause allergic reactions and dermatitis.

"Plaintiffs might have a difficult time proving that the Products, and not a pre-existing medical condition or simple aging, caused their injuries," Gayles wrote. "But, at this stage of the litigation, Plaintiffs' allegations are sufficient to establish causation."

The judge cleared the way for the plaintiffs to pursue strict liability design defect and failure to warn claims as well as claims against Monat and Alcora for unjust enrichment and that they violated state consumer protection laws.

But he agreed with Monat that the plaintiffs lacked standing to seek an injunction under Florida's consumer protection law to stop its unlawful practices, saying that since they no longer planned to buy the products, they no longer faced being harmed.

William Meyers, Monat's lawyer at Goldberg Kohn, said that while he was disappointed by the ruling, "we look forward to proving what millions of satisfied customers already know, that Monat's naturally-based products are safe and effective."

Based in Doral, Florida, Monat designs, manufactures and distributes haircare products including shampoos, conditioners and rejuvenating oils that are marketed through a direct sales model. In 2017 alone, it achieved more than \$250 million in sales.

The complaint that Gayles ruled on was a consolidated class action complaint that sought to bring together claims by various plaintiffs who filed lawsuits against Monat that were then combined into multidistrict litigation in 2018.

The complaint alleged that Monat marketed its products as clinically tested and proven to promote hair growth and prevent aging and that their key ingredients reduce the production of hormones that contribute to hair thinning.

They said Monat's marketing materials also state that the products were approved by the U.S. Food and Drug Administration but did not contain toxic ingredients.

By 2016, though, the Better Business Bureau had received more than 630 complaints about Monat's products, and from August 2017 to 2019 received 237 reports of adverse incidents from customers who said they suffered hair loss and head sores after using the products, the plaintiffs said.

In March 2018, the FDA inspected the manufacturing facilities used to make Monat's products and determined that the products "may have become contaminated with filth" when they were being made, the lawsuit said.

Monat says it took corrective actions in response to the inspector's observations and was never forced to recall its products.

The case is *In re Monat Hair Care Products Marketing, Sales Practices, and Products Liability Litigation*, U.S. District Court for the Southern District of Florida, No. 18-md-02841.

For the plaintiffs: W. Allen Bonner and Julie Braman Kane of Colson Hicks Eidson

For Monat: William Meyers of Goldberg Kohn and Jeffrey Shapiro of Saul Ewing Arnstein & Lehr

---- **Index References** ----

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Language: EN

Other Indexing: (Monat Global Corp) (Jeffrey Shapiro; Darrin Gayles; Saul Ewing Arnstein; Julie Braman Kane; William T. Meyers; William T. Meyers; W. Allen Bonner)

Keywords: health; products; fedlit (OCC:OLRTXT)Keywords:

Word Count: 619