CANADA

### PROVINCE OF QUÉBEC DISTRICT OF MONTREAL

**NO:** 500-06-001146-212

### (Class Action) SUPERIOR COURT

ALEXANDER MARTIN-BALE,

Applicant

-vs-

**LOWE'S COMPANIES CANADA, ULC**, legal person having its head office at 1100-1959 Upper Water Street, Halifax, Nova Scotia, B3J 3E5

Defendant

## APPLICATION TO AUTHORIZE THE BRINGING OF A CLASS ACTION AND TO APPOINT THE STATUS OF REPRESENTATIVE PLAINTIFF (ARTICLES 571 AND FOLLOWING C.C.P.)

#### TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN AND FOR THE DISTRICT OF MONTREAL, YOUR APPLICANT STATES AS FOLLOWS:

#### I. INTRODUCTION

1. The Applicant wishes to institute a class action on behalf of the following class, of which he is a member, namely:

All consumers who purchased an item from one or more of the following websites: <u>www.lowes.ca</u>, <u>www.rona.ca</u> or <u>www.renodepot.com</u> and whose purchase was unilaterally cancelled by the Defendant thereafter, at any time since May 5, 2018;

or any other class to be determined by the Court.

(hereinafter referred to as the "Class")

2. The Applicant is a consumer within the meaning of Quebec's *Consumer Protection Act* ("**C.P.A.**");

- The Defendant Lowe's Companies Canada, ULC (hereinafter "Lowe's") is a corporation that owns and operates the websites <u>www.lowes.ca</u>, <u>www.rona.ca</u>, <u>www.renodepot.com</u> (the "Websites"), as it appears from the terms of use of these websites disclosed *en liasse* herewith as Exhibit P-1;
- 4. An extract of the enterprise's information statement from the Quebec enterprise register for Lowe's is disclosed as **Exhibit P-2**;
- 5. Lowe's does business in the province of Quebec and runs these websites where consumers can purchase products online. Lowe's is a merchant within the meaning of the C.P.A. and its activities are governed by this legislation, among others;

### II. <u>CONDITIONS REQUIRED TO AUTHORIZE THIS CLASS ACTION AND TO</u> <u>APPOINT THE STATUS OF REPRESENTATIVE PLAINTIFF (SECTION 575</u> <u>C.C.P.):</u>

# A) THE FACTS ALLEGED APPEAR TO JUSTIFY THE CONCLUSIONS SOUGHT:

- 6. On May 1, 2021, the Applicant visited the <u>www.lowes.ca</u> website because he was shopping for certain items that he wished to purchase for his personal use;
- 7. On May, 1, 2021, at 10:34 a.m., the Applicant saw that the "Bosch Electric High-Pressure Washer 1.54 GPM Green" (Item#: 330658625) was advertised on the Lowe's website (<u>https://www.lowes.ca/product/electric-pressure-washers/bosch-electric-high-pressure-washer-154-gpm-green-330658625</u>) for \$39.99 plus taxes and he decided to purchase this item at the advertised price, as it appears from a copy of his purchase confirmation email no. SO-0003607453 from Lowe's disclosed as Exhibit P-3;
- 8. On May, 1, 2021, at 2:51 p.m., the Applicant saw that the "Bosch 11321EVS Demolition Hammer" (item # 330009246) was advertised on the Lowe's website (<u>https://www.lowes.ca/product/demolition-hammers/bosch-11321evs-demolition-hammer-330009246</u>) for \$99.99 plus taxes and he decided to purchase this item at the advertised price, as it appears from a copy of his purchase confirmation email no. SO-0003609919 from Lowe's disclosed as Exhibit P-4;
- 9. The Applicant confirms that the items which he purchased and which were advertised on the Lowe's Websites contained all of the essential elements of the intended contract, including the product description and price;
- 10. The Applicant further confirms that at the time of his purchases, the Lowe's Websites indicated that these items were available in stock;
- 11. In both purchase confirmation emails, Exhibits P-3 and P-4, Lowe's declared: "Alexander, your order has been confirmed" and "Expected to Ship Date: Thu, May 6, 2021", leaving no doubt that binding contracts had been formed;

12. On May 1, 2021, Lowe's debited the Applicant's PayPal account and PayPal then debited these two charges from the Applicant's MasterCard associated to his PayPal account, the whole as it appears *en liasse* from **Exhibit P-5**:

01/05/2021	03/05/2021	PAYPAL *LOWES220LIM 4029357733 QC	\$45.98
01/05/2021	03/05/2021	PAYPAL *LOWES220LIM 4029357733 QC	\$113.83

- However, on May 3 and 4, 2021, Lowe's unilaterally cancelled the Applicant's orders, as it appears from the cancellation emails disclosed *en liasse* as **Exhibit** P-6;
- 14. In Exhibit P-6, Lowe's declares: "Reason for Cancellation : Out of Stock". The Applicant believes that this statement is false. The reason he believes this statement to be false is because on May 4, 2021, Lowe's advertised the "Bosch Electric High-Pressure Washer 1.54 GPM Green" (Item#: 330658625) on its website for \$179.99 plus tax (Exhibit P-7) and the "Bosch 11321EVS Demolition Hammer" (item # 330009246) for \$949.00 plus tax (Exhibit P-8);
- 15. The Applicant therefore believes that the true reason why Lowe's cancelled his orders was due to a "pricing error", which is not a valid reason to cancel a consumer contract in the circumstances;
- 16. Indeed, on May 4, 2021, a Lowe's online customer service agent confirmed to the Applicant that the cancellation was due to a pricing error, contrary to what Lowe's declared in its cancellation emails, as it appears from a copy of the chat transcript disclosed as **Exhibit P-9**:

"...there was a **mistake lows** (*sic*) **pricing** that is why your order has been cancelled".

17. By selling item numbers 330658625 and 330009246 to the Applicant respectively for \$39.99 and \$99.99 plus tax and then advertising these items the next day on its Websites for \$179.99 and \$949.00 plus tax, Lowes violated section 224 c) C.P.A. that stipulates:

<b>224.</b> Aucun commerçant, fabricant ou publicitaire ne peut, par quelque moyen	
que ce soit:  c) exiger pour un bien ou un service un prix supérieur à celui qui est annoncé.	 (c) charge, for goods or services, a higher price than that advertised.

18. The Applicant attempted to have Lowe's honour the price advertised on its Websites on May 1 and 2, 2021, but Lowe's has refused (Exhibit P-9);

19. The Applicant is therefore entitled to claim on his behalf and on behalf of all class members damages equivalent the "Lost Value", calculated as the difference between the price it would cost to purchase the items today and the price advertised by Lowe's at the time of his purchase on May 1, 2021:

Item	Price Paid by Applicant on May 1, 2021	Price Advertised by Lowe's on May 4, 2021	Lost Value
Bosch Electric High- Pressure Washer - 1.54 GPM – Green (Item#: 330658625)	\$39.99	\$179.99	\$140.00
Bosch 11321EVS Demolition Hammer (item # 330009246)	\$99.99	\$949.00	\$849.01
		TOTAL:	\$989.01

- 20. Quebec case law has already applied the Lost Value formula ("*valeur perdue*") in similar circumstances, as it appears from the judgment in *Charest-Corriveau c. Sears Canada inc.*, 2015 QCCQ 6417, disclosed as **Exhibit P-10**;
- 21. Lowe's refused to sell the items that the Applicant purchased at the price advertised by Lowe's on its Websites and failed to honour its contracts with the Applicant and all Class members;
- 22. Lowe's cannot unilaterally cancel the Applicant's distance contracts even if its Terms of Use (Exhibit P-1) provide for otherwise notably because section 54.1 C.P.A. is of public order and stipulates the following:

<b>54.1</b> Un contrat conclu à distance est un contrat conclu alors que le commerçant et le consommateur ne sont pas en présence l'un de l'autre et qui est précédé d'une offre du commerçant de conclure un tel contrat.	<b>54.1</b> A distance contract is a contract entered into without the merchant and the consumer being in one another's presence and preceded by an offer by the merchant to enter into such a contract.
Le commerçant est réputé faire une offre de conclure le contrat dès lors que sa proposition comporte tous les éléments essentiels du contrat envisagé, qu'il y ait ou non indication de sa volonté d'être lié en cas d'acceptation <b>et même en</b> <b>présence d'une indication contraire</b> .	A merchant is deemed to have made an offer to enter into a distance contract if the merchant's proposal comprises all the essential elements of the intended contract, regardless of whether there is an indication of the merchant's willingness to be bound in the event the proposal is accepted <b>and even if there is an</b> <b>indication to the contrary</b> .

- 23. Moreover, by researching online the Applicant discovered that there were pricing errors on multiple items listed on the Lowe's Websites (<u>www.lowes.ca</u>, <u>www.rona.ca</u> and <u>www.renodepot.com</u>). Given the number of "pricing errors", these "errors" can only be qualified as inexcusable, especially by a multinational such as Lowe's who should have systems in place to ensure that the prices it advertises on its Websites to the public are correct;
- 24. Even if Lowe's insists that there was no pricing error and that reason for cancellation declared in its emails, Exhibit P-6, was true (i.e. "out of stock"), it follows that Lowe's would have then violated section 231 C.P.A. by having an insufficient quantity of the goods it advertised;
- 25. The Applicant declares that at the time he purchased the 2 items listed in Exhibits P-3 and P-4, the Lowe's Websites displayed the items as available and contained an option showing that there was sufficient quantity available for purchase. In each case, Lowe's also indicated a description of the item, a picture of the item, the price and that it was available for purchase at the advertised price;
- 26. By refusing to honour its advertised prices Lowe's violated several sections of the C.P.A., including sections 16, 54.1, 224 c) and 231. The Applicant is therefore entitled to claim damages in the form of the "Lost Value" described above;
- 27. In the circumstances, the Applicant is also entitled to claim punitive damages pursuant to section 272 C.P.A. which he hereby claims in the amount of \$500 per class member;
- 28. Indeed, Lowe's conduct warrants such a condemnation because it refused to honour the advertised price despite the Applicant's request and misrepresented the reason for cancelling the orders by stating in its emails that it was "out of stock", while its own agents confirmed in writing that it was due to a pricing error;
- 29. The Applicant is aware that some consumers were able to purchase the items in dispute by going to a Home Depot store (i.e. a competitor of Lowe's) and asking Home Depot to match the price advertised on the Lowe's Websites on May 1 and 2, 2021. Home Depot matched the Lowe's prices and sold the items in dispute to these people at the "lower" price, meaning that the prices advertised by Lowe's were realistic. The Applicant could have done the same, but had no reason to believe that Lowe's would not honour its contracts with him;
- 30. The Applicant's damages are a direct and proximate result of Lowe's misconduct and, in these circumstances, the Applicant's claims for both compensatory and punitive damages are justified;

## B) THE CLAIMS OF THE MEMBERS OF THE CLASS RAISE IDENTICAL, SIMILAR OR RELATED ISSUES OF LAW OR FACT:

31. The questions of fact and law raised and the recourse sought by this Application

are identical with respect to each member of the Class, namely:

- a) By cancelling consumers' orders, did Lowe's violate Quebec's Consumer Protection Act?
- b) If so, are Class members entitled to compensation and in what amount?
- c) Are the Class members entitled to punitive damages and, if so, in what amount?

## C) THE COMPOSITION OF THE CLASS

- 32. The composition of the Class makes it difficult or impracticable to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings;
- 33. The Applicant presumes that Lowes has a very important number of customers across Quebec. While he is unaware of the total number of the Lowe's clients who are included in the Class, he estimates that it is likely in the hundreds or thousands;
- 34. While researching online, the Applicant discovered that there are hundreds of other consumers who had their orders cancelled by Lowe's in the same manner as his and that there were at least 6 items affected by the issue in dispute (including the 2 items purchased by the Applicant) on the weekend of May 1, 2021;
- 35. The names and addresses of all the other consumers included in the Class are not known to the Applicant, however, are all in the possession of Lowe's since the orders must be placed online and delivered;
- 36. Class members are numerous and are dispersed across the province;
- 37. These facts demonstrate that it would be impractical, if not impossible, to contact each and every Class member to obtain mandates and to join them in one action;
- 38. In these circumstances, a class action is the only appropriate procedure for all of the members of the Class to effectively pursue their respective rights and have access to justice without overburdening the court system;

#### D) THE CLASS MEMBER REQUESTING TO BE APPOINTED AS REPRESENTATIVE PLAINTIFF IS IN A POSITION TO PROPERLY REPRESENT THE CLASS

- 39. The Applicant requests that he be appointed the status of representative plaintiff for the following main reasons:
  - a) He is a member of the Class and has a personal interest in seeking the conclusions that he proposes herein;
  - b) He is competent, in that he has the potential to be the mandatary of the action if it had proceeded under article 91 of the *Code of Civil Procedure*;

- c) His interests are not antagonistic to those of other Class members;
- 40. The Applicant adds that he participated in the drafting of the present application and has reviewed the exhibits;
- 41. He is taking this action so that he and all Class members can be compensated and to hold Lowe's accountable;

#### III. DAMAGES

- 42. Lowe's has breached several obligations imposed on it by consumer protection legislation in Quebec, notably:
  - a) Quebec's C.P.A., including sections 16, 54.1, 215, 219, 224 c) and 231, thus rendering section 272 applicable;
- 43. In light of the foregoing, the following damages may be claimed against Lowe's:
  - a) compensatory damages in the aggregate of the Lost Value; and
  - b) punitive damages of \$500 per Class member for the breach of obligations imposed on Lowe's pursuant to s. 272 C.P.A.;

#### IV. NATURE OF THE ACTION AND CONCLUSIONS SOUGHT

- 44. The action that the Applicant wishes to institute on behalf of the members of the Class is an action in damages;
- 45. The conclusions that the Applicant wishes to introduce by way of an originating application are:
  - 1. GRANT the Plaintiff's action against Defendant;
  - CONDEMN the Defendant to pay to the members of the Class an amount to be determined in compensatory damages, and ORDER collective recovery of these sums;
  - **3. CONDEMN** the Defendant to pay to the members of the Class \$500 each in punitive damages, and **ORDER** collective recovery of these sums;
  - 4. **CONDEMN** the Defendant to pay interest and the additional indemnity on the above sums according to law from the date of service of the *Application to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff*;
  - **5. ORDER** the Defendant to deposit in the office of this Court the totality of the sums which forms part of the collective recovery, with interest and costs;
  - 6. ORDER that the claims of individual Class members be the object of collective

liquidation if the proof permits and alternately, by individual liquidation;

7. **CONDEMN** the Defendant to bear the costs of the present action including the cost of notices, the cost of management of claims and the costs of experts, if any, including the costs of experts required to establish the amount of the collective recovery orders;

## V. JURISDICTION

46. The Applicant requests that this class action be exercised before the Superior Court in the district of Montreal, notably because he is a consumer and resides in this district.

# FOR THESE REASONS, MAY IT PLEASE THE COURT:

- **1. GRANT** the present Application;
- **2. AUTHORIZE** the bringing of a class action in the form of an originating application in damages;
- **3. APPOINT** the Applicant the status of representative plaintiff of the persons included in the Class herein described as:

All consumers who purchased an item from one or more of the following websites: <u>www.lowes.ca</u>, <u>www.rona.ca</u> or <u>www.renodepot.com</u> and whose purchase was unilaterally cancelled by the Defendant thereafter, at any time since May 5, 2018;

or any other class to be determined by the Court.

- **4. IDENTIFY** the principle questions of fact and law to be treated collectively as the following:
  - a) By cancelling consumers' orders, did Lowe's violate Quebec's *Consumer Protection Act*?
  - b) If so, are Class members entitled to compensation and in what amount?
  - c) Are the Class members entitled to punitive damages and, if so, in what amount?
- **5. IDENTIFY** the conclusions sought by the class action to be instituted as being the following:
  - 1. GRANT the Plaintiff's action against Defendant;
  - 2. CONDEMN the Defendant to pay to the members of the Class an amount

to be determined in compensatory damages, and **ORDER** collective recovery of these sums;

- **3. CONDEMN** the Defendant to pay to the members of the Class \$500 each in punitive damages, and **ORDER** collective recovery of these sums;
- **4. CONDEMN** the Defendant to pay interest and the additional indemnity on the above sums according to law from the date of service of the *Application* to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff;
- **5. ORDER** the Defendant to deposit in the office of this Court the totality of the sums which forms part of the collective recovery, with interest and costs;
- **6. ORDER** that the claims of individual Class members be the object of collective liquidation if the proof permits and alternately, by individual liquidation;
- 7. CONDEMN the Defendant to bear the costs of the present action including the cost of notices, the cost of management of claims and the costs of experts, if any, including the costs of experts required to establish the amount of the collective recovery orders;
- 6. DECLARE that all members of the Class that have not requested their exclusion, be bound by any judgement to be rendered on the class action to be instituted in the manner provided for by the law;
- 7. FIX the delay of exclusion at thirty (30) days from the date of the publication of the notices to Class members, date upon which the members of the Class that have not exercised their means of exclusion will be bound by any judgement to be rendered herein;
- 8. ORDER the publication of a notice to the members of the Class in accordance with article 579 C.C.P. within sixty (60) days from the judgement to be rendered herein by e-mail to each Class member, to their last known e-mail address, with the subject line "Notice of a Class Action";
- 9. THE WHOLE with costs including publication fees.

Montreal, May 5, 2021

(s) LPC Avocat Inc.

LPC AVOCAT INC. Me Joey Zukran, attorney for Applicant 276 Saint-Jacques Street, Suite 801 Montréal, Québec, H2Y 1N3 T: (514) 379-1572 / F: (514) 221-4441 Email: jzukran@lpclex.com

#### SUMMONS (ARTICLES 145 AND FOLLOWING C.C.P)

#### Filing of a judicial application

Take notice that the Applicant has filed this *Application for Authorization to Institute a Class Action and to Appoint the Status of Representative Plaintiff* in the office of the Superior Court in the judicial district of **Montreal**.

#### Defendant's answer

You must answer the application in writing, personally or through a lawyer, at the courthouse of Montreal situated at 1 Rue Notre-Dame E, Montréal, Quebec, H2Y 1B6, within 15 days of service of the Application or, if you have no domicile, residence or establishment in Québec, within 30 days. The answer must be notified to the Applicant's lawyer or, if the Applicant is not represented, to the Applicant.

#### Failure to answer

If you fail to answer within the time limit of 15 or 30 days, as applicable, a default judgement may be rendered against you without further notice and you may, according to the circumstances, be required to pay the legal costs.

#### Content of answer

In your answer, you must state your intention to:

- negotiate a settlement;
- propose mediation to resolve the dispute;
- defend the application and, in the cases required by the Code, cooperate with the Applicant in preparing the case protocol that is to govern the conduct of the proceeding. The protocol must be filed with the court office in the district specified above within 45 days after service of the summons or, in family matters or if you have no domicile, residence or establishment in Québec, within 3 months after service;
- propose a settlement conference.

The answer to the summons must include your contact information and, if you are represented by a lawyer, the lawyer's name and contact information.

#### Change of judicial district

You may ask the court to refer the originating Application to the district of your domicile or residence, or of your elected domicile or the district designated by an agreement with the applicant.

If the application pertains to an employment contract, consumer contract or insurance

contract, or to the exercise of a hypothecary right on an immovable serving as your main residence, and if you are the employee, consumer, insured person, beneficiary of the insurance contract or hypothecary debtor, you may ask for a referral to the district of your domicile or residence or the district where the immovable is situated or the loss occurred. The request must be filed with the special clerk of the district of territorial jurisdiction after it has been notified to the other parties and to the office of the court already seized of the originating application.

# Transfer of application to Small Claims Division

If you qualify to act as a plaintiff under the rules governing the recovery of small claims, you may also contact the clerk of the court to request that the application be processed according to those rules. If you make this request, the plaintiff's legal costs will not exceed those prescribed for the recovery of small claims.

# Calling to a case management conference

Within 20 days after the case protocol mentioned above is filed, the court may call you to a case management conference to ensure the orderly progress of the proceeding. Failing this, the protocol is presumed to be accepted.

# Exhibits supporting the application

In support of the Application for Authorization to Institute a Class Action and to Appoint the Status of Representative Plaintiff, the Applicant intends to use the following exhibits:

Exhibit P-1:	<i>En liasse</i> , copies of the terms of use the websites <u>www.lowes.ca</u> , <u>www.rona.ca</u> , <u>www.renodepot.com</u> ;

- **Exhibit P-2:** Copy of the enterprise's information statement from the Quebec enterprise register for Lowe's;
- **Exhibit P-3:** Copy of purchase confirmation email no. SO-0003607453;
- **Exhibit P-4:** Copy of purchase confirmation email no. SO-0003609919;
- **Exhibit P-5:** *En liasse*, copies of Applicant's PayPal account statement and MasterCard debits from May 1, 2021;
- **Exhibit P-6:** *En liasse*, copies of the cancellation emails from Lowe's dated May 3 and 4, 2021;
- **Exhibit P-7:** Screen capture of the Lowe's website taken on May 4, 2021 showing the "Bosch Electric High-Pressure Washer 1.54 GPM Green" (Item#: 330658625) advertised for \$179.99 plus tax;

- Exhibit P-8:Screen capture of the Lowe's website taken on May 4, 2021 showing<br/>the "Bosch 11321EVS Demolition Hammer" (item # 330009246) for<br/>\$949.00 plus tax;Exhibit P-9:Copy of the chat transcript between the Applicant and Lowe's<br/>customer service agent on May 4, 2021;
- **Exhibit P-10:** Copy of the judgment of *Charest-Corriveau c. Sears Canada inc.*, 2015 QCCQ 6417.

These exhibits are available on request.

#### Notice of presentation of an application

If the application is an application in the course of a proceeding or an application under Book III, V, excepting an application in family matters mentioned in article 409, or VI of the Code, the establishment of a case protocol is not required; however, the application must be accompanied by a notice stating the date and time it is to be presented.

Montreal, May 5, 2021

(s) LPC Avocat Inc.

LPC AVOCAT INC. Mtre Joey Zukran Attorney for the Applicant 276 Saint-Jacques Street, Suite 801 Montréal, Québec, H2Y 1N3 Telephone: (514) 379-1572 Telecopier: (514) 221-4441 Email: jzukran@lpclex.com

### NOTICE OF PRESENTATION

(articles 146 and 574 al. 2 C.C.P.)

#### TO: LOWE'S COMPANIES CANADA, ULC 1100-1959 UPPER WATER STREET HALIFAX, NOVA SCOTIA, B3J 3E5

#### Defendant

**TAKE NOTICE** that Applicant's *Application to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff* will be presented before the Superior Court at **1 Rue Notre-Dame E, Montréal, Quebec, H2Y 1B6**, on the date set by the coordinator of the Class Action chamber.

#### GOVERN YOURSELVES ACCORDINGLY.

Montreal, May 5, 2021

(s) LPC Avocat Inc.

LPC AVOCAT INC. Mtre Joey Zukran Attorney for the Applicant 276 Saint-Jacques Street, Suite 801 Montréal, Québec, H2Y 1N3 Telephone: (514) 379-1572 Telecopier: (514) 221-4441 Email: jzukran@lpclex.com 500-06-001146-212

DISTRICT OF MONTREAL (Class Action) SUPERIOR COURT

**ALEXANDER MARTIN-BALE** 

Applicant

LOWE'S COMPANIES CANADA, ULC

>

Defendant

A CLASS ACTION AND TO APPOINT THE STATUS OF REPRESENTATIVE PLAINTIFF **APPLICATION TO AUTHORIZE THE BRINGING OF** (ARTICLES 571 AND FOLLOWING C.C.P.)

N/D: JZ-227 Èmail: jzukran@lpclex.com

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