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8  
9 **UNITED STATES DISTRICT COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**  
11 **SAN FRANCISCO DIVISION**

12 **MATTHEW AMANS** and  
13 **BABAK MALEK**, individually and on behalf of  
all similarly situated individuals,

14 Plaintiffs,

15 v.

16 **TESLA, INC.**, a Delaware corporation,

17 Defendant.

**Case No. 3:21-CV-03577-VC**  
Case No. 3:21-CV-03681-VC  
Case No. 3:21-CV-05528-VC

**CONSOLIDATED CLASS ACTION  
COMPLAINT**

- 1) Breach of Contract,
- 2) Cal. Bus. & Prof. Code § 17200 *et seq.*,
- 3) Cal. Bus. & Prof. Code § 7160,
- 4) Cal. Civ. Code. §§ 1750 *et seq.*, and
- 5) 15 U.S.C. § 1601 *et seq.*

22 **CONSOLIDATED CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL**

23 Plaintiffs Matthew Amans and Babek Malek bring this Class Action Complaint and Demand  
24 for Jury Trial against Tesla, Inc. (“Tesla”) for its unfair and deceptive practices in marketing and  
25 selling its solar roof product (referred to herein as the “Solar Roof”). Plaintiffs, for their Complaint,  
26 allege as follows upon personal knowledge as to themselves and their own acts and experiences,  
27 and as to all other matters, upon information and belief, including investigation conducted by their  
28 attorneys

## NATURE OF THE ACTION

1  
2 1. Defendant Tesla, Inc. (“Tesla”) is a manufacturer and seller of electric vehicles and,  
3 more recently, solar panels and battery backup units.

4 2. Tesla’s solar energy business emerged after Tesla’s multi-billion-dollar acquisition  
5 of a heavily indebted solar panel company called SolarCity, which was co-founded by Elon Musk  
6 and his cousins. SolarCity was on the brink of collapse when Musk, as CEO of Tesla and a  
7 chairman of SolarCity, orchestrated a merger with Tesla in an effort to save the solar panel business  
8 (and his own multi-million-dollar investment in it).

9 3. In order to persuade Tesla’s investors to approve the controversial acquisition, Musk  
10 revealed a new product in October 2016—on the set of the television series *Desperate*  
11 *Housewives*—called the Solar Roof. Musk told analysts that Tesla’s acquisition of SolarCity and its  
12 Solar Roof would create a “huge market” for the combined companies. The merger would  
13 ostensibly allow Tesla to sell consumers the entire solar energy solution: generation (solar panels),  
14 storage (batteries), and transportation (electric cars).

15 4. The Solar Roof promised novel and enticing solar energy solutions for homeowners.  
16 Unlike traditional boxy solar panels that sit atop a roof, the Solar Roof was designed to make the  
17 roof itself solar powered. The product comprises individual roof tiles with integrated photovoltaic  
18 (PV) solar cells capable of generating energy, while having the appearance of a traditional roof.  
19 During the product’s reveal, Musk touted the Solar Roof as more durable than a traditional roof and  
20 a more affordable energy solution for homeowners.

21 5. However, the technology behind the Solar Roof was far from complete at the time  
22 Musk revealed the product. The Solar Roof that Musk showcased to investors at the October 2016  
23 event was in fact made entirely of non-functional “dummies,” according to engineers familiar with  
24 it. Some even referred to the event as “vaporware.” Thus, when the Solar Roof entered the market  
25 shortly thereafter, its technology was subprime, and it continued to disappoint in the years that  
26 followed.

27 6. Tesla continued to revise the Solar Roof’s technology and, while still struggling to  
28

1 (the now-current version) in late 2019. The newest version of the Solar Roof promised several  
2 improvements over the previous versions including faster installation times and lower costs.  
3 Consumers wishing to purchase a Solar Roof, including Plaintiffs and the Classes (defined below),  
4 pre-ordered the product, agreed to a total project cost (based on their unique installation and roof  
5 requirements), paid a deposit, and prepared their properties for installation.

6 7. Unfortunately, after finalizing its purchase and installation agreements with  
7 customers who ordered the newest Solar Roof, Tesla delayed performance beyond the timeframe  
8 promised, switched certain materials without consent, and in April 2021 advised customers that  
9 Tesla would not honor their contracts unless they agreed to a substantial price increase—in some  
10 instances just days before the customer’s scheduled installation. Tesla’s price increases  
11 substantially, materially, and unilaterally changed the terms of the parties’ purchase agreements and  
12 represented as much as a 100% increase for many consumers, amounting to tens of thousands of  
13 dollars of additional, not bargained-for, and unanticipated costs.

14 8. Tesla’s behavior in marketing and selling the Solar Roofs is a textbook bait and  
15 switch scheme. The company lured in consumers with promises of stylish, affordable solar energy  
16 solutions with predictable installation times and costs, but then sought to hold its customers hostage  
17 with unjustified and unlawful price increases and delays.

18 9. Following Tesla’s announcement in April 2021 that it would not honor its contracts,  
19 any consumers who wanted to move forward with the Solar Roof installation in which they had  
20 already invested considerable time and money had to agree to pay above and beyond the price they  
21 originally agreed to, as there is no alternative or comparable product on the market.

22 10. Plaintiffs filed suit within weeks of Tesla’s price increase to hold Tesla accountable  
23 for its deceptive, unlawful, and unjust conduct and to compel compliance with the terms of its  
24 executed contracts.

25 11. In or around early September 2021, Tesla suddenly reversed course and represented  
26 that it would honor its contract pricing agreed to prior to the April 2021 price increase and would  
27 refund any increased payments already made. However, Tesla has not agreed to honor the

1 increase pricing (contrary to its representations) and impose new and/or additional charges on  
2 customers, on top of its previously agreed-to prices. In other words, Tesla's alleged promise to  
3 remedy the price hikes underlying this lawsuit appears to be yet another bait and switch scheme.

#### 4 **PARTIES**

5 12. Plaintiff Matthew Amans is an adult individual and at all times relevant has been a  
6 citizen and resident of California.

7 13. Plaintiff Babak Malek is an adult individual and at all times relevant has been a  
8 citizen and resident of California.

9 14. Defendant Tesla, Inc., is a corporation organized and existing under the laws of  
10 Delaware with its principal place of business located at 3500 Deer Creek Road, Palo Alto,  
11 California 94304.

#### 12 **JURISDICTION AND VENUE**

13 15. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332(d)(2),  
14 because (i) at least one member of the Class is a citizen of a different state than Defendant, (ii) the  
15 amount in controversy exceeds \$5,000,000, exclusive of interests and costs, and (iii) none of the  
16 exceptions under that subsection apply to this action. Specifically, Tesla marketed and entered into  
17 agreements for its Solar Roof with customers in various states across the country, including but not  
18 limited to, Arizona, California, Florida, Massachusetts, Maryland, New Jersey, New York,  
19 Pennsylvania, and Oregon.

20 16. This Court has personal jurisdiction over Defendant because Defendant conducts  
21 substantial business in California and has its principal place of business and headquarters in  
22 California and this District.

23 17. Venue is proper pursuant to 28 U.S.C. § 1391(b) because Defendant maintains its  
24 headquarters and conducts significant business in this District.

#### 25 **COMMON FACTUAL ALLEGATIONS**

##### 26 ***Overview of the Tesla Solar Roof***

27 18. Tesla currently offers for sale two solar products: traditional solar panels which are  
28

1 Solar Roof is a relatively new technology and consists of roof tiles with embedded photovoltaic  
2 (PV) cells capable of generating electricity from the sun.

3 19. This new technology promises several new benefits to homeowners.

4 20. First, unlike traditional rectangular solar panels which protrude from the roof, Solar  
5 Roof tiles seamlessly integrate into the consumer's roof and thus are more aesthetically pleasing for  
6 homeowners. See Figure 1.



16 **(Figure 1)**

17 21. Tesla touts this aesthetic benefit on its website: “Replace your current roof with  
18 Solar Roof and power your home with a fully integrated solar system. With a seamless design, each  
19 tile looks great up-close or from the street, complementing your home’s architecture.” As Elon  
20 Musk stated, “[w]hen you have [the Solar Roof] installed on your house, you’ll have the best roof in  
21 the neighborhood. The aesthetics are that good.”

22 22. Additionally, according to Tesla, the Solar Roof promises to be more durable than a  
23 standard roofing tile. On its website Tesla explains, “Solar Roof tiles are more than three times  
24 stronger than standard roofing tiles and are engineered for all-weather protection. With a 25-year  
25 warranty, Solar Roof lasts longer than an average roof and protects your home for decades to  
26 come.”

27 23. Another significant benefit that the Solar Roof promises over traditional solar panels  
28 is the reduced maintenance associated with the underlying roof. Traditional solar panels may outlast

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