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David W. Slayton,
Executive Officer/Clerk of Court,
By J. Nunez, Deputy Clerk

SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

NYREE HINTON, an individual, on behalf
of himself and all others similarly situated,

Plaintiffs,

v.

TESLA, INC., a Delaware corporation;
TESLA FINANCE LLC, a Delaware
limited liability company; and DOES 1
through 100, inclusive,

Defendants.

No. **25STCV03746**

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff NYREE HINTON ("Plaintiff"), by and through his undersigned counsel, on his own behalf and on behalf of all other persons similarly situated, sue TESLA, INC. ("Tesla Inc."); TESLA FINANCE LLC ("Tesla Finance") ("Tesla Inc." and "Tesla Finance" are collectively referred to herein as "Tesla"); and Does 1 through 100 ("Doe Defendants") (Tesla and Doe Defendants are collectively referred to herein as the "Defendants") and for this Complaint, allege upon information and belief, and based on investigation to date, as follows:

INTRODUCTION

1
2 1. This is a class action brought for the benefit and protection of Plaintiff and all other
3 similarly situated California citizen consumers against Defendants, which purported to provide
4 warranties on all purchases, through Tesla, of new, used, and leased Tesla vehicles ("Tesla
5 Vehicles").

6 2. Tesla Inc. advertises, promotes, and markets its warranties as a way to protect Tesla
7 Vehicle purchases. Tesla Inc.'s warranties cover repairs and replacements necessary to correct
8 defects in the materials or workmanship of parts manufactured or supplied by Tesla Inc.

9 3. Notwithstanding Tesla Inc.'s ability to measure the distances its Tesla Vehicles
10 drive to the millimeter, Plaintiff alleges, on information and belief, that Tesla Inc. knowingly
11 overstates the distances traveled in Tesla Vehicles, or at minimum tolerates substantial inaccuracy
12 in distances travelled in Tesla Inc.'s favor, such that the "odometers" in Tesla Vehicles indicate
13 greater distances than what they actually travel.

14 4. Rather than relying on mechanical or electronic systems to measure distance,
15 Plaintiff alleges on information and belief that Tesla Inc. employs an odometer system that utilizes
16 predictive algorithms, energy consumption metrics, and driver behavior multipliers that manipulate
17 and misrepresent the actual mileage travelled by Tesla Vehicles. In so doing, Defendants can, and
18 do, accelerate the rate of depreciation of the value of Tesla Vehicles and also the expiration of Tesla
19 Vehicle warranties to reduce or avoid responsibility for contractually required repairs as well as
20 increase the purchase of its extended warranty policy.

21 5. These systemic inaccuracies and fraudulent business practices undermine the value
22 of Tesla Vehicles and their warranties, erode consumer trust, and suggest intentional practices
23 designed to financially benefit Tesla Inc. at the expense of its customers. By tying warranty limits
24 and lease mileage caps to inflated "odometer" readings, Tesla increases repair revenue, reduces
25 warranty obligations, and compels consumers to purchase extended warranties prematurely.

26 6. In short, Tesla has thus misled, induced, and defrauded consumers from obtaining
27 the benefits of Tesla Inc.'s warranties and into purchasing Tesla Vehicles and spending money on
28 Tesla Inc.'s extended warranty packages, and thus harmed consumers through its fraudulent

1 business practices, misrepresentations, and false advertising.

2 **JURISDICTION AND VENUE**

3 7. This Court has jurisdiction over the claims and causes of action asserted herein
4 because they arise solely and specifically out of Defendants' unlawful business practices within
5 California and relate to several California statutes—Business & Professions Code sections 17200
6 and 17500, and Vehicle Code section 28050—which were designed to protect California's citizens,
7 the application of which is exclusively a matter for the courts of this State.

8 8. Venue is proper in this Court because Defendants actively transact business in
9 California and in the County of Los Angeles based on Plaintiff's use of Defendants' products and
10 services in Los Angeles County; Defendants transact business in California and in the County of
11 Los Angeles based on their vehicle and warranty sales with residents of the County; Defendants
12 have committed unlawful acts in the County by and through their products, services, and associated
13 business transactions within the County; and a substantial part of the events giving rise to the claims
14 alleged herein occurred in Los Angeles County, where Plaintiff resides.

15 **THE PARTIES**

16 9. Plaintiff is a citizen of the State of California and a resident of Los Angeles. Plaintiff
17 purchased and now owns a warrantied Tesla Vehicle designed, manufactured, marketed, leased,
18 and/or sold by one or more of the Defendants containing an odometer system that over-represented
19 the actual number of miles travelled. Plaintiff has suffered damages as a result of Defendants'
20 conduct.

21 10. Upon information and belief, Plaintiff alleges that Tesla Inc.—formerly known as
22 Tesla Motors, Inc.—is a Delaware corporation that had its principal place of business in Palo Alto,
23 California, from approximately 2003 until December 1, 2021, at which point it moved its principal
24 place of business to Austin, Texas.

25 11. Upon information and belief, Plaintiff alleges that Tesla Inc. designs, develops,
26 manufactures, tests, markets, distributes, sells, and leases electric vehicles under the brand name
27 "Tesla" as well as offers services related to those vehicles, including designing, developing and
28 periodically sending over-the-air updates for the advanced driver-assistance system software in

1 Tesla Vehicles.

2 12. Upon information and belief, Tesla Inc. is comprised of affiliated corporate entities,
3 each of which conducts business in California and all across the United States. These entities,
4 individually or collectively, through an integrated corporate structure (the details of which Plaintiff
5 is presently unaware), market, sell and provide automobiles and associated products and services.

6 13. Upon information and belief, one of those affiliated corporate entities of Tesla Inc.
7 is Tesla Finance. Plaintiff alleges that Tesla Finance is a Delaware limited liability company with
8 a principal place of business in Palo Alto, California.

9 14. Upon information and belief, Plaintiff alleges that Tesla Finance is a subsidiary of
10 Tesla Inc. and, as an agent for Tesla Inc., originates, offers, services, administers, and collects leases
11 and financing for Tesla Inc. and Tesla Vehicles.

12 15. The true names and/or capacities, whether individual, corporate, partnership,
13 associate, governmental, or otherwise, of the Doe Defendants, inclusive, and each of them, are
14 unknown to Plaintiff at this time, who therefore sues said Doe Defendants by such fictitious names.
15 Plaintiff is informed and believes, and thereon alleges, that each defendant designated herein as a
16 Doe Defendant caused injuries and damages proximately thereby to Plaintiff as hereafter alleged,
17 and that each Doe Defendant is liable to Plaintiff for the acts and omissions alleged herein below,
18 and the resulting injuries to Plaintiff, and damages sustained by Plaintiff. Plaintiff will amend this
19 Complaint to allege the true names and capacities of said Doe Defendants when the same are
20 ascertained.

21 **FACTS COMMON TO ALL CLASS MEMBERS**

22 **A. Tesla's Automotive Products and Services**

23 16. Electric vehicle sales are growing faster than ever as more car manufactures enter
24 the market. Once rare, electric vehicles are now increasingly affordable and as available as new
25 gas-engine vehicles.

26 17. Defendants manufacture, market, sell, lease, and/or distribute electric vehicles to
27 consumers and business customers throughout the United States under the brand name "Tesla".

28 18. Upon information and belief, Plaintiff alleges that Tesla is the leading producer of

1 plug-in electric vehicles globally—with some of its models becoming the world’s best-selling all-
2 electric vehicles—and sells its vehicles and associated services to consumers across the United
3 States.

4 19. Tesla was founded in 2003 by engineers Martin Eberhard and Marc Tarpenning in
5 San Carlos, California as an American automotive and energy company. It was originally founded
6 as Tesla Motors, Inc., which was truncated to Tesla Inc. in 2017.

7 20. The company was named after the 19th-century inventor Nikola Tesla, who
8 discovered the properties of rotating electromagnetic fields. His work led to the development of
9 what is known as an “alternating current,” a form of electricity that powers most homes and
10 businesses today and that is more efficient than the less efficient system called “direct current.” His
11 contributions to the design that was favored by Thomas Edison.

12 21. Today, Tesla engages in the design, development, manufacture, sale, financing and
13 leasing of fully electric vehicles and energy generation and storage systems. This includes sales of
14 used vehicles, non-warranty after-sales vehicle services, body shop and parts, paid supercharging,
15 vehicle insurance and retail merchandise.

16 22. Tesla Inc.’s consumer vehicles include the Models 3, Y, S, X, and Cybertruck.

17 23. Currently, Tesla Inc. is among the most influential in the electric vehicle space,
18 dominating the electrical vehicle market in the U.S.

19 24. Tesla Inc. has a vertically integrated business model that largely eliminates the use
20 of third-party supports.

21 25. Tesla Inc. designs, manufactures, and tests its electric vehicles, and its components,
22 and all versions of their advanced driver-assistance system software such as Autopilot, Enhanced
23 Autopilot, and Full Self-Driving Capability Subscriptions.

24 26. Tesla Inc. markets its vehicles on its website; in its brick-and-mortar galleries and
25 showrooms; through tweets; and public launch events, featuring unique automotive tests and online
26 audience interactions and online buzz, largely created by statements of its representatives including
27 its CEO Elon Musk, whose significant social media presence helps Tesla with its marketing by
28 increasing the company’s visibility in the market.

1 27. Unlike most other automakers that sell vehicles through franchised dealerships,
2 Tesla sells and leases its electric vehicles directly to consumers through its website and retail stores,
3 which Tesla Inc. owns and operates.

4 28. Tesla sells used and new vehicles as well as offers financing and leasing programs
5 for its vehicles and purportedly covers these vehicles with various warranties that cover repairs and
6 replacements necessary to correct defects in the materials or workmanship of parts manufactured
7 or supplied by Tesla Inc.

8 **B. Tesla Inc.'s Repair Infrastructure**

9 29. Electric vehicles are frequently touted as needing less maintenance than internal
10 combustion vehicles.¹ That is purported to be the case because the electric motors that propel
11 electric vehicles have fewer components, and require far less fluids, that require less maintenance
12 than gas vehicles. Additionally, electric vehicles use regenerative braking, which purports to
13 reduce the wear and tear on brake pads.

14 30. Tesla Inc. has stated on its website that it “designs every Tesla vehicle with the goal
15 of eliminating the need for service.”²

16 31. However, Tesla Inc. has yet to eliminate the need for its vehicles to be serviced. In
17 fact, according to consumer research firm J.D. Power, Tesla Vehicle drivers visit service centers at
18 nearly the same rate as the owners of premium gas vehicles, such as Lexus and Audi.³

19 32. Furthermore, according to Tesla Inc.'s own filings with the Security Exchange
20 Commission, suspension failures on several models of Tesla Vehicles pose an ongoing risk to Tesla
21 Inc.'s operations.⁴

22 ¹ Maintenance and safety of electric vehicles, ALTERNATIVE FUELS DATA CENTER: MAINTENANCE AND SAFETY OF
23 ELECTRIC VEHICLES (2023), [https://afdc.energy.gov/vehicles/electric-](https://afdc.energy.gov/vehicles/electric-maintenance#:~:text=All%2Delectric%20vehicles%20typically%20require,oil%2C%20that%20require%20regular%20maintenance)
24 maintenance#:~:text=All%2Delectric%20vehicles%20typically%20require,oil%2C%20that%20require%20regular%
20maintenance (last visited May 31, 2024).

25 ² Service, TESLA (2024), <https://www.tesla.com/service> (last visited May 31, 2024).

26 ³ Rebecca Heilweil, *Missing parts, long waits, and a dead mouse: The perils of getting a Tesla fixed*, VOX, August
27 24, 2022, <https://www.vox.com/recode/23318725/tesla-repair-mechanic-delay-electric-vehicles-ev> (last visited May
28 2024).

⁴ Tesla, Inc., Annual Report (Form 10-k) (Feb. 4, 2022) (Page 21); Tesla, Inc., Annual Report (Form 10-k) (Feb. 8,
2021) (Page 21).

1 33. Upon information and belief, Plaintiff alleges that Tesla Inc. rolled out upgraded
2 suspensions on their vehicles, including Tesla Model Y Tesla Vehicles, as a way to address these
3 suspension failures.

4 34. A reflection of Tesla Inc.'s vertically integrated business model, which aims to
5 eliminate the need for third-party intermediaries, is Tesla Inc.'s unique approach to vehicle service.

6 35. While automakers traditionally have a network of thousands of dealerships and
7 independent mechanics to service their vehicles across wide coverage areas, Tesla Inc. has skipped
8 the dealership sales model and sold vehicles directly to consumers since it was founded in 2003.
9 Tesla Inc. has also built its own service centers, where most repairs on Tesla Vehicles tend to be
10 completed by Tesla Inc. technicians who are employed or authorized by Tesla Inc. This has resulted
11 in Tesla Inc. having a disproportionately smaller network of repair centers than traditional
12 automakers.⁵

13 36. In addition to the under-availability of Tesla Inc. service technicians, independent
14 mechanics that service traditional gas vehicles tend not to have the expertise or access to materials
15 or software required to service electrical vehicles like Tesla Vehicles.⁶

16 37. Despite its limited number of repair centers, Tesla Inc. induces customers to use its
17 service centers, warning Tesla Vehicle owners that damage or failures caused by non-Tesla certified
18 technicians will not be covered under Tesla Inc.'s warranty policy.

19 38. Tesla Inc.'s largely in-house repair infrastructure has led to long wait times, for even
20 simple repairs, and high costs for customers.⁷

21 39. Despite issues with its repair service delivery, however, Tesla Inc. has opposed
22 "right-to-repair" legislation that would make it easier for people to repair their vehicles by making

23
24 ⁵ George Paul, BUSINESS INSIDER, November 4, 2019, <https://www.businessinsider.com/tesla-owners-dissatisfied-with-wait-for-services-2019-11> (last visited Jun 2, 2024).

25 ⁶ Battery Industry Workforce Needs in North America, CENTER FOR AUTOMOTIVE RESEARCH (2024),
26 https://www.cargroup.org/bietna/?utm_source=Media%2BList&utm_campaign=eecfbc7d81-EMAIL_CAMPAIGN_2023_02_08_09_40_COPY_01&utm_medium=email&utm_term=0_-59328f5e21-%5B%5D (last visited Jun 2, 2024).

27 ⁷ Heilweil, *supra* note 3.
28

1 sure that independent shops have access to the same diagnostic tools, parts, and software as
2 manufacturer-run repair shops.⁸

3 **C. Tesla Inc.'s Warranties**

4 40. Upon information and belief, Plaintiff alleges that Tesla Inc. provides certain
5 warranties for its new, used, and leased vehicles for some factory defects that may affect Tesla
6 Vehicles.

7 41. Upon information and belief, Plaintiff alleges that Tesla Inc. also provides separate
8 warranty coverage terms for certain parts, conditions, and repairs. Each warranty includes
9 prescribed warranty periods based on usage time and/or an upper limit for mileage.

10 42. All new Tesla Vehicles are covered by a New Vehicle Limited Warranty ("New
11 Vehicle Warranty"), which is a package of three warranty areas: the Basic Vehicle Limited
12 Warranty ("Basic Warranty"), the Supplemental Restraint System Limited Warranty
13 ("Supplemental Warranty"), and the Battery and Drive Unit Limited Warranty ("Battery and Drive
14 Unit Warranty").

15 43. The Basic Warranty, under the New Vehicle Warranty, provides bumper-to-bumper
16 coverage for four (4) years or 50,000-miles, whichever comes first. It covers costs associated with
17 the material and repair, including parts and labor, for workmanship or materials defects that occur
18 "under normal use" in any parts that were manufactured or supplied by Tesla Inc.

19 44. Eligible customers whose Basic Warranty has not yet expired may extend some of
20 the warranty's protections by purchasing an optional Extended Service Agreement. The price of
21 the Extended Service Agreement varies by model, but, upon information and belief, Plaintiff alleges
22 that purchase of the Extended Service Agreement may cost as much as \$3,500 for two (2) years or
23 25,000 miles of additional Basic Warranty coverage.

24 45. The Supplemental Warranty covers repairs or replacements to correct seatbelt and
25 airbag defects for up to five (5) years or 60,000 miles, whichever comes first.

26 46. Tesla Inc.'s New Vehicle Warranty covers battery and drive units through the

27 ⁸ Fred Lambert, *Tesla fights new 'Right to Repair' initiative over cybersecurity concerns*, ELECTREK, October 14,
28 2020, <https://electrek.co/2020/10/14/tesla-fights-right-to-repair-initiative-over-cybersecurity-concerns/> (last visited
May 31, 2024).

1 Battery and Drive Unit Warranty, a separate more extensive warranty, whose coverage period
2 varies by Tesla Vehicle model.

3 47. Previously, Tesla Inc. provided unlimited-mileage warranties for the battery and
4 drive unit. However now, Tesla Inc.'s warranties have mileage limits to determine coverage.⁹

5 48. Under the Battery and Drive Unit Warranty, Model S, Model X, and Cyber Truck
6 vehicles are covered for the shorter of eight (8) years or 150,000 miles.

7 49. The Battery and Drive Unit Warranty covers the short-range variants of the Model
8 Y and Model 3's battery and drive unit for the shorter of eight (8) years or 100,000 miles.

9 50. Lastly, the Battery and Drive Unit Warranty covers the long-range variants of the
10 Model Y and Model 3 for eight (8) years or 120,000 miles, whichever is shorter.

11 51. Additionally, the Battery and Drive Unit Warranty guarantees 70 percent battery
12 retention during the covered period.

13 52. All used Tesla Vehicles purchased directly from Tesla are covered by shorter of the
14 remainder of the four (4) years or 50,000 miles left on the Basic Warranty.

15 53. After the Basic Warranty expires, Tesla Vehicle customers may purchase additional
16 coverage from Tesla of one (1) year or 10,000 miles, whichever comes first.

17 54. The balance of the several warranties, like the Basic Warranty and original Battery
18 and Drive Warranty, also transfer during the purchase of a used Tesla Vehicle.

19 55. Tesla Inc. also covers failures that occur under normal use of Tesla-branded
20 replacement or repair parts purchased directly from Tesla under the Parts, Body and Paint Limited
21 Warranty for the shorter of one (1) year or 12,500 miles.

22 56. However, some categories of parts have unique warranty periods under the Parts,
23 Body and Paint Limited Warranty: sheet metal (limited lifetime), drive unit and high voltage battery
24 (four (4) years or 50,000 miles), wall connectors (four (4) years for personal use or 12 months for
25 commercial use), touchscreen and media control unit (two (2) years or 25,000 miles), clear
26 protection film (10 years), and color paint film (five (5) years).

27 ⁹ Elon Musk, INFINITE MILE WARRANTY TESLA (2014), <https://www.tesla.com/blog/infinite-mile-warranty> (last
28 visited May 31, 2024).

1 57. Tesla Inc. also provides a twelve (12)-year Body Rust Limited Warranty that covers
2 rust perforation.

3 58. Tesla Inc. warranties may be voided under certain circumstances including but not
4 limited to failing to comply with any recall advisories, install software updates and to make repairs
5 as well as exceeding load limits. Additionally, Tesla Vehicles with damaged vehicle identification
6 numbers ("VIN"), possibly indicating theft and those that have been designated as rebuilt or salvage
7 or have been written off as a total loss by an insurance company may be denied warranty coverage.

8 59. Upon information and belief, Plaintiff alleges that it is the mileage reflected on Tesla
9 Vehicles' odometer system that determines whether a Tesla Vehicle is within the applicable
10 warranty mileage limits, including those described above.

11 **D. Tesla's Odometer System**

12 60. While maintenance costs for electric vehicles, like Tesla Vehicles, are initially low,
13 anything that goes wrong outside of the prescribed warranty period will likely result in consumers
14 being financially responsible for paying for repairs that will likely represent a large portion of the
15 vehicle's actual cost of ownership.

16 61. Plaintiff alleges that Defendants have the technical ability to measure, and do
17 measure, distances travelled by their Tesla Vehicles with incredible GPS precision.

18 62. Notwithstanding this sophisticated and technical ability to measure distances
19 traveled precisely, Plaintiff alleges that Defendants misrepresent and manipulate the mileage driven
20 by Tesla Vehicles by way of an odometer system ("Tesla's Odometer System") that unlike
21 traditional vehicles, utilizes a miles-to-electrical energy conversion factor that relies on predictive
22 algorithms, energy consumption metrics, and driver behavior multipliers to determine mileage
23 traveled.

24 63. Specifically, Tesla Odometer System are integrally linked to Tesla Vehicles' energy
25 consumption metrics and range estimation algorithms, as evidenced by Tesla Inc.'s patents and
26 internal methodology detailed in Patent US8054038B2. This patent confirms that Tesla Odometer
27 System readings are not direct measurements of distance traveled, but are instead derived from
28 energy consumption data, driving behavior patterns, and predictive algorithms. The patent

1 explicitly describes a “miles-to-electrical energy conversion factor” that varies dynamically based
2 on road and traffic conditions.

3 64. Plaintiff alleges that Tesla’s Odometer System integrates data from GPS sensors,
4 energy consumption readings, and historical driving patterns to display distance travelled, rather
5 than providing an accurate and immutable measurement of miles traveled.

6 65. Thus, upon information and belief, Plaintiff alleges that Tesla’s Odometer System
7 readings are not direct physical measurements of distance traveled, but rather estimates derived
8 from these various aforementioned sensor inputs and software calculations.

9 66. Plaintiff alleges that Tesla Inc.’s patents and technical documentation reveal that the
10 odometer readings in Tesla Vehicles are modified by dynamic multipliers that penalize or reward
11 certain driving behaviors. For example, Tesla applies a lower efficiency multiplier to “aggressive”
12 driving behaviors, such as rapid acceleration or high-speed driving, thereby inflating the recorded
13 mileage relative to the energy consumed. Conversely, “efficient” driving behaviors receive higher
14 efficiency multipliers, reducing the recorded mileage for similar energy usage.

15 67. These adjustments, made without disclosure to consumers, deviate significantly
16 from the commonly accepted function of an odometer as an accurate and immutable record of miles
17 traveled.

18 **E. Discrepancies Between Real-World Data and Tesla’s Odometer System**

19 68. Plaintiff alleges that Defendants intentionally, designed, manufactured, calibrated,
20 installed, altered, set, or tolerated their Tesla’s Odometer System to inflate the mileage traveled by
21 Tesla Vehicles.

22 69. Upon information and belief, Plaintiff alleges that an analysis of Tesla Vehicle data,
23 including charging logs, energy efficiency metrics, and odometer readings, demonstrates
24 significant discrepancies between reported mileage and actual distance traveled.

25 70. Upon information and belief, Plaintiff alleges that Tesla’s reliance on predictive
26 algorithms, energy consumption metrics, and software recalibrations contributes to these
27 discrepancies and undermines the accuracy of the odometer readings in Tesla Vehicles.

28 71. In truth, and without the knowledge of Plaintiffs or consumers, and/or disclosure by

1 Defendants, Defendants represented Tesla Vehicles' odometers as functioning like commonly
2 accepted odometers, but instead intentionally designed, manufactured, calibrated, installed, altered,
3 set and/or tolerated their Tesla Odometer Systems (ether directly and/or by using a device, devices,
4 or software) to inflate the mileage travelled by the vehicle by varying percentages ranging from 15
5 percent to 117 percent higher than Plaintiff's other vehicles and many times greater than the four
6 percent industry standard tolerance for measures of inaccuracy in odometers under normal
7 conditions.

8 72. Defendants achieved the excessive readings of their Tesla Odometer System by,
9 *inter alia*, installing (or causing to be installed) a computer software and/or an electronic or
10 mechanical device or devices, that alter the odometer system's performance by an amount
11 exceeding the odometer manufacturer's design tolerance and industry standard tolerances for
12 measures of inaccuracy in odometers, or, alternatively, by tolerating inaccurate registration of miles
13 traveled in Tesla Vehicles.

14 73. Plaintiff further alleges that Tesla Inc. adopted a uniform, biased odometer
15 performance standard so that the Tesla Odometer Systems installed in all Tesla Vehicles sold and
16 leased by Defendants in the United States, including California, would systematically over-register
17 the mileage traveled by those vehicles.

18 74. Upon information and belief, Plaintiff alleges that Tesla's odometer discrepancies
19 are not isolated incidents but rather systemic issues affecting a broad class of consumers. Due to
20 Defendants' over-registration of miles traveled in Tesla Vehicles, Plaintiff alleges that owners of
21 Tesla Vehicles are deprived of the benefits of their bargains in purchasing, financing, or leasing
22 these Tesla Vehicles, by among other things: (i) installing and tolerating misleading odometer
23 systems in their vehicles; (ii) accelerating the expiration of warranties tied to mileage thresholds;
24 (iii) diminishing the number of miles allowed to be driven under their leases without penalty,
25 thereby causing them to pay excess mileage charges for which they rightfully bear no responsibility;
26 and/or (iv) diminishing the resale value of Tesla Vehicles.

27 75. As a result of its scheme, Tesla Inc., and by extension all Defendants, reaped, and
28 will continue to reap, financial benefits in the form of (i) avoiding manufacturing costs of installing

1 odometers in their vehicles that accurately record the mileage driven; (ii) warranty repair savings;
2 and/or (iii) excess lease mileage charges, all to the financial detriment of Tesla Vehicle owners or
3 lessees. The resale value of the vehicles owned by consumers also has been (and will continue to
4 be) diminished.

5 76. At all relevant times, Plaintiff alleges that Defendants devised a scheme to increase
6 profits and retain the revenue from the purchase of Extended Service Agreements and denial of
7 valid warranty claims by designing Tesla Vehicle odometers to report inflated mileage to expedite
8 the expiration of standard warranties and purchase of extended warranties as well as reject valid
9 warranty claims for repair.

10 **PLAINTIFF'S INDIVIDUAL ALLEGATIONS**

11 77. Plaintiff is a seasoned financial sector professional who specializes in equity
12 research, data analytics, and product management. He has subject matter expertise in fundamental
13 equity analysis, shareholder activism, mergers and acquisitions, and exchange-traded-funds.

14 78. Plaintiff has a Bachelor of Science from The Pennsylvania State University over the
15 course of his career, has worked at major organizations such as Bloomberg L.P., Third Bridge
16 Group, and Reorg Research.

17 79. On or about December 9, 2022, Plaintiff purchased a used, 2020 Model Y Tesla
18 Vehicle from IQautos in Marietta, Georgia. At the time of purchase, Plaintiff's Tesla Vehicle was
19 represented to have approximately 36,772 miles on it.

20 80. As part of this transaction, Plaintiff received from Tesla Inc. the Basic Warranty,
21 which Defendants represented would protect his Tesla Vehicle until September 5, 2024, or 50,000
22 miles, whichever came first.

23 81. As part of this transaction, Plaintiff also received from Tesla Inc. the Battery and
24 Drive Unit Warranty, which was to expire September 5, 2028, or 120,000 miles, whichever came
25 first; and the Supplemental Warranty, which covered Plaintiff's vehicle for five (5) years or 60,000
26 miles, whichever came first. Plaintiff's vehicle was also covered by a Body Rust Limited Warranty;
27 Used Vehicle Limited Warranty; and a Parts, Body and Paint Repair Limited Warranty.

28 82. In connection with the purchase of the vehicle, Defendants expressly or impliedly

1 represented to Plaintiff that his Tesla Vehicle's odometer would accurately record the number of
2 miles travelled by the vehicle.

3 83. Plaintiff understood this the mileage limits tied to the warranty periods described
4 above pertained to the actual distance he would travel in his Tesla Vehicle.

5 84. Not long after purchasing his vehicle, in or about February 2023, Plaintiff had to
6 take his Tesla Vehicle to an authorized Tesla Inc. repair center for work on the car's suspension
7 where several suspension parts were replaced. After this service in February, Plaintiff had to bring
8 his Tesla Vehicle in an additional four times between March 2023 and June 2023.

9 85. In or around March 2023, Plaintiff observed peculiar patterns in mileage
10 accumulation in his Tesla Vehicle, particularly in relation to Tesla Inc.'s warranty expiration. In
11 reviewing the number of miles recorded on his Tesla Vehicle, Plaintiff observed a daily average of
12 55.54 miles between December 12, 2022, and February 6, 2023.

13 86. Plaintiff then later observed an abnormal spike in average daily miles driven leading
14 up to the warranty's usage time limit on June 28, 2023. Notably, Plaintiff observed that mileage
15 surged to 72.35 miles per day between March 26, 2023, and June 28, 2023.

16 87. Plaintiff found the average mileage his Tesla Vehicle accumulated per day and per
17 month to be much higher than his usage, especially because his car was being repaired by Tesla
18 Inc. for many days within this time period.

19 88. Plaintiff also had a consistent driving routine from January 2023 to June 2023 that
20 involved a short commute to work and occasional visits to the gym and local restaurants – which
21 should have averaged, by generous estimates, 20 miles per day—much lower than the mileage
22 Plaintiff observed in his Tesla Vehicle.

23 89. As a result of this increased mileage accumulation, Plaintiff's Basic Warranty
24 expired well ahead of schedule – when the odometer read that the vehicle had reached 50,000 miles
25 – in or around July 7, 2023.

26 90. As a result, on January 24, 2024 when Plaintiff took his Tesla Vehicle for a sixth
27 service visit to an authorized Tesla Inc. repair center to again address the ongoing suspension issues
28 that plagued his Telsa Vehicle (and which were repaired under warranty on February 6, 2023) the

1 representatives at the authorized Tesla Inc. repair center refused to perform the necessary repairs
2 under warranty, telling Plaintiff that his Tesla Vehicle was no longer under warranty for the
3 necessary repairs.

4 91. At no point did Defendants or Defendants' representatives inform Plaintiff that the
5 rapid increase in mileage could be caused by the Tesla Odometer System and its predictive
6 algorithms, energy consumption metrics, and driver behavior multipliers.

7 92. The invoices Plaintiff received from repair center simply identified mileage under a
8 section titled "Odometer".

9 93. On information and belief, Plaintiff alleges that it was not his driving that caused
10 the components to fail, but rather, the integrity of the components themselves. Plaintiff believes
11 that the suspension components that failed were the subject of recalls for the same year, make, and
12 model of his Tesla Vehicle. When Plaintiff approached Tesla Inc. with this information, Tesla Inc.
13 ignored him and claimed, without sufficient explanation, that these recalls did not apply to his Tesla
14 Vehicle.

15 94. Because they would not be covered under warranty, Plaintiff opted to not have the
16 repairs to his Tesla Vehicle's suspension performed at that time.

17 95. Around the time the Basic Warranty expired, Plaintiff began commuting to Irvine
18 two (2) to three (3) days a week from his residence in Los Angeles – which is roughly a 100-mile
19 total commute. Notwithstanding the longer commute, Plaintiff observed a decline in the vehicle's
20 reported average daily miles to 50.72 miles per day through April 25, 2024.

21 96. This decrease in average daily miles more closely aligned with his historical data on
22 his other vehicles and Plaintiff's commute at that time.

23 97. In the years prior to purchasing his Tesla Vehicle, Plaintiff owned several other
24 types of vehicles including two (2) Chevy models and one (1) Mercedes model. Plaintiff's
25 historical vehicle usage under comparable conditions with these three (3) prior vehicles produced
26 a six-month average mileage benchmark of 6,086 miles. In contrast, Plaintiff's Tesla Vehicle
27 reported 13,228 miles in a similar six-month period of ownership—representing a 117 percent
28 increase over the established benchmark.

1 98. This disparity is even more alarming considering Plaintiff's Tesla Vehicle was
2 unavailable for use for significant portions of the above-described six-month period due to
3 numerous service visits and its shipment to California between February 13 and February 24, 2023.

4 99. Plaintiff's historical driving patterns establish a clear benchmark for expected
5 mileage, making his Tesla Vehicle's odometer readings an anomaly.

6 100. Ultimately, during the first six months of ownership, Plaintiff's Tesla Vehicle
7 accumulated 13,300 miles, which averages approximately 2,217 miles per month. But in the year
8 following the Basic Warranty expiration, Plaintiff's Tesla Vehicle accumulated roughly 17,000
9 miles. This averages to about 1,415 miles per month—a decline of almost 1,000 miles per month
10 despite an increase in Plaintiff's commute for work.

11 101. In short, in the first six (6) months of Plaintiff's ownership of his Tesla Vehicle, he
12 accumulated 80 percent of the miles it took almost a full year to accumulate after the warranty
13 expired.

14 102. By Plaintiff's own calculations, his Tesla Vehicle consistently exhibited accelerated
15 mileage accumulations of varying percentages ranging from 15 percent to 117 percent higher than
16 Plaintiff's other vehicles and his driving history.

17 103. Now that his Tesla Vehicle's warranty has prematurely expired, Tesla Inc. refuses
18 to perform any further work under warranty and that all subsequent work would be "customer pay
19 service".

20 104. As recently as October 30, 2024, Plaintiff had his Tesla Vehicle towed to an
21 authorized Tesla Inc. repair center in Los Angeles, California when, despite now minimal usage,
22 the Tesla Vehicle's suspension seemingly disconnected from the main driving mechanism.

23 105. Representatives at the repair center confirmed that Plaintiff's Tesla Vehicle's
24 suspension needed significant repairs—which the repair center estimated would cost around
25 \$10,000.

26 106. Interestingly, the representative at this repair center (Javier Romo) told Plaintiff that
27 all Tesla Inc. repairs come with a one-year warranty – meaning that the repairs quoted to Plaintiff
28 in January 2024, and which Tesla Inc. told Plaintiff he would need to pay out-of-pocket because

1 his Tesla Vehicle was no longer under warranty, should have been covered by Tesla Inc.'s repair
2 warranty as these new repairs would have been within one year of the suspension work performed
3 back in February 2023.

4 107. Had Plaintiff known this, he would have elected in January 2024 to have his
5 suspension repaired and avoided the magnitude of damage his suspension later sustained.

6 108. Given Tesla Inc.'s refusal to honor the previous warranty, and the significant
7 estimated cost of the repairs needed, Plaintiff elected to not have Tesla, Inc. perform any further
8 repairs to his Tesla Vehicle – which is now inoperable.

9 109. Upon information and belief, Plaintiff alleges that his experiences with Tesla Inc.
10 and the rapid mileage accumulation of his Tesla Vehicle are not unique to him. A quick online
11 review reveals numerous Tesla Vehicle owners who have reported unexplained surges in odometer
12 readings, particularly leading up to warranty expiration, on online forums such as Reddit, and social
13 media platforms. These reports consistently document significant mileage discrepancies between
14 actual travel distances and odometer readings, further substantiating Plaintiff's claims that Tesla's
15 odometer system misrepresents vehicle usage.

16 110. Reddit users John_Quid2; Crzy4vr; Nice-Put-2940; and others have all publicly
17 noted discrepancies between the distances they have driven and what is reported by the odometers
18 in their Telsa Vehicles. (Attached to this Complaint as Exhibit 1 is a compilation of Reddit postings
19 discussing these discrepancies).

20 **CLASS ACTION ALLEGATIONS**

21 111. Pursuant to California Code of Civil Procedure section 382, Plaintiff brings this
22 class action on his own behalf, and on behalf of all other similarly situated consumers in California.
23 The proposed class is defined as follows:

24 a. During the fullest period allowed by law, all citizens residing in California who
25 purchased a new or used Tesla Vehicle for personal, family, or household purposes ("Class").

26 112. The members Class are collectively referred to herein as the "Class Members."

27 113. Excluded from the Class are assigned judges and members of their families within
28 the first degree of consanguinity; Defendants; and Defendants' subsidiaries, affiliates, officers, and

1 directors.

2 114. The requirements of Code of Civil Procedure section 382 are satisfied for the
3 proposed Class.

4 115. The proposed Class is so numerous that individual joinder of all the members is
5 impracticable because members of the Class number in at least the tens of thousands or hundreds
6 of thousands. The precise number of Class Members and their identities are unknown to Plaintiff
7 at this time but are objectively ascertainable and will be determined through appropriate discovery
8 and other readily available means.

9 116. Defendants possess objective evidence as to the identity of each Class Member and,
10 to a reasonable degree of certainty, the harm suffered by each Class Member, including without
11 limitation sales receipts, phone numbers, names, rewards accounts data, credit card data, customer
12 service complaint forms/emails/date, and other evidence which objectively identifies Class
13 Members.

14 117. Class Members may be notified of the pendency of this action by mail, publication,
15 and/or through the records of Defendants.

16 118. Like Plaintiff, all Class Members purchased, financed, or leased a new or used Tesla
17 Vehicles with the misunderstanding, caused by their reliance on Defendants' representations and/or
18 omissions that trip details such as mileage were being accurately recorded by the Tesla Vehicles'
19 software and would accurately reflect eligibility for warranty coverage. Such understanding was
20 reasonable and was a material basis for the decision to purchase a Tesla Vehicle, which Defendants
21 intended to foster through their various marketing activities in connection with the sale of Tesla
22 Vehicles and their accompanying warranties. Plaintiff is advancing the same claims and legal
23 theories on behalf of himself and all members of the Class.

24 119. There are common questions of law and fact affecting Plaintiff and Class Members.
25 Common legal and factual questions include, but are not limited to:

26 a. Whether Defendants market and advertise Tesla Inc.'s warranty policy in a way that
27 is false, deceptive, and/or misleading;

28 b. Whether Defendants adopted and implemented a uniform odometer performance

1 standard for all of their Tesla Vehicles;

2 c. Whether Defendants installed (or caused to be installed) a device or software to alter
3 the performance of the odometer system in Tesla Vehicles in violation of federal and state law;

4 d. Whether Defendants had a practice of overstating the distance traveled in their
5 consumer vehicles, through use of the algorithms in their Tesla Odometer System, to accelerate
6 warranty expiration, justify valid warranty repair rejections, and increase sales of the Extended
7 Service Agreement;

8 e. Whether Defendants had a practice of tolerating inaccurate mileage reporting in
9 their favor;

10 f. Whether the performance standards adopted and implemented by Defendants cause
11 errors of odometer over-registration;

12 g. Whether installation of the device or software causes errors of odometer over-
13 registration beyond acceptable tolerance limits;

14 h. Whether by the misconduct set forth in this complaint, Defendants engaged and
15 continue to engage in unfair, fraudulent, or unlawful business practices;

16 i. Whether Defendants' conduct was committed knowingly and/or intentionally;

17 j. Whether Defendants' conduct constitutes violations of the federal and/or state laws
18 asserted herein;

19 k. Whether Defendants had a duty to correct their fraudulent conduct and statements;

20 l. Whether Class Members were harmed by Defendants' fraudulent conduct and false
21 statements;

22 m. Whether Defendants benefited from the over-registration of the Tesla Odometer
23 System, and if so, in what ways and by how much;

24 n. Whether Defendants' conduct violates public policy;

25 o. Whether Plaintiff and Class Members are entitled to actual damages, consequential
26 damages; and statutory penalties, and if so, the proper measure and amounts;

27 p. Whether Class Members are entitled to punitive damages;

28 q. Whether Class Members are entitled to recover statutory attorney's fees and

1 litigation costs; and

2 r. Whether, as a result of Defendants' misconduct as alleged herein, Plaintiff and Class
3 Members are entitled to restitution, injunctive and/or monetary relief and, if so, the amount and
4 nature of such relief.

5 120. Plaintiff's claims are typical of the claims of the proposed Class because the rights
6 of Plaintiff and Class Members were violated in the same manner by the same conduct.

7 121. Plaintiff and Class Members are all entitled to recover statutory penalties and other
8 relief arising out of Defendants' violations of statutory law alleged herein.

9 122. Plaintiff will fairly and adequately represent and protect the interests of the Class.

10 123. Plaintiff's interests do not conflict with the interests of the Class they seek to
11 represent. Plaintiff has retained counsel competent and experienced in prosecuting class actions,
12 and Plaintiff intends to vigorously prosecute this action.

13 124. The class mechanism is superior to other available means for the fair and efficient
14 adjudication of the claims of Plaintiff and Class Members.

15 125. Given the relative value of statutory penalties available to any of the individual Class
16 Members, individual litigation is not practicable.

17 126. Individual Class Members will not wish to undertake the burden and expense of
18 individual cases.

19 127. In addition, individualized litigation increases the delay and expense to all parties
20 and multiplies the burden on the judicial system. Individualized litigation also presents the
21 potential for inconsistent or contradictory judgments.

22 128. In contrast, the class action device presents far fewer management difficulties and
23 provides the benefits of single adjudication, economy of scale, and comprehensive supervision by
24 a single court.

25 129. Questions of law and fact common to all Class Members predominate over any
26 questions affecting only individual Class Members. Injuries sustained by Plaintiff and Class
27 Members flow, in each instance, from a common nucleus of operative facts as set forth above.

28 130. In each case, Defendants' actions caused harm to all Class Members as a result of

1 such conduct. The resolution of these central issues will be the focus of the litigation and
2 predominate over any individual issues.

3 131. Proposed Class counsel possesses the knowledge, experience, reputation, ability,
4 skill, and resources to represent the Class and should be appointed lead counsel for the Class.

5 **COUNT I**

6 **(VIOLATION OF CALIFORNIA VEHICLE CODE SECTION 28050)**

7 132. Plaintiff and Class Members reallege and incorporate by reference each allegation
8 set forth above.

9 133. Defendants' wrongful acts and practices, as described above, violate the California
10 statutes prohibiting odometer tampering, California Vehicle Code section 28050 (the "State Act").
11 Defendants violated (and continue to violate) the State Act in the following manner(s):

- 12 i. Designing, manufacturing, selling, calibrating, tolerating and/or installing
13 misleading odometer systems in Tesla Vehicles that register mileage greater
14 than the mileage the vehicles were actually driven as registered by the
15 odometer systems within the designed tolerance of the manufacturer of the
16 odometer systems and industry standard tolerance limits;
- 17 ii. Installing or having installed a device (or devices) or software that cause
18 odometer systems in Tesla Vehicles to register mileage greater than the
19 mileage the vehicles were actually driven as registered by the odometer
20 systems within the designed tolerance of the manufacturer of the odometer
21 systems and industry standard tolerance limits; and/or
- 22 iii. Tolerating, altering, or having altered the odometers in Tesla Vehicles
23 intending to change or benefit from the mileage registered by the odometer
24 systems.

25 134. Defendants advertised for sale, and sold, Tesla Vehicles that contained misleading
26 odometers; that contained devices or software that caused odometers; or that had altered odometers,
27 that registered mileage greater than the mileage the vehicles were actually driven and outside the
28 accepted industry standard tolerance for odometers.

1 135. Defendants' wrongful conduct of designing, manufacturing, marketing, financing,
2 selling, and/or leasing vehicles with odometers that over-register miles was engaged in with the
3 intent to defraud California residents and deprive them of the benefits of their bargains.

4 136. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and
5 Class Members were damaged.

6 **COUNT II**

7 **(UNJUST ENRICHMENT/RESTITUTION)**

8 137. Plaintiff and Class Members reallege and incorporate by reference each allegation
9 set forth above.

10 138. At all relevant times, Defendants deceptively marketed, financed, leased, advertised,
11 and sold Tesla Vehicles, whose Tesla Odometer Systems overcount miles driven, to Plaintiff and
12 Class Members.

13 139. As a result of the Tesla Odometer Systems' overcounting, warranties covering the
14 Tesla Vehicles purchased by Plaintiff and Class Members did not provide the promised
15 performance.

16 140. Plaintiff and Class Members conferred a benefit on Defendants in the form of
17 monies that were paid in exchange for Defendants' Tesla Vehicles and associated warranties.

18 141. Defendants were aware and had knowledge of these non-gratuitous benefits, and, in
19 fact, intended for this to occur as a result of their fraudulent, deceitful marketing and sales practices.

20 142. Defendants have been unjustly enriched, and will continue to be unjustly enriched,
21 in retaining the revenues derived from Plaintiff and Class Members' purchases of Tesla Vehicles,
22 whose warranties are prematurely expired by odometer overcounting, which retention under these
23 circumstances is unjust and inequitable because Defendants misrepresented and/or omitted material
24 facts concerning the Tesla Odometer Systems.

25 143. Defendants have also been unjustly enriched, and will continue to be unjustly
26 enriched, in retaining the revenues derived from charging customers to pay for repairs on their
27 Tesla Vehicles that are covered by warranty periods that Defendants have failed to disclose.

28 144. Defendants' misrepresentations and/or omissions caused injuries to Plaintiff and

1 Class Members because no reasonable consumer would have purchased the Tesla Vehicles if
2 Defendants were honest about the value and the true facts regarding Tesla Odometer Systems and
3 warranties.

4 145. Because Defendants' retention of the non-gratuitous benefits conferred on them by
5 Plaintiff and Class Members is unjust and inequitable, Defendants must pay restitution to Plaintiff
6 and Class Members for their unjust enrichment, as ordered by the Court.

7 **COUNT III**
8 **(NEGLIGENT MISREPRESENTATION)**

9 146. Plaintiff and Class Members reallege and incorporate by reference each allegation
10 set forth above, which detail Defendants' negligent misrepresentations with specificity.

11 147. Through their advertising, contractual agreements, and in the course of their regular
12 business, Defendants made representations and/or omissions to Plaintiff and Class Members of
13 material facts concerning the Tesla Odometer System and warranty programs.

14 148. Defendants made negligently misrepresented how the Tesla Odometer Systems
15 calculate and represent mileage driven by Tesla Vehicles, and how differ from traditional
16 odometers.

17 149. Notwithstanding the discrepancy between traditional odometers and Tesla
18 Odometer Systems, Defendants continued to use the word "odometer" in vehicle manuals, invoices,
19 marketing, and other materials in such a way that mislead consumers into believing that Tesla
20 Vehicles used traditional odometers.

21 150. Plaintiff alleges that it is the mileage recorded on their Tesla Odometer Systems,
22 and not actual miles driven, that are used for the purposes of calculating repairs needed and whether
23 a Tesla Vehicle is still within the applicable warranty periods.

24 151. Defendants represented to Plaintiff and Class Members, expressly or by implication,
25 that the warranties provide more miles of warranty protection than they, in fact, provide due to
26 Defendants' tampering with the odometers, and that leased cars can be driven for more miles
27 without incurring charges than they, in fact, can.

1 152. Defendants also omitted and concealed material facts relating to warranty periods
2 that cover authorized repairs on Tesla Vehicles, and then charged customers for later-performed
3 work that is covered by the applicable warranty period.

4 153. Defendants owed Plaintiff and Class Members a duty to provide the Tesla Vehicles
5 and odometers and the accompanying warranties according to Defendants' representations.

6 154. Defendants breached their duty owed to Plaintiff and Class Members by failing to
7 provide the vehicles, odometers, and warranty coverage, according to their representations.

8 155. Defendants failed to act with reasonable care in making the above-mentioned
9 representations and/or omissions concerning the vehicles' odometers and warranties. Defendants
10 made the above-mentioned representations and/or omissions concerning the operation of the
11 without reasonable grounds for believing them to be true.

12 156. Defendants made the above-mentioned representations and/or omissions with the
13 intent to induce Plaintiff and Class Members into purchasing the Maintenance Plan.

14 157. Defendants knew or should have known that Plaintiff and Class Members were
15 ignorant as to the true value of the Tesla Vehicle warranties and their vehicles, and that Plaintiff
16 and Class Members would reasonably rely upon Defendants' representations and/or omissions.

17 158. Plaintiff and Class Members did justifiably and reasonably rely on Defendants'
18 representations and omissions. Plaintiff and Class Members would not have purchased Tesla
19 Vehicles without such statements and/or omissions made by Defendants.

20 159. As a result of Defendants acts and/omissions, Plaintiff and Class Members were
21 damaged and harmed by Defendants in that they have been deprived of their benefit of the bargain,
22 the lost monies they overspent on the maintenance of the Tesla Vehicles, and the greater
23 depreciation on the vehicles.

24 **COUNT IV**

25 **(VIOLATION OF CALIFORNIA BUSINESS & PROFESSIONS CODE SECTION 17200)**

26 160. Plaintiff and Class Members reallege and incorporate by reference each allegation
27 set forth above.

28 161. Commencing on a date unknown to Plaintiff and Class Members, and continuing

1 thereafter through the present, Defendants committed (and continue to commit) acts of unfair
2 competition, by engaging in the above-described conduct to the extreme detriment of Plaintiff and
3 Class Members.

4 162. Defendants' wrongful acts and practices, as described above, constitute unlawful,
5 unfair, and fraudulent business acts and practices within the meaning of California Business and
6 Professions Code section 17200, *et seq.*

7 163. Defendants' wrongful acts and practices, as described above, constitute "fraudulent"
8 business acts and practices in that the representations and omissions described herein are false
9 and/or likely to deceive potential and current customers.

10 164. Defendants' wrongful acts and practices, as described above, constitute "unfair"
11 business acts and practices in that the harm caused by Defendants' conduct outweighs any utility
12 of such conduct, and such conduct (i) offends public policy including, but not limited to, the public
13 policy articulated in statutes such as 49 U.S.C. §§ 32703(l)-(2); 32710; and California Vehicle Code
14 section 28050; (ii) is immoral, unscrupulous, unethical, deceitful, and offensive; and/or (iii) has
15 caused (and will continue to cause) substantial injury to consumers such as Plaintiff and Class
16 Members.

17 165. Defendants' wrongful acts and practices are "unlawful" in that they violate, *inter*
18 *alia*, 49 U.S.C. §§ 32703(l);(2); 32710; and California Vehicle Code section 28050.

19 166. Defendants' failure to disclose the operation and effects of its odometer system
20 constitutes a deceptive practice, as consumers reasonably rely on odometer readings as accurate
21 reflections of distance traveled.

22 167. Defendants' unlawful and unfair conduct, which continue day to day, has allowed
23 for Defendants to enrich themselves at the expense of Plaintiff and Class Members, including
24 through Plaintiff's and Class Members' payment of monies to Defendants, including without
25 limitation through the purchase of a Tesla Vehicle – whether self-financed or financed and leased
26 from Tesla Inc. via Tesla Finance.

27 168. Defendants' conduct results in shortened warranty periods, increased repair costs
28 for consumers, and reduced warranty obligations and increased sales of extended warranties – all

1 of which result in financial gain for Defendants.

2 169. Plaintiff and Class Members are thus entitled to restitutionary and injunctive relief,
3 including without limitation disgorgement of any unlawful gains that Defendants obtained as a
4 result of their unlawful and unfair conduct at the expense of Plaintiff and Class Members.

5 **COUNT V**

6 **(VIOLATION OF CALIFORNIA BUSINESS & PROFESSIONS CODE SECTION 17500)**

7 170. Plaintiff and Class Members reallege and incorporate by reference each allegation
8 set forth above.

9 171. Commencing on a date unknown to Plaintiff and Class Members, and continuing
10 thereafter through the present, Defendants committed (and continue to commit) deceptive acts and
11 practices by engaging in the above-described conduct to the extreme detriment of Plaintiff and
12 Class Members.

13 172. Defendants' failure to disclose the operation and effects of its odometer system
14 constitutes a deceptive practice, as consumers reasonably rely on odometer readings as accurate
15 reflections of distance traveled.

16 173. Defendants' marketing materials and statements concerning the operation of Tesla
17 Vehicle components, including the odometer, and Tesla Vehicle warranties are commercial
18 advertisements that Defendants intended to disseminate across California.

19 174. By engaging in the above-described conduct, Defendants made false statements in
20 commercial advertisements directed at the public, and have thus engaged in unlawful false or
21 misleading advertising under California Business & Professions Code sections 17500, *et seq.*

22 175. Defendants' advertising of their warranties is "deceptive" in that it misrepresents
23 the value of the warranty, the true number of miles of warranty protection Defendants will provide,
24 and the true number of miles, at which excess mileage lease charges will be incurred.

25 176. Defendants' false statements in their commercial advertisements deceived or had
26 the tendency to deceive a substantial segment of their audience and Class Members.

27 177. Defendants' deception through their commercial advertisements was material and a
28 substantial reason that Plaintiff and Class Members purchased Tesla Vehicles.

1 178. Plaintiff and Class Members were harmed as a result of Defendants' false
2 statements, and are thus entitled to restitutionary and injunctive relief, including without limitation
3 disgorgement of any unlawful gains that Defendants obtained as a result of their unlawful and unfair
4 conduct at the expense of Plaintiff and Class Members.

5 **COUNT VI**

6 **(BREACH OF CONTRACT)**

7 179. Plaintiff and Class Members reallege and incorporate by reference each allegation
8 set forth above.

9 180. Plaintiff and Class Members entered into agreements with Defendants for the
10 purchase of Tesla Vehicles, repairs, and their accompanying warranties.

11 181. Under the Tesla Vehicle warranties, coverage was to be provided up to a certain date
12 or mileage.

13 182. For example, as part of his transaction to purchase his Tesla Vehicle, Plaintiff
14 received from Tesla the Basic Warranty, which was to protect his vehicle until September 5, 2024,
15 or 50,000 miles, whichever came first.

16 183. But because of Defendants' uniform standard to use Tesla Odometer Systems that
17 can over-register mileage in Tesla Vehicles, like Plaintiff's vehicle, Plaintiff's Basic Warranty
18 expired well ahead of schedule – when the odometer read that the vehicle had reached 50,000 miles
19 in or around July 7, 2023.

20 184. As a result, Tesla Inc. refused to cover maintenance on Plaintiff's vehicle that would
21 have been covered under the Basic Warranty had the odometer counted miles correctly.

22 185. Tesla Inc. also charged Plaintiff for work performed on his Tesla Vehicle that was
23 within the applicable warranty period that covers authorized repairs on Tesla Vehicles.

24 186. Thus, Defendants breached their agreements with Plaintiff by failing to provide him
25 with the promised warranty coverage due to the overcounting of mileage expedited the warranty's
26 expiration.

27 187. Plaintiff is informed and believes, and thereon alleges, that Defendants engaged in
28 similar breaches of the agreements Defendants had with Class Members by failing to provide Class

1 Members with services covered under the Tesla Vehicle warranties that were included in their
2 purchase of a Tesla Vehicle – including purchases that were self-financed or financed and leased
3 from Tesla Inc. via Tesla Finance.

4 188. Plaintiff and Class Members fully, completely, and competently performed and
5 fulfilled their obligations under their agreement with Defendants for the Tesla Vehicles and their
6 accompanying warranties, except for those that have been excused or otherwise discharged by
7 Defendants or Defendants' conduct.

8 189. Conversely, Defendants breached their agreement with Plaintiff and Class Members
9 by systematically failing and refusing to provide all services that were included in the warranties.

10 190. As a result of Defendants' breaches of their obligations to Plaintiff and Class
11 Members under the purchases agreement and warranty programs, Plaintiff and Class Members have
12 been damaged in an amount to be proven at trial.

13 **COUNT VII**

14 **(MONEYS HAD AND RECEIVED)**

15 191. Plaintiff and Class Members reallege and incorporate by reference each allegation
16 set forth above.

17 192. Defendants' business acts and practices, in part, were centered in, carried out,
18 effectuated and/or perfected within the State of California. Defendants' conduct within California
19 injured Plaintiff and all members of the Class. Therefore, this claim for relief under California law
20 is brought on behalf of Class Members.

21 193. Defendants have obtained money from Plaintiff and Class Members by the exercise
22 of undue influence, menace or threat, compulsion or duress, and/or mistake of law and/or fact.

23 194. As a result, Defendants have in their possession money, which in equity belongs to
24 Plaintiffs and Class Members and should be refunded to Plaintiff and Class Members pursuant to
25 the California equitable principle of money had and received.

26 **TOLLING OF THE STATUTES OF LIMITATIONS**

27 **(ALL CLAIMS AND ALL CAUSES OF ACTION)**

28 195. Plaintiff and Class Members reallege and incorporate by reference each allegation

1 set forth above.

2 196. **EQUITABLE ESTOPPEL (FRAUDULENT CONCEALMENT).** Defendants
3 took active steps to surreptitiously design, manufacture, market, finance, sell tolerated, and/or lease
4 Tesla Vehicles with misleading odometer systems. Defendants' wrongful conduct was engaged in
5 with the intention, among other things, to obtain an unjust economic advantage from (and over)
6 Plaintiff and Class Members. The details of Defendants' scheme to conceal their unlawful conduct
7 are in their possession, custody and control and await discovery. At such time as Plaintiff learned
8 that the odometer system installed in his vehicles manipulated, misrepresented, and over-register
9 the actual number of miles driven, he exercised due diligence to protect their rights by retaining
10 counsel and initiating this litigation. As such, all applicable statutes of limitation (if any) are tolled
11 under the doctrine of equitable estoppel.

12 197. **EQUITABLE TOLLING.** Defendants surreptitiously designed, manufactured,
13 marketed, financed, tolerated, sold and/or leased vehicles with misleading odometer systems, and
14 continue to do so. The details of the Defendants' scheme to conceal their unlawful conduct are in
15 their possession, custody and control and await discovery. Plaintiff and Class Members, even
16 exercising reasonable diligence, could not have discovered essential information bearing on their
17 claims. However, when Plaintiff ultimately learned about Defendants' wrongful conduct, he
18 exercised due diligence by retaining counsel and initiating this litigation. As such, all applicable
19 statutes of limitation (if any) also are tolled under the doctrine of equitable tolling.

20 **PRAYER FOR RELIEF**

21 WHEREFORE, Plaintiff, on behalf of himself and the putative Class Members, pray for a
22 judgment:

- 23 a. Determining that this action is a proper class action and certifying the Class, as
24 defined herein;
- 25 b. Appointing Plaintiff as Class Representative;
- 26 c. Appointing the undersigned as Class Counsel;
- 27 d. Finding Defendants liable to Plaintiff and Class Members for actual damages in such
28 amount(s) as the Court or Jury may determine;


- e. Awarding statutory damages as appropriate;
- f. Awarding disgorgement of gross profits and all other forms of equitable monetary relief;
- g. Awarding punitive damages based on Defendants' malicious, oppressive, fraudulent, wanton and reckless behavior;
- h. Awarding pre- and post-judgment interest;
- i. Awarding injunctive relief, as claimed herein or as the Court may deem proper;
- j. Awarding Plaintiff and Class Members attorney fees and all litigation costs;
- k. Awarding Plaintiff and Class Members such other relief as may be just and proper;
- l. Awarding compensatory damages against Defendant in favor of Plaintiff and the Class for damages sustained as a result of Defendant's wrongdoing; and
- m. Awarding such other and further relief as may be just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: February 10, 2025

SINGLETON SCHREIBER, LLP

By: 
Christopher R. Rodriguez
Attorneys for Plaintiffs