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8 **SUPERIOR COURT FOR THE STATE OF CALIFORNIA**
9 **COUNTY OF LOS ANGELES**

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

13 Plaintiffs,

14 v.

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

17 Defendants.
18

No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

19
20 **COMPLAINT**

21 Plaintiff NYREE HINTON (“Plaintiff”), by and through his undersigned counsel, on his
22 own behalf and on behalf of all other persons similarly situated, sue TESLA, INC. (“Tesla Inc.”);
23 TESLA FINANCE, LLC (“Tesla Finance”) (“Tesla Inc.” and “Tesla Finance” are collectively
24 referred to herein as “Tesla”); and Does 1 through 100 (“Doe Defendants”) (Tesla and Doe
25 Defendants are collectively referred to herein as the “Defendants”) and for this Complaint, allege
26 upon information and belief, and based on investigation to date, as follows:
27
28

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

1 Tesla Inc.’s extended warranty packages, and thus harmed consumers through its fraudulent
2 business practices, misrepresentations, and false advertising.

3 **JURISDICTION AND VENUE**

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

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

16 **THE PARTIES**

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

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

26 11. Upon information and belief, Plaintiff alleges that Tesla Inc. designs, develops,
27 manufactures, tests, markets, distributes, sells, and leases electric vehicles under the brand name
28 “Tesla” as well as offers services related to those vehicles, including designing, developing and

1 periodically sending over-the-air updates for the advanced driver-assistance system software in
2 Tesla Vehicles.

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

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

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

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

22 **FACTS COMMON TO ALL CLASS MEMBERS**

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

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

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

1 18. Upon information and belief, Plaintiff alleges that Tesla is the leading producer of
2 plug-in electric vehicles globally—with some of its models becoming the world’s best-selling all-
3 electric vehicles—and sells its vehicles and associated services to consumers across the United
4 States.

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

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

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

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

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

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

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

25 26. Tesla Inc. markets its vehicles on its website; in its brick-and-mortar galleries and
26 showrooms; through tweets; and public launch events, featuring unique automotive tests and online
27 audience interactions and online buzz, largely created by statements of its representatives including
28

1 its CEO Elon Musk, whose significant social media presence helps Tesla with its marketing by
2 increasing the company’s visibility in the market.

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

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

10 **B. Tesla Inc.’s Repair Infrastructure**

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

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

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

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

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

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

1 32. Furthermore, according to Tesla Inc.’s own filings with the Security Exchange
2 Commission, suspension failures on several models of Tesla Vehicles pose an ongoing risk to Tesla
3 Inc.’s operations.⁴

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

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

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

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

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

23 ⁴ Tesla, Inc., Annual Report (Form 10-k) (Feb. 4, 2022) (Page 21); Tesla, Inc., Annual Report (Form 10-k) (Feb. 8,
24 2021) (Page 21).

25 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).

26 ⁶ Battery Industry Workforce Needs in North America, CENTER FOR AUTOMOTIVE RESEARCH (2024),
27 [https://www.cargroup.org/bietna/?utm_source=Media%2BList&utm_campaign=ecf7d81-
28 EMAIL_CAMPAIGN_2023_02_08_09_40_COPY_01&utm_medium=email&utm_term=0_-59328f5e21-
%5BLIST_EMAIL_ID%5D](https://www.cargroup.org/bietna/?utm_source=Media%2BList&utm_campaign=ecf7d81-EMAIL_CAMPAIGN_2023_02_08_09_40_COPY_01&utm_medium=email&utm_term=0_-59328f5e21-%5BLIST_EMAIL_ID%5D) (last visited Jun 2, 2024).

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

3 39. Despite issues with its repair service delivery, however, Tesla Inc. has opposed
4 “right-to-repair” legislation that would make it easier for people to repair their vehicles by making
5 sure that independent shops have access to the same diagnostic tools, parts, and software as
6 manufacturer-run repair shops.⁸

7 **C. Tesla Inc.’s Warranties**

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

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

14 42. All new Tesla Vehicles are covered by a New Vehicle Limited Warranty (“New
15 Vehicle Warranty”), which is a package of three warranty areas: the Basic Vehicle Limited
16 Warranty (“Basic Warranty”), the Supplemental Restraint System Limited Warranty
17 (“Supplemental Warranty”), and the Battery and Drive Unit Limited Warranty (“Battery and Drive
18 Unit Warranty”).

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

23 44. Eligible customers whose Basic Warranty has not yet expired may extend some of
24 the warranty’s protections by purchasing an optional Extended Service Agreement. The price of
25 the Extended Service Agreement varies by model, but, upon information and belief, Plaintiff alleges

26 ⁷ Heilweil, *supra* note 3.

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 that purchase of the Extended Service Agreement may cost as much as \$3,500 for two (2) years or
2 25,000 miles of additional Basic Warranty coverage.

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

5 46. Tesla Inc.'s New Vehicle Warranty covers battery and drive units through the
6 Battery and Drive Unit Warranty, a separate more extensive warranty, whose coverage period
7 varies by Tesla Vehicle model.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 **D. Tesla’s Odometer System**

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

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

23 62. Notwithstanding this sophisticated and technical ability to measure distances
24 traveled precisely, Plaintiff alleges that Defendants misrepresent and manipulate the mileage driven
25 by Tesla Vehicles by way of an odometer system (“Tesla’s Odometer System”) that unlike
26 traditional vehicles, utilizes a miles-to-electrical energy conversion factor that relies on predictive
27 algorithms, energy consumption metrics, and driver behavior multipliers to determine mileage
28 traveled.

1 63. Specifically, Tesla Odometer System are integrally linked to Tesla Vehicles’ energy
2 consumption metrics and range estimation algorithms, as evidenced by Tesla Inc.’s patents and
3 internal methodology detailed in Patent US8054038B2. This patent confirms that Tesla Odometer
4 System readings are not direct measurements of distance traveled, but are instead derived from
5 energy consumption data, driving behavior patterns, and predictive algorithms. The patent
6 explicitly describes a “miles-to-electrical energy conversion factor” that varies dynamically based
7 on road and traffic conditions.

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

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

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

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

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

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

27 69. Upon information and belief, Plaintiff alleges that an analysis of Tesla Vehicle data,
28 including charging logs, energy efficiency metrics, and odometer readings, demonstrates

1 significant discrepancies between reported mileage and actual distance traveled.

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

5 71. In truth, and without the knowledge of Plaintiffs or consumers, and/or disclosure by
6 Defendants, Defendants represented Tesla Vehicles' odometers as functioning like commonly
7 accepted odometers, but instead intentionally designed, manufactured, calibrated, installed, altered,
8 set and/or tolerated their Tesla Odometer Systems (ether directly and/or by using a device, devices,
9 or software) to inflate the mileage travelled by the vehicle by varying percentages ranging from 15
10 percent to 117 percent higher than Plaintiff's other vehicles and many times greater than the four
11 percent industry standard tolerance for measures of inaccuracy in odometers under normal
12 conditions.

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

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

23 74. Upon information and belief, Plaintiff alleges that Tesla's odometer discrepancies
24 are not isolated incidents but rather systemic issues affecting a broad class of consumers. Due to
25 Defendants' over-registration of miles traveled in Tesla Vehicles, Plaintiff alleges that owners of
26 Tesla Vehicles are deprived of the benefits of their bargains in purchasing, financing, or leasing
27 these Tesla Vehicles, by among other things: (i) installing and tolerating misleading odometer
28 systems in their vehicles; (ii) accelerating the expiration of warranties tied to mileage thresholds;

1 (iii) diminishing the number of miles allowed to be driven under their leases without penalty,
2 thereby causing them to pay excess mileage charges for which they rightfully bear no responsibility;
3 and/or (iv) diminishing the resale value of Tesla Vehicles.

4 75. As a result of its scheme, Tesla Inc., and by extension all Defendants, reaped, and
5 will continue to reap, financial benefits in the form of (i) avoiding manufacturing costs of installing
6 odometers in their vehicles that accurately record the mileage driven; (ii) warranty repair savings;
7 and/or (iii) excess lease mileage charges, all to the financial detriment of Tesla Vehicle owners or
8 lessees. The resale value of the vehicles owned by consumers also has been (and will continue to
9 be) diminished.

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

15 **PLAINTIFF'S INDIVIDUAL ALLEGATIONS**

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

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

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

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

28 81. As part of this transaction, Plaintiff also received from Tesla Inc. the Battery and

1 Drive Unit Warranty, which was to expire September 5, 2028, or 120,000 miles, whichever came
2 first; and the Supplemental Warranty, which covered Plaintiff's vehicle for five (5) years or 60,000
3 miles, whichever came first. Plaintiff's vehicle was also covered by a Body Rust Limited Warranty;
4 Used Vehicle Limited Warranty; and a Parts, Body and Paint Repair Limited Warranty.

5 82. In connection with the purchase of the vehicle, Defendants expressly or impliedly
6 represented to Plaintiff that his Tesla Vehicle's odometer would accurately record the number of
7 miles travelled by the vehicle.

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

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

14 85. In or around March 2023, Plaintiff observed peculiar patterns in mileage
15 accumulation in his Tesla Vehicle, particularly in relation to Tesla Inc.'s warranty expiration. In
16 reviewing the number of miles recorded on his Tesla Vehicle, Plaintiff observed a daily average of
17 55.54 miles between December 12, 2022, and February 6, 2023.

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

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

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

28 89. As a result of this increased mileage accumulation, Plaintiff's Basic Warranty

1 expired well ahead of schedule – when the odometer read that the vehicle had reached 50,000 miles
2 – in or around July 7, 2023.

3 90. As a result, on January 24, 2024 when Plaintiff took his Tesla Vehicle for a sixth
4 service visit to an authorized Tesla Inc. repair center to again address the ongoing suspension issues
5 that plagued his Telsa Vehicle (and which were repaired under warranty on February 6, 2023) the
6 representatives at the authorized Tesla Inc. repair recenter refused to perform the necessary repairs
7 under warranty, telling Plaintiff that his Tesla Vehicle was no longer under warranty for the
8 necessary repairs.

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

12 92. The invoices Plaintiff received from repair center simply identified mileage under a
13 section titled “Odometer”.

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

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

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

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

28 97. In the years prior to purchasing his Tesla Vehicle, Plaintiff owned several other

1 types of vehicles including two (2) Chevy models and one (1) Mercedes model. Plaintiff's
2 historical vehicle usage under comparable conditions with these three (3) prior vehicles produced
3 a six-month average mileage benchmark of 6,086 miles. In contrast, Plaintiff's Tesla Vehicle
4 reported 13,228 miles in a similar six-month period of ownership—representing a 117 percent
5 increase over the established benchmark.

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

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

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

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

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

22 103. Now that his Tesla Vehicle's warranty has prematurely expired, Tesla Inc. refuses
23 to perform any further work under warranty and that all subsequent work would be “customer pay
24 service”.

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

28 105. Representatives at the repair center confirmed that Plaintiff's Tesla Vehicle's

1 suspension needed significant repairs—which the repair center estimated would cost around
2 \$10,000.

3 106. Interestingly, the representative at this repair center (Javier Romo) told Plaintiff that
4 all Tesla Inc. repairs come with a one-year warranty – meaning that the repairs quoted to Plaintiff
5 in January 2024, and which Tesla Inc. told Plaintiff he would need to pay out-of-pocket because
6 his Tesla Vehicle was no longer under warranty, should have been covered by Tesla Inc.’s repair
7 warranty as these new repairs would have been within one year of the suspension work performed
8 back in February 2023.

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

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

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

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

25 **CLASS ACTION ALLEGATIONS**

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

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

3 112. The members Class are collectively referred to herein as the “Class Members.”

4 113. Excluded from the Class are assigned judges and members of their families within
5 the first degree of consanguinity; Defendants; and Defendants’ subsidiaries, affiliates, officers, and
6 directors.

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

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

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

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

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

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

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

5 b. Whether Defendants adopted and implemented a uniform odometer performance
6 standard for all of their Tesla Vehicles;

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

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

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

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

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

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

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

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

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

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

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

- 1 n. Whether Defendants' conduct violates public policy;
- 2 o. Whether Plaintiff and Class Members are entitled to actual damages, consequential
3 damages; and statutory penalties, and if so, the proper measure and amounts;
- 4 p. Whether Class Members are entitled to punitive damages;
- 5 q. Whether Class Members are entitled to recover statutory attorney's fees and
6 litigation costs; and
- 7 r. Whether, as a result of Defendants' misconduct as alleged herein, Plaintiff and Class
8 Members are entitled to restitution, injunctive and/or monetary relief and, if so, the amount and
9 nature of such relief.
- 10 120. Plaintiff's claims are typical of the claims of the proposed Class because the rights
11 of Plaintiff and Class Members were violated in the same manner by the same conduct.
- 12 121. Plaintiff and Class Members are all entitled to recover statutory penalties and other
13 relief arising out of Defendants' violations of statutory law alleged herein.
- 14 122. Plaintiff will fairly and adequately represent and protect the interests of the Class.
- 15 123. Plaintiff's interests do not conflict with the interests of the Class they seek to
16 represent. Plaintiff has retained counsel competent and experienced in prosecuting class actions,
17 and Plaintiff intends to vigorously prosecute this action.
- 18 124. The class mechanism is superior to other available means for the fair and efficient
19 adjudication of the claims of Plaintiff and Class Members.
- 20 125. Given the relative value of statutory penalties available to any of the individual Class
21 Members, individual litigation is not practicable.
- 22 126. Individual Class Members will not wish to undertake the burden and expense of
23 individual cases.
- 24 127. In addition, individualized litigation increases the delay and expense to all parties
25 and multiplies the burden on the judicial system. Individualized litigation also presents the
26 potential for inconsistent or contradictory judgments.
- 27 128. In contrast, the class action device presents far fewer management difficulties and
28 provides the benefits of single adjudication, economy of scale, and comprehensive supervision by

1 a single court.

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

5 130. In each case, Defendants' actions caused harm to all Class Members as a result of
6 such conduct. The resolution of these central issues will be the focus of the litigation and
7 predominate over any individual issues.

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

10 **COUNT I**

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

12 132. Plaintiff and Class Members reallege and incorporate by reference each allegation
13 set forth above.

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

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

1 systems.

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

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

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

11 **COUNT II**

12 **(UNJUST ENRICHMENT/RESTITUTION)**

13 137. Plaintiff and Class Members reallege and incorporate by reference each allegation
14 set forth above.

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

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

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

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

25 142. Defendants have been unjustly enriched, and will continue to be unjustly enriched,
26 in retaining the revenues derived from Plaintiff and Class Members' purchases of Tesla Vehicles,
27 whose warranties are prematurely expired by odometer overcounting, which retention under these
28 circumstances is unjust and inequitable because Defendants misrepresented and/or omitted material

1 facts concerning the Tesla Odometer Systems.

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

5 144. Defendants' misrepresentations and/or omissions caused injuries to Plaintiff and
6 Class Members because no reasonable consumer would have purchased the Tesla Vehicles if
7 Defendants were honest about the value and the true facts regarding Tesla Odometer Systems and
8 warranties.

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

12 **COUNT III**

13 **(NEGLIGENT MISREPRESENTATION)**

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

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

19 148. Defendants made negligently misrepresented how the Tesla Odometer Systems
20 calculate and represent mileage driven by Tesla Vehicles, and how differ from traditional
21 odometers.

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

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

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

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

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

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

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

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

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

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

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

28 160.

1 COUNT IV

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

3 161. Plaintiff and Class Members reallege and incorporate by reference each allegation
4 set forth above.

5 162. Commencing on a date unknown to Plaintiff and Class Members, and continuing
6 thereafter through the present, Defendants committed (and continue to commit) acts of unfair
7 competition, by engaging in the above-described conduct to the extreme detriment of Plaintiff and
8 Class Members.

9 163. Defendants' wrongful acts and practices, as described above, constitute unlawful,
10 unfair, and fraudulent business acts and practices within the meaning of California Business and
11 Professions Code section 17200, *et seq.*

12 164. Defendants' wrongful acts and practices, as described above, constitute "fraudulent"
13 business acts and practices in that the representations and omissions described herein are false
14 and/or likely to deceive potential and current customers.

15 165. Defendants' wrongful acts and practices, as described above, constitute "unfair"
16 business acts and practices in that the harm caused by Defendants' conduct outweighs any utility
17 of such conduct, and such conduct (i) offends public policy including, but not limited to, the public
18 policy articulated in statutes such as 49 U.S.C. §§ 32703(1)-(2); 32710; and California Vehicle Code
19 section 28050; (ii) is immoral, unscrupulous, unethical, deceitful, and offensive; and/or (iii) has
20 caused (and will continue to cause) substantial injury to consumers such as Plaintiff and Class
21 Members.

22 166. Defendants' wrongful acts and practices are "unlawful" in that they violate, *inter*
23 *alia*, 49 U.S.C. §§ 32703(1);(2); 32710; and California Vehicle Code section 28050.

24 167. Defendants' failure to disclose the operation and effects of its odometer system
25 constitutes a deceptive practice, as consumers reasonably rely on odometer readings as accurate
26 reflections of distance traveled.

27 168. Defendants' unlawful and unfair conduct, which continue day to day, has allowed
28 for Defendants to enrich themselves at the expense of Plaintiff and Class Members, including

1 through Plaintiff's and Class Members' payment of monies to Defendants, including without
2 limitation through the purchase of a Tesla Vehicle – whether self-financed or financed and leased
3 from Tesla Inc. via Tesla Finance.

4 169. Defendants' conduct results in shortened warranty periods, increased repair costs
5 for consumers, and reduced warranty obligations and increased sales of extended warranties – all
6 of which result in financial gain for Defendants.

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

10 **COUNT V**

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

12 171. Plaintiff and Class Members reallege and incorporate by reference each allegation
13 set forth above.

14 172. Commencing on a date unknown to Plaintiff and Class Members, and continuing
15 thereafter through the present, Defendants committed (and continue to commit) deceptive acts and
16 practices by engaging in the above-described conduct to the extreme detriment of Plaintiff and
17 Class Members.

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

21 174. Defendants' marketing materials and statements concerning the operation of Tesla
22 Vehicle components, including the odometer, and Tesla Vehicle warranties are commercial
23 advertisements that Defendants intended to disseminate across California.

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

27 176. Defendants' advertising of their warranties is "deceptive" in that it misrepresents
28 the value of the warranty, the true number of miles of warranty protection Defendants will provide,

1 and the true number of miles, at which excess mileage lease charges will be incurred.

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

4 178. Defendants' deception through their commercial advertisements was material and a
5 substantial reason that Plaintiff and Class Members purchased Tesla Vehicles.

6 179. Plaintiff and Class Members were harmed as a result of Defendants' false
7 statements, and are thus entitled to restitutionary and injunctive relief, including without limitation
8 disgorgement of any unlawful gains that Defendants obtained as a result of their unlawful and unfair
9 conduct at the expense of Plaintiff and Class Members.

10 **COUNT VI**

11 **(BREACH OF CONTRACT)**

12 180. Plaintiff and Class Members reallege and incorporate by reference each allegation
13 set forth above.

14 181. Plaintiff and Class Members entered into agreements with Defendants for the
15 purchase of Tesla Vehicles, repairs, and their accompanying warranties.

16 182. Under the Tesla Vehicle warranties, coverage was to be provided up to a certain date
17 or milage.

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

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

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

27 186. Tesla Inc. also charged Plaintiff for work performed on his Tesla Vehicle that was
28 within the applicable warranty period that covers authorized repairs on Tesla Vehicles.

1 187. Thus, Defendants breached their agreements with Plaintiff by failing to provide him
2 with the promised warranty coverage due to the overcounting of mileage expedited the warranty's
3 expiration.

4 188. Plaintiff is informed and believes, and thereon alleges, that Defendants engaged in
5 similar breaches of the agreements Defendants had with Class Members by failing to provide Class
6 Members with services covered under the Tesla Vehicle warranties that were included in their
7 purchase of a Tesla Vehicle – including purchases that were self-financed or financed and leased
8 from Tesla Inc. via Tesla Finance.

9 189. Plaintiff and Class Members fully, completely, and competently performed and
10 fulfilled their obligations under their agreement with Defendants for the Tesla Vehicles and their
11 accompanying warranties, except for those that have been excused or otherwise discharged by
12 Defendants or Defendants' conduct.

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

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

18 **COUNT VII**

19 **(MONEYS HAD AND RECEIVED)**

20 192. Plaintiff and Class Members reallege and incorporate by reference each allegation
21 set forth above.

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

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

28 195. As a result, Defendants have in their possession money, which in equity belongs to

1 Plaintiffs and Class Members and should be refunded to Plaintiff and Class Members pursuant to
2 the California equitable principle of money had and received.

3 **TOLLING OF THE STATUTES OF LIMITATIONS**

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

5 196. Plaintiff and Class Members reallege and incorporate by reference each allegation
6 set forth above.

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

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

25 **PRAYER FOR RELIEF**

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

28 a. Determining that this action is a proper class action and certifying the Class, as

1 defined herein;

2 b. Appointing Plaintiff as Class Representative;

3 c. Appointing the undersigned as Class Counsel;

4 d. Finding Defendants liable to Plaintiff and Class Members for actual damages in such
5 amount(s) as the Court or Jury may determine;

6 e. Awarding statutory damages as appropriate;

7 f. Awarding disgorgement of gross profits and all other forms of equitable monetary
8 relief;

9 g. Awarding punitive damages based on Defendants' malicious, oppressive,
10 fraudulent, wanton and reckless behavior;

11 h. Awarding pre- and post-judgment interest;

12 i. Awarding injunctive relief, as claimed herein or as the Court may deem proper;

13 j. Awarding Plaintiff and Class Members attorney fees and all litigation costs;

14 k. Awarding Plaintiff and Class Members such other relief as may be just and proper;

15 l. Awarding compensatory damages against Defendant in favor of Plaintiff and the
16 Class for damages sustained as a result of Defendant's wrongdoing; and

17 m. Awarding such other and further relief as may be just and proper.

18 **DEMAND FOR JURY TRIAL**

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

20
21 Dated: February 7, 2025

SINGLETON SCHREIBER, LLP

22
23 By: _____
24 Christopher R. Rodriguez
25 Attorneys for Plaintiffs
26
27
28

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Tesla Lawsuit Alleges Automaker Manipulates Odometer Readings to Avoid Warranty Obligations](#)
