

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

STATE OF RHODE ISLAND, by and
through Attorney General Peter F. Neronha

Plaintiff,

v.

Smart Green Solar LLC.,
and Jasjit Gotra

Defendants.

C.A. No.: PC-2023-_____

COMPLAINT

The State of Rhode Island *ex rel.* Peter F. Neronha, Attorney General, for its Complaint against Defendants states:

I. INTRODUCTION

1. This is a consumer protection action brought to redress and restrain violations of the Rhode Island Deceptive Trade Practices Act (“DTPA”), R.I. Gen. Laws §§ 6-13.1–1, et. seq.

2. Defendant Smart Green Solar, LLC (“Smart Green”), acting under the control of Jasjit Gotra, has engaged in a pattern of unfair and deceptive trade practices targeted at Rhode Island consumers.

3. Smart Green was registered to do business in Rhode Island after Mr. Gotra and his company, Alliance Security Inc., were each fined a \$9.85 million-dollar civil penalty for illegal telemarketing and illegally obtaining consumer credit reports by the Federal Trade Commission (“FTC”) in 2020.

4. Smart Green engages in door-to-door sales of residential solar panel systems in Rhode Island. Smart Green deploys salespeople to knock on doors and make unsolicited sales pitches to consumers to convince them to buy solar panels.

5. At the center of Smart Green’s sales pitch – both in their online advertisements and in-person solicitations – is the federal Residential Clean Energy Tax Credit.

6. This program provides eligible purchasers with tax credits worth up to 30% of the purchase price of their solar panel system.

7. However, Smart Green unfairly and deceptively promised consumers that they *will* receive a payment from the government for 30% of their purchase price.

8. Smart Green management trains their employees to essentially guarantee that consumers will receive this tax credit. For example, Smart Green trains their salespeople to describe the federal tax credit as a “down payment” on their purchase, that this government “I-owe-you” is the reason that Smart Green offers no-money-down financing, and to tell customers that Smart Green “knows” they will be receiving this payment.

9. Smart Green also works with third-party lenders to deceptively structure financing arrangements with low initial payments, which Smart Green then uses to describe the relative costs and benefits of installing solar panels. These loan payments will then dramatically increase by approximately 133% of the initial payment amount if the consumer fails to pay off 30% of the total loan amount within 18 months.

10. A number of Rhode Island consumers have confirmed with the Rhode Island Office of Attorney General’s (“OAG”) Consumer & Economic Justice Unit that Smart Green salespeople misled them about their eligibility for the federal tax credit and/or the amount of tax credit they could expect to receive.

11. Those consumers, who were told they were financing a solar panel system for no money down at a locked-in rate, are faced with either paying potentially tens of thousands of dollars to the lender or paying a much higher than expected price per month for their energy.

12. Similarly, Rhode Island consumers have reported that they were misled about other financial benefits related to their solar panel purchase, such as the amount of cost reductions they could expect

in their monthly energy bills or payments they could expect to receive from their utility company for excess power production.

13. According to one legally blind consumer, he contracted to purchase – and paid for – 33 solar panels from Smart Green. However, once the system was installed, he learned that only 21 solar panels were actually placed on his roof. Smart Green did not notify him of this issue nor provide him with a refund until after the OAG intervened and contacted the company on his behalf.

14. Finally, consumers reported that their entire initial transaction with Smart Green took place on an electronic device which allowed salespeople to fail to inform consumers of their statutory three-day right to cancel and direct them to sign with their finger after they scrolled past the contract terms and disclosures.

15. Consumers also reported that they did not receive a copy of their contract immediately after signing and instead had difficulty obtaining a copy, which often took weeks and multiple requests.

16. Given this pattern of unfair and deceptive conduct, the OAG now seeks court intervention to enjoin this type of unfair and deceptive sales activity, to order that Smart Green and Mr. Gotra provide monetary relief to harmed consumers, and to levy an appropriate civil penalty to punish and deter illegal conduct.

II. PARTIES

17. Rhode Island Attorney General Peter F. Neronha is authorized to bring this action on behalf of the State of Rhode Island by R.I. Gen. Laws § 6-13.1, *et seq.* and R.I. Gen. Laws § 5-65-10(b).

18. Defendant Smart Green Solar LLC is a Delaware limited liability company registered with the Rhode Island Secretary of State (“Secretary of State”). It was converted from Alliance Holdings GFD Inc. to Smart Green in October 2022. Smart Green’s principal office is located at 33 Broad Street, Floor 5, in Providence RI 02903.

19. Defendant Jasjit Gotra identifies himself as the Chief Executive Officer of Smart Green and is identified as Smart Green's registered agent with the Secretary of State.

III. JURISDICTION AND VENUE

20. This Court has subject-matter jurisdiction over this matter pursuant to R.I. Gen. Laws § 6-13.1-5.

21. This Court has personal jurisdiction over Smart Green because it has a principal office and significant business operations in Rhode Island.

22. This Court has personal jurisdiction over Mr. Gotra because, upon information and belief, he is a Rhode Island resident. Furthermore, Mr. Gotra exercises control over Smart Green, including a direct role in its sales and customer service functions, and therefore regularly conducts the business activities which are at issue in this complaint.

IV. FACTUAL ALLEGATIONS

23. The residential solar panel contracting business in Rhode Island involves three distinct industries: sales and solicitation, installation, and financing. In fact, the process of buying solar panels in Rhode Island often involves interacting with three different companies at each stage of the process.

24. While companies that install solar panels in Rhode Island must have an employee or agent registered as a contractor with the Department of Business Regulation, the solar *sales* industry is largely unregulated.

25. A company or salesperson does not need to be licensed or certified by a government agency to sell solar panels – including businesses that send salespeople door-to-door to collect sensitive personal information used to check consumers' credit.

26. In recent years, Rhode Island consumers have been incentivized to purchase and install solar panels on their home through numerous state and federal programs. This initiative is intended to

encourage Rhode Islanders to invest in renewable energy and prepare for a future of energy independence and resilience.

27. At the same time, a number of new solar sales and installation companies have entered the Rhode Island market to potentially capitalize on this growing demand.

28. One of those recent market entrants is Smart Green Solar LLC. According to the Secretary of State's website, they first qualified to do business in the state in March 2021.

Alliance Security Inc. and Jasjit Gotra

29. Upon information and belief, Smart Green is operated by its Chief Executive Officer, Jasjit "Jay" Gotra.

30. Prior to creating Alliance Holdings GFD Inc. d/b/a Smart Green, Inc. in 2021, Mr. Gotra operated Alliance Security Inc., another Rhode Island-based company.¹ Mr. Gotra and Alliance were sued by the Federal Trade Commission in 2014 and again in 2018 for violations of the FTC's Telemarketing Sales Rule.

31. In its 2018 lawsuit, the FTC accused Mr. Gotra and Alliance of routinely performing unauthorized and unlawful credit inquiries on its potential customers, causing telemarketers to call over one million numbers listed on the National Do Not Call Registry on behalf of Alliance, and Alliance of misrepresenting and deceiving consumers regarding its business affiliation or identity.

32. In May 2020, federal Judge Mary S. McElroy of the District of Rhode Island approved a final order resolving the FTC's case against Mr. Gotra which imposed a \$9.85 million civil penalty on him and banned him from participating in nearly all outbound telemarketing.²

33. In September 2020, Alliance Security Inc.'s certificate of authority was revoked by the Secretary of State.

¹ *Federal Trade Commission v. Gotra, et al.*, Case No. 1:18-cv-10548, Dkt. No. 1 (D. Mass Mar. 22, 2018).

² *Federal Trade Commission v. Alliance Security Inc., et al.*, Case No. 1:19-cv-00410-MSM-LDA, Dkt. No. 94 (D.R.I. May 14, 2020).

34. In addition to Mr. Gotra, Smart Green currently employs numerous former Alliance Security Inc. employees in supervisory and management positions.

Smart Green's Business

35. According to their website, smartgreensolar.com, Smart Green operates a solar sales and installation business primarily in Rhode Island and Massachusetts.

36. Unlike a number of solar companies operating in Rhode Island, Smart Green advertises that it handles both the sale and installation of residential solar panels.

37. Smart Green is permitted to install solar panels on residences as a registered contractor with the Department of Business Regulation.

38. Smart Green works with third-party financial institutions to secure financing for customers who decide to purchase solar panels.

39. Smart Green attempts to sell solar panels to Rhode Islanders in numerous ways. For example, their sales team engages in unsolicited door-to-door sales. Smart Green employs two types of door-to-door salespeople. First, they employ lead-generators who will knock on someone's door unsolicited. Their role is to convince the consumer to schedule a second appointment.

40. Second, another salesperson is sent to the resident, whose job is to then convince the consumer to purchase solar panels for their home.

41. Similarly, Smart Green advertises solar panel sales on its website smartgreensolar.com, has an active Facebook account where it routinely posts, and also operates a YouTube page where it posts advertisements.

42. Smart Green is limited in its ability to engage in telemarketing based on Mr. Gotra's agreement with the FTC.

43. Smart Green’s salespeople often use tablet computers when making in-person solicitations. They will use that tablet to present customers with information regarding their potential transaction and then ask potential customers to sign an installation contract on that device.

44. Smart Green has posted over 150 videos to their YouTube channel: <https://www.youtube.com/@smartgreensolar>. Many of these video advertisements feature either Mr. Gotra or the company’s Chief Sales Officer Chris Schiavone “inside the salesroom” training what appears to be members of their sales team to sell solar panels. Between motivational speeches regarding Mr. Gotra’s over \$12,500 per month mortgage payments or six pack abs, these videos also demonstrate how Smart Green trains their sales team to interact with customers.

45. For example, in one of these sessions Mr. Gotra addresses what is described as the “salesroom” regarding how to address the companies’ negative online reviews.³ He explains that potential customers who “see a bad review” and “get afraid and move on” are “victims” who “always blame everybody else.” He explains that he told one potential customer that those who post negative



³ CEO Addresses Bad Solar Reviews in 2023, <https://www.youtube.com/watch?v=oHCTLzWIAZ8>.

reviews are potentially “unreasonable people who you just can’t reason with” or are acting “emotionally.”⁴

46. In that same video, Mr. Gotra also misleadingly claims that the company has a “five-year history” of solar installations despite only installing solar panels for approximately two years.

47. In their online and in-person sales pitches, Smart Green salespeople are often unequivocal that contracting with them to purchase and install solar panels will save Rhode Islanders money as compared to continuing to purchase their power through their utility company.

48. Smart Green’s representations are littered with assumptions about how much energy the installed solar panels will produce and – crucially – the potential customer’s eligibility for government incentives.

49. At the core of Smart Green’s in-person and online advertisements are representations regarding a federal solar incentive that, according to Smart Green, will cover 30% of the cost of their solar panel project.

50. For some customers, Smart Green’s assumptions regarding energy production, installation timing, and tax benefits for customers may turn out to be accurate and they are satisfied with their purchase. But others who relied on Smart Green’s representations are left paying far more than they were led to believe.

Defendants’ Sales Tactics

51. Consumer complaints to the OAG have revealed a troubling pattern. Numerous complaints allege that Smart Green’s sales staff have made misleading and deceptive representations to consumers regarding the total price of their solar panel system (based on their eligibility for tax credits), the amount of energy their systems will produce (and therefore the amount consumers will have to pay to their electric company), and that Smart Green sales staff asks customers to sign their installation

⁴ CEO Addresses Customer About Bad Reviews in 2023, <https://www.youtube.com/shorts/-FQjmb1FIGI>.

contract on a tablet or computer before they have had an opportunity to closely review it, and without explaining that they have a three day right to cancel.

52. The Residential Clean Energy Credit is at the core of Smart Green’s advertising and is the basis of the value proposition they present to their customers when trying to convince them to purchase solar panels. For example, four Rhode Island consumers provided detailed accounts to the OAG of how they were misled about the credit and relied on Smart Green’s promises that they would receive substantial payments from the government after purchasing their system.

53. Rhode Island consumers explained how they were misled to believe that their solar panel system would produce enough power to fully eliminate their electric bill or even produce enough excess electricity to pay off their solar panel loan.

54. Rhode Island consumers also detailed how they completed the purchase process on a tablet computer without an opportunity to fully review the installation contract and were not advised of their right to cancel their contract within three days.

55. Even though Smart Green’s consumer contracts may include the three-day right to cancel notice as required by R.I. Gen. Laws § 6-28-4, consumers describe how Smart Green salespeople will often scroll through the contract directly to the signature line without the consumer being able to read the disclosure, bypassing this important statutory protection.

Deceptive Conduct Related to the Federal “Residential Clean Energy Credit”

56. Smart Green’s practice of misrepresenting the Residential Clean Energy Tax Credit, assuring customers who are ineligible for the credit that they will qualify, and pricing their product in a way that assumes consumers will receive the full value of the tax credit is unfair and deceptive to consumers.

57. The Residential Clean Energy Credit is a federal tax credit for 30% of the cost of qualified purchases of new clean energy property, such as solar panels, installed on residential homes.⁵

58. However, this is a non-refundable tax credit rather than a direct payment to consumers – therefore, consumers will receive a reduction in their tax liability that cannot exceed the amount of taxes owed.

59. Consumers will not receive any credit if they do not owe the federal government income tax in the year that their solar panels are installed. Additionally, the tax credit will be reduced if the consumer uses their home partly for business. If the tax credit exceeds a consumer's federal tax liability, that credit will roll over from year to year.

60. Instead of accurately describing how this tax credit works, Smart Green tells customers that the federal government will be paying a 30% “down payment” on their system and that this “down payment” is the reason why a consumer can finance their purchase with no money down.

61. Smart Green structures transactions with low up-front monthly payments that assume consumers will receive the 30% federal tax credit.

62. On information and belief, Smart Green will then use this lower payment when discussing a consumer's potential savings when compared to their current electric bill, suggesting that it is available to them regardless of whether they qualify.

⁵ Residential Clean Energy Credit, <https://www.irs.gov/credits-deductions/residential-clean-energy-credit>.

63. For example, on their website Smart Green advertises that “you can have the government put down up to 30% of the price of your system”:

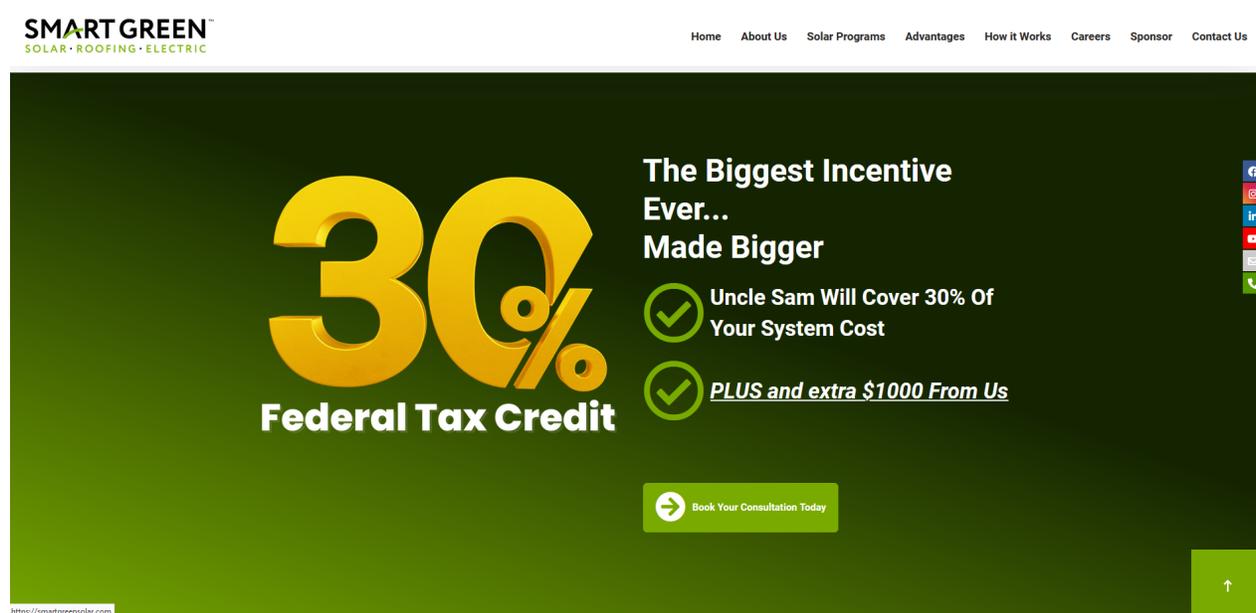


Federal Tax Credits

30% Tax Credit off the price of your solar project

By leveraging the Federal Tax Program you can have the government put down up to 30% of the price of your system. This tax incentive is one of the reasons why the cost of solar is less than your current utility rates. By leveraging this credit you can go from renting your power to owning your power and locking in your utility rates. You cannot live without power. But you can decide how much you'll pay for it. Let us help you create a predictable environment

64. In another online advertisement, Smart Green proclaims that “Uncle Sam Will Cover 30% of Your System Cost”:



65. In one March 3, 2023 web advertisement titled “Is There a Free Solar Program?”, Smart Green explains that there is “a 30% federal tax credit which applies to the total cost of the system, which can make a huge difference in the final cost. For example, let’s say that you’re looking to install a \$20K solar panel energy system for your home. With the ITC, you’d be eligible for up to \$6,000 in tax

credits, making your total cost only \$14,000 – and that’s not even accounting for other incentives your state or utility may offer.”⁶

66. Mr. Gotra himself also appears in videos and advertisements touting how consumers can save money through federal tax credits.

67. For example, Mr. Gotra appears in a YouTube advertisement titled “Get educated about solar with Jay Gotra, CEO of Smart Green Solar.”⁷ In that advertisement, Mr. Gotra is unequivocal about



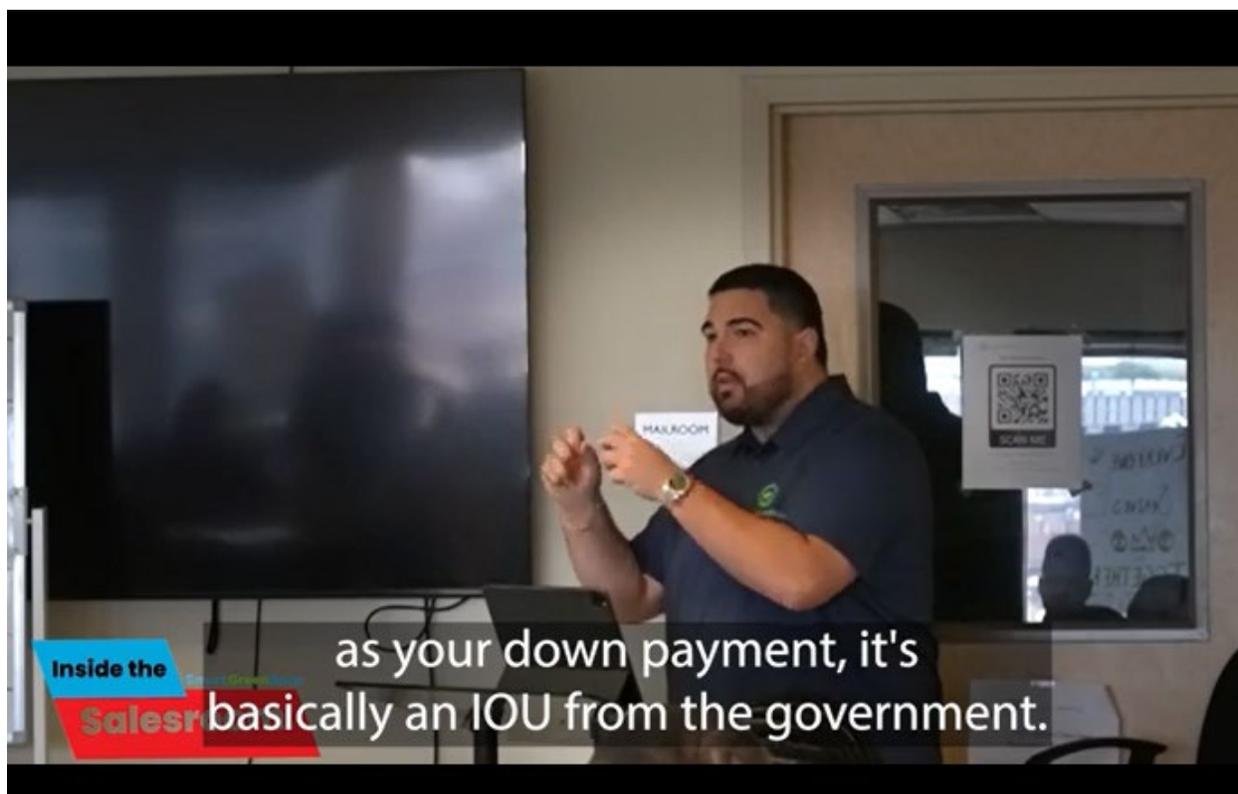
customers’ ability to benefit from tax credits and save thousands of dollars over their current utility payments: “The truth is, if you go solar today *you take advantage of these tax credits* and get the system installed, you not only benefit for the next three to five years by *saving thousands of dollars that you are literally going to burn away* giving to your utility company. Okay. You are going to create a pay-it-forward circumstance for the new homeowner purchasing this home.” (emphasis added)

⁶ <https://smartgreensolar.com/is-there-a-free-solar-program/>.

⁷ <https://www.youtube.com/watch?v=aqAF8hfVoG8>.

68. Smart Green’s management also trains the company’s sales force to misleadingly describe the federal tax credit as a “down payment.”

69. For example, Smart Green’s Chief Sales Officer Chris Schiavone trains his sales team to tell potential customers that their purchase is “no money down” because the government is actually paying a 30% “down payment” as an “IOU.” He instructs the sales team to explain that a customer can use those funds for themselves or hand them over within 18 months to the financial institution that financed their purchase.⁸



70. On information and belief, Mr. Schiavone is a former Director of Sales Operations at Alliance Security, Inc.

⁸ “Solar Isn’t Too Good to Be True”, <https://www.youtube.com/watch?v=XOa2VdKvFD0>.

71. In one YouTube advertisement titled “Why zero down payment is required to Go Solar,” Mr. Schiavone trains his sales staff to tell customers they will receive this 30% tax credit and that this is the reason they can finance their purchase with zero money down. Specifically, he instructs the “sales room” to explain that “the initial money, *the reason you aren’t putting any money down* is because Uncle Sam is telling us that he’s going to give us ... 30%. The money that is going to go down as your down payment is basically an ‘I owe you’ from the government. *We know that money is coming to you* in some sense of a tax credit, or tax relief if your 1099, or this, that, and the other. Because of that, the finance company is giving you a temporary credit for 18 months alleviating your need to put money down today.” (emphasis added)⁹

72. As discussed further below, complaints from Rhode Island consumers reveal that Smart Green’s sales force puts this training into practice – Rhode Island consumers have reached out to the OAG about their experience of being promised that they would receive a 30% payment from the government only to learn that they did not qualify after the solar panels were installed.

73. Smart Green also works with its partner financial institutions to structure loans in a way that misleads consumers to believe that they qualify for and will receive a payment from the government.

74. Smart Green works with financial partners to structure loans so that for the first 18 months, a consumer will have a reduced monthly payment as if they only financed 70% of their purchase. However, monthly payments substantially increase after that initial period expires unless the consumers pay the financial institution 30% of the value of their loan.

75. As detailed by several Rhode Island consumers, Smart Green sales staff presented them with estimated monthly payments as if they were guaranteed to receive that 30% tax credit, and used those numbers to explain how they would pay less than they currently do for their electric bill.

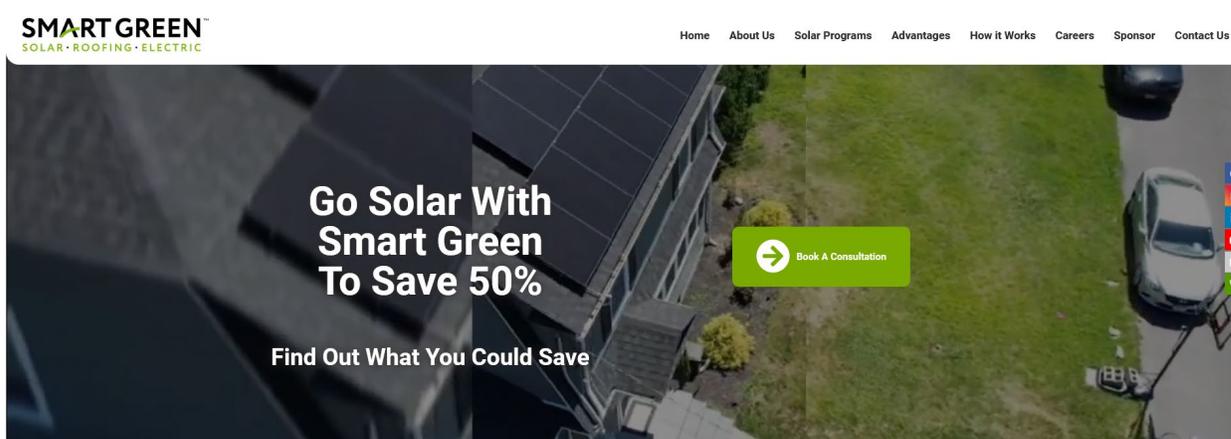
⁹ <https://www.youtube.com/watch?v=ZVnophf0X-c&list=PLi027ZkcE57a5mU0h9rmhuD5nkODE-epT&index=9>.

76. Consumers that don't receive a full 30% tax credit are then faced with the choice of either a significantly higher monthly loan payment or paying thousands or tens of thousands more dollars to continue with the loan payment initially promised by Smart Green.

Deceptive Conduct Related to Potential Savings and Monthly Bills

77. Similarly, Smart Green is often unequivocal in its advertising that consumers will save money by contracting with Smart Green to purchase solar panels as compared to continuing to purchase electricity from their utility and that purchasing solar panels will fully eliminate their electric bill.

78. For example, on their website, Smart Green advertises: "Go Solar With Smart Green to Save 50%":¹⁰



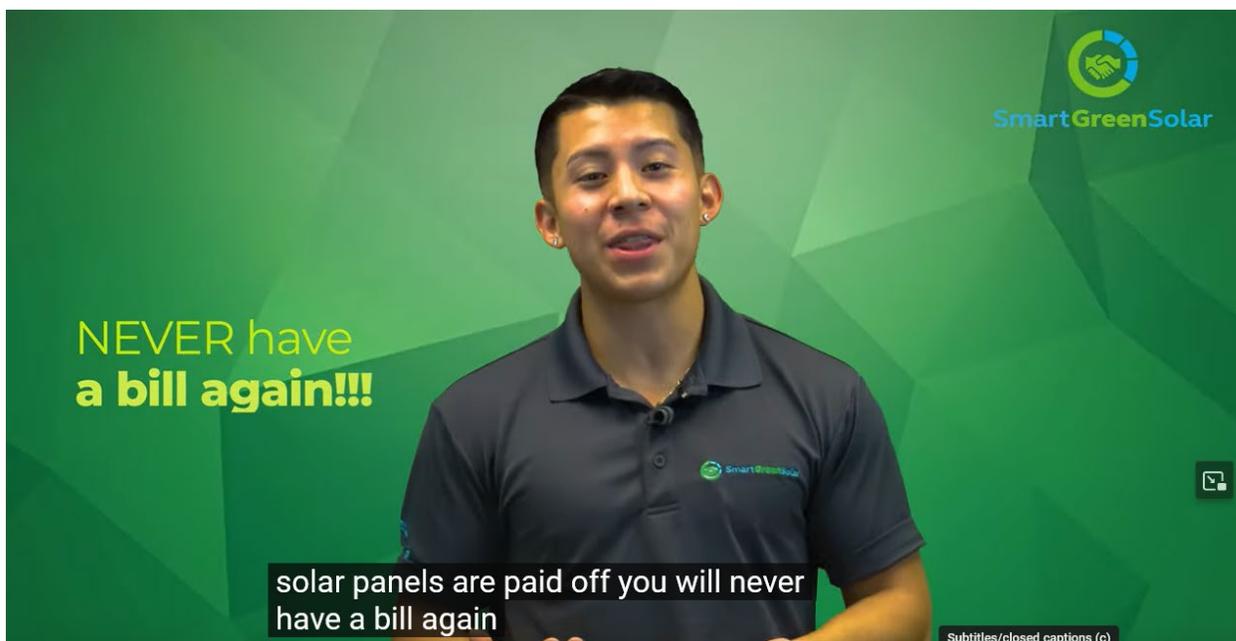
79. In one March 3, 2023 website advertisement, Smart Green describes going solar as a "bill swap" since consumers will be "generating the power to cover their electric needs with their panels, they are basically swapping their electric bill for a monthly solar payment (until the system is paid off)."¹¹

80. In a video advertisement posted on December 16, 2022, a Smart Green salesperson states that "you can go solar, own your own power, get a 30% federal tax credit, and most importantly pay less

¹⁰ <https://smartgreensolar.com/gosolar/>.

¹¹ Is there a free solar program?, <https://smartgreensolar.com/is-there-a-free-solar-program/>.

for electricity... and when your solar panels are paid off, you will never have a bill again.”¹² The advertisement repeatedly represents that consumers will pay less for solar than they do to their utility and will not have an electric bill.



81. As discussed below, Rhode Island consumers have also detailed to the OAG how they felt misled by in-person representations from Smart Green’s salespeople regarding their potential monthly savings.

Consumer Complaints

82. The Office of the Attorney General has received a number of complaints regarding issues Rhode Island consumers are having with Smart Green Solar. The following allegations are based on information provided by six different Rhode Island consumers who complained to the OAG, often after reaching out to Smart Green to resolve their issues, only to be ignored or rebuffed.

¹² Why is everyone going solar?! Solar Expert BREAKS IT DOWN, <https://www.youtube.com/watch?v=whJhCcMI0MM>.

Consumer A

83. For example, one legally blind Warwick consumer (Consumer A) contacted the Office after he and his wife purchased a solar panel system from Smart Green.

84. According to him, around March 2022 he decided to purchase solar for his family's home and contacted Smart Green to discuss his potential purchase. Smart Green sent a salesperson to his home and they discussed installing 33 solar panels on his roof. The salesperson told him that the total system would cost approximately \$73,000.

85. Consumer A stated that during that meeting the salesperson "guaranteed" he would receive 30% of the total purchase price (approximately \$22,000) from the government. Consumer A explained that in numerous subsequent interactions with Smart Green salespeople, they continued to assure him that he would receive a government payment for approximately \$22,000.

86. Consumer A agreed to purchase the system with a \$268 monthly payment but was told that it would increase by \$100 dollars if he did not turn over that 30% payment from the government to his lender.

87. Additionally, according to Consumer A, the salesperson assured him that he would pay virtually nothing for electricity because the system would produce 90% of the energy his family currently used.

88. Consumer A stated that he told the salesperson that he was blind and was relying on him to accurately describe the contract. At the end of the discussion, the salesperson pointed to a space on a tablet computer for him to sign.

89. Consumer A's solar panels were not installed until November 2022, and the system was finally operable and producing power in May 2023.

90. In March 2023, after the system was installed, Consumer A and his wife learned from their accountant that they would not in fact receive a \$22,000 payment from the government. Instead, they learned they would likely receive a \$1,700 tax credit each year for the next ten years.

91. Consumer A is faced with the choice of either paying \$22,000 to their lender or their monthly loan payment will increase by approximately \$100 for the duration of their loan.

92. Additionally, once the system was turned on in May, Consumer A learned that Smart Green had only installed 21 solar panels, had not notified him or his wife of this change, nor refunded them the difference.

93. After Consumer A contacted the OAG about his issues with Smart Green, the Consumer & Economic Justice Unit intervened and attempted to resolve his complaint. Rather than respond to the OAG, Mr. Gotra himself contacted Consumer A. Consumer A and his wife eventually agreed to a monetary resolution with Mr. Gotra in order to put the matter behind them. However, he and his wife still feel deceived by what they were told by Smart Green's salespeople and have not received a solar panel system of the size, energy production, or price they were promised.

94. On information and belief, Smart Green deceived Consumer A regarding Consumer A and his family's qualification for the Residential Clean Energy Tax Credit and the amount he could expect to receive, and Consumer A relied on those representations to purchase a \$73,000 solar panel system from Smart Green.

95. On information and belief, Smart Green deceived Consumer A and his wife by charging him for 33 solar panels, and then only installing 21 on his home.

Consumer B

96. Consumer B, a Warwick resident, filed a complaint with the office regarding her transaction with Smart Green, and stated that she was misled about how much her system would cost, the amount of her monthly payments, payments she could expect from the electric company, and payments she

could expect from Smart Green. She will now pay at least double the amount each month for her electricity as compared to what Smart Green told her the system would cost.

97. According to Consumer B, in June 2022 a salesperson from Smart Green came to her door unsolicited. The salesperson told her that if she purchased solar panels through Smart Green, her monthly payment for a \$50,727.78 loan would only be \$102 per month. However, as of June 11, 2023 her monthly payment will balloon to \$207.79 unless she pays \$13,286.70 out of pocket.

98. On information and belief, the salesperson who solicited Consumer B is Smart Green's Vice President of Sales, a former salesperson at Alliance Security, Inc.

99. Consumer B explained that the salesperson made a number of representations about how much her system would cost and how it would be paid for that were false.

100. First, Consumer B stated that the salesperson told her she would receive a lump sum payment for \$13,000 or more when she filed her taxes based on a federal program, and that this money would need to be paid over to her lender as part of the transaction.

101. Second, Consumer B stated that the salesperson told her that Smart Green partners with a government program that would pay a portion of her monthly payment. Although her lender would charge her \$152.33 per month, that program would provide approximately \$50 towards that payment and thus lower her bill to approximately \$102 per month.

102. Third, Consumer B stated that the salesperson promised her that Smart Green would pay her monthly electric bill from the utility until her electric bill decreased to zero. He explained that, once the panels were installed and operational, they would need a few months to charge and reach full capacity. According to Consumer B, the salesperson said that Smart Green would pay that bill until the system eliminated her monthly electric bill.

103. Fourth, Consumer B stated that the salesperson represented to her that her system would produce more electricity than she would use, that the system would fully eliminate her electric

bill, and that she would receive payments from the electric company for this excess production. He said that the system may produce so much extra electricity that it might even cover her monthly loan payments.

104. Consumer B stated that she relied on the salesperson's representations when she decided to contract with Smart Green to have solar panels installed on her home for over \$50,000.

105. Once she had agreed to move forward with the purchase, Consumer B explained that the salesperson showed her a contract on a tablet computer but told her that it was what he had already explained and was the "normal" agreement that they had discussed. According to Consumer B, he scrolled to the signature page and pointed to where she was supposed to sign with her finger, which she did.

106. Consumer B stated that she did not see a disclosure regarding her three-day right to cancel the contract, nor did the salesperson describe it for her.

107. Consumer B stated that she did not receive a copy of the contract after signing. She said she had to contact the company several times and did not receive it until about a month after she signed and after the system was already installed.

108. Consumer B's solar panels were installed and turned on shortly after she signed up with Smart Green in June 2022.

109. However, Consumer B soon learned that she did not qualify for the 30% government payment she was told to expect. After the system was installed, she said that she learned she would not receive any government payment and did not receive any credit related to the solar panel installation on her 2022 taxes.

110. Instead, Consumer B now needs to pay \$13,286.70 out of pocket to her lender or her monthly payment would increase by \$65 for the next 24 years.

111. When Consumer B's solar panel system was turned on and began to produce power, she learned that the system would not produce enough power to eliminate her electric bill. Indeed, she has received an electric bill each of the past 12 months and paid approximately \$37 on average per month on top of her \$152.33 loan payment.

112. Although Consumer B receives some payments from her utility for excess power produced, she has only received approximately \$200 in the past 12 months – not enough to cover her monthly electric bill, never mind her payments to her lender.

113. Consumer B never received the \$50 monthly government payment to further reduce her monthly loan payment as described by the salesperson.

114. Smart Green did initially pay Consumer B's electric bill after installation. However, according to Consumer B, after a few months a representative of Smart Green contacted her and told her that the company would cease paying her electric bill since the system was turned on.

115. At that point, Consumer B contacted the salesperson who assured her the company would continue to pay her bills, but the payments nonetheless ceased.

116. Consumer B said she attempted to contact Smart Green numerous times about these issues but had been unable to resolve them.

117. Eventually, Consumer B decided to seek help from the OAG to resolve her issues after Smart Green told her there was nothing they would do to avert the impending increase to her loan payments.

Consumer C

118. Consumer C, a Cranston resident, also chose to purchase solar panels after meeting with the same salesperson as Consumer B. She filed a complaint with the Office of the Attorney General after she too failed to receive the promised tax credit from the government.

119. She stated that Smart Green informed her that, as part of her purchase, she would receive a large payment back from the government when she filed her taxes.

120. Smart Green structured her loan so that her monthly payment would increase unless she paid that lump sum to her lender.

121. When she filed her taxes, Consumer C said she learned that she would not receive any payment or credit related to her solar panel installation in 2023.

122. Now, if she does not pay her lender \$7,844.44, her monthly loan payment will increase approximately 30%, from \$89.89 to \$122.62.

Consumer D

123. Consumer D, a 77-year-old Hope Valley resident, contacted the OAG after he was solicited to purchase solar panels from Smart Green. He signed up with Smart Green to purchase a solar panel system for more than \$70,000.

124. According to Consumer D, a Smart Green salesperson promised him that he would receive an \$18,000 tax rebate if he signed up with Smart Green to install the proposed solar panel system.

125. However, Consumer D stated that he did not realize he was signing up for a loan to pay for the system or that he was securing financing for his purchase and had not been told about his lender – he believed he was going to pay a monthly fee directly to Smart Green for the service.

126. Consumer D also stated that the salesperson did not explain that he would have to pay \$18,000 to a lender or that his monthly payments would at a certain point increase from \$273 per month to approximately \$400 per month.

127. Consumer D stated that the salesperson told him he could use the \$18,000 tax credit for whatever purpose he wanted.

128. Consumer D explained that the sign-up process took place on a small tablet computer, he did not read anything on that device about financing and relied on the salesperson's representations regarding an \$18,000 tax credit.

129. Consumer D said that he did not receive a copy of this contract until six months after the solar panels were installed on his home.

130. According to Consumer D, after signing up he learned from his tax planner that he did not qualify for an \$18,000 tax credit.

131. According to Consumer D, he reached out directly to Mr. Gotra. During their conversation, Mr. Gotra admitted that his salespeople could be better trained and that they had mis-explained how the federal tax credit would work for Consumer D, but Mr. Gotra did not offer to provide the \$18,000 Smart Green promised Consumer D he would receive when he entered into the contract.

Consumer E

132. Consumer E, a Providence resident, complained to the OAG about her recent purchase from Smart Green after, as she explained, they promised her that her solar panel system would produce enough electricity to zero out her bill from the electric company and cover the monthly payment on her loan.

133. Consumer E stated that a Smart Green salesperson knocked on her door and asked her to schedule an appointment to discuss whether her home "qualified" for solar panel installation.

134. According to Consumer E, Smart Green's salesperson determined that she qualified and that her roof was suitable for solar.

135. Consumer E stated that a salesperson explained that they could install enough solar panels to cover her electricity consumption and produce enough excess electricity that her utility would send her a check large enough to cover the monthly payment on her loan.

136. Based on that representation, Consumer E stated that she decided to purchase solar panels through Smart Green for approximately \$20,000 with an initial payment of \$56 per month that would grow to \$86 per month by July 2023.

137. However, after the panels were installed, Consumer E explained that she still receives electricity bill in the winter of around \$30-40 per month, and that the monthly credits she has received do not come close to covering her current \$56 monthly payment.

138. Consumer E also took issue with Smart Green's installation process. She explained to Smart Green that her roof was too old to have solar panels installed and that the weight had caused damage to her home.

139. Smart Green advertises that customers will be able to rely on the company to provide advice about whether a roof is suitable for solar panel installation, including that federal incentives will also apply when a consumer replaces their roof as part of the installation process.

140. Consumer E stated that Smart Green would not respond to her calls about issues with her roof until she eventually decided to write a Google review regarding the damage, in which she explained that the first crew that came to install her panels determined that her roof wasn't appropriate for installation. However, after she called Smart Green to remove the solar panels in her yard which were awaiting installation, a second crew determined that they could be installed, and in doing so caused damage to her home.

141. In response to Consumer E's Google review, Mr. Gotra wrote that "you and I both know this is further from the truth." He explained that he knew the roof was disqualified due to its age, that he was "intimately involved" in the process, and that he had decided to install the panels based on the customer's request.

Consumer F

142. Consumer F, a Rhode Island resident, filed a complaint with the OAG after signing up for solar panels with Smart Green following an unsolicited knock on her door.

143. Consumer F stated that she received an unsolicited sales pitch to buy solar panels from Smart Green after a door-to-door salesperson came to her home. Smart Green's salesperson offered her a \$1,000 check if she signed up for panels with them.

144. Consumer F said that she told the salesperson that she needed to get a quote from a contractor to replace their roof before deciding to move forward, but the salesperson assured her that she could cancel at a later date so long as she didn't cash the \$1,000 check.

145. Consumer F explained that, after being reassured she could cancel after receiving quotes for replacing her roof, she was instructed to sign on a tablet computer. The salesperson did not review the contract with her and instead just referred her to the place to sign. According to Consumer F, the salesperson never mentioned that she only had three days to cancel the contract and did not see that information on the computer where she signed.

146. According to Consumer F, after receiving an estimate for a roof replacement, she decided to cancel her contract with Smart Green. However, after informing Smart Green of that decision, she was told she would have to pay a penalty of over \$12,000 to back out of the agreement and the company would not honor the salesperson's representations regarding her ability to cancel.

Mr. Gotra's Personal Liability

147. Mr. Gotra is personally liable for any of his own misrepresentations regarding the Residential Clean Energy Credit or the potential financial benefits of purchasing solar panels through Smart Green.

148. Mr. Gotra is also personally liable for his employees' conduct because he had knowledge of their misrepresentations regarding the Residential Clean Energy Tax Credit and had authority to control those representations.

149. As discussed above, Mr. Gotra plays a personal role in training and overseeing Smart Green's sales force, including by instructing them on how to handle consumer complaints.

150. On information and belief, Mr. Gotra leads a conference with the sales team once a week. During that weekly meeting, he instructs and motivates his employees engaged in door-to-door solicitation.

151. Mr. Gotra is also personally involved responding to customer complaints both online and when customers reach out directly to the company.

152. On information and belief, in that role Mr. Gotra has been made aware of consumer complaints regarding Smart Green's sales tactics, including his employees' representations regarding the Residential Clean Energy Tax Credit.

V. COUNTS

COUNT I: VIOLATION OF THE RHODE ISLAND DECEPTIVE TRADE PRACTICES ACT R.I. GEN. LAWS § 6-13.1-2

153. Paragraphs 1 through 152 are incorporated herein.

154. Defendants' pattern and/or practice of misrepresenting how much a consumer will pay for their solar panel installation, their eligibility for and function of the Residential Clean Energy Tax Credit, the amount they could expect to pay each month to their lender, the amount of credit they could expect to receive from their utility for excess power production, the projected reduction in purchased electric usage, and failure to notify customers of their three day right to cancel during sales solicitations constitute violations of the Rhode Island Deceptive Trade Practices Act.

155. Defendants' misleading sales solicitations are unfair and deceptive to consumers. *See* R.I. Gen. Laws § 6-13.1-1(6)(xiii).

156. Defendants' misleading sales solicitations cause a likelihood of confusion or of misunderstanding as to how much consumers will pay for their solar panels and their contractual right to cancel. *See* R.I. Gen. Laws §§ 6-13.1-1(6)(iii) and (xii).

157. Defendants' charging Consumer A for 33 solar panels and installation of only 21 was unfair and deceptive and caused a likelihood of confusion and misunderstanding.

158. Therefore, Defendants engaged in unfair acts or practices in the conduct of trade or commerce, in violation of R.I. Gen. Laws § 6-13.1-2, as defined by R.I. Gen. Laws § 6-13.1-1(6).

**COUNT II: RESTRAINT OF PROHIBITED ACTS UNDER
DECEPTIVE TRADE PRACTICES ACT
R.I. GEN. LAWS § 6-13.1-5**

159. Paragraphs 1 through 158 are incorporated herein.

160. Defendants are using and are about to use methods, acts, and practices declared to be unlawful by R.I. Gen. Laws § 6-13.1-2.

161. Proceedings to restrain such acts are in the public interest.

VI. PRAYER FOR RELIEF

WHEREFORE, the State of Rhode Island requests that this Honorable Court, after trial on the merits, grant the following relief:

- A. Enter an order permanently enjoining Defendants from:
 - a. Making misrepresentations to consumers regarding the total cost, financing cost, monthly payments, and potential benefits of installing a solar panel system;
 - b. Making any representation regarding an individual consumer's eligibility for the Residential Clean Energy Tax Credit;

- c. Structuring a loan where a consumer's payment increases unless they affirmatively make any payment above their monthly minimum payment to their lender;
 - d. Utilizing electronic contracts instead of paper contracts, including requiring customers to affix their signature on a computer or tablet device; and
 - e. Failing to deliver a copy of any contract with a consumer immediately after they sign the agreement.
- B. Order Defendants to pay restitution or any other equitable monetary relief to any consumer who failed to receive the financial incentives and benefits promised by Defendants.
- C. Order Defendants to pay the State's costs and attorneys' fees.
- D. Order Defendants to pay a civil penalty of up to ten thousand dollars (\$10,000.00) per violation of the Deceptive Trade Practices Act as provided by R.I. Gen. Laws § 6-13.1-8.
- E. Order any other relief that the Court deems appropriate.

Respectfully submitted,

STATE OF RHODE ISLAND:

**PETER F. NERONHA,
ATTORNEY GENERAL;**

By His Attorney:

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CERTIFICATION OF SERVICE

I, the undersigned, hereby certify that on the Twenty First Day of June, 2023, I filed this document electronically and it is available for viewing and/or downloading from the Rhode Island Judiciary's Electronic Filing System.

/s/ Stephen N. Provazza