

STATE OF RHODE ISLAND  
PROVIDENCE, SC.

SUPERIOR COURT

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

*Plaintiff,*

v.

Smart Green Solar LLC,  
Jasjit Gotra, Christopher Schiavone, George  
Nixon

*Defendants.*

C.A. No.: PC-2023-02901

**FIRST AMENDED AND SUPPLEMENTED COMPLAINT**

The State of Rhode Island *ex rel.* Peter F. Neronha, Attorney General, and 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. The Office of the Attorney General's investigation has revealed that Smart Green, at the direction of Mr. Gotra and his Chief Sales Officer, Christopher Schiavone, have engaged in a years-long scheme to deploy deceptive and unfair sales tactics targeted at Rhode Island consumers who are looking to "go green" and help the environment while also saving money on their electric bill.

6. The Office has also received fifty-five consumers complaint forms filed with the Attorney General regarding Smart Green. Copies of these complaint forms, omitting personally identifiable information, are attached hereto as Exhibit A.

7. Additionally, six former employees have confirmed what is apparent from those consumers' experiences and Smart Green's own advertising.

8. At the center of Smart Green's sales pitch is the potential monetary savings and benefits that prospective customers will receive if they agree to buy solar panels from Smart Green.

9. Smart Green's online advertisements and in-person solicitations focus on four primary ways that customers will benefit financially from purchasing their products and services: (1) promising customers that they will receive a substantial payment from the government due to federal tax credits; (2) paying customers a \$1,000 sign-up bonus when they contract with Smart Green and an additional \$1,000 for each new customer they refer; (3) guaranteeing customers that their system will produce a certain amount of electricity each year; and (4) guaranteeing customers that they will no longer receive an electric bill and/or will save money as compared to how much they are currently paying their utility.

10. Smart Green employs unfair and deceptive sales tactics in connection with each of these financial benefits.

11. The centerpiece of Smart Green's sales pitch – both in their online advertisements and in-person solicitations – is the federal Residential Clean Energy Tax Credit. This program provides eligible purchasers with tax credits worth up to 30% of the purchase price of their solar panel system.

12. The OAG's investigation has revealed that Smart Green unfairly and deceptively misdescribes how the tax credit works and essentially promises customers that they are guaranteed to receive the full value of the tax credit within 18 months even if they do not qualify for the full tax credit or it might take years for them to receive it in full.

13. For example, according to Smart Green's own advertisements and former employees, Mr. Gotra and Mr. Schiavone train their sales team to essentially guarantee that consumers will receive this tax credit. This is confirmed by Smart Green's own training videos which they use as advertisements on their own YouTube channel.

14. Similarly, during the sales process, Smart Green presents prices that already include a 30% discount off the full price of the system, regardless of the customer's individual eligibility for any incentive program or tax credit. Also, for any customer who finances a purchase, Smart Green will always structure their loan to require the customer to pay the entire amount of the tax credit, which they may or may not receive, to the lender within 18 or 19 months to maintain the monthly payment they presented the customer during the sales pitch.

15. A number of Rhode Island consumers have confirmed 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. These customers were then left with the choice of coming up with thousands or tens of thousands of dollars to pay their lender the difference between the full price of the system and the artificially discounted price or see their monthly payment increase for the life of the loan.

16. Similarly, the OAG's investigation has revealed that Smart Green will increase the price of a customer's purchase in connection with sign-up and referral bonus programs without disclosing the price hike to the consumer.

17. Smart Green advertises that new customers can receive a \$1,000 sign-up bonus and an additional \$1,000 referral bonus for every friend or family member they refer who ends up purchasing from Smart Green.

18. However, Smart Green does not tell those customers that they are adding a \$1,000 charge onto the price of their system to pay for that sign-up bonus.

19. Additionally, customers are not told that they are unwittingly costing their friends and family an additional \$1,000 by referring them. The OAG's investigation has revealed that Smart Green will actually charge any new customer who was referred an extra \$1,000 in order to pay the person who referred them their bonus.

20. Mr. Nixon has appeared in advertisements explaining how the referral program works and describing how the customer receives the money that the company saved in marketing costs. However, according to a former employee, and as described further below, Mr. Nixon is well aware that the company is actually charging consumers to pay out these bonuses, yet has chosen to knowingly misdescribe the program.

21. This practice is enabled by Smart Green's refusal to provide customers with itemized invoices or receipts – leaving consumers in the dark about the exorbitant financing charges and added fees to pay other customers their bonuses.

22. Although Smart Green touts its "Integrity Based Pricing," they tell customers that they do not have the ability to provide them with an itemized breakdown of charges. Even the employee tasked with system design and handling customer complaints does not have access to this information, further complicating consumer efforts to understand their charges. However, Smart Green does appear to have the ability to craft itemized invoices and detail exactly how a customer's final price was determined because Mr. Gotra has done just that for at least one customer.

23. Smart Green's advertisements are often unequivocal that customers will save money as compared to other energy options or can even fully eliminate their electric bill. Their presentations to consumers will also include each system's estimated power production.

24. However, Rhode Island consumers have reported that they were misled about 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. Additionally, Smart Green uses an internal system to estimate power production which can differ significantly from what they initially showed the customer. According to one former salesperson, Smart Green will not share that information with the customer unless the difference exceeds 20% per year.

25. Additionally, 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.

26. Finally, consumers reported that they were never made aware of Smart Green's three-day cancellation policy. They explained 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.

27. 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.

28. Meanwhile, Mr. Gotra has appeared in numerous advertisements and news outlets deceptively describing the Company's cancellation practices. He touts how many customers Smart Green has allowed out of their contracts but fails to explain that it is their standard operating procedure to tell the customers they contractually owe a cancellation fee set at 20% of the purchase price, potentially

threatening them with collections. Additionally, Mr. Gotra omits the number of customers who were deterred from cancelling once they were threatened with that 20% fee.

29. 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**

30. 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).

31. 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.

32. 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.

33. Defendant Christopher R. Schiavone is Smart Green’s Chief Sales Officer.

34. Defendant George Nixon is Smart Green’s Vice President of Marketing.

## **III. JURISDICTION AND VENUE**

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

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

37. 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.

38. This Court has personal jurisdiction over Mr. Schiavone because, upon information and belief, he has engaged in trade and/or commerce in Rhode Island, specifically as an employee and/or agent of Smart Green who has personally engaged in residential solar panel sales and advertising in Rhode Island and also directs Smart Green's sales team.

39. This Court has personal jurisdiction over Mr. Nixon because, upon information and belief, he has engaged in trade and/or commerce in Rhode Island, specifically as an employee and/or agent of Smart Green who has personally created or appeared in advertising and marketing of residential solar panels in Rhode Island.

#### **IV. FACTUAL ALLEGATIONS**

40. 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.

41. 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.

42. 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.

43. 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.

44. 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.

45. 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**

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

47. 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.<sup>1</sup> 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.

48. 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.

49. 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.<sup>2</sup>

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

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

<sup>2</sup> *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).



51. In addition to Mr. Gotra, Smart Green currently employs numerous former Alliance Security Inc. employees in supervisory and management positions – including Christopher Schiavone, who upon information and belief worked at Alliance Security Inc. for over 10 years.

52. Upon information and belief, Mr. Gotra also personally and directly sells residential solar panel systems to consumers.

**Christopher R. Schiavone**

53. Upon information and belief, Mr. Schiavone is Smart Green’s Chief Sales Officer.

54. Upon information and belief, in his role at Smart Green, Mr. Schiavone has directly managed the sales team, trains new and existing sales team members, and also directly sells solar panel systems to consumers.

55. In addition to substantial prior history working for Mr. Gotra at Alliance Security, upon information and belief Mr. Schiavone has also founded and may currently operate his own alarm sales company.

**George Nixon**

56. Upon information and belief, Mr. Nixon is Smart Green’s Vice President of Marketing.

57. Upon information and belief, in his role at Smart Green, Mr. Nixon is involved in the company’s marketing activities in Rhode Island including its online advertising, website, and information materials handed out by the sales team.

**Smart Green’s Business**

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

59. 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.

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

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

62. Smart Green attempts to sell solar panels to Rhode Islanders in numerous ways. For example, Smart Green advertises solar panel sales on television, its website smartgreensolar.com, has active Facebook and Instagram accounts where it routinely posts, and also operates a YouTube page where it posts video advertisements.

63. Smart Green also engages in unsolicited door-to-door sales. Smart Green employs two types of door-to-door salespeople. First, they employ “Openers” who are lead-generators who will knock on someone’s door unsolicited. Their role is to convince the consumer to schedule a second appointment.

64. Second, another salesperson called a “Closer” either calls or is sent to the residence, whose job is to then convince the consumer to purchase solar panels for their home.

65. The Closer will meet with a consumer to go over Smart Green’s proposal. As part of that presentation, the Closer will present the consumer with a “proposal” consisting of a set of slides.

66. Smart Green’s price and production proposals are generated by their “Solo” software. During the sales pitch, the Closer will enter information from a potential customer’s electric bills into the Solo program and then select or enter additional options or charges directly into the Solo program.

67. A few minutes later, the Solo program will provide the Closer with the proposal slide show to show the customer. The proposal includes information about where the solar panels will be installed, how much electricity they will produce, how much the system will cost the customer, how much the customer will have to pay monthly if they finance, and projected savings over the life of the customer’s loan agreement as compared to paying their utility bill.

68. After going over those slides, the Closer will ask the customer to sign a contract with Smart Green.

69. Smart Green's salespeople use a tablet or a computer when making in-person solicitations. They use that device to present customers with their proposal and then may ask potential customers to sign an installation contract on that device or a cell phone.

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

### **Smart Green's Training**

71. On information and belief, Smart Green's sales team is managed and controlled by Mr. Gotra and Mr. Schiavone.

72. According to former salespeople, the sales team was reorganized a number of times. The team initially reported directly to Mr. Gotra before reporting directly to Mr. Schiavone sometime in 2022.

73. The team eventually began reporting to new direct managers sometime in 2022.

74. On information and belief, despite this reorganization, Mr. Gotra and Mr. Schiavone continued to direct sales strategy and operations, particularly through weekly training meetings.

75. During their weekly trainings – which are internally called the “Closers’ Meeting” – Mr. Gotra and Mr. Schiavone would gather the sales team to instruct them regarding sales tactics, company policies, and how to respond to customer questions.

76. One former employee, a Closer who worked at the company in 2022 and 2023 (“FE1”), described how if a salesperson asked a difficult question during the Closer's Meeting, Mr. Gotra and Mr. Schiavone wouldn't answer it but instead ask them to stay afterwards for a private meeting.

77. Smart Green has posted over 150 videos to their YouTube channel: <https://www.youtube.com/@smartgreensolar>, many of which appear to be recorded training

sessions. Many of these video advertisements feature either Mr. Gotra or Mr. Schiavone “inside the salesroom” training what appears to be members of their sales team to sell solar panels.

78. Between motivational speeches regarding Mr. Gotra’s over \$12,500 per month mortgage payments or six pack abs, these videos also demonstrate how Mr. Schiavone and Mr. Gotra train their sales team to interact with customers.

79. 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.<sup>3</sup> 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 reviews are potentially “unreasonable people who you just can’t reason with” or are acting “emotionally.”<sup>4</sup>



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

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

### Smart Green's Company Culture

80. Upon information and belief, Mr. Gotra and Mr. Schiavone, through their frequent meetings with and management of the sales team, created a company culture that limited the flow of information, was intolerant of negative feedback or tough questions from employees, and cast customers who complained or had issues with the sales process as having a “victim” complex.

81. One former Smart Green sales executive (“FE2”) said that he felt Mr. Gotra appeared to “scientifically” create a workplace where salespeople could only be positive, and any issue, concern, or problem with a customer was considered “negative.”

82. FE2 described Mr. Schiavone as Mr. Gotra’s cultural “enforcer.”

83. FE1 described Mr. Schiavone as attempting to turn Smart Green into a “boiler room” where salespeople were encouraged to use high-pressure sales tactics.

84. Another former Closer at Smart Green (“FE3”) described how he was trained by Mr. Gotra and Mr. Schiavone. He also stated that he saw unethical practices taking place at the Company, which was why he decided to leave.

85. Similarly, a former Closer working in Rhode Island (“FE4”) described a high-pressure work environment where she was trained to engage in what she described as “unethical” sales tactics.

86. A former closer who worked in Smart Green’s Providence office (“FE5”) described how she was trained by Mr. Schiavone to describe the federal tax credit. She described the work environment as “incredibly toxic” and “unprofessional” and described how she felt high pressure to make sales.

87. A former closer (“FE6”) also described attending weekly meetings with Mr. Gotra and Mr. Schiavone. She explained that part of her training was to shadow other salespeople – she explained that while some of those people were very ethical towards their customers, others were willing to say anything to get a customer to sign up.

88. Smart Green also appears to tightly control information regarding how it prices its products and services and kept that information from members of its sales and customer service teams.

89. For example, according to FE1, Chris Schiavone instructed him never to teach other salespeople how Smart Green prices its system or how other solar panel sales companies may come up with prices.

90. Similarly, the Company's Rhode Island Project Manager testified that, despite handling all customer complaints, he was not aware how Smart Green priced its solar panel systems and does not have access to information regarding how the company prices a customer's system (such as how much they were charged for materials and equipment, labor, financing, etc.).

91. Former employees also described Smart Green as a form of pyramid scheme where their own lower-level employees could be considered the victims.

92. Former employees explained that Smart Green has a core sales team made up mainly of former Alliance Security employees and they felt that the rest of the sales force is used for their benefit.

93. FE2 explained how, in his view, Smart Green isn't designed to serve customers but is instead a package of products and services to provide to salespeople.

94. FE2 also explained how the company would often hire salespeople only with the intention of pressuring them to sell solar panels to all their friends and family and, once that stream had run dry, wouldn't let them stay on as full-time employees.

95. FE6 also described how she felt the company was hiring salespeople only for them to feed their own leads to the former Alliance salespeople.

96. FE6 explained how she felt lured to the company on the promise of full-time, salaried employment.

97. However, FE6 learned of a “tiered system” where new employees would not receive leads from the “Openers” until they had successfully sold a certain number of systems based on their own leads, such as to friends and family.

98. According to FE6, once she had completed selling systems to all the friends and family she could, the company refused to provide her with any leads and converted her from a salaried employee to an independent contractor.

### **Defendants’ Sales Tactics**

99. Upon information and belief, Mr. Gotra and Mr. Schiavone trained Smart Green salespeople to follow the same basic process with each customer, including how to describe Smart Green and its services and how to deal with tough questions.

100. FE1 described how he was trained to follow a series of specific steps with each customer using a uniform presentation to convince customers to purchase solar panels from Smart Green.

101. 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.

102. Smart Green’s representations are littered with assumptions about the rate at which customer’s current power bills will increase, how much energy the installed solar panels will produce, and – crucially – the potential customer’s eligibility for government incentives.

103. For some customers, Smart Green’s assumptions regarding energy production, installation timing, and tax benefits 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.

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

104. 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.

105. 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.<sup>5</sup> Note that this federal tax credit increased in August 2022 from 26% to 30% of the cost of the project.

106. 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.

107. 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.

108. Instead of accurately describing how this tax credit works, Smart Green tells customers in its advertising and during sales pitches 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.

109. In addition, whenever a customer finances their solar panel purchase through Smart Green, the company will always work with their lender-partners to structure their loan with a low introductory monthly payment that assumes consumers will receive the full benefit of the thirty percent federal tax credit.

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



### Smart Green's Deceptive Advertising

110. Smart Green's advertising is consistently unequivocal that consumers will receive the full benefit of the thirty percent federal tax credit, and misdescribe the tax credit as a "down payment" and the reason that consumers financing agreements do not require any money out-of-pocket up front.

111. 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

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



113. 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.”<sup>6</sup>

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

115. For example, Mr. Gotra appears in a YouTube advertisement titled “Get educated about solar with Jay Gotra, CEO of Smart Green Solar.”<sup>7</sup> 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

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

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

create a pay-it-forward circumstance for the new homeowner purchasing this home.” (emphasis added)



### Smart Green's Unfair and Deceptive In-person Sales Tactics

116. Mirroring their advertising tactics, Smart Green's management also trains the company's sales force to mislead consumers by guaranteeing them they will receive the federal tax credit, to describe it as a "down payment," and to tell consumers they will receive it in the form of a "check" from the government during the next tax season.

117. For example, Mr. 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.<sup>8</sup>



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

118. 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)<sup>9</sup>

119. Former employees also confirmed that Mr. Schiavone and Mr. Gotra trained them to falsely describe that consumers could access no-money-down financing because of federal tax credits and to guarantee customers they would receive the full 26% or 30% tax credit whether or not they truly qualified.

120. FE1 explained how Mr. Gotra and Mr. Schiavone trained the sales team to explain that Smart Green was able to offer no-down-payment financing to customers because of federal tax credits and that those federal tax credits were essentially a “down payment” on their system.

121. Similarly, FE1 explained that Mr. Schiavone trained him to tell customers that they would receive a check from the federal government worth 26% or 30% of the cost of their system if they made over \$40,000 per year, had a 640 credit score, and owned their home.

122. FE1 states that Mr. Gotra and Mr. Schiavone trained them to explain to customers that the company was structuring their loan to take advantage of these tax credits.

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<sup>9</sup> <https://www.youtube.com/watch?v=ZVnopbf0X-c&list=PLi027ZkcE57a5mU0h9rmhuD5nkODE-epT&index=9> (as of June 21, 2023)

123. Additionally, FE1 explained that Mr. Gotra and Mr. Schiavone trained him to tell customers that, if the customer didn't mind their monthly payment going up, they could also use the government payment that Smart Green was (misleadingly) promising them to buy a new car or go on a vacation instead.

124. According to FE1, when another salesperson asked questions about how the tax credit works and whether some customers would qualify during a weekly Closer's Meeting, Mr. Schiavone got angry and said that the sales team shouldn't change how they talk about the tax credits. He said that to keep the sales pitch "KISS" (which stood for "keep it stupid simple") because that method works.

125. FE2 also confirmed that he was trained in weekly meetings to tell all customers that they would receive the full value of the federal tax credit.

126. FE4 explained that they were trained to "guarantee" customers they would receive the full value of the tax credit and to tell customers they would be receiving enough money from the government via tax refund to do things like take their whole family to Disney World.

127. FE4 also explained how they were trained to point to certain portions of customers' electric bills as a fund for those tax credits and explain (incorrectly) that this is how the government was paying these credits.

128. FE5 explained that she was also trained to promise customers that they would be receiving the full amount of the federal tax credit and that they had 18 months to pay it to their lender before their monthly payment would increase.

129. FE5 said that part of her training was to watch videos of Mr. Schiavone explaining how to make a presentation to customers, and that the video trained them to promise the customer they would receive the tax credit.

130. Complaints from Rhode Island consumers reveal that Smart Green's sales force puts this training into practice – at least two dozen Rhode Island consumers have reached out to the OAG about issues related to the federal tax credit, often describing how they were promised that they would receive a 30% payment from the government only to learn that they did not qualify or that it would take years to see that full value after the solar panels were installed.

### **Smart Green's Unfair and Deceptive Use of Federal Tax Credits in Pricing**

131. Smart Green works with its partner financial institutions to structure loans to allow them to present customers with artificially low prices that assume they will receive the full amount of the federal tax within 18 months of installation.

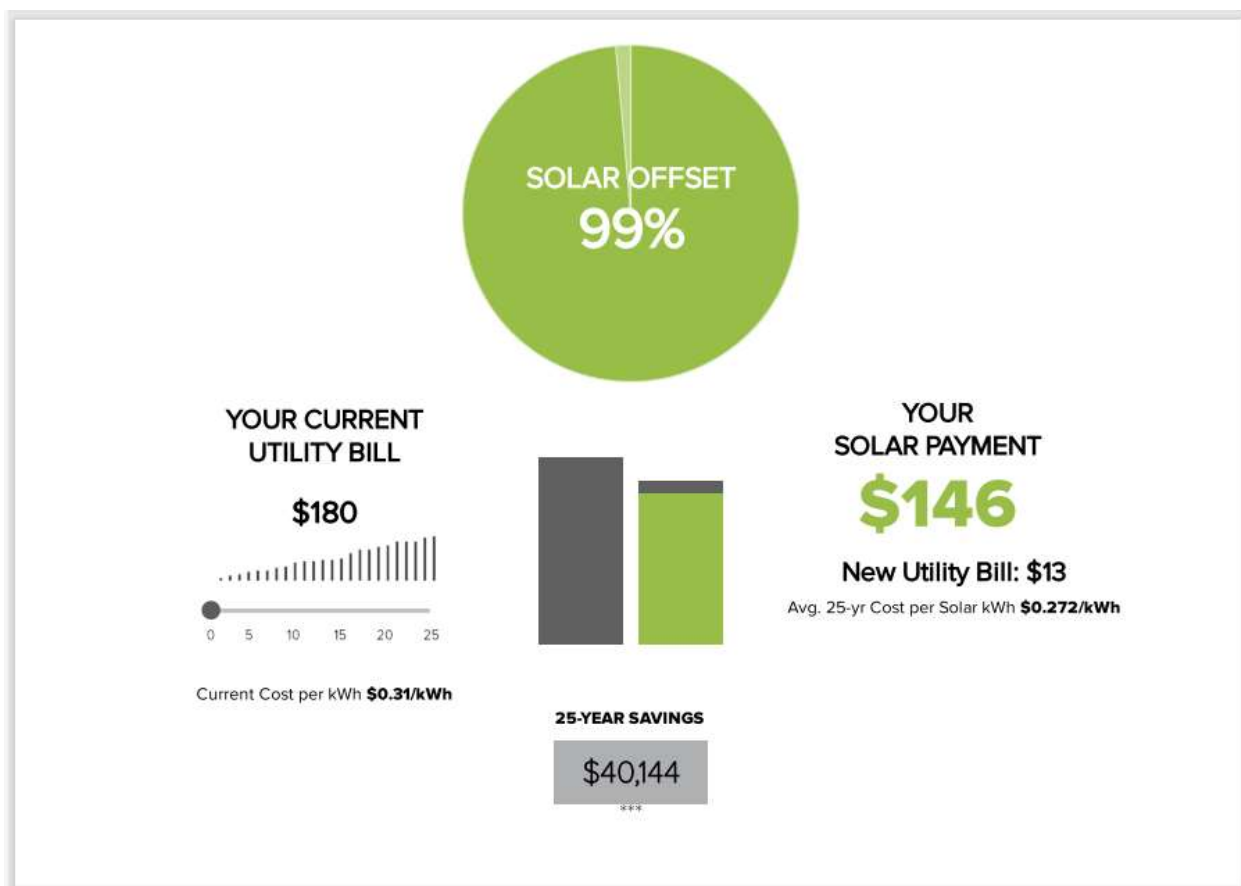
132. Upon information and belief, Smart Green's salespeople will then use these discounted prices to demonstrate the amount of money consumers could save by purchasing a system from Smart Green.

133. Smart Green works with financial partners to structure every loan 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 consumer pays the financial institution 30% of the value of their loan.

134. On information and belief, Smart Green's presentations to consumers are designed so that the first price and monthly payment that a consumer sees already includes a discount for the federal tax credit.

135. According to FE1, Smart Green's sales team presented every customer a standard proposal created by the Solo program. That proposal came in the form of a series of slides that the salesperson would go over with the customer. The slides would be populated with pricing and production information based on what the salesperson plugged in from their utility bill. A copy of one of these standard presentations is attached here as Exhibit B.

136. For example, a customer would see pricing information for the first time on the fourth slide and it would include a customer’s proposed monthly payment to their lender. According to FE1, that proposed payment would always include a payment that assumed the customer would receive the full benefit of the federal tax credit. This introductory monthly payment was also what Smart Green used to calculate a customer’s projected savings during as compared to continuing to purchase power from their utility.



137. The next slide would include a more detailed price breakdown, which includes a proposed payments for the term of the customer’s loan as well as a “Net System Cost.” According to FE1, because the Federal Tax Credit box was automatically checked on every presentation, this system would automatically display prices that assume the consumer would receive the full benefit of



the federal tax credit. On some presentations, this slide would include a disclosure that a customer may not benefit from the federal tax credit in very small fine print.

**Dividend 25 YR 7.99**  
Select Finance Option

**MONTHS 2 - 16** **\$146**  
**MONTHS 17 - 300** **\$146**

The APR for this Loan is 7.99%. The payment amount disclosed above assumes that you make your Incentive Payment as provided in your loan agreement. If you do not make the Incentive Payment, your payment amount will increase. Please see the terms of your loan agreement for additional details regarding the timing and amount of the Incentive Payment. It is important to note that you may or may not qualify for this tax credit; your qualification is dependent on your individual tax liability. We do not provide tax advice and you should consult your tax professional to understand if you will qualify for any or all of the credit.

\*For display purposes only; not a prediction or guarantee of actual utility cost increases.  
\*\*Estimated utility costs are based on your utility expenses. Any savings projections assume your energy usage is consistent with prior consumption.  
\*\*\*Savings are based on a number of assumptions; see last page for reference.

<b>Loan Amount</b>	<b>\$25,659.38</b>
Federal Tax Credit	(\$7,697.81)
<b>Net System Cost</b>	<b>\$17,962</b>

HOW WILL YOU USE YOUR INCENTIVE?

Federal Tax Credit **\$7,697.81**  
 RE Growth Program **\$30,756.90**

138. Using a presentation which automatically includes the amount of the federal tax credit in a customer's price and monthly payment proposal is unfair and deceptive to consumers in itself. And the entire sales pitch becomes overwhelmingly deceptive when Smart Green's sales staff follow Mr. Gotra and Mr. Schiavone's instruction to assure or guarantee consumers that they will receive the full benefit of the tax credit within 18 months.

139. As confirmed by numerous 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.

140. For example, one Providence consumer detailed his experience of dealing directly with Mr. Schiavone when purchasing solar panels from Smart Green.

141. According to that consumer, Mr. Schiavone told him that he would receive a lump sum of almost \$19,000 during tax season because of rebates and credits related to his purchase which he could use to maintain his monthly loan payment.

142. The consumer explained that, while doing his taxes, he learned that his credit would remain in a “tax bank” to pay yearly taxes and that he is unable to access any of that money to pay for his solar panels.

143. Upon information and belief, the proposal that Mr. Schiavone used with Mr. Bond confirms that he was presented with a monthly payment and system cost that assumed he would receive the full value of the federal tax credit in cash available to pay his lender.

**Mosaic 25Y 2.99%**  
Select Finance Option

**QUALIFY**

**HOW WILL YOU USE YOUR INCENTIVE?**

- Federal Tax Credit **\$19,303.48**
- RE Growth Program **\$62,396.08**

**MONTHS 3 - 18** **\$269**  
**MONTHS 19 - 300** **\$269**

Annual Percentage Rate (APR) in the example includes a 0.25% interest rate reduction for borrowers who sign up for automatic payments. Interest Rate and monthly payments will increase if the borrower changes the payment method.  
For information about our credit, sharing and use of your personal information, please see our [privacy policy](#).

<b>Loan Amount</b>	<b>\$74,244.16</b>
Federal Tax Credit	(\$19,303.48)
RE Growth Program	(\$62,396.08)

**Net System Cost**  
**(\$7,455)**

144. Further, this proposal did not include any disclaimer regarding the federal tax credit, but instead including a note at the bottom of the very last page that “Smartgreen does not provide tax or legal advice.” A copy of this presentation is attached here as Exhibit C.

145. Consumers that don’t receive a full 30% tax credit or who receive a tax liability reductions rather than refund 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.

**Dissuading Customers from Taking Advantage of other Government Incentives**

146. On information and belief, Smart Green also has a policy of dissuading customers from applying for the Rhode Island Renewable Energy Fund administered by the Rhode Island Commerce Corporation which could save customers thousands of dollars on the cost of their solar panel system.

147. According to one Providence consumer, she began researching the REF program after signing up to purchase panels with Smart Green. She reached out to the Commerce Corporation who explained she may have been eligible for a grant worth approximately \$3,000 but that Smart Green would have had to apply and provide installation plans.

148. She explained that, when she later asked her salesperson about why she had not been advised about the REF program, he said that the application for the grant takes a long time. He told the consumer that Smart Green trained him to discourage customers from applying for the REF grant and it holds up Smart Green's quick sales and installation process. Instead, he was trained to focus customers on the federal tax credit. The salesperson noted that his initial presentation to her referenced the grant but that the application was not encouraged.

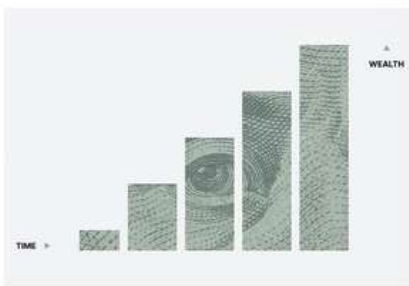
149. Even if a customer would prefer to forego participation in the REF program in favor of faster installation, Smart Green's tactics dissuaded customers from making that informed choice by steering them toward nonparticipation.

150. The Commerce Corporation has confirmed that Smart Green almost never applies for REF grants on behalf of its customers: they have only applied on behalf of 14 customers since 2021.

### Deceptive Conduct Related to System Pricing

151. 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.

152. Smart Green advertises that they offer “Integrity Based Pricing” that includes a “standard pricing model” used with every customer.



**Integrity Based Pricing**

We follow a standard pricing model that we use for every customer. This is not the case with most solar companies. Most companies offer sales reps the ability to mark up prices “based on the customer”. We believe this approach lacks integrity. Instead, we focus on educating our customers about the opportunity of solar and customizing solutions to their needs. We succeed by building longterm relationships and making fans of our customers.

[➔ Request A Quote](#)

153. On another webpage on which they provide tips about avoiding red flags when working with solar companies, Smart Green touts that they have “Transparent & Clear Pricing” and a standard pricing model that applies to all customers.<sup>10</sup>

#### **Vague vs. Transparent & Clear Pricing**

A solar company that doesn't have a standard pricing model is a red flag. Many solar companies allow their sales representatives to mark up prices based on the customer—a tactic that lacks integrity. A reputable solar company will have one pricing model that applies to everyone regardless of income, with customized solutions available to cater to their individual needs. To ensure you're working with a solar company that doesn't mark up prices, always ask for documentation that shows their pricing model.

154. However, despite their advertising and publicity about “transparent” and “integrity-based” pricing, Smart Green has a standard procedure of not explaining to customers how the price of their system is calculated and of refusing to provide an itemized bill that explains to customers the amount they are paying for materials, labor, warranties, or financing charges.

155. Upon information and belief, Smart Green even keeps this information inaccessible to its own employees.

156. For example, FE1 explained that he was instructed by Mr. Schiavone not to teach other salespeople how Smart Green priced its systems.

157. FE1 explained that Smart Green's base prices are calculated based on the size of the system and how much energy it would produce – basically, a set dollar price per kilowatt that system would produce each year.

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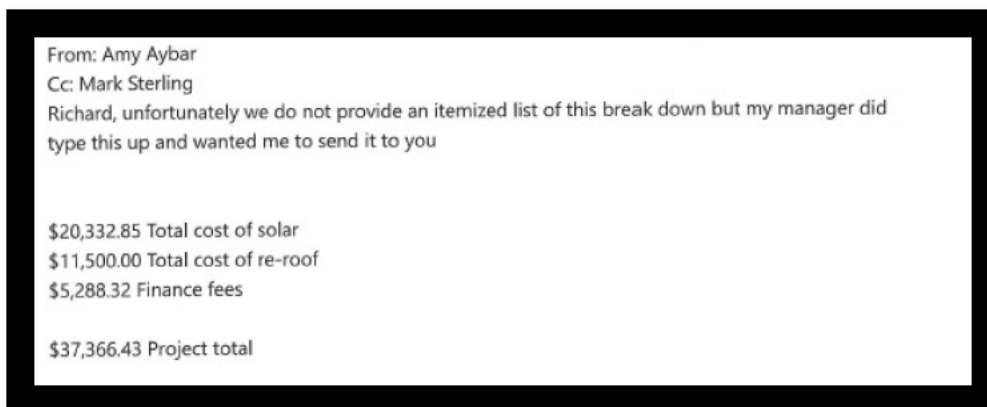
<sup>10</sup> <https://smartgreensolar.com/do-you-have-a-solar-checklist-4-red-flags-to-look-out-for-when-going-solar/>

158. FE1 also explained that the Solo system the company used to calculate the price allowed salespeople to add additional options and charges – for example, a salesperson could add charges for a new roof, tree removal, etc. – which would add on to the base price.

159. According to FE1, Mr. Gotra and Mr. Schiavone trained them never to talk about an itemized price and that if a customer asked, they were to be told that the company only offered “package prices” that included things like warranties and future service.

160. According to the employee responsible for handling all customer complaints, he cannot explain to a customer how their system price was calculated nor does he even have access to that information.

161. One North Providence consumer detailed how Smart Green initially quoted them approximately \$20,000 to install panels on their home. The consumer then asked Smart Green how much it would cost to add a roof replacement to the project, and Smart Green explained that it would cost an additional \$11,000. However, when the company sent him the contract, the new total charge was approximately \$37,000. When he asked about the additional \$6,000 charge, different salespeople had different explanations including that it was interest on the loan. Eventually, someone at the company emailed him stated that they “do not provide an itemized list of this break down” but was able to have the manager “type up” a basic breakdown:



From: Amy Aybar  
Cc: Mark Sterling  
Richard, unfortunately we do not provide an itemized list of this break down but my manager did type this up and wanted me to send it to you

\$20,332.85 Total cost of solar  
\$11,500.00 Total cost of re-roof  
\$5,288.32 Finance fees

\$37,366.43 Project total

162. Despite their training and standard operating procedures to tell customers that Smart Green cannot provide itemized prices, it does appear that Smart Green has the ability to generate an itemized bill.

163. For example, when Consumer A learned that they had been charged for panels that were never installed, Mr. Gotra sent them an itemized list of charges including the cost of the solar panels and installation, various other inspection and service fees, and a bank origination fee that the company used to buy down the consumer's interest rate.

164. On information and belief, this was the first time the consumer learned that \$23,135.10, or approximately 1/3 of their purchase price, was used by the company to "buy down" their interest rate and that the company was also receiving a payment from the bank in connection with that origination fee.

165. It appears that Smart Green may also purposefully hide their pricing practices because, among other potential reasons, customers may be horrified to learn that they are actually being charged extra for their purchase so that Smart Green can pay out \$1,000 bonuses they or other customers are receiving.

#### **Deceptive Conduct Related to \$1,000 Sign-up Bonuses**

166. In numerous television and online advertisements like the one in Paragraph 112 above, Smart Green tells customers that they can receive a \$1,000 sign-up bonus when they agree to purchase a solar system.

167. On information and belief, Openers would also give prospective customers fliers explaining the \$1,000 sign-up bonus.



168. For example, in one sponsored segment on the Rhode Show, Mr. Gotra explained that the company is “offering a \$1,000 incentive if you go solar with Smart Green Solar” upon signing.<sup>11</sup>



169. On information and belief, Smart Green does not disclose, and specifically trains their sales force not to explain, that the company is adding an additional \$1,000 charge to their total purchase price in connection with that bonus.

170. FE1 explained that Smart Green’s Solo system gave salespeople the option to add or remove a \$1,000 charge in connection with every sale. That charge was labeled as a “CAD Design” fee.

171. FE1 further explained that the option to add the \$1,000 “CAD Design” fee option was automatically checked in Solo before customers were shown the price and it was up to the salesperson to uncheck it if they chose.

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<sup>11</sup> <https://www.wpri.com/rhode-show/now-is-the-best-time-to-go-solar/>

172. According to FE1, Mr. Gotra and Mr. Schiavone trained the sales force never to tell a customer that they were being charged for the sign-on bonus or that their system would cost more if wanted the bonus.

173. FE1 also stated that Mr. Gotra and Mr. Schiavone trained the sales force that it was up to the sales team whether to inform the customer about the potential sign-on bonus and, if they could include the charge without informing the consumer, the salesperson could keep half the bonus (\$500) for themselves.

174. A current Smart Green employee confirmed during his testimony that the Solo system includes a checkbox for a \$1,000 sign-up bonus charge labeled as a “CAD Design” fee and that this option was automatically checked.

175. According to FE1, Chris Schiavone explained to him that the reason Smart Green originally started offering this bonus was that Mr. Schiavone expected customers to spend the money immediately, which would make it more difficult for them to cancel since they would have to pay the bonus back.

### **Deceptive Conduct Related to Referral Bonuses**

176. Smart Green also advertises that customers can receive a \$1,000 referral bonus for every new customer they refer who signs up to purchase a solar panel system.

177. On information and belief, Mr. Nixon provides fliers for the sales team to distribute that describe the referral bonus program.

178. For example, on the “Refer” page of their website, Smart Green urges customers to provide the names and contact information for friends and family members and explains that, if that friend or family member signs up, both the referrer and the person they referred will receive a \$1,000 payment.

179. That webpage also includes a video titled “How Solar Company Can Afford to Pay You in 2023” where Mr. Nixon explains how the referral program works.<sup>12</sup> He describes how customers can “spread the good news” by referring family, co-workers, or neighbors and, when they sign up with Smart Green, they will both receive \$1,000. Mr. Nixon highlights how valuable these relationships are to customers and that Smart Green is “honored by your trust in us” when making a referral.

180. Mr. Nixon goes on to state that it is important for customers to understand how this program works and Smart Green can afford to make that payment. He explains that it typically costs Smart Green \$2,000 to acquire new customers through traditional channels like advertising. He goes on to say that, through this program, Smart Green takes that \$2,000 that they would have “ordinarily” spent on advertising or marketing and instead splits it between the referrer and their friend or family member.



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<sup>12</sup> <https://smartgreensolar.com/refer/>

181. On information and belief, at the time Mr. Nixon made this video he was aware that he was lying about where the money to pay these bonuses came from.

182. FE1 explained that Mr. Gotra and Mr. Schiavone trained him to tell customers that Smart Green was paying referral bonuses because the company was saving money they would otherwise pay to door knockers or for advertising.

183. However, as former employees have confirmed, Mr. Nixon, Mr. Gotra, and Mr. Schiavone's explanations were false.

184. Instead, on information and belief, the customer who was being referred was actually being charged an additional \$1,000 to pay that bonus to the person that referred them.

185. FE1 explained that, when he first started working at Smart Green, he was able to sign up a number of new customers via that referral process. In May 2022, when he submitted seven customers for their \$1,000 referral bonus, Mr. Schiavone came to meet with him to tell him that he hadn't correctly charged the new customers in connection with those bonuses.

186. According to FE1, in response Mr. Schiavone held a private meeting with the Closers to explain how the referral bonus program really worked. Mr. Schiavone explained that, if the salesperson is working with a customer who had been referred and the company had to pay out the \$2,000 in bonuses, the salesperson needed to keep the "CAD Design" fee box checked in Solo and also to add an additional \$1,000 charge labeled as an "Other" charge to pay the person who gave the referral.

187. FE2 confirmed that it was the company's practice to charge customers who were referred an additional \$1,000 in order to pay out referral bonuses. FE2 explained that they were trained on how the program worked during the weekly Closer's Meeting.

188. FE3 also detailed how Mr. Gotra and Mr. Schiavone explained during the weekly meeting that customers who were referred had to be charged an additional \$1,000 to pay the bonus to the customer that referred them.

189. FE3 said that this actually played out in practice when the company refused to pay a \$1,000 bonus to one of his customers after he failed to charge the person they referred an additional \$1,000 for their system.

190. According to FE1, after that 2022 meeting with Mr. Schiavone, he was very uncomfortable with how the referral program worked and decided to talk with Mr. Nixon. He decided to talk to Mr. Nixon because he was in charge of creating and handing out the referral bonus fliers that FE1 gave to customers.

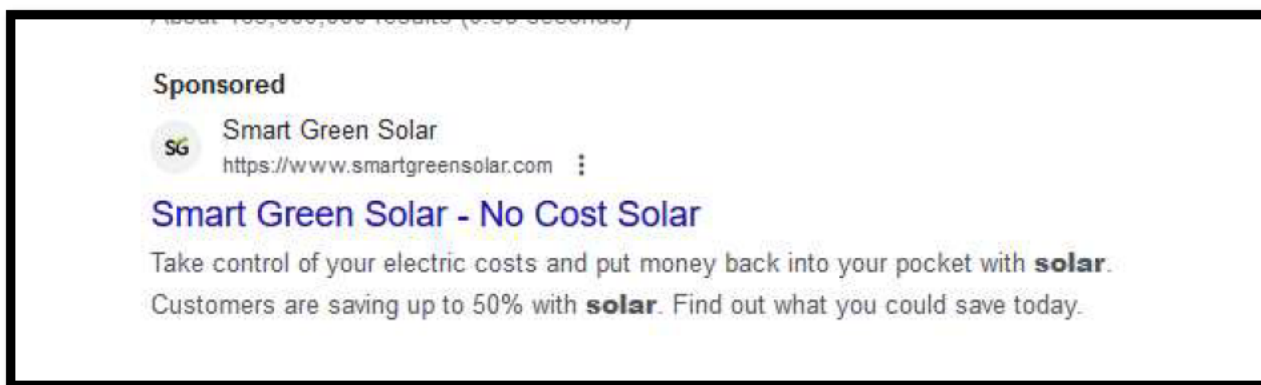
191. According to FE1, he met with Mr. Nixon in 2022 and explained how Smart Green was charging some customers an extra \$1,000 to pay a bonus to the person that referred them.

192. FE1 stated that Mr. Nixon responded that he was also uncomfortable with this process, but that it was a “grey area” and was up to the salesperson to do what they were comfortable with.

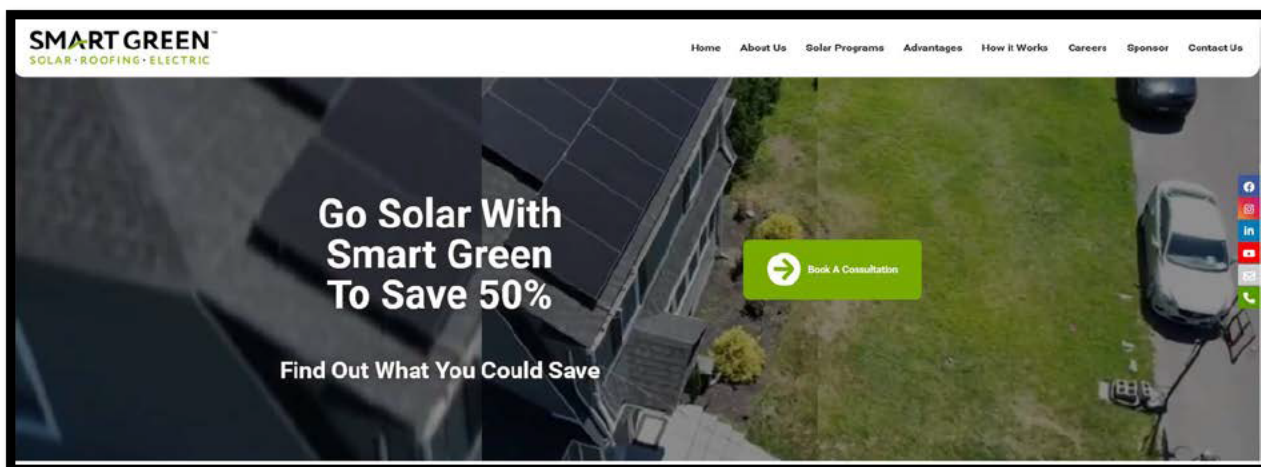
**Deceptive Conduct Related to Potential Savings, Electricity Production, and Monthly Bills**

193. 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.

194. For example, Smart Green advertises that they are offering consumers “No Cost Solar”:



195. Similarly, on their website Smart Green advertises: “Go Solar With Smart Green to Save 50%”:<sup>13</sup>



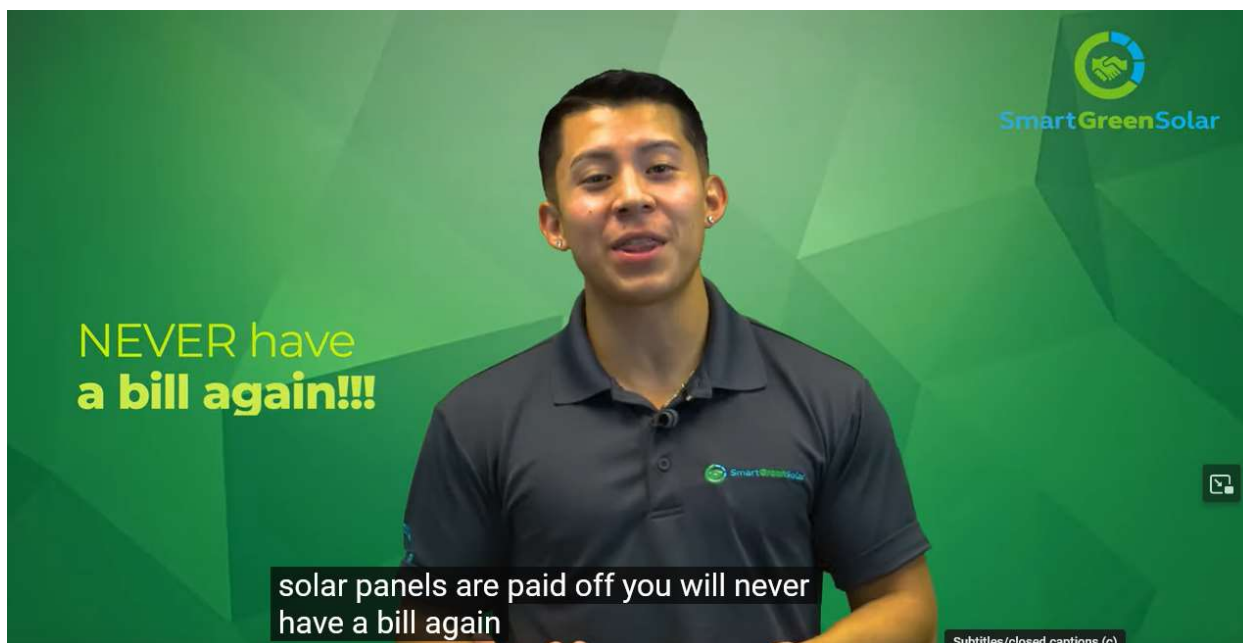
196. In one March 3, 2023 website advertisement, Smart Green describes going solar as a “bill swap” since consumers will be “generating the power to cover their electric needs with their panels, they are basically swapping their electric bill for a monthly solar payment (until the system is paid off).”<sup>14</sup>

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<sup>13</sup> <https://smartgreensolar.com/gosolar/> (as of June 21, 2023)

<sup>14</sup> Is there a free solar program?, <https://smartgreensolar.com/is-there-a-free-solar-program/>

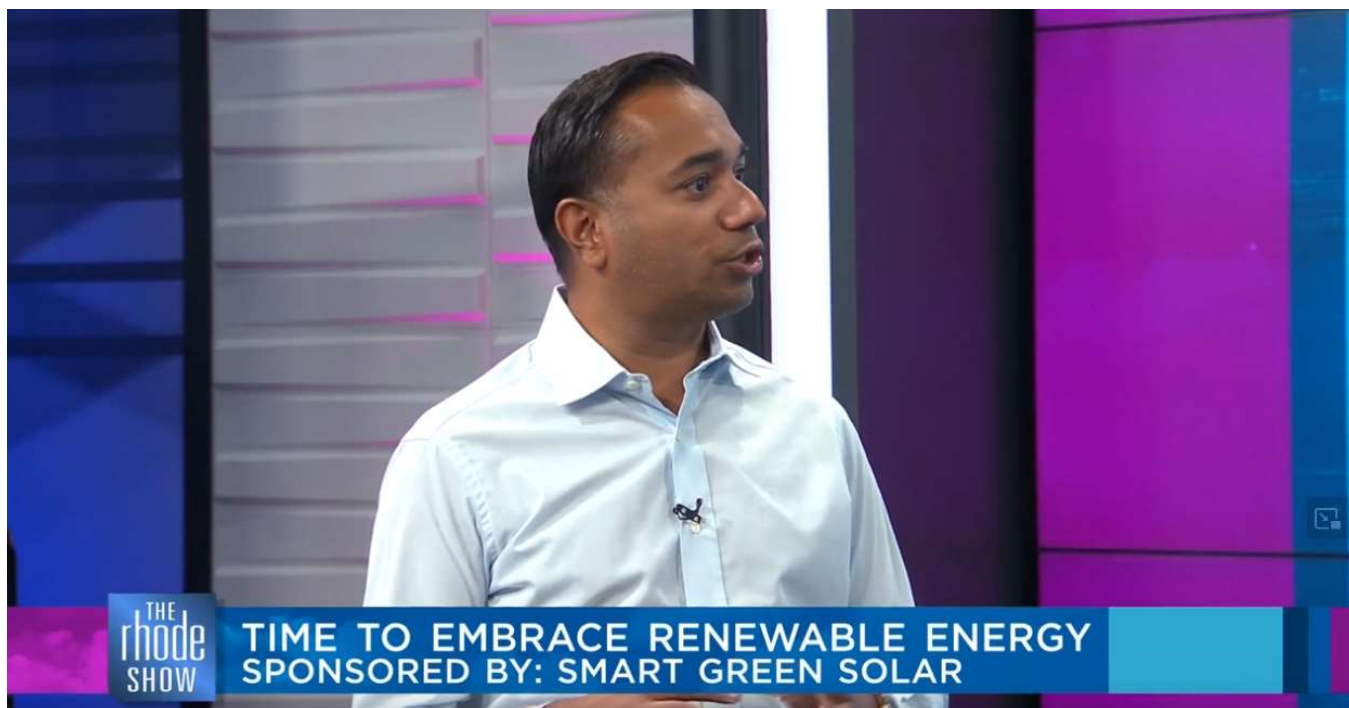
197. In a video advertisement posted on December 16, 2022, a Smart Green salesperson states that “you can go solar, own your own power, get a 30% federal tax credit, and most importantly pay less for electricity... and when your solar panels are paid off, you will never have a bill again.”<sup>15</sup> The advertisement repeatedly represents that consumers will pay less for solar than they do to their utility and will not have an electric bill.



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<sup>15</sup> Why is everyone going solar?! Solar Expert BREAKS IT DOWN, <https://www.youtube.com/watch?v=whJhCcMI0MM>

198. In an advertisement featured on the Rhode Show in June 2022, Mr. Gotra explained that Smart Green will review a potential customer’s past 12 months of electricity usage and “design a system for you that will cover that usage so you no longer have a utility payment to National Grid and instead you will have solar.”<sup>16</sup>



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<sup>16</sup> Time to Go Green with Smart Green Solar, <https://www.youtube.com/watch?v=77R4w6bdxtM>



199. Smart Green also advertises that their sales team will provide a proposal for customers with “Exact Savings over 25 years.”<sup>17</sup>



200. Smart Green also advertises and touts that they “guarantee” the production estimates they present to potential customers.

201. According to this one-year production guarantee, which is advertised on their website in their Solo presentations, Smart Green “guarantee[s] your first-year production or we will cut you a check for the difference.”

202. FE1 explained that this guarantee was based off of the production estimated and system designed by the Solo software.

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<sup>17</sup> <https://smartgreensolar.com/faq/>

203. According to FE1, he spoke with Smart Green's Rhode Island Project manager about Solo's production estimate. FE1 described how he was told that Smart Green actually uses a different program – called Aurora – to actually design a customer's system and estimate their production on the back end.

204. According to FE1, he was told that Aurora is more accurate than Solo and may show a different production estimate than what the customer was initially shown. However, even if Aurora estimates that the customer's system will underproduce what Solo calculated, Smart Green will not inform the customer and will move ahead with installation unless there is at least a 20% difference.

205. 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.

#### **Deceptive Conduct Regarding Smart Green's Cancellation Policy and Contracts**

206. Despite asking customers to purchase a product for tens of thousands of dollars and to take on significant debt, often for decades, Smart Green does not provide customers with paper copies of their contracts.

207. Instead, the entire contracting process takes place electronically where some customers are asked to sign their name just once via DocuSign software and then check off boxes on the remainder of the contract. This often takes place while sitting or standing across from a Smart Green employee waiting to complete the transaction.

208. Smart Green's contracts contain a strict cancellation policy which allows customers only three days to cancel their solar panel purchase and requires them to send that cancellation request via certified or registered mail.

209. If a customer fails to cancel within that three-day period, the contract still allows them to cancel before installation but they will owe a cancellation charge worth 20% of their total purchase (which is likely to be thousands or even tens of thousands of dollars).

210. On information and belief, Smart Green takes steps to enforce these contract provisions, threatening any customer who attempts to cancel outside the initial three-day window with a 20% penalty or even to send them to collections.

211. FE1 explained how he was trained to tell any customer who tried to cancel outside the three-day window that they would be required to pay a 20% cancellation fee.

212. Once a system is installed, a customer has no ability to cancel pursuant to their contract.

213. While these provisions may not be unfair or deceptive in a vacuum, Smart Green's sales tactics often prevent customers from receiving effective notice of these cancellation provisions or Smart Green may have misrepresented how the policy works.

214. FE1 explained that he was trained to send customers a contract through email to sign on their cell phone.

215. FE1 explained how Mr. Gotra and Mr. Schiavone trained the sales team not to spend time going over the customers contract but to explain to the customer that it was "basically what we had gone over" already and assure the customer that, because the installation process took a while, they had time to go over the contract in detail on their own over the next few days.

216. FE1 further explained that Mr. Schiavone trained him never to mention Smart Green's cancellation policy with a customer unless specifically asked about it. According to FE1, Mr. Schiavone said that if a customer was not "smart enough" to read the contract then there was no reason to tell them about what was actually in it.

217. FE1 also explained how Mr. Schiavone told the sales team that Smart Green wanted to install solar panel systems on homes as quickly as possible – even before the system was ready to be connected to the electrical grid – to make sure that customers couldn’t cancel their contract and the company received payment from their lender.

218. According to FE1, this is why Smart Green had a policy of installing systems before they were ready to be operational and offered to pay customer’s loan payments to the bank while they waited for the system to be turned on.

219. The Office of the Attorney General has also received at least 10 complaints from consumers regarding Smart Green’s practices related to contracts or their cancellation policy.

220. For example, customers have confirmed that they did not recall receiving a copy of their contract immediately after signing.

221. Some customers explained that after they decided to cancel, they had never seen a copy of their contract and, upon searching, realized they had received it in an email from a web address they did not recognize and so did not realize it was a copy of their contract.

222. Other complainants described how the salesperson either never described the cancellation policy or misdescribed it.

223. For example, one Providence customer explained how he felt misled by a Smart Green sales representative about his ability to cancel. He explained that the salesperson told him about how federal tax credits and a utility program could drastically cut the cost of installation, and that the salesperson told him he had to sign to find out whether he qualified. However, according to this customer, the salesperson promised he could cancel at any time and Smart Green “would take care of it.”

224. After 20 days, the customer decided to cancel, but according to him, the company told him that he had to pay a 20% cancellation charge – which was confirmed by both his sales representative and a representative from Smart Green’s customer service group.

225. Further, Smart Green and Mr. Gotra continue to misdescribe their cancellation practices in public statements.

226. In one June 2023 interview with WPRI, when asked about allegations that customers had not been advised of the company’s three-day cancellation policy, Mr. Gotra stated that he had “allowed” over 500 customers to cancel outside that window.

227. This statement implies these customers were allowed to cancel without the company demanding or forcing them to pay a 20% cancellation fee and ignoring customers that either paid the 20% fee to cancel or could not pay or afford the fee and had to move forward with installation anyways.<sup>18</sup>

228. In another YouTube video titled “Jay Gotra Puts His Customers FIRST”, Mr. Gotra states that he will “still let customers out of their contracts that don’t want to be with me” even if it is after “three days, three weeks or three months.”<sup>19</sup>

229. In a July 11, 2023 podcast interview, Mr. Gotra stated that it was the Company’s “practice to say that if somebody wants to cancel, even after 180 days, we let them go. We’ve followed this practice before this lawsuit, and we continue to follow this practice.”<sup>20</sup>

230. However, these descriptions of Smart Green’s cancellation practices similarly omit that the company’s standard procedure is to demand customers pay the 20% fee if they are outside the

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<sup>18</sup> <https://www.wpri.com/target-12/wrongful-prosecution-solar-company-ceo-fires-back-at-ag-lawsuit/>

<sup>19</sup> <https://www.youtube.com/watch?v=6ZqoidqvhQo>

<sup>20</sup> <https://btown.buzzsprout.com/163601/13202081-ri-solar-company-facing-lawsuit-by-ag-says-its-political> (at approximately the 22 minute mark).

three-day cancellation window, potentially threaten to send them to collections, and that some customers who could not or would not pay this fee were not able to cancel.

231. For example, one Providence consumer described how she signed up for a solar system with Smart Green using the DocuSign program. She said that she was not verbally apprised of the cancellation policy by her salesperson and did not notice the cancellation provisions in the contract when she was signing on the tablet. This customer also did not remember receiving a copy of her contract at the time she signed but later found it after the three-day cancellation window in an email from DocuSign (rather than Smart Green). Similarly, she said she never received a copy of the loan agreement she signed with Smart Green and had to request it from the finance company instead.

232. According to the consumer, she began having second thoughts about contracting with Smart Green about three weeks after signing up but before the system was installed. Because she was not aware of the cancellation policy, she asked her salesperson to put her installation on hold and asked whether there would be any penalty for cancelling – her salesperson responded that she would be charged a 20% cancellation fee.

233. According to the consumer, she decided not to cancel because she could not afford to pay that fee.

234. In addition, consumers have complained to the Office of the Attorney General that Smart Green failed to provide them with a copy of their contract.

235. As Consumer B and D detail below, they did not receive copies of their contracts after signing.

236. Even if Smart Green may attempt to send a copy of the contract via email, consumers may not receive effective notice of it if they did not give Smart Green permission to provide it in that manner and/or the email comes from an unrecognizable sender (rather than from a Smart Green

email address) or does not include any reference to Smart Green or solar in the email address or subject line.

### **Consumer Complaints**

237. 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.

#### **Consumer A**

238. 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.

239. 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.

240. 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.

241. 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.

242. 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.

243. 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.

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

245. 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.

246. 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.

247. 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.

248. 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.

249. 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.



250. 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**

251. 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.

252. 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.

253. 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.

254. 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.

255. 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.

256. 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.

257. 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.

258. 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.

259. 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.

260. 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.

261. 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.

262. 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.

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

264. 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.

265. 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.

266. 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.

267. 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.

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

269. 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.

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

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

272. 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**

273. 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.

274. 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.

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

276. 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.

277. 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**

278. 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.

279. 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.

280. 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.

281. 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.

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

283. 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.

284. 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.

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

286. 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**

287. 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.

288. 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.

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

290. 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.

291. 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.

292. 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.

293. 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.

294. 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.

295. 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.

296. 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**

297. 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.

298. 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.

299. 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.

300. 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.

301. 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.

**Executive Personal Liability**

302. Mr. Gotra and Mr. Schiavone are personally liable for any of their own misrepresentations regarding the Residential Clean Energy Credit or the potential financial benefits of purchasing solar panels through Smart Green.

303. Mr. Gotra and Mr. Schiavone are also personally liable for their employees' conduct because they had knowledge of their misrepresentations regarding the Residential Clean Energy Tax Credit and had authority to control those representations.

304. Mr. Schiavone is also personally liable for his employees' conduct because he had knowledge of their misrepresentations regarding sign-up and referral bonuses and the authority to control those representations.

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

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

307. 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.

308. Likewise, Mr. Nixon is personally liable for the unfair or deceptive advertisements that he creates and/or appears in.

**V. COUNTS**

**COUNT I: VIOLATION OF THE RHODE ISLAND  
DECEPTIVE TRADE PRACTICES ACT**



**R.I. GEN. LAWS § 6-13.1-2**

309. Paragraphs 1 through 308 are incorporated herein.

310. Defendants have engaged in repeated violation of the Rhode Island Deceptive Trade Practices Act (“DTPA”) by employing numerous unfair and deceptive advertising and sales tactics, often committing several different violations during an individual consumer transaction.

311. The DTPA prohibits and person or entity from engaging in unfair methods of competition and unfair or deceptive acts or practices in trade or commerce in Rhode Island. This includes prohibitions on making material misrepresentations or omissions, violating public policy, engaging in unscrupulous or unethical conduct, advertising goods with intent not to sell them as advertised, making false or misleading statements concerning the reasons or amounts of price reductions, engaging in conduct that creates a likelihood of confusion or misunderstanding, conduct that misleads or deceives members of the public in a material respect, and failing to separately state the amount charged for labor and the amount charges for services when requested by the purchaser.

312. As described above, Defendants made numerous express material misrepresentations or material omissions – either through their advertisements or during in-person solicitations – and engaged in unfair sales tactics. Defendants violated the DTPA each time that they:

- a. Made a misrepresentation or omissions regarding federal tax credits, including regarding a consumer’s potential eligibility, how it will impact a system’s cost, how the tax credit works, structuring consumer loans as if they were eligible for the tax credit, and describing the program as a “down payment” for financing, *see* R.I. Gen. Laws § 6-13.1-1(6)(xi), (xii), (xiii), (xiv);
- b. Made a misrepresentation or omission or otherwise engaged in unfair practices regarding other potential government incentive, including the Rhode Island Renewable Energy Fund Program, *see* R.I. Gen. Laws § 6-13.1-1(6)(xii), (xiii), (xiv);

- c. Made a misrepresentation or omission regarding how Smart Green prices its products and services, *see* R.I. Gen. Laws § 6-13.1-1(6)(xii), (xiii), (xiv);
- d. Charged a consumer or increased the price of their purchase in connection with sign-up or referral bonus, *see* R.I. Gen. Laws § 6-13.1-1(6)(xii), (xiii), (xiv);
- e. Failed to provide a consumer an itemized receipt or invoice detailing how a customer was charged for materials, labor, services, and/or financing charges, *see* R.I. Gen. Laws § 6-13.1-1(6)(xii), (xiii), (xiv), (xix);
- f. Made a misrepresentation or omission regarding the amount of energy a customer's solar panels are expected to produce, the amount of savings they can expect as compared to purchasing from their utility, or that a consumer will no longer receive a utility bill, *see* R.I. Gen. Laws § 6-13.1-1(6)(xii), (xiii), (xiv);
- g. Made a misrepresentation or omission regarding Smart Green's cancellation policies, *see* R.I. Gen. Laws § 6-13.1-1(6)(xii), (xiii), (xiv);
- h. Failed to effectively provide a customer with a copy of their contract, *see* R.I. Gen. Laws § 6-13.1-1(6)(xii), (xiii), (xiv);
- i. Charged consumers, such as Consumer A, for solar panels that they then didn't install and never informed the consumer or offered them compensation or a refund, *see* R.I. Gen. Laws § 6-13.1-1(6)(xii), (xiii), (xiv)

313. Upon information and belief, Defendants made a number of representations they knew were not true or knowingly omitted important information to sell more solar panel systems to unsuspecting consumers.

314. Mr. Gotra, Mr. Schiavone, and Mr. Nixon are also liable in their individual capacity as a result of these and other actions they took, including their own statements and actions as well as any act they authorized, encourages, directed, or knew of and had the ability to stop. Additionally, Mr.

Gotra and Mr. Schiavone developed and trained their sales staff to employ sales tactics that violated the DTPA.

315. 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**

316. Paragraphs 1 through 315 are incorporated herein.

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

318. 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 all 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. Failing to provide an itemized invoice to all consumers including the cost of materials, labor, service, finance charges, and any other products, services, or fees they may be charged for;

- e. Charging consumers a fee or increasing the price of their purchase in connection with bonus payments;
  - f. Dissuading customers from participating in other state or federal programs without providing them full disclosure regarding their eligibility and potential savings or benefits;
  - g. Utilizing electronic contracts instead of paper contracts, including requiring customers to affix their signature on a computer or tablet device;
  - h. Making misrepresentations to consumers regarding Smart Green's cancellation policy or the customer's ability to cancel; and
  - i. Failing to deliver a copy of any contract with a consumer immediately after they sign the agreement.
- B. Permanently enjoin Defendants Gotra and Schiavone from engaging in, directing, managing, owning, or otherwise having any involvement in a business that involves soliciting consumers to purchase a product or service in Rhode Island.
- C. 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.
- D. Order Defendants to pay the State's costs and attorneys' fees.
- E. 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.
- F. Order any other relief that the Court deems appropriate.

Respectfully submitted,

**STATE OF RHODE ISLAND:**

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

By His Attorney:

- */s/ Stephen N. Provazza*  
STEPHEN N. PROVAZZA (Bar No. 10435)  
OFFICE OF THE ATTORNEY GENERAL  
150 South Main Street  
Providence, RI 02903  
(401) 274-4400  
[sprovazza@riag.ri.gov](mailto:sprovazza@riag.ri.gov)

**CERTIFICATION OF SERVICE**

I, the undersigned, hereby certify that on the Thirtieth Day of November, 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*