

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
CIVIL DIVISION

STATE OF ARKANSAS, *ex rel.*
TIM GRIFFIN, ATTORNEY GENERAL

PLAINTIFF

v. CASE NO. _____

CAVALRY SOLAR SOLUTIONS, LLC, dba
APOLLO ENERGY and BRANDEN GLOVER,
IN HIS PERSONAL CAPACITY

DEFENDANTS

COMPLAINT

The State of Arkansas, *ex rel.* Tim Griffin, Attorney General (“the State”), for its Complaint against Cavalry Solar Solutions, LLC, doing business as Apollo Energy (“Defendant Company”) and Branden Glover (“Defendant Glover”) (jointly, “Defendants”) states:

I. INTRODUCTION

1. This is a consumer protection action brought to redress and restrain violations of the Arkansas Deceptive Trade Practices Act (“ADTPA”), Ark. Code Ann. § 4-88-101 *et seq.* and the Home Solicitation Sales Act, Ark. Code Ann. § 4-89-101 *et seq.*

2. At all times relevant to this complaint, Apollo Energy and Branden Glover operated a business in Arkansas that offered to sell and install solar panels and solar energy systems on consumers' homes. Defendants engaged in door-to-door sales and advertised and represented to potential buyers that they could and would install electricity-generating solar panels capable of connecting to the electric grid for net metering. Defendants required that all

customers pay the entire quoted price before work commenced, offering applications for loans from preselected lenders specializing in the solar industry to those customers who could not or did not wish to pay upfront. However, after accepting consumers' money for the construction of the solar panel systems, Defendants failed to perform its contracted services or provide the purchased goods.

3. When consumers filed complaints, Defendants ignored them, as well as the Office of the Attorney General and the Better Business Bureau.

4. The complaints against Defendants totaled approximately \$1.8 million as of the date of filing. Based on the number of complaints and the increasing frequency with which they are being filed, the State expects substantially more consumers who have been harmed by Defendants to come forward.

5. Defendants' unfair, deceptive, and unconscionable business practice has cost Arkansas consumers millions of dollars. Their failures to meet contractual obligations fall generally into four categories:

- a. Failure to deliver any solar panels after customers executed required loan documents;
- b. Failure to connect the solar panel system to the electric grid, either because Defendant Company failed to coordinate with the appropriate electric service provider or meet its requirements, or the provider's inability to connect the homeowner's system because said system as built failed the necessary inspection(s) and test(s);
- c. Failure to complete construction of the contracted-for solar panel facility; and

d. Failure to honor the twenty-five (25) year warranty on Defendant Company's workmanship promised in the Sales Agreements.¹

6. The State seeks an injunction, restitution for affected consumers, an order imposing civil penalties, a declaratory judgment, and all just and proper relief to which it may be entitled.

II. PARTIES

7. Plaintiff is the State of Arkansas, *ex rel.* Tim Griffin, Attorney General. Pursuant to Ark. Code Ann. §§ 4-88-104 and 4-88-113, the State may seek civil enforcement of the ADTPA. The Attorney General's Consumer Protection Division shall represent and protect the state, its subdivisions, the legitimate business community, and the general public as consumers.

8. Defendant Company Cavalry Solar Solutions, LLC doing business as Apollo Energy is a Texas limited liability company registered as a foreign limited liability company with the Arkansas Secretary of State. Defendant Company's Arkansas address is listed with the Secretary of State as 24 Varvil Lane, Quitman, Arkansas. This is the same address as its registered agent and director, Branden Glover (Defendant Glover). Defendant Glover is the CEO of Defendant Company.

9. Defendant Brendan Glover, an officer or director of Cavalry Solar Systems, LLC doing business as Apollo Energy, is a resident of Arkansas whose address is 24 Varvil Lane, Quitman, Arkansas. At all times relevant to this Complaint Defendant Glover was a partner, officer or director of Defendant Company who directly or indirectly controlled Defendant Company and its employees or he facilitated, assisted, acted as an intermediary, or aided

¹ Exhibit A, "Apollo Sales Agreement," at 2.

Defendant Company in violation of the Arkansas Deceptive Trade Practices Act. Ark. Code Ann. § 4-88-113(d)(1).

III. JURISDICTION

10. This Court has jurisdiction over this matter and the common law of the State of Arkansas. Ark. Code Ann. § 4-88-104.

11. Defendant Company is a solar panel sales and installation company that has transacted business in the State of Arkansas within the applicable statute of limitations. This Court has personal jurisdiction over Defendants pursuant to Ark. Code Ann. § 16-4-101. Defendants have availed themselves of the benefit of transacting business in Arkansas by marketing, offering for sale, installing, repairing, and servicing solar panel energy systems within the state.

12. Venue is proper pursuant to Ark. Code Ann. §§ 4-88-104, 4-88-112, and the common law of the State of Arkansas.

IV. FACTUAL ALLEGATIONS

13. The purchase of a solar panel installation is a significant financial undertaking for a homeowner, costing thousands of dollars.

14. Solar panel systems are marketed and sold as capable of reducing consumers' electric bills.

15. Since at least May 17, 2017, the date of Defendant Company's initial incorporation in Texas, Defendants have owned and operated a business that purportedly specializes in selling and installing solar panels and related necessary fixtures at consumers'

residences to generate solar electricity for net metering, as well as ensuring that the installation is “ready for startup and testing”² prior to its interconnection with the electric grid.

16. According to reports from consumers, Defendant Company conducted door-to-door sales and contracted with homeowners to construct solar panel installations ready to be connected to the buyers’ electrical service providers’ facilities.

17. To finance the purchase and installation of the solar panels from Defendants, consumers could provide their own financing or contract with a finance company offered by Defendants. Once Defendants accepted the proceeds of the loans, consumers were obligated to pay the loans that financed the solar panel installation regardless of whether the system was delivered, installed, complete or capable of operating.

18. Throughout 2022 and into 2023, the Arkansas Attorney General’s Office and many electric service providers received complaints against Defendants from Arkansas residents. The Attorney General has received approximately eighty (80) complaints as of the date of filing.

19. As of January 25, 2023, the Better Business Bureau had received fifty-seven (57) valid complaints about Defendants and their business practices from Arkansas consumers, alleging the same types of actions and failures to act. Fourteen of these were from unique consumers; forty-three (43) were from Defendants’ customers who also lodged complaints with the Attorney General.

20. In the complaints, consumers alleged that, from the beginning of their interactions with Defendant Company, it represented that it would sell and install a solar panel system that could be connected to the buyers’ electric service providers’ networks. These representations induced consumers to execute contracts with Defendant Company.

² Exh. A at 1.

21. Some consumers who filed complaints were over 60 years old at the time they contracted with Defendants and some consumers had a disability as defined by Ark. Code Ann. § 4-88-201.

22. Customers have filed complaints alleging more than \$1.4 million to date for systems that were never able to be connected to the homeowner's electric provider's operations, rendering them useless, or systems that failed the inspection necessary for such connection.

23. Defendant Company also stopped construction mid-project in many instances, without explanation to the consumers, and then proceeded to ignore consumers' attempts to contact it for an explanation and to finish the job. Customers who were left with incomplete construction of their solar installation allege losses totaling more than \$270,000.

24. Defendant Company induced some customers to take out loans with one of its lending partners and then failed to deliver any products or services whatsoever. At the time of filing, complaints about this deceptive trade practice of retaining the proceeds of ultimately unnecessary financing totaled approximately \$116,000.

25. To date, Defendant Company has not completed any of the aforementioned projects or resolved any of the outstanding complaints.

26. Defendants knew that their conduct, specifically the failure to install electricity-generating solar panel systems that would be connected to the electric grid and provide electricity to the homeowners who bought its systems, would harm consumers.

27. Defendant Company's Sales Agreement defines "Installation" as follows: "Installation" means the system is fully installed and is ready for start-up and testing."³

28. Further, Defendant Company contracted to obtain all necessary permits:

³ Exh. A, at 1.

Cavalry Solar Solutions DBA Apollo Energy shall be responsible for determining which permits are necessary and for obtaining the permits, and shall advance funds to pay for all state and local permits necessary for performing the specific work.⁴

29. Defendant Company failed over and over again to obtain all necessary permits.

30. Customers were provided with Defendant Company's Texas address for contact purposes. However, at some point in the fall of 2022, Defendant Company ceased solar panel installation, repair, and servicing activities in Arkansas and both Defendants stopped responding to Arkansas customers' requests for information, assistance, or service.

31. In all cases, the consumers would not have contracted with Defendants had they known of their pattern of failing to complete the installation of its solar energy system and abandoning its contractual obligations to customers while leaving consumers with the responsibility for a loan upon which payments are now becoming due and no solar panel system.

32. Upon information and belief, other persons who have not yet lodged complaints with the Arkansas Attorney General may have been victims of the Defendants' activities described herein, and additional violations, which are not presently known to the State, may be discovered and added to this Complaint.

V. VIOLATIONS OF LAW

33. The ADTPA sets forth the State's statutory program prohibiting deceptive and unconscionable trade practices. Ark. Code Ann. §§ 4-88-101, *et seq.*

34. At all times relevant herein, Defendants were "persons" who engaged in the practices alleged herein which constitute the sale of "goods," including but not limited to solar panels and hardware required for their installation, or "services," including installation and all

⁴ *Ibid.*, at 2.

other services listed in the Sales Agreement. Ark. Code Ann. § 4-88-101(4), (5), (7).

35. At all times relevant herein, Defendants sold “goods” for use primarily for personal, family, or household purposes, that are to be so affixed to real property as to become a part of such real property. Ark. Code Ann. § 4-89-102(2)(I).

36. Defendants’ marketing and sale of solar panels and solar energy system installation services constitute business, commerce, or trade in Arkansas.

37. Defendants are “sellers” engaged in the door-to-door sale of consumer goods or services. Ark. Code Ann. § 4-89-101(5).

38. Defendants offered for sale and provided “services” primarily for personal, family, or household purposes. Ark. Code Ann. § 4-8-101(6).

COUNT I

39. The ADTPA prohibits a person from “knowingly mak[ing] a false representation as to the characteristics . . . uses, benefits, alterations, source, . . . approval, or certification of goods or services [..].” Ark. Code Ann. § 4-88-107(a)(1).

40. Defendants violated the ADTPA when they knowingly misrepresented:
- a. That they would install functional and complete solar energy systems;
 - b. That they would arrange for all necessary permits for interconnection with each homeowner’s electric service provider; or
 - c. That Defendant Company’s systems, as installed, would allow the customers to have said systems interconnected to the electric grid through cooperation with their respective electric service providers such that customers would receive the benefits of net metering.

COUNT II

41. It is an unlawful, deceptive, and unconscionable trade practice to advertise goods or services with the intent not to sell them as advertised. Ark. Code Ann. § 4-8-107(a)(3).

42. Defendants advertised their goods and services to consumers with the intent not to provide and install a functioning solar energy system as advertised, but to collect the proceeds of the loans financed by consumers.

COUNT III

43. It is an unlawful, deceptive, and unconscionable trade practice to knowingly take advantage of a consumer who is reasonably unable to protect his or her interest because of physical infirmity, ignorance, illiteracy, inability to understand the language of the contract, or similar factor. Ark. Code Ann. § 4-88-107(a)(8).

44. Defendants knowingly took advantage of consumers by not providing Spanish-speaking consumers with contracts in Spanish.

45. Defendants knowingly took advantage of consumers by using electronic contracts on tablets that limited consumers' ability to read and thoroughly review the terms and conditions of its contract and its disclosures, and to retain copies of the contract.

COUNT IV

46. The act, use, or employment by a person of any deception, fraud, or false pretense when utilized in connection with the sale or advertisement of any goods or services is unlawful. Ark. Code Ann. § 4-88-108(a)(1).

47. Defendants employed deception, fraud, or false pretenses when they solicited solar panel energy systems purchase and installation agreements knowing that they would not be able to provide the goods and services sold.

48. Defendants employed deception, fraud, or false pretense when they contracted to provide services “using personnel of required skill, experience and qualifications” and perform its services “in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently working under similar conditions” but failed to properly install and interconnect the solar energy systems.⁵

COUNT V

49. The ADTPA prohibits the use of “concealment, suppression, or omission of any material fact with the intent that others rely upon the concealment, suppression or omission” while selling any goods or services. Ark. Code Ann. § 4-88-108(a)(2).

50. Defendants concealed and suppressed material facts such as:

- a. Failure to deliver promised incentives or promotions;
- b. Failure to install systems in the stated timeframe;
- c. Failure to accurately estimate customers’ utility cost savings;
- d. Failure of company to employ personnel capable of installing systems correctly;
- e. Failing to apply for and secure necessary permits for certain customers’ installations; or
- f. Failing to apply for and secure homeowner association approval for placement of the solar panels.

COUNT VI

⁵ Exh. A, p. 1

51. The ADTPA prohibits a person from engaging in an “unconscionable, false, or deceptive act or practice in business, commerce, or trade.” Ark. Code Ann. § 4-88-107(a)(10).

An act is unconscionable “if it affronts the sense of justice, decency, and reasonableness.”⁶

52. Defendants engaged in unconscionable, false, and deceptive acts or practices when they:

- a. Required consumers to pay upfront costs and fees to start construction but failed to complete projects;
- b. Installed systems that failed inspection and/or were otherwise unable to be interconnected to the electric grid;
- c. Induced customers to obtain financing for projects they never started;
- d. Accepted payment from third-party financing companies for work they had not started or completed; and
- e. Refused to offer or pay refunds when they failed to complete projects.

Further, for those systems Defendant Company partially installed, Defendants have not complied with the twenty-five (25) year warranty on workmanship contracted for in each sale.

COUNT VII

53. Any violation of the Home Solicitation Sales Act (HSSA) shall constitute an unfair deceptive act or practice or practice as defined by the ADTPA. Ark. Code Ann. § 4-89-106(a)(1).

54. Defendants violated the HSSA and the DTPA by failing to clearly and conspicuously disclose, both orally and in writing in the contract: the total cash price, the down

⁶ See *GulfCo of Louisiana, Inc. v. Brantley*, 2013 Ark. 367, 430 S.W.3d 7 (2013).

payment, the unpaid balance of the cash price, the number, amount, and due dates of payments necessary to pay the unpaid balance in full; and, an accurate description of the goods or services purchased. Ark. Code Ann. § 4-88-102.

55. Defendants' business practices violated the HSSA and its sales contracts are unenforceable because the written contract does not include the name and address of the seller as required by the HSSA and contains a "non-disparagement" provision prohibiting consumers from making defamatory or otherwise injurious statements concerning Defendant Apollo or its contracts to any third party. On information and belief, the "non-disparagement" provision was not included in the oral sales presentation. Ark. Code Ann. § 4-88-108(a)(3-4).

56. Defendants' business practices violated the HSSA and its sales contracts are unenforceable because Defendants did not provide the consumer with a fully completed copy of the writing at the time the consumer signed the contract. Ark. Code Ann. § 4-88-108(c).

57. Defendants' business practices violated the HSSA and its sales contracts are unenforceable because Defendants did not furnish the statutory "Notice of Cancellation" in duplicate and attached to the contract required by Ark. Code Ann. § 4-88-108(c).

COUNT VIII

58. Defendants' unlawful, deceptive, and unconscionable business practices and conduct targeted Elder Persons or Persons with Disabilities causing:

- a. Mental and emotional anguish,
- b. Loss of or encumbrance upon a primary residence of the elder person or person with a disability,

all in violation of section 4-88-201, *et seq.*

VI. PRAYER FOR RELIEF

59. The Attorney General brings this civil action to prevent persons from engaging in the use or employment of prohibited practices. Ark. Code Ann. § 4-88-113(a)(1).

60. Likewise, the Attorney General brings this civil action to seek to restore to any purchaser who has suffered any ascertainable loss by reason of the use or employment of the prohibited practices any moneys or real or personal property which may have been acquired by means of any practices declared to be unlawful, together with other damages sustained. Ark. Code Ann. § 4-88-113(a)(2)(A).

61. The Attorney General seeks an injunction prohibiting Defendants from engaging in any deceptive or unlawful practice. Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1).

62. The Attorney General seeks civil penalties against Defendants who violated the provisions of the ADTPA of up to \$10,000.00 per violation. Ark. Code Ann. § 4-88-113(a)(3).

63. Persons who violated the ADTPA or HSSA against an Elder Person or Person with a Disability may be assessed an additional civil penalty not to exceed ten thousand dollars (\$10,000) for each violation. Ark. Code Ann. § 4-88-202.

64. The Attorney General acting through the Consumer Counsel on behalf of the State's consumers seeks to recover from persons violating the HSSA an amount equal to: (1) ten percent (10%) of the transaction total or one hundred dollars whichever is greater; and (2) actual damages, including any incidental, consequential, and special damages sustained by the consumer as a result of the violation. Ark. Code Ann. § 4-89-105.

65. The Attorney General on behalf of the State's consumers may recover restitution and actual and punitive damages. Ark. Code Ann. § 4-89-204.

66. In addition, any person who violates the provisions of the ADTPA shall be liable to the Office of the Attorney General for all costs and fees, including but not limited to, expert witness fees and attorney's fees, incurred by the Office of the Attorney General in the prosecution of such actions. Ark. Code Ann. § 4-88-113(e).

67. A declaratory judgment that Defendants' sales are not enforceable by way of action or defense. Ark. Code Ann. §4-89-108.

68. Defendants are jointly and severally liable for any penalties assessed and monetary judgments awarded. Ark. Code Ann. § 4-88-113(d)(1).

69. The State will exercise its right to a trial by jury.

WHEREFORE, the above premises considered, the State of Arkansas, *ex rel.* Tim Griffin, Attorney General, respectfully requests that this Court:

- a. Issue such orders, pursuant to Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1), as may be necessary to prevent the use or employment by the Defendants of the practices described herein which are violations of the ADTPA;
- b. Issue an injunction against Defendants from operating any solar energy-related businesses in Arkansas, including but not limited to sales, installations, or consulting;
- c. Issue an order, pursuant to Ark. Code Ann. § 4-88-113(a)(2)(A), requiring Defendants to pay consumer restitution to those Arkansas consumers affected by the activities outlined herein; in addition, or in the alternative, enter an order requiring Defendants to remit to affected consumers all sums obtained from Arkansas consumers by methods prohibited by Arkansas law;

- d. Impose civil penalties pursuant to Ark. Code Ann. § 4-88-113(b), to be paid to the State by the Defendants in the amount of \$10,000.00 per each violation of the ADTPA proved at a trial of this matter;
- e. Impose additional penalties pursuant to Ark. Code Ann. § 4-88-201 to be paid to the Treasurer of the State and placed into the Elder Person and Person with a Disability Victims Fund, a special fund created in the State Treasury and administered by the Attorney General for the investigation and prosecution of deceptive acts against an elder person or a person with a disability and for consumer initiatives.
- f. Issue an order, pursuant to Ark. Code Ann. § 4-89-105, requiring Defendants to pay consumer restitution to those Arkansas consumers affected by the violations of the HSSA outlined herein;
- g. Issue a declaratory judgment that its contracts are not enforceable by action or defense.
- h. Issue an order, pursuant to Ark. Code Ann. § 4-88-113(e), requiring Defendants to pay the State's costs in this investigation and litigation, including, but not limited to, attorneys' fees and costs; and
- i. For all other just and proper relief to which the State may be entitled.

Respectfully submitted,

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By: 

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