Division of Consumer Protection Utah Department of Commerce 160 East 300 South. 2<sup>nd</sup> Floor Salt Lake City, UT 84116 (801) 530-6601

# BEFORE THE DIVISION OF CONSUMER PROTECTION OF THE DEPARMTNET OF COMMERCE OF THE STATE OF UTAH

IN THE MATTER OF: COLARUSSO VENTURES, LLC d/b/a ELAN SOLAR and KEVIN COLARUSSO, EMERGENCY ORDER TO CEASE AND DESIST

Docket No. CP-2024-024

Respondents.

This matter comes before the Director of the Utah Division of Consumer Protection (the "Division") upon evidence that Colarusso Ventures, LLC d/b/a Elan Solar ("Elan Solar") and Kevin Colarusso ("Mr. Colarusso") (collectively, "Respondents") have engaged and continue to engage in acts and practices which violate the Consumer Sales Practices Act, Utah Code § 13-11-1 et seq. (the "CSPA") and the Residential Solar Energy Disclosure Act, Utah Code § 13-52-101 et seq. ("RSEDA"). Upon reviewing the relevant facts discovered through the Division's ongoing investigation of this matter, and in light of the fact that Respondents have failed to correct their unlawful business practices despite two previous settlement agreements with the Division, the Director finds and concludes that Respondents' conduct continues to present an immediate and significant danger to the public welfare and that the threat requires immediate agency action. The Director issues this Emergency Order in accordance with the provisions of Utah Code § 63G-4-502 and Utah Admin Code R151-4-111.

#### FINDINGS OF FACT

## THE RESPONDENTS

- 1. Colarusso Ventures, LI.C d/b/a Elan Solar is a Utah limited liability company with a business address of Corem, Utah 84057.
- 2. The Utah Division of Professional Licensing revoked Elan Solar's license as a contractor on August 30, 2023, which prohibits Elan Solar from installing solar systems or subcontracting with third parties to perform installations.
- Kevin Colarusso is an individual who resides in Utah County, Utah.
   Mr. Colarusso is the Chief Executive Officer, founder, and sole owner of Elan Solar.

## **BACKGROUND**

- I. Elan Solar fails to provide promised full-service solar installations.
- 4. From 2015 through 2020, Elan solar acted as a "dealer," or a sales organization for solar energy providers.
- 5. Beginning in June 2020, Elan Solar became a "full-service" solar company.

  Its website states that Elan Solar takes care of the "design, engineering, and installation all under one roof."
- 6. The contracts that Elan Solar enters into with consumers state that it will "perform the services, advance fees, costs, and expenses, and furnish the goods to the extent necessary for the proper completion of the Work . . . . Work means the marketing, sales, electrical and structural review, System design and engineering, procurement, permitting and licensing, electrical service panel maintenance and upgrades, structural maintenance and upgrades, trenching. System installation, and System interconnection, together with all associated labor. equipment, and fees that are reasonable and necessary for System Completion . . . ."

- 7. According to consumers, Elan Solar's sales representatives said that their solar systems would be operational within six to eight weeks from the time of contracting.
- 8. According to Mr. Colarusso, consumers are told that their solar systems will be operational within two to three months from the time of contracting.
- 9. Consumers pay between \$25,000-\$75,000 for these solar energy systems, for which they either pay outright or obtain financing through a lending company.
- 10. But Elan Solar frequently fails to completely install the solar energy systems.

  Instead, it often affixes the solar panels to consumers' roofs, secures the full purchase price from the consumer or the lending company, and then stops short of connecting the solar panels to the consumers' home electrical panels to produce usable electricity.
- 11. The Division has received complaints from at least twenty-nine consumers who did not receive functional systems from Elan Solar within the time represented.
- 12. According to Elan Solar, as of February 2, 2024, at least one hundred and forty consumers had incompletely installed solar systems, all of whom had signed contracts with Elan Solar over three months prior.

# II. Elan Solar engages in additional deceptive acts or practices.

- 13. At least three consumers have not received other products for which they had contracted with Elan Solar, including batteries, a generator, and an electric vehicle charger.
- 14. The contracts Elan Solar entered into with consumers contained a warranty provision if the solar systems stopped working within the first ten years. Yet Elan Solar has failed to repair at least three consumers' systems, in violation of the warranty.

- 15. The contracts also contained a roof penetration warranty. Yet Elan Solar has failed to repair the roof for at least one consumer whose roof began to leak after Elan Solar installed solar panels.
- 16. Elan Solar failed to provide promised reimbursements to at least eleven consumers with nonfunctioning solar systems for loan payments made by the consumers while the systems were not working.
- 17. Elan Solar failed to acquire the necessary permits from utility providers before affixing solar panels to at least two consumers' roofs.
- 18. Elan Solar misleads consumers with fake Google reviews. The Transparency Company analyzed 374 reviews of Elan Solar on Google and flagged eighty-two reviews as "highly suspicious," many of which were written by the same author. These suspicious reviews made a total of 69,654 impressions on prospective consumers.
- 19. Sales representatives for Elan Solar have provided prospective consumers with maps showing "homes near you" with Elan Solar's solar systems. Yet these maps are misleading because they do not show homes with solar systems installed by Elan Solar, but rather show homes that have been solicited by Elan Solar's sales representatives.
- 20. Elan Solar misrepresents the cost of its solar systems and consumers' energy savings. Sales representatives provide consumers with a price summary where they subtract federal and Utah tax credits from the "Gross System Cost." Yet consumers have complained that these representations are misleading because they have not received these tax credits. The footnote disclaimers in minuscule font in the price summaries are not sufficient to cure the misleading net impression.

- 21. Furthermore, Elan Solar's representations of consumers' savings are misleading given that some consumers do not receive functioning solar systems and must continue making their normal utility payments in addition to loan payments for their inoperable solar systems.
- 22. In door-to-door solicitations, Elan Solar's sales representatives often make sales pitches in Spanish, yet in at least five instances, they only provided these Spanish-speaking consumers with contracts written in English.
- 23. Elan Solar represents on its website that it is "an accredited business with the BBB." But the statement is false: Elan Solar is not accredited with the BBB.
- 24. Elan Solar represents on its website that "Elan Solar is a licensed contractor in each state in which we operate." But the statement is false: the Utah Division of Professional Licensing revoked Elan Solar's license on August 30, 2023, which prohibits Elan Solar from installing solar systems or subcontracting with third parties to perform installations.
- 25. Elan Solar and Mr. Colarusso continue to contract with consumers to provide full-service solar installations, despite the company's revoked license. The Division has obtained Elan Solar's contracts with new consumers dated as recently as December 2023. Division investigators learned that Elan Solar sent workers to a consumer's residence as recently as last week.

## III. Elan Solar does not provide consumers with RSEDA disclosure statements.

26. RSEDA requires that solar retailers provide consumers with certain information, such as the estimated useful life of the solar system, approximate start and completion dates for installation, and a statement that any projected savings or tax incentives are estimates which are subject to change.

- 27. Since its inception, Elan Solar has entered into contracts for solar energy systems with over one thousand Utah consumers.
- 28. Records subpoenaed from the company show that none of these consumers have received disclosure statements as required by RSEDA ("RSEDA disclosure statements").
- IV. Elan Solar continues to engage in unlawful business practices despite prior settlements with the Division.
  - 29. Elan Solar and Mr. Colarusso have failed to correct a history of unlawful activity.
- 30. Elan Solar entered into a settlement agreement with the Division in January 2022 for failure to provide RSEDA disclosure statements and for failure to provide a contract in the same language as the sales presentation.
- 31. Just six months later in July 2022, Elan Solar entered into another settlement agreement with the Division for failure to provide RSEDA disclosure statements and for receiving payment from a consumer and then failing to fully install the solar system.
- 32. Elan Solar continues to engage in these same types of violations. Consumers who have contracted with Elan Solar after the second settlement agreement did not receive RSEDA disclosure statements.

### **CONCLUSIONS OF LAW**

### VIOLATIONS OF THE CSPA

- 33. The CSPA prohibits suppliers from committing deceptive acts or practices in connection with a consumer transaction, whether the act occurs before, during, or after the transaction. Utah Code § 13-11-4(1).
- 34. Elan Solar and Mr. Colarusso engage in "consumer transaction[s]" by marketing and selling products and services that are primarily for personal, family, or household purposes. Utah Code § 13-11-3(2).

35. Elan Solar and Mr. Colarusso are "supplier[s]" because they regularly solicit, engage in, or enforce consumer transactions, whether or not they deal directly with consumers.

Utah Code § 13-11-3(6).

# FAILURE TO DELIVER GOODS OR SERVICES

- 36. After the receipt of payment, it is unlawful for a supplier to fail to deliver the goods or furnish the services within the time represented (or if no time is represented, within thirty days) in connection with a consumer transaction. Utah Code § 13-11-4(2)(1).
- 37. Elan Solar and Mr. Colarusso knowingly and intentionally failed to fully install solar systems for at least one hundred and forty consumers within the time represented, and they failed to deliver other goods (such as an inverter and a battery) to at least three consumers, in violation of section 13-11-4(2)(1).

## FAILURE TO HONOR A WARRANTY

- 38. It is unlawful for a supplier to fail to honor a particular warranty term. Utah Code § 13-11-4(2)(j)(ii).
- 39. Elan Solar and Mr. Colarusso knowingly and intentionally failed to honor the workmanship warranty and repair malfunctioning systems for at least three consumers and honor a roof penetration warranty and repair at least one consumer's roof, in violation of section 13-11-4(2)(j)(ii).

#### DECEPTIVE ACTS OR PRACTICES

- 40. It is unlawful for a supplier to engage in a deceptive act or practice, whether before, during, or after the transaction takes place. Utah Code § 13-11-4(1).
- 41. Elan Solar and Mr. Colarusso misrepresent that they provide "full-service" solar installation; mislead consumers with fake Google reviews; misrepresent how prevalent Elan

Solar's solar systems are within Utah and the Salt Lake area; mislead consumers by failing to obtain the requisite permitting before installation; misrepresent the cost of their solar systems and future energy savings; and misrepresent to consumers with nonfunctioning solar systems that Elan Solar would provide reimbursements for loan payments, all in violation of section 13-11-4(1).

#### FAILURE TO PROVIDE CONTRACT IN SAME LANGAUGE AS SALES PRESENTATION

- 42. Pursuant to its statutory authority, the Division has promulgated an administrative rule requiring suppliers to provide contracts in the same language as that principally used in the oral sales presentation. Utah Code §§ 13-11-4; 13-11-8(2); Utah Admin. Code R152-11-9(A)(7).
- 43. Elan Solar and Mr. Colarusso provided contracts written in English to at least five consumers who had received sales presentations in Spanish, in violation of R152-11-9(A)(7).

#### MISREPRESENTATION OF LICENSURE AND ACCREDITATION

- 44. It is unlawful for a supplier to indicate that they have a sponsorship, approval, or affiliation that they do not. Utah Code § 13-11-4(2)(i).
- 45. Elan Solar and Mr. Colarusso knowingly and intentionally falsely indicate on Elan Solar's website that it is licensed by the state of Utah, in violation of section 13-11-4(2)(i).
- 46. Elan Solar and Mr. Colarusso knowingly and intentionally falsely indicate on Elan Solar's website that it is accredited by the Better Business Bureau, in violation of section 13-11-4(2)(i).

#### **VIOLATIONS OF RSEDA**

47. RSEDA provides regulations for solar retailers before entering into solar agreements with potential consumers. Utah Code § 13-52-101 et seq.

48. Elan Solar and Mr. Colarusso are "solar retailers" that enter into "solar agreements" because they "sell[] or propose[] to sell a residential solar energy system to a customer under a system purchase agreement." Utah Code §§ 13-52-102(5), (7)(a).

#### FAILURE TO PROVIDE DISCLOSURE STATEMENTS

- 49. It is unlawful for a solar retailer to fail to provide potential consumers with a written disclosure statement as provided in the statute. See Utah Code §§ 13-52-201-05.
- 50. Elan Solar and Mr. Colarusso entered into at least 1,109 contracts without providing RSEDA disclosure statements, in violation of section 13-52-201.

#### DANGER OF IMMEDIATE HARM TO THE PUBLIC

- 51. The Division finds, based on complaints received from consumers and contracts
  Elan Solar entered into with new consumers as recently as December 2023, that Elan Solar and
  Mr. Colarusso continue to sell supposed "full-service" solar installation services without a
  contractor license in the State of Utah. Investigative efforts revealed that Elan Solar was sending
  workers to consumers' homes as recently as last week.
- 52. Elan Solar continues to promote its services through its website and door-to-door and telephone solicitations, and has not changed its practices despite two previous settlement agreements with the Division. Twelve consumers who signed contracts after the second settlement agreement have complained to the Division about Elan Solar's deceptive practices.
- 53. Over one thousand Utah consumers have already paid for Elan Solar's services, with more to follow given the continued promotion of the company's services. In the absence of immediate action, many of these consumers will pay tens of thousands of dollars and be left with nonfunctioning solar panels on their roofs.

- 54. Utah consumers will continue to be subject to immediate harm when an unlicensed company is sending unbonded workers to their homes, drilling holes through their roofs, and burdening electrical systems with additional wiring and electrical loads, often without even securing the requisite approval and permitting from the utility company and city. The potential damage to property and the risk of consumers losing significant sums of money puts the public welfare in immediate danger.
- 55. Utah consumers will continue to be subject to immediate harm when they enter into contracts without being provided with RSEDA disclosure statements, which ensure that consumers understand the terms, costs, and benefits of the transaction.
- 56. Given the fact that Respondents have failed to correct their unlawful business practices despite two prior settlement agreements with the Division, the Division finds that Elan Solar and Mr. Colarusso will continue to unlawfully obtain payment from Utah consumers as they promote their services to the unsuspecting public and will continue to do so if not ordered to cease and desist.

## **EMERGENCY ORDER**

In light of the foregoing, and in order to prevent or avoid immediate danger to the public welfare, it is hereby ORDERED in accordance with Utah Code § 63G-4-502 that:

- 1. Respondents shall immediately CEASE AND DESIST from any further violations of the CSPA and RSEDA, including but not limited to the following:
  - a. Misrepresenting licensure status with the State of Utah;
  - Representing that Elan Solar is a general contractor that can lawfully offer solar system installation services or subcontract with third parties to provide these services, when it is not licensed to do so;

c. Misrepresenting accreditation with the Better Business Bureau;

d. Failing to provide goods and services in the time represented;

e. Failing to provide RSEDA disclosure statements before entering into contracts

with consumers;1

f. Failing to honor warranty terms;

g. Misleading consumers with fake Google reviews;

h. Misrepresenting the prevalence of its solar systems in Utah and the Salt Lake

area;

i. Misrepresenting the cost of its solar systems and future energy savings;

i. Misrepresenting that reimbursements will be provided, if they will not; and

k. Providing contracts in a different language than sales presentations.

2. Respondents are advised that, pursuant to Utah Code § 13-2-6(2), any violation of

this Emergency Order is punishable as a third-degree felony.

Dated this 1st day of March, 2024.

Katherine Hass

Director, Utah Division of Consumer Protection

Approved:

/s/ Carina Wells

Carina Wells Peishen Zhou Michael Gadd

Assistant Attorneys General

Utah Attorney General's Office

<sup>1</sup> Recognizing that Elan Solar should not be entering into *any* contracts with consumers for solar system installations given the Division of Professional Licensing's revocation of its contractor license.

# NOTICE OF OPPORTUNITY FOR HEARING

In accordance with Utah Admin. Code R151-4-111, the Division will schedule a hearing upon receipt of a written request from Respondents. At the hearing, it will be determined whether this Emergency Order should be affirmed, set aside, or modified, based on the standards set forth in Utah Code § 63G-4-502. The hearing will be conducted in conformity with Utah Code § 63G-4-206.

Upon receipt of a written request for hearing pursuant to Utah Admin Code R151-4-111, the Division will conduct a hearing as soon as reasonably practical, but not later than twenty (20) days from receipt of a written request, unless the Division and the party requesting the hearing agree to conduct the hearing at a later date.

## BEFORE THE DIVISION OF CONSUMER PROTECTION OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH

Plaintiff/Petitioner: IN THE MATTER OF:

PROOF OF SERVICE

vs.

Case No: CP-2024-024

Court Date/Time: 00/00/0000 / 12:00 AM Defendant/Respondent: COLARUSSO VENTURES, LLC d/b/a ELAN SOLAR and

**KEVIN COLARUSSO.** 

Court Room.

Legal documents received by Statewide Process Servers on the 4th day of March, 2024 at 9:46 AM to be served on:

**Kevin Colarusso** 522 W 4630 N Provo, UT 84604

I, Charles Bryant, am over the age of 18, I am not a party to this action, and I am not an attorney for a party to this action. On the 8th March, 2024 at 03:13 PM, I did the following:

PERSONALLY SERVED by delivering a true copy of the EMERGENCY ORDER TO CEASE AND DESIST, ADMINISTRATIVE CITATION, NOTICE OF AGENCY ACTION to: Kevin Colarusso at the address of: 522 W 4630 N, Provo, UT 84604

Description of Person Accepting Service: Male, White, Brown hair, Approx. Age: 40 years.

#### Supplemental Data Appropriate to this Service:

Service Comments: 3/8/2024 3:13 PM:

03/04/2024 05:33 PM: NA; 03/05/2024 04:45 PM: Nobody at the office; 03/05/2024 05:07 PM: NA; 03/07/2024 04:40 PM: Called and texted N.A.;

I have not included any non-public information in this document.

I declare under criminal penalty under the law of Utah that the foregoing is true and correct.

Charles Bryant - A131991 Statewide Process Servers

Under Grand

PO Box 845

West Jordan, UT, 84084

801-809-4133

**Utah Attorney General** 160 E 300 S Fifth Floor Salt Lake City, UT 84114

Atty File#: CP-2024-024 Sshepherd@agutah.gov Service Fee: \$40.00



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## BEFORE THE DIVISION OF CONSUMER PROTECTION OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH

Plaintiff/Petitioner IN THE MATTER OF:

PROOF OF SERVICE

VS.

Case No CP-2024-024 Court Date/Time: 00/00/0000 / 12:00 AM

Defendant/Respondent: COLARUSSO VENTURES, LLC d/b/a ELAN SOLAR and **KEVIN COLARUSSO,** 

Court Room

Legal documents received by Statewide Process Servers on the 4th day of March, 2024 at 9:46 AM to be served on:

COLARUSSO VENTURES, LLC d/b/a ELAN SOLAR c/o KEVIN COLARUSSO,

522 W 4630 N Provo, UT 84604

I, Charles Bryant, am over the age of 18, I am not a party to this action, and I am not an attorney for a party to this action. On the 8th March, 2024 at 03:13 PM, I did the following:

Corporate Serve: By personally handing the legal document(s) with a conformed copy of this EMERGENCY ORDER TO CEASE AND DESIST, ADMINISTRATIVE CITATION, NOTICE OF AGENCY ACTION to Kevin Colarusso, AUTHORIZED PERSON, at 522 W 4630 N, Provo, UT 84604 at approximately 03:13 PM on 8th March, 2024.

The first attempt of service occurred on 03/04/2024 at 03:10pm. The second attempt of service occurred on 03/04/2024 at 05:33pm. The third attempt of service occurred on 03/05/2024 at 04:45pm. The forth attempt of service occurred on 03/05/2024 at 04:45pm. The fifth attempt of service occurred on 03/05/2024 at 05:07pm.

Description of Person Accepting Service: Male, White, Brown hair, Age: 35 - 49 yrs.

#### Supplemental Data Appropriate to this Service:

- 522 W 4630 N , Provo, UT 84604:
- on 03/04/2024 at 03:10pm, NA left note;
- on 03/04/2024 at 05:33pm, NA;
- on 03/05/2024 at 04:45pm, Nobody at the office;
- on 03/05/2024 at 04:45pm, Nobody in the office;
- on 03/05/2024 at 05:07pm, NA;
- on 03/07/2024 at 04:40pm, Called and texted N.A.;

3/8/2024 3:13 PM:

03/04/2024 03:10 PM: NA left note; 03/05/2024 04:45 PM: Nobody in the office; 03/04/2024 05:33 PM: NA; 03/05/2024 04:45 PM: Nobody at the office; 03/05/2024 05:07 PM: NA; 03/07/2024 04:40 PM: Called and texted N.A.;

I have not included any non-public information in this document.

I declare under criminal penalty under the law of Utah that the foregoing is true and correct.



Onland Brand

Charles Bryant - A131991 Statewide Process Servers PO Box 845 West Jordan, UT, 84084 801-809-4133 Utah Attorney General 160 E 300 S Fifth Floor Salt Lake City, UT 84114

Atty File#: CP-2024-024 Sshepherd@agutah.gov Service Fee: \$40.00