

## (WORLD NEWS) Many cities are claiming Tesla defrauded them

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Supervisors, real estate groups, job councils and others ranging from San Jose, California to New Mexico to Downey, California to Detroit are now claiming Tesla made promises to put their factory in their locations and then backed out after due diligence discovered Tesla to be engaged in crooked real estate kick-backs via their investors and certain officials. SF GATE quotes Tesla executives public stating that The NUMMI plant was dysfunctional for building their car yet they took it, after screwing over a number of cities, so that investors, and friends of investors could get real estate upsides.

Now the lawsuits are starting. The first is from New Mexico. The developer that was going to build a 150,000 square foot facility in New Mexico that was going to produce the Model S. The developer, [Rio Real Estate Investment Opportunities](#), has now filed a **law suit against Tesla for fraud, breach of contract, negligent misrepresentation and negotiating in bad faith**, over Tesla's decision to abandon the deal and is seeking damages and attorney fees.

The complaint, filed back in May, says that Tesla was going to lease a building that Rio Real Estate Investment Opportunities was going to build for \$1.35 million per year for ten years, plus a 2 percent annual increase. The developer says it spent money on creating environmental reports, obtaining government approvals, and developing engineering designs for the site. Rio Real Estate says it entered into a binding development agreement with Tesla on February 19, 2007, and as a result of the lost deal, they've suffered financially.

In tracking all of the finders, intermediaries, real estate bundlers and investors of Tesla.. some interesting links are now emerging in the Tesla and Solyndra real estate connections.

Each city is saying that jobs, revenue, tax fees, property valuation upgrades and other losses were caused by Tesla's actions.

Watch the fireworks...

FGH- Bost