



AMERICAN ARBITRATION ASSOCIATION

In the Matter of the Arbitration between

Case Number: **01-24-0004-3824**

Marc Dobin and [REDACTED] (Claimants)

-vs-

Tesla, Inc. (Respondent)

FINAL AWARD OF ARBITRATOR

I, [REDACTED], the UNDERSIGNED ARBITRATOR, having been designated in accordance with the arbitration agreement entered into between the above-named Parties, and having been duly sworn, and having duly heard the proofs, arguments and allegations of the Parties, with Claimants appearing pro se and Respondent represented by counsel, at an evidentiary hearing held on April 9, 2025, and continued on June 3, 2025, do hereby issue this FINAL AWARD as follows:

1. On June 24, 2021, Claimants ordered a 2021 Model Y Tesla vehicle. The Motor Vehicle Order Agreement reflects that the Full Self-Driving (FSD) Capability feature was included in the order as part of the vehicle configuration at a cost of \$10,000. This feature along with the vehicle cost, other options and fees brought the total purchase price to \$65,790.
2. The Motor Vehicle Purchase Agreement (Agreement) reflects the transaction was fully executed on September 1, 2021, and the vehicle was delivered to Claimants.
3. According to a website landing page entered into the record as Joint Exhibit 4, FSD capability includes features as follows:
 - Navigate on Autopilot (Beta): Actively guides the car from a highway's on-ramp to off-ramp, including suggestions on changes not updating interest changes automatically engaging the time signal and taking the correct exit.
 - Auto Lane Change: assists in moving to an adjacent lane on the highway when Autosteer is engaged.
 - Autopark: helps automatically parallel or perpendicular part of your car, with a single touch.
 - Summon: move your car in and out of tight space mobile app or key
 - Smart Summon: have it more conscious environments are spaces and measuring around objects if necessary to come find you in parking lot.

- Traffic and Stop Sign control (Beta): Identifies stop signs and traffic lights and automatically slows your car to a stop on approach, with your active supervision.
4. Claimant Marc Dobin testified that after taking delivery and driving the vehicle for several months, none of the features above were operational. The record evidence reflects that subsequent to the purchase and delivery, software activated sometime during October 2021 in Claimants' Model Y with Hardware 3 vehicle, engaged a driver scoring system requiring a certain driving score based on driver actions such as braking, speed, lane changing, turning and the like. According to Respondent, Claimants needed to obtain a minimum score in order to be considered a safe driver, thereby activating the FSD capability of Claimants' vehicle. Claimants never obtained the requisite score.
 5. The Motor Vehicle Purchase Agreement Terms and Conditions state:

Governing Law; Integration; Assignment. Except as provided below, the terms of this Agreement are governed by, and to be interpreted according to, the laws of the State in which we are licensed to sell motor vehicles that is nearest to your address indicated on your Vehicle Configuration. Prior agreements, oral statements, negotiations, communications, or representations about the Vehicle sold under this Agreement are superseded by this Agreement. *Terms relating to the purchase not expressly contained herein are not binding.* We may assign this Agreement at our discretion to one of our affiliated entities. (Emphasis added).

6. I find Respondent breached the Agreement. Relying on the express terms of the Agreement, it is concluded that Respondent failed to disclose that a safety score was required as a prerequisite for the use of the FSD feature. Furthermore, and perhaps more significantly, it is not evident that Claimants' vehicle was actually equipped with the FSD Capability feature at the time of delivery. There is no competent evidence that the features listed above as FSD (i.e., navigate, autopark, summon, etc.) were even capable of being operable on Claimants' 2021 Model Y Hardware 3 vehicle. The record reflects that in January 2025, during a fourth quarter earnings call, Chief Executive Officer and Product Architect Elon Musk explained within the context of availability of the FSD capability that the company will "have to upgrade people's Hardware 3 computer for those that have bought full self-driving, and that is the honest answer and that's going to be painful and difficult but we'll get it done." (Claimant Exhibit 7).
7. In sum, Claimants did not receive the benefit of the bargained and paid for FSD Capability feature. There was no disclosure by Respondent in the Agreement's terms and conditions that Claimants needed to meet certain conditions to access the feature that cost \$10,000. Additionally, the evidence is persuasive that the feature was not functional, operational, or otherwise available on Claimants' vehicle. Respondent breached the Agreement and Claimants are entitled to a refund of the \$10,000 payment for the FSD Capability option along with the associated 6% sales tax for a total of \$10,600.

AWARD

For the foregoing reasons, and having carefully considered the evidence that was submitted and the arguments that were made, the Arbitrator enters the following AWARD.

1. Claimants are awarded \$10,600.
2. Payment to Claimants shall be made within seven (7) days of the date of this Final Award.
3. The administrative fees and expenses of the American Arbitration Association totaling \$2,500.00 shall be borne as incurred, and the compensation and expenses of the arbitrator(s) totaling \$5,475.00 shall be borne as incurred.
4. This Award is in full settlement of all claims submitted to this Arbitration. All claims not expressly granted herein are hereby denied.

Date: June 30, 2025

[REDACTED]
[REDACTED], Arbitrator