

email on July 2, 2020. According to the Amended Demand for Arbitration ("Amended Demand"), [REDACTED] alleges that [REDACTED] sold him the solar panel system during a two-hour sales presentation at his home. [REDACTED] claims that the [REDACTED] salesperson used high-pressure tactics to induce him to enter into the Sales Contract and the Loan and Security Agreement. Specifically, [REDACTED] alleges that the [REDACTED] salesperson told him that the offer for the solar panel system was a limited time offer: that the system would eliminate or drastically reduce his electricity bill and that his savings would exceed the amount of the loan payment; that his utility provider would credit him dollar-for-dollar for any excess energy; and that he would receive a \$14,000.00 tax rebate from the government that could be applied to the loan to keep his monthly payments low.

According to [REDACTED]'s Amended Demand, he relied heavily on the warranty and claims that he would not have purchased the system without it. [REDACTED] also asserts that during the sales presentation, the [REDACTED] salesperson failed to explain key contractual provisions, including the arbitration clause and the right to cancel. Moreover, [REDACTED] alleges that [REDACTED] and [REDACTED] conspired to inflate the system's cash price to charge an undisclosed "dealer fee" that was based on the interest rate and the length of the loan. Finally, [REDACTED] alleges that he signed the Sales Contract and the Loan and Security Agreement on a tablet without the opportunity to fully review the documents or receive an email from [REDACTED] confirming his ability to electronically receive and retain documents. By July 13, 2020, [REDACTED] completed installation of the solar panel system at [REDACTED]'s home, and [REDACTED] signed a certificate of completion affirming that the solar panel system had been installed. [REDACTED] paid [REDACTED] \$54,300 so [REDACTED] could install the system, which represented the entire amount financed under [REDACTED]'s Loan and Security Agreement. According to the Amended Demand, [REDACTED] went out of business in 2023. (See Amended Demand).

[REDACTED] first initiated an arbitration proceeding against [REDACTED] by proof of service on February 6, 2025. On July 18, 2025, [REDACTED] filed his Amended Demand incorporating the above stated allegations. Based on the allegations in his Amended Demand, [REDACTED] asserts causes of action against [REDACTED] (1) breach of contract, (2) breach of warranty, (3) fraud in the inducement; (4) failure of consideration, (5) failure of purpose; (6) violations

of the THSA
; (7) violations of the Texas Deceptive Trade Practices Act ("DTPA"); (8) procedural and substantive unconscionability; (9) civil conspiracy; and (10) violations of the federal Truth in Lending Act ("TILA"). (See Amended Demand). ██████'s Amended Demand also mentions a cause of action for negligent misrepresentation although it is not included in the initial list of claims ██████ states he is pleading in the Amended Demand. ██████ brings both direct claims against ██████, as well as vicarious liability theories under the FTC Holder Rule based on ██████'s conduct. ██████'s Amended Demand seeks the following relief from ██████: a declaration that the contracts are void under Chapter 601, rescission of the Sales Contract and Loan and Security Agreement; restitution; economic damage caused by misrepresentations; treble damages under the DTPA; statutory damages under the HSA; reasonable and necessary legal fees; costs of arbitration; pre- and post-judgment interest; and all other relief to which ██████ is justly entitled in law or equity.

LEGAL ARGUMENT

The legal standard for granting a traditional motion for summary judgment in Texas is well-known to counsel. This is an arbitration proceeding. As a result, the requirements from both a procedural and an evidentiary standpoint are more relaxed than a traditional summary judgment motion.

This case is brought in part under the THSA. The THSA is currently codified in Ch 601 of the Texas business and commerce code. The THSA provides for a three day right to cancel for home solicitation. Transactions allowing a consumer to cancel the agreement within three business days of signing a contract. See TB&CC section 601.053 (b), 601.201.

Claimant ██████ has focused his Partial Dispositive Motion on three specific HSA violations (1) the merchant failed to include the information that must be included in the notice of cancellation form pursuant to section 601.053 (a); (2) the merchant failed to orally inform the consumer of the right to cancel under section 601.152 (1), and (3) the merchant misrepresented "in any manner." Under 601.152 (2), Claimant contends that the Contract is void is a matter of law at the time it was executed.

Failure to provide the statutory notice results in the contract having no force and effect legally. In addition, this failure is a violation of section 601.201 of the TB&CC. In addition, the failure to provide both written and oral notice of this cancellation right is a misleading and deceptive act under the Texas deceptive trade practices act (DTPA). See TB&CC 601.204.

Thus, a seller's failure to ensure compliance with these consumer protection requirements including both the oral and written notification of the right of cancellation under both the DTPA and THSA give rise to claims.

Indeed, Claimant ██████ contends that the section in seller's contract that ██████ holds out as adequate notice of claimant's cancellation rights amounted to substantial compliance with the HSA. However, the subject provision of the Contract (paragraph 14) misrepresented the cancellation right, thus creating a completely independent basis for avoiding the contract under Texas law. See section 601.152 (2), 601.201. There is no dispute that seller ██████ failed to include, attach, or otherwise provide the three-day notice of cancellation as provided by statute. See TB&CC section 601.053 (b), 601.201. To the extent ██████ attempts to argue that the provision in The Contract is adequate as the required notice provision because it is "substantially complied" with the statute.

The THSA specifies that a sale or contract entered under a consumer transaction in violation of section 601.053 (b) is void. TB&CC 601.201; **Stone Contractors, Inc. v Stdiley**, (Tex. App. Amarilla 2022). See also **In Re Olsham Foundation Repair Company, LLC, and Oldham Foundation Repair Company of Dallas, LTD.** 328 SW 3rd 883 (Tex. 2010) (an arbitrator may find a contract that violates the THSA to be void ab initio)

██████ asserts that paragraph 14 of the contract contains adequate notice of Claimant's cancellation rights. His claim will not stand because ██████ cannot show any degree of compliance with 601.053, which mandates attachment of a cancellation notice with specific information to the contract. For the purposes of this Dispositive Motion. It is undisputed that the required information is not contained in the contract.

See sections 601.201, 601.052 and 601.053 (a) and (b).

████████ further asserts that Claimant cannot proceed under the TSA due to claims having expired by virtue of the statute of limitations. However, the failure to satisfy the contract Notice requirements of the HSA renders the contract void ab initio thus eliminating any limitations argument. See **In Re Olsham Foundation Repair Company, LLC**, Supra.

Based on the Dispositive Motions and evidence contained in the various exhibits, the Arbitrator is of the opinion that the partial Dispositive Motion of Claimant is hereby granted. The Dispositive Motion of Respondent is hereby denied.

Date: December 8, 2025

████████████████████

████████████████████, Esq.,
Arbitrator