

# T.J. RODGERS

## Internal Correspondence

**Date:** 4/21/2024  
**To:** All Complete Solaria Employees  
**Author:** TJ Rodgers  
**Author File #:** TJR#1580  
**SUBJECT:** CSLR Short Attack Part Two: 16.6 Million Share Retail Investor Counterattack  
**cc:** Board of Directors  
**Attachments:**

We all know that our stock price dropped precipitously on Monday, April 15. To me, the data is quite compelling that the stock crash was due to a coordinated short attack. This memo gives the details the short attack in which 808 thousand shares were dumped in one day, creating a trading volume 17.7 times higher than our average daily volume (Figure 5). And then, on Friday, April 19, just one day after I first reported the short attack, we benefited from an astonishing retail investor purchase of 16.64 million shares in a single day, 599 times our prior daily volume, according to Market Watch (Figure 7).

The CSLRL Short Attack memo link can be found [here](#).

I believe the analysis below shows that on last Monday, April 15, Complete Solaria (CSLR) suffered a short attack in which as-yet unknown investors dumped 17.7 times the usual trading volume of our shares in one day. That cut our share price in half from \$0.50 at market opening to \$0.26 at market close. This could have been a deliberate act to harm our share price one day after Complete Solaria launched a stock option incentive plan for all employees (in which the independent board members and I did not participate).

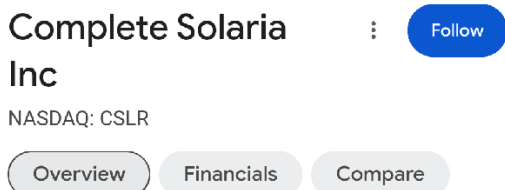


Figure 1. On Monday April 15, CSLR stock dropped rapidly from its opening price of \$0.50 to \$0.26 at the end of the day (-48%), despite having been stable for the prior four days.

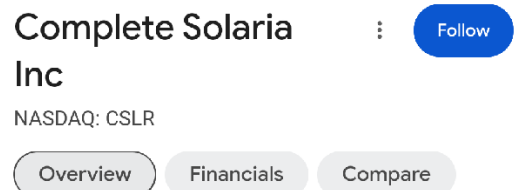


Figure 2. Indeed, CSLR stock price had been stable for the whole month prior to April 15.

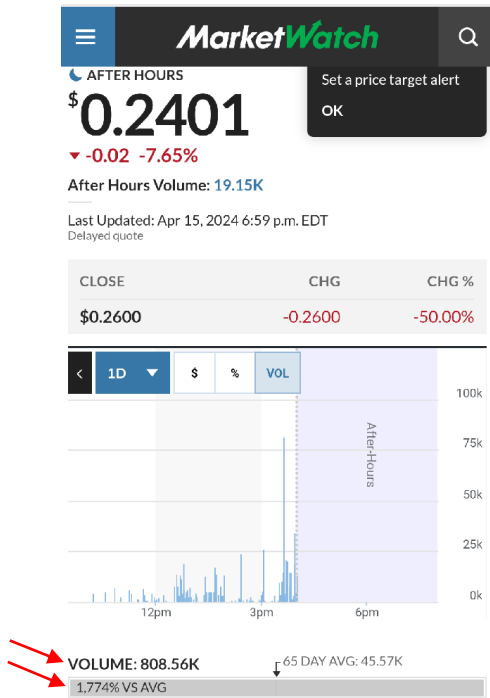


Figure 3. The trading volume on Monday was 808K shares, 17.7 times the 65-day average. Note the four large trading spikes after 1:50pm.

Complete Solaria Inc

NASDAQ: CSLR

Overview Financials Compare



Figure 4. Those four big trading spikes occurred after the stock price had already been beaten down. This is not the behavior of a big shareholder trying to get out of the market. They would have controlled the trade volume and spread out the trading. It is the tactic of a hitman firing extra shots to make sure the victim stays down.

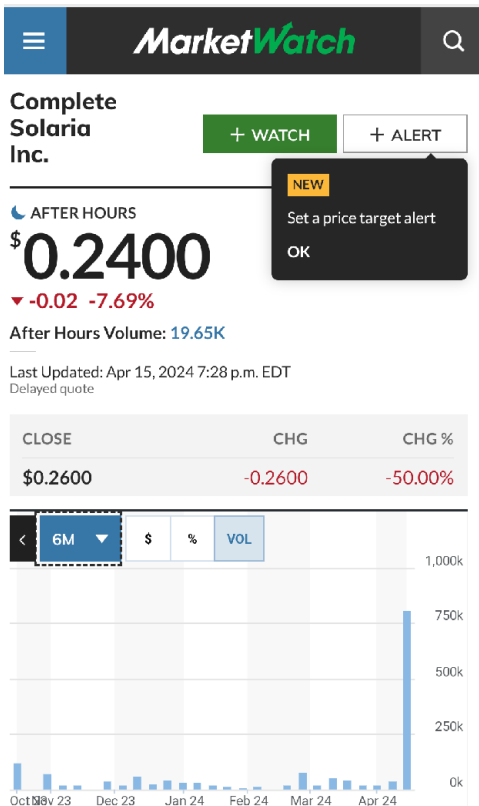


Figure 5. On Monday, April 15, the trading volume of shares skyrocketed, dwarfing the volume of the last six months.

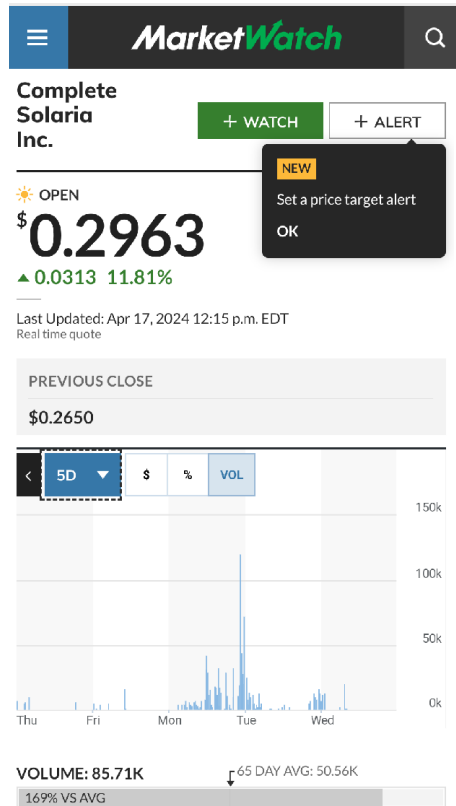


Figure 6. Then, after the damage was done, the market returned to low volume.

Investors often try to correlate stock price shifts to information they are given. Their reverse logic is that if the stock went down something bad must have happened.

To summarize: CSLR trading on April 15, 2024 suffered an unprecedented selloff in one day that

- cut share price in half
- started promptly at the opening bell on Monday after a weekend
- and showed the trading patterns of a short attack, not a shareholder selloff

### **Why?**

On the Friday before the short attack, I issued a press release saying that our board had granted 2.1 million options to employees as a retention incentive to our remaining 110 employees. The board granted you those stock options at the market price of \$0.51. One working day later – for the first time – our stock suffered a massive short attack that cut our share price in half and put all employee options under water.

Who would do such a thing to us? A big investor who just wanted out with the most money back would have traded in a controlled manner, not to drive the price down, unless, for example, that investors were driven by a sense of urgency based on **new information**.

The selling started precisely at market opening on Monday. Who could have decided to sell aggressively during the weekend? After reviewing the list of the 28 calls I made on Sunday, only two people stand out as having gotten new non-public information from me. Both are employees of private equity firms.

**On Sunday, I told Kline-Hill's Rick Orlando that our company was being squeezed to death by his company and Carlyle – firms that were supposed to be helping us. I pointed out that our revenue had dropped from \$20.6 million in the fourth quarter of 2023 to just \$10 million in Q1, because – despite having the orders – we did not have the working capital to buy solar panels to install. What investor would be foolish enough to invest new working capital in a company with Carlyle keeping it in an ongoing and debilitating state of uncalled default?**

**I also told Rick Orlando something new – in confidence and covered by our non-disclosure agreement – that unless we could free our company from this suffocating private equity control, I would resign and let Carlyle run it – which would be a death sentence for Complete Solaria. Rick confirmed that he communicated my thinking to our Carlyle contact, Andrew Kapp, an adversary who has threatened to veto critical deals for us on more than one occasion. Kapp is the architect and manager of our current financial state of paralysis in which we cannot even raise money without his permission – which is given only if we capitulate to a new demand of theirs. That's how the \$26.4 million they loaned us turned into \$37 million today, two years later.**

**The point is that these two private equity people were the only people to have this inside information that their executive chairman, an experienced operations executive, intends to walk off on them unless they find a way to remove the financial boa constrictor. Of course, this strong circumstantial evidence does not prove that Kline-Hill or Carlyle did this to us or enabled others to do it. Their firms have Compliance Departments to prevent these problems. And although these departments have thick rule books to prevent trading without permission, they cannot prevent someone having a cocktail with a friend who owns a million shares from saying, "I don't think TJ is going to stick around at Complete Solaria." Thus, we will also request an investigation by the Security and Exchange Commission, which has the subpoena power to scan phones.**

## Retail Investors Buy 16.64 million CSLR Shares

Just three days after the short attack crippled our employee stock option program, retail investors came in, swamping the market with buy orders.\* To put a scale on the description “swamping the market,” our 65-day share trading average on April 15 was 45.57 thousand shares per day according to Market Watch (Figure 5), which also shows that the trading volume of the short attack on April 15 set a record of 808.56 thousand shares, or 17.7 times the normal volume. Three days later, retail traders traded 16.65 million shares, 20.6 times higher than the short-attack trading. This buying volume drove the stock price from \$0.25 to \$0.66 on Friday, April 19 as shown below.

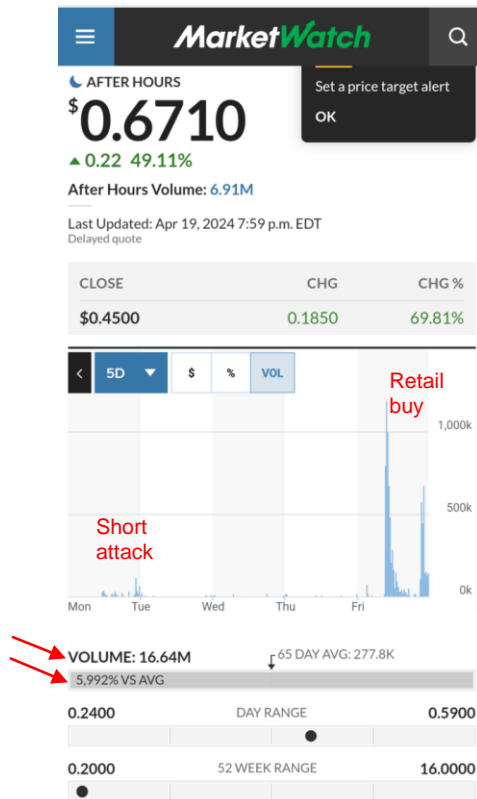


Figure 7. The press release detailing the short attack went out last Thursday, April 18. The day after, we were amazed to see 16.64 million shares traded, 20.6 times more than the 0.8 million share record set on short-attack Monday.

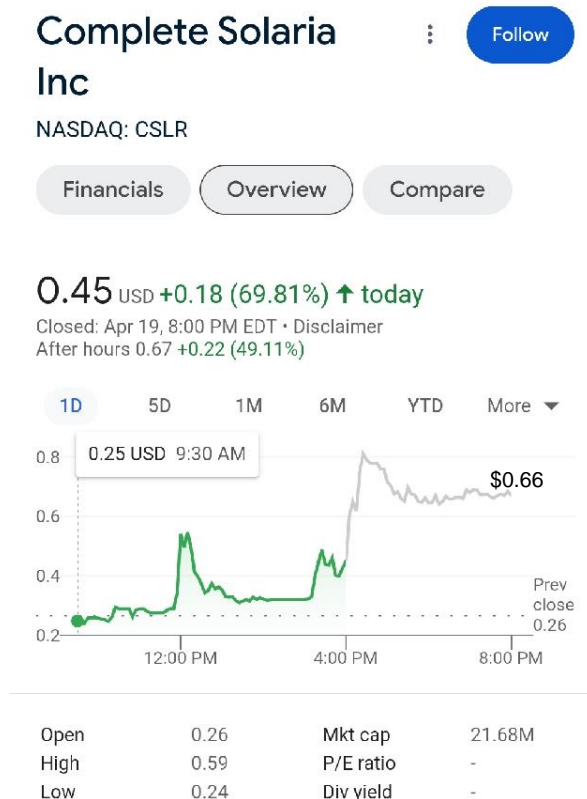


Figure 8. Friday, April 19 was a hectic day trading that brought the stock back to \$0.66 in after-hours trading. Retail investors apparently sympathized with a small company clearly on the ropes.

We'll see how this plays out.

\*Comments from the floor: “There is a fair amount of chatter on the social media platforms driving the price action in the stock. The headlines are centered on your press release last night. The stock became active today around 11:50 am ET today when the retail crowd picked up on it. This is the catalyst for today’s move. Similar to the MEME/ Reddit names you have heard of such as GameStop and Bed Bath & Beyond in the past, CSLR trading volumes exploded once the day trading crowd got involved...”