

Tesla Sued Over ‘Dangerously Defective’ Car

by
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[Tesla Inc.](#) was sued by vehicle owners over claims its Autopilot feature is “dangerously defective” when engaged.

Drivers relying on the electric carmaker’s autonomous driving technology have “become beta testers of half-baked software that renders Tesla vehicles dangerous,” according to a complaint filed Wednesday in federal court in San Jose, California. Consumers allege their cars -- purchased for \$81,000 to \$113,000 -- veer off lanes while often “lurching, slamming on the brakes for no reason, and failing to slow or stop when approaching other vehicles” when Autopilot is activated.

The case was filed as a class-action on behalf of owners of 47,000 Model S and Model X cars sold in 2016 and 2017.

Tesla Recalls 53,000 Cars to Replace Faulty Parking Brakes

by
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- Shares reverse gains, fall up to 1.7% after safety action
- Manufacturing flaw may affect Model S and Model X vehicles



Model X

Photographer: Hannah Elliott/Bloomberg

[Tesla Inc.](#) recalled 53,000 Model S and Model X vehicles to replace faulty electronic parking brakes that may not release properly.

Vehicles assembled between February and October last year contain a small gear that could have been manufactured improperly by Tesla's supplier, according to a [statement](#) on the electric-car maker's website. If that gear were to break, the parking brake could become stuck in place, the company said.

"While less than 5% of the vehicles being recalled may be affected by this issue, we are recalling 53,000 vehicles total out of an abundance of caution," Tesla said. "Because of the design of the gear, it is difficult to tell exactly which vehicles are affected."

Tesla reversed gains and fell by as much as 1.7 percent. The shares were down 0.9 percent to \$302.69 as of 1:56 p.m. in New York trading.

The automaker led by Chief Executive Officer Elon Musk is under closer scrutiny with regards to quality as its [market capitalization](#) has surged to rival the likes of much bigger companies including General Motors Co. and Ford Motor Co. Tesla's valuation has been climbing in part due to the upcoming introduction of its most affordable car, the Model 3, which will require manufacturing at much greater scale.

Tesla said it hasn't seen "a single accident or injury" relating to the brake issue, and there have been no reports of the system failing to hold a parked vehicle or stop a vehicle in an emergency. Only a "very small percentage" of gears were manufactured improperly, the company said.

In November 2015, Tesla [recalled](#) 90,000 Model S cars because of a single report of a seat belt not being properly connected. Thursday's announcement of 53,000 vehicles is the automaker's second-largest recall to date.

The Model 3 is slated to begin production in July. Tesla produced almost 84,000 vehicles in 2016 and plans to make half a million in 2018, then 1 million in 2020.