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Investors win \$26M award against alleged scam artist

Lebanon man had demonstrated supposedly self-charging DeLorean engine

By E. Thomas Wood

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At the end of a long-running lawsuit, a Nashville jury has found that alternative-energy promoter Carl Tilley and his wife Margaret broke securities laws – and played rather fast and loose with the laws of thermodynamics, too.

The jury handed down a \$26 million judgment last week against the Tilleys and affiliated entities in U.S. District Court. The award, which includes \$3.57 million in compensatory and \$22 million in punitive damages plus pre-judgment interest, comes three and a half years after a group of investors filed suit against the Tilleys, who were then based near Lebanon ([complaint at this link](#)).

The couple has since moved to Nebraska. The Tilleys did not attend the trial and had no lawyer. In a 2008 letter to Judge Robert Echols, they stated that they had no more funds to defend the lawsuit. Attempts to reach them this week have been unsuccessful.

Carl Tilley claimed to have invented a self-charging electrical motor. In 2002, he generated attention by equipping a 1981 DeLorean automobile with a version of his engine and arranging for legendary NASCAR racer Bobby Allison to drive it in a public demonstration at Nashville Superspeedway.

"The TEV (Tilley Electric Vehicle) is like nothing you have ever seen in any total electric vehicle," **Tilley's website** proclaimed.

The lawsuit's plaintiffs said Tilley sold unregistered stock in his Tilley Foundation Inc. to them for \$1,000 a share. They accused him of defrauding them and other shareholders by falsely claiming the motor recharged itself without fuel – and that he had been offered "billions of dollars" by major



Former NASCAR driver Bobby Allison drove Tilley's electric DeLorean in a 2002 demonstration at Nashville Superspeedway. (Photo courtesy of Doug Littlefield)

companies that wanted to commercialize it.

The complaint said Tilley and his wife perpetrated a fraud using "intricate schemes, promises and lies" and engaged in "a pattern of racketeering activity."

In 2003, investigators from the Tennessee Bureau of Investigation and the securities division of the state's department of Commerce and Insurance raided Tilley's workshop and seized various materials including the DeLorean. Tilley sued to get them back but did not succeed. But no criminal charges were ever filed.

State Rep. Henry D. Fincher (D-Cookeville), working as an attorney before he was elected, represented the Tilley Foundation and took part in at least one shareholder meeting in 2003.

Fincher told *NashvillePost.com* he took on Carl Tilley and his company as clients "well after they had sold the shares to most if not all" of the investors.

"I was not involved in the offering of any stock or the sale of any stock to any investor, nor did I ever have anything to do with the alleged energy-saving device," he said. "I was not aware of any activity on their part indicating they were violating any law."

Nashville attorney Kline Preston represented the shareholders.



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