



Tesla CEO Elon Musk Backed Away From Settlement With SEC: Reports

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WASHINGTON (dpa-AFX) - Tesla Inc. (TSLA) founder and CEO Elon Musk reportedly turned down a settlement offer from the US Securities and Exchange Commission before the agency filed a lawsuit against him.

According to CNBC, Tesla and the SEC were close to a no-guilt settlement but Musk pulled out at the last minute.

Under the deal, Musk and Tesla would have had to pay a nominal fine, and the CEO would not have had to admit any guilt. The deal would have restricted Musk from being chairman of Tesla for two years and would also require Tesla to appoint two new independent directors.

The reports says that Musk refused to sign the deal because he felt that by settling he would not be truthful to himself.

The SEC on Thursday charged Musk with fraud for a series of false and misleading tweets about a potential transaction to take Tesla private.

On August 7, Musk tweeted that he could take Tesla private at \$420 per share and funding for the deal had been secured.

The SEC's alleges that Musk had not discussed specific deal terms with any potential financing partners and he allegedly knew that the potential transaction was uncertain and subject to numerous contingencies.

According to the SEC's complaint, Musk's tweets caused Tesla's stock price to jump by over six percent on August 7, and led to significant market disruption.

"Corporate officers hold positions of trust in our markets and have important responsibilities to shareholders," said Steven Peikin, Co-Director of the SEC's Enforcement Division. "An officer's celebrity status or reputation as a technological innovator does not give license to take those responsibilities lightly."

The SEC's complaint, filed in federal district court in the Southern District of New York, alleges that Musk violated antifraud provisions of the federal securities laws, and seeks a permanent injunction, disgorgement, civil penalties, and a bar prohibiting Musk from serving as an officer or director of a public company.

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