

## **ELON MUSK CHARGED WITH RUNNING VAST INSIDER TRADING SCAM AND RUNNING HIT-JOBS ON COMPETITORS**

(Reuters) A Tesla shareholder filed a lawsuit on Thursday accusing CEO Elon Musk of insider trading when he sold over \$7.5 billion of shares of the electric car maker in late 2022, saying the billionaire entrepreneur sold the shares before potentially disappointing production and delivery numbers were made public.

Shareholder Michael Perry, in the lawsuit filed in Delaware Chancery Court, said that Tesla's share price plummeted after the company's fourth-quarter numbers were made public on Jan. 2, 2023, and claimed that Musk "improperly benefited" by about \$3 billion in insider profits.

"Musk exploited his position at Tesla, and he breached his fiduciary duties to Tesla," the lawsuit said, asking the court to direct Musk to return the profits made from the trades.

According to the lawsuit, Musk sold the shares on various dates in November 2022 and December 2022.

The lawsuit also accused Tesla's directors of breaching their fiduciary duty by allowing Musk to sell the shares.

Musk and Tesla did not immediately respond to a Reuters request for comment.

In the lawsuit, Perry said Musk - who in 2022 said demand for Tesla's vehicles was "excellent" - found out about the lower-than-expected numbers mid-November, with his access to real-time data, and sold his shares before the information was public.

Following news of vehicle price discounts that sparked demand concerns and the release of the numbers in January, Tesla's stock tanked.

"Had (Musk) waited to make these sales until after the release of material adverse news,... his sales would have netted him less than 55% of the amounts realized from his November and December 2022 sales," the lawsuit said.

The lawsuit is the latest legal headache for Musk.

It comes as Musk faces opposition from some Tesla shareholders who are set to vote on June 13 on whether to ratify his \$56 billion pay package, which a Delaware judge voided in January because she found he improperly controlled the process.

Tesla is incorporated in Delaware.

Musk is also in the middle of a regulatory probe to determine whether he broke federal securities laws in 2022 when he bought stock in social media platform Twitter, which he later renamed X. Musk said the U.S. Securities and Exchange Commission was trying to "harass" him through unwarranted investigations.

Musk and the top U.S. markets regulator have been in a years-long feud, dating back to 2018, when he tweeted that he had "funding secured" to take Tesla private.

A separate shareholder lawsuit has accused Musk of defrauding X investors by delaying disclosure of his stake in the social media company to amass shares at lower prices.