

The Feds Just Charged Tesla And Elon Musk With Fraud

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(ZHE) — In the aftermath of Elon Musk’s infamous Tesla going private “funding secured” tweet, the investing public had been split into two camps: the first, and more cynical, said that the SEC would *never* pursue what was a clear case of securities fraud and stock manipulation – after all, Elon Musk is “too big” of a “visionary” to crack down on and so the SEC would merely look the other way; and then there were the diehard Tesla skeptics who believed that no matter what, Musk would – or should – be treated equally as all other stock manipulators and be punished appropriately.

Well, Moments ago the latter group won, when the SEC filed a lawsuit against Elon Musk in New York Southern District court (case 18-cv-08865). The complaint boils down to what the SEC thinks were “**false and misleading**” statements by Musk:

Musk made multiple materially false statements on August 7, and taken together, his August 7 statements left market participants with the false and misleading impression that if Musk chose to take Tesla private at \$420 per share, the only outstanding requirement to be satisfied was a shareholder vote....

Musk’s statements regarding specific terms of a transaction to take Tesla private created the misleading impression that these terms had