

When Sociopaths Go Wild - Musk And Altman Throw Punches After Musk-Led Group Leads \$97.4 Billion Bid For Control Of OpenAI



BY TYLER DURDEN

Elon Musk is leading a group of investors in a \$97.4 billion offer to purchase the nonprofit that controls OpenAI - the makers of ChatGPT, - and which Musk was an original investor in.



On Monday, Musk's attorney Marc Toberoff said he submitted the bid to OpenAI's board of directors in an unsolicited offer that could upend OpenAI CEO Sam Altman's plans to convert it into a for-profit company, as well as plans to spend up to \$500 billion on AI infrastructure through the so-called 'Stargate' joint venture, [WSJ](#) reports.

"It's time for OpenAI to return to the open-source, safety-focused force for good it once was," Musk said in a statement provided by Toberoff. "We will make sure that happens."

Altman and Musk co-founded OpenAI in 2015 as a charity. In 2019, after Musk left the company and Altman became chief executive, OpenAI created a for-profit

subsidiary that has served as a vehicle for it to raise money from Microsoft and other investors. Altman is in the process of turning the subsidiary into a traditional company and spinning out the nonprofit, which would own equity in the new for-profit.

One of the thorniest questions in the conversion has been how the nonprofit will be valued. Musk's bid sets a high bar and may mean that he, or whoever runs the nonprofit, would end up with a large and possibly controlling stake in the new OpenAI.

The bid is being backed by xAI - Musk's own artificial intelligence company, which could end up merging with OpenAI following a deal. Other investors in the potential deal include; Valor Equity Partners, Baron Capital, Atreides Management, Vy Capital and 8VC, a venture firm led by Palantir co-founder Joe Lonsdale. And who else? Ari Emanuel - CEO of Hollywood company Endeavor (and the brother of Democrat operative Rahm Emanuel) - who was portrayed in Entourage.

Altman responded to the offer with a "no thank you," adding "but we will buy Twitter for \$9.74 billion if you want."

no thank you but we will buy twitter for \$9.74 billion if you want

— Sam Altman (@sama) [February 10, 2025](#)

To which Musk replied...

Swindler

— Elon Musk (@elonmusk) [February 10, 2025](#)

It's not over..

Scam Altman

— Elon Musk (@elonmusk) [February 10, 2025](#)

Musk has filed several legal complaints against OpenAI, accusing the company of betraying its original mission as a nonprofit by creating the for-profit arm, as well as colluding with Microsoft, its biggest investor, to dominate AI development.

On Jan. 7, Toberoff sent a letter to the attorneys general in California, where OpenAI is based, and Delaware, where it is incorporated, asking that they open up bidding for the company to determine the fair market value of its charitable assets. Musk and other critics have said they believe OpenAI may undervalue the nonprofit when they spin it out.

OpenAI has called Musk's legal claims baseless and overreaching and said the nonprofit will receive full value in its ownership stake of the for-profit. The company [released documents](#) in December that it said showed Musk previously supported turning OpenAI into a for-profit but walked away because he couldn't get control of it. -WSJ

What's more, Toberoff says Musk and team is prepared to match or exceed any bids higher than their own.

"If Sam Altman and the present OpenAI Inc. Board of Directors are intent on becoming a fully for-profit corporation, it is vital that the charity be fairly compensated for what its leadership is taking away from it: control over the most transformative technology of our time," he said.

A thought...

My understanding is that [@elonmusk](#) is not trying to buy the OpenAI nonprofit, per se, but rather the underlying for-profit assets that [@sama](#) must buy in order to reorg the company.

So it's partially a troll, and partially setting a price that may cause Sam to pay more than he...

— Dan Primack (@danprimack) [February 10, 2025](#)

Another thought (ok a few thoughts)...

If OAI doesn't complete its for profit transition in <2 years, investors in the October round can ask for their money back.

It's really hard to price the control the nonprofit board (ostensibly) has over OpenAI. The "control premium" is typically 20-30% of the company's value. pic.twitter.com/3NNp52S9up

— Garrison Lovely (@GarrisonLovely) [February 10, 2025](#)

Well Elon just put an actual price on that.

A number of different govt parties can block the OpenAI transition (e.g. CA and Delaware Attorneys General). Probably the biggest factor in that would be how much OpenAI pays the nonprofit to give up control.

— Garrison Lovely (@GarrisonLovely) [February 10, 2025](#)

The move to buy OpenAI comes weeks after Altman appeared next to newly inaugurated President Donald Trump and other business leaders to announce a plan called "Stargate," which would invest up to \$500 billion over the next four years in US data centers - a plan which Musk talked mad shit about, claiming that the project's backers didn't have the cash for, and calling Altman "a swindler."

According to the report, OpenAI was already facing several hurdles on their path to converting from a charity to a for-profit company, with rival firm Meta Platforms sending a letter to California's attorney general in December expressing opposition to the plan, and OpenAI remaining stuck in negotiations with Microsoft and other stakeholders over how much equity should be allocated to whom.

The original plan was to complete the transition by later 2026, with a \$6.6 billion funding round in October which valued the company at \$157 billion. Separately, the company has been in talks to raise up to \$40 billion in new funding at a \$300 billion valuation in a round led by Japanese conglomerate SoftBank, which would invest between \$15 and \$25 billion itself.

"Sir it gets worse, he just stopped the weekly USAID inbound funds" <https://t.co/T0RwUvkTQU> pic.twitter.com/bLrNC6KxOh

— zero hedge (@zerohedge) [February 10, 2025](#)

