

Musk Just Admitted That His Buyout Talks With The Saudis Began Before He Bought Stock

| About: Tesla, Inc. (TSLA)



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Summary

- Monday morning, Tesla CEO Elon Musk publishes a blog post elaborating on what led him to say “funding secured” and related background.
- In this blog post, Musk makes a stunning admission, writing that his discussions with the Saudis began already in 2017 -- BEFORE he bought stock in the company.
- Let’s open the Insider Trading 101 book: CEO is in talks to have his company bought up, and buys stock in advance of the announcement. Hmm.
- Have the rest of the world simply misunderstood these laws? Or is it now okay for everybody who knows about buyout discussions, to buy stock in advance?
- Paging the SEC. Can they please clarify?
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Tesla ([TSLA](#)) CEO Elon Musk made a stunning admission in his Monday morning blog post: [Update on Taking Tesla Private](#)

The issue concerns when his talks with the Saudis began, and how this timing relates to Musk buying shares of Tesla in the open market. Here is what he wrote in his blog post:

“Going back almost two years, the Saudi Arabian sovereign wealth fund has approached me multiple times about taking Tesla private. They first met with me at the beginning of 2017 to express this interest because of the important need to diversify away from oil. They then held several additional meetings with me over the next year to reiterate this interest and to try to move forward with a going private transaction.”

As you can see in the quote above, Musk had discussions about going private since early 2017 and going into 2018. That obviously precedes Musk buying stock in his own company in May and June of 2018, as has been well-documented and reported in Musk’s own filings and in the news reports that followed: [Elon Musk just bought another \\$25 million in Tesla stock](#)

The fact that Musk was having discussions with the Saudis starting about a buyout already in 2017 was obviously not known by the investing public. Yet, Musk was a Tesla executive with that information in hand, who bought stock during that time.

How is this not the most flagrant per-se violation of insider trading laws imaginable? The SEC and DOJ go after people all the time, who buy stock in a company in advance of a buyout, if they had access to privileged information about such discussions.