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News Item

Elon Musk puts his money where his mouth is | Columbia Journalism Review

By Mathew Ingram

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> On April 4, Elon Musk filed a notice with the Securities and Exchange Commission revealing that he had acquired a 9.2 percent stake in Twitter. ("Oh hi lol," he tweeted.) What followed was a somewhat bewildering series of announcements. Musk's initial filing implied that he likely wouldn't be an activist investor or push to join the company's board, but that filing was later amended, at which point Twitter said he *was* joining the board. (Musk also filed his documents late, which some said enabled him to acquire shares more cheaply.) Then, just as suddenly, Twitter said Musk wouldn't be joining the board after all, prompting rumors that he might be planning to acquire the company. On April 14, Musk sent a letter to Twitter and filed a statement with the SEC detailing his plans to do exactly that, with an offer to buy all the outstanding shares for $43 billion.
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> Twitter quickly responded by filing a shareholder's rights plan, often called a "poison pill." Under the terms of the plan, if Musk or anyone else acquires more than 15 percent of Twitter's shares without the approval of the board, then other shareholders will be allowed to purchase more shares at a significant discount.
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