

Lawyers that successfully argued Musk's \$56B Tesla pay package was excessive seek jaw-dropping \$6B fee

Description

Lawyers in the US state of Delaware are asking a judge to give them nearly \$6 billion. They have made this request after successfully arguing that a \$56 billion payment to Tesla's CEO Elon Musk was too much. They want the enormous sum to be paid in Tesla stocks. Paying this amount would create a new record for attorneys' fees.

The law firms acknowledged that the requested fee is very large. They also calculated that it would work out to \$288,888 per hour.

Elon Musk has hit out at the lawyers on social media, calling their demand criminal. He said that these lawyers did nothing but harm Tesla and now want \$6 billion.

The lawyers represented Richard Tornetta, a Tesla shareholder. In 2018, Tornetta sued Musk for his huge pay package. Legal professionals claimed that Tesla should pay them because the carmaker benefited from their win. This win returned 266 million shares to Tesla.

Tesla's stocks closed at \$202.62 on Friday. This makes the value of the returned shares about \$53.9 billion.

Lawyers argue that their fee would not require Tesla to use its funds as it would be drawn from the benefit. They also highlighted that their fee would be tax deductible.

The current record for the largest legal fee ever awarded is \$688 million. This was given in 2008 to lawyers who won a securities fraud case over the collapse of Enron Corp.

Musk is currently the richest man in the world, with a worth of \$215 billion according to the Bloomberg Billionaire Index. He is likely to appeal the judge's ruling and is considering moving Tesla's legal base from Delaware to Texas.

Vocabulary List:

- 1. Attorneys // (noun): Legal professionals who practice law.
- 2. Acknowledged // (verb): Accepted or recognized the existence or truth of something.
- 3. **Benefited** // (verb): Received an advantageprofitor gain.
- 4. **Deductible** // (adjective): Able to be taken away or subtracted particularly in tax calculations.
- 5. **Appeal** // (noun): A legal process to challenge a decision or judgment.
- 6. **Securities** // (noun): Financial instruments like stocks and bonds.



Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What is a formal public statement about a significant event or development called?

Option: Declaration Option: Revelation Option: Announcement Option: Notification

2. What term is used to describe a cooperative relationship between two or more parties?

Option: Merger

Option: Collaboration Option: Partnership Option: Acquisition

3. What is the acquisition of one company by another called?

Option: Joining

Option: Alliance

Option: Takeover

Option: Absorption

4. What is an event or occurrence that is often unexpected and causes a disturbance or disruption?

Option: Happening Option: Accident Option: Occurrence Option: Incident

5. What is the past tense form of the word "benefit"?

Option: Benefiting Option: Benefit Option: Benefited Option: Beneficiary

6. What financial instruments represent ownership in a company or a creditor relationship with a company or government?

Option: Bonds Option: Shares **Option: Securities** Option: Futures



Option: Optimistic	
Option: Realistic	
Option: Hopeful	
8. What is the term for be	ing watchful and alert to detect potential danger or trouble?
Option: Careless	
Option: Vigilant	
Option: Relaxed	
Option: Distracted	
9. What is the amount tha	at must be paid out of pocket by the policyholder before an insurance company
will pay any expenses cal	led?
Option: Excess	
Option: Premium	
Option: Deductible	
Option: Benefit	
10 What is the term for a	n increase or improvement in something?
	in increase of improvement in something?
Option: Decline	
Option: Boost	
Outland Charles attack	
Option: Stagnation	
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7. What is the term used to describe a positive outlook or belief that good things will happen?



16. The process of putting together components to create	e a finished product is called		
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17. Legal professionals who provide advice and represent	tation are known as		
18. To explore or investigate a subject deeply is to	into it.		
19. The stock market is known for being highly	with fluctuations that are difficult		
to anticipate.			
20. Artists often use their skills to	scenes emotions or ideas in their work.		
Matching Sentences (Match each definition to the	correct word from the vocabulary list.)		
21. Proper budgeting and planning are essential for suc	cessful management.		
22. Diversifying your portfolio can help reduce risk when	n it comes to .		
23. The team's victory in the championship game brought great to the fans.			
24. A well-thought-out and planned approach is necessa	ary for a successful initiative.		
25. Building trust and is key in maintaining strong relati	onships with clients.		
26. He appeared calm and during the presentation which impressed the audience.			
27. A period of declining prices and economic slowdown characterizes a environment.			
28. Finding the right business can enhance your company's capabilities and reach.			
29. Despite challenges she remained about the future and the potential for success.			
30. Regular exercise can have a wide range of health if	done consistently.		

Answer

Multiple Choice: 1. Announcement 2. Partnership 3. Takeover 4. Incident 5. Benefited 6. Securities 7.

Optimistic 8. Vigilant 9. Deductible 10. Boost

Gap-Fill: 11. transaction 12. negotiations 13. supplier 14. production 15. bolts 16. assembly 17. attorneys 18. delve



19. unpredictable 20. depict

Matching sentence: 1. financial 2. investment 3. excitement 4. strategic 5. confidence 6. confident 7. deflationary 8. partner 9. optimistic 10. benefit

CATEGORY

1. Business - LEVEL3

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