

US judge gives Musk 2 weeks to justify controversial tweets

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A federal judge gave Tesla CEO Elon Musk two weeks to rebut charges he violated a 2018 settlement with US securities regulators.

A federal judge on Tuesday gave Tesla's irascible Chief Executive Elon Musk two weeks to explain why he should be spared from being held in

contempt for violating a settlement with US regulators.

Musk, who is back in the crosshairs of the Securities and Exchange Commission over his [social media use](#), must submit his response by March 11, US District Judge Alison Nathan said in a [court order](#).

The SEC on Monday asked the court to crack down on Musk following inaccurate statements about Tesla's electric car production on Twitter that were not pre-approved, a stipulation of a US settlement approved by Nathan in October.

The agency's filing also cited a Musk interview with the "60 Minutes" news show in December in which he acknowledged his tweets were not being supervised and said he did not "respect" the SEC.

Even after the reprieve, Musk again took to Twitter to deride the agency on Tuesday, saying "something is broken with SEC oversight."

The case erupted last summer when the SEC charged Musk with fraud after he falsely tweeted that he had funding secured to take Tesla private, causing the carmaker's [share price](#) to shoot up.

To settle the charges, Musk had to resign as Tesla chairman, he and the company had to pay a \$20 million fine, and the SEC demanded the company's board of directors oversee his social media use.

CFRA Research expressed skepticism that Tesla's board will be able to rebut the SEC's case that Musk violated the settlement, and cited this new legal uncertainty to reiterate its "hold" recommendation on the company, meaning it owners should neither buy nor sell stock.

"We believe Musk is likely to be subject to additional penalties which could include any number of measures—additional fines, social media

restrictions or worse," CFRA Research analyst Garrett Nelson said.

Shares of Tesla down nearly 0.4 percent at \$297.44 in early afternoon trading, but recovered from the lowest point of the day.

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