



Musk Obtains Financing to Buy Twitter; Next Move Is Up To the Board

In [amending his original filing](#) with the Securities and Exchange Commission (SEC) on Thursday Elon Musk in effect said: I've got the money. What are you going to do? I'm waiting.

The amended filing served notice on the board that his plan to purchase the company and take it private (he plans to make it "the platform for free speech around the globe") is serious. He is putting up \$21 billion of his own money that, when added to commitment letters from Morgan Stanley, Bank of America, and some European banks, totals \$46.5 billion. This is more than enough to buy up every single outstanding share of Twitter (currently trading at \$49 a share) and pay off all of Twitter's bonded indebtedness.



Elon Musk (AP Images)

He also warned the board, through his filing, that he is still considering going directly to those shareholders — doing an end run around the board — if it fails to accept his offer.

From the filing:

The Reporting Person [Musk] is exploring whether to commence a tender offer to acquire all of the outstanding share of Common Stock ... at a price of \$54.20 per share, net to the seller in cash ... but [he] has not determined whether to do so at this time.

He also put the board on notice that he "may engage in discussions with the Board and/or members of [Twitter's] management team, including ... the Proposal, potential business combinations and strategic alternatives ... the strategy of [the board] and other matters." In other words, Musk in essence is saying: I'm not going away; If you fail to deal seriously with me, I have other options; I intend to buy your company and take it private; you have my phone number.

The final warning from the filing was this: "[Musk] reserves the right to change his plans at any time ... in light of his ongoing evaluation of numerous factors, including ... the relative attractiveness of alternative business and investment opportunities."

In other words, the clock is ticking. Musk is in a buying mood but that won't last forever.

If the board fails to respond, or worse, rejects Musk's original offer altogether and continues to impose its "poison pill" strategy, each member could expose himself or herself to litigation for failing to act as a fiduciary. As an attorney watching the situation closely said: "The directors have to act in a way that's in the best interests [of shareholders and] not in the way that allows them to keep control of the



Written by [Bob Adelman](#) on April 22, 2022

corporation.”

The only thing missing from Musk’s updated filing is a drop-dead date. Musk is holding all the cards. It’s time for the board to man up and call, or fold.

Related articles:

[Elon Musk Offers to Buy Twitter for \\$41 Billion and Take It Private](#)

[Obstacles Mounting Against Musk’s Takeover Bid for Twitter](#)

[Musk Reveals “Plan B” for Twitter: Buy Out Shareholders Directly](#)



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