

IS ELON MUSK LEADING REVOLUTIONARY CHANGES FOR CORPORATIONS, COURTS AND CEOS?

*Koral Zaarur**

INTRODUCTION

Elon Musk, currently the world's wealthiest individual with a net worth nearing \$435.3 billion,¹ has amassed his fortune through various high-impact ventures, including Tesla, SpaceX, OpenAI, Neuralink, and X (formerly Twitter).² Widely recognized as a visionary, "serial entrepreneur,"³ and innovator, Musk leads advancements in space exploration and sustainable technology. However, his unorthodox and often controversial behavior has garnered substantial public attention. Musk has shown little regard for the conventional expectations tied to his status, maintaining a high-profile persona through provocative remarks and actions. From rebutting an employee's concern with work-life balance by saying they would "see their families a lot when [Tesla] go[es] bankrupt,"⁴ to harassing public figures online, Elon seems to do what Elon wants, and this trend has not let up.⁵

Musk is no stranger to litigation and public scrutiny, often appearing to welcome it rather than avoid it. Unlike most Chief Executive Officers (CEOs) who

* Koral Zaarur is a J.D. Candidate in the class of 2026 at Sandra Day O'Connor College of Law. Koral thanks her parents, Ariella and Ezra Zaarur, for their steadfast support of her academic pursuits. Koral further extends her sincere thanks to Professor Mary Bowman for her invaluable guidance, and her fellow editors of the Corporate and Business Law Journal for their meticulous help refining this piece. The views expressed herein are her own and do not represent those of any affiliated institutions.

¹ For real-time valuation of Elon Musk's net worth, check the source linked in this footnote; *The World's Real-Time Billionaires*, FORBES (2025), <https://www.forbes.com/real-time-billionaires/#7144a9703d78> (last visited Dec. 27, 2024) [<https://perma.cc/L4FD-ZATN>].

² Luke Lango, *This Is How Elon Musk Got Rich*, NASDAQ: INVESTORPLACE (Feb. 5, 2024, 3:37 PM), <https://www.nasdaq.com/articles/this-is-how-elon-musk-got-rich> [<https://perma.cc/QXU6-UVJE>].

³ *Tornetta v. Musk*, 310 A.3d 430, 451 (Del. Ch. 2024).

⁴ Mark Matousek, *32 Most Outlandish Things Elon Musk Has Ever Said*, INC.: BUS. INSIDER (Oct. 19, 2018), <https://www.inc.com/business-insider/32-most-outlandish-things-elon-musk-has-ever-said.html> [<https://perma.cc/PMP9-BQSG>].

⁵ See, e.g., Bess Levin, *A Reminder of Just Some of the Terrible Things Elon Musk Has Said and Done*, VANITY FAIR (Apr. 26, 2022), <https://www.vanityfair.com/news/2022/04/elon-musk-twitter-terrible-things-hes-said-and-done> [<https://perma.cc/U3VZ-6EQ3>].

are cautious about their public image, Musk frequently speaks without concern for the consequences. His history reveals a pattern of disregarding legal boundaries, treating them as mere suggestions, which has often led to collateral impacts on shareholders across his various companies. These behaviors do not go unanswered, and in multiple instances they have spelled trouble for public perception, corporate governance, business law, and regulatory standards, and they have also influenced future CEOs to adopt similar attitudes.

One dispute that exemplifies Musk's behavior is the January 2024 case *Tornetta v. Musk* ("Tornetta I"), where shareholders filed suit against the CEO for his absurd pay package. Musk's response to the Delaware Court of Chancery's decision in *Tornetta I*—suggesting Tesla's reincorporation in Texas as a reaction to the ruling against his compensation package—raises serious concerns. Such actions could set a troubling precedent, potentially undermining Delaware's long-standing role as the premier jurisdiction for entity incorporation. By disregarding the ruling and pursuing reincorporation, Musk may encourage directors and officers to circumvent judicial decisions and ignore established legal precedent.

Elon Musk's recent "temper tantrum" reaction to *Tornetta I* led him to urge the Board of Directors to reincorporate Tesla in Texas in response to the Delaware Court of Chancery's unfavorable ruling under which his compensation package was rescinded. This action has the potential to set a dangerous precedent for corporate governance, executive accountability, regulatory oversight, and raises serious concerns regarding the stability of Delaware's position as the preeminent jurisdiction for incorporation.

This analysis begins by examining Elon Musk's unconventional character, marked by a consistent disregard for traditional corporate norms and legal boundaries. Section 2 provides a substantive discussion of the Delaware Court of Chancery's decision in *Tornetta I*, detailing the rationale behind the ruling and the key legal questions raised by the unpalatable pay package. Section 3 explores the aftermath of *Tornetta I*, focusing on Musk's public response and the subsequent push to revote on the compensation package and reincorporate Tesla in Texas. Section 3 also examines the litigious aftermath of *Tornetta I*, specifically the second lawsuit brought by Tornetta against Musk. Section 4 examines why Musk's reaction reaches beyond Tesla, including the potential for other companies to follow his lead in circumventing Delaware's corporate governance framework. Section 4 considers how Delaware's role as the leading state for incorporation could be challenged, with possible impacts on corporate law, shareholder rights, and board accountability. It also highlights the risks to shareholders when boards and executives act in ways that prioritize personal interests over corporate stability and legal compliance. Finally, Section 5 proposes solutions, outlining reforms in corporate law to address challenges posed by Musk's conduct and similar behaviors from other executives. This section suggests measures to reinforce Delaware's governance standards, protect shareholder interests, and ensure corporate leaders uphold principles that safeguard both legal integrity and shareholder value.

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I. BACKGROUND: ELON MUSK – PUBLIC PERSONA

Elon Musk’s public behavior, legal controversies, and curated image have challenged the traditional conceptions of corporate leadership. To understand Musk’s reaction to his legal challenges and his defiance of legal and corporate norms, it is crucial to examine how his persona may function as a liability to his companies. His unorthodox and controversial personality, his violations of the law and corporate governance standards, and his “superstar CEO” status all work together to illustrate how Musk destabilizes established conventions and principles.

A. *Public Image:*

Elon Musk’s unconventional personality blends audacity with a disregard for norms, shaping a public image that challenges typical CEO behavior and that may pose risks for his companies’ shareholders. In 2022, Forbes conducted a study to compare Musk’s behavior with that of other Fortune 500 CEOs.⁶ The study found

⁶ Shann Biglione, *Houston, Elon Musk Has a Reputation Problem*, FORBES (Feb. 1, 2023, 10:32 AM), <https://www.forbes.com/sites/shannbiglione/2023/02/01/houston-elon-musk-has-a-reputation-problem/> [https://perma.cc/X4KH-HE2R].

that out of 50 CEOs, Elon Musk was the topic for the majority of negative mentions.⁷ Of every 100 media stories about CEOs, 80 mention Musk, meaning 80% of all negative mentions of CEOs reference him specifically.⁸ Furthermore, focusing more broadly on *all* mentions as opposed to negative ones, Musk accounted for 50% of those mentions.⁹ All 49 of the other CEOs combined accounted for the same amount of mentions as Elon Musk alone.¹⁰

Musk's persona is evident in his public appearances and social media activity, where he often makes controversial statements. These include comparing Canada's Prime Minister to Adolf Hitler, accusing individuals of pedophilia, threatening Tesla factory workers over unionization efforts, tweeting a picture of Bill Gates with the caption "in case u need to lose a boner fast," claiming that Jewish people promote hatred against white people, and tweeting that "pronouns suck."¹¹ One of his most contentious public moments occurred during an interview on *The Joe Rogan Experience* podcast, where he was filmed smoking marijuana.¹² This act came at a precarious time, as Musk was under investigation by the Securities and Exchange Commission (SEC) for a tweet claiming he would take Tesla private for \$420 per share—a number widely recognized as a reference to marijuana.¹³ Many observers viewed the timing of this occurrence as calculated.¹⁴

B. Disregard of Law and Corporate Norms:

Musk's actions often carry significant consequences, with his companies' shareholders bearing much of the impact. Shortly after his infamous interview on *The Joe Rogan Experience*, two senior Tesla executives resigned, and the company's stock dropped by 6%.¹⁵ Similarly, after Musk announced his intention to acquire Twitter, Tesla stock fell to its lowest level in over two years.¹⁶ His

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ Levin, *supra* note 5; Todd Spangler, *White House Slams Elon Musk's 'Abhorrent Promotion of Antisemitic and Racist Hate'*, VARIETY (Nov. 17, 2023, 9:11 AM), <https://variety.com/2023/digital/news/white-house-condemns-elon-musk-antisemitic-racist-hate-1235795049/> [<https://perma.cc/4BT9-V64N>].

¹² Rupert Neate & Carrie Wong, *Tesla Shares Crash after Elon Musk Smokes Joint on Live Web Show*, THE GUARDIAN (Sep. 7, 2018, 10:39 AM), <https://www.theguardian.com/technology/2018/sep/07/tesla-chief-elon-musk-smokes-marijuana-on-live-web-show> [<https://perma.cc/8VSB-J4R4>].

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Assaf Hamdani & Kobi Kastiel, *Superstar CEOs and Corporate Law*, 100 WASH. U. L. REV. 1353, 1369 (2023).

statements and actions regularly create stock price volatility. When he announced plans to take Tesla private at \$420 per share, claiming to have secured the necessary funding, Tesla's stock initially rose by 6.4%.¹⁷ However, when Musk later abandoned the privatization plan, the stock plunged by 16%.¹⁸ This behavior drew scrutiny from the SEC, which filed a lawsuit against Musk in which it alleged that he misled investors and failed to exercise due diligence.¹⁹ Musk's frequent provocations and announcements often trigger sharp stock fluctuations, creating challenges for his companies' shareholders. These actions also violate Musk's required fiduciary duties—specifically the duty of loyalty, which mandates that he must act in his shareholders' best interest.²⁰ By impacting the stock price of his companies, Musk fails his fiduciary obligation to put shareholder interests first, as low stock prices may reduce their returns on investment.²¹ Musk's ability to get away with playing roulette with his shareholder's interests could signal to other CEOs or boards that corporate duties may not be enforced.

One of Elon Musk's former employees described his approach as a simple “fuck you” to regulators,²² and this theme is consistent with Musk's actions. His attempts to overturn *Tornetta I*'s revocation of his compensation package indicates his belief that the rules do not apply to him, and this is not the only instance of such attitude.²³ A Columbia University Law Professor states that each time Musk tries to circumvent the law, he is trying to change it “to fit the Elon Musks of the world,” of which there is only one.²⁴ He even tweeted at the SEC, making a crude

¹⁷ *The Case of Elon Musk and the SEC: Re-examining Corporate Fraud*, ESQUIRE DEPOSITION SOLS. (Oct. 10, 2018), <https://www.esquiresolutions.com/due-diligence-procedures/> [<https://perma.cc/5S2D-QNJM>].

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *CEOs and Fiduciary Duty: What Can a Board Expect?*, DUNN LAW, P.A., <https://www.dunnlawpa.com/ceos-and-fiduciary-duty-what-can-a-board-expect/> (last visited Aug. 24, 2025) [<https://perma.cc/M7YV-JDPF>].

²¹ Dara-Abasi Ita, *When Stock Prices Drop, Where Is the Money?*, INVESTOPEDIA, <https://www.investopedia.com/articles/basics/03/060603.asp> (Dec. 18, 2024) [<https://perma.cc/QU4J-XDEP>].

²² Zoë Schiffer & Casey Newton, *Elon Musk's Reach on Twitter Is Dropping—He Just Fired a Top Engineer over It*, THE VERGE (Feb. 9, 2023, 1:25 PM), <https://www.theverge.com/2023/2/9/23593099/elon-musk-twitter-fires-engineer-declining-reach-ftc-concerns> [<https://perma.cc/AEP7-YMV3>].

²³ Mike Leonard, *Rule of Law Isn't a Recommendation, for Elon Musk or Anyone Else*, BL: ELEVATED TAKE (Sept. 23, 2024, 2:00 AM), https://www.bloomberglaw.com/bloomberglawnews/esg/X99DNA54000000?bna_news_filter=esg#jcite [<https://perma.cc/E9KS-E4RG>].

²⁴ *Id.*

sexual innuendo “SEC, three letter acronym, middle word is Elon’s.”²⁵

An anomaly of Elon Musk is that he makes minimal effort to hide his illegal actions. When Musk purchased shares of Twitter in 2022, he acquired 5% of the shares in the company.²⁶ At the time, the SEC required beneficial owners of a public company who acquire more than 5% of that company’s shares to disclose this ownership to the SEC and the public within 10 days.²⁷ Musk purchased the shares on March 14th, so his disclosure was required by March 24th, but he failed to report the purchase until April 4th.²⁸ In 2020, in the midst of the COVID-19 pandemic, the Alameda County of California ordered the Tesla factory in Fremont to be shut down, but Musk continued to operate the factory despite the risks to which he exposed his workers.²⁹ That same year, the Federal Aviation Administration set forth an adverse risk analysis that prohibited Musk’s company, SpaceX, from launching a rocket.³⁰ Of course, Elon Musk launched the rocket regardless.³¹ When a fatal Tesla crash became the subject of investigation by the National Transportation Safety Board, the Chairman requested that Tesla stop sharing information about the investigation publicly; Musk disregarded this request, and when the Chairman consequently informed Musk that Tesla would no longer be a partner in the investigation, Musk allegedly hung up the phone call.³²

Musk even makes a mockery of traditional corporate norms. Most corporations of similar caliber as Tesla typically have a Chief Executive Officer who manages the company’s operations and makes managerial decisions.³³ Elon Musk is not one for the status quo and has elected to do away with his CEO title, instead legally changing his title to “Technoking of Tesla.”³⁴ He claims that this action was in

²⁵ Susan Pulliam et al., *Elon Musk’s War on Regulators*, WALL ST. J. (Apr. 28, 2021, 11:39 AM), https://www.wsj.com/articles/elon-musk-tesla-spacex-regulators-crash-11619624227?reflink=desktopwebshare_permalink [<https://perma.cc/K5NS-MNAV>]

²⁶ Michael Hiltzik, *Why Don’t Regulators Stop Elon Musk from Breaking the Law?*, L.A. TIMES (May 18, 2022, 2:04 PM), <https://www.latimes.com/business/story/2022-05-18/how-does-elon-musk-get-away-with-it> [<https://perma.cc/4TPM-YDH4>].

²⁷ Gary Gensler, *Statement on Final Rules Regarding Beneficial Ownership*, SEC. & EXCH. COMM’N (Oct. 10, 2023), <https://www.sec.gov/newsroom/speeches-statements/gensler-statement-final-rules-regarding-beneficial-ownership-231010> [<https://perma.cc/5727-J44Z>].

²⁸ Hiltzik, *supra* note 26.

²⁹ *Id.*

³⁰ Pulliam et al., *supra* note 25.

³¹ *Id.*

³² *Id.*

³³ Adam Hayes, *Chief Executive Officer (CEO): Roles and Responsibilities vs. Other Chief Roles*, INVESTOPEDIA (July 31, 2024), <https://www.investopedia.com/terms/c/ceo.asp> [<https://perma.cc/E7YD-XXBR>].

³⁴ *Elon Musk Changes Job Title to ‘Technoking of Tesl’*, BBC (Mar. 15, 2021), <https://www.bbc.com/news/technology-56404583> [<https://perma.cc/WC8Z-EV2X>].

humorous pursuit of showing that corporate titles have little meaning.³⁵ He also changed the title of Tesla's Chief Financial Officer (CFO) to "Master of Coin."³⁶ Corporate traditions and formalities are of little importance to Musk, and his public protests of them may lead to a trend away from established corporate governance customs.

C. *Superstar CEO:*

Elon Musk has been dubbed a "superstar CEO" by the *Tornetta I* opinion,³⁷ and this designation has inadvertently allowed the mogul to surpass the concept of accountability. A superstar CEO is one that is perceived to have indispensable, one-of-a-kind qualities that make them particularly treasured by their respective entities and that make them a crucial element of that entity's success.³⁸ In a way, a superstar CEO is one whose identity is largely fused with the identity of the entity itself. The number of superstar CEOs is low, because rarely is a CEO seen as vital to their entity's success.³⁹ However, this status creates problems where shareholders tend to be more lenient in holding the executive accountable when they act in ways that are unacceptable for typical CEOs.⁴⁰ This gives the superstar CEO leverage over their boards and shareholders and allocates unusually significant power to them.⁴¹ Another issue this status poses is where the superstar CEO's identity overshadows the corporate identity that the business is attempting to portray.⁴² In the aforementioned study comparing Musk to other CEOs, the authors discuss that Musk's reputation harms his companies' reputations.⁴³

The way that Musk allows the public to perceive him creates a number of issues for corporate governance and legal authority. His unapologetic violations of securities laws, his carefree impact on the stock market, his disregard of regulatory bodies and agency law, and his tensions with the Delaware courts signal danger to the public. These behaviors can signal that where an individual possesses enough

³⁵ Tom Huddleston Jr., *Elon Musk: CEO is a 'Made-Up Title,' So He's Tesla's 'Technoking' Instead*, CNBC (Dec. 7, 2021, 12:28 PM), <https://www.cnbc.com/2021/12/07/elon-musk-ceo-is-made-up-title-prefers-tesla-technoking.html> [https://perma.cc/5SEG-BEJH].

³⁶ *Elon Musk Changes Job Title to 'Technoking of Tesla'*, *supra* note 34.

³⁷ *Tornetta v. Musk*, 310 A.3d at 446.

³⁸ Hamdani & Kastiel, *supra* note 16, at 1366–68.

³⁹ Jack Ewing & Peter Eavis, *Elon Musk's \$50 Billion Tesla Pay Was Struck Down. What Happens Next?*, N.Y. TIMES: BUS. (Jan. 31, 2024), <https://www.nytimes.com/2024/01/31/business/tesla-elon-musk-pay-package.html?searchResultPosition=1> [https://perma.cc/B979-GGPB].

⁴⁰ Hamdani & Kastiel, *supra* note 16, at 1382.

⁴¹ *Id.* at 1377–79.

⁴² Biglione, *supra* note 6.

⁴³ *Id.*

power or wealth, they are not subject to the rules imposed on laypeople, which impacts the public's trust and opinions of the respected legal system in the United States.⁴⁴ It also signals that those who have the means to do so can take advantage of corporate practices to reap benefits at the expense of others, leading to the belief that society is tailored to people like Elon Musk, as opposed to the average American.⁴⁵ The discussion surrounding the public persona of Elon Musk is an essential element in understanding the long-standing pattern of allowing his ego to fuel his actions, and such a study is relevant in assessing why he reacted to *Tornetta I* the way he did. With a better understanding of who Musk is, it is easier to understand the calculation and motive behind his behaviors following the case.

II. ANALYSIS OF TORNETTA V. MUSK

The Delaware Court of Chancery's decision in *Tornetta I* was a landmark moment for corporate law and governance. This case tested the boundaries of the courts' traditional deference to the decisions of boards of directors and raised questions about the influence that powerful executives may exert over their boards. Analysis of *Tornetta I* requires careful attention to the factual background, the legal standard applied by the court, and the reasoning that led to the rescission of Musk's pay package.

A. Synopsis:

Tornetta I was a lawsuit initiated by Tesla shareholder Richard Tornetta against the Board of Directors and CEO Elon Musk in his personal capacity.⁴⁶ In his complaint, Tornetta alleged breach of fiduciary duty, unjust enrichment, and corporate waste.⁴⁷ All of these claims were related to the Board's ratification of Musk's \$55.8 billion compensation package in a June 2018 special meeting.⁴⁸ The Court found for Tornetta, subjecting the Board's decision to review under the "Entire Fairness Standard." The Court supported its decision by relying largely on how Musk's unparalleled persona made this case unique.⁴⁹ At the time the board voted on Musk's compensation, he owned 21.9% of Tesla.⁵⁰ He was joined on the Board of Directors by his brother, Kimbal Musk, and others who were friends and long-term associates of the CEO.⁵¹

⁴⁴ Hiltzik, *supra* note 26.

⁴⁵ *Id.*

⁴⁶ *Tornetta v. Musk*, 310 A.3d 430 (Del. Ch. 2024).

⁴⁷ *Id.* at 494.

⁴⁸ *Tornetta v. Musk*, 310 A.3d 430 (Del. Ch. 2024).

⁴⁹ *Id.* at 548, 497–502.

⁵⁰ *Id.* at 454.

⁵¹ Ewing & Eavis, *supra* note 39.

B. Standard of Review:

The Court had the opportunity to apply either the Business Judgement Rule or the Entire Fairness Rule and ultimately opted for the latter. The Entire Fairness Standard shifts the burden of proof to the defendant, requiring them to prove the entire fairness of a decision-making process where a controlling or dominant shareholder stands “on both sides of a transaction.”⁵² Conversely, the Business Judgement Rule is the deferential presumption courts adopt that treats directors’ decisions as being made “on an informed basis, in good faith, and in the honest belief that the action taken was in the best interests of the company.”⁵³ The directors of Tesla moved to dismiss the Tormetta’s complaint on the grounds that the Business Judgment Rule should apply, but the court determined that the compensation decision was not fully informed.⁵⁴ Citing *Valeant Pharmaceuticals International v. Jerney*, the court concluded that certain Tesla directors were not truly as independent as Musk and his board portrayed them to be, and thus Musk’s self-interested compensation decision was subject to entire fairness review.⁵⁵

Under entire fairness review, the *controlling* or *dominant* shareholder must be on both sides of the transaction,⁵⁶ so the Court’s use of this standard, despite Musk owning just 21.9% of Tesla shares at the time, was a curious application of the law. However, the court reasoned that the percentage of stock he owned, in combination with his status as a superstar CEO, was sufficient to determine that he was a controlling shareholder.⁵⁷ In the opinion, the court wrote that this status interfered with board oversight, as the board viewed Musk as paramount to the company’s operations and success.⁵⁸ In the board’s view, it was dependent on Musk, and his pay package was an incentive to maintain Tesla’s priority status in Elon’s endeavors.⁵⁹ The board claimed that if Musk were to lose focus, it would negatively affect the business and cause stock prices to decline.⁶⁰ The board’s dependence on and fear of losing Musk, as well as his superstar CEO status, led to his inadvertent “control” over Tesla’s directors, even though he did not own a controlling share of stock in Tesla.⁶¹

C. Fairness:

Several factors contributed to the court’s finding that the circumstances

⁵² Weinberger v. UOP, Inc., 457 A.2d 701, 710 (Del. 1983).

⁵³ *In re Walt Disney Co. Derivative Litig.*, 906 A.2d 27, 52 (Del. 2006).

⁵⁴ *Tormetta v. Musk*, 310 A.3d at 494–95.

⁵⁵ *Id.*

⁵⁶ Weinberger v. UOP, Inc., 457 A.2d 701, 710 (Del. 1983).

⁵⁷ Ewing & Eavis, *supra* note 39

⁵⁸ Ewing & Eavis, *supra* note 39; *Tormetta v. Musk*, 310 A.3d 430 (Del. Ch. 2024).

⁵⁹ Hamdani & Kastiel, *supra* note 16, at 1368–70.

⁶⁰ *Id.*

⁶¹ Ewing & Eavis, *supra* note 39.

surrounding the board's decision to grant Musk's compensation package were not entirely fair. Chancellor Kathaleen McCormick, the Delaware judge who ruled in *Tornetta I*, is known for having high standards for how corporations should behave.⁶² This was not her first time presiding over a case involving Musk, as in 2022 she ruled to enforce Musk's purchase of Twitter (now "X").⁶³ Chancellor McCormick noted that since the pace for approving the pay package was determined by Elon Musk himself, along with his close ties to board members, and because he possessed oversight in establishing the terms of his own compensation, the decision lacked fairness.⁶⁴ According to Eric Talley, a Columbia University law professor, Tesla's board has "almost religious faith" in Elon Musk, which made it nearly impossible for the entire fairness standard to be met.⁶⁵

In her discussion of Entire Fairness, Chancellor McCormick further noted that the analysis is twofold; she examined process and price to determine whether the board reached the decision fairly.⁶⁶ As mentioned, she took issue with the process by which the compensation was approved, noting Musk's personal, fifteen-year relationship with the chair of Tesla's compensation committee and his twenty-year business and personal relationship with another compensation committee member who frequently joined Musk on vacations.⁶⁷ These relationships, among others, led Chancellor McCormick to conclude that the board inadequately negotiated terms of the pay package, and that the board did not conduct benchmarking analyses.⁶⁸ Another procedural issue was that Musk applied pressure to the committee with respect to the timeline of its approval, dictating the timing and making last-minute adjustments to terms of the package.⁶⁹

Chancellor McCormick discussed price next, paying special attention to the

⁶² Tom Hals, *Who is Kathaleen McCormick, the Judge Who Slashed Elon Musk's Pay Package?*, REUTERS (Jan. 30, 2024 3:45 PM), <https://www.reuters.com/legal/judge-who-slashed-elon-musks-pay-package-known-being-tough-wall-street-2024-01-30/> [https://perma.cc/5EP4-NP25].

⁶³ *Id.*

⁶⁴ *Tesla Shareholders Approve Multibillion-Dollar Compensation Package for CEO Musk*, HALL BENEFITS L. (Aug. 7, 2024), [https://www.westlaw.com/Document/If855635054a411efb677fee96b9ef67e/View/FullText.html?transitionType=Default&contextData=\(sc.Default\)&VR=3.0&RS=cblt1.0](https://www.westlaw.com/Document/If855635054a411efb677fee96b9ef67e/View/FullText.html?transitionType=Default&contextData=(sc.Default)&VR=3.0&RS=cblt1.0) [https://perma.cc/SPZ5-U9P7].

⁶⁵ Mike Leonard, *Musk's \$55 Billion Loss Threatens Soaring Pay for Superstar CEOs*, BL: NEWS (Feb. 1, 2024 10:18 AM), https://www.bloomberglaw.com/product/blaw/bloomberglawnews/bloomberg-law-news/BNA%200000018d5fabd27badd5fbfbc3e0001?bna_news_filter=bloomberg-law-news [https://perma.cc/J669-2BJX].

⁶⁶ *Tornetta v. Musk*, 310 A.3d at 446.

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.* at 513.

egregious value of the pay. She referred to the compensation as “the largest compensation plan in the history of public markets,” and “an unfathomable sum,” valued at \$55.8 billion.⁷⁰ Indeed, in 2022, Amit Batish, an employee of a firm that researches executive pay, claimed that the sum of Elon Musk’s pay was six times that of the *combined* compensation of 2021’s 200 highest paid executives.⁷¹ Additionally, as noted in the opinion, Institutional Shareholder Services, Inc. (ISS)—a proxy advisory firm—found that the pay package was 250 times larger than the 2017 median compensation of peer CEOs, while other experts described the pay as “entirely without precedent.”⁷² While Chancellor McCormick gave credit to the idea of compensating Musk in a manner that would achieve the Board’s goal of motivating him to prioritize Tesla, she determined that the sum was much higher than was necessary to achieve that goal.⁷³ The compensation package challenged in *Tornetta I* is the highest compensation package to date; the second highest package was, unsurprisingly, also awarded to Musk in 2012 by Tesla. The *Tornetta I* compensation package, however, is over thirty-three times the value of its 2012 runner-up, showing just how unfathomable the sum was.⁷⁴

D. Decision and Remedy:

After examining both process and price, the Delaware court found that Elon Musk had not demonstrated that his pay package satisfied entire fairness review.⁷⁵ The package was self-dealing (*i.e.* conducted by a controlling shareholder of Tesla) due to Musk’s unique influence on the Board, and he seemed to have a seat on both sides of the table in this deal. Chancellor McCormick found for the plaintiffs and entered a judgment against Musk.⁷⁶ She determined that the appropriate remedy was to rescind the compensation and return all parties to the position they were in before the transaction.⁷⁷ While Musk’s counsel protested this remedy on the

⁷⁰ *Id.* at 448, 538.

⁷¹ Tom Hals, *Judge Voids Elon Musk’s ‘Unfathomable’ \$56 Billion Tesla Pay Package*, REUTERS (Jan. 31, 2024, 12:30 PM), <https://www.reuters.com/legal/judge-rules-favor-plaintiffs-challenging-musks-tesla-pay-package-2024-01-30/> [https://perma.cc/762T-PALR].

⁷² *Tornetta v. Musk*, 310 A.3d at 543.

⁷³ Ewing & Eavis, *supra* note 39.

⁷⁴ Kevin Tyler O’Connell, *Del. Court of Chancery Orders Rescission of Musk’s \$55.8B Tesla Compensation Plan*, A.B.A.: BUS. L. TODAY (Mar. 1, 2024), https://www.americanbar.org/groups/business_law/resources/business-law-today/2024-march/del-court-chancery-orders-rescission-musks-tesla-compensation-plan/#:~:text=As%20the%20Delaware%20Court%20of,Musk%27s%20and%20Tesla%27s%202012%20plan [https://perma.cc/CHV4-UB5F].

⁷⁵ *Tornetta v. Musk*, 310 A.3d at 448.

⁷⁶ *Id.* at 548.

⁷⁷ *Id.* at 547.

grounds that it would result in his efforts going uncompensated, the Chancellor found that the equity Musk owned in Tesla provided him “tens of billions of dollars” in pay through the achievement of Tesla’s growth.⁷⁸

III. AFTERMATH OF *TORNETTA I*: REACT & REVOTE

The behavior that followed *Tornetta I* revealed Elon Musk’s refusal to accept judicial restraint, and confidence in his public influence—which he used to challenge the authority of Delaware corporate law as the cornerstone of business governance in the United States. Rather than considering the ruling by Chancellor McCormick, Musk launched a campaign to undermine the legitimacy of Delaware courts and reshape governance to comply with his own terms. Though Musk’s defiance of *Tornetta I* started as a personal disapproval of the decision, it expanded into a larger institutional challenge to test the boundaries of corporate governance and accountability.

A. *The Temper Tantrum:*

Elon Musk spared no effort in ensuring that the public was aware of his dissatisfaction with Chancellor McCormick’s opinion. Among his efforts were public social media posts criticizing Delaware, including one post in which he wrote, “[n]ever incorporate your company in the state of Delaware.”⁷⁹ In this series of vindictive posts, Musk also stated, “[i]f your company is still incorporated in Delaware, I recommend moving to another state as soon as possible” and “I recommend incorporating in Nevada or Texas if you prefer shareholders to decide matters.”⁸⁰ In addition to posting a series of statements unequivocally declaring his disdain for Delaware, Elon Musk also posted a poll on X asking his audience whether Tesla should reincorporate in Texas; about 1.1 million votes were cast, with Texas amassing more than 87% of the votes.⁸¹ Musk’s reaction to *Tornetta I* not only involved chastising Delaware, but also included facilitating a shareholder vote to both reinstate the pay package revoked by Chancellor McCormick and to reincorporate Tesla in Texas.⁸² Rather than accepting his legal fate, Elon Musk chose to seek and pursue avenues to counteract the Chancellor’s opinion and

⁷⁸ *Id.*

⁷⁹ Elon Musk (@elonmusk), X (Jan. 30, 2024, 3:14 PM), <https://x.com/elonmusk/status/1752455348106166598> [<https://perma.cc/PBH4-229M>].

⁸⁰ Elon Musk (@elonmusk), X (Feb. 14, 2024, 5:27 PM), <https://x.com/elonmusk/status/1757924482885583112> [<https://perma.cc/QVC4-MZJD>]; Elon Musk (@elonmusk), X (Jan. 30, 2024, 5:17 PM), <https://x.com/elonmusk/status/1752486201083543842> [<https://perma.cc/6846-MC2A>].

⁸¹ Elon Musk (@elonmusk), X (Jan. 30, 2024, 5:40 PM), <https://x.com/elonmusk/status/1752491924848820595> [<https://perma.cc/8ZP8-F6CP>].

⁸² Leonard, *supra* note 23.

undermine its legal precedent.⁸³

B. The Revote:

The decision to allow shareholders to revote on a matter settled by the court has never occurred before.⁸⁴ Tesla justified this action by citing Section 204 of Delaware General Corporate Law (DGCL).⁸⁵ This section of the DGCL allows entities to correct board decisions that were approved in reliance on technical problems.⁸⁶ However, legal analysts do not believe that Section 204 properly applies in this case, as the pay package was not struck down due to technical issues, but rather due to its substantive impropriety.⁸⁷ Legal experts, such as Eric Talley, further claim that Section 204 is not an avenue to “undo” court decisions.⁸⁸

Holding a revote to reinstate a compensation plan voided by the court may have detrimental consequences. For one, doing so may pave the way for other entities to evade court decisions by simply revoting on the matter that has been adjudicated. Such consequence could have a chilling effect on shareholders in their efforts to bring suit against companies that have not acted in their shareholders’ best interest. If boards of directors can simply overturn the adverse ruling, then shareholders will hesitate to spend legal fees pursuing litigation against the company. Furthermore, restoring a board decision that was vacated by the judicial system risks undermining one of the classic facets of corporate law—the fiduciary duty of loyalty.⁸⁹ Charles Elson, founding director of the Weinberg Center for Corporate Governance at the University of Delaware,⁹⁰ describes that this consequence gives company officials “endless bites at the apple” when they act adversely to the companies they represent.⁹¹ If a revote to reinstate Musk’s pay package follows, it creates a situation where “[i]f you don’t like a ruling, you can

⁸³ *Id.*

⁸⁴ Mike Leonard, *Musk’s \$56 Billion Pay Gambit Risks Endless Corporate Do-Overs*, BL: BUS. & PRAC. (Aug. 20, 2024, 10:09 AM), <https://www.bloomberglaw.com/product/blaw/bloomberglawnews/business-and-practice/XAK9E2M4000000> [https://perma.cc/S8W7-MTD9].

⁸⁵ Robert Freedman, *Tesla taking novel approach to get \$56B Musk pay back on track*, LEGAL DIVE (Apr. 19, 2024), <https://www.legaldive.com/news/tesla-taking-novel-approach-56b-musk-pay-DGCL-Talley-Lipton-chancery-court-shareholder-suit/713745/> [https://perma.cc/6WAJ-RGRG].

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ Leonard, *supra* note 84.

⁹⁰ Charles Elson, UNIV. OF DEL.: EXPERTS, <https://www.udel.edu/faculty-staff/experts/charles-elson/> (last visited Oct. 8, 2025) [https://perma.cc/Y2N6-XW5T].

⁹¹ Leonard, *supra* note 84.

just ask shareholders to overturn it.”⁹²

The Tesla shareholder who brought suit in *Tornetta I* argued that if a court were to uphold the reinstated compensation plan, there would be a “dangerous paradigm shift” that would allow corporate governance to occur by mob rule, rather than by law.⁹³ Courts would further be subjecting themselves to *vox populi*, allowing stockholders to act as appellate courts and overturn trial court judgments.⁹⁴ This would drastically contradict settled Delaware law.⁹⁵ Tulane law professor Ann Lipton opines that Chancellor McCormick’s reluctance to reconsider her ruling in *Tornetta I* suggests that Tesla’s action has the “potential to undermine the integrity of the court.”⁹⁶ She further suggests that the judicial system breaks down if there is diminished respect for court procedures.⁹⁷ Another law professor, Jill Fisch, states that holding a revote on a matter settled by the court “seems to completely undo the process that Delaware law has designed to limit controlling stockholder leverage.”⁹⁸

Conversely, some legal experts disagree with the ability of Tesla’s revote to wreak havoc. For example, Law professor Gabriel Rauterberg writes that the impact of this decision may be limited due to the “deeply unusual circumstances” that arise from Musk’s unfathomable wealth and influence over Tesla’s board.⁹⁹ These unusual circumstances, Rauterberg believes, may make it unlikely for other corporate actors to try to override a judicial ruling.¹⁰⁰ Another law professor, Carliss Chatman, agrees with Rauterberg’s stance.¹⁰¹ She argues that it is “possible no one else tries this and it never comes up again.”¹⁰² She also refers to Musk as an “outlier” and claims that every generation has one that “tests the checks on our system.”¹⁰³ Thus, Chatman joins Rauterberg in the opinion that the decision to revote on the compensation package may not be as troubling as many believe.¹⁰⁴

This analysis may underestimate Musk’s influence on other CEOs.¹⁰⁵ There is

⁹² *Id.*

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ See Callum Borchers, *Is Elon Musk Your Boss’s Anger Translator*, WALL ST. J. (Nov. 22, 2022 12:01 AM), https://www.wsj.com/articles/is-elon-musk-your-bosss-anger-translator-11669073893?reflink=desktopwebshare_permalink [https://perma.cc/2RV8-LW6Q].

proof that many executives admire and envy Musk's leadership style and would implement it if they felt that they could get away with the behaviors that Musk exhibits.¹⁰⁶ In present circumstances, if Musk can prove that overruling a court decision is an action that does not evoke consequences, other executives may attempt the same.

Musk's attempt to have the Board revote may set an example that renders courts powerless and allows corporations to avoid liability for their unlawful actions by creating their own legal standards on corporate governance and by playing by their own rules. This could potentially spell trouble for shareholders by allowing companies to undermine their judicially upheld rights.

C. *The Decision to Reincorporate:*

Allowing shareholders to revote on the pay package was not Elon Musk's only power play in protest of the holding in *Tornetta I*; he also vowed to reincorporate Tesla in Texas, where the company is headquartered. Musk's vendetta against Delaware even led him to relocate his other companies away from the state that revoked his unfathomable pay. Among Musk's entities that departed Delaware following *Tornetta I* are SpaceX, which moved to Texas, and Neuralink, which moved to Nevada.¹⁰⁷ These events marked the exodus of Musk's last companies incorporated in Delaware, severing the billionaire's ties with the State.¹⁰⁸

As part of the plan to reincorporate, Tesla's Board of Directors formed a Special Committee comprised of one Director and a group of advisers to determine whether Tesla should reincorporate in Texas.¹⁰⁹ This committee determined that "in its business judgment, it is in the best interest of Tesla and all of its stockholders for the Company to reincorporate in Texas."¹¹⁰ This conclusion did not turn on considering shareholder rights, as "Delaware and Texas provide substantially

¹⁰⁶ *Id.*

¹⁰⁷ Madlin Mekelburg, *Musk Shifts Tesla Incorporation to Texas After Investor Vote (1)*, BL.: BUS. & PRAC. (June 14, 2024 6:43 AM), <https://news.bloomberglaw.com/esg/musk-shifts-tesla-incorporation-to-texas-after-investor-vote-1> [<https://perma.cc/E9PB-ZDRX>].

¹⁰⁸ See generally Eric Revell, *Elon's Exodus: Tracking Musk's Business Incorporation State Changes*, FOX BUS.: TECH. (Feb. 16, 2024 8:00 AM), <https://www.foxbusiness.com/technology/elons-exodus-tracking-musks-business-incorporation-state-changes> (tracking the changes in incorporation for all of Musk's businesses) [<https://perma.cc/HB6J-WDEA>].

¹⁰⁹ Dana Hull, *Tesla Asks Investors to Approve Musk's \$56 Billion Pay Again (4)*, BL.: BUS. & PRAC. (Apr. 17, 2024 6:35 AM), <https://www.bloomberglaw.com/product/blaw/bloomberglawnews/business-and-practice/X9QDATQ0000000> [<https://perma.cc/7PZ8-6KNA>].

¹¹⁰ Tesla, Inc., Proxy Statement for 2024 Annual Meeting of Stockholders 20 (Schedule 14A) (Apr. 29, 2024) [<https://perma.cc/G7PC-XA7H>].

equivalent bundles of . . . rights for stockholders,” but rather on three differentiating factors between Texas and Delaware. These factors included (1) Texas being Tesla’s home state, (2) Texas’s “statutory law on corporate constituencies” better aligning with the Company’s “mission-driven culture,” and (3) Delaware’s primacy as an established forum for business litigation compared to Texas’s newly created business court.¹¹¹ The committee reconciled the disparity of the last factor by stating that while Texas’s new court is novel, it takes a code-based approach that is less dependent on case law.¹¹² Ultimately, the committee and the board opined to shareholders that “local decision-makers have a deeper understanding of our business and are therefore best situated to make decisions about our corporate governance.”¹¹³ Another reason the committee provided for this conclusion was that Delaware law utilizes broad and flexible standards that are applied based on fact-specific inquiries, rendering the law inconsistent and unpredictable.¹¹⁴ The committee supported this assertion by discussing the high level of reversal for decisions made by the Delaware Court of Chancery, a phenomenon that creates unpredictability for Tesla’s innovative nature.¹¹⁵

In coming to this decision, the Board forewarned shareholders that legal challenges may appear. It stated that it is aware Tesla may face legal challenges to reincorporation, including stockholder challenges based on the alleged self-interest of Elon Musk and Kimbal Musk over reincorporation to secure more favorable decisions on compensation by Texas’s courts.¹¹⁶ In order to prevent the reincorporation vote from being perceived as a reaction to *Tornetta I*, a reaction in which the board intended to reinstate Musk’s pay package in a different jurisdiction, the committee determined that the vote would address the issue of Musk’s compensation as well.¹¹⁷ Despite these potential challenges, the committee and the board still determined that reincorporation was in the best interest of Tesla, and shareholders voted to reincorporate; an overwhelming 84% of votes were cast in favor of reincorporation, and this vote included shareholders holding 63% of all outstanding shares.¹¹⁸

¹¹¹ *Id.* at 23.

¹¹² *Id.* at 28.

¹¹³ *Id.* at 27.

¹¹⁴ *Id.* at 28.

¹¹⁵ *Id.*

¹¹⁶ *Id.* at 22–25.

¹¹⁷ Matt Levine, *Matt Levin’s Money Stuff: Elon Wants His Money Back*, BL.: BUS. & PRAC. (Apr. 17, 2024, 10:35 AM), <https://www.bloomberglaw.com/product/blaw/bloomberglawnews/business-and-practice/X737S54S000000> [https://perma.cc/KH2U-ZNPJ].

¹¹⁸ *Tesla Shareholders Approve Recommendations of Special Committee Represented by Sidley*, SIDLEY AUSTIN LLP: NEWS (June 14, 2024), <https://www.sidley.com/en/newslanding/newsannouncements/2024/06/tesla->

While Tesla asserts that the reincorporation was not a reaction to the adverse ruling in *Tornetta I*, many disagree with this notion. Tesla's cited reasons for reincorporating in Texas seem to be pretext for the true reasons: retaliation against the Delaware court and the desire for a more favorable system. One expert opines that "there are legitimate reasons to be headquartered in Texas for the purpose of your business. But that's not why Tesla was doing this, or else they would have been in Texas already. They're doing it to get a more favorable judiciary."¹¹⁹

Musk's tweets about Delaware after the *Tornetta I* ruling also suggest that reincorporation was a reaction to the opinion. After this decision, Musk tweeted, suggesting that business owners should reincorporate elsewhere if they prefer their shareholders to decide matters; this tweet linked his desire to leave Delaware with his belief that Delaware law was adverse to his interests. His parting message to Delaware that "the voice of the people is the voice of God," also suggests the motive given for the reincorporation was pretextual. If Musk really wanted to move Tesla from Delaware to advantage the company and align its mission with a friendly state, he would not have posted such a message that implies that his shareholders have spoken in favor of his pay package.

Once Tesla's move to Texas was approved, Musk took to social media to continue his smear campaign against Delaware. He posted that he would send a cake to the state to serve as a "parting gift," and included an image of a cake in his post.¹²⁰ The cake depicted a message to Delaware in red frosting that said "Vox Populi, Vox Dei," which translates from Latin as "the voice of the people is the voice of God."¹²¹ Musk later tweeted that "none of [his] companies will consider acquiring a company incorporated in Delaware, as it is a guarantee of spurious litigation,"¹²² in an attempt to secure his disassociation from Delaware and its courts.

D. *Tornetta II*:

Nearly one year after *Tornetta I*, Chancellor McCormick tackled the question of Musk's pay package once more, in *Tornetta v. Musk*, in December 2024 ("*Tornetta II*"). In this opinion, the Chancellor doubled down on her prior position, seemingly unaffected by Musk's public bullying and attempt at a second bite at the apple. In fact, she found that Musk's argument that the board "ratified" his pay

shareholders-approve-recommendations-of-special-committee-represented-by-sidley
[<https://perma.cc/Y5LJ-64MS>].

¹¹⁹ Sean Saldana, *Tesla Reincorporates in Texas After Shareholder Approval*, TEX. STANDARD (June 21, 2024 11:08 AM), <https://www.texasstandard.org/stories/tesla-reincorporation-texas-delaware-musk-shareholders/#:~:text=The%20company%20used%20to%20be,along%20with%20the%20pay%20package> [<https://perma.cc/TL69-RZ98>].

¹²⁰ Mekelburg, *supra* note 107.

¹²¹ *Id.*

¹²² *E.g.*, Eric Revell, *supra* note 108.

package in a subsequent vote “suffer[ed] at least four fatal defects,” each of which, on its own, defeat his argument.¹²³ The first of these defects was that the “Defendants ha[d] no procedural ground for flipping the outcome of an adverse post-trial decision based on evidence they created after trial.”¹²⁴ The second defect cited by Chancellor McCormick noted that since the revote and ratification of Musk’s pay package by the board occurred after *Tornetta I* was decided, this proof of ratification cannot be raised for the first time after a post-trial opinion.¹²⁵ Third, the idea of “common law ratification” is not actually supported by common law.¹²⁶ Finally, the fourth defect noted by Chancellor McCormick was that even if the board’s revote could have been deemed as ratifying the pay package, there were “multiple, material misstatements in the Proxy Statement concerning the effect of the vote.”¹²⁷ Based on these four defects, Chancellor McCormick denied Defendants’ argument to reinstate the pay package based on the Board’s ratification.

IV. THE CONSEQUENCES OF MUSK’S ACTIONS

The decision to reincorporate Tesla outside of Delaware marks a potential shift in corporate governance within the United States. Delaware’s valuable role as the dominant jurisdiction for incorporation, with a robust legal framework and expert judiciary, has been threatened. Musk’s public departure from Delaware, and his encouragement for others to follow suit, raises questions about the implications for Delaware’s future and its continued preference in the eyes of corporations. Is Elon Musk’s symbolic departure an isolated act of defiance, or is it the beginning of a structural shift away from Delaware’s corporate governance?

A. *Implications of Reincorporation on Business Law:*

Delaware has long been regarded as the premier destination for incorporation, but Musk’s trendsetting action of reincorporating elsewhere may pose risks for Delaware’s future under this title. Tesla was not the first large corporation incorporated in an alternative jurisdiction. At the time Tesla reincorporated, 35% of the S&P 500 companies were incorporated outside of Delaware, including seven within the top twenty, such as “Apple, Costco, Eli Lilly, Johnson & Johnson, Merck, Microsoft, and Proctor & Gamble.”¹²⁸ Microsoft, which was previously incorporated in Delaware, redomiciled in Washington.¹²⁹ The growing appeal of

¹²³ *Tornetta v. Musk*, 326 A.3d 1203, 1220–21.

¹²⁴ *Id.* at 1221.

¹²⁵ *Id.*

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ Tesla, Inc., Proxy Statement for 2024 Annual Meeting of Stockholders 24 (Schedule 14A) (Apr. 29, 2024).

¹²⁹ *Id.*

alternative jurisdictions, the shifting nature of Delaware precedent towards strict corporate oversight, and Musk's disdain of the state, all come together to threaten Delaware's status as the "center of the business law world."¹³⁰

In February 2025, the Supreme Court of Delaware issued an opinion on the case *Maffei v. Palkon*, where it decided that TripAdvisor, Inc.'s reincorporation to Nevada could be upheld despite being challenged by stockholders.¹³¹ In that case, Judge Karen Valihura held that the reincorporation of TripAdvisor, Inc. was not subject to entire fairness review, because that standard applies to the controlling shareholder context only when there is a material, non-ratable benefit.¹³² Judge Valihura also explained that a non-ratable benefit is one where a "controller receives a unique benefit by extracting something uniquely valuable to the controller, even if the controller nominally receives the same consideration as all other stockholders."¹³³ Shareholders in *Maffei v. Palkon* had similar concerns to those who challenged Musk's reincorporation of Tesla, as they argued that the new domicile's legal framework may unfairly benefit interested shareholders and their corporate actions.¹³⁴ Judge Valihura addressed these concerns, stating that "the hypothetical and contingent impact of Nevada law on unspecified corporate actions that may or may not occur in the future is too speculative to constitute a material, non-ratable benefit triggering entire fairness review."¹³⁵ This opinion set the precedent that any speculation among shareholders that a board chose to reincorporate for the self-interested reason of more favorable legal outcomes is too hypothetical to allow the application of a more stringent entire fairness review. The court concluded with a Delaware policy justification: providing directors with flexibility to determine where the state of incorporation of an entity is consistent with the "important" Delaware policy valuing flexibility of boards.¹³⁶

CONCLUSION

Elon musk has wreaked havoc on corporate law and challenged many customary practices, whether those are societal, political, legal, corporate, or interpersonal. His behavior can threaten dangerous consequences on otherwise uninterrupted channels of corporate governance and may change the way CEOs are expected to behave. Musk could alter the public's perception of regulatory agencies, courts, and laws, causing distrust and chaos. Musk is setting a fire and

¹³⁰ Scott Nover, *Why Are Tech Bros Leaving Delaware?*, SLATE: MONEYBOX (Feb. 5, 2025 1:46 PM), <https://slate.com/business/2025/02/elon-musk-delaware-judge-meta-mark-zuckerberg-bill-ackman-pershing-texas-nevada.html#> [https://perma.cc/5SMB-RFGG].

¹³¹ *Maffei v. Palkon*, No. 125, 2024, 2025 WL 384054 (Del. Feb. 4, 2025).

¹³² *Id.* at *20.

¹³³ *Id.* at *19.

¹³⁴ *Id.* at *26.

¹³⁵ *Id.*

¹³⁶ *Id.* at *30.

watching as the flames engulf existing traditions, turning a willful blind eye or perhaps exhibiting a cold indifference to the consequences he creates. If intervention is not imminent, corporations and their leaders may see drastic changes looming.