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Sent: Tuesday, August 07, 2018 4:01 PM
To: Marcotte, Robert; BCG TRADES; CAF TRADES; COF_trades@troweprice.com; GSF TRADES; LCG_trades@troweprice.com; STF TRADES; Poussard, Adam; andrew_jamison@troweprice.com; McCormick, Andrew; Holcomb, Ann; Husain, Arif; Brennan, Brian; Shriver, Charles; Brown, Christopher; Doran, Christopher; Shackelford, Dan; Eiswert, David; Giroux, David; Rooth, David; Rowlett, David; Yatzeck, David; Peters, Don; Veiel, Eric; Solomon, Gabriel; Balkrishna, Hari; Nogueira, Jason; Polun, Jason; Rottinghaus, Jeff; Fath, Joseph; Nelson, Josh; Slater, Josh; Spencer, Josh; Allen, Ken; Uematsu, Ken; Orchard, Kenneth; Puglia, Larry; Muschamp, Mark; Vaselkiv, Mark; Weigman, Mark; Snowling, Matt; Connelly, Michael; Trivino, Michael; Wehn, Michael; Della Vedova, Mike; Welsh, Nick; Massaro, Paul; Bates, Peter; Burger, Philip; de los Reyes, Rick; Harlow, Robert; Rayburn, Rodney; Muaddi, Samy; Berg, Scott; Livingston, Scott; Mallet, Sebastien; Hubrich, Stefan
Cc: Traders; EQTA; TRPI HK Dealing; London Trading Group; Portfolio Modeling Group; TRPI AU Dealing
Subject: RE: TSLA (Tesla) Update

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA	
Case Number:	3:18-cv-04865-EMC
PLTF / DEFT Exhibit No.	42
Date Admitted:	
By:	
Angella Meuleman, Deputy Clerk	

I am trying to get a call setup with TSLA to clarify what is being proposed here. Notably Elon is only interesting in retaining his 20% shareholding which means substantial investment from unnamed external shareholders.

In the meantime, with the stock at around \$370, I would be supportive of adding to positions. If the bet here is whether Elon is serious about taking this private then I think he is definitely serious. Every conversation we have had with him he has expressed frustration with the public markets.

I am unfortunately on Acela wifi right now but am available by email for any questions.

From: Marcotte, Robert
Sent: Tuesday, August 07, 2018 3:37 PM
To: BCG TRADES <BCG_TRADES@troweprice.com>; CAF TRADES <CAF_TRADES@troweprice.com>; COF_trades@troweprice.com; GSF TRADES <GSF_TRADES@troweprice.com>; LCG_trades@troweprice.com; STF TRADES <STF_TRADES@troweprice.com>; Poussard, Adam <Adam_Poussard@troweprice.com>; andrew_jamison@troweprice.com; McCormick, Andrew <Andrew_McCormick@troweprice.com>; Holcomb, Ann <Ann_Holcomb@troweprice.com>; Husain, Arif <Arif_Husain@troweprice.com>; Brennan, Brian <Brian_Brennan@troweprice.com>; Shriver, Charles <Charles_Shriver@troweprice.com>; Brown, Christopher <christopher_brown@troweprice.com>; Doran, Christopher <christopher_doran@troweprice.com>; Shackelford, Dan <Dan_Shackelford@troweprice.com>; Eiswert, David <david_eiswert@troweprice.com>; Giroux, David <David_Giroux@troweprice.com>; Rooth, David <david_rooth@TROWEPRICE.com>; Rowlett, David <David_Rowlett@troweprice.com>; Yatzeck, David <David_Yatzeck@troweprice.com>; Peters, Don <Don_Peters@troweprice.com>; Veiel, Eric <eric_veiel@troweprice.com>; Solomon, Gabriel <gabriel_solomon@troweprice.com>; Balkrishna, Hari <Hari_Balkrishna@troweprice.com>; Nogueira, Jason <jason_nogueira@troweprice.com>; Polun, Jason <Jason_Polun@troweprice.com>; Rottinghaus, Jeff <Jeff_Rottinghaus@troweprice.com>; Grant, Joel <Joel_Grant@troweprice.com>; Fath, Joseph <Joseph_Fath@troweprice.com>; Nelson, Josh <Josh_Nelson@troweprice.com>; Slater, Josh <Josh_Slater@troweprice.com>; Spencer, Josh <josh_spencer@troweprice.com>; Allen, Ken <Ken_Allen@troweprice.com>; Uematsu, Ken <Ken_Uematsu@troweprice.com>; Orchard, Kenneth <Kenneth_Orchard@troweprice.com>; Puglia, Larry <Larry_Puglia@troweprice.com>; Muschamp, Mark <Mark_Muschamp@troweprice.com>; Vaselkiv, Mark <Mark_Vaselkiv@troweprice.com>; Weigman, Mark <Mark_Weigman@troweprice.com>; Snowling, Matt <Matt_Snowling@troweprice.com>; Connelly, Michael



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Cc: Traders <Traders@troweprice.com>; EQTA <EQTA@troweprice.com>; TRPI HK Dealing <TRPI_HK_Dealing@troweprice.com>; London Trading Group <London_trading_Group@troweprice.com>; Portfolio Modeling Group <Portfolio_Modeling_Group@troweprice.com>; TRPI AU Dealing <TRPI_AU_Dealing@troweprice.com>
Subject: TSLA (Tesla) Update

TSLA expected to reopen at 3:45 pm

Tesla discloses email sent to employees about 'taking Tesla private' An email was sent to Tesla employees today by CEO Elon Musk that stated in part: "Earlier today, I announced that I'm considering taking Tesla private at a price of \$420/share. I wanted to let you know my rationale for this, and why I think this is the best path forward. First, a final decision has not yet been made, but the reason for doing this is all about creating the environment for Tesla to operate best. As a public company, we are subject to wild swings in our stock price that can be a major distraction for everyone working at Tesla, all of whom are shareholders. Being public also subjects us to the quarterly earnings cycle that puts enormous pressure on Tesla to make decisions that may be right for a given quarter, but not necessarily right for the long-term. Finally, as the most shorted stock in the history of the stock market, being public means that there are large numbers of people who have the incentive to attack the company. I fundamentally believe that we are at our best when everyone is focused on executing, when we can remain focused on our long-term mission, and when there are not perverse incentives for people to try to harm what we're all trying to achieve...First, I would like to structure this so that all shareholders have a choice. Either they can stay investors in a private Tesla or they can be bought out at \$420 per share, which is a 20% premium over the stock price following our Q2 earnings call (which had already increased by 16%). My hope is for all shareholders to remain, but if they prefer to be bought out, then this would enable that to happen at a nice premium. Second, my intention is for all Tesla employees to remain shareholders of the company, just as is the case at SpaceX. If we were to go private, employees would still be able to periodically sell their shares and exercise their options. This would enable you to still share in the growing value of the company that you have all worked so hard to build over time. Third, the intention is not to merge SpaceX and Tesla. They would continue to have separate ownership and governance structures. However, the structure envisioned for Tesla is similar in many ways to the SpaceX structure: external shareholders and employee shareholders have an opportunity to sell or buy approximately every six months. Finally, this has nothing to do with accumulating control for myself. I own about 20% of the company now, and I don't envision that being substantially different after any deal is completed. Basically, I'm trying to accomplish an outcome where Tesla can operate at its best, free from as much distraction and short-term thinking as possible, and where there is as little change for all of our investors, including all of our employees, as possible. This proposal to go private would ultimately be finalized through a vote of our shareholders. If the process ends the way I expect it will, a private Tesla would ultimately be an enormous opportunity for all of us. Either way, the future is very bright and we'll keep fighting to achieve our mission." Reference Link

Read more at:
<https://thefly.com/landingPageNews.php?id=2772993>

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