

McCormick acknowledged that the attempt to ratify the package through a shareholder vote had several serious flaws, including "materially misleading statements" in the documents presented to shareholders about the consequences of their vote.

Tesla stated that it intends to appeal the decision, arguing that shareholders should control the votes, not judges. Elon Musk added on his platform X that this decision is unfair to the company's shareholders.

Previously, shareholders supported Musk's compensation plan in March 2018, which was aimed at rewarding the founder for Tesla's growth. However, company shareholder Richard Tornetta filed a lawsuit, accusing the management of not being sufficiently independent in approving the terms of the package and effectively allowing Musk to dictate the terms.