

Elon Musk, CEO of Tesla, has come under heavy criticism due to lawsuits that call his actions into question. Tesla shareholders have filed a lawsuit accusing Musk of breaching his fiduciary duties - a legal term referring to the responsibility of a leader to safeguard the interests of the company and its investors. They allege that Musk redirected Tesla's resources, including Nvidia equipment and employees, to his private AI-focused company xAI.

In 2024, Musk reportedly threatened to halt AI product development at Tesla unless he gained more control over the company. This move sparked dissatisfaction among investors, as Tesla had positioned AI as a cornerstone of its future. Simultaneously, OpenAI, which Musk co-founded, filed a countersuit accusing him of distorting facts about its transition to a commercial model. Musk claimed to oppose this shift, though documents suggest otherwise.

These lawsuits highlight conflicts of interest for Musk, who simultaneously manages multiple companies. For Tesla, this could result in reputational and financial risks, especially if courts confirm the alleged violations, analysts note. While shareholders demand greater transparency, Musk's future as Tesla's leader remains uncertain.