

BFA Secures the Largest Delaware Derivative Settlement in Tesla Board Compensation Case

We are pleased to announce that Bleichmar Fonti & Auld LLP (“BFA”), in collaboration with our co-counsel, has secured a groundbreaking settlement in the case of *The Police & Fire Retirement System of the City of Detroit v. Musk*, which has resulted in the largest derivative settlement approved by a Delaware court.

The case, which centered on allegations that Tesla's board members overpaid themselves for years through stock options and compensation packages, has reached a significant resolution. Chancellor Kathaleen St. J. McCormick of the Delaware Court of Chancery approved the settlement, which mandates that key board members—including Oracle's Larry Ellison and Kimbal Musk—return stock and options valued at \$735 million and forgo three years' worth of allegedly excessive pay, which could be valued at as much as \$184 million. The settlement also secured meaningful governance reforms, acknowledged by the Court to be a valuable source of benefits to Tesla. This resolution is a historic achievement and provides substantial restitution to Tesla shareholders.

Chancellor McCormick praised Plaintiff's counsel for its “extensive” litigation efforts. The Court also commended Lead Plaintiff The Police & Fire Retirement System of the City of Detroit for its efforts representing shareholders and prosecuting the litigation. BFA is honored to have been part of this critical litigation team.

This settlement marks a significant step forward for accountability and fairness in corporate compensation practices. We are proud to have played a role in bringing this important case to a successful conclusion and will continue to stand with our clients in advocating for their rights and interests.