



Legal Document

Delaware Court of Chancery

Case No. 12711-VCS

In Re Tesla Motors, Inc. Stockholder Litigation

Document 410, Attachment 3



View Document



View Docket



EXHIBIT 9

1 THE COURT OF CHANCERY OF THE STATE OF DELAWARE

2 -----x

3 IN RE TESLA MOTORS, INC. Consolidated
4 STOCKHOLDER LITIGATION C.A. No. 12711-VCS
5 -----x

6
7
8
9
10
11 VIDEOTAPED DEPOSITION OF ELON MUSK
12

13 DATE: Saturday, June 1, 2019
14 TIME: 9:53 a.m.
15 LOCATION: Irell & Manella
16 1800 Avenue of the Stars
17 Los Angeles, California
18
19
20
21
22
23

24 Reported By: Lynne Ledanois, CSR 6811
25 Job No. 3273459

Page 2

1 THE COURT OF CHANCERY OF THE STATE OF DELAWARE
2 -----x
3 IN RE TESLA MOTORS, INC. Consolidated
4 STOCKHOLDER LITIGATION C.A. No. 12711-VCS
5 -----x
6
7 Video Deposition of ELON MUSK, taken
8 at Irell & Manella, 1800 Avenue of the Stars,
9 Suite 900, Los Angeles, California,
10 commencing at 9:53 a.m., on Saturday, June 1,
11 2019 before Lynne Ledanois, Certified
12 Shorthand Reporter No. 6811
13
14
15
16
17
18
19
20
21
22
23
24
25 ///

Page 3

1 APPEARANCES:
2
3 For the Plaintiffs:
4 ROBBINS GELLER RUDMAN & DOWD LLP
5 BY: RANDALL J. BARON
6 MAXWELL R. HUFFMAN
7 ALEX OUTWATER
8 Attorneys at Law
9 655 West Broadway
10 Suite 1900
11 San Diego, California 92101
12 (619) 231-1058
13 --and--
14 KESSLER TOPAZ MELTZER CHECK LLP
15 BY: ERIC L. ZAGAR
16 Attorneys at Law
17 280 King of Prussia Road
18 Radnor, Pennsylvania 19087
19 (610) 822-2209
20
21
22
23
24
25 ///

Page 4

1 APPEARANCES:
2
3 For the Witness and Director Defendants:
4 CRAVATH, SWAINE & MOORE LLP
5 BY: EVAN CHESLER
6 Attorney at Law
7 825 Eighth Avenue
8 New York, New York 10019-7475
9 (212) 474-1438
10
11
12 ALSO PRESENT:
13 Steven Togami, Videographer
14 Jonathan Chang, Tesla In-House Counsel
15
16
17
18
19
20
21
22
23
24
25

Page 5

1 INDEX OF EXAMINATION
2
3 Examination by: Page
4 Mr. Baron 16
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25 ///

Page 6		
1	INDEX OF EXHIBITS	
2	Deposition Description	Page
3	Exhibit 1 SolarCity Form 10-Q for the	
4	period ended 9/30/16;	18
5	Exhibit 2 Document headed, Forecasted	
6	MW Inspected v Actual MW	
7	Deployed;	29
8	Exhibit 3 SCTY Management Model Project	
9	Daedalus,	
10	EVR-TESLA_00193245;	29
11	Exhibit 4 Tesla Fourth Quarter & Full	
12	Year 2016 Update;	32
13	Exhibit 5 Tesla First Quarter 2017	
14	Update;	50
15	Exhibit 6 Tesla Second Quarter 2017	
16	Update;	58
17	Exhibit 7 Tesla Third Quarter 2017	
18	Update;	62
19	Exhibit 8 Tesla Fourth Quarter & Full	
20	Year 2017 Update;	65
21	Exhibit 9 Tesla First Quarter 2018	
22	Update;	74
23	Exhibit 10 Tesla Second Quarter 2018	
24	Update;	82
25	///	

Page 7		
1	INDEX OF EXHIBITS	
2	Deposition Description	Page
3	Exhibit 11 Tesla Third Quarter 2018	
4	Update;	84
5	Exhibit 12 Tesla Fourth Quarter & Full	
6	Year 2018 Update;	85
7	Exhibit 13 Tesla Firsts Quarter 2019	
8	Update;	86
9	Exhibit 14 Reuters News, 6/22/18: Tesla	
10	to close a dozen solar	
11	facilities in nine states;	117
12	Exhibit 15 Defendant Elon Musk's Responses	
13	and Objections to Plaintiff's	
14	First Set of Interrogatories;	125
15	Exhibit 16 Email chain, first on page to	
16	Tanguy Serra from Jonathan	
17	Bass dated 6/22/16,	
18	TESLA00080754-756;	130
19	Exhibit 17 Email chain, first on page to	
20	Jonathan Bass from tserra@	
21	solarcity.com dated 6/22/16,	
22	TESLA00598138-148;	135
23	Exhibit 18 Income Statement, Cashflow	
24	and Balance Sheet,	
25	TESLA00605435;	137

Page 8		
1	INDEX OF EXHIBITS	
2	Deposition Description	Page
3	Exhibit 19 Tesla Board of Directors	
4	Meeting Agenda June 20,	
5	2016,	
6	TESLADIR0084652-773;	142
7	Exhibit 20 Email with attachments to	
8	Jeffrey Evanson from Eric	
9	Senay dated 10/7/16,	
10	TESLA00038955-970;	151
11	Exhibit 21 Email to Susan Repo from	
12	dated 12/7/26,	
13	TESLADIR0099791-792;	154
14	Exhibit 22 SolarCity Board of Directors	
15	Q1 2016 Meeting,	
16	TESLA00002323-2355;	162
17	Exhibit 23 Email to Fiona Taylor from	
18	tserra@solarcity.com dated	
19	4/3/16,	
20	TESLA00066924;	172
21	Exhibit 24 Document headed, SC Pre-	
22	liminary Forecast Cash -	
23	Inspection Basis,	
24	TESLA000302036;	175
25	///	

Page 9		
1	INDEX OF EXHIBITS	
2	Deposition Description	Page
3	Exhibit 25 Document headed, Project	
4	Icarus, 2/29/16,	
5	TESLA00001446-1454;	181
6	Exhibit 26 Email chain, first on page to	
7	Elon Musk from Bret Johnsen	
8	dated 3/27/15,	
9	SPACEX001029-039;	188
10	Exhibit 27 Email chain, first on page to	
11	Brad Buss from Bret Johnsen	
12	dated 3/26/15,	
13	SPACEX002289;	199
14	Exhibit 28 Document headed, SolarCity	
15	Bond Analysis Summary,	
16	SPACEX004003-007;	201
17	Exhibit 29 Minutes of the Meeting of	
18	the Board of Directors of	
19	SolarCity Corporation,	
20	2/2/16,	
21	TESLA00002047-049;	209
22	Exhibit 30 SolarCity Board of Directors	
23	Q1 2016 Meeting, 2/2/16,	
24	TESLA00002323-355;	210
25	///	

Page 10		
1	INDEX OF EXHIBITS	
2	Deposition Description	Page
3	Exhibit 31 Document headed, SolarCity's	
4	Credit Quality has Weakened,	
5	SPACEX004120-122;	216
6	Exhibit 32 Email chain, first on page to	
7	Elon Musk and Todd Maron from	
8	Jason Wheeler dated 2/29/16,	
9	TESLADIR0080593-602;	219
10	Exhibit 33 Email chain, first on page to	
11	Emma Gallagher from Lyndon	
12	Rive dated 1/7/16,	
13	SPACEX005083;	221
14	Exhibit 34 Minutes of a Special Meeting	
15	of the Board of Directors	
16	to Tesla, 2/29/16,	
17	TESLA00001346-347;	223
18	Exhibit 35 SolarCity Board Meeting	
19	Minutes 4/26/16,	
20	SPACEX009508-510;	232
21	Exhibit 36 Email to John Fisher from	
22	Elon Musk dated 4/25/16,	
23	SPACEX000783;	233
24		
25	///	

Page 11		
1	INDEX OF EXHIBITS	
2	Deposition Description	Page
3	Exhibit 37 Email chain, first on page to	
4	Board of Directors from Aaron	
5	Chew dated 4/26/16,	
6	TESLA00531141-172;	234
7	Exhibit 38 Letter from SolarCity to SEC	
8	re: Form 10-K for year ended	
9	12/31/15;	244
10	Exhibit 39 Email chain, first on page to	
11	Elon Musk from Lyndon Rive	
12	dated 8/9/16,	
13	SPACEX009657-658;	248
14	Exhibit 40 Email chain, first on page to	
15	Courtney McBean from Chuck	
16	McMullan dated 6/20/16,	
17	EVR-TESLA_00162553;	251
18	Exhibit 41 Minutes of a Special Meeting	
19	of the Board of Directors of	
20	Tesla Motors dated 6/20/16,	
21	TESLA00001459-468;	265
22	Exhibit 42 Email from Lyndon Rive dated	
23	7/9/16,	
24	TESLA00083765;	271
25	///	

Page 12		
1	INDEX OF EXHIBITS	
2	Deposition Description	Page
3	Exhibit 43 Email to Elon Musk from Lyndon	
4	Rive dated 7/10/16,	
5	TESLA00022462-463;	275
6	Exhibit 44 Email chain, first on page to	
7	Todd Maron from Courtney	
8	McBean dated 7/16/16,	
9	EVR-TESLA_00163377;	287
10	Exhibit 45 SolarCity Corporation Minutes	
11	of a Meeting of the Special	
12	Committee of the Board of	
13	Directors, 7/14/16,	
14	TESLA00001866-867;	288
15	Exhibit 46 Email to Stuart Francis from	
16	Roger Altman dated 7/21/16,	
17	EVR-TESLA_00163736;	292
18	Exhibit 47 Tesla Board of Directors	
19	Meeting dated 7/19/16,	
20	TESLADIR0087768-88168;	293
21	Exhibit 48 Minutes of a Special Meeting	
22	of the Board of Directors	
23	of Tesla Motors, 7/19/16,	
24	TESLA00001473-1478;	297
25	///	

Page 13		
1	INDEX OF EXHIBITS	
2	Deposition Description	Page
3	Exhibit 49 Minutes of a Special Meeting	
4	of the Board of Directors of	
5	Tesla Motors, 8/13/16;	
6	TESLA00001757-1758;	301
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	///	

Page 14

1 Los Angeles, California
2 Saturday, June 1, 2019
3 9:53 a.m.
4
5 VIDEOGRAPHER: Good morning. We are
6 on the record at 9:53 a.m. on June 1st,
7 2019. Please note that the microphones are
8 sensitive and may pick up whispers, private
9 conversations and cellular interference.
10 Audio and video recording will continue to
11 take place unless all parties agree to go
12 off the record.
13 This is media unit Number 1 of the
14 video-recorded deposition of Elon Musk taken
15 by counsel for the plaintiffs In Re Tesla
16 Motors, Inc. Stockholder Litigation filed in
17 the Court of Chancery of the State of
18 Delaware, Consolidated CA Number 12711-VCS.
19 This deposition is being held at
20 Irell & Manella located at 1800 Avenue of
21 the Stars, Los Angeles, California 90067.
22 My name is Steven Togami from the firm
23 Veritext Legal Solutions and I'm the
24 videographer. The court reporter is Lynne
25 Ledanois from the firm Veritext Legal

Page 15

1 Solutions.
2 I'm not related to any party in this
3 action nor am I financially interested in
4 the outcome.
5 If there are any objections to
6 proceeding, please state them at the time of
7 your appearance.
8 At this time will counsel and all
9 present please state their appearances and
10 affiliations for the record.
11 MR. BARON: Randall Baron, Robbins
12 Geller Rudman & Dowd, for plaintiffs.
13 MR. OUTWATER: Alex Outwater, Robbins
14 Geller Rudman & Dowd, for plaintiffs.
15 MR. HUFFMAN: Max Huffman, Robbins
16 Geller Rudman & Dowd, for plaintiffs.
17 MR. ZAGAR: Eric Zagar, Kessler Topaz
18 Meltzer & Check, for plaintiffs.
19 MR. CHESLER: Evan Chesler, Cravath
20 Swaine & Moore, for defendants.
21 THE WITNESS: Elon Musk.
22 MR. CHANG: Jonathan Chang with Tesla
23 for defendants.
24 THE WITNESS: Elon Musk, Tesla Motors,
25 defendant.

Page 16

1 VIDEOGRAPHER: Thank you. Could we
2 please have the oath.
3 ELON MUSK,
4 having been first duly sworn, testified as
5 follows:
6 EXAMINATION
7 BY MR. BARON:
8 Q Mr. Musk, we're going to spend some
9 time today talking about the decision to acquire
10 SolarCity.
11 But before we start, would you agree
12 with me that as we stand here today, the
13 acquisition of SolarCity by Tesla has not worked
14 out that well?
15 A No.
16 Q So are you familiar with the concept
17 of megawatts deployed or megawatts invested?
18 A Megawatts deployed, certainly.
19 Q Have you ever heard of the term
20 megawatts invested -- I'm sorry, inspected, not
21 invested, sorry. Inspected?
22 A Do you mean by inspectors?
23 Q No, just megawatts inspected as a
24 financial term.
25 A I don't think that's a commonly used

Page 17

1 term. Certainly not megawatts invested.
2 Q No, I meant inspected. I'm sorry, I
3 misspoke.
4 A Megawatts deployed is obviously a
5 common term for how many -- what's the total
6 power output of the solar panels installed.
7 Q In SolarCity's public filings, they
8 described megawatts deployed as we track
9 megawatts deployed or megawatt production
10 capacity of our solar systems that have had all
11 required building department inspections
12 completed during the applicable period.
13 Is that your understanding of what
14 megawatts deployed mean?
15 A Megawatts deployed is just how many,
16 you know, solar panels you put on roofs and
17 ground mount. It's very simple.
18 Q And in analyzing what the importance
19 is, again, the public filings of SolarCity
20 indicated that, quote, we believe that tracking
21 the megawatt production capacity of deployed
22 systems is an indicator of our growth rate and
23 cost efficiency of our solar energy systems
24 business.
25 Do you agree that megawatts deployed

5 (Pages 14 - 17)

Page 18

1 is, in fact, an indicator of growth rate and
 2 cost efficiency for solar systems?
 3 A It is one metric.
 4 Q And it also says: We track megawatts
 5 deployed in a given period as an indicator of
 6 asset growth and efficiency of the scale of our
 7 operations in the period.
 8 Do you agree that megawatts deployed
 9 in a given period is an indicator of asset
 10 growth and efficiency for solar systems
 11 companies?
 12 A It's not -- it's a metric of growth,
 13 but it's obviously not a metric of efficiency.
 14 Q So let's make sure that we -- so that
 15 we're in agreement.
 16 MR. BARON: Can I have the 10-Q for
 17 SolarCity dated September 30th, 2016. I
 18 believe this is the last 10-Q for SolarCity
 19 before the acquisition.
 20 Can we mark this as Musk Exhibit 1,
 21 please.
 22 (Exhibit 1 was marked.)
 23 BY MR. BARON:
 24 Q So if you would turn to Page --
 25 actually, I've marked it -- we've tabbed --

Page 19

1 What's the page again? What is the page on the
 2 bottom of that?
 3 A There is no page number.
 4 Q Let me see if I can help you out so
 5 other people can find it. I have it written
 6 down here. Can I see that one second?
 7 It's under Megawatts Deployed and
 8 Megawatts Installed and, unfortunately, from the
 9 SEC website, there is no way to do it.
 10 Okay. Look on Page 36. It will be --
 11 A Actually count pages?
 12 Q No, no, no. There --
 13 A Okay. Some of them have numbers.
 14 Q Go to the next page and you can see
 15 the way it prints off is Page 36.
 16 A Okay.
 17 Q So just go to the page I've marked.
 18 A Okay.
 19 Q No, the page right before that. There
 20 you go.
 21 Now, do you see where there is a
 22 definition in the -- first off, do you recognize
 23 this 10-Q as being a SolarCity 10-Q for the
 24 quarter ended September 30th, 2016? You can
 25 look on the front page if that will help you.

Page 20

1 A I assume that if you assert it as, so
 2 then it is.
 3 Q Now take a look at the megawatts
 4 deployed and megawatts installed definition.
 5 Do you see that there?
 6 A Yes.
 7 Q If you take a look halfway through
 8 that first paragraph, do you see where it says:
 9 We believe that tracking the megawatt production
 10 capacity of a deployed system is an indicator of
 11 our growth rate and cost efficiency of our solar
 12 energy systems business?
 13 Do you see that?
 14 A Where is that? Which paragraph?
 15 Q The first paragraph where it says:
 16 Megawatts deployed and megawatts installed.
 17 A Okay.
 18 Q And halfway through do you see where
 19 it says: Because of the size of our solar
 20 energy systems varies greatly, quote, we believe
 21 that the tracking -- that tracking the megawatt
 22 production capacity of deployed systems is an
 23 indicator of our growth and cost efficiency of
 24 our solar energy systems business.
 25 Do you see that?

Page 21

1 A Yes.
 2 Q And what you're telling me that you
 3 believe that megawatts deployed is an indicator
 4 of growth rate but not cost efficiency.
 5 Is that what your testimony is?
 6 A Yes. They are two different
 7 dimensions.
 8 Q So you do not believe the megawatt
 9 deployed is an indicator of cost efficiency?
 10 A No, of course not.
 11 Q So this would be an inaccurate
 12 statement in the SEC filings from SolarCity?
 13 A It's not necessarily connected.
 14 Q I'm only asking a simple question as
 15 to whether or not, as you sit here today,
 16 looking at the 10-Q filing from SolarCity to
 17 which you were the chairman of the board at the
 18 time that this was filed, is a wrong statement,
 19 that you did not believe at SolarCity that
 20 megawatts deployed was an indicator of cost
 21 efficiency; is that accurate?
 22 A No. Shall I explain what cost -- what
 23 efficiency is then? So depending upon your
 24 resources, if a percentage of resources applied
 25 to installation is high, then your efficiency

Page 22

1 will be high. But this is -- this is the not --
 2 one does not follow uniquely from the other.
 3 So if you have -- if your deployment
 4 resources -- let's say you've got a thousand
 5 installers, and a thousand of them are in use,
 6 that would be very good efficiency. Everyone is
 7 being -- is actively installing systems.
 8 So high growth could be an indicator
 9 of efficiency, but it doesn't mean it is
 10 definitively an indicator of inefficiency. In
 11 this case it is.
 12 But if, on the other hand, you had
 13 fewer installers, if you had -- if you lowered
 14 the number of installers, you could have higher
 15 efficiency with fewer installers. You could
 16 also have lower efficiency with a high number of
 17 installers if you only had them 50 percent
 18 occupied.
 19 Q So in this case, you believe that
 20 megawatts for -- at least for SolarCity as to
 21 third quarter of 2016 was an indicator of both
 22 growth and cost efficiency?
 23 A At that time it would be correct.
 24 Q And similarly, at that time that
 25 megawatts deployed in a given period you agree

Page 23

1 would be an indicator of both asset growth and
 2 efficiency of scale; correct?
 3 MR. CHESLER: Objection to form.
 4 THE WITNESS: Pardon?
 5 MR. CHESLER: You can answer. I was
 6 objecting to the form of the question.
 7 MR. BARON: He will do that when he
 8 doesn't like my question for some reason and
 9 I'll ignore him unless he tells you not to
 10 answer.
 11 Q So go to that next sentence. Do you
 12 see where -- on the same document, the next
 13 sentence says: We track megawatts deployed in a
 14 given period.
 15 Do you see that sentence?
 16 A Yes. "We track the megawatts deployed
 17 in a given period as an indicator of asset
 18 growth," is that what you're referring to?
 19 Q Yes. And do you see that --
 20 A Yeah, this is an accurate statement,
 21 but you mischaracterized it before.
 22 Q And you also agree that it is an
 23 indicator of efficiency of scale of our
 24 operations in that period; correct? That's what
 25 this says too?

Page 24

1 A Yes. This statement is correct. The
 2 way you phrased it earlier was incorrect. It
 3 was a leading question. It was not good. You
 4 should not ask questions like that.
 5 Is it correct that you stated
 6 something false when interviewing Lyndon? Is
 7 that true? I think you did -- no, Ira, you
 8 stated something false about Lyndon when
 9 interviewing Ira in an attempt to trick him. Is
 10 that true?
 11 Q I have no idea what you're talking
 12 about. So let me show you --
 13 A Maybe that was an accident.
 14 Q Let me show you a couple of documents.
 15 Can I have a --
 16 MR. CHESLER: Are we done with this?
 17 MR. BARON: Yes. Well, for now.
 18 We'll go back to it in a moment.
 19 Q You'll agree with me, though, as an
 20 indicator of growth that we just talked about,
 21 megawatts since -- or megawatts deployed since
 22 you have acquired SolarCity at Tesla have been
 23 trending down substantially; correct?
 24 MR. CHESLER: Objection to the form.
 25 THE WITNESS: Is there a graph you

Page 25

1 want to give me?
 2 BY MR. BARON:
 3 Q I'm first asking you a question. Do
 4 you agree with me that megawatts deployed per
 5 quarter has been trending down dramatically
 6 since Tesla bought SolarCity?
 7 MR. CHESLER: Same objection.
 8 You may answer. If I don't instruct
 9 you not to answer, do the best you can to
 10 answer.
 11 I'm objecting because I think his
 12 question is not properly formed, but that's
 13 a legal issue for the court to deal with.
 14 THE WITNESS: Should I ask him to
 15 reform the question or --
 16 MR. CHESLER: If you understand it,
 17 you should answer.
 18 THE WITNESS: If you object, then it
 19 seems like we should ask him to ask the
 20 question again in a different form.
 21 MR. BARON: I'm not going to. I'll
 22 wait till you answer.
 23 MR. CHESLER: If you can answer it,
 24 you should. The objection could be just a
 25 technical problem with the question that I

Page 26

1 have to preserve for court.
 2 If you understand the question, you
 3 should answer it. If you don't, you should
 4 tell him you don't understand it. It's up
 5 to you.
 6 THE WITNESS: I think since you
 7 object, I think you should ask the question
 8 in a different way.
 9 MR. BARON: I'll ask it exactly the
 10 same way.
 11 Q Do you agree with me that megawatts
 12 deployed has trended down substantially since
 13 Tesla acquired SolarCity; correct?
 14 MR. CHESLER: Objection to form.
 15 THE WITNESS: I think you should ask
 16 that question a different way.
 17 BY MR. BARON:
 18 Q I'm not going to. Are you telling me
 19 you cannot answer the question?
 20 A Well, my counsel is saying you should
 21 ask the question a different way, so then you
 22 should.
 23 Q I'm not going to do that, though.
 24 A Okay.
 25 Q So if you can answer the question, you

Page 27

1 can answer the question. If you're telling me
 2 that you do not understand the question, then
 3 we'll move on.
 4 Do you understand the question?
 5 A I understand the question I think.
 6 But it's a leading question and I'm sure my
 7 legal counsel has reason for objecting and
 8 you're refusing to ask in a different way.
 9 Q I'm going to ask it again.
 10 The megawatts deployed have trended
 11 down substantially since Tesla acquired
 12 SolarCity; correct?
 13 MR. CHESLER: Objection to form.
 14 THE WITNESS: Do you want to keep
 15 asking the question?
 16 BY MR. BARON:
 17 Q I'm waiting for you to answer. If you
 18 don't understand the question, then we'll figure
 19 out why you don't understand it.
 20 Do you understand that question?
 21 A I believe we've objected.
 22 MR. BARON: Counsel, are you going to
 23 instruct your witness to answer the question
 24 or tell me he doesn't understand it as
 25 opposed to wait for me to rephrase it?

Page 28

1 THE WITNESS: We can stare at each
 2 other until you rephrase it.
 3 MR. BARON: I guess we can cancel this
 4 deposition. I'll just go back to -- we'll
 5 go back to the vice chancellor and we'll
 6 have him ordered to answer questions.
 7 MR. CHESLER: So let's step outside
 8 for a minute.
 9 MR. BARON: Why don't we take a break
 10 and you can have a conversation with your
 11 client. Thank you.
 12 VIDEOGRAPHER: Going off the record at
 13 10:08 a.m.
 14 (Recess taken.)
 15 VIDEOGRAPHER: Going back on the
 16 record at 10:13 a.m.
 17 MR. BARON: Could you please read back
 18 my last substantive question to the witness,
 19 please?
 20 (Requested testimony read by the
 21 reporter.)
 22 THE WITNESS: No, I don't think
 23 they've trended down substantially.
 24 MR. BARON: Okay. I'll mark a couple
 25 of documents, if I may. First I would like

Page 29

1 to mark a chart that we've created. Could
 2 you mark this as Musk Exhibit 2.
 3 (Exhibit 2 was marked.)
 4 MR. BARON: And I have a two-page
 5 document, both have the Bates stamp range
 6 00193245 and they are designated as SCTY
 7 Management Model and Revised Model. Could
 8 you mark this as Exhibit 3, please.
 9 (Exhibit 3 was marked.)
 10 BY MR. BARON:
 11 Q So what I have before you is a chart
 12 we prepared, and we'll go through and we'll show
 13 how we actually generated that chart.
 14 But I want you to see what we have as
 15 Exhibit 3 which is from the native file which
 16 is -- Exhibit 3 is the Bates thing, if you want
 17 to open that up.
 18 And that is from the native file, what
 19 was produced under one Bates range, and in it
 20 there are a number of tabs. And this was
 21 identified as being Evercore's model for the
 22 projections that were set forth in the proxy
 23 statement in connection with the SolarCity
 24 acquisition.
 25 I don't know whether you have, but

Page 30

1 I'll ask you: Have you ever seen these tabs
2 that are identified as Exhibit 3 before today?
3 A Exhibit 3? I don't recall. This is a
4 spreadsheet but...
5 Q Now, if you look at the chart that we
6 have here, you will see that there are three
7 lines. The first one is what Evercore
8 identified as megawatts inspected. And they did
9 so by quarter.
10 And you can see that under the
11 SolarCity management case that they are in blue,
12 and you'll see that they correspond to the
13 quarters 1 through 4 for -- or quarter 3, 2016
14 through quarter 4, 2019.
15 Do you see that?
16 A Mm-hmm.
17 Q And then you can see that in the
18 revised model, which was in green, that they
19 also correspond to quarter 3, 2016 through
20 quarter 4, 2019.
21 Do you see that?
22 A Mm-hmm. Yes.
23 Q Now -- I'm sorry, quarter 1, 2019. I
24 misspoke.
25 And do you understand that the

Page 31

1 projections that were set forth in the proxy
2 statement were -- let me ask you more generally.
3 What do you understand was the purpose
4 for putting forth the projections that were
5 analyzed by Evercore in the proxy statements
6 seeking shareholder approval of the acquisition
7 of SolarCity?
8 A I think it was their guess as to the
9 growth in the solar business.
10 Q Now, as you can see from the chart
11 that as Q3, 2016, the actual megawatts deployed
12 was 189.
13 Do you see that on the chart on Q3
14 2016?
15 A Yes.
16 Q On the document that I showed you
17 before, which was Exhibit 1 -- you have that
18 open right before you, you can see that it
19 corresponds to the 189, and that would be in the
20 10-Q, Mr. Musk, to your left.
21 Do you see that it corresponds to the
22 189?
23 A Mm-hmm, yes.
24 Q All right. Now, in Q4 are you aware
25 that the megawatts deployed went up slightly to

Page 32

1 201? Are you aware of that without looking at
2 any documents?
3 A I mean, I was not aware of the precise
4 number until looking at the document. But yes,
5 I see the 201 number in the document.
6 Q All right. Let me show you the
7 shareholder letter that we printed off from
8 Tesla's website.
9 MR. BARON: We'll mark this as
10 Exhibit 4, please.
11 (Exhibit 4 was marked.)
12 BY MR. BARON:
13 Q Do you recognize what I marked as
14 Exhibit 4 as the shareholder letter that is
15 produced by Tesla and signed by you relating to
16 fourth quarter 2016?
17 A Yes.
18 Q If you turn to the second page of that
19 document, do you see the heading: Advancing
20 Sustainable Energy?
21 A Yes.
22 Q Do you see where it says: 201
23 megawatt, MW of solar energy generation deployed
24 in Q4?
25 A Yes.

Page 33

1 Q So do you see where that corresponds
2 to the 201 in Exhibit 2?
3 A Mm-hmm.
4 Q Now, in this letter, you indicate on
5 the second -- the third paragraph after you've
6 identified the number of megawatts deployed,
7 that we see a return to growth both of megawatts
8 deployed later this year to help us generate
9 cash and realize the cost synergies we projected
10 prior to the acquisition.
11 Do you see that sentence?
12 MR. CHESLER: I don't see that, Randy.
13 Where are you reading?
14 THE WITNESS: Where are you reading?
15 BY MR. BARON:
16 Q The third paragraph under Advanced
17 Sustainable Energy, the first of the bullet
18 points. The second is: We are working.
19 And the third paragraph is: As this
20 transition progresses.
21 Do you see that?
22 A Yes.
23 Q Do you say: We see a return to growth
24 of megawatts deployed later this year to help us
25 grow -- or to help us generate the cash and

Page 34

1 realize the cost synergies we projected prior to
 2 the acquisition.
 3 Do you see that sentence?
 4 A Yes.
 5 Q Was that sentence indicating that it
 6 was your belief at the time that megawatts would
 7 grow beyond -- in the next quarter beyond 2017?
 8 A I think it says: Later this year.
 9 Q I understand. So --
 10 A "Later" would not be Q1.
 11 Q I said that you were planning to grow.
 12 Okay. That's fine.
 13 What is the purpose -- what was your
 14 purpose of that sentence? What were you trying
 15 to convey?
 16 A I believe at this time we believed
 17 that the megawatts deployed would be higher by
 18 the end of the year. This -- that being 2017.
 19 Q Okay. And what was your basis to
 20 believe that they would be higher by the end of
 21 the year?
 22 A We believed that trend would continue
 23 at the time.
 24 Q And did you believe that that trend
 25 would continue consistent with either the blue

Page 35

1 line for the SolarCity management case or the
 2 green line, the revised sensitivity case, or
 3 neither?
 4 A I mean, I think the statement just
 5 says that we believed it will increase.
 6 Q I understand that.
 7 A Yes.
 8 Q My question is: Beneath that, did you
 9 have a belief as to whether or not it would
 10 increase consistent with the blue line, the
 11 green line, or neither?
 12 A I don't think we had a clear sense of
 13 things. We did not have a crystal ball.
 14 Q I understand you did not know what
 15 would happen. Did you have a belief? Did you
 16 have an expectation of what would happen?
 17 A I think the statement at face value is
 18 simply that we thought it would be that that
 19 growth would increase by the end of the year.
 20 Q Okay. And did you have a sense of
 21 what -- to what degree there would be growth?
 22 Again, did you think that it would
 23 increase from 201 to -- what did we have here by
 24 the end of the year -- to 330 or to 250 or you
 25 had absolutely no idea what you thought it would

Page 36

1 increase --
 2 A I don't think we had a specific number
 3 in mind.
 4 Q And is that because you didn't do any
 5 analysis on that or you just didn't feel that it
 6 was a necessary task on your part?
 7 MR. CHESLER: Objection to form.
 8 THE WITNESS: It's very difficult to
 9 predict the outcome of any company's product
 10 growth. Actually, we thought it would be
 11 higher.
 12 BY MR. BARON:
 13 Q Well, you -- do you understand that
 14 the green line --
 15 A We were wrong, obviously.
 16 Q I agree with that.
 17 Do you understand that the green line
 18 of the -- I'm sorry, the blue line of the
 19 SolarCity management case is the set of
 20 projections that was prepared by SolarCity
 21 management and provided to Evercore in saying
 22 what they believed would happen with the company
 23 going forward under their business plan?
 24 Do you understand that?
 25 A Yes.

Page 37

1 Q Did you agree with SolarCity's
 2 management as to what they believed would be the
 3 growth of megawatts deployed?
 4 A I think we certainly believed that the
 5 long-term growth of megawatts deployed would be
 6 very significant. And I still believe that to
 7 be the case. You are simply looking over a
 8 short time frame.
 9 What you will see later this year is,
 10 in my view, a dramatic increase in megawatts
 11 deployed. It just took us a little longer than
 12 expected.
 13 Q So you now feel comfortable predicting
 14 what will happen in the future? How much will
 15 it be in the future?
 16 What is it going to be later this year
 17 the megawatts deployed number by second quarter
 18 2019?
 19 A It takes time to refactor a product
 20 line. It takes time to restructure a company.
 21 And our focus last year was the Model 3 program.
 22 And so Tesla as a whole, if I did not
 23 take everyone off of solar and focus them on the
 24 Model 3 program to the detriment of solar, then
 25 Tesla would have gone bankrupt.

<p style="text-align: right;">Page 38</p> <p>1 So I took everyone from solar, and</p> <p>2 said, "Instead of working on solar, you need to</p> <p>3 work on the Model 3 program."</p> <p>4 And as a result, solar suffered, as</p> <p>5 you would expect.</p> <p>6 Q Help me out with that. You said you</p> <p>7 took everyone off of solar?</p> <p>8 A That could possibly be taken off</p> <p>9 solar, yes.</p> <p>10 Q Okay. So who would that include?</p> <p>11 A That would include engineering,</p> <p>12 management, sales, service. Everything that</p> <p>13 could possibly be redirected towards the Model 3</p> <p>14 program was so redirected. This was the right</p> <p>15 course of action for the company.</p> <p>16 Q So the engineers that you took off,</p> <p>17 what were the engineers doing on solar that you</p> <p>18 took them off to do on the Model 3?</p> <p>19 A They are working on the solar roof and</p> <p>20 improving the costs of solar retrofit.</p> <p>21 Q How were they working on the cost of</p> <p>22 solar retrofit?</p> <p>23 A It is important with solar retrofit to</p> <p>24 reduce the cost of installation. It's much more</p> <p>25 complex and difficult than it may seem. And</p>	<p style="text-align: right;">Page 40</p> <p>1 is just so that I have an understanding of what</p> <p>2 that means.</p> <p>3 A Solar retrofit is when somebody has an</p> <p>4 existing roof and you put solar on their</p> <p>5 existing roof.</p> <p>6 Q So do you have to have engineers</p> <p>7 involved in every installation or is that just</p> <p>8 engineers working on the concept and then those</p> <p>9 go into each installation thereafter?</p> <p>10 A That's actually a more interesting</p> <p>11 question then you realize.</p> <p>12 Q I'm not very smart, so I'll get lucky</p> <p>13 every now and then.</p> <p>14 A The way it is traditionally done with</p> <p>15 solar retrofit is not -- is -- maybe -- you're</p> <p>16 not quite correct.</p> <p>17 This is done still today at Tesla,</p> <p>18 although it's changing, and it's done in the</p> <p>19 rest of industry, where doing solar retrofit is</p> <p>20 a bit like getting a custom-tailored suit.</p> <p>21 So somebody will come out to your</p> <p>22 house, they will carefully measure all of the</p> <p>23 dimensions of your roof and then there will be</p> <p>24 engineering involved.</p> <p>25 They will engineer a solution that is</p>
<p style="text-align: right;">Page 39</p> <p>1 actually requires quite a bit of engineering</p> <p>2 to -- a lot of engineering to make the</p> <p>3 installation process efficient and also to make</p> <p>4 the retrofit solar esthetically appealing in as</p> <p>5 much as retrofit can be esthetically appealing.</p> <p>6 Then the solar roof is itself a</p> <p>7 difficult product, a very difficult product.</p> <p>8 Nobody has yet succeeded in such a product. So</p> <p>9 obviously that requires a lot of effort. Many</p> <p>10 people have tried, many companies have tried and</p> <p>11 none have succeeded. It's a hard problem.</p> <p>12 So what you'll see as we solve these</p> <p>13 things as -- because resources have now been</p> <p>14 reapplied to solar is a dramatic increase in the</p> <p>15 deployment of megawatts in the years to come.</p> <p>16 At least -- one cannot predict these</p> <p>17 things precisely, but in the years to come, this</p> <p>18 case will look silly and you will have wasted</p> <p>19 your time and ours.</p> <p>20 Q We are all entitled to our opinions.</p> <p>21 It's a wonderful world, so -- and, you know,</p> <p>22 everybody has them.</p> <p>23 So --</p> <p>24 A Mark my words, I'm sure you will.</p> <p>25 Q So explain to me what solar retrofit</p>	<p style="text-align: right;">Page 41</p> <p>1 specific to your roof, that matches the contours</p> <p>2 and shape of your roof just like a</p> <p>3 custom-tailored suit.</p> <p>4 And it will often take two or three</p> <p>5 visits. It will take structural engineering.</p> <p>6 It is complex. And each installation requires</p> <p>7 engineering.</p> <p>8 MR. CHESLER: Wait.</p> <p>9 BY MR. BARON:</p> <p>10 Q I'm sorry, were you done?</p> <p>11 A No.</p> <p>12 Now, a more efficient way to do this</p> <p>13 is to come up with what you might call sort of</p> <p>14 an off-the-rack suit solution where the -- where</p> <p>15 you do not need engineering on a per</p> <p>16 installation basis, but you have to engineer</p> <p>17 that solution.</p> <p>18 So you want to have something that</p> <p>19 is -- that is just a few sizes, like -- just</p> <p>20 like a suit, it's like suits on the rack will be</p> <p>21 certain preset sizes.</p> <p>22 And you don't want to make it too big</p> <p>23 because if you make it too big, then it's very</p> <p>24 difficult to fit on the roof without dealing</p> <p>25 with the peculiarities of every roof.</p>

<p style="text-align: right;">Page 42</p> <p>1 So you want to have something that is</p> <p>2 small enough that you can put it on the roof and</p> <p>3 find a section of the roof that's common across</p> <p>4 roofs and where it's just sort of a preset,</p> <p>5 prefab, consistent solar installation.</p> <p>6 Now, the net result is on a per-roof</p> <p>7 basis, you will generate less power but you will</p> <p>8 do many more roofs because the cost, the total</p> <p>9 cost from sales through installation will be</p> <p>10 dramatically less.</p> <p>11 And this is what we're going to do,</p> <p>12 and it will be great.</p> <p>13 Q Okay.</p> <p>14 A Will be.</p> <p>15 Q My question was --</p> <p>16 A Think of the difference between a</p> <p>17 custom suit and an off-the-rack suit. I mean, a</p> <p>18 custom suit could be thousands of dollars. Who</p> <p>19 gets a custom suit? Hardly anyone. Savile Row</p> <p>20 type of thing. You guys probably have custom</p> <p>21 suits.</p> <p>22 Q You're not wearing a suit.</p> <p>23 A Not today. Going down to San Diego.</p> <p>24 You probably have one tucked away, I suspect.</p> <p>25 So first -- you know, pretty</p>	<p style="text-align: right;">Page 44</p> <p>1 going to want this at the end of this</p> <p>2 meeting, you're like, oh, man, I want to get</p> <p>3 this thing, it's going to be great.</p> <p>4 The key is to make the solar</p> <p>5 installation so cost efficient that at the</p> <p>6 end of the day, net of your financing costs,</p> <p>7 it generates say 500 to \$1,000 a year.</p> <p>8 So if you got financing -- if you have</p> <p>9 a utility bill, that's maybe like 100 to 200</p> <p>10 bucks a month.</p> <p>11 And then so if you're going to have</p> <p>12 financing on your solar, and then you're</p> <p>13 going to generate electricity and then the</p> <p>14 net effect will be a net cash generation of</p> <p>15 500 to \$1,000 a year.</p> <p>16 And the system using high efficiency</p> <p>17 panels will be small enough that you can</p> <p>18 tuck it away on a section of your roof that</p> <p>19 you can't see, or it's not sort of in</p> <p>20 prominent view. Because there really -- you</p> <p>21 don't want to have something which makes</p> <p>22 your roof ugly.</p> <p>23 That's very important because that</p> <p>24 affects your image of the house and it</p> <p>25 affects the resale value. So it has a real</p>
<p style="text-align: right;">Page 43</p> <p>1 expensive, as you know. People measure you;</p> <p>2 there is a lot of effort in measuring. You have</p> <p>3 to tailor everything. Whereas off-the-rack</p> <p>4 suit, that could be half the cost or less, 20,</p> <p>5 30 percent of the cost.</p> <p>6 And that's the way to do it. So</p> <p>7 we're -- that's what we're going to do with the</p> <p>8 retrofit. It's going to be great. Super easy.</p> <p>9 And -- but the team of SolarCity installers that</p> <p>10 we acquired, going to put them to good use.</p> <p>11 It's going to be great.</p> <p>12 So we just did a software release of</p> <p>13 this recently. We're going to iron out the</p> <p>14 rough edges, and then we're going to do a hard</p> <p>15 launch, sort of big launch.</p> <p>16 And this is going to be amazing. I</p> <p>17 can tell you why it's going to be amazing.</p> <p>18 Q That's not my question. I'm not</p> <p>19 trying to cut you off, but none of this is my</p> <p>20 question. So I'm happy to let you keep talking.</p> <p>21 A Cool.</p> <p>22 MR. CHESLER: I'm not going to debate</p> <p>23 with you what your question was, but you can</p> <p>24 finish your answer.</p> <p>25 THE WITNESS: I'm telling you you're</p>	<p style="text-align: right;">Page 45</p> <p>1 financial impact here.</p> <p>2 So you want to have -- it's small</p> <p>3 enough that it can be sort of put on a</p> <p>4 section of your roof that's not too obvious</p> <p>5 ideally near the garbage cans or something</p> <p>6 like that, wherever you sort of have that --</p> <p>7 the side of the house or something.</p> <p>8 And then you basically have something</p> <p>9 which is -- it's like a money printer on</p> <p>10 your roof and it doesn't bother you</p> <p>11 esthetically or affect the resale value of</p> <p>12 your house.</p> <p>13 This is a no-brainer.</p> <p>14 Q Right. Are you done? Because that</p> <p>15 wasn't my question. But are you done with</p> <p>16 whatever that was?</p> <p>17 A I was explaining to you why the -- Why</p> <p>18 I think that the --</p> <p>19 Q Not my question.</p> <p>20 A Why I think that the solar growth is</p> <p>21 going to be incredible.</p> <p>22 Q Good.</p> <p>23 A You seem to be caring about this a</p> <p>24 lot.</p> <p>25 Q I don't care about anything you just</p>

Page 46

1 said, but we'll go on. I just want to make sure
2 I understand --
3 A It's going to knock your socks off.
4 You'll be amazed. You'll love it.
5 Q So the question that I am trying to
6 understand is in the context of the --
7 A Do you want to try one? We could try
8 one.
9 MR. BARON: Counsel, I'm going to ask
10 you to have your client actually wait for a
11 question before he keeps talking, or else we
12 will have to end this deposition and I'm
13 going to go to the vice chancellor and have
14 him give specific direction as to how to
15 behave.
16 MR. CHESLER: Counsel, don't make
17 speeches like that. Look, you asked him
18 what retrofit was. You wanted a very short
19 answer. He told you, I think pretty
20 eloquently, what retrofit is.
21 MR. BARON: And now I'm trying to ask
22 the next question and he keeps on --
23 MR. CHESLER: Ask your next question.
24 BY MR. BARON:
25 Q So let's talk about the engineers that

Page 47

1 were used for solar retrofit. Were those the
2 same engineers that came over from SolarCity or
3 were they different engineers?
4 A The retrofit engineers primarily are
5 from SolarCity.
6 Q So you used the people who were doing
7 engineering on each of the individual
8 installations and you moved them to Model 3; is
9 that what you're telling us?
10 A As I answered in my previous question,
11 I moved everyone who could possibly be useful to
12 Model 3. This included sales, service,
13 delivery, production, supply chain. It's like
14 all hands on deck. We need to solve Model 3.
15 And we had a lot of trouble with Model 3 last
16 year, as I'm sure you're aware. That's in the
17 press.
18 So we solved those problems, and the
19 SolarCity team was very helpful in solving those
20 problems and was instrumental in Tesla's success
21 last year.
22 Q So --
23 A Instrumental.
24 Q So you had the SolarCity engineers
25 doing -- from the retrofit that moved over to

Page 48

1 work on the Model 3 --
2 A As I said, more than just that.
3 Q Please don't interrupt me.
4 A Please don't interrupt me.
5 Q -- and I won't interrupt you.
6 A Great.
7 Q So now you also said that you moved
8 management over from solar to the Model 3.
9 Which management did you move over from solar to
10 Model 3 production?
11 A I moved literally everyone who could
12 possibly be applied.
13 Q So what's --
14 A As most direct, Sanjay Shah has
15 been -- who was hired for solar, has been
16 focused on Model 3 activity and only recently
17 redeployed to solar.
18 Q Anyone else who was hired for solar
19 who was moved over to Model 3?
20 MR. CHESLER: You mean management?
21 MR. BARON: Yes, on the management
22 level.
23 THE WITNESS: I mean, there are
24 literally hundreds of people. I don't know
25 their names.

Page 49

1 BY MR. BARON:
2 Q Okay. And the sales force, the people
3 who were out trying to sell solar systems, how
4 were they moved over to work on Model 3? What
5 did you have them do?
6 A We put them in the Tesla stores. We
7 had them deliver cars. Delivery was a big
8 problem last year.
9 Q Okay. And how much of the sales force
10 did you move over to Model 3? The entirety of
11 the sales force, half, 75 percent?
12 A I think it was probably -- I'm not
13 sure of the exact number. But it may have been
14 half. My instructions were: Move everyone that
15 can possibly be moved.
16 Q And service, these are the people who
17 would go and fix panels if they would --
18 A Yes.
19 Q -- if they would break, et cetera;
20 correct?
21 A Yes.
22 Q And how did you move those people to
23 the Model 3?
24 A I asked them to help out in service
25 and delivery. Delivery especially was a big

<p style="text-align: right;">Page 50</p> <p>1 problem, and in production.</p> <p>2 Q They couldn't fix -- if a Tesla broke</p> <p>3 on the road, you couldn't get a solar service</p> <p>4 person to go fix that car, or are you saying</p> <p>5 that that was fundable?</p> <p>6 A Certainly some tasks are -- you can</p> <p>7 change a tire, and actually that's one of the</p> <p>8 top things that happens with cars.</p> <p>9 Q All right. Let's move on to the next</p> <p>10 quarter and maybe your answer to each of these</p> <p>11 is there wasn't anybody who was out there</p> <p>12 installing systems.</p> <p>13 MR. BARON: Can I have the Q1, '17</p> <p>14 shareholder letter, please.</p> <p>15 (Exhibit 5 was marked.)</p> <p>16 BY MR. BARON:</p> <p>17 Q Showing you what's been identified as</p> <p>18 Musk Exhibit 5. Do you recognize this as the</p> <p>19 shareholder letter that was on the Tesla website</p> <p>20 for first quarter 2017, again signed by you?</p> <p>21 A Sure.</p> <p>22 Q All right. And on this, if you could</p> <p>23 go to the second page, to the "Advancing</p> <p>24 Sustainable Energy," do you see here that this</p> <p>25 indicates that your megawatts deployed has gone</p>	<p style="text-align: right;">Page 52</p> <p>1 Model 3.</p> <p>2 This is -- this occurred Q3 -- started</p> <p>3 occurring in significant numbers in Q3, 2017</p> <p>4 through present day -- well, actually, through,</p> <p>5 technically, Q4. We started redeploying earlier</p> <p>6 this year towards solar, but it takes time to</p> <p>7 build up.</p> <p>8 Q Let me ask you another question while</p> <p>9 we're on this page.</p> <p>10 Do you see the third paragraph that</p> <p>11 talks about, "We start -- We plan to start pilot</p> <p>12 manufacturing of solar tiles in Q2 in the</p> <p>13 Fremont facility."</p> <p>14 Do you see that paragraph?</p> <p>15 A Yes.</p> <p>16 Q Is that accurate?</p> <p>17 A I think that is an accurate statement.</p> <p>18 Q Okay. And the Fremont facility, is</p> <p>19 that what we call Silevo?</p> <p>20 A I guess that building, it is the</p> <p>21 building in Fremont near the Tesla factory. I</p> <p>22 believe that was part of the Silevo subsidiary</p> <p>23 of SolarCity.</p> <p>24 Q I just want to make sure if I say</p> <p>25 "Silevo," euphemistically, can we use Fremont</p>
<p style="text-align: right;">Page 51</p> <p>1 down to 150?</p> <p>2 Do you see that?</p> <p>3 A Yes.</p> <p>4 Q Okay. Now, again -- now, this is</p> <p>5 below both the Revised Sensitivity Case, the</p> <p>6 green line, and below the SolarCity Management</p> <p>7 Case now.</p> <p>8 Do you see that on the chart that I</p> <p>9 have given you, Exhibit 1?</p> <p>10 A Mm-hmm, yes.</p> <p>11 MR. CHESLER: Exhibit 2.</p> <p>12 MR. BARON: I'm sorry, Exhibit 2.</p> <p>13 Q Now, what was the reason for the drop</p> <p>14 from 201 to 150? Were you already redeploying</p> <p>15 the -- what you said, everybody or everyone who</p> <p>16 could be deployed off of SolarCity to the</p> <p>17 Model 3 as of Q1, 2017?</p> <p>18 A No. We began some redeployment, but</p> <p>19 the primary deployment occurred late 2017</p> <p>20 through '18.</p> <p>21 Q Okay. So what was the cause of the</p> <p>22 drop from 201 to 150?</p> <p>23 A I'm not sure.</p> <p>24 This chart very closely resembles the</p> <p>25 redeployment of SolarCity resources towards the</p>	<p style="text-align: right;">Page 53</p> <p>1 facility and Silevo for the same thing?</p> <p>2 A Silevo is more than that building.</p> <p>3 Q Okay. And when you say, "pilot</p> <p>4 manufacturing," was that your belief that you</p> <p>5 had solar tiles that were ready and able to</p> <p>6 actually be manufactured and used on people's --</p> <p>7 consumers' houses or was that just to start</p> <p>8 manufacturing, I don't know, beta test sales?</p> <p>9 I'm trying to understand what it is</p> <p>10 that you meant by "pilot manufacturing."</p> <p>11 MR. CHESLER: Objection to the form.</p> <p>12 Can we just get it down to what he meant by</p> <p>13 pilot manufacturing?</p> <p>14 MR. BARON: Sure.</p> <p>15 Q What did you mean by pilot</p> <p>16 manufacturing?</p> <p>17 A Sure. This is where you -- pilot</p> <p>18 manufacturing is where you do a very small</p> <p>19 number of systems essentially in an R&D lab type</p> <p>20 of situation where you're just trying to figure</p> <p>21 out the beginnings of a product.</p> <p>22 Q Help me -- or define for me what</p> <p>23 "beginnings of a product" means.</p> <p>24 A Well, it's the start of the product.</p> <p>25 Q Does that mean that you have figured</p>

<p style="text-align: right;">Page 54</p> <p>1 out the engineering of the product or that it is</p> <p>2 before you have gotten to that?</p> <p>3 A When you design a product, you first</p> <p>4 come up with the product concept, you design the</p> <p>5 product, and then a prototype is, relatively</p> <p>6 speaking, easy compared to designing the</p> <p>7 manufacturing system.</p> <p>8 What most people don't appreciate</p> <p>9 well, particularly in America these days, is the</p> <p>10 difficulty of manufacturing. It's extremely</p> <p>11 difficult. Especially manufacturing something</p> <p>12 new and different.</p> <p>13 So this is -- so you first must say,</p> <p>14 okay, we'll come up with an initial concept</p> <p>15 design. Then let's -- let's try to figure out</p> <p>16 how to make this initial product design. Then</p> <p>17 you have to keep iterating the product design</p> <p>18 and on the design of the manufacturing system.</p> <p>19 The manufacturing system is at least</p> <p>20 ten to 100 times more difficult than the product</p> <p>21 design itself.</p> <p>22 Q Okay. That's very helpful.</p> <p>23 So as of Q1, 2017, in that sort of</p> <p>24 litany, where were you between concept,</p> <p>25 prototype, and manufacturing? Were you still on</p>	<p style="text-align: right;">Page 56</p> <p>1 you said?</p> <p>2 A Yes.</p> <p>3 Q So in that timeline between concept,</p> <p>4 creating a single product, creating a product</p> <p>5 prototype and manufacturing, as of Q1, 2017,</p> <p>6 where were you on the solar roof?</p> <p>7 A We were just at the beginning --</p> <p>8 Q Okay.</p> <p>9 A -- of what's called pilot.</p> <p>10 Q So you were at concept?</p> <p>11 A Pilot just means you're at the very</p> <p>12 beginning.</p> <p>13 Q What you said is that's the first</p> <p>14 stage that you're talking about, which was</p> <p>15 concept?</p> <p>16 A No. You have a concept --</p> <p>17 Q Okay.</p> <p>18 A -- then you try to make -- you have a</p> <p>19 concept, you translate the concept into a</p> <p>20 detailed product design. You have to create the</p> <p>21 CAD drawings, you have to figure out the supply</p> <p>22 chain and figure out all the pieces and put the</p> <p>23 pieces together, try to make them work.</p> <p>24 The concept is just an idea.</p> <p>25 Q Okay.</p>
<p style="text-align: right;">Page 55</p> <p>1 concept; were you in the middle of prototype or</p> <p>2 were you at manufacturing?</p> <p>3 A I think you're illustrating my point,</p> <p>4 which is, like most people, you don't understand</p> <p>5 manufacturing.</p> <p>6 Q Probably not. That's why I'm asking</p> <p>7 questions.</p> <p>8 A Right. So making something, you could</p> <p>9 make one of something and that's -- you could</p> <p>10 call that manufacturing. Or you could make,</p> <p>11 say, a thousand of something or 10,000 or a</p> <p>12 million of something. And the difficulty of</p> <p>13 manufacturing is roughly proportionate to that</p> <p>14 rate.</p> <p>15 Q I understand.</p> <p>16 And from your definition, I'm just --</p> <p>17 you are the person who knows, not me. You said</p> <p>18 that -- and I was assuming that you were doing</p> <p>19 so linearly, which was first you have a concept,</p> <p>20 and then you can produce a single product, then</p> <p>21 you can produce prototypes, then you can</p> <p>22 manufacture, which you said is going into real</p> <p>23 production that you said is ten to 100 times</p> <p>24 harder than any of the others.</p> <p>25 Is that an accurate recitation of what</p>	<p style="text-align: right;">Page 57</p> <p>1 A And then you try to build one of them,</p> <p>2 which is -- even that is very difficult. And</p> <p>3 then you say, okay, and usually you get the</p> <p>4 design wrong and you have to go through many</p> <p>5 iterations before you finally get the design</p> <p>6 right after a great deal of effort, and then you</p> <p>7 get the manufacturing process right at the same</p> <p>8 time.</p> <p>9 This is also extremely hard. It's</p> <p>10 just tragic and I think sad that America has</p> <p>11 moved away from manufacturing. It's really sad,</p> <p>12 you know. And this is why people don't</p> <p>13 understand manufacturing and why you're asking</p> <p>14 me these questions because you're just too far</p> <p>15 from it.</p> <p>16 But think if your talents could have</p> <p>17 been applied in manufacturing instead of law,</p> <p>18 that would have been much better.</p> <p>19 I heard yesterday that 3 percent of</p> <p>20 the U.S. economy is legal services. That's one</p> <p>21 of the saddest facts I've heard in a long time.</p> <p>22 Q All right. So --</p> <p>23 A Doesn't that seem wrong to you?</p> <p>24 Q No, not at all.</p> <p>25 A I suppose it wouldn't.</p>

15 (Pages 54 - 57)

<p style="text-align: right;">Page 58</p> <p>1 Q Thank you.</p> <p>2 So again, I'm trying to understand</p> <p>3 you. So as of Q1, 2017, you had a concept. Had</p> <p>4 you -- and you had done your product -- you had</p> <p>5 done product design.</p> <p>6 Had you actually yet come up with a</p> <p>7 working prototype as of first quarter 2017?</p> <p>8 A I don't recall if it was exactly first</p> <p>9 quarter of 2017. But I think, as I recall, yes,</p> <p>10 we did have a working prototype around that</p> <p>11 period.</p> <p>12 Q Okay. And -- but you had not yet</p> <p>13 perfected it to the point of being able to</p> <p>14 manufacture, correct, as you have defined the</p> <p>15 difficulties of manufacturing?</p> <p>16 A As we talked about earlier, there's</p> <p>17 manufacturing at different scales. We certainly</p> <p>18 did not have it refined to be able to</p> <p>19 manufacture it at scale.</p> <p>20 Q Let's go to Q1, '17. I'm sorry, Q1 --</p> <p>21 Q2, '17, I apologize.</p> <p>22 MR. BARON: Can you mark this as</p> <p>23 Exhibit 6.</p> <p>24 (Exhibit 6 was marked.)</p> <p>25 BY MR. BARON:</p>	<p style="text-align: right;">Page 60</p> <p>1 Q You can see that the spreadsheets</p> <p>2 match the blue line and the green line as well?</p> <p>3 A On this chart, it's the same thing?</p> <p>4 Q Yes.</p> <p>5 A Yes.</p> <p>6 Q Now, was anything done differently at</p> <p>7 SolarCity to cause the slight uptick between Q1</p> <p>8 and Q2, 2017 in megawatts?</p> <p>9 A It looks like there was a big</p> <p>10 installation in Hawaii, I mean, differently.</p> <p>11 That appears to be one significant item.</p> <p>12 Q And you had not started your</p> <p>13 redeployment to the Model 3; is that correct?</p> <p>14 A No, we had started. Let me think</p> <p>15 about this for a second.</p> <p>16 It was approximately mid 2017 that we</p> <p>17 did start doing redeploying.</p> <p>18 Q Okay.</p> <p>19 A It was about two years ago.</p> <p>20 Q So I am a little confused on your</p> <p>21 discussion. If you go to the first page and you</p> <p>22 see the last full paragraph before "Advancing</p> <p>23 Sustainable Transport." Do you see that one on</p> <p>24 Page 1 of this Exhibit 6?</p> <p>25 You say: Having started production of</p>
<p style="text-align: right;">Page 59</p> <p>1 Q Do you recognize this document,</p> <p>2 Exhibit 6, as the Tesla second quarter 2017</p> <p>3 update letter, again, signed by you from the</p> <p>4 Tesla website?</p> <p>5 A Yes.</p> <p>6 Q And just so we are consistent, if you</p> <p>7 go to the third page, do you see: In 2Q, we</p> <p>8 deployed 176 megawatts.</p> <p>9 Do you see that third paragraph down</p> <p>10 on the third page?</p> <p>11 A Yes.</p> <p>12 Q So you see that as consistent with the</p> <p>13 176 on our chart?</p> <p>14 A Yes.</p> <p>15 Q All right. And just so that we're</p> <p>16 also -- you know, you agree with me that the 181</p> <p>17 for the sensitivity case and the 246 for the</p> <p>18 management case, those are also on the</p> <p>19 spreadsheets in front of you, the big ones. I</p> <p>20 just want to make sure you don't think I'm</p> <p>21 messing up the chart in any way.</p> <p>22 A Sorry, what are you referring to?</p> <p>23 Q The big chart. These things right</p> <p>24 here, these big ones.</p> <p>25 A This big spreadsheet?</p>	<p style="text-align: right;">Page 61</p> <p>1 Model 3 on schedule in July and having installed</p> <p>2 the first solar roofs, our teams are now focused</p> <p>3 on ramping the production rate of these products</p> <p>4 to support our mission of accelerating the</p> <p>5 world's transition to sustainable energy.</p> <p>6 Do you see that sentence?</p> <p>7 A Yes.</p> <p>8 Q Okay. Does that mean that you were</p> <p>9 still moving resources to solar roofs and not to</p> <p>10 Model 3 as of this time, as of the end of second</p> <p>11 quarter 2017?</p> <p>12 MR. CHESLER: Objection to form.</p> <p>13 THE WITNESS: I think you asked the</p> <p>14 question backwards. We were reallocating</p> <p>15 resources to Model 3, as I said,</p> <p>16 approximately mid 2017, about two years ago.</p> <p>17 We had tremendous difficulties with</p> <p>18 the ramp-up of production and the supply</p> <p>19 chain and delivery and service and pretty</p> <p>20 much everything else with the Model 3 --</p> <p>21 BY MR. BARON:</p> <p>22 Q And --</p> <p>23 A -- as is well documented in the press.</p> <p>24 MR. BARON: Let's move on to the next</p> <p>25 quarter, Q3, 2017. Mark this Exhibit 7,</p>

16 (Pages 58 - 61)

Page 62

1 please.
 2 (Exhibit 7 was marked.)
 3 BY MR. BARON:
 4 Q And Q3, 2017, the drop of megawatts
 5 was to 109 megawatts.
 6 Do you see that?
 7 A Mm-hmm.
 8 Q And again, you can see on Exhibit 7,
 9 Page 2 at the very bottom that we got that from
 10 your shareholder letter.
 11 Do you see that?
 12 A Sorry, bottom of --
 13 Q Bottom of Page 2. I just want you to
 14 confirm that it is 109.
 15 Do you see that number there?
 16 A Yes.
 17 Q All right. Now, the drop -- what
 18 would have caused the drop to 109? Was that the
 19 redeployment or was that something else?
 20 A Well, I think there were probably a
 21 number of factors, but part of it would have
 22 been redeployment of resources and part of it
 23 would have been changing the nature of how sales
 24 are done.
 25 We wanted to eliminate some of the

Page 63

1 sales channels and transition them to different
 2 sales channels.
 3 Q Okay. So in your shareholder letter,
 4 you said that you deliberately deemphasized
 5 commercial and industrial solar projects. Is
 6 that what you mean by altering sales channels?
 7 A No. That's part of it. You can
 8 certainly, with commercial and industrial
 9 installations, have a high number of megawatts.
 10 But going to your earlier question of
 11 efficiency, or whether these things make natural
 12 sense, the large projects are generally very low
 13 margin and can sometimes be a negative margin.
 14 So this actually is contrary to
 15 efficiency. This is what I was trying to -- one
 16 of the things I was trying to point out that
 17 megawatts deployed and efficiency are not
 18 necessarily the same thing. They may be, but
 19 they aren't necessarily so.
 20 And doing large installations, which
 21 have negligible and sometimes negative gross
 22 margin, is not sensible.
 23 Q Okay. So is that the reason you
 24 deemphasized commercial and industrial solar
 25 projects?

Page 64

1 A Yes, we reexamined some of those
 2 projects and decided that they were not -- it
 3 didn't make sense to pursue them.
 4 Q Did you make a decision not to
 5 disclose to shareholders that the reason that
 6 the megawatts were going down was also related
 7 to redeployment of the SolarCity sales -- or
 8 SolarCity employees' force?
 9 MR. CHESLER: Objection to the form.
 10 THE WITNESS: There were -- like I
 11 said, some of the sales channels that we did
 12 not -- that we thought were not consistent
 13 with the Tesla brand, such as door to door,
 14 sort of knocking on people's doors, so we
 15 wanted to transition that to sales to the
 16 Tesla stores instead.
 17 And it makes more sense, which I think
 18 we've mentioned as one of the rationales for
 19 the SolarCity acquisition.
 20 And then, you know, just reexamining
 21 some of the large commercial industrial
 22 projects to make sure that they were not --
 23 that they were financially sensible.
 24 Q Do you agree with -- I'm sorry, I
 25 apologize. Are you done?

Page 65

1 A Yes. That's -- and then, like I said,
 2 around mid 2017, we started redeploying. You
 3 can't just turn things on a dime. But we
 4 started redeploying people towards the Model 3
 5 as it became apparent that the Model 3 program
 6 was in much bigger trouble than we thought.
 7 Q You agree with me that this discussion
 8 about the drop in megawatts does not say
 9 anything about redeployment? You can read it
 10 again.
 11 A Yes, I think it was minor at this
 12 point.
 13 Q So that was the decision not to
 14 discuss redeployment in this was because it was
 15 minor?
 16 A At the time it was -- like I said, it
 17 started mid 2017.
 18 MR. BARON: Can I have Q4 and full
 19 year update, please.
 20 (Exhibit 8 was marked.)
 21 MR. BARON: I'm showing you what's
 22 been marked as Exhibit 8. It is the Tesla
 23 fourth quarter and full year update and
 24 again signed by you from the Tesla website.
 25 Q Do you recognize this document?

Page 66

1 A Yes.

2 Q Now going to the third page, middle of

3 the page under, "Advanced Sustainable Energy,"

4 do you see that it says that, "We deployed

5 87 megawatts in 4Q 2017"?

6 A Yes.

7 Q Now, again, as of 4Q 2017, had you yet

8 issued the edict that -- I think your quote was,

9 [as stated]: Everyone we could off of solar and

10 put them on to the Model 3.

11 Had you issued that edict as of Q4,

12 2017?

13 A No, it was gradual over the course of

14 about a year.

15 Q So as of Q4 2017, what percentage of

16 your solar employees were redeployed to the

17 Model 3?

18 A I don't recall.

19 Q Was it more than half, was it a

20 quarter, was it a --

21 A I don't recall.

22 Q Again, if you look at the paragraph

23 where you discuss the, again, reduction in

24 megawatts, it says: The decision to close sales

25 channel earlier this year and focus on project

Page 67

1 with better margins.

2 What did you mean by close certain

3 sales channels? Is that getting rid of Home

4 Depot and door-to-door?

5 A Yes, we wanted to wind down

6 door-to-door, and the Home Depot sales channel

7 decision I think took place over the course of

8 about a year because we could not immediately

9 exit the Home Depot sales channel because of

10 some existing contracts.

11 Q Again, this paragraph, you'll agree

12 with me, doesn't say anything about redeployment

13 of the solar workforce to the Model 3; correct?

14 A It does not appear to do that, yes.

15 Q Is there a reason why you did not

16 disclose that as a reason or one of the reasons

17 for the drop to 87?

18 A There's only so much you can put in a

19 letter, so I don't think, you know, it warranted

20 being in the letter. And I think there was

21 certainly at the -- the gravity of the Model 3

22 situation was not immediately apparent. It took

23 several quarters, several months at least, to

24 understand the degree of difficulty of the

25 Model 3.

Page 68

1 So I think at various times we thought

2 we could solve the Model 3 issues and then

3 redeploy the solar resources back on solar.

4 Unfortunately, the depth of the

5 Model 3 problems were just far greater than we

6 realized. Since we had never made cars at such

7 high volume before, we did not realize the

8 difficulty of large-scale manufacturing. It was

9 uncharted territory for us.

10 So at various times, we were

11 optimistic that we could redeploy resources back

12 to solar and only need them temporarily.

13 Q You made one statement which was we

14 did not consider it, I guess, important enough

15 or significant enough to put into this 4Q letter

16 to shareholders.

17 How do you make the determination as

18 to whether something is significant enough to

19 put into the shareholder letter?

20 MR. CHESLER: Objection to the form.

21 THE WITNESS: I mean, generally

22 speaking, it has to pass a financial

23 materiality threshold where it is more than,

24 let's say, a few percent impact on the total

25 financials of the company.

Page 69

1 BY MR. BARON:

2 Q And at this point did you do some

3 analysis to see whether or not the redeployment

4 that you were doing thus far in fourth quarter

5 of 2017 was financially immaterial?

6 A We did not think it was financially

7 immaterial.

8 Q Was there some analysis that did that?

9 A We thought it was de minimus and

10 really not warranting an analysis at the time.

11 MR. BARON: We are going to take a

12 break now. I will remind you that under

13 Delaware rules, you are not allowed to

14 discuss the deposition or the substance of

15 the deposition with your counsel during the

16 breaks.

17 VIDEOGRAPHER: This marks the end of

18 media Number 1. Going off the record at

19 11:10 a.m.

20 (Recess taken.)

21 VIDEOGRAPHER: This marks the

22 beginning of media Number 2. Going back on

23 the record at 11:25 a.m.

24 BY MR. BARON:

25 Q As you were walking out after we went

Page 70

1 off the record, you said something about
 2 somebody being "reprehensible." What were you
 3 talking about?
 4 A Oh, I thought you were reprehensible.
 5 Q For what?
 6 A For attacking sustainable energy.
 7 Just, you seem like a very, very bad person.
 8 Just a bad human being. And I hope you come to
 9 regret your actions in the future, but you
 10 probably won't. And that's sad.
 11 Q So on your fourth quarter -- let me
 12 make sure. I want to make sure.
 13 Did you heed my admonition as to not
 14 discuss the deposition with your counsel during
 15 the break?
 16 A I know that you're not supposed to
 17 discuss the deposition during the break, and I
 18 did not.
 19 Q Now, in the same discussion on the
 20 fourth quarter 2017, you also in your letter
 21 said: We expect growth to resume later this
 22 year.
 23 Do you see that?
 24 MR. CHESLER: Sorry. Where are we?
 25 MR. BARON: Again it's on that same

Page 71

1 paragraph where it talks about 87 megawatts
 2 being deployed in that quarter. So it's
 3 under "Advanced Sustainable Energy," about
 4 the fifth paragraph down.
 5 THE WITNESS: Yes.
 6 BY MR. BARON:
 7 Q Do you see at the end it says: We
 8 expect growth to resume later this year.
 9 Do you see that?
 10 A Yes.
 11 Q Is that because as of the end of
 12 fourth quarter 2017, you did not expect to be
 13 deploying any more solar employees to the
 14 Model 3 program?
 15 A The fourth quarter of 2017 update is
 16 actually published in 2018. So this would
 17 represent more the situation in 2018, even
 18 though this report is -- the financials are for
 19 2017, but this report is issued in 2018.
 20 Q So as of the time that this was issued
 21 in 2018, were you of the opinion that you were
 22 no longer going to be needing to deploy
 23 SolarCity employees or solar employees to the
 24 Model 3 program?
 25 A No.

Page 72

1 Q Okay. How -- what was the basis for
 2 you to put in this that you expected to grow
 3 later this year? And by that I assume you mean
 4 by end of 2018?
 5 A Right, end of 2018.
 6 Q What was your basis for saying that if
 7 you did not believe that you had ended your
 8 deployment of SolarCity folks to Tesla Model 3
 9 program?
 10 A At the time we did not realize the
 11 full gravity of the difficulties with the
 12 Model 3 program. It took us awhile to
 13 understand the scale of these difficulties.
 14 As I said, we were in uncharted
 15 territory. So many times we thought we were on
 16 a good track with Model 3 and, unfortunately, we
 17 were not. We would discover yet another issue
 18 that we did not know about.
 19 You do realize that it's been a
 20 century, a century since any American carmaker
 21 has reached volume production. One hundred
 22 years, that's how hard it is. Many have tried;
 23 they all failed.
 24 And here you are attacking a company
 25 that has done this, done this good thing for the

Page 73

1 United States, ultimately something that
 2 benefits you and the world.
 3 Q To bail out SolarCity?
 4 A You are a shameful person.
 5 Q To bail out SolarCity was good for the
 6 world you're telling us?
 7 A Advancing solar is absolutely good for
 8 the world.
 9 Q They were all --
 10 A Do you just think about -- do you just
 11 think about money? Is that your motivation?
 12 What is your purpose in life?
 13 Q My purpose is to try to get honest
 14 answers out of you, Mr. Musk. I've not been
 15 successful thus far.
 16 A Why do you do anything?
 17 Q Let's go on.
 18 A What motivates you? Is it money?
 19 Q So --
 20 A Is that the only thing?
 21 Q What motivates me now is to try to
 22 actually get honest answers from you, Mr. Musk.
 23 So let's see if we can achieve that.
 24 A You should ask yourself this question.
 25 Q I'm answering your question, but let's

Page 74

1 try to move on.

2 A You should think about it. Why do you

3 do anything? What is the purpose of life?

4 Q So let's move on.

5 A What's good for the world, and is what

6 you're doing good for it or not?

7 MR. BARON: I'm going to mark as

8 Exhibit 9 the Tesla first quarter 2018

9 shareholder update.

10 (Exhibit 9 was marked.)

11 BY MR. BARON:

12 Q Before I focus on this, help me out on

13 your earlier statement that the reason that

14 megawatts deployed has been trending down since

15 the acquisition of SolarCity is because you --

16 because you took everyone off of SolarCity and

17 put them on the Model 3. That was your words.

18 A No, no. I said everyone that could

19 reasonably be deployed. My -- my instructions

20 were: Over time, not immediately, but over time

21 to apply everyone that could reasonably be

22 applied to the Model 3 program from solar and

23 from every other part of the company, not just

24 solar, to work on the Model 3 program because if

25 we did not solve the Model 3 program, if we did

Page 75

1 not solve scale production of car manufacturing,

2 which no new company has sold for a century,

3 then Tesla would die.

4 This was the right decision for the

5 company, obviously.

6 Q So at some point in time between Q3

7 2016 and Q1 2019, you, in fact, did take

8 everyone who could possibly be taken off solar

9 and put them on the Model 3 program; correct?

10 A Those were my instructions. My

11 instructions are followed to some degree but not

12 fully. This is the nature of a large company.

13 Q Do you know whether or not they were

14 followed?

15 A They were followed to some degree.

16 Q By when did it actually take place

17 that everyone who could be taken off of solar

18 was placed on Model 3?

19 Give me a time frame by when that had

20 actually taken place.

21 A This is just -- this is an estimate

22 because obviously I do not have ESP. So I only

23 know what people around me have said or if I

24 receive an email or text or something like that,

25 or perhaps I can do a best guess situation.

Page 76

1 But the most dire period for Model 3

2 was around -- it was basically early to mid

3 2018. So like last year, I would say that

4 probably second quarter last year was the most

5 dire period for Model 3, although there were

6 many dire periods.

7 Q So by the time you were in the most

8 dire period, was it your belief that your

9 employees had done what you asked and moved

10 everyone who could be moved off of solar on to

11 Model 3?

12 A Yes. But it's important to

13 appreciate, when there is a company that's sort

14 of over 40,000 people, just because you're the

15 CEO does not mean what you ask for exactly

16 happens.

17 And, in fact, sometimes bizarrely,

18 what you ask for, the opposite can happen or

19 something orthogonal or approximately what you

20 asked for.

21 So you may think things are one way

22 but they are actually another way. This is the

23 way it goes.

24 Q Did you ever learn that your

25 instructions to redeploy everyone who could be

Page 77

1 redeployed to the Model 3 did not get carried

2 out?

3 A I'm not aware of anything.

4 Q Okay.

5 A It wasn't just redeployment from

6 solar, it was also redeployment from solar

7 storage -- I mean energy storage. So the power

8 pack redeployed from Model S and X, from other

9 vehicle programs, from other future programs. I

10 mean at various points, we even had the legal

11 team delivering cars.

12 THE WITNESS: Jonathan, remember that?

13 MR. CHANG: I do.

14 THE WITNESS: More than once.

15 The point which you're redeploying

16 literally the legal team and the HR

17 department and the finance department to

18 deliver cars, you're in effect redeploying

19 the solar team as well.

20 BY MR. BARON:

21 Q On Page 3 of what I've marked as

22 Exhibit 9, do you see under, "Advanced

23 Sustainable Energy," the second paragraph talks

24 about: We also deployed 76 MW of solar energy

25 generation.

Page 78

1 Do you see that?

2 A Which one?

3 MR. CHESLER: It's the third paragraph

4 under "Advanced Sustainable Energy."

5 THE WITNESS: Yes.

6 BY MR. BARON:

7 Q Again -- so that again is consistent

8 with what we have on the chart for Q1 2018;

9 correct? It's again Exhibit 2.

10 A Yes.

11 Q Is that right?

12 A Yes.

13 Q And, again, you indicate that the

14 decline was due to the decision to shutter

15 certain sales channels and market segments.

16 Do you see that on the paragraph

17 directly below?

18 A Yes.

19 Q Again, there was no disclosure over

20 the fact that you were redeploying and

21 redeploying people from solar to Model 3;

22 correct?

23 A Correct. But, I mean, there were also

24 no disclosures on the fact that we redeployed

25 the finance team, the legal team, the HR team,

Page 79

1 the power wall team, the Model S and X team to

2 help with Model 3 as well.

3 Q Was the drop again from -- let's --

4 the drop from Q3 2016 to Q1 2018, which was from

5 189 down to 76 at this point, was that caused in

6 any part, or any material part, due to the

7 redeployment of solar employees to the Model 3

8 program?

9 A Yes. Of course in some part.

10 Q Okay.

11 A I mean, obviously there are three

12 parts to this: There is exiting commercial

13 industrial installations; there is exiting

14 certain sales channels, and there was

15 redeployment to the Model 3 program.

16 Every point that we thought would be

17 temporary ended up lasting longer than we

18 expected.

19 Q In the first quarter of 2018, you

20 disclosed to your shareholders that you

21 shuttered certain sales channels and that there

22 was decisions to alter market segments.

23 But, again, there was no decision to

24 discuss that you were redeploying as a cause for

25 the drop now down to 76 megawatts.

Page 80

1 Is there a reason you chose not to do

2 so?

3 A I mean, there's limited space for what

4 we can put out in an earnings letter.

5 Q Really? So that extra phrase -- that

6 extra sentence was beyond the capacity of Tesla

7 to write a sentence: And we are redeploying our

8 employees from solar to the Model 3?

9 A I think if you were to take a look at

10 the earnings transcripts of the earnings calls,

11 I suspect you would find comments to that

12 effect.

13 Q Okay. But it wasn't because it was

14 not possible for Tesla to add another sentence

15 to this paragraph; correct? That was within

16 Tesla's capabilities?

17 A We could have added, I guess, an extra

18 sentence. But you can make that argument for

19 any extra sentence and then you would have a

20 book. So I think it's a silly point that you're

21 making.

22 Q Okay. Now --

23 A But you said you wouldn't interrupt

24 me, sir, did you not?

25 Okay. You can't include everything,

Page 81

1 obviously, in an earnings letter. And if you

2 can make the "can't you add just one more

3 sentence" argument, you can make that for every

4 sentence and then you can have a book.

5 However, if you look at the earnings

6 transcript, I'm quite confident you will find

7 repeatedly that I say we're redeploying every

8 available asset to the Model 3 over and over

9 again.

10 Q Did you make a determination that the

11 amount of the redeployment of the Model 3 as to

12 first quarter 2018 was not, using your phrase,

13 financially material enough to disclose?

14 A As I said, if you look up the earnings

15 transcript, I think you'll find many comments

16 where we're clear we're redeploying every asset

17 including people that are normally considered

18 not in the direct operating line of the company

19 towards the Model 3.

20 Q My question was, and I'll ask it

21 again: Did you make a determination for the

22 first quarter 2018 that the amount of

23 redeployment from solar to Model 3 was not

24 financially material?

25 A Yes, I think we probably thought it

Page 82

1 was not financially material.
2 Q Let's go to second quarter 2018.
3 MR. BARON: We'll mark this as
4 Exhibit 10, please.
5 (Exhibit 10 was marked.)
6 BY MR. BARON:
7 Q So on your -- your deployed megawatts
8 were 84 as of Q2 2018. Do you see that? And
9 that is on, again, the third page under "Energy
10 Products," third paragraph.
11 A Yes.
12 Q That's consistent with what is on the
13 chart that I have before you; correct?
14 A Right.
15 Q Now, as of -- earlier you said that
16 you believed that by 2Q 2018 you believed that
17 all of your directive to deploy everyone who
18 could be deployed on to the Model 3 had been
19 done.
20 Is that still your testimony?
21 MR. CHESLER: Objection to the form of
22 the question.
23 THE WITNESS: Yes. This is not saying
24 everyone was redeployed, but everyone who
25 could reasonably be redeployed, those were

Page 83

1 my instructions. I assume that that's what
2 occurred.
3 BY MR. BARON:
4 Q And as of Q2 2018, this is the time
5 when you thought was perhaps the most critical
6 problem with the Model 3; correct?
7 A If one is to pick a worst quarter,
8 it's probably that one.
9 Q And, again, so as of 2Q 2018, is it
10 still your view that the redeployment of
11 everyone who could be redeployed to Model 3 is
12 still not financially material?
13 A To Tesla as a whole?
14 Q Yes.
15 A Probably not. However, as I said, we
16 were clear on many occasions that we were
17 redeploying resources throughout the company,
18 which of course meant solar, including solar, to
19 the Model 3 program. So this was disclosed.
20 Q Again, the -- was there an actual
21 decision to not include the redeployment of
22 solar employees to Model 3 in the Q2 2018
23 update?
24 A Well, obviously if I say it that we
25 are applying all resources that we can to the

Page 84

1 Model 3 program, that would be inclusive of
2 solar.
3 Q You don't use that as a reason that
4 your megawatts did not grow substantially;
5 correct?
6 A There were many parts of the business
7 that suffered in order to make the Model 3
8 program succeed.
9 MR. BARON: Let's move to -- so I can
10 have this right, can I have Q3, Exhibit 11?
11 (Exhibit 11 was marked.)
12 BY MR. BARON:
13 Q Now, just so that -- I just want to
14 make sure we have this right, which is you agree
15 with me that on Page 3 under "Energy Products,"
16 you now disclosed that you deployed 93 megawatts
17 of solar energy power; correct?
18 A Yes.
19 Q Why did it tick up between Q2 and Q3?
20 A I'm not sure.
21 Q But you were still deploying solar
22 folks to Model 3 during this time period;
23 correct?
24 A Yes, probably -- yes. Yes, we were.
25 Yes.

Page 85

1 MR. BARON: Let me have Q4, 2018,
2 please.
3 Can you mark the Q4 2018 shareholder
4 letter as Exhibit 12?
5 (Exhibit 12 was marked.)
6 BY MR. BARON:
7 Q Do you recognize this as the
8 shareholder letter that was on your website
9 signed by you for Q4 and for year 2018?
10 A Yes.
11 Q If you look, again, under "Energy
12 Products," the fourth full paragraph.
13 Do you see that? Page 3.
14 A Yes.
15 Q This shows your lowest ever megawatts
16 deployed, correct, 73?
17 A Yes.
18 Q And, again, a number that's
19 substantially below not only where you started
20 but substantially below what was told to
21 shareholders was expected by both SolarCity
22 management case and the revised sensitivity
23 case; correct?
24 A Yes.
25 Q And what was the cause of the decrease

22 (Pages 82 - 85)

Page 86

1 from 93 to 73 if you had already deployed
 2 everyone who could be deployed on the Model 3?
 3 A I'm not sure of that exact -- I'm not
 4 sure.
 5 MR. BARON: Can we have again the last
 6 quarter -- the last published quarter, which
 7 is Q1 2019. Let's mark this as Exhibit 13.
 8 (Exhibit 13 was marked.)
 9 BY MR. BARON:
 10 Q Now, as of the last quarter reported,
 11 you can see that on the fourth page, which is
 12 just a description of results, do you see that
 13 it says that your megawatts fell from 73 to
 14 47 megawatts?
 15 Do you see that?
 16 A Mm-hmm.
 17 Q It's on Page 4.
 18 A Yes.
 19 Q Okay. So that is by far the lowest
 20 ever megawatts deployed; correct?
 21 A Yes.
 22 Q That's -- as a snapshot, that is not
 23 good for a solar business; correct?
 24 MR. CHESLER: Objection to the form.
 25 BY MR. BARON:

Page 87

1 Q As of --
 2 A I think that's not -- that's bad. I
 3 agree.
 4 Q And can you tell me what caused the
 5 drop between 73 now to the lowest point ever,
 6 47, in between Q4 2018 and Q1 2019?
 7 A Well, there's for sure seasonality in
 8 solar installations. You can't just install
 9 solar in the middle of a blizzard.
 10 So it is typical for Q1 to be less
 11 than Q4 by a significant margin, and that's been
 12 the case in the past.
 13 If you go from Q4 2016 to Q1 2017, you
 14 see that Q1 2017 is a third higher than Q4 2016,
 15 for example.
 16 So you would expect some seasonality
 17 to take effect. Despite seasonality, this is
 18 still worse than it should be.
 19 Q But that wasn't -- by that point in
 20 time, again, everyone who could have been
 21 deployed to Model 3 had been deployed; correct?
 22 A Yes.
 23 Q So let's look at some other factors
 24 that affected growth overall. The first was
 25 that the growth was -- let me withdraw that for

Page 88

1 a moment.
 2 Are you familiar with what are ITCs?
 3 A Investment tax credits?
 4 Q Yes. Are you aware of the import of
 5 investment tax credits to the solar business or
 6 to solar installations?
 7 A I mean, generally when the cost of
 8 something increases as a result of, say, some
 9 type of action like a tax or credit change, then
 10 one would expect the demand to decrease because
 11 affordability is worse.
 12 Q You understood that the ITC program
 13 was being phased out dramatically at the time
 14 that you acquired SolarCity; correct?
 15 MR. CHESLER: Objection to the form.
 16 THE WITNESS: I mean, I'm aware that
 17 the investment tax credit had a phase down.
 18 This was common knowledge.
 19 BY MR. BARON:
 20 Q And it's fair to say that the phase
 21 down of the ITC also affected the megawatts
 22 deployed as well; correct?
 23 A I guess that played a role. I mean, I
 24 personally have been focused on the Model 3
 25 program because in the absence of getting that

Page 89

1 right, Tesla is dead. And that remains true.
 2 So we continued to have challenges in
 3 Q1 2019, again, as is well documented.
 4 Q You expected -- you expected at the
 5 time of the acquisition that the ITC phase down
 6 would, in fact, reduce demand; correct?
 7 A No. What I expected was that we would
 8 need to improve the cost of installation. The
 9 total cost of a solar installation would need to
 10 improve at a rate faster than the tax credit
 11 reduction.
 12 The tax credit reduction -- and I do
 13 largely agree with this -- should not be --
 14 well, a significant -- there's -- a significant
 15 tax credit should not be a long-term thing.
 16 Probably a minor tax credit or
 17 moderate tax credit should be a long-term thing
 18 in order to price the CO2 capacity of the oceans
 19 and atmosphere, because when you have an
 20 unpriced externality, the free market system
 21 does not work effectively.
 22 You must price in externalities. And
 23 this is an unpriced externality.
 24 So in a way you can think of the tax
 25 credit as pricing in something that should be

Page 90

1 priced in by the market but it's not.
 2 Q SolarCity, before it was acquired by
 3 Tesla -- and you were chairman of SolarCity
 4 prior to being acquired; correct?
 5 A Yes.
 6 Q Okay.
 7 A Although I have to say that it was
 8 difficult to do a good job as a chairman because
 9 of the challenges that Tesla was facing.
 10 Q Okay. You understood that as the
 11 business model that SolarCity had, at least
 12 prior to being acquired by Tesla, it
 13 acknowledged that its business depends on the
 14 availability of rebates and tax credits and
 15 other financial incentives; correct?
 16 MR. CHESLER: Objection to the form.
 17 THE WITNESS: No, I don't think it's
 18 fundamentally dependent on it, provided that
 19 the cost -- the total cost of installation
 20 improves over time at a rate faster than the
 21 tax credit declines.
 22 BY MR. BARON:
 23 Q This is why I'm at least trying to be
 24 specific, so that I don't get accused of
 25 misleading you.

Page 91

1 At the time that it was SolarCity and
 2 you were the chairman of SolarCity --
 3 A Yes.
 4 Q -- prior to the acquisition of Tesla,
 5 it is a fair statement --
 6 A By Tesla.
 7 Q By Tesla. It's fair to say that the
 8 business currently depended on the availability
 9 of rebates, tax credits and other financial
 10 incentives; correct?
 11 MR. CHESLER: Objection to the form.
 12 THE WITNESS: I think the demand at
 13 that time did depend on the tax credit. But
 14 the obvious thing that was expected was to
 15 improve the total cost of installation, all
 16 things considered, faster than the tax
 17 credit were declining.
 18 And, unfortunately, we had a massive
 19 distraction in the form of the Model 3
 20 program; had to go solve that or it was all
 21 going to be over.
 22 It would have been bad if we didn't
 23 solve the Model 3 program. It would have
 24 been game over for the whole company. So we
 25 had to do everything we could. It's not

Page 92

1 fully solved, but we're close. It's close.
 2 This is why like -- you know, I guess
 3 I can sort of understand why you would want
 4 to pursue this case in the beginning, but
 5 you will discover later this year that it's
 6 not been a good use of your time because you
 7 will see a dramatic increase in solar
 8 installations. That is my prediction.
 9 BY MR. BARON:
 10 Q At the time of the acquisition, the
 11 Model 3 program had started; correct?
 12 A Yes. Well, barely.
 13 Q But, in concept, you were already
 14 working on the Model 3?
 15 A Sure. But like I said, making a small
 16 number of cars, this is like the -- this is the
 17 great misunderstanding -- the tragic
 18 misunderstanding, or lack of awareness, you
 19 know, of manufacturing difficulty.
 20 I would extend that lack of awareness
 21 of manufacturing difficulty to myself and the
 22 team. We thought it would be hard, but it was
 23 harder than that.
 24 There is a reason all those companies
 25 went bankrupt trying to scale automotive

Page 93

1 production. The sheer amount of pain we went
 2 through is unreal.
 3 Q At the time that you were starting the
 4 Model 3 program, did you think it was a
 5 bet-the-company kind of a prospect?
 6 A Yes. In fact, I stated that publicly.
 7 Q When was that? Give me a time frame
 8 so that we're together.
 9 MR. CHESLER: When he made the
 10 statement or when he made --
 11 MR. BARON: Actually, that's a fair
 12 point. Thank you.
 13 Q When is it that you first realized
 14 that the Model 3 program was a bet-the-company
 15 kind of proposition?
 16 A I thought that was always the case.
 17 Q So starting when? Just so that I have
 18 a frame of reference.
 19 A I thought several things about the
 20 company's decisions. And it's obviously one --
 21 this is -- for me to state this is like stating
 22 the sun will come out tomorrow. Because if no
 23 company has never reached volume production
 24 of -- high volume production of a car in 100
 25 years, then obviously it is about the company

Page 94

1 decision.

2 But I mean, I said this on many

3 occasions. I'm not sure the first time I said

4 it, but it would have been for years.

5 Q Was it, you know, the end of 2015, the

6 beginning of 2016? Just -- I just want to --

7 A I think probably whenever the topic

8 came up.

9 Q Give it -- when do you think the time

10 frame -- when is it that you first knew that the

11 Model 3 program was going to be a

12 bet-the-company kind of a concept?

13 A I think probably from the beginning of

14 Tesla I would have thought this. Obviously.

15 Why wouldn't --

16 Q Sorry.

17 A My apologies. I don't mean to

18 interrupt you because I said I would not.

19 Q The Model 3 wasn't your original idea,

20 though. The Model 3 came after the Model S;

21 correct?

22 A No, the Model 3 was always the intent

23 of Tesla from the very beginning.

24 Q Okay.

25 A I wrote in 2006 the master plan for

Page 95

1 Tesla and step 3 was an affordable car, at least

2 reasonably affordable. It's not as affordable

3 as we would like.

4 Q So -- but as -- by the time that you

5 started considering buying SolarCity, you were

6 aware that the Model 3 program was going to be

7 significantly and potentially be a

8 bet-the-company kind of a program; correct?

9 A I think, yes. I mean, I knew this

10 from the beginning of Tesla. Anyone who thought

11 about it for a second would know this too. Not

12 only was the Model 3 a bet-the-company decision,

13 so was the first car we made, the Roadster, and

14 so was the Model S.

15 The Model X was not a bet-the-company

16 decision because the relative scale was not --

17 you know, it wasn't a 10x increase in output.

18 Obviously, the first car you make --

19 obviously the first product you make is

20 obviously a bet-the-company decision. Then if

21 you try to scale something going from the

22 Roadster at roughly 500 cars a year to the

23 Model S, which started off at around 20,000 cars

24 per year, if you have something which increases

25 by a factor of 40, that's obviously a

Page 96

1 bet-the-company decision.

2 And then if you go to something which

3 was, you know, sort of a -- Model S started out

4 as a 20,000 unit per year rate. Ultimately it

5 got up to about 40 to 50,000 units a year. But

6 then you embark upon a program aspiring to

7 400,000 cars a year, it's necessarily a

8 bet-the-company decision.

9 Q I want to go back to the idea of the

10 ITCs. In the analysis that -- in the

11 discussions that were contained in the proxy and

12 the projections in the proxy, the ITCs were

13 included therein, correct, as a projection for

14 what could be achieved?

15 MR. CHESLER: Objection to the form.

16 MR. BARON: That's a horrible

17 question. I apologize. Let me fix it.

18 Q So in the projections that were

19 provided to shareholders in connection with

20 seeking approval of the acquisition of

21 SolarCity, those contained benefits from the

22 ITCs; correct?

23 A Yes.

24 Q Okay. And also in connection with

25 that shareholder vote and the S4, because there

Page 97

1 was stock issued, you included a number of risk

2 factors.

3 Do you recall that?

4 A These risk factors are always included

5 in public companies. I mean, they generally are

6 on the side of extreme conservatism, but yes.

7 Q But in there you identified the risk

8 factors for both Tesla and SolarCity are the

9 risk factors that -- included in there are risk

10 factors that were set forth in SolarCity's

11 public filings.

12 Do you recall saying that?

13 I can show it to you. It's just a

14 foundational question. I want --

15 A It's water under the bridge. My

16 memory isn't perfect, that's for sure.

17 Q Okay. It's fair to say, though, that

18 shareholders of Tesla who agreed to the

19 acquisition, had they traced back the risk

20 factors would have been -- would have known that

21 it was, in fact, a risk factor that if the ITCs

22 went away, that could be detrimental to the

23 business; correct?

24 MR. CHESLER: Objection to the form.

25 THE WITNESS: It's for sure

<p style="text-align: right;">Page 98</p> <p>1 detrimental to the business if we do not</p> <p>2 improve the cost of installation, the total</p> <p>3 cost of installation at a rate faster than</p> <p>4 the ITC credit reduction.</p> <p>5 Just sort of stepping back here for a</p> <p>6 second. I mean it when I say I think you</p> <p>7 guys are wasting your time here. I would</p> <p>8 recommend you don't apply more resources to</p> <p>9 this until end of the year or later because</p> <p>10 you will see a dramatic increase in the</p> <p>11 megawatts deployed. That's my prediction.</p> <p>12 Maybe I'm wrong, but that's my</p> <p>13 prediction right now. Then this will look</p> <p>14 all quite silly and then you will have</p> <p>15 wasted your time and everyone else's. And</p> <p>16 it's just like why? Life is short. There's</p> <p>17 better things to do.</p> <p>18 BY MR. BARON:</p> <p>19 Q So was there a plan -- was there some</p> <p>20 plan that actually did what you just said which</p> <p>21 said, this is what we're going to lose in ITCs;</p> <p>22 this is what we have to make up in costs and we</p> <p>23 can do that by doing the following?</p> <p>24 Is there a plan somewhere that I have</p> <p>25 missed in the 2 million documents that have been</p>	<p style="text-align: right;">Page 100</p> <p>1 that for the SolarCity acquisition to be a</p> <p>2 viable acquisition, there had to be a means by</p> <p>3 which there was a cost-cutting plan that equaled</p> <p>4 or exceeded the benefits to the ITC that were</p> <p>5 going away; correct?</p> <p>6 MR. CHESLER: Objection to the form.</p> <p>7 Misstates the testimony.</p> <p>8 MR. BARON: No. I'm asking a</p> <p>9 question.</p> <p>10 Q I don't care whether you said that or</p> <p>11 not. I want to know whether it's true.</p> <p>12 Do you agree that at the time of the</p> <p>13 acquisition, Mr. Musk, for it to make any sense,</p> <p>14 people had to be sure that there was a</p> <p>15 cost-cutting program that could equal or exceed</p> <p>16 the benefits to the ITC program?</p> <p>17 MR. CHESLER: Objection to the form.</p> <p>18 BY MR. BARON:</p> <p>19 Q That's the only way it makes sense;</p> <p>20 right?</p> <p>21 MR. CHESLER: Objection to form.</p> <p>22 THE WITNESS: No. You're sort of</p> <p>23 stating the question in a sort of trickstery</p> <p>24 way. You can't be sure of these things.</p> <p>25 How can you be sure of these things?</p>
<p style="text-align: right;">Page 99</p> <p>1 produced in here that actually sets that forth?</p> <p>2 MR. CHESLER: Objection to form.</p> <p>3 THE WITNESS: I mean, I've been quite</p> <p>4 distracted with this Model 3 program, at the</p> <p>5 risk of like mentioning the word "Model 3"</p> <p>6 too many times.</p> <p>7 Man, I got major scar tissue in the</p> <p>8 brain from the Model 3 program. That was a</p> <p>9 hard one.</p> <p>10 So the principle that the total cost</p> <p>11 of installation needs to decline faster than</p> <p>12 the investment tax credit decline is</p> <p>13 obvious.</p> <p>14 But as we talked about, we had this</p> <p>15 very difficult distraction with the Model 3</p> <p>16 program. It's not over yet, but I think it</p> <p>17 will be over soon. And then we can apply a</p> <p>18 lot of attention to the solar system and we</p> <p>19 can get the costs down, and this will be a</p> <p>20 dramatic turnaround.</p> <p>21 So here you have it on record. Let's</p> <p>22 see what happens.</p> <p>23 BY MR. BARON:</p> <p>24 Q My concern is at the time of the</p> <p>25 acquisition, it was well known to you at least</p>	<p style="text-align: right;">Page 101</p> <p>1 How much are you sure of? Probably</p> <p>2 shouldn't be sure of a lot because, I mean,</p> <p>3 hopefully the sun rises tomorrow. It's</p> <p>4 likely, but it's not certain.</p> <p>5 So -- well, that is one of the more</p> <p>6 certain things. But predicting the outcome</p> <p>7 of businesses and, you know, acquisitions,</p> <p>8 you know, if that's -- if the requirement</p> <p>9 for doing so is that you bat 1,000, then</p> <p>10 there will be no acquisitions.</p> <p>11 The same goes for starting any company</p> <p>12 or trying to grow any company or trying to</p> <p>13 launch a new product, that comes with a lot</p> <p>14 of risk and a lot of unknown and you make</p> <p>15 these decisions and you do your best and</p> <p>16 hopefully it's a good outcome.</p> <p>17 And it's a very difficult and arduous</p> <p>18 thing to make electric cars and do solar</p> <p>19 power. And fighting all these incumbent</p> <p>20 interests that are very powerful, but it's a</p> <p>21 very important thing for the world. We need</p> <p>22 to accelerate this advent of sustainable</p> <p>23 energy or it's going to be bad for all of</p> <p>24 earth. We have to do it. We have to do it</p> <p>25 even though it's very difficult and it's</p>

26 (Pages 98 - 101)

Page 102

1 very hard. So that's what we have to try to
2 do.
3 And we have to temporarily focus on
4 the car because, otherwise, Tesla would go
5 bankrupt and then there would not be
6 anything.
7 Now, we're almost through with the car
8 difficulties, with the Model 3 difficulties.
9 Just a little bit longer and then we can
10 focus on the solar, and you'll see a
11 dramatic turnaround. And my guess is like
12 quite dramatic before this year is over.
13 That's what will occur in my opinion.
14 I'm not certain of it, but I would say
15 I have pretty high confidence.
16 BY MR. BARON:
17 Q Okay. So let's go with the "pretty
18 high confidence" phrase, since we can't be
19 certain of anything.
20 At the time that you -- at the time
21 that you were -- that Tesla was acquiring
22 SolarCity, for it to make sense as an
23 acquisition, somebody had to be -- what was the
24 phrase that you said -- have pretty high
25 confidence that they would be able to cut costs

Page 103

1 equal or exceeding the amount of loss from ITC
2 credits; correct?
3 MR. CHESLER: Objection to the form of
4 the question.
5 BY MR. BARON:
6 Q I'm trying to be untricky.
7 A The principle, of course, is true.
8 The principle, of course, is true. I stated
9 that myself. But the nature of these things is
10 you have to apply a lot of resources to get the
11 costs down. It's not like some simple thing.
12 You know, and it ends up being like
13 sort of a game of pennies. And you chip away at
14 it. It's not somebody accidentally put a brick
15 of gold in the solar panel, and if you just got
16 rid of that brick of gold, that would really
17 improve the costs. It's not like that.
18 It's chiseling away at pennies,
19 fractions of a penny; takes a lot of effort, a
20 lot of hard work. And that's what ultimately
21 results in improving the efficiency of the
22 system.
23 And it's easy to sort of try to come
24 up with some sort of pithy description of what
25 makes things lower cost. For example, with

Page 104

1 Henry Ford, people say, oh, he got the moving
2 production line and that's why the Model T
3 dropped in cost so dramatically. That was not
4 the reason.
5 The actual explanation, which is worth
6 reading, is much more complicated than that.
7 And it required immense effort; many innovative
8 ideas; a lot of people working incredibly hard;
9 changing the way people even thought about
10 production in so many ways.
11 This is what we'll have to do with
12 solar. And we have a lot of good people at
13 Tesla. And now we'll swing things in the other
14 direction.
15 So just as we took solar resources and
16 applied them to the Model 3, we will take
17 Model 3 resources and apply them to solar.
18 Q At the time of the acquisition, there
19 was no specific plan as to how you would
20 actually be able to cut costs to offset the
21 losses in the ITC; correct?
22 MR. CHESLER: Objection to the form.
23 BY MR. BARON:
24 Q An actual plan as opposed to just an
25 idea?

Page 105

1 MR. CHESLER: Same objection.
2 THE WITNESS: I mean, I think there
3 was some plan. But it's sort of like the --
4 you know, it's like Helmuth Moltke said, I
5 think it's the start of war, the first thing
6 that happens is your plan is wrong. So if
7 that's the first thing that happens is you
8 discover your plan is wrong, so --
9 BY MR. BARON:
10 Q I'm sorry.
11 A It's like -- so you have the plan and
12 then it's wrong. This is like -- the reality of
13 the successive iteration, and sometimes two
14 steps forward, one step back. I really hate it
15 when it's two steps forward and three steps
16 back. This happens as well.
17 But you gradually sort of chip away at
18 it; a lot of work. And then that's how you
19 actually make things more efficient. It's not
20 some sort of, you know, plan, it's -- you don't
21 know what these things are until you -- at a
22 detailed level until you actually attack them.
23 And usually you find out that your
24 initial assumptions are wrong. In fact, you
25 always find out your initial assumptions were

27 (Pages 102 - 105)

Page 106

1 wrong. And then you keep at it and keep at it.
 2 And a lot of smart people tackle the problem,
 3 and eventually over time you make it cost less.
 4 And we're just too distracted with the
 5 Model 3 program to do that for solar. But if a
 6 plan, per se, is what -- the point I'm making is
 7 that this is -- this presupposes knowledge of
 8 all of the little things that you need to do to
 9 improve cost.
 10 It's not one thing; it's thousands of
 11 things that you don't even know until you try to
 12 solve them. And so until you apply a lot of
 13 smart people to the problem, it just does not
 14 get better.
 15 Now, I wish we had not had all of
 16 these difficulties with the Model 3 program, but
 17 we did. The shocking thing is that we're still
 18 alive. That's the shocking thing.
 19 And this is -- if you ask people
 20 before the Model 3 program, including all of
 21 these industry experts and these auto experts
 22 and, you know, these like ex-CEOs of big car
 23 companies, how many of them said we would
 24 succeed with the Model 3 program. Zero.
 25 As far as I know, zero. If there was

Page 107

1 someone who said we would succeed, I'm not aware
 2 of this person because they know how hard it is.
 3 Q Can I get back to my questions now?
 4 A Certainly.
 5 Q So my question was on the plan. You
 6 said there were. Did you ever see a written
 7 plan as to anybody who believed that there was a
 8 means by which they could cut costs to offset
 9 the loss in the ITCs? Did you ever actually see
 10 a --
 11 A Yes, I believe I did see some plan.
 12 But I don't put much stock in these things for
 13 the reasons I just explained.
 14 Q Who prepared that plan that you think
 15 you saw?
 16 A I assume it was the SolarCity
 17 management team. Who else would it be?
 18 Q So was that a plan that existed prior
 19 to the acquisition by Tesla of SolarCity?
 20 A Yes. I remember seeing many plans
 21 along the way from SolarCity to reduce the costs
 22 and I kept pressing them to do so.
 23 Q Was there ever a plan prepared by
 24 SolarCity -- I mean by Tesla management as to
 25 how they believed that they could actually

Page 108

1 achieve an offset to the ITC loss by cutting
 2 costs?
 3 MR. CHESLER: Objection to the form
 4 and lack of time frame.
 5 THE WITNESS: I mean, there was some
 6 things that we thought would be helpful such
 7 as selling solar through our stores because
 8 we already have the stores and we already
 9 have the expense of the stores.
 10 So adding some additional products to
 11 the stores would not significantly increase
 12 the cost. And so we would have like an
 13 extra product to sell through the stores,
 14 and that would for sure improve the cost of
 15 sales, which is one of the biggest -- in
 16 fact, this is one of the things I really
 17 don't like is that the cost of sales was
 18 higher than the cost of the solar panel.
 19 That's no good at all. You can't have
 20 that. So that's for sure a thing to
 21 improve.
 22 Yes.
 23 BY MR. BARON:
 24 Q So are you aware of a plan that was
 25 shared with the Tesla board of directors that

Page 109

1 said this is the plan that we believe will be
 2 able to offset the loss of ITCs? Is there a
 3 plan that was provided to that board?
 4 A I don't know about a plan -- the
 5 board -- was everyone on the board. I don't
 6 recall exactly. I know there were various plans
 7 presented. But for the reasons I mentioned
 8 earlier, I do not put much stock in these plans.
 9 The best laid plans of mice and men,
 10 as they say, do not materialize. What actually
 11 happens is you -- when you actually go to tackle
 12 the problem, you find out what the real issues
 13 are. You fight very hard, and you need a lot of
 14 smart people working very hard. And then that's
 15 how you actually solve it.
 16 These plans usually are not very
 17 important because the circumstances end up being
 18 different than you realized. But this is
 19 generally true. This is not something specific
 20 to solar, it's broadly true.
 21 Q Well, it's true that you as chairman
 22 of SolarCity at the time knew that the ITC
 23 credits or ITC program was going to be wound
 24 down; right?
 25 A It wasn't exactly top secret.

Page 110

1 Q It wasn't exactly top secret. And
 2 SolarCity, while you were chairman of SolarCity,
 3 never came up with a plan to offset those at the
 4 time?
 5 There was not a plan that anybody had
 6 that anybody believed would work that would
 7 offset the ITCs at the time; correct?
 8 MR. CHESLER: Objection to the form.
 9 THE WITNESS: No, I don't think so.
 10 BY MR. BARON:
 11 Q You think there was a plan that was
 12 working?
 13 A Yes. I do recall seeing many plans.
 14 Q Were they working?
 15 A I mean, SolarCity was doing okay at
 16 the time.
 17 Q And how do you define "okay"?
 18 A They were --
 19 Q They were better than they are doing
 20 now; I got you there. But they were bleeding
 21 cash; they had no cash flow from operations;
 22 they had huge debt.
 23 What do you mean they were doing --
 24 A So was Tesla, by the way.
 25 Q Well, a lot of people don't think

Page 111

1 Tesla was doing too good at the time either.
 2 A Right. Exactly.
 3 Q Or now.
 4 A Exactly.
 5 Q There you go.
 6 MR. CHESLER: I'm not sure what that
 7 was.
 8 MR. BARON: I'm not sure the purpose
 9 of that either.
 10 MR. CHESLER: I was only an observer,
 11 unlike you.
 12 THE WITNESS: Stop sledding up there.
 13 I tell you, if you look at that like a stock
 14 app on the iPhone, I call that the hate
 15 stream. Just one nonstop hate stream after
 16 another. I'm like, come on, guys, aren't
 17 you tired of this?
 18 BY MR. BARON:
 19 Q Let's move on to things that you did
 20 that you can tell me whether it contributed to
 21 the decline in megawatts at -- in the solar
 22 business after it was acquired.
 23 The first thing that happened in April
 24 of 2017 was you stopped doing door-to-door
 25 sales; correct?

Page 112

1 A I don't know if it was exactly April
 2 2017, but I did want to stop annoying people
 3 with this door-to-door sales thing. It seems
 4 like interrupting people at their homes is not
 5 good.
 6 Q And did you fire the door-to-door
 7 salesmen or did you redeploy them at the time?
 8 A I think some were redeployed and some
 9 were let go.
 10 Q Okay. Now, as annoying --
 11 A Sorry.
 12 Q As annoying as door-to-door salesmen
 13 are, I don't disagree with you --
 14 A Yes.
 15 Q -- that did provide some sales and and
 16 that did increase the megawatts for SolarCity;
 17 correct? I mean -- yes, for SolarCity.
 18 A It did, yes. So we knew there would
 19 be a short-term or at least some period of time
 20 hit on demand until we transitioned demand to
 21 hopefully go through our stores, and then to
 22 improve the online sales process and the
 23 customer referral program, which is kind of
 24 where you really want the demand to be driven.
 25 Q And then in June of 2018, you

Page 113

1 indicated that you were doing a couple of
 2 things, one is you were -- and this was in a
 3 tweet from you, that you were letting go of
 4 approximately 9 percent of your employees;
 5 correct?
 6 A Of salaried employees, yes, not of
 7 hourly.
 8 Q Okay. So of the folks that we were
 9 talking about redeployment, were engineers
 10 salaried?
 11 A Yes. With some exceptions, but yes.
 12 Well, yes. Not all engineers but most engineers
 13 are salaried.
 14 Q Management, is management salaried?
 15 A Yes.
 16 Q Okay. Are sales -- did you consider
 17 sales salaried?
 18 A Well, some sales have sort of
 19 commission elements. So it's not entirely
 20 salary. Some --
 21 Q In the 9 percent that you were laying
 22 off across the country in June --
 23 A Worldwide.
 24 Q Worldwide, sorry. That you were
 25 laying off in June, did those include sales

Page 114

1 folks?

2 A Yes, I think there was -- yes, I think

3 it did include sales folks.

4 Q Okay. And service, are service

5 salaried or some of them are and some are not?

6 A You mean -- service -- generally those

7 who are managers, generally do not have -- they

8 are on salary. And those who are -- if you're a

9 service technician, then you're hourly.

10 Q Of that 9 percent, some of them were

11 also SolarCity service folks?

12 A I do not -- I don't know specifically

13 what the exact numbers were. This -- I mean,

14 the larger point was we needed to reduce our

15 costs in order to break even --

16 Q But --

17 A -- across the company.

18 Q -- you'll acknowledge that by reducing

19 the number of employees that you have working in

20 solar, that is going to affect the ability for

21 the business to grow. It may be more

22 profitable, but it's not going to grow as much;

23 correct?

24 MR. CHESLER: Objection to form.

25 BY MR. BARON:

Page 115

1 Q Less sales, less salespeople, less

2 sales; that's not brain surgery?

3 MR. CHESLER: Objection to form.

4 THE WITNESS: No, I think that the --

5 actually, our Model 3 sales grew quite a bit

6 from Q2 last year to Q3 and Q4. And then we

7 had a lot of logistics challenges especially

8 in Q1 of this year and they declined.

9 BY MR. BARON:

10 Q So are you saying that the layoff of

11 9 percent of the worldwide workforce had no

12 effect on the SolarCity business or the

13 megawatts deployed?

14 A You keep trying to phrase these

15 questions in a tricky manner.

16 Q I don't know why. But if you can't

17 answer the question, I'll ask it again if you

18 think it's tricky.

19 A Because, I mean, you'll use

20 absolutisms, so like "no effect," for example,

21 which is silly. That's because, obviously, zero

22 is a small number. So probably had some small

23 effect. But did it have a big effect?

24 Certainly at the time this does not -- the

25 intent was not to -- neither the intent nor the

Page 116

1 expectation was that it would have a big effect

2 on solar.

3 But the attention was not on solar.

4 The attention was the Model 3 program, as I've

5 mentioned many times. So I was not

6 micromanaging the solar program; I was busy

7 micromanaging the Model 3 program. You can only

8 micromanage so much. It's not easy.

9 Q So as part of the 9 percent cut, that,

10 in fact, did sharply downsize the residential

11 solar business; isn't that correct?

12 MR. CHESLER: Objection to form.

13 THE WITNESS: No, I don't think --

14 there's something that was not intent or

15 expectation of downsizing the solar business

16 that I...

17 BY MR. BARON:

18 Q It also included the closing of about

19 a dozen installation facilities too as well;

20 right? Isn't that what happened when you

21 announced the 9 percent cut?

22 A I think -- by "installation

23 facilities," do you mean like warehouses? I

24 think that's what you mean. There were some

25 warehouses that I was told were not worth it and

Page 117

1 so we closed some warehouses. That's my

2 understanding.

3 I don't call them installation

4 facilities. They are storage places for solar,

5 you know, warehouses.

6 Q I'll show you where I got that from

7 and you can tell me whether it's wrong.

8 MR. BARON: Can I have the Reuters'

9 article?

10 THE WITNESS: God, not Reuters. They

11 are the worst.

12 BY MR. BARON:

13 Q You're welcome to tell me it's false.

14 A Reuters has written so many false

15 articles. They should get a medal.

16 MR. BARON: Can you mark this as --

17 THE WITNESS: Wait, give them the

18 Jayson Blair award. Remember that guy?

19 MR. CHESLER: I do.

20 THE WITNESS: Award for best fiction

21 in the news industry goes to Reuters. Send

22 them a trophy.

23 (Exhibit 14 was marked.)

24 BY MR. BARON:

25 Q So I have before you a Reuters'

Page 118

1 article from June 22nd, 2018. In the first
2 paragraph it says, if you can see: Electric car
3 maker Tesla Inc.'s move last week to cut
4 9 percent of its workforce will sharply downsize
5 residential solar business.
6 Is that a true statement or a false
7 statement?
8 A No. I mean, I was certainly not -- it
9 was certainly not my expectation or opinion that
10 it would sharply downsize residential solar.
11 Q So you think that is a false
12 statement?
13 A Yes.
14 Q Okay. And the second paragraph it
15 indicates, if you can see in the middle of the
16 first paragraph: It would include closing about
17 a dozen installation facilities.
18 Is that a true statement or false
19 statement?
20 A It's incorrect to call these
21 installation facilities. They are warehouses.
22 Q Okay. The third paragraph it says:
23 About 60 installation facilities remain open.
24 according to an internal company list reviewed
25 by Reuters. An internal company email named 14

Page 119

1 facilities slated for closure, but the other
2 list included only 13 of those locations.
3 Is that a false statement as there was
4 not closure of 13 or 14 facilities?
5 A I mean, I don't recall the exact
6 number. But I always thought that there were
7 warehouses that were not being useful. And, so,
8 you know, closing down warehouses that are not
9 useful seems like a good thing to do.
10 Q On the next page, second full
11 paragraph: The company also fired dozens of
12 customer service staffers at call centers in
13 Nevada and Utah.
14 Is that correct?
15 A Well, I mean, there were headcount
16 reductions throughout the company and this was
17 not -- so this was obviously not excluded.
18 Q Okay. So it's not incorrect?
19 A I don't know the exact number here or
20 whether this is actually an accurate statement
21 by Reuters because they've made so many
22 inaccurate statements.
23 But it stands to reason that if we're
24 making headcount reductions throughout the
25 company, that we would not specifically exclude

Page 120

1 solar customer service.
2 Q If you go to the next page, there is a
3 discussion about the Home Depot partnership
4 being terminated at the same time.
5 It is correct that you announced that
6 you were going to terminate the Home Depot
7 partnership, again around June of 2017 -- or
8 2018; correct?
9 A Yes, we wanted to exit the Home Depot
10 sales channel. It just didn't look good having
11 a Tesla sales, you know, sort of kiosk in Home
12 Depot. This was just sort of inconsistent with
13 sort of the way Tesla likes to operate.
14 We tried various ways to have the
15 solar sales at Home Depot look good and feel
16 good. But it's just too bleak in there because
17 there is no way.
18 And then also Home Depot was asking
19 for quite egregious terms on -- like the amount
20 that they wanted per solar sale was -- my
21 understanding was quite high. And thus, this
22 made it difficult to have affordable solar.
23 So the combination of those two things
24 seemed as though we should not be working with
25 Home Depot.

Page 121

1 Q So according to this article again, if
2 you go to the next page on the article where it
3 starts with, "High marketing costs."
4 It says that the partnership with Home
5 Depot accounted for about half of the sales of
6 solar systems.
7 Is that an accurate statement?
8 A Well, in this case they are saying
9 that some analyst thinks it's half of the sales.
10 I'm not sure if we thought it was half the
11 sales. I don't recall being told that it was
12 half the sales.
13 Q What percentage of the sales were
14 related -- came through Home Depot as far as you
15 understood?
16 A I don't recall the exact number. But
17 I thought it was closer to [REDACTED] or
18 something like that.
19 Q I'm sorry, I didn't --
20 A So -- but I don't recall an exact
21 number. But we thought those would probably
22 result in a short-term decline in sales, but one
23 that we could make up through selling solar
24 through the Tesla stores.
25 Q Okay. And before you made the

Page 122

1 decision to get out of the Home Depot market,
 2 did you actually get an analysis as to what
 3 percentage of the sales were going through it?
 4 Did you actually have some of that
 5 information before you made the decision or was
 6 it just sort of your sense?
 7 A My focus was on the Model 3, as it
 8 should have been.
 9 Q So somebody else made that decision to
 10 get out of Home Depot, that wasn't you?
 11 A No. I knew this was not a long-term
 12 good thing for Tesla or for solar sales because
 13 of the costs and the -- I thought people just
 14 didn't have a good impression of Tesla solar in
 15 the Home Depot store.
 16 It just didn't -- it wasn't -- not
 17 good vibes, so --
 18 Q Was it you, though, that made the
 19 decision?
 20 A To exit Home Depot?
 21 Q Yes.
 22 A Yes. I think this is not a thing we
 23 want to do. Tesla doesn't sell cars through
 24 Home Depot or something else, so we just didn't
 25 want to do solar through Home Depot.

Page 123

1 Q But you personally were of that
 2 opinion?
 3 A Yes. I'm of the opinion and shared by
 4 others, but yes.
 5 Q When you expressed your opinion that
 6 they should be out of the Home Depot stores, did
 7 you actually have some data as to how much sales
 8 that would cause a reduction of?
 9 A I did not know precisely what the
 10 result would be. But I felt confident that we
 11 could address this in the long-term.
 12 Q Last series before we take a break
 13 again.
 14 Is the discussion that -- the
 15 announcement that you put in an 8K in late
 16 February, early March, that you were shifting to
 17 all online sales, later to be walked back.
 18 Do you recall that announcement?
 19 MR. CHESLER: Objection to form.
 20 THE WITNESS: You're talking about
 21 Tesla automotive sales? Sorry, what are you
 22 talking about?
 23 BY MR. BARON:
 24 Q Well, it says: To achieve prices
 25 while remaining financially sustainable, Tesla

Page 124

1 is shifting sales worldwide to online only.
 2 Do you recall issuing that 8K?
 3 A There is a misunderstanding of what
 4 was meant by "online only." This is not
 5 implying that we would not have stores. But the
 6 stores would be an information conduit and a way
 7 for people to get educated about electric cars
 8 and solar.
 9 And so they would be something that --
 10 the stores would still continue to induce sales,
 11 but they would induce sales via online ordering
 12 as opposed to ordering through a salesperson at
 13 the store.
 14 Q And is that --
 15 A This was, unfortunately, my mistake in
 16 not communicating this well. I did not
 17 communicate this well. So the stores would
 18 largely remain open except for the ones that had
 19 very low foot traffic.
 20 But when somebody went into the store,
 21 they would -- they could ask any questions they
 22 want; they could get a test drive; they could
 23 ask questions about solar, power wall. But when
 24 it came time to buy or to order, the team would
 25 show people how to order solar or car or power

Page 125

1 wall on their phone online.
 2 MR. BARON: Okay. Why don't we take
 3 another break and we'll move on to a whole
 4 new subject. I don't know what you guys
 5 want to do. Do we want to do a lunch break
 6 now or do we want to do a lunch break later?
 7 (Discussion off the record.)
 8 VIDEOGRAPHER: This marks the end of
 9 tape 2. Going off the record at 12:41 p.m.
 10 (Recess taken.)
 11 VIDEOGRAPHER: This marks the
 12 beginning of media Number 3. Going back on
 13 the record at 1:07 p.m.
 14 MR. BARON: Will you mark this next in
 15 order, please.
 16 (Exhibit 15 was marked.)
 17 BY MR. BARON:
 18 Q I'm showing you a document that's been
 19 marked as Exhibit 15. This is entitled,
 20 "Defendant Elon Musk Response and Objections to
 21 Co-plaintiffs' First Set of Interrogatories,"
 22 and is a document in which we identified a
 23 number of public statements that you made and
 24 asked that you provide us with the documents
 25 that you believe supported those statements.

Page 126

1 Do you recall reviewing this document?

2 A This specific document?

3 Q Yes. If you'll take a look at the end

4 of it, there is -- the second to last page, it

5 is the verification pursuant to 10 Delaware C

6 Section 3927, and you will see that there is a

7 signature by -- I believe it is you. You can

8 tell me.

9 MR. CHESLER: I'm sorry, can we just

10 interrupt for a second?

11 (Discussion off the record.)

12 VIDEOGRAPHER: Going off the record at

13 1:09 p.m.

14 (Recess taken.)

15 VIDEOGRAPHER: Going back on the

16 record at 1:11 p.m.

17 BY MR. BARON:

18 Q Am I correct that under the

19 verification page, that is your name and your

20 signature?

21 A Yes.

22 Q And you signed this document on the

23 basis that the responses are true to the best of

24 your knowledge, information and belief, and you

25 declared under the penalty of perjury under the

Page 127

1 laws of the State of Delaware that the foregoing

2 was true and correct; is that correct?

3 A Yes.

4 Q All right. Prior to your signing the

5 verification, did you actually read the

6 document?

7 A I believe I did.

8 Q And you see at the very end there is

9 an Appendix A and it has a number of Bates

10 documents identified per interrogatory with

11 Bates ranges.

12 Do you see that?

13 A Yes.

14 Q Did you actually review each of those

15 documents?

16 A I believe I did.

17 Q And did you go through those documents

18 to identify what within those documents actually

19 supported the statements that you had made?

20 A I mean, yes, I believe I did.

21 Q And when you -- when we said -- when

22 we used the word "support," so that we do not

23 have some misunderstanding, what was your

24 understanding of what we meant by "support"?

25 A I would just say the word support, in

Page 128

1 the normal definition of the word support. I

2 don't think there's some special definition of

3 support we're talking about here.

4 Q Well, were you of the understanding

5 that we were asking whether or not this is

6 information in the record that somehow

7 corroborates what you said or whether it was

8 information that you relied on before you made

9 the statements?

10 A I'm not sure what you mean.

11 Q Well, the documents that are listed

12 here on Exhibit 1, are these all documents that

13 you reviewed before or at the time that you made

14 the statements set forth in the interrogatories?

15 A I mean, I think I believed that I

16 reviewed these documents, but there is a lot of

17 documents here. So it's possible I was

18 mistaken. But I believe I reviewed all of these

19 documents.

20 Q Before you made the statements or

21 before you signed this document?

22 A Before signing this document.

23 Q Did you review any or all of these

24 documents before you made the statements that

25 are identified in the interrogatories?

Page 129

1 A I believe I did.

2 Q Okay.

3 A But if you're asking me to recall

4 every single one of these things -- I thought --

5 I think I did. But that's not the same -- it's

6 possible I made a mistake of some kind.

7 Q We're going to go through them, so I

8 wanted to make sure that we understand.

9 A Great.

10 Q So let's start with Interrogatory

11 Number 1. And if you go to Page 5, in

12 particular we were asking you about the

13 statement: I think there have been some

14 questions about, like, does this really increase

15 our debt position or lever up the bank balance

16 sheet? It really doesn't.

17 Do you see that question?

18 A Yes.

19 Q Okay. And going to the chart behind,

20 you can see that for both Number 1 and 2, the

21 first document identified -- do we have these in

22 order? Okay.

23 You can see that the -- the second

24 document identified is Bates range and look at

25 the chart at the very back.

Page 130

1 MR. CHESLER: This is Appendix A.
2 THE WITNESS: Okay.
3 BY MR. BARON:
4 Q Appendix A. Open that for us for a
5 second so we're on the same page.
6 A I can see it over there.
7 Q The first document identified is Bates
8 range Tesla 00080754.
9 Is it fair to say you don't know what
10 that document is based on the Bates range;
11 correct?
12 A I mean, I think this is an obscure
13 reference to a document.
14 MR. BARON: Can you mark this as
15 Exhibit 16, please.
16 (Exhibit 16 was marked.)
17 BY MR. BARON:
18 Q The document -- as you can see, the
19 document that is marked Exhibit 16 is an email
20 chain. The top email chain is from Jonathan
21 Bass -- I mean to Tanguy Serra dated Wednesday,
22 June 22nd, 2016.
23 Do you see that?
24 A Yes.
25 Q Have you seen this document before?

Page 131

1 A I believe so.
2 Q Now, your statement was on June 22nd,
3 2016; correct?
4 A Are you asking for specific recall of
5 a specific email in the course of several
6 thousand emails over the course of many years?
7 This requires a memory that's beyond human.
8 Q I'm not asking that question. My
9 question was simply: You made the statement on
10 the 22nd; correct?
11 MR. CHESLER: He's asking if you made
12 this statement on Page 5.
13 THE WITNESS: If this document says I
14 did, then probably it is correct. But if
15 you're asking for unaided recall, that's
16 obviously not possible.
17 BY MR. BARON:
18 Q This email chain that is four pages
19 does not have you on the email chain, does it?
20 A No.
21 Q How is it that you saw this email
22 chain before you made the statement on the 22nd?
23 MR. CHESLER: Objection to the form of
24 the question.
25 THE WITNESS: I think it was shown to

Page 132

1 me, as I recall.
2 BY MR. BARON:
3 Q From whom?
4 A I don't recall.
5 Q Somebody just printed out an email
6 chain between two other people and handed it to
7 you?
8 A Yes. Most likely.
9 Q All right. Tell me what in this email
10 chain, in your view, was the basis for your
11 statement on Page 5 that says: I think there
12 have been some questions about, like, does this
13 increase our debt position or lever up the bank
14 or our balance sheet? It really doesn't.
15 Please explain to me what in this
16 email chain was the basis for your statement.
17 A I don't recall.
18 Q Now, you understand that what this
19 email chain is is a discussion amongst Mr. Bass,
20 Mr. Serra, and others, as to what to tell a
21 Reuters' writer; correct?
22 It's not an actual analysis of whether
23 or not there is going to be an increase or
24 decrease to the debt position of the company?
25 MR. CHESLER: Objection to the form.

Page 133

1 THE WITNESS: This is one of thousands
2 of emails.
3 BY MR. BARON:
4 Q That you don't remember?
5 A I mean, does anyone remember thousands
6 of emails?
7 Q I'm just saying this is one that you
8 signed under penalty of perjury that was support
9 for the statement and you don't recall what in
10 this email gave you a basis for your statement;
11 is that an accurate representation?
12 MR. CHESLER: Objection to the form.
13 THE WITNESS: I mean, I have a lot on
14 my plate, to say the least. So, you know...
15 BY MR. BARON:
16 Q That's fine, we can move to the next
17 document. Before we --
18 MR. CHESLER: Did you finish your
19 answer?
20 THE WITNESS: No. I mean, you know,
21 my workload is extreme. So it's very
22 difficult to remember thousands -- the
23 details of thousands of emails and thousands
24 of interactions.
25

Page 134

1 BY MR. BARON:
2 Q Why do you think somebody handed you
3 this email chain amongst other people that you
4 weren't on?
5 A I don't recall.
6 Q So you don't know whether this was
7 ever given to you?
8 A I think it was.
9 Q Why do you think that?
10 A If you ask my best guess as to what I
11 recall, that's my best guess at recalling.
12 Q What do you recall specifically about
13 this email chain, of the thousands of emails
14 that you get -- do you have thousands of emails
15 printed out to you from other people? Is that
16 common in your life?
17 A Not thousands, no.
18 Q Okay. So it's unusual for somebody to
19 print out an email chain between other people
20 and bring it to you to just look at?
21 A What is your point?
22 Q That's a question. Is it unusual for
23 you to get someone to hand you an email chain
24 between other people and say, hey, look at this?
25 A No.

Page 135

1 Q That's not unusual?
2 A No.
3 Q So what about this not unusual event
4 makes you believe you saw this before you made
5 your statement on June 22nd about the debt
6 structure?
7 A You asked for my best guess as to
8 whether I recall it, and I think I do. But how
9 does one know one recalls anything?
10 Q Is there anything about this that
11 jumps out at you like, oh, yeah, I remember
12 reading this?
13 A Not especially.
14 MR. BARON: Let's go to the next
15 document. Can I have document number --
16 with the Bates range -- again, June 22nd
17 email from Mr. Serra to Mr. Bass.
18 (Exhibit 17 was marked.)
19 BY MR. BARON:
20 Q Showing you another email chain which
21 is Tesla 00598138, and you'll see that is the
22 third document that was on the appendix for
23 questions number 1 and 2.
24 Do you see that?
25 A Mm-hmm.

Page 136

1 Q And, again, this is an email chain
2 primarily discussing what to tell reporters,
3 this time from Bloomberg.
4 Do you see that?
5 A Yes.
6 Q Now, again, you are not on this email
7 chain; correct?
8 A Correct.
9 Q Did you see this email chain prior to
10 your statement on June 22nd about the expected
11 debt after acquisition?
12 A I think so.
13 Q And is there anything special about
14 this email chain that makes you believe you saw
15 this email chain?
16 A No.
17 Q And, again, this would have been an
18 email chain that somebody printed out but you
19 don't know who would have then handed that down
20 to you?
21 A I don't recall.
22 Q Is there anything about this email
23 chain that you can tell me supports or that you
24 relied on in making your statement on June 22nd?
25 MR. CHESLER: Objection to the form.

Page 137

1 THE WITNESS: Not that I recall.
2 BY MR. BARON:
3 Q I'm showing you a single-page document
4 that's Tesla 00605435. Can we mark this next in
5 order.
6 (Exhibit 18 was marked.)
7 BY MR. BARON:
8 Q You can see Exhibit 18 has a Bates
9 range of 00605435 which corresponds to the first
10 document on the Appendix A.
11 Do you see that?
12 A Yes.
13 Q What is this document and where does
14 it come from?
15 A I don't know where it came from.
16 Q Do you know whether it's part of a
17 bigger presentation or whether it was in
18 somebody's file; whether -- who prepared it; why
19 it was prepared?
20 A I don't recall.
21 Q Do you know whether you saw this
22 document prior to making your statement on
23 June 22nd?
24 A I believe I did. I saw a lot of
25 documents, so it's difficult to recall

Page 138

1 everything that I saw. My memory is not that
2 good.

3 Q What about this document -- is there
4 anything about this document that you recall as
5 being a basis for your statement that you made
6 on June 22nd that it really increases our debt
7 position?

8 A No.

9 MR. CHESLER: I think you misstated
10 the statement.

11 MR. BARON: "I think there have been
12 some question about, like, does this really
13 increase our debt position or lever up the
14 bank or our balance sheet? It really
15 doesn't."

16 I apologize, I did misspeak.

17 Q Is there anything about this that you
18 recall being your basis for saying it really
19 doesn't increase your debt position or leverage
20 you up?

21 A No. I don't recall.

22 Q In fact, it actually does indicate
23 that you have -- that SolarCity, from whatever
24 the analysis is, is going to have a negative
25 cash flow; correct?

Page 139

1 MR. CHESLER: Objection to the form of
2 the question.

3 BY MR. BARON:

4 Q Do you see that on this document, a
5 negative cash flow of \$40 million?

6 A I see this number, yes.

7 Q That would indicate there being more
8 debt and less cash; correct?

9 MR. CHESLER: Objection to form.

10 THE WITNESS: It says, "Silevo cash
11 flow, negative 40."

12 BY MR. BARON:

13 Q And solar with zero?

14 Again, I guess the question is: You
15 have no idea how that supports your statement;
16 is that a fair statement on my part?

17 MR. CHESLER: Objection to form.

18 THE WITNESS: You would like me to
19 analyze this and give you an answer?

20 BY MR. BARON:

21 Q No. You were supposed to have done
22 that before we got here. That was the point of
23 the interrogatories.

24 You said that you looked at these
25 documents. You said that you looked at them to

Page 140

1 determine that you were giving an honest answer
2 when you answered the interrogatory.

3 My question is: What is the basis
4 that made you say that this is the document that
5 supported your statement?

6 MR. CHESLER: That's a different
7 question, but okay. Object to the form.

8 THE WITNESS: I don't recall.

9 BY MR. BARON:

10 Q Now, those three documents that we
11 went over were also identified as documents to
12 support your statement on Page 6: What really
13 matters is recourse debt. Obviously, the
14 nonrecourse debt is not what matters. And the
15 cash flow that is generating in SolarCity will
16 generate -- it covers what is required with the
17 recourse debt.

18 Do you see that statement?

19 A Yes.

20 Q Now going back to 16 again, can you
21 tell me what it is in 16 that you think -- well,
22 is there anything in 16 that you relied on in
23 making this statement that you made in
24 interrogatory number 2?

25 A I don't recall.

Page 141

1 Q Okay. Same question for Exhibit 17.
2 Is there anything in that email -- in that email
3 thread that you recall relying on as a basis for
4 making that statement?

5 A I don't recall.

6 Q Same question for Exhibit Number 18,
7 which is the income statement. Is there
8 anything in that income statement that you
9 recall relying on for making -- as a basis for
10 making that statement?

11 A I don't recall.

12 Q At the time you made that statement,
13 you were informed by Evercore that there was, in
14 fact -- and I'm talking about statement Number
15 1 -- that there was, in fact, substantial debt
16 that SolarCity was taking on; correct?

17 MR. CHESLER: Objection --

18 BY MR. BARON:

19 Q I'm sorry, that Tesla was taking on in
20 the acquisition of SolarCity; correct?

21 A Yes, I was aware that there was debt
22 that Tesla was taking on.

23 Q Do you recall how much?

24 A Not the exact number.

25 Q Let me show you a document.

Page 142

1 MR. BARON: Can you mark this as
2 Exhibit 19, please.
3 (Exhibit 19 was marked.)
4 THE WITNESS: People like you make me
5 sad about the future and sad about America.
6 BY MR. BARON:
7 Q It's not my intention to make you sad,
8 Mr. Musk.
9 A Instead of doing useful things, you do
10 this. Instead of making things, you destroy.
11 Q Oh, that was not a joke?
12 A No, it wasn't. How do you live with
13 yourself?
14 Q Can you go to -- I'm showing you what
15 has been marked Exhibit 19, and this is a board
16 of directors' meeting agenda.
17 And as you can see, attending this
18 meeting was Elon Musk. This is on June 20th,
19 which would be two days before you made the
20 statements identified in interrogatory 1 and 2.
21 Would you agree with that, that June
22 20th is two days before you made the statement?
23 A That June 20th is two days before
24 June 22nd?
25 Q So we can agree on things.

Page 143

1 And you attended that meeting;
2 correct?
3 A I think you should reconsider your
4 life.
5 Q Would you like to answer my question?
6 A What was the question?
7 Q You attended the meeting on the 20th;
8 correct?
9 A Are you saying June 20th, 2016?
10 Q Yes.
11 A Yes.
12 Q At that meeting you were given a
13 presentation by Evercore; correct? And that
14 would be -- if you can turn a couple of pages,
15 you'll see there is board discussion materials
16 prepared by Evercore.
17 A Yes.
18 Q You recall receiving that
19 presentation; correct?
20 A Yes.
21 Q In fact, that was probably emailed to
22 you before the actual presentation; correct?
23 It was emailed to you before you got
24 on the call?
25 A It might have been. I don't know.

Page 144

1 Q Go to Page 11 of this presentation,
2 please.
3 A Are you a happy person?
4 Q I'm an extremely happy person.
5 A That's tragic. You shouldn't be.
6 MR. CHESLER: The page that's
7 Number 11 on the presentation?
8 MR. BARON: Yes, that's correct.
9 THE WITNESS: You must have no
10 conscience. Yes, that rings true. I can
11 tell by the laugh.
12 BY MR. BARON:
13 Q So do you bully people all the time?
14 Is that sort of your regular course of conduct?
15 A No, that's your job.
16 Q I'm just asking you questions. I have
17 not insulted you once, Mr. Musk.
18 A You are a professional.
19 Q Mr. Musk, I have not insulted you
20 once. You've insulted me a number of times. Is
21 that just your regular course of conduct?
22 Is that your regular course of conduct
23 is to insult people because they ask you
24 questions?
25 A You are a professional bully. That's

Page 145

1 what you do for a job.
2 Q I'm asking --
3 A You chose that as a job.
4 Q I'm asking you a question, Mr. Musk.
5 A Why did you choose that job?
6 Q I'm asking you the questions. My
7 question is: Are you a bully to everybody or is
8 it just in this particular context?
9 A Why did you choose professional
10 bullying as a career?
11 Q All right. We'll move on.
12 A That's very sad.
13 Q So take a look at Exhibit 11 or
14 Page 11 of -- Page 11 of Exhibit 19.
15 Now, is this consistent with the
16 amount of debt that you understood that Tesla
17 would be inheriting once it acquired SolarCity?
18 A I assume this is correct. Obviously
19 it's three years ago. Probably correct.
20 Q It's \$3 billion, \$3.164 billion;
21 correct?
22 A I mean, that's the number on this
23 page.
24 Q And can you explain to me how the fact
25 that it is acquiring \$3.164 billion means that

Page 146

1 it really doesn't increase the debt position or
2 lever up the bank balance? Do you think those
3 are consistent phrases?
4 A So, I mean, this says, "Total recourse
5 debt of 1.5, nonrecourse of 1.6."
6 I mean, obviously this adds debt to a
7 balance sheet, but Tesla had a lot of debt as
8 well.
9 Q Yes. So that would not -- that would,
10 in fact, lever up the balance sheet; correct?
11 A I don't know if it changed the portion
12 of leverage by a lot relative to the debt that
13 Tesla had. All companies have debt, obviously.
14 Q So let's look at the combined debt
15 then. Let's go to Page 77 of the document.
16 MR. CHESLER: Sorry, what page?
17 MR. BARON: Seventy-seven.
18 THE WITNESS: I think you're actually
19 sad. That's my guess. You pretend to be
20 happy.
21 BY MR. BARON:
22 Q So are you looking at Page 77?
23 So on the 20th, you were also told
24 what the combined debt was; correct?
25 Do you see that?

Page 147

1 A Yes.
2 Q Okay. And it shows that SolarCity
3 adds, you know, a substantial amount of debt to
4 what Tesla already had; correct?
5 MR. CHESLER: Objection to form.
6 THE WITNESS: Okay. I see what one of
7 the issues is here. The Tesla debt is
8 actually more than it appears on this chart.
9 But the -- it's quite a bit more than
10 appears on this chart because the revolving
11 credits or the asset-backed line has
12 generally a very big swing within a quarter.
13 But then it tends to be low at the end of
14 the quarter because we complete our
15 deliveries.
16 And so this -- thus, SolarCity does
17 not, I think, do that. So the proportion of
18 debt that SolarCity adds I think is not --
19 was not especially vague from a recourse
20 debt standpoint.
21 Securitization of solar panels and of,
22 you know, car leases and loans is not
23 recourse debt to a company. Revolving
24 credit and asset-backed lines are.
25 But it depends on when those revolving

Page 148

1 credit lines are closed out and whether
2 there are large intra-quarter swings or not.
3 And because Tesla delivers cars all
4 around the world, it is typical for Tesla to
5 have large revolving credit swings within
6 the quarter that -- because we make cars for
7 Europe and Asia in month one, and we make
8 cars for the East Coast in month two, and
9 make cars for the West Coast in month three.
10 We have one factory which is located in
11 California.
12 So by the end of the quarter, the debt
13 is relatively low because we have completed
14 deliveries.
15 BY MR. BARON:
16 Q Okay. You understand these are
17 identified as being the debt maturities;
18 correct?
19 A Revolving credit --
20 Q No. That's what this chart says, the
21 very top page says, "Summary of combined debt
22 maturities."
23 It's not talking about inter-month or
24 inter-period debt obligations?
25 A Yes. But you see that the biggest

Page 149

1 green line is revolving credit. Do you
2 understand what revolving credit is?
3 Q I do.
4 A Great.
5 Q Again, all I'm asking in my question
6 was very simple. Perhaps I misspoke.
7 You agree with me that regardless of
8 what Tesla's debt was, SolarCity was, in fact,
9 increasing the debt position of Tesla?
10 A I mean, essentially every company
11 acquisition, if that company has any debt,
12 increases it to some degree. The question is
13 whether it increases it to a materially
14 disproportionate degree.
15 Q You said, when asked the question: It
16 doesn't increase the company's debt position.
17 Correct?
18 MR. CHESLER: Objection to the form.
19 Mischaracterizes the statement.
20 BY MR. BARON:
21 Q Okay. It doesn't -- it really
22 doesn't, is that what the "really" meant was it
23 does but just not that much?
24 MR. CHESLER: Same objection. Same
25 problem with the question.

Page 150

1 THE WITNESS: I mean, this would have
2 been essentially -- does this really
3 increase our debt position or lever up our
4 bank sheet and essentially make -- put Tesla
5 in a much more leveraged position than it
6 would otherwise be? No.
7 BY MR. BARON:
8 Q So that we're clear, your point with
9 that is, yes, it increases the debt position;
10 yes, it levers up the balance sheet, it just
11 doesn't do it by enough to make that much of a
12 difference. Is that what you're saying?
13 A Yes, pretty much. Not a big
14 difference. Does it really make a massive
15 difference? No.
16 You're just barking up the wrong tree.
17 How can I stop you from barking?
18 Q At the time that you bought SolarCity,
19 you knew that their debt position was untenable
20 and you had to do something about it; correct?
21 A No.
22 Q The funding plan for that before the
23 deal closed showed that you were expecting to
24 have to give it a capital infusion of close to
25 half a billion dollars; correct?

Page 151

1 A I don't recall a figure of that
2 magnitude.
3 Q So half a billion is not chump change;
4 right? That's real money.
5 THE WITNESS: I don't recall it --
6 MR. CHESLER: Objection to the form of
7 the question. Go ahead.
8 THE WITNESS: I don't recall SolarCity
9 needing a 500 million-dollar cash infusion.
10 I believe that's incorrect.
11 BY MR. BARON:
12 Q 500 billion.
13 A 500 million -- 500 billion?
14 Q I'm sorry, 500 million, .5 billion.
15 A We're not the defense department here.
16 Q That one is funny.
17 MR. BARON: Let me have 928.
18 Mark this Exhibit 20, please.
19 (Exhibit 20 was marked.)
20 BY MR. BARON:
21 Q Showing you what has been marked
22 Exhibit 20 and it is an email October 7th from
23 Eric Senay to Jeffrey Evanson.
24 Do you know who Eric Senay is?
25 A Don't know him well. Might have met

Page 152

1 him.
2 Q Do you know who Jeffrey Evanson is?
3 A Yes.
4 Q Who is he?
5 A Tesla investor relations.
6 Q And behind that you see there is a
7 funding plan post merger.
8 Do you see that?
9 A Yes.
10 Q And on the first page in the e-mail
11 from Eric Senay to Jeffrey Evanson it says: I
12 know we did a quick page turn the day we
13 reviewed the timeline, but I wanted to make sure
14 you have access to the pages we used with Elon.
15 Do you see that on the first page, on
16 the email page?
17 A Yes.
18 Q So you saw this document; correct?
19 A I mean, I don't recall seeing this
20 specific document. It's three years ago. I saw
21 a lot of documents. It's possible I saw this.
22 Q Do you see on the executive summary
23 page that there is a discussion of the overall
24 incremental funding needs of the company, and in
25 it is .5 billion-dollar capital infusion into

Page 153

1 SolarCity to de-lever and de-risk the credit
2 profile.
3 Do you see that?
4 A Yes. But this is not the same as
5 saying SolarCity requires this money. This is
6 more of a recommendation than a necessity.
7 Q So recommended just to give SolarCity
8 \$500 million that it wouldn't necessarily need?
9 MR. CHESLER: Objection to the form of
10 the question.
11 THE WITNESS: I mean, de-lever -- so
12 you know what de-lever means?
13 BY MR. BARON:
14 Q Yeah. To reduce the amount of debt;
15 right?
16 A Yes.
17 Q That was the question that you were
18 addressing when you were speaking publicly is
19 whether or not it had too much debt?
20 A Yeah, but it's --
21 MR. CHESLER: Objection to the form of
22 the question. Go ahead.
23 THE WITNESS: Sorry.
24 MR. CHESLER: Go ahead.
25 THE WITNESS: This is like one of the

Page 154

1 things it's nice to have but not necessary.
 2 Just as at a personal level, you can decide
 3 do you want to increase your debt level or
 4 decrease your debt level.
 5 This is, you know, a decision that one
 6 can make that is a choice, not a necessity.
 7 I don't think SolarCity needed half a
 8 billion.
 9 MR. BARON: Can I have the
 10 December 7th?
 11 Can you mark this Exhibit 21.
 12 (Exhibit 21 was marked.)
 13 BY MR. BARON:
 14 Q Showing you an email chain, I believe
 15 it's from you to Susan Repo cc'ing Jason Wheeler
 16 dated December 7th, 2016.
 17 Do you recognize this email?
 18 A I have so many emails. I mean, sure.
 19 Q And in this email that was directed to
 20 you specifically about the debt that was being
 21 acquired from SolarCity; correct?
 22 A I mean, that's the title.
 23 Q And in it, it identifies there being
 24 total new debt of \$7.3 billion; correct?
 25 A 7.2, but really it says 7.3 but then

Page 155

1 the -- it says 4.2 and 3, but I assume that
 2 there's like some...
 3 Q She doesn't work for me.
 4 A Well, it's probably some points past
 5 the decimal point where that maybe rounds up to
 6 7.3.
 7 Q Right. And we looked earlier and we
 8 saw that SolarCity's debt was about a little
 9 over \$3 billion; remember?
 10 A Sure.
 11 Q All right. So this means that a
 12 little under half of the total debt of the
 13 combined company would be SolarCity? I'm not a
 14 mathematician, but that I can do.
 15 A Say that again.
 16 Q So a little under half -- a little
 17 under half of the combined debt would be
 18 SolarCity debt according to Ms. Repo?
 19 A Yeah, but you're confusing secured
 20 versus unsecured. Securitized debt is packaged
 21 where it's essentially taking a bunch of solar
 22 roofs and solar installations and then packaging
 23 them up and turning them into a security, which
 24 is common in securitization, and which Tesla
 25 does as well with vehicles and all companies do

Page 156

1 with vehicles and all companies do with solar
 2 assets and other assets. It does not represent
 3 recourse debt.
 4 Q But the asset -- but again, if you're
 5 going to do a balance sheet, you have to look at
 6 the assets as well; correct?
 7 If you're going to determine how much
 8 a company is leveraged up, you not only look at
 9 the debt but you look at the assets that
 10 actually can pay off that debt; right? Simple
 11 question.
 12 A Securitized assets, meaning that you
 13 take a whole bunch of solar systems and then --
 14 that which have an income stream, a revenue
 15 stream, and then you turn those into a security
 16 which has debt -- which has interest payments
 17 against an existing set of assets is not
 18 corporate debt in any meaningful sense of the
 19 word.
 20 Q Just so we're clear, my question was
 21 simple. When you're looking as to whether or
 22 not debt increases the balance sheet, what
 23 matters is whether there are assets that can pay
 24 that debt off; correct? It's just the balance?
 25 A Not exactly.

Page 157

1 Q Okay.
 2 A You really cannot include securitized
 3 assets as part of a company's debt.
 4 Q All right. You cannot include the
 5 assets on the asset side or the debt on the debt
 6 side is what you're saying; right?
 7 So the assets that are securitized for
 8 the VIEs, those assets can only be used to pay
 9 off that debt or with some residual going back
 10 to the company; right?
 11 A That sounds about right.
 12 Q So when you're looking at whether or
 13 not you're adding debt to the company, you would
 14 actually have to determine -- take off the
 15 assets that are part of the VIEs along with the
 16 debt if you're trying to determine that the
 17 recourse debt doesn't apply to the overall debt
 18 structure? The balance sheet, they have to
 19 balance?
 20 A The --
 21 MR. CHESLER: Objection to form.
 22 THE WITNESS: Yes. It's easy to get
 23 confused here between securitized assets and
 24 not securitized assets. But one cannot look
 25 at securitized assets as adding to the

Page 158

1 balance -- the risk of a company.
2 BY MR. BARON:
3 Q But you were saying it right. If
4 you're going to talk about securitized assets,
5 as we learned from Enron, they now have to be
6 consolidated but they don't actually add to the
7 balance sheet one way or the other; correct?
8 They don't add assets; they don't
9 really add debt is what you're saying?
10 A There is a net asset value or -- so
11 they have a net value based -- of assets less
12 the debt that is -- that support the assets.
13 They have a net value.
14 So one can certainly say that they do
15 add to the balance sheet. But they do not add
16 to the risk of a company unless there is
17 meaningful recourse, meaning that the company is
18 fundamentally left holding the bag.
19 And there is material risk associated
20 with the repayment -- with the payments from
21 that security.
22 Q And I don't think we're saying
23 anything different. All I'm saying is that it's
24 a balance sheet. So on the other side of the
25 balance sheet are the assets associated with

Page 159

1 that same instrument.
2 But those assets, because they can
3 only be applied to pay off that nonrecourse
4 debt, also can't operate to de-risk the company?
5 A No, that's not correct. If you have
6 cash flows from a set of assets where the
7 debt -- where the securitized debt associated
8 with those assets is less than the payments
9 coming from those assets, that actually de-risks
10 a company.
11 This is like if you had -- if, on a
12 personal level, if you had, say -- if you owned
13 a house and you had a very high-quality tenant
14 paying you rent in excess of the mortgage, then
15 you would not consider that to be an increase in
16 risk. That is an income stream to you.
17 Q But not the entire amount, just the
18 amount above the mortgage?
19 A That's correct.
20 Q That's all I'm saying.
21 So to the extent that that asset
22 stream has some residual, and in VIEs, there was
23 a residual that would count to de-risk, but the
24 rest of that asset stream that was used to pay
25 off the recourse, just like the mortgage,

Page 160

1 wouldn't de-risk the company or wouldn't limit
2 the risk?
3 A The value, like -- the net payment
4 stream does de-risk the company. And I think
5 one of the things that is actually nice about
6 this is that if you've got a bunch of
7 securitized solar assets, and they are
8 generating a net positive income stream, or a
9 net positive cash flow, then even if your sales
10 dip, your incremental sales dip from one quarter
11 to the next, you still actually have a
12 significant net cash flow stream from those
13 assets, which is the case with SolarCity.
14 And it can actually be a little weird
15 where the -- the gross margin from the solar
16 assets can actually look -- weirdly in a
17 declining scenario -- can look better than in an
18 increasing scenario because you have these
19 existing assets that are generating net cash
20 flow, and if you have new assets that have lower
21 gross margin and you have a declining -- and you
22 have declining sales, it could actually make
23 things look better than they are.
24 So you actually want to separate those
25 two out.

Page 161

1 Q Let's move on to some of your other
2 statements only because I don't think we were
3 disagreeing.
4 I agree that whatever the net residual
5 is would de-risk but you can't use the entire
6 asset stream from the VIE?
7 A No, you would need to net that against
8 the deposition.
9 Q That's all I meant.
10 A Yes.
11 Q The next statement is the comment that
12 we asked you about was -- and it's on Page 7 of
13 your interrogatory. It says: SolarCity is
14 headed to cash flow positive situation for the
15 next three to six months at the outside.
16 Do you see that statement? It's on
17 the interrogatories.
18 A Sorry, which page are we looking at?
19 Q Page 7 of the interrogatories.
20 Interrogatory Number 3 on June 22nd,
21 the same day you were making the other
22 statements about debt.
23 It says: So SolarCity is headed to
24 cash flow positive situation for the next three
25 to six months at the outside.

Page 162

1 That wasn't a true statement; correct?

2 MR. CHESLER: Objection to form.

3 THE WITNESS: I'm sure I thought it

4 was correct.

5 BY MR. BARON:

6 Q Again, so we asked you for the basis

7 for it. So the first document that you

8 provided -- and again, look at the -- Appendix A

9 was Bates range number 02323, and that is a

10 board of directors Q1 '16 meeting from

11 SolarCity.

12 MR. BARON: Can you mark this as

13 Exhibit 22.

14 (Exhibit 22 was marked.)

15 BY MR. BARON:

16 Q Just so that I am clear, you're

17 telling investors of the conference call that

18 this company is -- while it may be cash flow

19 positive now, in the next three to six months,

20 it will be cash flow positive.

21 Isn't that what this says?

22 A That's the statement.

23 Q And that's going forward, that's not

24 just like at one point in time, we may actually

25 be cash flow positive in one quarter and then

Page 163

1 never again; that's not what you meant?

2 A I mean, this is three years ago. I'm

3 not sure -- I don't recall exactly what every

4 statement meant, so --

5 Q You agree with me that it would be

6 misleading to say we're going to be cash flow

7 positive when all you meant was we are going to

8 be cash flow positive for one quarter but never

9 again?

10 MR. CHESLER: Objection to the form --

11 BY MR. BARON:

12 Q That would be misleading?

13 MR. CHESLER: Objection to the form of

14 the question.

15 THE WITNESS: I don't think I thought

16 that would be negative cash flow after that.

17 BY MR. BARON:

18 Q Okay. So you first identified this

19 board of directors' meeting for Q1 2016. Did

20 you actually look at this presentation at some

21 time -- this was on February 2nd, 2016.

22 Did you look at this presentation at

23 some time prior to June 22nd when you made the

24 statement, other than maybe at the February 2nd,

25 2016 board meeting?

Page 164

1 A I don't recall.

2 Q Well, what in this document supports

3 the fact that SolarCity is headed to be cash

4 flow positive in the next three to six months?

5 A This is three and a half years ago.

6 Would you like me to carefully review this and

7 give you a considered answer? How much time

8 would you like me to spend on this?

9 Q Well, didn't you just do that? Didn't

10 you just give a careful answer when you actually

11 signed under penalty of perjury that this

12 document supported it?

13 Didn't you already do that?

14 I shouldn't be asking you to do

15 something that you didn't do when you signed

16 under penalty of perjury.

17 MR. CHESLER: Objection to the form of

18 the question.

19 THE WITNESS: I can't recall what --

20 you're asking me to refresh what I looked at

21 some time ago. So what -- what sort of

22 expectations for memory do you have? This

23 is unreasonable.

24 BY MR. BARON:

25 Q These interrogatories were served on

Page 165

1 May 17th, 2019.

2 A I mean, you just keep trying to ask

3 all of these tricky questions, just being sort

4 of a professional bully and trickster. But not

5 doing a very good job.

6 Q So you signed under the penalty of

7 perjury that this was a document that supported

8 your March 22nd statement. I asked you when we

9 started: Does that mean that you actually

10 looked at these documents that were listed on

11 Exhibit A and identified what was in those

12 documents actually supported the statement.

13 You said, "yes."

14 So I'm just asking you what those --

15 what the statements within this document was

16 that supported your June 22nd statement that it

17 is headed toward cash flow positive in the next

18 three to six years. If you're telling me you

19 can't --

20 A Three to six months.

21 Q Three to six months. If you're

22 telling me that you can't do that, then we will

23 move on.

24 A No. I just asked you how much time do

25 you want me to spend on this?

Page 166

1 Q This deposition is going until I'm
2 done, so I don't care.
3 A It's going for seven hours.
4 MR. CHESLER: Going for seven hours.
5 MR. BARON: Under what law? Under
6 what jurisdiction?
7 MR. CHESLER: Do you want to swear me
8 in and take my deposition? We have seven
9 hours of clock time; that's how long he will
10 be here for.
11 MR. BARON: Well, then we're coming
12 back after that's done.
13 THE WITNESS: Yes, it will.
14 MR. CHESLER: That may or may not
15 happen. You don't get to control that.
16 MR. ZAGAR: The court gets to control
17 that.
18 MR. CHESLER: Exactly.
19 MR. BARON: What is your basis for
20 seven hours?
21 MR. CHESLER: I said if you want to
22 swear me and take my deposition, you can. I
23 just made a statement. Let's move on.
24 THE WITNESS: My understanding is this
25 lasts for seven hours. I guess we're --

Page 167

1 MR. BARON: Your understanding would
2 be incorrect and not consistent with
3 Delaware laws. So this deposition is going
4 until we're done.
5 MR. CHESLER: You're here just for
6 today unless a court orders otherwise. So
7 let's go on.
8 THE WITNESS: Spend your time wisely.
9 BY MR. BARON:
10 Q I'm the one that gets to ask the
11 questions. I'll keep asking them until you walk
12 out and then I'll bring you back.
13 A You just want to waste everyone's time
14 and be a blight on the economy.
15 Q Again you insult.
16 A Statement of fact.
17 Q Tell me what --
18 A I think you should reconsider what
19 you're doing.
20 Q Please tell me what within Exhibit 22
21 supports your statement on Interrogatory
22 Number 3.
23 A Well, on Page 12, going from July to
24 December, cash increases from 144 to 153.
25 Q Okay. Does that mean that you're cash

Page 168

1 flow positive? Does that mean that out of
2 operations, you are going to -- operations, its
3 cash is going to -- that they are going to be
4 cash flow positive, meaning that they are going
5 to make more money than they are spending?
6 MR. CHESLER: Objection --
7 BY MR. BARON:
8 Q Is that what liquidity means to you?
9 MR. CHESLER: Objection to the form of
10 the question.
11 THE WITNESS: This appears to show 144
12 going to 153, and 144 in July and 153 in
13 December, which 153 is bigger than 144.
14 BY MR. BARON:
15 Q Okay. And you're right. It shows
16 that they are about to potentially default on
17 their -- or at least breach their covenant in
18 three months or three months in here. And then
19 in October, November and December, it will be
20 above their debt covenants on liquidity.
21 In your view, that was -- was that
22 your basis to say that the company was headed to
23 a cash flow positive situation in the next three
24 to six months?
25 MR. CHESLER: Objection to the form of

Page 169

1 the question and that it doesn't correspond
2 to the interrogatory.
3 MR. BARON: I don't know what that
4 means. And it's a speaking objection.
5 THE WITNESS: My understanding was
6 that the cash flow by the end of the year
7 would be -- the cash position would be
8 better than -- you know, from July to
9 December would be better.
10 BY MR. BARON:
11 Q Is that your definition of cash flow
12 positive is that if --
13 A More cash.
14 Q -- if you have more cash one quarter
15 than you did the quarter before, that in your
16 view is a cash flow positive company?
17 MR. CHESLER: Objection to the form of
18 the question.
19 BY MR. BARON:
20 Q Just asking your definition of cash
21 flow positive.
22 A You know, it would be if you have --
23 if the company, by whatever means, generates
24 more cash than it starts with over a period of
25 time, then its cash position has increased; it's

Page 170

1 positive.

2 Q That's increased your cash position.

3 Is that the same to you as cash flow positive?

4 A Cash flow positive would be -- I mean,

5 one can really get wrapped up in a lot of

6 definitions here because when you have

7 securitization, this can then say, you can say,

8 well, is cash flow from operations increasing or

9 is it from securitization?

10 And obviously securitization in this

11 case should count as part of the company's

12 operations.

13 Q Only the net securitization. We

14 already just went through that.

15 A Sure.

16 Q Right. And -- but again, that's not

17 what Page 12 says. Page 12 says nothing about

18 whether or not your -- either your cash from

19 operations exceeds your expenses or whether or

20 not your cash from operations plus your net

21 recourse exceeds your expenses.

22 Neither of that is shown on Page 12;

23 right?

24 MR. CHESLER: Objection to form.

25 THE WITNESS: My impression was that

Page 171

1 the cash would increase, as I said.

2 BY MR. BARON:

3 Q Okay. Anything else within that

4 document that you think supports -- supported

5 your position on June 22nd that SolarCity was

6 headed to be a cash flow positive situation in

7 the next three to six months?

8 MR. CHESLER: Objection to the

9 misstatement of this quote.

10 THE WITNESS: If this is what you want

11 to spend time on.

12 I think there's also Appendix A, total

13 cash from retained megawatts increases quite

14 a bit.

15 BY MR. BARON:

16 Q What page is that?

17 A This is Appendix A towards the end,

18 Page 32.

19 Q What line are you looking at?

20 A Day one cash goes from 465 to 622. It

21 starts at total cash in from retained megawatts,

22 465 to 622.

23 Q Okay. In your view, that's indicative

24 of showing a cash flow positive company in the

25 next three to six months at the outside?

Page 172

1 MR. CHESLER: Again, objection to the

2 form of the question, a misstatement of the

3 quote.

4 THE WITNESS: It goes from 465 million

5 to 622 million over the course of six

6 months. Obviously that's an increase.

7 BY MR. BARON:

8 Q And your view is that that is support

9 that SolarCity is headed to a cash flow positive

10 situation for the next three to six months at

11 the outside?

12 A Yes.

13 Q I guess that's the last page. The

14 next document that you actually say supported

15 was Bates stamp number 66924.

16 (Exhibit 23 was marked.)

17 BY MR. BARON:

18 Q Now, you see again that this is the

19 second document you identified as supporting

20 your statement that SolarCity is headed to a

21 cash flow positive situation for the next three

22 to six months at the outside.

23 You agree this is the document you

24 identified; correct?

25 A Pardon? What did you say?

Page 173

1 Q You agree that this is the document

2 you identified as supporting your statement that

3 SolarCity is headed to cash flow positive

4 situation for the next three to six months at

5 the outside?

6 A This email from Tanguy Serra?

7 Q That's what you identified. If you

8 want to go back to Exhibit A to your

9 interrogatories, that's what you said.

10 A I guess it's a contributing factor,

11 sure. I would not say it's a significant one,

12 but sure. It's an email. It's helpful.

13 Q You're not on this email, though;

14 correct?

15 A Yes.

16 Q Did someone print this out and show it

17 to you before you signed the interrogatory?

18 A Yes.

19 Q I mean, before you made the statement

20 on June 22nd?

21 A Before I made a statement on June

22 22nd?

23 Q Yes. Did someone print this April

24 email out for you?

25 A I think so, but I'm not certain.

Page 174

1 Q Why? Why would someone --
2 A I don't know.
3 Q -- print this out and give this to
4 you?
5 A They do this from time to time.
6 Q Again, all this is is a discussion
7 that thinks maybe there is a way to get to cash
8 flow positive in Q2.
9 Do you see that?
10 MR. CHESLER: Objection to the form of
11 the question.
12 THE WITNESS: Yes, I see that.
13 BY MR. BARON:
14 Q Other than the fact that Mr. Serra
15 thinks that there might be a path to positive,
16 that's not support that you will be headed to a
17 cash flow positive situation for the next three
18 to six months at the outside?
19 MR. CHESLER: Objection to the form of
20 the question. Mischaracterization of the
21 document.
22 BY MR. BARON:
23 Q Do you agree that this document does
24 not support that statement?
25 A No, I think it's slightly supportive.

Page 175

1 It's not a major factor. It's sort of neither
2 here nor there.
3 MR. BARON: Give me Tesla 302036.
4 (Exhibit 24 was marked.)
5 BY MR. BARON:
6 Q Showing you what's been marked
7 Exhibit 24. And, again, this is the document --
8 you'll agree with me that this is a document
9 that you identified as the third document that
10 supported your statement that SolarCity is
11 headed to cash flow positive situation for the
12 next three to six months at the outside.
13 Will you agree with me that that's the
14 last document you said supported that statement?
15 A Yes. I think there's -- perhaps one
16 of the things here that is maybe a bit confusing
17 is that you've got Silevo and you've got
18 SolarCity. And, you know, in some cases these
19 were used separately and in some cases together.
20 The Silevo cash flow is sort of an R&D
21 related cash flow. The SolarCity cash flow is
22 just very clearly positive. The Silevo,
23 depending upon how you want to dial it, is, you
24 know, more discretionary in what amount of R&D
25 is spent on solar panels.

Page 176

1 Q Let's first identify, what is this
2 document? Where did you get it?
3 A I don't recall.
4 Q How do you know you saw this before
5 you made your statement on June 22nd?
6 MR. CHESLER: Objection to the form of
7 the question.
8 MR. BARON: That's a fair point.
9 Q Did you see this document before you
10 made your statement on June 22nd?
11 A I think I did, but I'm not certain.
12 Q Why do you think you did?
13 A That's my best guess.
14 Q Do you know who created the document?
15 A I don't recall.
16 Q Do you know what it was created for?
17 A I don't recall.
18 Q Do you know whether it was relied on
19 for anybody other than you in making that
20 statement?
21 A Don't know.
22 Q Now, we do know on -- can you pull
23 back -- I think it's in your pile over there,
24 Exhibit 19 over there. It should be in that
25 pile to your left.

Page 177

1 Now, again, we looked at this before.
2 This is the presentation that Evercore gave you
3 two days before you made your statement about
4 SolarCity is headed to cash flow positive
5 situation in the next three to six months at the
6 outside.
7 MR. CHESLER: Objection to the
8 mischaracterization of the quote.
9 MR. BARON: Now go to Page 45 of that
10 document and it's going to be Tesla 54.
11 Q This is a projected cash flow
12 statement. And this is actually -- so we're
13 using the same document, that's fine. It's a
14 projected cash flow statement.
15 This would be a document that would
16 actually indicate whether or not SolarCity is
17 headed to cash flow positive situation for the
18 next three to six months at the outside;
19 correct?
20 MR. CHESLER: Objection to form.
21 THE WITNESS: These are annual
22 numbers.
23 BY MR. BARON:
24 Q Yes, they are. And it shows for -- it
25 shows that there is negative net cash -- net

Page 178

1 change in cash for 2016, 2017, 2018, 2019;
 2 correct?
 3 I don't want to interrupt you,
 4 Mr. Musk, but are you aware of what my question
 5 was?
 6 Mr. Musk?
 7 A Yes.
 8 Q Are you aware of what my question --
 9 the question pending is?
 10 A Please restate.
 11 Q The question pending is: Do you agree
 12 that the projected cash flow statement on
 13 Page 45 of the Evercore presentation is the type
 14 of analysis that would lend itself to
 15 determining whether or not the statement from
 16 SolarCity is headed to a positive cash flow
 17 situation for the next three to six months at
 18 the outside?
 19 Do you believe this is the type of
 20 analysis that would show whether that is an
 21 accurate statement or not?
 22 MR. CHESLER: Objection to the form of
 23 the question.
 24 THE WITNESS: I think what I was
 25 looking at is the operating cash flow here

Page 179

1 which does indicate rapid transition to cash
 2 flow positive.
 3 BY MR. BARON:
 4 Q Show me where.
 5 A Operating cash flow.
 6 Q On what page?
 7 A Page 45.
 8 Q The operating cash flow is showing
 9 that it is negative in 2016 and negative in
 10 2017; correct?
 11 A Yes. But it can only be negative very
 12 briefly in 2017 at best.
 13 Q That's for the full year, though;
 14 correct?
 15 A Right. So in order for it to be
 16 positive, it would have to turn around within
 17 weeks of 2017. So my statement is correct.
 18 Q So you're saying in three to six
 19 months from June 22nd, 2016, so you're talking
 20 by the end of -- so June, July, August 2016, we
 21 know in 2016 it is still negative cash flow by
 22 66 million in this projection; right? So three
 23 months we know that it is?
 24 A No. Because you're looking -- maybe I
 25 was off by a month or two because it clearly

Page 180

1 turns around in 2017.
 2 Q So your view is that this actually
 3 supports your statement that it will be -- that
 4 it's headed to a cash flow positive situation
 5 for the next three to six months at the outside
 6 because it shows that it is only negative
 7 \$8.4 million in 2017?
 8 I just want to make sure I understand
 9 your testimony.
 10 A Some of these analyses would be quite
 11 conservative. So if you have a conservative
 12 analysis, that would suggest that it's -- you
 13 might be more conservative; some might be
 14 optimistic.
 15 These things are nonetheless basically
 16 a best guess at the time, and so I think this
 17 actually does support my statement.
 18 Q Let's go to the next statement then,
 19 let's go to Number 4. Again, on June 22nd, you
 20 made a statement about synergies.
 21 Do you see that?
 22 A Sorry, are you talking about in
 23 response Number 4?
 24 Q Yes.
 25 MR. CHESLER: You have to go back.

Page 181

1 THE WITNESS: Yes.
 2 BY MR. BARON:
 3 Q And is it your view that someone had
 4 actually -- as of your statement on June 22nd,
 5 somebody had actually undertaken an actual
 6 synergies analysis to determine whether or not
 7 there would be -- what did you say, meaningful
 8 and noticeable synergies?
 9 A Yes. I think there were analyses done
 10 to figure this out and --
 11 Q Prior to June 22nd?
 12 A I think so. I mentioned some of these
 13 synergies earlier. I don't like the word
 14 "synergy." It's overused.
 15 Q So the first item that was -- that you
 16 identified in this document was Tesla 00001446,
 17 which is a February 29, 2016 presentation from
 18 Tesla.
 19 MR. BARON: Can you mark that, please.
 20 (Exhibit 25 was marked.)
 21 BY MR. BARON:
 22 Q Now, can you tell me what analysis in
 23 this document do you believe supported your view
 24 that there will be meaningful and noticeable
 25 synergies?

Page 182

1 MR. BARON: I'll point you to this.
2 There is an analysis, I think, so -- at
3 least I saw one.
4 I am going to -- you can look on
5 page -- I guess it's Tesla 1449, some
6 discussion about increase in dilution.
7 MR. CHESLER: You want him only to
8 look at that page?
9 MR. BARON: No. The other page that
10 you can look at is there is a key assumption
11 on this document that is on Page 1447 that
12 talks about synergy second half of 2016.
13 Q But again, my question on that is:
14 What is the basis of those assumptions? Do you
15 know?
16 MR. CHESLER: That's a different
17 question, okay.
18 MR. BARON: That's the question I'm
19 asking.
20 Q I understand it on the document. I
21 want to know if you know what the basis for
22 those assumptions are.
23 MR. BARON: Why don't we take a break
24 while you determine that because the court
25 reporter needs a break. If you need time to

Page 183

1 think about it, feel free.
2 VIDEOGRAPHER: This marks the end of
3 media Number 3. Going off the record at
4 2:43 p.m.
5 (Recess taken.)
6 VIDEOGRAPHER: This marks the
7 beginning of media Number 4. Going back on
8 the record at 3:03 p.m.
9 BY MR. BARON:
10 Q Looking at what was identified as
11 Project Icarus, which was the presentation
12 that -- just so that we're clear, do you recall
13 asking the CFO to prepare a presentation for the
14 board about the possible acquisition of
15 SolarCity in February 2016?
16 A I mean, not specifically.
17 Q Okay. Do you know -- and you may not,
18 but again, on the key assumptions on this
19 document, which is -- and we're going to get to
20 this document again eventually -- but when it
21 talks about synergies 2H 2016 on really the
22 second page -- you can go to the very beginning.
23 I'm just asking if you have any
24 understanding as to what the basis for that
25 analysis was?

Page 184

1 A I don't recall.
2 Q Can I go back to what exhibit number
3 is in front of you? Go back to 19, which is in
4 front of you. It's the Tesla June 20th board
5 meeting again.
6 Again, you identified this document
7 also in support of your statement about
8 synergies. And let's see if I can be relatively
9 quick on this one, and rather than having you
10 identify where I think that you got it, I will
11 identify.
12 If you go to Page 70 of this document
13 and that is 84732.
14 As you can see, this document
15 identifies "illustrative synergies," which is
16 talking about what synergies existed in other
17 mergers, right, and whether it was the Microchip
18 technology, Amtel, Microsemi PMC-Sierra, Cypress
19 Semiconductor, Spansion, RF Micro Device and
20 TriQuint.
21 Did you understand that the synergies
22 that were being talked about by Evercore on the
23 June 20th meeting were illustrative synergies,
24 were based on what synergies could occur or
25 occurred in other acquisitions?

Page 185

1 A I don't recall this.
2 Q Do you know whether or not as a basis
3 for your statement regarding synergies on the
4 22nd you had information as to the amount of the
5 synergies beyond what you received from Evercore
6 in this presentation?
7 A I don't recall.
8 Q So we don't beat a dead horse on these
9 interrogatories any more, is it fair to say that
10 you have not reviewed the document -- and go
11 back to the interrogatory just for a second --
12 you have not reviewed the documents set forth in
13 the Appendix A since you signed the
14 interrogatories. Is that a fair statement in
15 this document here?
16 You did not review -- you haven't
17 reviewed these since you signed the
18 interrogatories; correct?
19 A Correct.
20 Q All right. Is it fair to say that you
21 don't anticipate that if I were to show each one
22 of them to you that you could easily identify
23 exactly within the document where the support
24 was?
25 A Like --

Page 186

1 Q Because all I'm trying to do is save
2 time. And, again, if every document I show you,
3 you say you're going to have to search through
4 it like it were new to identify the spot, then
5 we can put that off to another time.
6 A Right. I want to make sure I'm
7 answering your questions accurately. So if you
8 hand me some presentation that's like 50 pages
9 long and say, do you recall this, it's like,
10 well, I -- and answer a question, then it's
11 like, okay, I have to look through 50 pages and
12 read some complicated spreadsheets.
13 And this is not something you just
14 answer off the cuff.
15 Q If we end up coming back, I may ask
16 that you actually review your interrogatory
17 answers before and maybe we can do it faster
18 then. Let's move on to --
19 MR. CHESLER: Don't take my silence as
20 acquiescence, counsel.
21 MR. BARON: Acquiescence to me moving
22 on?
23 MR. CHESLER: No.
24 MR. BARON: Okay. You do acquiesce to
25 me moving on, though, right?

Page 187

1 MR. CHESLER: I endorse it
2 affirmatively.
3 THE WITNESS: There could be a name
4 for like a new pack of water,
5 "acquiescence."
6 MR. BARON: Aqua essence.
7 MR. CHESLER: If you start the company
8 and I can invest, the answer is yes.
9 THE WITNESS: It's like when Will
10 Smith's son, Jaden, he came by before doing
11 Just Water. And he wanted to ask my advice
12 on, like, starting his company. And then
13 Jaden and Will said -- I said, "Okay. Well
14 what is it?"
15 And they literally said, just water.
16 I'm like, are you serious?
17 (Discussion off the record.)
18 BY MR. BARON:
19 Q I want to talk for a second about
20 SpaceX and its investment policies.
21 Other than SolarCity, are you aware of
22 SpaceX having invested in any other public
23 company securities?
24 A No.
25 Q You're aware that SpaceX actually has

Page 188

1 a guideline for -- an investment policy
2 guideline. Are you aware of that?
3 A No.
4 Q Let me show it to you.
5 MR. BARON: Can I have an email dated
6 March 27th, 2015.
7 (Exhibit 26 was marked.)
8 BY MR. BARON:
9 Q Showing you what's been marked as
10 Exhibit 26. It's an email chain from March 27,
11 2015. The top one is from Bret Johnsen to you
12 regarding a \$90 million investment in SolarCity
13 from -- in SolarCity bonds from SpaceX.
14 Do you have any recollection of this
15 email?
16 A I mean, not precisely of this email.
17 This was awhile ago. It was four years ago.
18 But, yeah, I mean, it seems like -- my
19 rough recollection is that we had cash that was
20 earning basically zero percent in the bank and
21 this earned a lot more at 2 percent, I guess.
22 And -- sorry?
23 Q It's more.
24 A More than zero. It was back when
25 LIBOR and everything were basically zero. It's

Page 189

1 London Inter-Bank Offering Rate, which, by the
2 way, turned out to be like gamed by all the
3 banks. It was shenanigans.
4 Q So is it a waste of time that we sued
5 them?
6 A Oh, did you sue them?
7 Q Of course.
8 A Did you win?
9 Q Of course.
10 A Okay. Well, good one. That's a good
11 one.
12 Q I'm glad you approve. Now you like
13 me?
14 A No, don't jump to conclusions. Hold
15 on. I mean, really.
16 Q All right. So let's just talk about
17 the solar bond --
18 A I'm not saying they are all bad. I
19 think the percentage of class action lawsuits
20 that are good is not a good batting average.
21 That's my issue with this class action stuff.
22 So you can point to the things like
23 the LIBOR stuff; that's good. And obviously
24 there's other shenanigans that are good, but
25 then, you know, when you run out of real

48 (Pages 186 - 189)

Page 190

1 shenanigans, then you look for the fake ones and
2 that's like this one. And this is not good and
3 you're causing trouble.
4 Q All right.
5 A Causing trouble, sir.
6 Q Doesn't look good from my end. All
7 right. So let's go on to this.
8 So 90 million -- the \$90 million, then
9 as you said, SolarCity was the only public
10 company security that you're aware of SpaceX
11 investing in; correct?
12 A Yes.
13 Q Take a look, if you would, on this
14 document on SpaceX 001036, so that's the Bates
15 number on the bottom.
16 And you see that this is "Space
17 Exploration Technology Corporation Investment
18 Policy Guidelines."
19 Why are you laughing?
20 A I mean, this is likely to be some
21 template that I inherited from ancient times
22 because I just basically copied the corporate
23 documents from Zip2 through to X.com, which
24 became PayPal, through to SpaceX and through to
25 Tesla. So it's just like some form thing,

Page 191

1 basically.
2 Q So you did not actually have any
3 expectation that SpaceX would follow the
4 guidelines that it set forth for its
5 investments?
6 MR. CHESLER: Objection to the form.
7 BY MR. BARON:
8 Q I don't really understand why it's
9 funny. Most company -- SpaceX is in the
10 business of what?
11 A Designing and launching rockets and
12 spacecraft.
13 Q Not investing; right?
14 A No. I don't like investing at all.
15 Q Exactly. And so the only investment
16 that was in another nonpublic or another public
17 instrument was in another one of your companies;
18 right? It's just the truth?
19 A Actually, I did encourage Bret to say
20 like, look, man, getting zero percent interest
21 doesn't seem like a great situation. There has
22 to be something better than this.
23 And then it's like, well, you know, if
24 you go and invest in some other company and you
25 don't know what's going on over there, then

Page 192

1 that's like there could be something squirrly
2 that happens and then maybe we lose the cash.
3 But SolarCity seemed like a good bet
4 because I had more insight into it. But this
5 wasn't some favor to SolarCity. This is perhaps
6 what you're trying to get at.
7 This was, like, good for SpaceX
8 because it was not -- getting zero percent
9 interest was not good. So how do we get more
10 than zero percent interest but not do some bond
11 with some company that we don't know what's
12 going on.
13 Q Okay. So SolarCity bonds, of their
14 entire bond portfolio, more than 70 percent of
15 that bond portfolio was purchased by SpaceX;
16 right?
17 A I don't know the exact percentage.
18 Q Do you know what -- most of it was
19 either SpaceX or the bonds that you and your
20 cousins purchased are the primary investors in
21 SolarCity bonds?
22 Are you aware of that?
23 A Yes, I think I was aware of that at
24 some point. Yes.
25 Q Right. So now --

Page 193

1 A But it worked out.
2 Q Yes. Tesla paid it back; right?
3 A No, sorry. SolarCity paid them back.
4 Q What do you mean, "SolarCity paid them
5 back"?
6 Were they paid back before or after
7 the acquisition?
8 MR. CHESLER: Objection to the form of
9 the question.
10 THE WITNESS: I think some of them
11 before, some of them after. I'm not sure.
12 BY MR. BARON:
13 Q No, all of them after.
14 A Okay.
15 Q So who paid them back?
16 MR. CHESLER: Are you asking him to
17 assume that -- objection to the form of the
18 question.
19 BY MR. BARON:
20 Q Who paid back the investors in solar
21 bonds, Tesla or SolarCity?
22 A Well, if you're saying like if they
23 did all occur after the transaction was closed,
24 which I actually do not recall the exact timing
25 of this, then technically it would be Tesla.

49 (Pages 190 - 193)

Page 194

1 But SolarCity could certainly have repaid them.
2 If Tesla had not acquired SolarCity,
3 they have gone out and raised an equity round,
4 it would have been fine, and they would have
5 paid them back.
6 Q Taking a look at this investment
7 policy, and I'm happy to go through it in
8 detail. But you would agree with me that
9 acquiring solar bond by SpaceX was in violation
10 of this policy?
11 MR. CHESLER: Objection to the form of
12 this question.
13 BY MR. BARON:
14 Q Take a look at it and tell me where
15 you think this is a purchase that would be
16 permitted by the Space Exploration Technologies
17 Corporation Investment Policies Guidelines.
18 A I don't agree this is contrary to it.
19 Q Okay. Well, you see in here that the
20 eligible investments have to be within -- have
21 to be -- it says, however -- if you look on
22 Page 2: However, a particular investment being
23 listed as authorized is necessary, meaning it
24 must be one of the below, but not sufficient
25 character to make it inappropriate.

Page 195

1 So SolarCity bonds would have to be,
2 by definition, appropriately defined in either 1
3 through 8 of the eligible investments.
4 Do you think the SolarCity bonds meet
5 the criteria of 1 through 8 on Page 2?
6 MR. CHESLER: Object to the form of
7 the question.
8 THE WITNESS: In my opinion, the
9 probability of being repaid was extremely
10 high. So I did not regard this as risky.
11 BY MR. BARON:
12 Q Okay. So you agree with me, though,
13 that it does not meet any of the criteria -- any
14 of the types of investments set forth in 1
15 through 8?
16 A No.
17 Q You think it does meet one of those
18 criteria?
19 A Yes. I think this is highly-rated
20 corporate obligations.
21 Q What were solar bonds rated?
22 A In my opinion, very high, like
23 probably extremely high.
24 Q They were --
25 A I care about my rating, not somebody

Page 196

1 else's.
2 Q Is that what you understood that the
3 SpaceX investment policy was, whatever Mr. Musk
4 thinks they should be rated?
5 MR. CHESLER: Objection, form.
6 A Yeah. I'm certainly not going to
7 listen to Moody's. Those guys get it wrong all
8 the time. Look at 2008, they screwed the pooch
9 super hard. You probably sued them too.
10 Did you?
11 BY MR. BARON:
12 Q Actually, yes.
13 A Is there one you haven't sued?
14 Q A few people.
15 A Okay.
16 Q Not Cravath.
17 So again, so your definition of
18 "highly rated" is what you rate the
19 investment, not what the market as a whole
20 rates it or what Moody's or S&P rates?
21 A Moody's and S&P get it wrong all the
22 time.
23 Q All right. And so, again, on Page 3,
24 there is a list of the type of investments that
25 are permitted under the investment policy.

Page 197

1 Do you agree with me that SolarCity --
2 or SolarCity bonds don't meet any of that
3 requirement either; correct?
4 A What requirement?
5 Q Look on Page 3. The SolarCity bonds
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 So we're saying bonds don't qualify as
13 any of those; right?
14 A Right. But look at the paragraph
15 below that. Can you read the paragraph below
16 that?
17 Q Yes.
18 A What does it say?
19 Q Why do you think the paragraph below
20 that allows you to purchase those bonds?
21 A What does it say?
22 Q You're not asking me questions. I'm
23 asking you.
24 A [REDACTED]
25 [REDACTED]

50 (Pages 194 - 197)

Page 198

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 Q So, in other words, you could waive
7 out of the investment policy, correct, is the
8 way you interpret that?
9 A Yes.
10 Q Okay. Which is fine. Which is what
11 you did?
12 A I would just recommend, you know, just
13 barking up a different tree. This is not a good
14 tree to bark up.
15 I really just thought this was a much
16 better thing for SpaceX to do than to have zero
17 percent interest.
18 Q Exactly. And that's how it went
19 about; right? So there was a -- there were
20 emails that says that the purchase of solar
21 bonds would be a violation of the investment
22 policy and then they talked to you and you said
23 you want to do it anyway.
24 That's what happened; right?
25 MR. CHESLER: Objection to the form of

Page 199

1 the question.
2 THE WITNESS: No. I talked to Bret
3 and I said, "I think this is much better
4 than earning zero percent."
5 And I was encouraging him to look at
6 other options as well. It's just it's
7 pretty annoying to earn zero percent, which
8 is really -- earning zero percent interest
9 when factoring in the inflation rate, which
10 is like at least 1 to 2 percent, then you're
11 actually negative return on your bank
12 balance.
13 BY MR. BARON:
14 Q Let me give you a March 26th email
15 from Bret to Brad Buss.
16 (Exhibit 27 was marked.)
17 BY MR. BARON:
18 Q Now, in this email, again, Bret made
19 clear to Brad Buss that there was -- that: The
20 challenge I have is the quarter end deadline. I
21 reached out to the GC tonight as I went through
22 the company's investment policy to delay and
23 believe that since it would violate the policy,
24 it will require board approval.
25 Also, given all of the conflicts of

Page 200

1 interest, I want to properly socialize it with a
2 few of the independent board members.
3 Do you see that?
4 A Yes.
5 Q Were you aware at the time that you
6 okayed going forward with the solar bond
7 purchase that it, one, did violate the policy,
8 and two, that there were a number of conflicts
9 of interest from the other board members?
10 A I didn't bother with the policy
11 because the policy clearly says that investments
12 out of variance simply require a discussion,
13 which is what ensued.
14 Q Okay. And ultimately -- can I have --
15 look at the front of Exhibit 26. You already
16 have it. That's the one with the -- that is
17 folded over. Go to the first page on that.
18 And what ultimately happened was that
19 you sent an email to the other directors and
20 said, "It appears that each member of the board
21 is an interested director within the meaning of
22 Delaware corporate code," and then got approval
23 from each of those board members in order to do
24 the SolarCity bonds; correct?
25 A I guess this is what the email says.

Page 201

1 Q Now, prior to --
2 A Something you said doesn't sound
3 right, though. You said none of these got
4 repaid before? Because this is like March 2015.
5 Did it get rolled over or something?
6 Q It got rolled over.
7 A Okay.
8 Q You don't remember that?
9 A There was a lot going on.
10 Q Okay. So let's talk about the
11 analysis, though, that was done before you
12 agreed to purchase it.
13 MR. BARON: Can I have SpaceX 4003.
14 (Exhibit 28 was marked.)
15 BY MR. BARON:
16 Q Again, there was not a cover sheet to
17 this, so I can't be sure what date this was.
18 Metadata indicated that this was sometime in
19 2015, but I don't think that's accurate given
20 the \$90 bond issued to selected parties, which I
21 think was SpaceX down in the numbers.
22 But that said, do you know or have you
23 ever seen this analysis before?
24 A I don't recall.
25 Q Okay. Did anyone ever tell you that

51 (Pages 198 - 201)

<p style="text-align: right;">Page 202</p> <p>1 SolarCity -- and let's look at the credit 2 quality issues. 3 Did anybody ever tell you that solar 4 bonds were non-investment grade? 5 A I don't recall. I don't recall. But, 6 like I said, I mean, I thought the probability 7 of repayment was very high. 8 Like I said, Moody's and S&P have 9 gotten it wrong so many times. They just look 10 in the rearview mirror. But I mean, the problem 11 with those guys is if it's a winding road, they 12 are wrong. 13 It was like look at the road ahead, 14 behind was all straight. But then like to turn 15 around the cliff and from those guys' 16 standpoint, everything would be fine. And then 17 the car goes off the cliff. 18 Q Okay. 19 A Their rearview mirror analysis is 20 their approach. 21 Q And, again, if you look at this, it 22 says that, "Solar bonds are effectively 23 subordinate to virtually all of SolarCity's 24 other debt." 25 Did you see that?</p>	<p style="text-align: right;">Page 204</p> <p>1 Q Again, on the company liquidity, do 2 you see here where it says that there are 3 several questions around liquidity in the event 4 of a downturn in the business? 5 Do you see that? 6 A Sure. 7 Q And did you agree that that was a risk 8 that SpaceX was taking? 9 A Yes. Yes. As we talked about earlier 10 in this deposition, you know, had we not 11 repurposed so much of SolarCity's resources 12 towards helping Tesla with the Model 3, they 13 would have executed better, a lot better than if 14 they had been an independent entity. 15 And so you can't look at this thing 16 independent once it's a combined company. And 17 you can't look at it from a standpoint of -- my 18 view -- that they should be different sales 19 channels which necessarily requires some 20 refactoring of the business. 21 Q So let me -- 22 A So it's just -- you're just 23 fundamentally barking up the wrong tree. 24 Q Let me make sure -- fair. Let me make 25 sure I understand your premise.</p>
<p style="text-align: right;">Page 203</p> <p>1 A I mean, yes. I guess I saw it. 2 Q And is that your understanding? Is it 3 true? 4 A Sure. 5 Q Okay. 6 A Like obviously SolarCity was able to 7 raise funding many times in the public markets. 8 And if there hadn't been a Tesla acquisition, 9 they would have just done that again and that 10 would have been that and it would have been 11 fine. 12 Q Now, do you see the next bullet under 13 Credit Quality that: The company has amended 14 its credit facility terms over the past couple 15 of years because it has not been able to satisfy 16 covenant requirements. 17 Did you know that to be true? 18 A You know, I don't think these details 19 are all that relevant. I don't recall this 20 particular point. 21 I mean, at a high level, seems to me 22 that as long as SolarCity could continue to 23 raise money in the public markets, which they 24 demonstrated an ability to do, then they would 25 be able to repay whatever the debt was. Yes.</p>	<p style="text-align: right;">Page 205</p> <p>1 Your premise is that SolarCity alone 2 could not operate and needed Tesla to be able to 3 operate at full potential, but that Tesla was 4 not able to bring SolarCity to its full 5 potential yet because of Model 3. Is that a 6 fair assessment of your story? 7 A Please stop it with the complex, 8 tricky questions. Seriously. This is a 9 nonsense -- 10 Q Is that not correct? What is tricky 11 about that question, Mr. Musk? 12 A When you create a complex question, in 13 answering a complex question, you effectively 14 agree with part of the question as what the 15 question is saying. 16 So when you read back the testimony, 17 this is like a common way that people like 18 yourself trick people. It's not good. And they 19 teach you this in law school. 20 Q No one taught me this in law school. 21 A Okay. You weren't listening to the 22 professor then. This is standard issue. 23 So Tesla and SolarCity both had a lot 24 of challenges, as all companies have challenges. 25 And SolarCity I think would have done just fine</p>

52 (Pages 202 - 205)

Page 206

1 by itself and Tesla would have done fine by
 2 itself, but in the long-term, they are better
 3 together. And that is what the future will
 4 show.
 5 That's why I think you should stop
 6 wasting your time now and wait for a few
 7 quarters and then you'll see just how foolish
 8 this lawsuit is.
 9 Q All right. So the next thing on --
 10 since we can't agree as to what your story is,
 11 we will move on back to this document.
 12 The next point was that you say:
 13 Additionally, the company's free cash flow
 14 profile is concerning.
 15 And it talks about, you know, fiscal
 16 years from ops was negative 218 and cash use
 17 investment was negative \$1.3 billion with cash
 18 on hand at 504.
 19 Was that information that you were
 20 aware of when you pushed the purchase of solar
 21 bonds?
 22 A I don't recall.
 23 Q Okay.
 24 A It looks like you have a long way to
 25 go on that thing.

Page 207

1 Q I have a long way to go on that thing.
 2 A It seems like you're finding another
 3 section. Are we still on Section 1 or
 4 something?
 5 Q Pretty close.
 6 A Does that go all the way to bottom or
 7 is that just notes for reference?
 8 Q No, it goes all the way to the bottom.
 9 A Why don't you try barking up a
 10 different tree? We are on a different tree. Is
 11 this a different tree?
 12 Q All right. So in June of 2015, you
 13 invested again in solar bonds; correct?
 14 A Same tree.
 15 Q Is that correct?
 16 A What?
 17 Q In June of 2015, you invested again.
 18 You actually invested another \$75 million in
 19 solar bonds. 90 in June -- in March of 2015 and
 20 then in June of 2015, another 75 million;
 21 correct?
 22 A I guess so. Probably true.
 23 Q Did you again go through the same
 24 process of having to get interested directors
 25 signing off on a -- signing off on an exception

Page 208

1 to the investment policy?
 2 A Probably Bret Johnsen did that.
 3 Q Okay.
 4 A Is it your premise or is this like one
 5 of the main thrusts of your sort of argument
 6 that it's like Tesla somehow bailed out
 7 SolarCity?
 8 Q It's not some part of the premise.
 9 That's exactly what happened.
 10 A It's not true.
 11 Q Good.
 12 A It's obviously not true. SolarCity
 13 could have just raised capital and proceeded
 14 along their normal path. That's obvious.
 15 Second guessing the public markets is
 16 not going to hold the day. It shouldn't. It
 17 would create a terrible precedent.
 18 Q That's a fair point.
 19 A Yes.
 20 Q Let's actually really look at the
 21 problems that were happening at SolarCity when
 22 they were happening.
 23 I think that's exactly our premise;
 24 right?
 25 A Right, I get it.

Page 209

1 Q There was a February 2nd, 2016 board
 2 meeting; right?
 3 A Why beat around the bush?
 4 Q What was that?
 5 A Why beat around the bush?
 6 Sorry, yes, go on.
 7 Q There was a February 2nd SolarCity
 8 board meeting that you were not at; correct?
 9 Let's mark it --
 10 A Probably -- you know, that was like
 11 three years ago. I wasn't at every board
 12 meeting. If there was an emergency, then I had
 13 to not be at the board meeting.
 14 MR. BARON: Mark this as Exhibit 29,
 15 please.
 16 (Exhibit 29 was marked.)
 17 THE WITNESS: The irony here is all
 18 these people think Tesla is a terrible
 19 company and basically on the verge of death
 20 or something.
 21 I mean, it's just you get these
 22 differences of opinion. But the public
 23 markets, you have like a clearing price and
 24 that's -- the people that are against it or
 25 optimistic and pessimistic and it nets out

Page 210

1 to some value, and sometimes people are
2 right and sometimes they are wrong. That's
3 how it goes.
4 Q Look at Exhibit 29, if you would,
5 please.
6 BY MR. BARON:
7 Q That's a directors' meeting for
8 SolarCity, February 22nd. You'll agree with me
9 that you were not there; correct?
10 MR. CHESLER: February 2nd.
11 MR. BARON: February 2nd.
12 THE WITNESS: I guess so.
13 BY MR. BARON:
14 Q All right. There was a presentation
15 made for the Q1 2016. And at that meeting, do
16 you know whether you got that presentation or
17 not?
18 Give that to me. I'll mark that as
19 Exhibit 30.
20 A I don't recall.
21 (Exhibit 30 was marked.)
22 BY MR. BARON:
23 Q Do you know whether or not you
24 actually saw this presentation in February 2016?
25 A I don't recall.

Page 211

1 Q Working through this document -- and
2 we saw this document before because this is one
3 of the documents actually that I think you
4 identified with one of the interrogatories.
5 But looking at -- going to Page 11 of
6 this document, it's Tesla 2333.
7 Were you aware, again, in February of
8 2016 that SolarCity was projecting a close of
9 fiscal year with a negative \$268 million in
10 DevCo cash flow?
11 A No.
12 Q Or --
13 A I don't recall. I literally don't
14 recall.
15 MR. CHESLER: Counsel, did you say,
16 "DevCo cash flow"?
17 MR. BARON: Yes, "Total DevCo," which
18 is down on the very bottom left.
19 MR. CHESLER: Thank you.
20 BY MR. BARON:
21 Q Were you aware that the total cash
22 generation expected was -- on the lower right
23 was minus \$204 million?
24 A For the year?
25 Q Yes.

Page 212

1 A I mean, that's the number that's on
2 those.
3 Q I want to know if you have a
4 recollection of being aware of that in February
5 2016?
6 A Not really.
7 Q If you go to Page 12, and I think you
8 identified this page before, it's a couple of
9 pages back to Page 12, which is 2334.
10 And were you aware that the company
11 was below its liquidity covenant of
12 \$116.3 million in May, August and September of
13 2016?
14 A No.
15 MR. CHESLER: Objection to the form of
16 the question.
17 THE WITNESS: I don't recall. Just
18 the entire premise of your case just makes
19 no sense, you know.
20 It's like both Tesla and SolarCity
21 were not profitable companies. And so it's
22 just a question of whether the investors
23 believed that the debt present value of
24 future cash flows are going to be
25 significant or not.

Page 213

1 And obviously they did because the
2 market cap was the market cap.
3 So, you know, it's not like Tesla was
4 in amazing -- is in amazing shape as one
5 would normally evaluate, say, some
6 Fortune 500 company.
7 But they are very like low growth, low
8 potential companies. Both SolarCity and
9 Tesla were high growth, high potential
10 albeit loss-making entities.
11 And it was a stock-for-stock
12 transaction. So this is like trying to
13 second guess expert investors as to what the
14 ratio of a combination should be.
15 And to enter precedent, it would be a
16 disaster for corporate America. You should
17 hope that you don't win because you cause so
18 much trouble.
19 BY MR. BARON:
20 Q So, again, you were aware of the
21 liquidity problems or you were not aware of the
22 liquidity problems in 2016, in February 2016?
23 A You're mischaracterizing the
24 situation.
25 Q That's a question.

Page 214

1 A Yes. But, again, it's a misleading
2 question. So would you like me to answer the
3 question as it --
4 Q No. I would like you to actually
5 answer the question that I asked.
6 Were you aware or not aware of the
7 liquidity issues as represented on Page 12 of
8 the Q1 presentation in February of 2016 or not?
9 A I knew SolarCity would need to raise
10 money in order to continue a high-growth
11 scenario.
12 Q And you paid for a high-growth
13 scenario?
14 A With stock.
15 Q I'm just saying that what you were
16 purchasing and what you told Tesla shareholders
17 you were buying was a high-growth company;
18 right?
19 MR. CHESLER: Objection to the form.
20 THE WITNESS: Yes. The expectation
21 was that there would be high growth in
22 solar, but that there would be some
23 disruptions in the short term until we
24 changed the business to be more in line with
25 what we -- how at least I thought it should

Page 215

1 be done.
2 As I mentioned earlier, the thing that
3 sort of set us back by some amount of time
4 was reorienting resources towards the
5 Model 3 program at Tesla.
6 This obviously is going to affect the
7 progress in solar.
8 So but we will get back to it and
9 that's why I suggest you just stop wasting
10 everyone's time and see how the next few
11 quarters go, at least the balance of the
12 year.
13 And then if that still doesn't work
14 out, then I suggest you come back and start
15 wasting everyone's time again.
16 BY MR. BARON:
17 Q So perhaps I can at least ease the
18 time pressures a little. You don't actually
19 have to suggest that again because that is not
20 happening and we're heading towards trial in the
21 beginning of next year.
22 So I want you -- you don't have to
23 keep asking that because it's unlikely to
24 happen.
25 So let's go on with the examination.

Page 216

1 A I can't wait for the trial. It will
2 be great. You're going to lose.
3 Q I've been told that before.
4 A Yes. You should lose. It wouldn't be
5 right for you to win.
6 Q So, again, were you aware also that
7 there were problems at the Silevo manufacturing
8 facility as of February 2016?
9 A Was I aware of what?
10 Q Problems at the Silevo manufacturing
11 facility, that they were behind budget and they
12 were over budget and they were behind?
13 A Yes. This is true of every
14 manufacturing facility that I am aware of. I
15 would like to find a manufacturing facility that
16 doesn't have problems. This is genius.
17 MR. BARON: Can I have SpaceX 00412,
18 please.
19 THE WITNESS: You will lose this case
20 because you should lose, not for any other
21 reason.
22 MR. BARON: Can you mark this
23 Exhibit 31, please.
24 (Exhibit 31 was marked.)
25

Page 217

1 BY MR. BARON:
2 Q I'm showing you what's been marked as
3 Exhibit 31. This is SolarCity's Credit Quality
4 Update from, again, February 2016.
5 Did you ever see this document before?
6 A I don't recall.
7 MR. CHESLER: Did you say February
8 '16?
9 MR. BARON: I said February 11, 2016.
10 MR. CHESLER: I'm sorry, counsel,
11 where is the date?
12 MR. BARON: I think that was from the
13 SEC filing, I think. Do we know?
14 MR. HUFFMAN: It's in the metadata of
15 the document. The metadata says February
16 11, 2016.
17 MR. CHESLER: I just want to be clear
18 on the record because there's nothing on the
19 face of the document.
20 MR. BARON: No, I think it's in the
21 metadata.
22 MR. CHESLER: It's a native file, so
23 I'm just asking because he said a date and I
24 don't see the date.
25

55 (Pages 214 - 217)

Page 218

1 BY MR. BARON:
 2 Q Did you ever see this document?
 3 A It's possible I saw this document.
 4 Q Is it consistent with your knowledge
 5 of SolarCity's credit quality as of February
 6 2016?
 7 A You want me to analyze this?
 8 Q I want to know whether or not you were
 9 aware that SolarCity's credit quality had
 10 weakened as of February 2016?
 11 A In my opinion, SolarCity's credit
 12 quality did not weaken materially over this
 13 period of time.
 14 Q All right. Were you aware that as --
 15 this comment in here that: SpaceX's current
 16 solar bond position of \$165 million, that would
 17 be the 90 plus the 75, appears to represent
 18 approximately 77 percent of SolarCity's bonds
 19 outstanding? Were you aware of that?
 20 MR. CHESLER: It says, "total solar
 21 bonds" --
 22 MR. BARON: Total solar bonds
 23 outstanding.
 24 THE WITNESS: I don't recall.
 25 MR. BARON: Let me show you a

Page 219

1 document. Can I have the Jason Wheeler
 2 February 29, 2016 email, please.
 3 (Exhibit 32 was marked.)
 4 THE WITNESS: Just wasting everyone's
 5 time.
 6 BY MR. BARON:
 7 Q Exhibit 32, this is an email
 8 between -- from Jason Wheeler to you and Todd
 9 Maron dated February 29th, 2016 regarding a
 10 model prepared for the board of directors of
 11 Tesla for discussing an acquisition of
 12 SolarCity.
 13 Do you recall asking Mr. Wheeler to
 14 prepare a presentation for a discussion with the
 15 board of directors regarding the acquisition of
 16 SolarCity in late February 2016?
 17 MR. CHESLER: Objection to the form of
 18 the question.
 19 THE WITNESS: I mean, I don't exactly
 20 recall with that level of precision, but I'm
 21 sure that such a thing would have been asked
 22 for.
 23 BY MR. BARON:
 24 Q The source of Mr. Wheeler preparing
 25 the presentation for the board was, in fact,

Page 220

1 you; correct?
 2 You were the person who came up with
 3 the idea in February, let's go talk to the board
 4 about buying SolarCity; correct?
 5 A Yes. I mean, this had been discussed
 6 informally for years, but I thought it was time
 7 to take action.
 8 Q Now, this is February -- this is a
 9 Monday, February 29th. You can see that from
 10 the cover sheet; correct?
 11 A Which cover sheet?
 12 MR. CHESLER: Here.
 13 THE WITNESS: Sure. In the email,
 14 yes.
 15 BY MR. BARON:
 16 Q The email says that they have been
 17 looking closely over the last 48 hours. So
 18 again, is it fair to say that on Saturday or
 19 Friday, Friday or Saturday, you made a phone
 20 call to Jason Wheeler and told him, "Now is the
 21 time for us to go"?
 22 A I don't recall.
 23 Q Is it fair to say whenever you told
 24 Mr. Wheeler, it was shortly before the creation
 25 of this presentation? He didn't have a long

Page 221

1 time to prepare it; correct?
 2 A I don't recall.
 3 Q And, in fact, the weekend that you --
 4 it appears that you told Mr. Wheeler that he
 5 should start to prepare this presentation, you
 6 were actually with your cousin in Lake Tahoe;
 7 correct?
 8 MR. CHESLER: Objection to the form of
 9 the question.
 10 THE WITNESS: I don't recall.
 11 MR. BARON: Let me show you an email
 12 confirmation from January.
 13 (Exhibit 33 was marked.)
 14 BY MR. BARON:
 15 Q This is an email confirmation between
 16 Emma Gallagher, who is your administrative
 17 assistant, I believe; correct?
 18 A Mm-hmm.
 19 Q And from Lyndon Rive, who is your
 20 cousin; correct?
 21 A Is that really a question?
 22 Q Yes, because that's what we do.
 23 Lyndon Rive is your cousin; correct?
 24 A Yes.
 25 Q And so on -- this locks in that you

Page 222

1 were spending the weekend with his family in the
2 Lake Tahoe house the weekend of February 27th;
3 correct?
4 A Sure.
5 Q Were you having discussions -- were
6 you having discussions with Mr. Rive about the
7 acquisition at the same time that you asked
8 Mr. Wheeler to prepare the presentation?
9 A I don't recall.
10 Q Is that a possibility?
11 A I suppose it's a possibility.
12 Anything is a possibility.
13 Q And you told Mr. Wheeler that you were
14 going to set up a special meeting of the board
15 of directors, correct, to have that discussion?
16 A Is that what the email says?
17 Q That's actually what the meeting says.
18 So it was a special meeting -- you had a meeting
19 on February 29th; it was a special meeting that
20 you called specifically to discuss the SolarCity
21 acquisition; correct?
22 A I guess it might be correct. For the
23 premise of your case to have any merit, you have
24 to say SolarCity could not raise equity capital,
25 which is -- raising equity capital is a function

Page 223

1 of the market cap of the company, and they could
2 obviously have done so.
3 So why are you wasting everyone's
4 time?
5 MR. BARON: Could you mark this as
6 Exhibit 34.
7 (Exhibit 34 was marked.)
8 BY MR. BARON:
9 Q So you can see from Exhibit 34, you
10 recognize these are the board minutes for the
11 special meeting of the board of directors on
12 February 29th.
13 Do you see that?
14 A Yes.
15 Q You called this meeting specifically
16 for the purposes of discussing the acquisition
17 of SolarCity at that time; correct?
18 A Yes.
19 Q It was your idea; you called the
20 meeting; you didn't want to wait until the next
21 regular meeting of the board.
22 What was so urgent?
23 MR. CHESLER: Objection to the form of
24 the question.
25 THE WITNESS: I wouldn't say that

Page 224

1 there was anything urgent.
2 BY MR. BARON:
3 Q Why did you, in a special meeting,
4 give your CFO only 48 hours to prepare something
5 in a very preliminary manner to give to the
6 board?
7 MR. CHESLER: Object to the form of
8 the question.
9 THE WITNESS: We only meet every three
10 months, and so it's -- waiting months for
11 something to occur is a long time. Why
12 wait? Patience is not my strong suit.
13 Maybe you might have guessed that by now.
14 BY MR. BARON:
15 Q Now, that is maybe the least shocking
16 thing I've heard today.
17 Now, Mr. Wheeler seemed to indicate in
18 Exhibit 33 that he thought that this was maybe
19 not the best time to discuss an acquisition of
20 SolarCity; correct?
21 MR. CHESLER: Thirty-two.
22 MR. BARON: I'm sorry, I thought it
23 was 33. The Wheeler deposition is 33, isn't
24 it?
25 MR. ZAGAR: No, 33 is the Lake Tahoe

Page 225

1 email.
2 MR. BARON: That's right. Thank you.
3 MR. CHESLER: Sorry. Can we get the
4 question again?
5 MR. BARON: Sure.
6 Q Mr. Wheeler was of the opinion that
7 perhaps it's not the best time to purchase -- to
8 try to purchase SolarCity; correct?
9 MR. CHESLER: Objection to form.
10 THE WITNESS: What are you basing this
11 on?
12 BY MR. BARON:
13 Q The headlines of Mr. Wheeler's email
14 to you were reasons why perhaps the acquisition
15 didn't make sense; correct?
16 MR. CHESLER: Objection to the form of
17 the question.
18 BY MR. BARON:
19 Q Do you disagree with that
20 interpretation?
21 A Yes. Your question makes no sense.
22 Q Well, he said that the transaction
23 would be highly dilutive.
24 That's generally not the best type of
25 acquisition; correct?

Page 226

1 MR. CHESLER: Can you show us where
2 you're looking, counsel?
3 MR. BARON: Yes, Exhibit 32, which is
4 the Jason Wheeler email, bullet point
5 number 2, sub 1.
6 THE WITNESS: It's the job of the CFO
7 to highlight risks. So it's generally going
8 to be quite risk averse CFOs.
9 BY MR. BARON:
10 Q So he clearly did not think that
11 was -- you agree that acquiring a
12 highly-dilutive acquisition is not usually the
13 best idea; correct?
14 MR. CHESLER: Objection to the form.
15 THE WITNESS: No, I don't think
16 that -- what matters is the long-term
17 outcome, not some short-term EPS solution.
18 BY MR. BARON:
19 Q And you saw, again, that he says that
20 Morgan Stanley was projecting a negative
21 \$190 million drain on the cash in that year
22 alone.
23 Do you see that bullet point?
24 A Yes.
25 Q That's also a negative; correct?

Page 227

1 MR. CHESLER: Objection to form.
2 THE WITNESS: That's Jason's job to --
3 a CFO's job to highlight risks. So he was
4 obviously going to be -- generally probably
5 risk averse. That's what you would expect.
6 BY MR. BARON:
7 Q Now, when you saw the presentation and
8 you saw that it was, what he said, "highly
9 dilutive," and that's on the presentation, you
10 can go a couple of pages on the
11 Accretion/Dilution Analysis, that didn't matter
12 to you, correct, that it was highly dilutive?
13 MR. CHESLER: Objection to the form.
14 THE WITNESS: Short-term dilution of
15 EPS is not a driving factor in an
16 acquisition decision.
17 BY MR. BARON:
18 Q Did that analysis ever change? Did
19 that analysis ever demonstrate that this was
20 actually going to be an accretive transaction as
21 far as you know?
22 MR. CHESLER: Objection to the form.
23 THE WITNESS: The issue, when you have
24 lease accounting -- are you familiar with
25 lease accounting? Are you familiar with

Page 228

1 lease accounting?
2 BY MR. BARON:
3 Q No.
4 A This may be part of your
5 misunderstanding. So when you have lease
6 accounting, the income statement tends to look
7 bad but the balance sheet looks good.
8 So you essentially acquire a bunch of
9 assets on the balance sheet, but the earnings
10 statement, it looks negative because of the way
11 Generally Accepted Accounting Principles account
12 for leases.
13 So it's necessarily going to be true
14 that any company which is doing a lot of lease
15 obligations is going to have a negative
16 earnings. This is true of a car company as
17 well. But you will see an accumulation of
18 assets on the balance sheet.
19 Now, this, I think, is actually a flaw
20 in GAAP accounting. This flaw has been
21 partially -- there is an adjustment to the way
22 GAAP accounting is done for leases that has made
23 things a little bit better, but it's still not
24 fully capturing an accurate picture for -- in
25 any company which has got significant leases.

Page 229

1 So if you sell a product in lease
2 form, it's still not quite accurate. You have
3 to be kind of an accountant to -- or you have to
4 understand quite a bit of accounting to
5 understand what the real health of a business is
6 if it has a lot of lease obligations.
7 Like I said, that's true of car
8 companies or solar companies or any company that
9 engages in leases. This is a longstanding
10 debate in accounting.
11 Q Thanks.
12 A Yes, you're welcome.
13 Q Now, Mr. Wheeler, after he
14 presented -- actually, when it was presented to
15 the board of directors as your suggestion that
16 they should begin the negotiation or discussion
17 of an acquisition of SolarCity, did any of the
18 directors say, is there a hurry? Is there any
19 reason that we need to do this right now?
20 A I don't recall.
21 Q Did any of them say, are there any
22 problems? Are there any liquidity issues that
23 will be solved at SolarCity by us undertaking
24 this acquisition?
25 A Probably.

Page 230

1 Q They probably asked you that question?

2 A I mean, I think that -- I don't recall

3 the exact discussion, but these are natural

4 questions to ask in any acquisition.

5 Q And did you say, yes? Did you say,

6 yes, SolarCity has some real liquidity problems

7 in the short run that can be solved if we buy

8 the company?

9 A No, because it's not true. This is

10 the point that you're fundamentally missing.

11 SolarCity would have just gone out and

12 raised equity capital, as they had done many

13 times before, and they would have continued

14 executing their business.

15 Q So after that meeting, by the way, the

16 board of directors didn't tell you no to the

17 SolarCity offer, they just said that they want

18 more information; correct?

19 A My recollection is that they wanted to

20 spend more time thinking about it and that we

21 should make sure that we go through the best

22 possible process and that it should be

23 ultimately unimpeachable. Although here you are

24 trying to impeach it of course. And that we

25 want to make sure that this is the most legally

Page 231

1 and morally right way to do it.

2 Q Okay.

3 A And that is obviously the right

4 approach. And so we slowed it down a bit.

5 Q So they clearly didn't shut you down,

6 they just said they want more information;

7 correct?

8 MR. CHESLER: Objection to the form of

9 the question. Asked and answered.

10 BY MR. BARON:

11 Q They didn't shut you down?

12 MR. CHESLER: Same objection.

13 THE WITNESS: As I said, we continued

14 to discuss it and said, like, you know, we

15 should absolutely do this the right way.

16 And we did.

17 BY MR. BARON:

18 Q And part of that was because, even as

19 presented in the board minutes, what Mr. Wheeler

20 was able to present was very preliminary

21 financial information.

22 That's what he presented, very

23 preliminary financial information; correct?

24 A Yes, of course.

25 Q Okay. Now, in April there was another

Page 232

1 board of directors' meeting at SolarCity;

2 correct? Or do you have any recollection?

3 A I mean, you have to -- so like, okay,

4 three years ago, what was the exact month and

5 time and everything, it's difficult to remember

6 these things exactly. But you're probably

7 correct that there was one.

8 Q Let's just confirm that.

9 MR. BARON: Can I have the April board

10 minutes, April 26, please.

11 (Exhibit 35 was marked.)

12 BY MR. BARON:

13 Q Board meeting on April 26th. And if

14 you take a look at the top, it says that you, in

15 fact, participated in that meeting.

16 Do you see that?

17 A Yes.

18 Q Now, typically for the board meetings

19 at SolarCity, were they by telephone or were

20 they in person?

21 A I don't recall.

22 Q Were you typically emailed

23 presentations prior to the meetings or did you

24 just get handed information when you were there?

25 A I'm not sure. I think usually I got

Page 233

1 something before, but I'm not sure that was

2 always the case.

3 Q Now, in this case, on the day before

4 the meeting, you received an email from John

5 Fisher. Do you recall that?

6 A No.

7 Q Let me see.

8 MR. BARON: Mark this 36.

9 (Exhibit 36 was marked.)

10 BY MR. BARON:

11 Q First off, John Fisher is also a board

12 member of SolarCity; correct?

13 A Yes, he was.

14 Q He was a venture capitalist that

15 invested in a number of your entities; correct?

16 A Yes.

17 Q He was with DFJ? He's "Fisher" from

18 DFJ; correct?

19 A He puts the "F" in DFJ?

20 Q Yes. That's okay. You can ask him.

21 I deposed him as well.

22 In this he says: It sounds like we

23 have some important/disturbing issues to

24 discuss.

25 Do you see that?

Page 234

1 A Yes.

2 Q Do you know what those

3 important/disturbing issues were?

4 A I don't recall.

5 Q Let's look at the presentation that

6 was provided to the board of directors.

7 MR. BARON: Can I have the email and

8 presentation dated April 26th.

9 (Exhibit 37 was marked.)

10 BY MR. BARON:

11 Q Just so that we're -- you did not --

12 when Mr. Fisher says, "It sounds like we have

13 some important/disturbing issues to discuss," it

14 looks to me like you were aware that there were

15 important/disturbing issues to discuss because

16 you did not ask Mr. Fisher what he's talking

17 about; correct?

18 MR. CHESLER: Objection to the form of

19 the question.

20 THE WITNESS: I didn't know what he

21 was talking about. What I was saying is

22 that I'll be calling in and we can talk --

23 hear what he's talking about.

24 BY MR. BARON:

25 Q You know for sure you didn't know what

Page 235

1 he was talking about?

2 A I had no idea.

3 Q Now, going through --

4 A By the way, it looks like important

5 and disturbing issues, like, is a standing

6 comment at any --

7 Q At SolarCity?

8 A No, at any company that is in a high

9 growth and isn't just like McDonald's or

10 something, although arguably they do have

11 disturbing issues.

12 But if you're steady state, things --

13 there's not much that rocks the boat.

14 McDonald's will sell about as many burgers last

15 year as they did this year.

16 But in a high-growth company with a

17 lot of things happening, new industry, there are

18 always important/disturbing issues. It's a

19 standing -- this is nothing special.

20 Q So going through -- so tell me whether

21 or not you think these are important or

22 disturbing issues. Going through the

23 presentation, if you take a look at the

24 Quarterly Overview, this is going to be on

25 Page 6.

Page 236

1 A Do you drive a gasoline car?

2 Q Yes.

3 A How embarrassing. You can afford an

4 electric car. Save the environment.

5 Q I'm one of the few. I appreciate

6 that.

7 A Why do you hate the environment?

8 Q I haven't sent a rocket into space, so

9 I guess I haven't hurt the environment doing

10 that.

11 A I got you. What is it, a Mercedes or

12 an Audi? Is it a diesel Audi?

13 Q Nope.

14 A Okay.

15 Q It's not.

16 So let's look at the Quarterly

17 Overview. We'll see from the Quarterly

18 Overview that from the first to fourth

19 quarter in the cash and short-term

20 investments it went down.

21 Do you see that? It's on Page 6.

22 It's the other page.

23 A Mercedes, Audi or BMW?

24 Q So, again, you see that it went from

25 the short-term -- cash and short-term

Page 237

1 investments went from -- in the 2015 -- first

2 quarter in 2015 from 575 down to 361.

3 Do you see that? So cash went down?

4 MR. CHESLER: No -- oh, you're talking

5 about through the first quarter of the

6 following year?

7 MR. BARON: Yes.

8 Q You see that; right?

9 A What line are you referring to?

10 Q I'm looking at Debt and Cash. Cash

11 went from -- first quarter to first quarter, it

12 went down. Do you see that?

13 A In 2016?

14 Q First quarter of 2015 down to first

15 quarter of 2016, cash was less?

16 A Yes.

17 Q All right. And debt was more;

18 correct?

19 A Yes. According to this, yes.

20 Q Did you find that disturbing or

21 important?

22 A No. This is common for a company that

23 is in high growth.

24 Q Okay. Go to the 2016 cash flow by

25 quarter. And that is on Page 15.

Page 238

1 A I'm guessing you don't have solar
2 either.
3 Q Actually, I do have solar.
4 A Really? Imagine the irony if it was
5 from SolarCity.
6 MR. BARON: That would be ironic, but
7 it's not.
8 MR. CHESLER: Page what?
9 THE WITNESS: Fate loves irony.
10 MR. BARON: 15.
11 Q On Page 15, you can see that there is
12 a \$196 million reduction in expected cash equity
13 proceeds.
14 Do you see that?
15 Do you see that in the very bottom in
16 the last bullet point?
17 A Oh, yes. Not on the spreadsheet
18 but...
19 Q Did you find that important or
20 disturbing?
21 A No.
22 Q How about Page 16, do you see how it
23 indicates that -- in the last bullet point that
24 May through August are at risk of tripping
25 covenant?

Page 239

1 Do you see that? And it has a circle
2 around I guess in -- around a number of them,
3 and it shows that it is below the covenant per
4 month on one, two, three, four, five, six,
5 seven --
6 A Yes.
7 Q Eight of the 12 months?
8 A I think the point of this presentation
9 is that SolarCity needed to raise money. This
10 was -- they had needed to raise money before;
11 they had always been successful. 100 percent
12 success rate. And they would have just done so
13 again.
14 Q So you didn't consider that
15 disturbing?
16 A No.
17 Q Now, go to Page 21. On the,
18 "Megawatts Installed, Guidance," they had to
19 reduce their guidance -- or they were suggesting
20 they had to reduce their guidance from 1250 to
21 900.
22 Do you see that?
23 A Mm-hmm.
24 Q Did you consider that to be
25 disturbing?

Page 240

1 A It's not great, obviously. But Tesla
2 also was optimistic in its -- you know, we
3 thought we would do better than we did over that
4 period of time. So this is not usual.
5 Q But that problem can't be solved just
6 by going to the equity markets, right, the
7 megawatt installed going down?
8 Before you said the other thing wasn't
9 disturbing because you can just go to the equity
10 markets, but the equity markets aren't going to
11 improve your megawatts installed?
12 A No. But they give you time to -- this
13 is just like what level of growth and how are we
14 going to do in solar installation and in solar
15 sales.
16 So I'm not sure what you're getting at
17 here.
18 Q Just looking at timing issues.
19 So now, in May of 2015 -- I'm sorry,
20 2016 -- Tesla did a public offering in which you
21 also sold approximately \$593 million worth of
22 Tesla stock; correct?
23 A When?
24 Q May of 2016.
25 A These are the stock options that I had

Page 241

1 no choice but to exercise in order to pay the
2 tax.
3 Q You had to sell stock in order to pay
4 the tax if you wanted to exercise the options?
5 A Yes. These were options that would
6 otherwise expire. So I simply sold enough
7 options to pay the taxes. The number of shares
8 would have been the same no matter what.
9 Q I'm just saying that there was -- and
10 at the same time the company sold shares as
11 well; correct? The total offering was 6,519,656
12 shares. Of that, 2,782,670 were yours; correct?
13 A Simply in order to pay taxes.
14 Q That's fine. I'm just making sure we
15 have the timing right that there was a public
16 offering of shares that happened in May of 2016;
17 correct?
18 A It sounds about right.
19 Q And that closed on May 25th, 2016;
20 correct?
21 A Probably correct.
22 Q And like any other stock sale, if bad
23 news came out or news that the market would not
24 like, that would have dropped the stock;
25 correct?

Page 242

1 MR. CHESLER: Objection to the form of
 2 the question.
 3 THE WITNESS: No, this is what you
 4 fundamentally don't understand. If you
 5 sell -- it actually doesn't matter what the
 6 stock price is.
 7 If I was keeping the money, then it
 8 would matter. But since I was not, and
 9 simply paying taxes, the taxes scale
 10 proportionate to the stock price.
 11 So it wouldn't matter whether the
 12 stock was sold at \$10 or at \$1,000. It's
 13 irrelevant.
 14 Do you understand that?
 15 BY MR. BARON:
 16 Q Sure.
 17 A Okay.
 18 Q So now -- and just so that we have the
 19 timing right, the stock sale went through on --
 20 the offering closed on May 25th and then at the
 21 next regular board meeting on May 31st, you once
 22 again brought up the issue of buying SolarCity;
 23 correct?
 24 MR. CHESLER: Objection, form.
 25 THE WITNESS: Sounds right.

Page 243

1 BY MR. BARON:
 2 Q Did something new happen in the
 3 interim between the February meeting and this
 4 May meeting which caused you to want to bring up
 5 the SolarCity acquisition again, other than the
 6 SolarCity board meeting that we just talked
 7 about?
 8 MR. CHESLER: Objection to the form.
 9 THE WITNESS: I think it was just
 10 continuance of the same premise of acquiring
 11 SolarCity.
 12 BY MR. BARON:
 13 Q Did you have any new information about
 14 SolarCity between February and May 31st other
 15 than what you learned at the board meeting at
 16 SolarCity on April 26th?
 17 A Not that I recall.
 18 Q Now, in early --
 19 A No.
 20 Q In May, also, do you recall that
 21 SolarCity received a letter from the SEC
 22 questioning some of its disclosures in its
 23 filings?
 24 A I don't recall, no.
 25 Q And do you recall that that letter was

Page 244

1 responded to on June 8th, 2019 -- 2016, sorry?
 2 A No.
 3 MR. BARON: Can I have the June 8th
 4 letter, please.
 5 (Exhibit 38 was marked.)
 6 BY MR. BARON:
 7 Q Showing you a letter to the SEC from
 8 SolarCity on June 8th. And as you can see on
 9 the first full paragraph, it talks about a
 10 letter received from the SEC dated May 23rd.
 11 Do you see that on the first
 12 paragraph?
 13 A Yes, sure.
 14 Q So did you -- were you aware of either
 15 the letter from the SEC or the response to the
 16 letter to the SEC?
 17 A I mean, aware -- aware, yes. Familiar
 18 with the details, no.
 19 Q Take a look at -- on Page 6 of 9 of
 20 the letter.
 21 Were you aware that the SEC wanted
 22 better disclosures on the issues of sources of
 23 cash that will be sufficient to meet cash
 24 requirements over the next 12 months?
 25 A It is common to receive these sorts of

Page 245

1 inquiries from the SEC and to get this sort of
 2 feedback. And I actually think it's sort of --
 3 I think it's a valid question for them to ask.
 4 As I said, what SolarCity planned to
 5 do as they -- as would make sense, would be to
 6 raise another equity round, as they had done
 7 many times before, and address any cash needs
 8 that they had.
 9 Q My question is: Were you aware that
 10 the SEC had issued rest for further disclosure
 11 of whether or not they had sufficient sources of
 12 cash to pay their debt obligations?
 13 I'm just asking if you were aware of
 14 that.
 15 A I mean, I wasn't aware -- I mean, if
 16 something didn't resonate as something
 17 substantial in that we were already aware of the
 18 fact that we would need -- SolarCity would need
 19 to raise funding as they had done before.
 20 And I had full confidence that they
 21 would be able to do that as an independent
 22 company.
 23 Q That wasn't what was told to the SEC,
 24 was it? They didn't say to the SEC, if we do
 25 not have enough cash, we'll just go back to the

Page 246

1 public markets.
2 That's not what they said, is it?
3 They actually said: In the event that
4 we are unable to raise additional sources of
5 working or project capital, or that we believe
6 that it is in the best interest of our
7 shareholders to preserve capital, we may decide
8 to install fuel or solar energy systems and
9 procure fewer components.
10 I believe that the nature of our
11 operations provides us with a high degree of
12 flexibility to react to changing economic and
13 operational situations in managing our projected
14 cash requirements.
15 A Yes. And that is one accurate answer.
16 But, generally, if you're going to raise
17 capital, you do not state this in documents.
18 You make the decision, you go through
19 the process, and you raise capital. But you
20 don't say so in something -- some document like
21 this which, you know, could potentially leak or
22 something like that.
23 You raise the money, and in the
24 process, you get the banks involved. And that's
25 how you do it.

Page 247

1 Q Going to Page 8 of this document, do
2 you recall there being an issue raised by the
3 SEC relating to how you phrase your generation
4 of cash flows or generation of cash?
5 Do you recall that issue?
6 A I mean, this is a level of detail that
7 I am not familiar with.
8 Q Were you ever told by anyone that --
9 at SolarCity when you speak to the investing
10 public, including you, not to use the phrase
11 "cash flows" for SolarCity because that would be
12 an inaccurate representation and the SEC didn't
13 like using the word "cash flows"?
14 MR. CHESLER: Objection --
15 BY MR. BARON:
16 Q Like you are using the word "cash
17 flows" when you meant cash generation from all
18 sources including the equity, the VIEs and other
19 instruments.
20 MR. CHESLER: Objection to form.
21 THE WITNESS: I don't recall this.
22 MR. BARON: That's fine. We can take
23 a break now. I'll find the document.
24 VIDEOGRAPHER: This marks the end of
25 media Number 4. Going off the record at

Page 248

1 4:33 p.m. 0
2 (Recess taken.)
3 VIDEOGRAPHER: This marks the
4 beginning of media Number 5. Going back on
5 the record at 4:55 p.m. 0
6 BY MR. BARON:
7 Q All right. So when we went off, I
8 asked you if you recalled ever being told
9 specifically not to use the word "cash flow,"
10 and I want to add to that.
11 Were you ever specifically told not to
12 use the word "cash flow positive" because of SEC
13 correspondence?
14 A I don't recall.
15 MR. BARON: Let's mark this as
16 Exhibit 39.
17 (Exhibit 39 was marked.)
18 BY MR. BARON:
19 Q An email from your cousin, Lyndon, on
20 August 9th, 2016 that says: One additional
21 point, we cannot use the word, quote, cash flow
22 positive, end quote.
23 The SEC sent us a letter saying that
24 we should not use those words. The reason for
25 being cash flow positive is the financing of

Page 249

1 assets.
2 Even though we describe our definition
3 of cash flow positive, they do not want us to
4 use those words. So we're saying, "The cash
5 balance will increase."
6 Do you see that?
7 A Yes.
8 Q And does that refresh your
9 recollection of ever having been told
10 specifically not to use the phrase "cash flow
11 positive" when talking about SolarCity's
12 business model?
13 A No.
14 Q You have to answer out loud because
15 she can't write down the head shake.
16 A I'm reading the thing. It says what
17 it says.
18 Q I'm just asking if you recall -- when
19 you read it, if that refreshes your recollection
20 of being told that.
21 And the answer is no or yes?
22 A As I read this thing do I recall it?
23 Sure.
24 Q All right. Now, moving on to June of
25 2016, so we know that in May of 20 -- May 31st

Page 250

1 on the regular board meeting, you brought up
 2 SolarCity again, the board gave you authority to
 3 hire an investment banker and you did so;
 4 correct?
 5 MR. CHESLER: Objection to the form of
 6 the question.
 7 THE WITNESS: Sure.
 8 BY MR. BARON:
 9 Q And you chose Evercore. How did you
 10 choose Evercore?
 11 MR. CHESLER: Objection to the form of
 12 the question.
 13 THE WITNESS: I'm not sure I actually
 14 -- I think it may have been the board that
 15 chose Evercore. I don't recall being the
 16 one that chose Evercore.
 17 I think that was one of your tricky
 18 questions again.
 19 BY MR. BARON:
 20 Q The board just gave you authority
 21 according to the minutes. And you're welcome to
 22 look back and see if I'm being tricky.
 23 The minutes just say they gave
 24 authority to hire an investment banker. Then
 25 the next thing I know, Evercore was retained.

Page 251

1 So the question is: Were you not
 2 involved in that?
 3 A Of course I was involved in it. Did I
 4 make that decision; I don't recall making that
 5 decision. I think the board made that decision.
 6 Q And Wachtell was also retained to give
 7 you advice; is that correct?
 8 A Yes.
 9 Q Who made the decision to retain
 10 Wachtell?
 11 A I think the board made that decision.
 12 Q So was there a system set up by which
 13 Wachtell and the investment bank, or the
 14 investment bank through Wachtell, would provide
 15 you with materials before they provided them to
 16 the rest of the board?
 17 A I don't think so, but -- I don't
 18 recall that, but I don't think so.
 19 Q I have an email dated June 20th,
 20 2014 --
 21 MR. CHESLER: '14?
 22 MR. BARON: 2016 from Chuck McMullan
 23 at Evercore. Can I have that, please.
 24 (Exhibit 40 was marked.)
 25

Page 252

1 BY MR. BARON:
 2 Q So if you take a look at the June 19th
 3 email, which I'll represent is the day before
 4 the meeting, to Roger, Stu, and Chuck, it says:
 5 Attached is the latest draft of the materials
 6 for tomorrow. These materials were sent to Ron
 7 at Wachtell, who sent it to Elon as a draft per
 8 Elon's request. I reiterated that that is a
 9 draft and is subject to change.
 10 Does that refresh your recollection as
 11 to whether or not there was a process set up by
 12 which Wachtell would forward to you drafts of
 13 materials before they were provided to the rest
 14 of the board?
 15 MR. CHESLER: Objection to the form.
 16 THE WITNESS: No, I don't think so.
 17 BY MR. BARON:
 18 Q Did you, in fact, receive the
 19 June 20th board presentation on -- or a draft of
 20 it on June 19th?
 21 A I don't know. I suppose it's
 22 possible.
 23 Q Now, on that June 19th presentation --
 24 we've looked at it a number of times before --
 25 do you recall whether you gave any comment to

Page 253

1 anybody regarding the presentation itself before
 2 it was provided to the board?
 3 A I don't recall.
 4 Q Can you pull out Exhibit 29 for me,
 5 please -- I mean, Exhibit 19 for me. It should
 6 be in one of your piles there.
 7 Go to Page 47 of that document. I
 8 just want to make sure I understand.
 9 Do you see -- on Page 79, this is an
 10 overview of the financing process of SolarCity.
 11 Is --
 12 MR. CHESLER: You said 47?
 13 MR. BARON: Page 47.
 14 THE WITNESS: This is a weighty term.
 15 BY MR. BARON:
 16 Q Yes, it is.
 17 Now, do you recognize this page of the
 18 presentation?
 19 A Not really. The presentation is very
 20 long.
 21 Q Taking a look at this overview of the
 22 financing process, is this an accurate
 23 representation in your view of how SolarCity's
 24 financing process was set up?
 25 A I mean, it's a way to represent it.

Page 254

1 Is it the best way? I don't know if -- you
 2 know, I think this is an approximation of the
 3 SolarCity debt structure.
 4 But accurate -- there's precision and
 5 accuracy.
 6 You cannot be precise in a track like
 7 this because there is certainly not enough
 8 space. Is it accurate? I guess it's probably
 9 approximately accurate.
 10 Q So is it, in your view, accurate that
 11 at DevCo the financing was only the solar bonds
 12 and the corporate revolver? Is that an
 13 accurate -- do you believe that was an accurate
 14 overview of the financing at DevCo?
 15 A I mean, I don't know if this was -- I
 16 cannot speak to an exact level of accuracy of
 17 this situation.
 18 Q All right. We already saw the solar
 19 bonds which was over 70 percent SpaceX owned.
 20 Do you remember whether or not
 21 there -- were you ever told there were any cross
 22 defaults from any of the PowerCo assets to the
 23 corporate revolver?
 24 A No, I don't recall that.
 25 Q Do you remember anybody ever telling

Page 255

1 you that there was a cross default for any
 2 amount over \$10 million that would trigger a
 3 default of the corporate revolver?
 4 Were you aware of that?
 5 MR. CHESLER: Objection to the form.
 6 THE WITNESS: No.
 7 BY MR. BARON:
 8 Q Okay. Now, does looking at the boxes
 9 under PowerCo, now, tax equity, that was
 10 dependent upon the ITCs; correct?
 11 A Tax equity, yes. That is just a
 12 simple statement of fact. Tax equity is
 13 dependent on the ITC, yes.
 14 Q Was that primarily the leases that
 15 were at -- that they were using to sell solar
 16 systems?
 17 Was that the lease product that was
 18 selling solar systems that was using tax equity?
 19 A Can you state that again?
 20 Q Yes. One of the things -- ones of the
 21 ways that the solar systems were marketed was
 22 through leases; correct?
 23 You told me I didn't understand lease
 24 accounting.
 25 Were the tax equity --

Page 256

1 A I believe you said you didn't
 2 understand lease accounting.
 3 Q I didn't fight you on that one.
 4 So on the tax equity, is that
 5 fundamentally through the leases or is that
 6 through some other methodology of instruments,
 7 some other instrument?
 8 A Tax equity just reduces the effective
 9 cost of the solar installation and would be
 10 wrapped into the leasing process in a real
 11 securitization process.
 12 Q And that's what I'm trying to make
 13 sure. Is that different than -- there would
 14 also be tax equity which would be part of the
 15 VIEs which was in the nonrecourse aggregate
 16 facilities and in the nonrecourse term debt;
 17 right?
 18 I might have misunderstood this, so I
 19 want to make sure I'm talking about the right
 20 terms.
 21 Are the VIEs the instruments used for
 22 the nonrecourse aggregate facilities?
 23 A A VIE? Sorry.
 24 Q Yes, the variable interest entity.
 25 A I mean, these are esoteric financing

Page 257

1 questions that I am not sure if the -- you know,
 2 we need to look up the definition here and say
 3 let's do a bunch of math. It's like --
 4 Q That's fine. I don't need to go
 5 through it with you. I just want to make sure
 6 that you're not the person who I should have
 7 that conversation with and we'll move on.
 8 Now, that meeting on June 20th was
 9 also a special meeting; right? You had a
 10 general meeting that was in May, and then in
 11 June again you called a special meeting.
 12 Again, was it your lack of patience
 13 that made you believe that you needed a special
 14 meeting for this board meeting or was there some
 15 urgency that you believed meant that we needed
 16 to get that discussion of acquiring SolarCity on
 17 the table?
 18 A Well, SolarCity would need to make a
 19 decision as to whether to raise funding in the
 20 public markets or go through the acquisition.
 21 And so it would make sense to -- if
 22 we're going to do an acquisition, to do so
 23 before they go out to the public markets to
 24 raise equity.
 25 Q So what was that window? Just give me

Page 258

1 a sense of -- there was window in which they had
 2 to make the decision. They either needed to go
 3 to the public markets or they needed to be
 4 acquired were the choices that you saw; correct?
 5 A They didn't need to be acquired. But
 6 they did need to raise funding. Basically they
 7 needed to raise funding middle of that year.
 8 Q Right. So there was a window,
 9 obviously, and you said you thought that this
 10 should happen before they had to go and raise
 11 funding is what you just said.
 12 Am I accurate?
 13 A Yes.
 14 Q What was that window?
 15 A I'm not sure. That window is not a
 16 fixed number because if they did not raise
 17 funding, they would change their actions within
 18 the company to consume less capital.
 19 So this is a -- this is not -- you
 20 just adjust the business activities to use less
 21 cash. You would go into a lower growth mode
 22 until you could complete the capital raise.
 23 Q I don't think we're fighting on this
 24 one. I was wondering why you believed that it
 25 was appropriate for you not to wait till the

Page 259

1 next meeting and to have a special meeting in
 2 June.
 3 I thought you said that it made sense
 4 to do the acquisition before they went back out
 5 to the public markets.
 6 Did I misstate that?
 7 A No, that's correct.
 8 Q Okay. And so my question was: What
 9 was that window?
 10 You said, "before they went."
 11 When did you think they were likely to
 12 have to go back to the public markets?
 13 A Well, generally you can go to the
 14 public markets after you post your quarterly
 15 earnings.
 16 So then there is a window, a
 17 fundraising window after you post the quarter,
 18 which is generally when you would raise funding
 19 because otherwise you need to do a special
 20 intermediate, you know, intra-quarter closing.
 21 So it's generally after the quarterly
 22 earnings, there's sort of a window of about a
 23 month to raise funding.
 24 Q So were you thinking that this needed
 25 to be done before June 31st or were you thinking

Page 260

1 it needed to be done before the following
 2 quarter?
 3 A I think June has 30 days.
 4 Q That's true.
 5 A Nice try.
 6 Q You got me. I'm trying to be tricky
 7 on you.
 8 MR. CHESLER: Even about that.
 9 MR. BARON: See, maybe I'm not tricky,
 10 maybe I'm just --
 11 THE WITNESS: I recall June 31st being
 12 a very special day.
 13 BY MR. BARON:
 14 Q February 30th is better.
 15 So were you thinking you wanted to get
 16 this done before the quarter ending on the 30th
 17 or were you thinking that it needed to be by the
 18 end of the third quarter?
 19 A Well, you need to begin the
 20 preparations for raising money before the
 21 quarterly earnings release.
 22 So this is obviously going back now
 23 three years. But, you know, probably was -- it
 24 made sense to -- they had a divergent path:
 25 Either raise money in the capital markets or

Page 261

1 get -- go through an acquisition process with
 2 Tesla.
 3 And so we needed to begin that
 4 investigation; decide whether we do this because
 5 it's an extended process; you have shareholder
 6 votes and everything.
 7 So I thought it made sense to do so
 8 before they raised funding because that would
 9 push out any acquisition by at least three to
 10 six months -- at least three months.
 11 Q Okay. And I think you said before
 12 when you said going to the capital markets, in
 13 the context of SolarCity, they were pretty much
 14 stuck to go to equity markets, they no longer
 15 had a lot of opportunity for debt markets;
 16 correct?
 17 MR. CHESLER: Objection to the form.
 18 THE WITNESS: I don't -- I think they
 19 probably could have gone to the debt markets
 20 as well.
 21 BY MR. BARON:
 22 Q Did you ever --
 23 A But they would have gone to the equity
 24 markets. That would have been the path that
 25 they had taken before.

Page 262

1 Q Was there any analysis as to what
2 would have happened had they gone to the equity
3 markets given their need for -- immediate need
4 for liquidity, whether or not that would have,
5 A, been underwritten or, B, at what price that
6 would have come up?
7 Was there ever an analysis?
8 A If you are a publicly-traded company,
9 the market is setting the market capitalization.
10 So the market is a bit of a manic depressive.
11 It can be happy one day, sad the next, as we can
12 see.
13 As Warren Buffett said, it's like --
14 being a publicly-traded company is like having
15 someone stand at the edge of your property and
16 just yell prices at you all day. It's still the
17 same house. It can be a little annoying at
18 times.
19 Q My question isn't what it would do.
20 My question was whether anybody talked to
21 investment bankers, tried to get an
22 understanding as to whether or not there was a
23 window in the equity market, whether or not
24 there was people that would underwrite that and
25 whether or not that price -- if you go to the

Page 263

1 equity markets and tell the story of why
2 SolarCity needed money, whether or not the stock
3 price would stay up or would go away down in
4 order to dilute the rest of the shareholders.
5 I'm just asking whether that analysis
6 was done, not whether you agree with it or not.
7 A For a publicly-traded company in
8 general, the market is already setting the
9 price. This is not -- it's the -- you go to the
10 market and you raise capital based on the share
11 price of the company.
12 My guess is, actually, that
13 SolarCity's share price would have actually
14 increased if they had gone to the markets for
15 equity because it would have de-risked the
16 company and their investors like that.
17 And this happened several times with
18 Tesla, not always but more often than not, when
19 we've raised money, our share price has gone up,
20 not down.
21 Q Again, my question was still: Was
22 there some analysis?
23 And I take it from your answer that,
24 no, you felt you understood that, so there was
25 no analysis of that?

Page 264

1 A No, it's not -- this is not correct.
2 The public market understands it. The public
3 market sets the price.
4 Q But there was no document, there is no
5 analysis that said this -- we believe that this
6 is the right window for us to go back to the
7 market and this is what we think we can get on
8 the public equity market?
9 A As I said, the market, the buyers and
10 sellers in the market set a clearing price.
11 That is the share price of the company. It is
12 the most objective means of setting the price of
13 the company.
14 If the company was private, that would
15 be a different story. But if it's public, you
16 know what the price is that you can raise
17 capital and it is approximately the market price
18 of the company.
19 And if raising capital would de-risk
20 the company, then you will actually result in a
21 price increase. The market cap of the company
22 would increase.
23 Q Again, this is -- I'm not going to
24 argue with you whether or not I agree with you
25 or not.

Page 265

1 I'm just asking whether or not there
2 is any documentation that says what the price is
3 that it could do an offering at and whether or
4 not there was a window for it to do so?
5 A The public market sets the price at
6 which you can raise money.
7 Q Okay.
8 A But it's not somebody's opinion. It's
9 not some prior person's opinion. It's literally
10 a public market.
11 That's how it goes. That's how it
12 works at the public market companies.
13 And whether or not one agrees with
14 that price -- people disagree, people agree, and
15 then there is a clearing price, and that is the
16 price of -- the stock price of the company, and
17 then you can raise money at that price. That's
18 essentially what they are saying.
19 Q I don't need to ask you a third time.
20 The only question was, again, what documentation
21 there was. You keep going to the public
22 markets. I gotcha.
23 MR. BARON: Can you mark this as
24 Exhibit 41.
25 (Exhibit 41 was marked.)

Page 266

1 BY MR. BARON:
 2 Q I'm showing you what's been marked as
 3 Exhibit 41. It is the Minutes of a Special
 4 Meeting of the Board of Directors of Tesla
 5 Motors dated June 20th, 2016.
 6 These are the minutes for the
 7 presentation that we've looked at a number of
 8 times.
 9 Again, do you have any recollection at
 10 this meeting whether or not anybody at the board
 11 said, well, why now, and you responding, as you
 12 just did, that we should do this before
 13 SolarCity goes back to the public markets?
 14 A Yes, I do. This is three years later,
 15 but I do recall. My recollection, which may be
 16 inaccurate, is that we just -- is that I said we
 17 should begin the acquisition process before
 18 SolarCity has to go out and raise funding
 19 because otherwise it would delay the
 20 acquisition, you know, several months.
 21 So they've got to make a choice. And
 22 better for us to do this now and not in the
 23 future.
 24 Q And why better now than in the future?
 25 A Because at the time I thought it made

Page 267

1 strategic sense for Tesla and SolarCity to
 2 combine.
 3 Hindsight is 20/20. And if I could
 4 wind back the clock, you know, I would say
 5 probably would have let SolarCity execute by
 6 itself; would have let Tesla execute by itself
 7 and --
 8 But I just didn't realize how
 9 difficult it would be to do the Model 3 program.
 10 And so that was just a big distraction and sort
 11 of offset a lot of things by more than a year,
 12 year and a half maybe.
 13 Q Was there something to be achieved
 14 more by doing it in June, July than there would
 15 have been a year or two later?
 16 Did you think SolarCity was going to
 17 crash in the mid term or --
 18 A No.
 19 Q -- or was it going to grow so big that
 20 it would be too expensive for Tesla?
 21 Why was it necessary to do it then
 22 instead of wait?
 23 A I wanted to create an integrated solar
 24 and storage product. And for a sustainable
 25 energy future, we need three things: We need

Page 268

1 electric vehicles, we need battery -- stationary
 2 battery storage and we need solar power. At
 3 least you have one of those legs.
 4 That is what -- but those are the
 5 three things that are needed. They work better
 6 as an integrated product. That remains true.
 7 However, the mistake on my part is
 8 that I thought Tesla was further along on the
 9 Model 3 program than we were.
 10 And, in fact, it took us probably a
 11 year and a half, I would say, longer to get
 12 through that than expected.
 13 That was -- I thought it would be
 14 hard, but it was harder than I expected.
 15 Q Now, as far as a solar company,
 16 though, nobody actually went and talked to any
 17 other solar companies; right?
 18 The only solar company anybody ever
 19 talked about buying was actually SolarCity;
 20 correct?
 21 A I thought SolarCity was far and away
 22 the best choice. There doesn't seem to be
 23 anything close.
 24 Q Nobody ever talked to anybody else,
 25 though; correct?

Page 269

1 A I don't know. People may have talked
 2 to other companies, but, you know, there is only
 3 one company that I thought was the right one and
 4 that was SolarCity.
 5 Q I showed you -- and I can show you
 6 again, but I don't think I need to.
 7 I showed you the chart in the April
 8 board meeting at SolarCity that showed the
 9 liquidity below the covenant line eight times
 10 out of 12 months.
 11 Do you recall that chart?
 12 A I guess, yes.
 13 Q Did you share that with the board of
 14 directors at Tesla and say, look, this shows you
 15 that they need to be raising capital and this is
 16 why we need to do this now?
 17 A I'm sure that the board saw all of the
 18 documents, including that one. It seems likely.
 19 Q Why would the Tesla board have seen a
 20 presentation to the SolarCity board?
 21 A Not -- in the acquisition process,
 22 they were presented with all of the due
 23 diligence.
 24 Q I'm talking on June 20th, when you
 25 told them that you think this is the window of

Page 270

1 time to buy the company before they go to the
2 public markets, did you share with them the
3 liquidity issues that you were aware of from
4 being a board member of SolarCity?
5 A I mean, I said SolarCity has to either
6 raise money or go through an acquisition
7 process, which, obviously, you don't raise money
8 unless you need to raise money. This is
9 obvious.
10 And then subsequently, the board was
11 presented with all of the due diligence
12 information.
13 There was an overwhelming shareholder
14 vote by both companies, super majority,
15 independent shareholders.
16 I don't know why you're wasting your
17 time.
18 Q Were you told that as -- by early
19 July, that the management at SolarCity believed
20 that the company was close to breaching a
21 liquidity covenant under the company's revolving
22 credit facility?
23 Did you know that?
24 A What do you mean by "close"?
25 Q That's the word from management.

Page 271

1 Did you think that they were close to
2 breaching a liquidity covenant under the
3 company's revolving credit facility?
4 A Well, it stands to reason if a company
5 needs to raise capital, there's a reason for it.
6 Q And that reason was they were close,
7 whatever that means, to breaching their
8 liquidity covenants?
9 A For God's sake, if a company needs to
10 raise money, it means it needs to raise money.
11 And if it doesn't raise money, it either has to
12 make significant changes to its business
13 operations or we'll have severe issues.
14 What else is common sense?
15 MR. BARON: Let me have the 7983765.
16 Mark this as exhibit next in order, whatever
17 number I'm at.
18 (Exhibit 42 was marked.)
19 MR. CHESLER: Are you taking the
20 document apart for some reason?
21 MR. BARON: I realized that we put --
22 they are the same subject matter, same date,
23 but they were two nonsequential Bates ranges
24 and I thought you would yell at me if I
25 tried to mark them as one.

Page 272

1 MR. CHESLER: I probably wouldn't yell
2 at you, I might object. So we're supposed
3 to have 83765, is that the --
4 MR. BARON: Yes, 83765.
5 Q Perhaps you can help decipher this.
6 This appears to be a note to himself or in
7 preparation of a conversation. And my belief is
8 it's with you. So let's go through this for a
9 moment.
10 In July of 2016, did you express to
11 Lyndon that you were surprised that the company
12 was running super low on cash?
13 A Yes, I think I did.
14 Q Okay. And it appears that he was
15 trying to figure out in his own mind what the
16 best way to tell you that you should not be
17 surprised.
18 And the first thing he said is he gave
19 you an update on forecasts of the low cash
20 balance; is that correct?
21 Did he give you, throughout the time
22 period, updated forecasts on low cash balances?
23 A I'm sure he gave me some updates.
24 Q And he also says that he told you that
25 they were running crazy close and that the team

Page 273

1 thinks that he was crazy for not raising capital
2 right away.
3 Do you see that?
4 A Yes.
5 Q Is that true? Did he tell you that in
6 advance of July of 2016?
7 A Yes, I mean, he -- I'm not sure. He
8 probably used different words with me. But I
9 mean, it was clear -- it was clear that
10 SolarCity either needed to raise capital or go
11 through the acquisition, but it couldn't be
12 stuck in between.
13 Q And then his next comment was: I
14 mentioned that I needed to raise capital but you
15 told him no and that you will have me covered.
16 I made it clear that I needed the capital but if
17 you have me covered, okay.
18 Is that an accurate statement? Did he
19 tell you he needed capital and you said you had
20 him covered?
21 A I think I said that I would make sure
22 that they were okay through an acquisition
23 period. In other words, I would not let the
24 acquisition discussions cause undue strife with
25 SolarCity.

Page 274

1 Q And how were you planning to have him
2 covered?
3 A I did not have specific plans.
4 Q What this says was that the main
5 reason for this is that we were planning an
6 acquisition. And it looks like he meant in May,
7 and then you asked if we could make it June.
8 Is that accurate, that originally you
9 planned on trying to do the acquisition in May
10 but then you asked Lyndon to push it to June?
11 A Yes. "Begin the acquisition" would be
12 more accurate. You don't do an acquisition
13 instantaneously.
14 Q Okay. And then he says: I told you
15 we would need a \$200 million loan, and he was
16 afraid of the domino effect if they didn't get
17 the capital.
18 And you said -- and your response was:
19 Why don't we just get the acquisition done in
20 May.
21 Was that accurate?
22 A This is not -- it would begin the
23 acquisition in May, not complete the acquisition
24 in May. That's not a realistic time frame. You
25 can't instantaneously do an acquisition.

Page 275

1 Q Well, but originally you went to the
2 board in February. So if you went to the board
3 in February, it's possible to have completed it
4 in May; correct?
5 A No, that sounds optimistic. Probably
6 take longer.
7 Q And then after the conversation when
8 you said that you would get it done in May, is
9 it true that you called him back and you said it
10 needs to wait a month, and you asked if he could
11 manage an extra month on their cash deficit
12 problem?
13 A Sounds about right.
14 Q And, ultimately, I think in response
15 to that, he also sent you an email with an
16 attachment.
17 MR. BARON: Can I have Tesla 22462,
18 please.
19 (Exhibit 43 was marked.)
20 BY MR. BARON:
21 Q Now, do you recall receiving this
22 email from Lyndon on July 10th, 2016?
23 A Yes. This was like quite an
24 important -- quite an important thing. So this
25 is -- it goes back to the old saying that banks

Page 276

1 want to lend you money when you don't need it
2 but they don't want to lend you money when you
3 do need it.
4 And so essentially you do not want to
5 get close to running out of money because the
6 banks get scared and do not want to lend you
7 money.
8 So what Lyndon was essentially saying
9 is it becomes a self-fulfilling prophecy. If
10 they think you're running low -- dangerously low
11 on cash, then they don't want to give you cash.
12 But if they think you've got plenty of
13 cash, they want to give you cash. It's ironic.
14 Q Now, as you can see, what he attached
15 with this document was the liquidity by month
16 analysis from the April SolarCity board meeting.
17 Do you see that on the second page?
18 A Mm-hmm.
19 Q That was the document that we looked
20 at that was one of the presentations. So what
21 he was -- you understood that what he was saying
22 is this is the liquidity information that you've
23 known since April, so you shouldn't be
24 surprised; correct?
25 A I guess so.

Page 277

1 Q Now, at some point again in July, it
2 became clear that -- well, it became clear in
3 June and July that SolarCity did not have enough
4 cash to even make it through the close of the
5 acquisition, correct, and that something had to
6 be done?
7 A Yes.
8 Q And it also became clear, like you
9 just said, that the banks were being problematic
10 because they were too close and the banks didn't
11 want to lend them any money; correct, any more
12 money?
13 A No. I just think that the old saying
14 that banks want to lend you money when you don't
15 need it, and they don't want to lend you money
16 when you do. So you don't want to get too close
17 because that makes the banks nervous.
18 Q They were having trouble getting any
19 bridge loans from any banks during this time
20 period; correct?
21 A In the process of an acquisition, it's
22 difficult. Banks don't know which balance sheet
23 to look at, ours, theirs, or the combined. This
24 is a difficult thing.
25 Q And they looked at doing a PIPE

Page 278

1 transaction and they couldn't get any interest
 2 in doing any PIPE transactions as well; correct?
 3 A No, I don't think that's correct.
 4 Q You don't have any knowledge of that?
 5 A In the middle of an acquisition
 6 discussion -- I would assume you would be
 7 familiar with this if you've been doing a lot of
 8 securities litigation.
 9 Q This is my first time.
 10 A It is really? Okay. Well, that
 11 explains it.
 12 MR. CHESLER: You deserved that for
 13 that one.
 14 BY MR. BARON:
 15 Q Go ahead. My question was very
 16 simple.
 17 It's like are you -- did anybody tell
 18 you that they looked into getting a PIPE
 19 transaction but that was not possible?
 20 A I think the -- if you're in the middle
 21 of an acquisition, it's critical to raise
 22 funding because the -- the stock price of the --
 23 if you are the acquirer, your stock price will
 24 be higher than it normally is.
 25 So raising equity in a situation like

Page 279

1 that is difficult because the equity buyers will
 2 say the stock price is higher than it normally
 3 would be if you were an independent company.
 4 So they don't want to pay the
 5 acquisition premium in raising equity. This
 6 creates a challenge in raising equity.
 7 Then, for debt, it also creates a
 8 challenge in raising debt because the banks
 9 don't know whether to look at the acquirer or
 10 the acquirer's balance sheet.
 11 And in any case, banks take a long
 12 time.
 13 So it's actually not unusual in
 14 acquisition discussions, public or private, to
 15 have a bridge loan or some sort of bridge
 16 financing.
 17 In fact, it might be more common than
 18 not to provide bridge financing in an
 19 acquisition because of the difficulty in
 20 otherwise raising capital.
 21 Q But they did ask Tesla to provide
 22 bridge financing; correct?
 23 A That was one of the things that was
 24 discussed.
 25 Q And it was rejected by the board?

Page 280

1 A It was -- we were trying to say what
 2 is the most -- what is the most legally and
 3 morally right way to raise capital?
 4 What is the most defensible way to
 5 raise capital?
 6 Q So just so we're clear, before the
 7 transaction closed, first SolarCity tried to get
 8 a bridge loan from a bank and they were
 9 unsuccessful at doing that; correct?
 10 A Not in the time frame under
 11 consideration.
 12 Q What was that?
 13 A Not in the time frame under
 14 consideration.
 15 Q I don't know what that means.
 16 A They might have succeeded.
 17 Q They ultimately did not get any
 18 investment banker to give them a bridge loan;
 19 correct?
 20 A That's not the same as saying they did
 21 not succeed. We were trying to find the most
 22 morally and legally defensible way to provide
 23 the bridge capital.
 24 Ultimately solar bonds seemed like the
 25 most morally right and legally right way to do

Page 281

1 it. And so we pursued that path as opposed to
 2 other paths.
 3 Q That path was not decided until after
 4 the shareholder vote; correct?
 5 A You're talking about the solar bonds
 6 or --
 7 Q The solar bonds.
 8 When did you buy the solar bonds?
 9 A I don't recall precisely.
 10 Q We'll get to it. We have time.
 11 Okay. So first I just want to make
 12 sure I understand.
 13 So first off, do you recall -- again,
 14 just yes or no -- no banks ever gave you a
 15 bridge loan; correct?
 16 A It's a factual statement that no banks
 17 gave a bridge loan. It is not correct to say
 18 that a bridge loan could not have been obtained.
 19 Q Okay. Are you aware of some bank that
 20 wanted to give a bridge loan that the company
 21 said no to, that SolarCity said no to?
 22 A I believe we could have gotten a
 23 bridge loan from a bank.
 24 Q Did some bank offer to give a bridge
 25 loan that the company said no to?

Page 282

1 A No, because we thought the best way to
2 do this would be with the solar bond.
3 Q Okay. There was also a suggestion by
4 you at one point in time of buying Silevo first
5 to give them the cash and then following it up
6 with an acquisition of the entire company;
7 correct?
8 A That was one of the things under
9 discussion.
10 Q And, ultimately, that was rejected.
11 Was that rejected by you or the board?
12 Who said no to that idea?
13 A Well, all of these things would have
14 been -- had to have been approved by the board.
15 Q I understand. But was that idea of
16 buying Silevo and then following that up with an
17 acquisition of SolarCity, was that -- was the
18 kibosh put on that by you or the board?
19 A Both.
20 Q So you did present that suggestion to
21 the board of directors?
22 A We discussed a number of alternatives.
23 The entire premise of your argument is
24 just on quicksand. So foolish.
25 Q At the June meeting when they decided

Page 283

1 to go forward with the -- I'm sorry, I take that
2 back.
3 In the July board meeting of -- at
4 Tesla -- sorry, I take that back.
5 The June board meeting at Tesla, you
6 recused yourself from the vote at that time.
7 Do you recall doing that?
8 A Yes.
9 Q What did you understand your recusal
10 to be? Did you understand that you were to just
11 not going to vote on issues regarding the
12 acquisition, or that you were not going to
13 participate in negotiations regarding that
14 merger or that you were not going to be at
15 meetings regarding discussions?
16 I just want to understand the scope of
17 the recusal that you thought you were giving.
18 A I was just trying to do the right
19 thing.
20 Q That's not my question. My question
21 is what is the scope?
22 Did you understand yourself to be
23 recused from the process or just recused from
24 just a vote?
25 MR. CHESLER: Objection to the form.

Page 284

1 THE WITNESS: Obviously recused from a
2 vote. I could not be recused from all
3 discussions. That would be -- I needed to
4 voice my opinion, obviously.
5 BY MR. BARON:
6 Q So you did not feel that you were in
7 any way limited to voicing your opinion or
8 hearing analysis and giving your views on the
9 analysis; correct?
10 A This is another one of your tricky
11 questions. In any way? Sure. In some ways --
12 but would it be appropriate for the board to
13 hear my views? Of course.
14 Q You were a participant in all of the
15 analysis --
16 A No.
17 Q No? What analysis were you not
18 participating in?
19 A How could I be a participant in all of
20 the analysis? That's an absurd statement.
21 Q The same analysis that the rest of the
22 board was involved in, you were involved with?
23 A I was involved -- I think, actually,
24 the board got more analysis than I did.
25 Q Why do you say that?

Page 285

1 A Because during times of recusal, they
2 would have had more information, discussions
3 than I would have.
4 Q And -- but you were involved in
5 reviewing the work and working with the bankers
6 and the lawyers in their analysis; correct?
7 MR. CHESLER: Objection to the form.
8 BY MR. BARON:
9 Q Let me ask you specifically: You
10 received drafts of board books before they went
11 to the board; correct?
12 MR. CHESLER: Objection to the form.
13 THE WITNESS: No, I don't think so.
14 BY MR. BARON:
15 Q We just saw one email on which that
16 was true. Was that the only one?
17 A I think that --
18 MR. CHESLER: Object to the
19 mischaracterization of the record. Go
20 ahead.
21 THE WITNESS: It may not have been the
22 only one, but it was not a matter of course.
23 BY MR. BARON:
24 Q And, in fact, you were involved in
25 discussions over -- pre discussion before the

Page 286

1 board decided as to exchange rates as well;
2 correct?
3 A I was involved in some of those
4 discussions.
5 Q In fact, there were daily calls and
6 update calls between Evercore and you; correct?
7 A Not every day.
8 Q There were not daily check-in calls
9 with Elon regarding the merger negotiations in
10 process prior to the board approving the merger?
11 A Maybe for a few days. But not -- how
12 many days are you talking about here? That's
13 not the case.
14 Q Okay. So you had meetings or
15 discussions with the bankers where the rest of
16 the board was not involved; correct?
17 MR. CHESLER: Objection to the form.
18 THE WITNESS: There may have been some
19 where the board was not present. But not
20 very many. Very few.
21 BY MR. BARON:
22 Q Starting on July 15th, you started
23 having daily check-in calls with the bankers;
24 correct?
25 A I don't recall.

Page 287

1 MR. BARON: Can I have Tesla 00163377.
2 (Exhibit 44 was marked.)
3 BY MR. BARON:
4 Q Do you see on the email from Todd
5 Maron to Jason Wheeler, Susan Repo, Eric Senay,
6 Phillip Rothenberg, Jonathan Chang, Francis,
7 Stuart, Courtney McBean and David Karp -- by the
8 way, David Karp is from Wachtell; correct?
9 Do you know who David Karp is?
10 A Sure.
11 Q Okay. And in this email it says:
12 All, as discussed, we are going to have a daily
13 check-in call with Elon to discuss gating items
14 and progress.
15 Do you see that?
16 A Yes.
17 Q Is it an accurate statement that
18 starting on July 15th, you started having daily
19 calls with -- check-in calls to discuss gating
20 items and progress?
21 A I guess -- I don't think this was
22 every day. But I think it was for a relatively
23 short period of time.
24 Q And was there anything that prompted
25 the emergence of the decision to have daily

Page 288

1 check-in calls with you and the bankers?
2 Is there anything that happened
3 somewhere between the June presentation and July
4 15th that prompted your desire to have daily
5 check-in calls?
6 A I don't recall.
7 Q It was your desire, you're the one who
8 asked for them; correct?
9 A I mean, I think we need to stay on top
10 of the acquisition.
11 Q So something prompted you to say, I
12 want to know what's going on, I want to have
13 daily check-in calls; right?
14 A I have many situations where I have
15 daily check-in calls. This is not unusual.
16 Q And is it a coincidence that there
17 was -- that you had discussions with folks at
18 the special committee of SolarCity on the day
19 before, or do you not recall that?
20 MR. CHESLER: Objection to the form of
21 the question.
22 THE WITNESS: I don't recall.
23 MR. BARON: Can I have July 14th.
24 (Exhibit 45 was marked.)
25 BY MR. BARON:

Page 289

1 Q So I'm showing you Minutes of the
2 Special -- Minutes of a Meeting of the Special
3 Committee of the Board of Directors from
4 SolarCity.
5 And again, while I don't know exactly
6 when the call was, there is a discussion that
7 there was an update of a call between you and
8 Mr. Kendall from the special committee.
9 Do you see that?
10 A Yes.
11 Q And as part of this call, you were
12 specifically talking about issues of financing
13 including the need -- the possibility of
14 purchasing Silevo first and then buying the rest
15 of the company later; correct?
16 A Yes.
17 Q Was the conversations you were having
18 at that point in time with the special
19 committee, or anyone else at SolarCity, were
20 those prompting your desire to start daily
21 check-in calls regarding the progress of the
22 transaction?
23 A No. Daily calls are something I do
24 with many things at the company. I have daily
25 calls right now with respect to deliveries in

Page 290

1 China and North America and Europe.
2 So whatever is a priority. This is
3 clearly a priority. So that is -- when
4 something is a priority, you do daily calls.
5 "Daily" doesn't mean necessarily every
6 single day. There are obviously going to be
7 gaps. But as is appropriate, when something is
8 a priority, you should have daily calls.
9 Q Were you aware that, again, in -- as
10 of the time you started having daily calls that
11 SolarCity was holding back their payables,
12 trying to sort of preserve as much cash as
13 possible?
14 A It seems like that would be one of the
15 things that they would do. It's important to
16 preserve cash through the acquisition process.
17 Q Are you aware of whether or not the
18 company or SolarCity decided not to reduce their
19 guidance on their megawatt deployment even
20 though it was suggested that it do so?
21 Do you remember we saw that slide
22 earlier that showed that in, I think it was the
23 April presentation, that they were going to
24 reduce their guidance on megawatt deployment
25 from approximately 1200 to 900.

Page 291

1 Do you recall that slide?
2 MR. CHESLER: Objection to the form of
3 the question.
4 THE WITNESS: I recall that slide,
5 yes.
6 BY MR. BARON:
7 Q Do you recall why it was that despite
8 that recommendation, the company still did not
9 actually revise its guidance?
10 MR. CHESLER: Objection to the form of
11 the question.
12 MR. BARON: Actually, that's fair.
13 Q Do you know whether or not the company
14 actually did revise its guidance?
15 A My recollection is there was a
16 guidance revision.
17 Q Let me show you a document from
18 July 19th from the board of directors, please.
19 By the way, as part of the check-in
20 calls you were having with the bankers and the
21 lawyers, you actually specifically discussed
22 their recommendations to the board as to what
23 the exchange ratio should be; correct?
24 MR. CHESLER: Objection to the form.
25 THE WITNESS: I don't recall.

Page 292

1 MR. BARON: Before I do this --
2 actually, before I mark this one, because
3 this one is fat, can I have Evercore 163736?
4 THE WITNESS: I do recall I did not
5 really think of things in terms of an
6 exchange ratio but rather what did the
7 public markets -- how did the public markets
8 view the value of Tesla and SolarCity, their
9 most objective source for establishing a
10 valuation.
11 (Exhibit 46 was marked.)
12 BY MR. BARON:
13 Q This document specifically says that:
14 On tonight's call with Elon, we need to make a
15 recommendation, also revise exchange ratio which
16 we will recommend to the full board tomorrow.
17 Does this refresh your recollection as
18 to whether or not you had a call with the
19 investment bankers before they made a
20 recommendation to the board of directors on an
21 exchange ratio?
22 A I think there may have been some
23 discussion. Like I said, I wouldn't have
24 thought of this as an exchange ratio, but rather
25 just that there is a public market value of one

Page 293

1 company and another company.
2 And, you know, if you divide the two,
3 you get an exchange ratio. But I think of it
4 more in terms of the public market is setting
5 values for these things.
6 MR. BARON: Can you mark this next in
7 order, please.
8 (Exhibit 47 was marked.)
9 BY MR. BARON:
10 Q I'm showing you what's marked as
11 Exhibit 47.
12 A This is not environmentally friendly.
13 Q This is a board package sent to the
14 board of directors on July 19th, 2016. You got
15 a copy of the board presentation in advance; is
16 that correct or incorrect?
17 A I don't recall. Seems unnecessary to
18 print all these pages that just say, "Redacted."
19 Q Yes, it does.
20 MR. CHESLER: It looks like the
21 Mueller report.
22 THE WITNESS: Yes, exactly. That's
23 what I was thinking. Just publish one word.
24 It's all redacted.
25 MR. BARON: No collusion. Volume 1.

Page 294

1 Q Do you recall receiving this package,
2 though?
3 A No, not really. I mean, this is a
4 weighty term.
5 Q Do you recall --
6 A I think you could finish Lord of the
7 Rings faster than you could read this thing.
8 Q So going to Page 2, this is a -- the
9 first summary from Evercore as to due diligence
10 that they were undertaking. On the last bullet
11 point --
12 MR. CHESLER: Wait a minute, page
13 what? I'm trying to find the Bates --
14 MR. BARON: Page 2, Bates range 717.
15 MR. HUFFMAN: It's ending in 8022.
16 MR. CHESLER: You have to go way in to
17 get to Page 2.
18 THE WITNESS: Game of Thrones but the
19 boring edition.
20 What page?
21 MR. CHESLER: 8022 at the end.
22 THE WITNESS: Can I have yours?
23 MR. CHESLER: Sure.
24 BY MR. BARON:
25 Q A couple of questions. I just want to

Page 295

1 determine whether you knew this information
2 before Evercore learned it in due diligence or
3 whether this was just the same information that
4 you had had -- you were aware before Evercore
5 undertook their due diligence that SolarCity was
6 having some liquidity issues; correct? That's
7 the last bullet point.
8 A As we talked about, SolarCity either
9 needed to raise funding or get acquired.
10 Q And you were aware that Silevo was
11 having some manufacturing liabilities; correct?
12 MR. CHESLER: Objection.
13 THE WITNESS: Sure.
14 BY MR. BARON:
15 Q Were you aware that SolarCity was
16 shifting in megawatts from residential to
17 commercial-end markets?
18 A Not especially.
19 Q As you talked about earlier, you noted
20 that the commercial markets were not as -- some
21 of the big projects were not as profitable as
22 the residential; correct?
23 A Yes.
24 Q Can you turn to Page 6?
25 Is this the first time you had seen

Page 296

1 SolarCity management case model and the revised
2 sensitivity case model?
3 A I'm sorry, did you say --
4 Q Had you seen them prior to this
5 presentation?
6 A Maybe. I mean, look at this thing.
7 It's gigantic. So probably I did.
8 Q Are you aware of -- well, who prepared
9 the SolarCity management case?
10 A Evercore.
11 Q Okay. Who prepared the revised
12 sensitivity case?
13 A I assume Evercore.
14 Q Do you understand the distinction
15 between the two?
16 A One is revised.
17 Q Do you understand how the revised --
18 what revisions and who did the revisions of what
19 is?
20 A Do I understand it? What do you mean
21 by do I understand it?
22 Q Do you have some understanding as to
23 how the revised sensitivity case came about
24 other than it is, by definition, revised from
25 something?

Page 297

1 A I don't recall.
2 MR. BARON: Can I have the July 19th
3 board minutes.
4 (Exhibit 48 was marked.)
5 BY MR. BARON:
6 Q Showing you what's been marked as
7 Exhibit 48. It's the July 19th Minutes of
8 the -- Minutes of a Special Meeting of the Board
9 of Directors dated July 19th.
10 Again, this is the day after the email
11 discussing calls with you regarding exchange
12 ratios.
13 Do you recall attending at least part
14 of this meeting?
15 A I mean, I'm not recalling a meeting
16 three years ago. There were many meetings.
17 Q Now, perhaps you can help explain in
18 this meeting on Page 2, third paragraph down:
19 Mr. Wheeler then reported to the board the
20 results of the ongoing financial due diligence
21 review of SolarCity.
22 Mr. Wheeler discussed with the
23 directors -- Mr. Wheeler discussed with the
24 directors SolarCity's near-term liquidity needs.
25 Mr. Wheeler noted that SolarCity and its

Page 298

1 representatives had requested the company
 2 consider providing SolarCity with short-term
 3 bridge financing in connection with the
 4 potential acquisition to address its near-term
 5 liquidity needs, which requests the company had
 6 rejected.
 7 Mr. Wheeler then reviewed with the
 8 board the discussion representatives of
 9 SolarCity and the company had held with
 10 potential lenders regarding certain financing
 11 solutions for SolarCity and a preliminary
 12 proposal for a bridge financing from one such
 13 lender.
 14 Three questions involved there.
 15 First, who at the company rejected the bridge
 16 financing from Tesla?
 17 MR. CHESLER: Object to the lack of
 18 foundation.
 19 BY MR. BARON:
 20 Q It says that -- again, it says the
 21 company had rejected the request for bridge
 22 financing from Tesla.
 23 Who at the company rejected that? It
 24 doesn't appear that the board knew about it. So
 25 was that a board decision or was that your

Page 299

1 decision?
 2 MR. CHESLER: Object to the form and
 3 to the lack of foundation.
 4 THE WITNESS: Actually, I don't think
 5 this is quite an accurate account of things.
 6 BY MR. BARON:
 7 Q Why not?
 8 A We were trying to figure out what --
 9 as I said, what is the most morally and legally
 10 right way to provide interim financing for
 11 SolarCity.
 12 One of the paths would have been Tesla
 13 providing that bridge financing. That is most
 14 common in a transaction, public or private.
 15 However, the thought was, well, you
 16 know, there is going to be some set of jerks
 17 that file a lawsuit against us -- that being
 18 you -- and so what is the most defensible thing
 19 we could do?
 20 And that's working out with the solar
 21 bonds.
 22 Q That's when you said the most
 23 defensible thing we can do is for insiders to
 24 buy the bonds?
 25 MR. CHESLER: Objection to the form.

Page 300

1 Don't answer that question. He's just --
 2 THE WITNESS: Don't worry.
 3 Specifically because we knew some jerk, like
 4 you, were to file a suit, and so what is the
 5 most morally and legally defensible way to
 6 provide interim financing?
 7 Solar bonds seemed like the best way
 8 to do that.
 9 We could have done it from Tesla, but
 10 better to do it with solar bonds.
 11 Now you know the answer. It's you.
 12 BY MR. BARON:
 13 Q Just so for timing, I can show you the
 14 document.
 15 You're aware that the board approved
 16 the merger agreement or the fairness opinion on
 17 July 30th, 2016; correct?
 18 Are you aware of that?
 19 A The what?
 20 Q The board approved the merger on
 21 July 30th, 2016?
 22 A That sounds right.
 23 Q Okay. Just so that we have a frame of
 24 reference. The transaction obviously did not
 25 close right away. And you recall attending --

Page 301

1 or, actually, not attending, but receiving board
 2 materials for a SolarCity board meeting on
 3 August 4th, 2016.
 4 Do you have a recollection of that?
 5 A As to that specific date, I mean, it's
 6 very difficult to say three years ago on what
 7 date did something occur. It's hard to say.
 8 Q The August 4th presentation.
 9 A It was like, remind me there was some
 10 filed suit against us for this 5,000 week
 11 Model 3 thing, and then we got to 5,000 a week.
 12 And this is obviously a waste of time.
 13 It's the same thing. We will fix the solar
 14 situation. And you'll see it's just a big waste
 15 of time.
 16 Q Are you done? Good.
 17 MR. BARON: So can you give me the
 18 August 13th, 2016 board minutes.
 19 (Exhibit 49 was marked.)
 20 BY MR. BARON:
 21 Q Now, showing you a set of board
 22 minutes from August 13th, 2016. I do not -- you
 23 were not present at them, but I want to do this
 24 to mark a point in time.
 25 So as of August 13th, 2016, so three

Page 302

1 weeks or so after the vote on the merger,
2 SolarCity still had not gotten any short-term
3 financing; is that correct?
4 A I mean, I don't recall the exact date.
5 Q The reason I ask is if you take a look
6 in the third full paragraph, there is a specific
7 discussion about proposed -- a proposal that you
8 and others buy solar bonds; correct?
9 Do you see that in the third full
10 paragraph?
11 A Yes.
12 Q So the solar bond financing hadn't
13 occurred yet as of August 13th; right? Because
14 otherwise they wouldn't discuss that that was a
15 proposal.
16 A I guess so.
17 Q And, again, they had been looking for
18 some form of financing both before the merger
19 agreement was signed and even more so afterwards
20 because there was a contingency that the deal
21 would not have to be submitted to shareholders
22 if short-term financing was not achieved;
23 correct?
24 A I guess that's what it says.
25 Q You do recall that there was a

Page 303

1 contingency that the deal would not have to be
2 given to shareholders if short-term financing
3 had not been achieved by SolarCity.
4 Do you recall that?
5 A I guess so, yes.
6 Q So at least we know that as of
7 August 13th no other means of short-term
8 financing had been decided. And it was not
9 until some point in August that the decision, as
10 you said, for the legally and morally
11 appropriate measure for short-term financing of
12 the solar bond purchases was brought up;
13 correct?
14 A As I said earlier -- and maybe there
15 were multiple paths to provide liquidity. Tesla
16 could have provided liquidity directly, but it
17 seemed that it would be better in every way if
18 liquidity was provided by solar bonds.
19 Q The company declined to provide bridge
20 financing in July before the vote to approve the
21 merger agreement; correct? We saw that a moment
22 ago.
23 A No. That's not quite correct. No.
24 It simply felt preferable to do the solar bond.
25 Q The request was rejected to provide

Page 304

1 bridge financing before the merger agreement was
2 agreed to; correct?
3 Do you want me to go back to that
4 document to show you?
5 A I don't feel that that was the final
6 rejection. This is not a desirable path, but it
7 would be a normal path in an acquisition.
8 I mean, at one point Google was going
9 to try to acquire Tesla, and it was like, okay,
10 but you need to provide interim financing and
11 that -- and then according to the HSR issue with
12 like the interim financing, it was like, oh,
13 this is going to take too long.
14 So then it's like, well, we can't go
15 through this Google transaction. We're going to
16 have to go raise money. So we did.
17 And then our share price actually went
18 up a ton and then we got too expensive for
19 Google to acquire.
20 Standard operating procedure.
21 Q Let's go back again to --
22 A Are we out of time?
23 Q Let's go back to Exhibit 48.
24 A Okay. We're out of time. Good night.
25 MR. BARON: Counsel, this deposition

Page 305

1 is not concluded. We will ask you to see if
2 you can get us a time so that we can finish.
3 I think I can do so in a couple of hours,
4 maybe three at the most.
5 I would ask you to get us a time. But
6 if you tell us that you will not, then we'll
7 ask the court for its assistance.
8 MR. CHESLER: Okay.
9 MR. BARON: Thank you.
10 MR. CHESLER: As I told you hours ago,
11 we planned on being here for seven hours on
12 the clock. Just for the record, it is now
13 6:25 p.m. and we've been sitting for a full
14 seven hours on the clock and --
15 MR. ZAGAR: So to be clear on the
16 record, you are refusing to produce Mr. Musk
17 for another day; is that correct?
18 MR. CHESLER: I just said we were
19 going to sit here today -- if you want to
20 take my deposition, you can notice it,
21 counsel. Don't raise your --
22 MR. ZAGAR: Perhaps I will,
23 Mr. Chesler.
24 MR. CHESLER: Good idea.
25 MR. BARON: Can we ask, are you --

Page 306

1 will you get your client back for a
2 continuation of the deposition or are you
3 saying you do not know yet?
4 MR. CHESLER: I'm telling you that
5 we'll have that conversation off the record
6 when we don't have people who think that
7 yelling at me is going to get them anywhere.
8 MR. BARON: We can go off the record.
9 VIDEOGRAPHER: We're off the record at
10 6:26 p.m. and this concludes today's
11 testimony given by Elon Musk. The total
12 number of media used was five and will be
13 retained by Veritext Legal Solutions. We're
14 off.
15 (Proceedings concluded at
16 6:26 p.m.)
17
18
19
20
21
22
23
24
25

Page 307

1 I, LYNNE M. LEDANOIS, a Certified
2 Shorthand Reporter of the State of
3 California, do hereby certify:
4 That the foregoing proceedings were
5 taken before me at the time and place herein set
6 forth; that a record of the proceedings was made
7 by me using machine shorthand which was
8 thereafter transcribed under my direction; that
9 the foregoing transcript is a true record of the
10 testimony given.
11 Further, that if the foregoing
12 pertains to the original transcript of a
13 deposition in a Federal Case, before completion
14 of the proceedings, review of the transcript []
15 was [X] was not requested.
16 I further certify I am neither
17 financially interested in the action nor a
18 relative or employee of any attorney or party
19 to this action.
20 IN WITNESS WHEREOF, I have this date
21 subscribed my name.
22 Dated: 6-3-19
23
24 *Lynne Marie Ledanois*
25 LYNNE MARIE LEDANOIS
CSR No. 6811

Page 308

1 NAME OF CASE: In re Tesla Shareholders
2 Litigation
3 DATE OF DEPOSITION: 6/1/19
4 NAME OF WITNESS: Elon Musk
5 Reason codes:
6 1. To clarify the record.
7 2. To conform to the facts.
8 3. To correct transcription errors.
9 Page ____ Line ____ Reason ____
10 From ____ to ____
11
12 Page ____ Line ____ Reason ____
13 From ____ to ____
14
15 Page ____ Line ____ Reason ____
16 From ____ to ____
17
18 Page ____ Line ____ Reason ____
19 From ____ to ____
20
21 Page ____ Line ____ Reason ____
22 From ____ to ____
23
24
25 Signature of Deponent

[REDACTED]	absolutely 35:25 73:7 231:15	achieved 96:14 267:13 302:22 303:3	259:4 261:1,9 266:17,20 269:21 270:6 273:11,22 273:24 274:6,9,11 274:12,19,23,23 274:25 277:5,21 278:5,21 279:5,14 279:19 282:6,17 283:12 288:10 290:16 298:4 304:7
[REDACTED]	absolutisms 115:20	acknowledge 114:18	acquisitions 101:7 101:10 184:25
[REDACTED]	absurd 284:20	acknowledged 90:13	action 15:3 38:15 88:9 189:19,21 220:7 307:17,19
[REDACTED]	accelerate 101:22	acquiesce 186:24	actions 70:9 258:17
[REDACTED]	accelerating 61:4	acquiescence 186:20,21 187:5	actively 22:7
[REDACTED]	accepted 228:11	acquire 16:9 228:8 304:9,19	activities 258:20
[REDACTED]	access 152:14	acquired 24:22 26:13 27:11 43:10 88:14 90:2,4,12 111:22 145:17 154:21 194:2 258:4,5 295:9	activity 48:16
[REDACTED]	accident 24:13	acquiree 278:23	actual 6:6 31:11 83:20 104:5,24 132:22 143:22 181:5
[REDACTED]	accidentally 103:14	acquiree's 279:10	add 80:14 81:2 158:6,8,9,15,15 248:10
[REDACTED]	account 228:11 299:5	acquiring 102:21 145:25 194:9 226:11 243:10 257:16	added 80:17
[REDACTED]	accountant 229:3	acquiror 279:9	adding 108:10 157:13,25
[REDACTED]	accounted 121:5	acquisition 16:13 18:19 29:24 31:6 33:10 34:2 64:19 74:15 89:5 91:4 92:10 96:20 97:19 99:25 100:1,2,13 102:23 104:18 107:19 136:11 141:20 149:11 183:14 193:7 203:8 219:11,15 222:7,21 223:16 224:19 225:14,25 226:12 227:16 229:17,24 230:4 243:5 257:20,22	additional 108:10 246:4 248:20
[REDACTED]	accounting 227:24 227:25 228:1,6,11 228:20,22 229:4 229:10 255:24 256:2		additionally 206:13
[REDACTED]	accretion 227:11		address 123:11 245:7 298:4
[REDACTED]	accretive 227:20		addressing 153:18
[REDACTED]	accumulation 228:17		adds 146:6 147:3 147:18
[REDACTED]	accuracy 254:5,16		
[REDACTED]	accurate 21:21 23:20 52:16,17 55:25 119:20 121:7 133:11 178:21 201:19 228:24 229:2 246:15 253:22 254:4,8,9,10,13,13 258:12 273:18 274:8,12,21 287:17 299:5		
a			
a.m. 1:14 2:10 14:3,6 28:13,16 69:19,23	accurately 186:7		
a1 197:9	accused 90:24		
aaron 11:4	achieve 73:23 108:1 123:24		
ability 114:20 203:24			
able 53:5 58:13,18 102:25 104:20 109:2 203:6,15,25 205:2,4 231:20 245:21			
absence 88:25			

adjust 258:20	26:11 36:16 37:1	213:16 290:1	answer 23:5,10
adjustment	59:16 64:24 65:7	american 72:20	25:8,9,10,17,22,23
228:21	67:11 84:14 87:3	amount 81:11,22	26:3,19,25 27:1,17
administrative	89:13 100:12	93:1 103:1 120:19	27:23 28:6 43:24
221:16	142:21,25 149:7	145:16 147:3	46:19 50:10
admonition 70:13	161:4 163:5	153:14 159:17,18	115:17 133:19
advance 273:6	172:23 173:1	175:24 185:4	139:19 140:1
293:15	174:23 175:8,13	215:3 255:2	143:5 164:7,10
advanced 33:16	178:11 194:8,18	amtel 184:18	186:10,14 187:8
66:3 71:3 77:22	195:12 197:1	analyses 180:10	214:2,5 246:15
78:4	204:7 205:14	181:9	249:14,21 263:23
advancing 32:19	206:10 210:8	analysis 9:15 36:5	300:1,11
50:23 60:22 73:7	226:11 263:6	69:3,8,10 96:10	answered 47:10
advent 101:22	264:24 265:14	122:2 132:22	140:2 231:9
advice 187:11	agreed 97:18	138:24 178:14,20	answering 73:25
251:7	201:12 304:2	180:12 181:6,22	186:7 205:13
affect 45:11	agreement 18:15	182:2 183:25	answers 73:14,22
114:20 215:6	300:16 302:19	201:11,23 202:19	186:17
affiliations 15:10	303:21 304:1	227:11,18,19	anticipate 185:21
affirmatively	agreements	262:1,7 263:5,22	anybody 50:11
187:2	197:11	263:25 264:5	107:7 110:5,6
afford 236:3	agrees 265:13	276:16 284:8,9,15	176:19 202:3
affordability	ahead 151:7	284:17,20,21,24	253:1 254:25
88:11	153:22,24 202:13	285:6	262:20 266:10
affordable 95:1,2	278:15 285:20	analyst 121:9	268:18,24 278:17
95:2 120:22	albeit 213:10	analyze 139:19	anyway 198:23
afraid 274:16	alex 3:7 15:13	218:7	apart 271:20
agencies 197:6	alive 106:18	analyzed 31:5	apologies 94:17
agenda 8:5 142:16	allowed 69:13	analyzing 17:18	apologize 58:21
aggregate 256:15	allows 197:20	ancient 190:21	64:25 96:17
256:22	alter 79:22	angeles 1:16 2:9	138:16
ago 60:19 61:16	altering 63:6	14:1,21	app 111:14
145:19 152:20	alternatives	announced 116:21	apparent 65:5
163:2 164:5,21	282:22	120:5	67:22
188:17,17 209:11	altman 12:16	announcement	appealing 39:4,5
232:4 297:16	amazed 46:4	123:15,18	appear 67:14
301:6 303:22	amazing 43:16,17	annoying 112:2,10	298:24
305:10	213:4,4	112:12 199:7	appearance 15:7
agree 14:11 16:11	amended 203:13	262:17	appearances 3:1
17:25 18:8 22:25	america 54:9	annual 177:21	4:1 15:9
23:22 24:19 25:4	57:10 142:5		

appears 60:11 147:8,10 168:11 200:20 218:17 221:4 272:6,14 appendix 127:9 130:1,4 135:22 137:10 162:8 171:12,17 185:13 applicable 17:12 198:3 applied 21:24 48:12 57:17 74:22 104:16 159:3 apply 74:21 98:8 99:17 103:10 104:17 106:12 157:17 applying 83:25 appreciate 54:8 76:13 236:5 approach 202:20 231:4 appropriate 258:25 284:12 290:7 303:11 appropriately 195:2 approval 31:6 96:20 199:24 200:22 approve 189:12 303:20 approved 282:14 300:15,20 approving 286:10 approximately 60:16 61:16 76:19 113:4 218:18 240:21 254:9 264:17 290:25	approximation 254:2 april 111:23 112:1 173:23 231:25 232:9,10,13 234:8 243:16 269:7 276:16,23 290:23 aqua 187:6 arduous 101:17 arguably 235:10 argue 264:24 argument 80:18 81:3 208:5 282:23 article 117:9 118:1 121:1,2 articles 117:15 asia 148:7 asked 46:17 49:24 61:13 76:9,20 125:24 135:7 149:15 161:12 162:6 165:8,24 214:5 219:21 222:7 230:1 231:9 248:8 274:7,10 275:10 288:8 asking 21:14 25:3 27:15 55:6 57:13 100:8 120:18 128:5 129:3,12 131:4,8,11,15 144:16 145:2,4,6 149:5 164:14,20 165:14 167:11 169:20 182:19 183:13,23 193:16 197:22,23 215:23 217:23 219:13 245:13 249:18 263:5 265:1	aspiring 96:6 assert 20:1 assessment 205:6 asset 18:6,9 23:1 23:17 81:8,16 147:11,24 156:4 157:5 158:10 159:21,24 161:6 assets 156:2,2,6,9 156:12,17,23 157:3,5,7,8,15,23 157:24,25 158:4,8 158:11,12,25 159:2,6,8,9 160:7 160:13,16,19,20 228:9,18 249:1 254:22 assistance 305:7 assistant 221:17 associated 158:19 158:25 159:7 assume 20:1 72:3 83:1 107:16 145:18 155:1 193:17 278:6 296:13 assuming 55:18 assumption 182:10 assumptions 105:24,25 182:14 182:22 183:18 atmosphere 89:19 attached 252:5 276:14 attachment 275:16 attachments 8:8 attack 105:22 attacking 70:6 72:24	attempt 24:9 attended 143:1,7 attending 142:17 297:13 300:25 301:1 attention 99:18 116:3,4 attorney 4:6 307:18 attorneys 3:8,16 audi 236:12,12,23 audio 14:10 august 179:20 212:12 238:24 248:20 301:3,8,18 301:22,25 302:13 303:7,9 authority 250:2,20 250:24 authorized 194:23 auto 106:21 automotive 92:25 123:21 availability 90:14 91:8 available 81:8 avenue 1:15 2:8 4:7 14:20 average 189:20 averse 226:8 227:5 award 117:18,20 aware 31:24 32:1 32:3 47:16 77:3 88:4,16 95:6 107:1 108:24 141:21 178:4,8 187:21,25 188:2 190:10 192:22,23 200:5 206:20 211:7,21 212:4,10 213:20,21 214:6,6
--	---	---	---

216:6,9,14 218:9 218:14,19 234:14 244:14,17,17,21 245:9,13,15,17 255:4 270:3 281:19 290:9,17 295:4,10,15 296:8 300:15,18 awareness 92:18 92:20 awhile 72:12 188:17	backwards 61:14 bad 70:7,8 87:2 91:22 101:23 189:18 228:7 241:22 bag 158:18 bail 73:3,5 bailed 208:6 balance 7:24 129:15 132:14 138:14 146:2,7,10 150:10 156:5,22 156:24 157:18,19 158:1,7,15,24,25 199:12 215:11 228:7,9,18 249:5 272:20 277:22 279:10 balances 272:22 ball 35:13 bank 129:15 132:13 138:14 146:2 150:4 188:20 189:1 197:7,8 199:11 251:13,14 280:8 281:19,23,24 banker 250:3,24 280:18 bankers 262:21 285:5 286:15,23 288:1 291:20 292:19 bankrupt 37:25 92:25 102:5 banks 189:3 246:24 275:25 276:6 277:9,10,14 277:17,19,22 279:8,11 281:14 281:16	barely 92:12 bark 198:14 barking 150:16,17 198:13 204:23 207:9 baron 3:5 5:4 15:11,11 16:7 18:16,23 23:7 24:17 25:2,21 26:9,17 27:16,22 28:3,9,17,24 29:4 29:10 32:9,12 33:15 36:12 41:9 46:9,21,24 48:21 49:1 50:13,16 51:12 53:14 58:22 58:25 61:21,24 62:3 65:18,21 69:1,11,24 70:25 71:6 74:7,11 77:20 78:6 82:3,6 83:3 84:9,12 85:1 85:6 86:5,9,25 88:19 90:22 92:9 93:11 96:16 98:18 99:23 100:8,18 102:16 103:5 104:23 105:9 108:23 110:10 111:8,18 114:25 115:9 116:17 117:8,12,16,24 123:23 125:2,14 125:17 126:17 130:3,14,17 131:17 132:2 133:3,15 134:1 135:14,19 137:2,7 138:11 139:3,12 139:20 140:9 141:18 142:1,6	144:8,12 146:17 146:21 148:15 149:20 150:7 151:11,17,20 153:13 154:9,13 158:2 162:5,12,15 163:11,17 164:24 166:5,11,19 167:1 167:9 168:7,14 169:3,10,19 171:2 171:15 172:7,17 174:13,22 175:3,5 176:8 177:9,23 179:3 181:2,19,21 182:1,9,18,23 183:9 186:21,24 187:6,18 188:5,8 191:7 193:12,19 194:13 195:11 196:11 199:13,17 201:13,15 209:14 210:6,11,13,22 211:17,20 213:19 215:16 216:17,22 217:1,9,12,20 218:1,22,25 219:6 219:23 220:15 221:11,14 223:5,8 224:2,14,22 225:2 225:5,12,18 226:3 226:9,18 227:6,17 228:2 231:10,17 232:9,12 233:8,10 234:7,10,24 237:7 238:6,10 242:15 243:1,12 244:3,6 247:15,22 248:6 248:15,18 250:8 250:19 251:22 252:1,17 253:13 253:15 255:7
b	b 6:1 7:1 8:2 9:1 10:1 11:1 12:1 13:1 262:5 back 24:18 28:4,5 28:15,17 68:3,11 69:22 96:9 97:19 98:5 105:14,16 107:3 123:17 125:12 126:15 129:25 140:20 157:9 166:12 167:12 173:8 176:23 180:25 183:7 184:2,3 185:11 186:15 188:24 193:2,3,5,6 193:15,20 194:5 205:16 206:11 212:9 215:3,8,14 245:25 248:4 250:22 259:4,12 260:22 264:6 266:13 267:4 275:9,25 283:2,4 290:11 304:3,21 304:23 306:1 backed 147:11,24		

260:9,13 261:21 265:23 266:1 271:15,21 272:4 275:17,20 278:14 284:5 285:8,14,23 286:21 287:1,3 288:23,25 291:6 291:12 292:1,12 293:6,9,25 294:14 294:24 295:14 297:2,5 298:19 299:6 300:12 301:17,20 304:25 305:9,25 306:8 bas 197:8 based 130:10 158:11 184:24 197:25 263:10 basically 45:8 76:2 180:15 188:20,25 190:22 191:1 209:19 258:6 basing 225:10 basis 8:24 34:19 41:16 42:7 72:1,6 126:23 132:10,16 133:10 138:5,18 140:3 141:3,9 162:6 166:19 168:22 182:14,21 183:24 185:2 bass 7:17,20 130:21 132:19 135:17 bat 101:9 bates 29:5,16,19 127:9,11 129:24 130:7,10 135:16 137:8 162:9 172:15 190:14 271:23 294:13,14	battery 268:1,2 batting 189:20 beat 185:8 209:3,5 began 51:18 beginning 56:7,12 69:22 92:4 94:6 94:13,23 95:10 125:12 183:7,22 215:21 248:4 beginnings 53:21 53:23 behave 46:15 belief 34:6 35:9,15 53:4 76:8 126:24 272:7 believe 17:20 18:18 20:9,20 21:3,8,19 22:19 27:21 34:16,20,24 37:6 52:22 72:7 107:11 109:1 125:25 126:7 127:7,16,20 128:18 129:1 131:1 135:4 136:14 137:24 151:10 154:14 178:19 181:23 199:23 221:17 246:5,10 254:13 256:1 257:13 264:5 281:22 believed 34:16,22 35:5 36:22 37:2,4 82:16,16 107:7,25 110:6 128:15 212:23 257:15 258:24 270:19 beneath 35:8 benefits 73:2 96:21 100:4,16	best 25:9 75:25 101:15 109:9 117:20 126:23 134:10,11 135:7 176:13 179:12 180:16 224:19 225:7,24 226:13 230:21 246:6 254:1 268:22 272:16 282:1 300:7 bet 93:5,14 94:12 95:8,12,15,20 96:1 96:8 192:3 beta 53:8 better 57:18 67:1 98:17 106:14 110:19 160:17,23 169:8,9 191:22 198:16 199:3 204:13,13 206:2 228:23 240:3 244:22 260:14 266:22,24 268:5 300:10 303:17 beyond 34:7,7 80:6 131:7 185:5 big 41:22,23 43:15 49:7,25 59:19,23 59:24,25 60:9 106:22 115:23 116:1 147:12 150:13 267:10,19 295:21 301:14 bigger 65:6 137:17 168:13 biggest 108:15 148:25 bill 44:9 billion 145:20,20 145:25 150:25	151:3,12,13,14 152:25 154:8,24 155:9 206:17 bit 39:1 40:20 102:9 115:5 147:9 171:14 175:16 228:23 229:4 231:4 262:10 bizarrely 76:17 blair 117:18 bleak 120:16 bleeding 110:20 blight 167:14 blizzard 87:9 bloomberg 136:3 blue 30:11 34:25 35:10 36:18 60:2 bmw 236:23 board 8:4,15 9:18 9:22 10:15,18 11:4,19 12:12,18 12:22 13:4 21:17 108:25 109:3,5,5 142:15 143:15 162:10 163:19,25 183:14 184:4 199:24 200:2,9,20 200:23 209:1,8,11 209:13 219:10,15 219:25 220:3 222:14 223:10,11 223:21 224:6 229:15 230:16 231:19 232:1,9,13 232:18 233:11 234:6 242:21 243:6,15 250:1,2 250:14,20 251:5 251:11,16 252:14 252:19 253:2 257:14 266:4,10
---	--	---	---

269:8,13,17,19,20 270:4,10 275:2,2 276:16 279:25 282:11,14,18,21 283:3,5 284:12,22 284:24 285:10,11 286:1,10,16,19 289:3 291:18,22 292:16,20 293:13 293:14,15 297:3,8 297:19 298:8,24 298:25 300:15,20 301:1,2,18,21 boat 235:13 bond 9:15 189:17 192:10,14,15 194:9 200:6 201:20 218:16 282:2 302:12 303:12,24 bonds 188:13 192:13,19,21 193:21 195:1,4,21 197:2,5,12,20 198:21 200:24 202:4,22 206:21 207:13,19 218:18 218:21,22 254:11 254:19 280:24 281:5,7,8 299:21 299:24 300:7,10 302:8 303:18 book 80:20 81:4 books 285:10 boring 294:19 bother 45:10 200:10 bottom 19:2 62:9 62:12,13 190:15 207:6,8 211:18 238:15	bought 25:6 150:18 boxes 255:8 brad 9:11 199:15 199:19 brain 99:8 115:2 brainer 45:13 brand 64:13 breach 168:17 breaching 270:20 271:2,7 break 28:9 49:19 69:12 70:15,17 114:15 123:12 125:3,5,6 182:23 182:25 247:23 breaks 69:16 bret 9:7,11 188:11 191:19 199:2,15 199:18 208:2 brick 103:14,16 bridge 97:15 277:19 279:15,15 279:18,22 280:8 280:18,23 281:15 281:17,18,20,23 281:24 298:3,12 298:15,21 299:13 303:19 304:1 briefly 179:12 bring 134:20 167:12 205:4 243:4 broadly 109:20 broadway 3:9 broke 50:2 brought 242:22 250:1 303:12 bucks 44:10 budget 216:11,12	buffett 262:13 build 52:7 57:1 building 17:11 52:20,21 53:2 bullet 33:17 203:12 226:4,23 238:16,23 294:10 295:7 bully 144:13,25 145:7 165:4 bullying 145:10 bunch 155:21 156:13 160:6 228:8 257:3 burgers 235:14 bush 209:3,5 business 17:24 20:12,24 31:9 36:23 84:6 86:23 88:5 90:11,13 91:8 97:23 98:1 111:22 114:21 115:12 116:11,15 118:5 191:10 204:4,20 214:24 229:5 230:14 249:12 258:20 271:12 businesses 101:7 buss 9:11 199:15 199:19 busy 116:6 buy 124:24 230:7 270:1 281:8 299:24 302:8 buyers 264:9 279:1 buying 95:5 214:17 220:4 242:22 268:19 282:4,16 289:14	c c 126:5 c.a. 1:3 2:3 ca 14:18 cad 56:21 california 1:16 2:9 3:11 14:1,21 148:11 307:3 call 41:13 52:19 55:10 111:14 117:3 118:20 119:12 143:24 162:17 220:20 287:13 289:6,7,11 292:14,18 called 56:9 222:20 223:15,19 257:11 275:9 calling 234:22 calls 80:10 286:5,6 286:8,23 287:19 287:19 288:1,5,13 288:15 289:21,23 289:25 290:4,8,10 291:20 297:11 cancel 28:3 cans 45:5 cap 213:2,2 223:1 264:21 capabilities 80:16 capacity 17:10,21 20:10,22 80:6 89:18 capital 150:24 152:25 208:13 222:24,25 230:12 246:5,7,17,19 258:18,22 260:25 261:12 263:10 264:17,19 269:15 271:5 273:1,10,14
---	--	---	--

273:16,19 274:17 279:20 280:3,5,23 capitalist 233:14 capitalization 262:9 capturing 228:24 car 50:4 75:1 93:24 95:1,13,18 102:4,7 106:22 118:2 124:25 147:22 202:17 228:16 229:7 236:1,4 care 45:25 100:10 166:2 195:25 career 145:10 careful 164:10 carefully 40:22 164:6 caring 45:23 carmaker 72:20 carried 77:1 cars 49:7 50:8 68:6 77:11,18 92:16 95:22,23 96:7 101:18 122:23 124:7 148:3,6,8,9 case 22:11,19 30:11 35:1,2 36:19 37:7 39:18 51:5,7 59:17,18 85:22,23 87:12 92:4 93:16 121:8 160:13 170:11 212:18 216:19 222:23 233:2,3 279:11 286:13 296:1,2,9,12,23 307:13 308:1	cases 175:18,19 cash 8:23 33:9,25 44:14 110:21,21 138:25 139:5,8,10 140:15 151:9 159:6 160:9,12,19 161:14,24 162:18 162:20,25 163:6,8 163:16 164:3 165:17 167:24,25 168:3,4,23 169:6,7 169:11,13,14,16 169:20,24,25 170:2,3,4,8,18,20 171:1,6,13,20,21 171:24 172:9,21 173:3 174:7,17 175:11,20,21,21 177:4,11,14,17,25 178:1,12,16,25 179:1,5,8,21 180:4 188:19 192:2 206:13,16,17 211:10,16,21 212:24 226:21 236:19,25 237:3 237:10,10,15,24 238:12 244:23,23 245:7,12,25 246:14 247:4,4,11 247:13,16,17 248:9,12,21,25 249:3,4,10 258:21 272:12,19,22 275:11 276:11,11 276:13,13 277:4 282:5 290:12,16 cashflow 7:23 cause 51:21 60:7 79:24 85:25 123:8 213:17 273:24	caused 62:18 79:5 87:4 243:4 causing 190:3,5 cc'ing 154:15 cds 197:8,8 cellular 14:9 centers 119:12 century 72:20,20 75:2 ceo 76:15 198:3 ceos 106:22 certain 41:21 67:2 78:15 79:14,21 101:4,6 102:14,19 173:25 176:11 298:10 certainly 16:18 17:1 37:4 50:6 58:17 63:8 67:21 107:4 115:24 118:8,9 158:14 194:1 196:6 254:7 certified 2:11 307:1 certify 307:3,16 cetera 49:19 cfo 183:13 198:3 224:4 226:6 cfo's 227:3 cfos 226:8 chain 7:15,19 9:6 9:10 10:6,10 11:3 11:10,14 12:6 47:13 56:22 61:19 130:20,20 131:18 131:19,22 132:6 132:10,16,19 134:3,13,19,23 135:20 136:1,7,9 136:14,15,18,23 154:14 188:10	chairman 21:17 90:3,8 91:2 109:21 110:2 challenge 199:20 279:6,8 challenges 89:2 90:9 115:7 205:24 205:24 chancellor 28:5 46:13 chancery 1:1 2:1 14:17 chang 4:14 15:22 15:22 77:13 287:6 change 50:7 88:9 151:3 178:1 227:18 252:9 258:17 changed 146:11 214:24 changes 271:12 changing 40:18 62:23 104:9 246:12 channel 66:25 67:6,9 120:10 channels 63:1,2,6 64:11 67:3 78:15 79:14,21 204:19 character 194:25 chart 29:1,11,13 30:5 31:10,13 51:8,24 59:13,21 59:23 60:3 78:8 82:13 129:19,25 147:8,10 148:20 269:7,11 check 3:14 15:18 286:8,23 287:13 287:19 288:1,5,13 288:15 289:21
--	--	---	--

291:19 chesler 4:5 15:19 15:19 23:3,5 24:16,24 25:7,16 25:23 26:14 27:13 28:7 33:12 36:7 41:8 43:22 46:16 46:23 48:20 51:11 53:11 61:12 64:9 68:20 70:24 78:3 82:21 86:24 88:15 90:16 91:11 93:9 96:15 97:24 99:2 100:6,17,21 103:3 104:22 105:1 108:3 110:8 111:6 111:10 114:24 115:3 116:12 117:19 123:19 126:9 130:1 131:11,23 132:25 133:12,18 136:25 138:9 139:1,9,17 140:6 141:17 144:6 146:16 147:5 149:18,24 151:6 153:9,21,24 157:21 162:2 163:10,13 164:17 166:4,7,14,18,21 167:5 168:6,9,25 169:17 170:24 171:8 172:1 174:10,19 176:6 177:7,20 178:22 180:25 182:7,16 186:19,23 187:1,7 191:6 193:8,16 194:11 195:6 196:5 198:25 210:10 211:15,19	212:15 214:19 217:7,10,17,22 218:20 219:17 220:12 221:8 223:23 224:7,21 225:3,9,16 226:1 226:14 227:1,13 227:22 231:8,12 234:18 237:4 238:8 242:1,24 243:8 247:14,20 250:5,11 251:21 252:15 253:12 255:5 260:8 261:17 271:19 272:1 278:12 283:25 285:7,12 285:18 286:17 288:20 291:2,10 291:24 293:20 294:12,16,21,23 295:12 298:17 299:2,25 305:8,10 305:18,23,24 306:4 chew 11:5 china 290:1 chip 103:13 105:17 chiseling 103:18 choice 154:6 241:1 266:21 268:22 choices 258:4 choose 145:5,9 250:10 chose 80:1 145:3 250:9,15,16 chuck 11:15 251:22 252:4 chump 151:3	circle 239:1 circumstances 109:17 clarify 308:6 class 189:19,21 clear 35:12 81:16 83:16 150:8 156:20 162:16 183:12 199:19 217:17 273:9,9,16 277:2,2,8 280:6 305:15 clearing 209:23 264:10 265:15 clearly 175:22 179:25 200:11 226:10 231:5 290:3 client 28:11 46:10 306:1 cliff 202:15,17 clock 166:9 267:4 305:12,14 close 7:10 66:24 67:2 92:1,1 150:24 207:5 211:8 268:23 270:20,24 271:1,6 272:25 276:5 277:4,10,16 300:25 closed 117:1 148:1 150:23 193:23 241:19 242:20 280:7 closely 51:24 220:17 closer 121:17 closing 116:18 118:16 119:8 259:20	closure 119:1,4 co2 89:18 coast 148:8,9 code 200:22 codes 308:5 coincidence 288:16 collusion 293:25 combination 120:23 213:14 combine 267:2 combined 146:14 146:24 148:21 155:13,17 204:16 277:23 come 39:15,17 40:21 41:13 54:4 54:14 58:6 70:8 93:22 103:23 111:16 137:14 215:14 262:6 comes 101:13 comfortable 37:13 coming 159:9 166:11 186:15 commencing 2:10 comment 161:11 218:15 235:6 252:25 273:13 comments 80:11 81:15 commercial 63:5,8 63:24 64:21 79:12 197:8 295:17,20 commission 113:19 committee 12:12 198:3 288:18 289:3,8,19 common 17:5 42:3 88:18 134:16
---	--	--	--

155:24 205:17 237:22 244:25 271:14 279:17 299:14 commonly 16:25 communicate 124:17 communicating 124:16 communication 198:2 companies 18:11 39:10 92:24 97:5 106:23 146:13 155:25 156:1 191:17 205:24 212:21 213:8 229:8,8 265:12 268:17 269:2 270:14 company 36:22 37:20 38:15 68:25 72:24 74:23 75:2 75:5,12 76:13 81:18 83:17 91:24 93:5,14,23,25 94:12 95:8,12,15 95:20 96:1,8 101:11,12 114:17 118:24,25 119:11 119:16,25 132:24 147:23 149:10,11 152:24 155:13 156:8 157:10,13 158:1,16,17 159:4 159:10 160:1,4 162:18 168:22 169:16,23 171:24 187:7,12,23 190:10 191:9,24 192:11 203:13	204:1,16 209:19 212:10 213:6 214:17 223:1 228:14,16,25 229:8 230:8 235:8 235:16 237:22 241:10 245:22 258:18 262:8,14 263:7,11,16 264:11,13,14,18 264:20,21 265:16 268:15,18 269:3 270:1,20 271:4,9 272:11 279:3 281:20,25 282:6 289:15,24 290:18 291:8,13 293:1,1 298:1,5,9,15,21,23 303:19 company's 36:9 93:20 149:16 157:3 170:11 199:22 206:13 270:21 271:3 compared 54:6 complete 147:14 258:22 274:23 completed 17:12 148:13 275:3 completion 307:13 complex 38:25 41:6 205:7,12,13 complicated 104:6 186:12 components 246:9 concept 16:16 40:8 54:4,14,24 55:1,19 56:3,10,15 56:16,19,19,24 58:3 92:13 94:12	concern 99:24 concerning 206:14 concluded 305:1 306:15 concludes 306:10 conclusions 189:14 conduct 144:14,21 144:22 conduit 124:6 conference 162:17 confidence 102:15 102:18,25 245:20 confident 81:6 123:10 confirm 62:14 232:8 confirmation 221:12,15 conflicts 199:25 200:8 conform 308:6 confused 60:20 157:23 confusing 155:19 175:16 connected 21:13 connection 29:23 96:19,24 298:3 conscience 144:10 conservatism 97:6 conservative 180:11,11,13 consider 68:14 113:16 159:15 239:14,24 298:2 consideration 280:11,14 considered 81:17 91:16 164:7	considering 95:5 consistent 34:25 35:10 42:5 59:6 59:12 64:12 78:7 82:12 145:15 146:3 167:2 218:4 consolidated 1:3 2:3 14:18 158:6 consume 258:18 consumers 53:7 contained 96:11 96:21 context 46:6 145:8 261:13 contingency 302:20 303:1 continuance 243:10 continuation 306:2 continue 14:10 34:22,25 124:10 203:22 214:10 continued 89:2 230:13 231:13 contours 41:1 contracts 67:10 contrary 63:14 194:18 contributed 111:20 contributing 173:10 control 166:15,16 conversation 28:10 257:7 272:7 275:7 306:5 conversations 14:9 289:17 convey 34:15
--	--	---	--

cool 43:21	156:6,24 158:7	correspond 30:12	course 21:10
copied 190:22	159:5,19 162:1,4	30:19 169:1	38:15 66:13 67:7
copy 293:15	172:24 173:14	correspondence	79:9 83:18 103:7
corporate 156:18	177:19 178:2	248:13	103:8 131:5,6
190:22 195:20	179:10,14,17	corresponds 31:19	144:14,21,22
197:8 200:22	185:18,19 190:11	31:21 33:1 137:9	172:5 189:7,9
213:16 254:12,23	197:3 198:7	corroborates	230:24 231:24
255:3	200:24 205:10	128:7	251:3 284:13
corporation 9:19	207:13,15,21	cost 17:23 18:2	285:22
12:10 190:17	209:8 210:9 220:1	20:11,23 21:4,9,20	court 1:1 2:1
194:17	220:4,10 221:1,7	21:22 22:22 33:9	14:17,24 25:13
correct 22:23 23:2	221:17,20,23	34:1 38:21,24	26:1 166:16 167:6
23:24 24:1,5,23	222:3,15,21,22	42:8,9 43:4,5 44:5	182:24 305:7
26:13 27:12 40:16	223:17 224:20	88:7 89:8,9 90:19	courtney 11:15
49:20 58:14 60:13	225:8,15,25	90:19 91:15 98:2	12:7 287:7
67:13 75:9 78:9	226:13,25 227:12	98:3 99:10 100:3	cousin 221:6,20,23
78:22,23 80:15	230:18 231:7,23	100:15 103:25	248:19
82:13 83:6 84:5	232:2,7 233:12,15	104:3 106:3,9	cousins 192:20
84:17,23 85:16,23	233:18 234:17	108:12,14,17,18	covenant 168:17
86:20,23 87:21	237:18 240:22	256:9	203:16 212:11
88:14,22 89:6	241:11,12,17,20	costs 38:20 44:6	238:25 239:3
90:4,15 91:10	241:21,25 242:23	98:22 99:19	269:9 270:21
92:11 94:21 95:8	250:4 251:7	102:25 103:11,17	271:2
96:13,22 97:23	255:10,22 258:4	104:20 107:8,21	covenants 168:20
100:5 103:2	259:7 261:16	108:2 114:15	271:8
104:21 110:7	264:1 268:20,25	121:3 122:13	cover 201:16
111:25 112:17	272:20 275:4	counsel 4:14 14:15	220:10,11
113:5 114:23	276:24 277:5,11	15:8 26:20 27:7	covered 273:15,17
116:11 119:14	277:20 278:2,3	27:22 46:9,16	273:20 274:2
120:5,8 126:18	279:22 280:9,19	69:15 70:14	covers 140:16
127:2,2 130:11	281:4,15,17 282:7	186:20 211:15	crash 267:17
131:3,10,14	284:9 285:6,11	217:10 226:2	cravath 4:4 15:19
132:21 136:7,8	286:2,6,16,24	304:25 305:21	196:16
138:25 139:8	287:8 288:8	count 19:11	crazy 272:25
141:16,20 143:2,8	289:15 291:23	159:23 170:11	273:1
143:13,19,22	293:16 295:6,11	country 113:22	create 56:20
144:8 145:18,19	295:22 300:17	couple 24:14	205:12 208:17
145:21 146:10,24	302:3,8,23 303:13	28:24 113:1	267:23
147:4 148:18	303:21,23 304:2	143:14 203:14	created 29:1
149:17 150:20,25	305:17 308:7	212:8 227:10	176:14,16
152:18 154:21,24		294:25 305:3	

creates 279:6,7 creating 56:4,4 creation 220:24 credit 10:4 88:9,17 89:10,12,15,16,17 89:25 90:21 91:13 91:17 98:4 99:12 147:24 148:1,5,19 149:1,2 153:1 202:1 203:13,14 217:3 218:5,9,11 270:22 271:3 credits 88:3,5 90:14 91:9 103:2 109:23 147:11 criteria 195:5,13 195:18 critical 83:5 278:21 cross 254:21 255:1 crystal 35:13 csr 1:24 307:25 cuff 186:14 current 218:15 currently 91:8 custom 40:20 41:3 42:17,18,19,20 customer 112:23 119:12 120:1 cut 43:19 102:25 104:20 107:8 116:9,21 118:3 cutting 100:3,15 108:1 cypress 184:18 d d 5:1 6:1 7:1 8:2 9:1 10:1 11:1 12:1 13:1 daedalus 6:9	daily 286:5,8,23 287:12,18,25 288:4,13,15 289:20,23,24 290:4,5,8,10 dangerously 276:10 data 123:7 date 1:13 201:17 217:11,23,24 271:22 301:5,7 302:4 307:20 308:3 dated 7:17,21 8:10 8:13,19 9:8,12 10:8,12,22 11:5,12 11:16,20,22 12:4,8 12:16,19 18:17 130:21 154:16 188:5 219:9 234:8 244:10 251:19 266:5 297:9 307:22 david 287:7,8,9 day 44:6 52:4 152:12 161:21 171:20 208:16 233:3 252:3 260:12 262:11,16 286:7 287:22 288:18 290:6 297:10 305:17 days 54:9 142:19 142:22,23 177:3 260:3 286:11,12 de 69:9 153:1,1,11 153:12 159:4,9,23 160:1,4 161:5 263:15 264:19 dead 89:1 185:8	deadline 199:20 deal 25:13 57:6 150:23 302:20 303:1 dealing 41:24 death 209:19 debate 43:22 229:10 debt 110:22 129:15 132:13,24 135:5 136:11 138:6,13,19 139:8 140:13,14,17 141:15,21 145:16 146:1,5,6,7,12,13 146:14,24 147:3,7 147:18,20,23 148:12,17,21,24 149:8,9,11,16 150:3,9,19 153:14 153:19 154:3,4,20 154:24 155:8,12 155:17,18,20 156:3,9,10,16,18 156:22,24 157:3,5 157:5,9,13,16,17 157:17 158:9,12 159:4,7,7 161:22 168:20 197:9 202:24 203:25 212:23 237:10,17 245:12 254:3 256:16 261:15,19 279:7,8 december 154:10 154:16 167:24 168:13,19 169:9 decide 154:2 246:7 261:4 decided 64:2 281:3 282:25	286:1 290:18 303:8 decimal 155:5 decipher 272:5 decision 16:9 64:4 65:13 66:24 67:7 75:4 78:14 79:23 83:21 94:1 95:12 95:16,20 96:1,8 122:1,5,9,19 154:5 227:16 246:18 251:4,5,5,9,11 257:19 258:2 287:25 298:25 299:1 303:9 decisions 79:22 93:20 101:15 deck 47:14 declared 126:25 decline 78:14 99:11,12 111:21 121:22 declined 115:8 303:19 declines 90:21 declining 91:17 160:17,21,22 decrease 85:25 88:10 132:24 154:4 deemphasized 63:4,24 default 168:16 255:1,3 defaults 254:22 defendant 7:12 15:25 125:20 defendants 4:3 15:20,23 defense 151:15
---	---	---	--

defensible 280:4 280:22 299:18,23 300:5	department 17:11 77:17,17 151:15	28:4 46:12 69:14 69:15 70:14,17 161:8 166:1,8,22 167:3 204:10 224:23 304:25 305:20 306:2 307:13 308:3	determine 140:1 156:7 157:14,16 181:6 182:24 295:1
deficit 275:11	depend 91:13	167:3 204:10 224:23 304:25 305:20 306:2 307:13 308:3	determining 178:15
define 53:22 110:17	depended 91:8	depot 67:4,6,9 120:3,6,9,12,15,18 120:25 121:5,14 122:1,10,15,20,24 122:25 123:6	detriment 37:24
defined 58:14 195:2	dependent 90:18 255:10,13	depressive 262:10	detrimental 97:22 98:1
definition 19:22 20:4 55:16 128:1 128:2 169:11,20 195:2 196:17 249:2 257:2 296:24	depending 21:23 175:23	depth 68:4	devco 211:10,16 211:17 254:11,14
definitions 170:6	depends 90:13 147:25	describe 249:2	device 184:19
definitively 22:10	deploy 71:22 82:17	described 17:8	dfj 233:17,18,19
degree 35:21 67:24 75:11,15 149:12,14 246:11	deployed 6:7 16:17,18 17:4,8,9 17:14,15,21,25 18:5,8 19:7 20:4 20:10,16,22 21:3,9 21:20 22:25 23:13 23:16 24:21 25:4 26:12 27:10 31:11 31:25 32:23 33:6 33:8,24 34:17 37:3,5,11,17 50:25 51:16 59:8 63:17 66:4 71:2 74:14 74:19 77:24 82:7 82:18 84:16 85:16 86:1,2,20 87:21,21 88:22 98:11 115:13	description 6:2 7:2 8:3 9:2 10:2 11:2 12:2 13:2 86:12 103:24	dial 175:23
delaware 1:1 2:1 14:18 69:13 126:5 127:1 167:3 200:22	deserved 278:12	designed 29:6	die 75:3
delay 199:22 266:19	design 54:3,4,15 54:16,17,18,21 56:20 57:4,5 58:5	designing 54:6 191:11	diego 3:11 42:23
deliberately 63:4	desirable 304:6	desire 288:4,7 289:20	diesel 236:12
deliver 49:7 77:18	despite 87:17 291:7	destroy 142:10	difference 42:16 150:12,14,15
deliveries 147:15 148:14 289:25	detail 194:8 247:6	detailed 56:20 105:22	differences 209:22
delivering 77:11	details 133:23 203:18 244:18	determination 68:17 81:10,21	different 21:6 25:20 26:8,16,21 27:8 47:3 54:12 58:17 63:1 109:18 140:6 158:23 182:16 198:13 204:18 207:10,10 207:11 256:13 264:15 273:8
delivers 148:3	deployment 22:3 39:15 51:19 72:8 290:19,24		differently 60:6,10
delivery 47:13 49:7,25,25 61:19	deponent 308:25		difficult 36:8 38:25 39:7,7 41:24 54:11,20 57:2 90:8 99:15 101:17,25 120:22 133:22 137:25 232:5 267:9 277:22,24 279:1 301:6
demand 88:10 89:6 91:12 112:20 112:20,24 197:10	deposed 233:21		difficulties 58:15 61:17 72:11,13
demonstrate 227:19	deposition 1:11 2:7 6:2 7:2 8:3 9:2 10:2 11:2 12:2 13:2 14:14,19		
demonstrated 203:24			

102:8,8 106:16 difficulty 54:10 55:12 67:24 68:8 92:19,21 279:19 diligence 269:23 270:11 294:9 295:2,5 297:20 dilute 263:4 dilution 182:6 227:11,14 dilutive 225:23 226:12 227:9,12 dime 65:3 dimensions 21:7 40:23 dip 160:10,10 dire 76:1,5,6,8 direct 48:14 81:18 directed 154:19 direction 46:14 104:14 307:8 directive 82:17 directly 78:17 303:16 director 4:3 200:21 directors 8:4,15 9:18,22 10:15 11:4,19 12:13,18 12:22 13:4 108:25 142:16 162:10 163:19 200:19 207:24 210:7 219:10,15 222:15 223:11 229:15,18 230:16 232:1 234:6 266:4 269:14 282:21 289:3 291:18 292:20 293:14 297:9,23,24	disagree 112:13 225:19 265:14 disagreeing 161:3 disaster 213:16 disclose 64:5 67:16 81:13 disclosed 79:20 83:19 84:16 disclosure 78:19 245:10 disclosures 78:24 243:22 244:22 discover 72:17 92:5 105:8 discrepancy 198:4 discretionary 175:24 discuss 65:14 66:23 69:14 70:14 70:17 79:24 222:20 224:19 231:14 233:24 234:13,15 287:13 287:19 302:14 discussed 220:5 279:24 282:22 287:12 291:21 297:22,23 discussing 136:2 219:11 223:16 297:11 discussion 60:21 65:7 70:19 120:3 123:14 125:7 126:11 132:19 143:15 152:23 174:6 182:6 187:17 200:12 219:14 222:15 229:16 230:3 257:16 278:6	282:9 285:25 289:6 292:23 298:8 302:7 discussions 96:11 222:5,6 273:24 279:14 283:15 284:3 285:2,25 286:4,15 288:17 disproportionate 149:14 disruptions 214:23 distinction 296:14 distracted 99:4 106:4 distraction 91:19 99:15 267:10 disturbing 233:23 234:3,13,15 235:5 235:11,18,22 237:20 238:20 239:15,25 240:9 divergent 260:24 divide 293:2 document 6:5 8:22 9:3,14 10:3 23:12 29:5 31:16 32:4,5 32:19 59:1 65:25 125:18,22 126:1,2 126:22 127:6 128:21,22 129:21 129:24 130:7,10 130:13,18,19,25 131:13 133:17 135:15,15,22 137:3,10,13,22 138:3,4 139:4 140:4 141:25 146:15 152:18,20 162:7 164:2,12 165:7,15 171:4	172:14,19,23 173:1 174:21,23 175:7,8,9,14 176:2 176:9,14 177:10 177:13,15 181:16 181:23 182:11,20 183:19,20 184:6 184:12,14 185:10 185:15,23 186:2 190:14 206:11 211:1,2,6 217:5,15 217:19 218:2,3 219:1 246:20 247:1,23 253:7 264:4 271:20 276:15,19 291:17 292:13 300:14 304:4 documentation 265:2,20 documented 61:23 89:3 documents 24:14 28:25 32:2 98:25 125:24 127:10,15 127:17,18 128:11 128:12,16,17,19 128:24 137:25 139:25 140:10,11 152:21 165:10,12 185:12 190:23 211:3 246:17 269:18 doing 38:17 40:19 47:6,25 55:18 60:17 63:20 69:4 74:6 98:23 101:9 110:15,19,23 111:1,24 113:1 142:9 165:5 167:19 187:10
--	--	--	--

228:14 236:9 267:14 277:25 278:2,7 280:9 283:7 dollar 151:9 152:25 dollars 42:18 150:25 domino 274:16 door 64:13,13 67:4 67:4,6,6 111:24,24 112:3,3,6,6,12,12 doors 64:14 dowd 3:4 15:12,14 15:16 downsize 116:10 118:4,10 downsizing 116:15 downturn 204:4 dozen 7:10 116:19 118:17 dozens 119:11 draft 252:5,7,9,19 drafts 252:12 285:10 drain 226:21 dramatic 37:10 39:14 92:7 98:10 99:20 102:11,12 dramatically 25:5 42:10 88:13 104:3 drawings 56:21 drive 124:22 236:1 driven 112:24 driving 227:15 drop 51:13,22 62:4,17,18 65:8 67:17 79:3,4,25 87:5	dropped 104:3 241:24 due 78:14 79:6 269:22 270:11 294:9 295:2,5 297:20 duly 16:4 e e 5:1,1 6:1,1 7:1,1 8:2,2 9:1,1 10:1,1 11:1,1 12:1,1 13:1 13:1 152:10 earlier 24:2 52:5 58:16 63:10 66:25 74:13 82:15 109:8 155:7 181:13 204:9 215:2 290:22 295:19 303:14 early 76:2 123:16 243:18 270:18 earn 199:7 earned 188:21 earning 188:20 199:4,8 earnings 80:4,10 80:10 81:1,5,14 228:9,16 259:15 259:22 260:21 earth 101:24 ease 215:17 easily 185:22 east 148:8 easy 43:8 54:6 103:23 116:8 157:22 economic 246:12 economy 57:20 167:14 edge 262:15	edges 43:14 edict 66:8,11 edition 294:19 educated 124:7 effect 44:14 77:18 80:12 87:17 115:12,20,23,23 116:1 274:16 effective 256:8 effectively 89:21 202:22 205:13 efficiency 17:23 18:2,6,10,13 20:11 20:23 21:4,9,21,23 21:25 22:6,9,15,16 22:22 23:2,23 44:16 63:11,15,17 103:21 efficient 39:3 41:12 44:5 105:19 effort 39:9 43:2 57:6 103:19 104:7 egregious 120:19 eight 239:7 269:9 eighth 4:7 either 34:25 111:1 111:9 170:18 192:19 195:2 197:3 238:2 244:14 258:2 260:25 270:5 271:11 273:10 295:8 electric 101:18 118:2 124:7 236:4 268:1 electricity 44:13 elements 113:19 eligible 194:20 195:3	eliminate 62:25 elon 1:11 2:7 7:12 9:7 10:7,22 11:11 12:3 14:14 15:21 15:24 16:3 125:20 142:18 152:14 252:7 286:9 287:13 292:14 306:11 308:4 elon's 252:8 eloquently 46:20 else's 98:15 196:1 email 7:15,19 8:8 8:12,18 9:6,10 10:6,10,21 11:3,10 11:14,22 12:3,6,15 75:24 118:25 130:19,20 131:5 131:18,19,21 132:5,9,16,19 133:10 134:3,13 134:19,23 135:17 135:20 136:1,6,9 136:14,15,18,22 141:2,2 151:22 152:16 154:14,17 154:19 173:6,12 173:13,24 188:5 188:10,15,16 199:14,18 200:19 200:25 219:2,7 220:13,16 221:11 221:15 222:16 225:1,13 226:4 233:4 234:7 248:19 251:19 252:3 275:15,22 285:15 287:4,11 297:10 emailed 143:21,23 232:22
---	--	--	--

emails 131:6 133:2 133:6,23 134:13 134:14 154:18 198:20 embark 96:6 embarrassing 236:3 emergence 287:25 emergency 209:12 emma 10:11 221:16 employee 307:18 employees 64:8 66:16 71:13,23,23 76:9 79:7 80:8 83:22 113:4,6 114:19 encourage 191:19 encouraging 199:5 ended 6:4 11:8 19:24 72:7 79:17 endorse 187:1 ends 103:12 energy 17:23 20:12,20,24 32:20 32:23 33:17 50:24 61:5 66:3 70:6 71:3 77:7,23,24 78:4 82:9 84:15 84:17 85:11 101:23 246:8 267:25 engages 229:9 engineer 40:25 41:16 engineering 38:11 39:1,2 40:24 41:5 41:7,15 47:7 54:1 engineers 38:16 38:17 40:6,8 46:25 47:2,3,4,24	113:9,12,12 enron 158:5 ensued 200:13 enter 213:15 entire 159:17 161:5 192:14 212:18 282:6,23 entirely 113:19 entirety 49:10 entities 213:10 233:15 entitled 39:20 125:19 entity 204:14 256:24 environment 236:4,7,9 environmentally 293:12 eps 226:17 227:15 equal 100:15 103:1 equaled 100:3 equity 194:3 222:24,25 230:12 238:12 240:6,9,10 245:6 247:18 255:9,11,12,18,25 256:4,8,14 257:24 261:14,23 262:2 262:23 263:1,15 264:8 278:25 279:1,5,6 eric 3:15 8:9 15:17 151:23,24 152:11 287:5 errors 308:7 esoteric 256:25 esp 75:22	especially 49:25 54:11 115:7 135:13 147:19 295:18 essence 187:6 essentially 53:19 149:10 150:2,4 155:21 228:8 265:18 276:4,8 establishing 292:9 esthetically 39:4,5 45:11 estimate 75:21 et 49:19 euphemistically 52:25 europe 148:7 290:1 evaluate 213:5 evan 4:5 15:19 evanson 8:9 151:23 152:2,11 event 135:3 204:3 246:3 eventually 106:3 183:20 evercore 30:7 31:5 36:21 141:13 143:13,16 177:2 178:13 184:22 185:5 250:9,10,15 250:16,25 251:23 286:6 292:3 294:9 295:2,4 296:10,13 evercore's 29:21 everybody 39:22 51:15 145:7 everyone's 167:13 215:10,15 219:4 223:3	evr 6:10 11:17 12:9,17 ex 106:22 exact 49:13 86:3 114:13 119:5,19 121:16,20 141:24 192:17 193:24 230:3 232:4 254:16 302:4 exactly 26:9 58:8 76:15 109:6,25 110:1 111:2,4 112:1 156:25 163:3 166:18 185:23 191:15 198:18 208:9,23 219:19 232:6 289:5 293:22 examination 5:3 16:6 215:25 example 87:15 103:25 115:20 exceed 100:15 exceeded 100:4 exceeding 103:1 exceeds 170:19,21 exception 207:25 exceptions 113:11 excess 159:14 exchange 286:1 291:23 292:6,15 292:21,24 293:3 297:11 exclude 119:25 excluded 119:17 execute 267:5,6 executed 204:13 executing 230:14 executive 152:22 exercise 241:1,4
--	---	---	--

exhibit 6:3,5,8,11 6:13,15,17,19,21 6:23 7:3,5,7,9,12 7:15,19,23 8:4,8 8:12,15,18,22 9:3 9:6,10,14,17,22 10:3,6,10,14,18,21 11:3,7,10,14,18,22 12:3,6,10,15,18,21 13:3 18:20,22 29:2,3,8,9,15,16 30:2,3 31:17 32:10,11,14 33:2 50:15,18 51:9,11 51:12 58:23,24 59:2 60:24 61:25 62:2,8 65:20,22 74:8,10 77:22 78:9 82:4,5 84:10 84:11 85:4,5 86:7 86:8 117:23 125:16,19 128:12 130:15,16,19 135:18 137:6,8 141:1,6 142:2,3,15 145:13,14 151:18 151:19,22 154:11 154:12 162:13,14 165:11 167:20 172:16 173:8 175:4,7 176:24 181:20 184:2 188:7,10 199:16 200:15 201:14 209:14,16 210:4 210:19,21 216:23 216:24 217:3 219:3,7 221:13 223:6,7,9 224:18 226:3 232:11 233:9 234:9 244:5	248:16,17 251:24 253:4,5 265:24,25 266:3 271:16,18 275:19 287:2 288:24 292:11 293:8,11 297:4,7 301:19 304:23 existed 107:18 184:16 existing 40:4,5 67:10 156:17 160:19 exit 67:9 120:9 122:20 exiting 79:12,13 expect 38:5 70:21 71:8,12 87:16 88:10 227:5 expectation 35:16 116:1,15 118:9 191:3 214:20 expectations 164:22 expected 37:12 72:2 79:18 85:21 89:4,4,7 91:14 136:10 211:22 238:12 268:12,14 expecting 150:23 expense 108:9 expenses 170:19 170:21 expensive 43:1 267:20 304:18 expert 213:13 experts 106:21,21 expire 241:6 explain 21:22 39:25 132:15 145:24 297:17	explained 107:13 explaining 45:17 explains 278:11 explanation 104:5 exploration 190:17 194:16 express 272:10 expressed 123:5 extend 92:20 extended 261:5 extent 159:21 externalities 89:22 externality 89:20 89:23 extra 80:5,6,17,19 108:13 275:11 extreme 97:6 133:21 extremely 54:10 57:9 144:4 195:9 195:23	145:24 146:10 149:8 164:3 167:16 174:14 219:25 221:3 232:15 245:18 252:18 255:12 268:10 279:17 285:24 286:5 factor 95:25 97:21 173:10 175:1 227:15 factoring 199:9 factors 62:21 87:23 97:2,4,8,9 97:10,20 factory 52:21 148:10 facts 57:21 308:6 factual 281:16 failed 72:23 fair 88:20 91:5,7 93:11 97:17 130:9 139:16 176:8 185:9,14,20 204:24 205:6 208:18 220:18,23 291:12 fairness 300:16 fake 190:1 false 24:6,8 117:13 117:14 118:6,11 118:18 119:3 familiar 16:16 88:2 227:24,25 244:17 247:7 278:7 family 222:1 far 57:14 68:5 69:4 73:15 86:19 106:25 121:14 227:21 268:15,21
		f	
		f 5:1 6:1 7:1 8:2 9:1 10:1 11:1 12:1 13:1 233:19 face 35:17 217:19 facilities 7:11 116:19,23 117:4 118:17,21,23 119:1,4 256:16,22 facility 52:13,18 53:1 203:14 216:8 216:11,14,15 270:22 271:3 facing 90:9 fact 18:1 75:7 76:17 78:20,24 89:6 93:6 97:21 105:24 108:16 116:10 138:22 141:14,15 143:21	

faster 89:10 90:20 91:16 98:3 99:11 186:17 294:7 fat 292:3 fate 238:9 favor 192:5 fdic 197:7 february 123:16 163:21,24 181:17 183:15 209:1,7 210:8,10,11,24 211:7 212:4 213:22 214:8 216:8 217:4,7,9,15 218:5,10 219:2,9 219:16 220:3,8,9 222:2,19 223:12 243:3,14 260:14 275:2,3 federal 307:13 feedback 245:2 feel 36:5 37:13 120:15 183:1 284:6 304:5 fell 86:13 felt 123:10 263:24 303:24 fewer 22:13,15 246:9 fiction 117:20 fifth 71:4 fight 109:13 256:3 fighting 101:19 258:23 figure 27:18 53:20 54:15 56:21,22 151:1 181:10 272:15 299:8 figured 53:25 file 29:15,18 137:18 217:22	299:17 300:4 filed 14:16 21:18 301:10 filing 21:16 217:13 filings 17:7,19 21:12 97:11 243:23 final 304:5 finally 57:5 finance 77:17 78:25 financial 16:24 45:1 68:22 90:15 91:9 231:21,23 297:20 financially 15:3 64:23 69:5,6 81:13,24 82:1 83:12 123:25 307:17 financials 68:25 71:18 financing 44:6,8 44:12 248:25 253:10,22,24 254:11,14 256:25 279:16,18,22 289:12 298:3,10 298:12,16,22 299:10,13 300:6 302:3,12,18,22 303:2,8,11,20 304:1,10,12 find 19:5 42:3 80:11 81:6,15 105:23,25 109:12 216:15 237:20 238:19 247:23 280:21 294:13 finding 207:2	fine 34:12 133:16 177:13 194:4 198:10 202:16 203:11 205:25 206:1 241:14 247:22 257:4 finish 43:24 133:18 294:6 305:2 fiona 8:18 fire 112:6 fired 119:11 firm 14:22,25 first 6:13,21 7:14 7:15,19 9:6,10 10:6,10 11:3,10,14 12:6 16:4 19:22 20:8,15 25:3 28:25 30:7 33:17 42:25 50:20 54:3 54:13 55:19 56:13 58:7,8 60:21 61:2 74:8 79:19 81:12 81:22 87:24 93:13 94:3,10 95:13,18 95:19 105:5,7 111:23 118:1,16 125:21 129:21 130:7 137:9 152:10,15 162:7 163:18 176:1 181:15 200:17 233:11 236:18 237:1,5,11,11,14 237:14 244:9,11 272:18 278:9 280:7 281:11,13 282:4 289:14 294:9 295:25 298:15	firsts 7:7 fiscal 206:15 211:9 fisher 10:21 233:5 233:11,17 234:12 234:16 fit 41:24 five 239:4 306:12 fix 49:17 50:2,4 96:17 301:13 fixed 258:16 flaw 228:19,20 flexibility 246:12 flow 110:21 138:25 139:5,11 140:15 160:9,12 160:20 161:14,24 162:18,20,25 163:6,8,16 164:4 165:17 168:1,4,23 169:6,11,16,21 170:3,4,8 171:6,24 172:9,21 173:3 174:8,17 175:11 175:20,21,21 177:4,11,14,17 178:12,16,25 179:2,5,8,21 180:4 206:13 211:10,16 237:24 248:9,12 248:21,25 249:3 249:10 flows 159:6 212:24 247:4,11,13,17 focus 37:21,23 66:25 74:12 102:3 102:10 122:7 focused 48:16 61:2 88:24 folded 200:17 folks 72:8 84:22 113:8 114:1,3,11
---	---	---	--

288:17 follow 22:2 191:3 followed 75:11,14 75:15 following 98:23 237:6 260:1 282:5 282:16 follows 16:5 foolish 206:7 282:24 foot 124:19 force 49:2,9,11 64:8 ford 104:1 forecast 8:23 forecasted 6:5 forecasts 272:19 272:22 foregoing 127:1 307:4,9,11 form 6:3 11:8 23:3 23:6 24:24 25:20 26:14 27:13 36:7 53:11 61:12 64:9 68:20 82:21 86:24 88:15 90:16 91:11 91:19 96:15 97:24 99:2 100:6,17,21 103:3 104:22 108:3 110:8 114:24 115:3 116:12 123:19 131:23 132:25 133:12 136:25 139:1,9,17 140:7 147:5 149:18 151:6 153:9,21 157:21 162:2 163:10,13 164:17 168:9,25 169:17 170:24 172:2	174:10,19 176:6 177:20 178:22 190:25 191:6 193:8,17 194:11 195:6 196:5 198:25 212:15 214:19 219:17 221:8 223:23 224:7 225:9,16 226:14 227:1,13 227:22 229:2 231:8 234:18 242:1,24 243:8 247:20 250:5,11 252:15 255:5 261:17 283:25 285:7,12 286:17 288:20 291:2,10 291:24 299:2,25 302:18 formed 25:12 forth 29:22 31:1,4 97:10 99:1 128:14 185:12 191:4 195:14 307:6 fortune 213:6 forward 36:23 105:14,15 162:23 200:6 252:12 283:1 foundation 298:18 299:3 foundational 97:14 four 131:18 188:17 239:4 fourth 6:11,19 7:5 32:16 65:23 69:4 70:11,20 71:12,15 85:12 86:11 236:18	fractions 103:19 frame 37:8 75:19 93:7,18 94:10 108:4 274:24 280:10,13 300:23 francis 12:15 287:6 free 89:20 183:1 206:13 fremont 52:13,18 52:21,25 friday 220:19,19 friendly 293:12 front 19:25 59:19 184:3,4 200:15 fuel 246:8 fulfilling 276:9 full 6:11,19 7:5 60:22 65:18,23 72:11 85:12 119:10 179:13 205:3,4 244:9 245:20 292:16 302:6,9 305:13 fully 75:12 92:1 228:24 function 222:25 fundable 50:5 fundamentally 90:18 158:18 204:23 230:10 242:4 256:5 funding 150:22 152:7,24 203:7 245:19 257:19 258:6,7,11,17 259:18,23 261:8 266:18 278:22 295:9 fundraising 259:17	funds 197:7 funny 151:16 191:9 further 245:10 268:8 307:11,16 future 37:14,15 70:9 77:9 142:5 206:3 212:24 266:23,24 267:25 g gaap 228:20,22 gallagher 10:11 221:16 game 91:24 103:13 294:18 gamed 189:2 gaps 290:7 garbage 45:5 gasoline 236:1 gating 287:13,19 gc 199:21 geller 3:4 15:12,14 15:16 general 257:10 263:8 generally 31:2 63:12 68:21 88:7 97:5 109:19 114:6 114:7 147:12 225:24 226:7 227:4 228:11 246:16 259:13,18 259:21 generate 33:8,25 42:7 44:13 140:16 generated 29:13 generates 44:7 169:23 generating 140:15 160:8,19
---	--	---	--

generation 32:23 44:14 77:25 211:22 247:3,4,17	127:17 129:7,11 135:14 142:14 144:1 146:15 151:7 153:22,24 167:7 173:8 177:9 180:18,19,25 183:22 184:2,3,12 185:10 190:7 191:24 194:7 200:17 206:25 207:1,6,23 209:6 212:7 215:11,25 220:3,21 227:10 230:21 237:24 239:17 240:9 245:25 246:18 253:7 257:4,20,23 258:2,10,21 259:12,13 261:1 261:14 262:25 263:3,9 264:6 266:18 270:1,6 272:8 273:10 278:15 283:1 285:19 294:16 304:3,14,16,21,23 306:8	44:11,13 45:21 46:3,9,13 55:22 63:10 64:6 66:2 69:11,18,22 71:22 74:7 91:21 94:11 95:6,21 98:21 100:5 101:23 109:23 114:20,22 120:6 122:3 125:9 125:12 126:12,15 129:7,19 132:23 138:24 140:20 156:5,7 157:9 158:4 162:23 163:6,7 166:1,3,4 167:3,23 168:2,3,3 168:4,12 177:10 182:4 183:3,7,19 186:3 191:25 192:12 196:6 200:6 201:9 208:16 211:5 212:24 215:6 216:2 222:14 226:7 227:4,20 228:13,15 235:3 235:20,22,24 240:6,7,10,14 246:16 247:1,25 248:4 257:22 260:22 261:12 264:23 265:21 267:16,19 283:11 283:12,14 287:12 288:12 290:6,23 294:8 299:16 304:8,13,15 305:19 306:7	72:16,25 73:5,7 74:5,6 86:23 90:8 92:6 101:16 104:12 108:19 111:1 112:5 119:9 120:10,15,16 122:12,14,17 138:2 165:5 189:10,10,20,20 189:23,24 190:2,6 192:3,7,9 198:13 205:18 208:11 228:7 301:16 304:24 305:24
genius 216:16		google 304:8,15,19	
getting 40:20 67:3 88:25 191:20 192:8 240:16 277:18 278:18		gotcha 265:22	
gigantic 296:7		gotten 54:2 202:9 281:22 302:2	
give 25:1 46:14 75:19 93:7 94:9 117:17 139:19 150:24 153:7 164:7,10 174:3 175:3 199:14 210:18 224:4,5 240:12 251:6 257:25 272:21 276:11,13 280:18 281:20,24 282:5 301:17		grade 202:4	
given 18:5,9 22:25 23:14,17 51:9 134:7 143:12 199:25 201:19 262:3 303:2 306:11 307:10		gradual 66:13	
giving 140:1 283:17 284:8		gradually 105:17	
glad 189:12		graph 24:25	
go 14:11 19:14,17 19:20 23:11 24:18 28:4,5 29:12 40:9 46:1,13 49:17 50:4,23 57:4 58:20 59:7 60:21 73:17 82:2 87:13 91:20 96:2,9 102:4,17 109:11 111:5 112:9,21 113:3 120:2 121:2	god 117:10 god's 271:9 goes 76:23 101:11 117:21 171:20 172:4 202:17 207:8 210:3 265:11 266:13 275:25 going 16:8 25:21 26:18,23 27:9,22 28:12,15 36:23 37:16 42:11,23 43:7,8,10,11,13,14 43:16,17,22 44:1,3	gravity 67:21 72:11 great 42:12 43:8 43:11 44:3 48:6 57:6 92:17 129:9 149:4 191:21 216:2 240:1 greater 68:5 greatly 20:20 green 30:18 35:2 35:11 36:14,17 51:6 60:2 149:1 grew 115:5 gross 63:21 160:15 160:21 ground 17:17 grow 33:25 34:7 34:11 72:2 84:4 101:12 114:21,22	

<p>267:19</p> <p>growth 17:22 18:1 18:6,10,12 20:11 20:23 21:4 22:8 22:22 23:1,18 24:20 31:9 33:7 33:23 35:19,21 36:10 37:3,5 45:20 70:21 71:8 87:24,25 213:7,9 214:10,12,17,21 235:9,16 237:23 240:13 258:21</p> <p>guess 28:3 31:8 52:20 68:14 75:25 80:17 88:23 92:2 102:11 134:10,11 135:7 139:14 146:19 166:25 172:13 173:10 176:13 180:16 182:5 188:21 200:25 203:1 207:22 210:12 213:13 222:22 236:9 239:2 254:8 263:12 269:12 276:25 287:21 302:16,24 303:5</p> <p>guessed 224:13</p> <p>guessing 208:15 238:1</p> <p>guidance 239:18 239:19,20 290:19 290:24 291:9,14 291:16</p> <p>guideline 188:1,2</p> <p>guidelines 190:18 191:4 194:17</p> <p>guy 117:18</p>	<p>guys 42:20 98:7 111:16 125:4 196:7 202:11,15</p> <p>h</p> <p>h 6:1 7:1 8:2 9:1 10:1 11:1 12:1 13:1</p> <p>half 43:4 49:11,14 66:19 121:5,9,10 121:12 150:25 151:3 154:7 155:12,16,17 164:5 182:12 267:12 268:11</p> <p>halfway 20:7,18</p> <p>hand 22:12 134:23 186:8 206:18</p> <p>handed 132:6 134:2 136:19 232:24</p> <p>hands 47:14</p> <p>happen 35:15,16 36:22 37:14 76:18 166:15 215:24 243:2 258:10</p> <p>happened 111:23 116:20 198:24 200:18 208:9 241:16 262:2 263:17 288:2</p> <p>happening 208:21 208:22 215:20 235:17</p> <p>happens 50:8 76:16 99:22 105:6 105:7,16 109:11 192:2</p> <p>happy 43:20 144:3 144:4 146:20 194:7 262:11</p>	<p>hard 39:11 43:14 57:9 72:22 92:22 99:9 102:1 103:20 104:8 107:2 109:13,14 196:9 268:14 301:7</p> <p>harder 55:24 92:23 268:14</p> <p>hate 105:14 111:14,15 236:7</p> <p>hawaii 60:10</p> <p>head 249:15</p> <p>headcount 119:15 119:24</p> <p>headed 6:5 8:22 9:3,14 10:3 161:14,23 164:3 165:17 168:22 171:6 172:9,20 173:3 174:16 175:11 177:4,17 178:16 180:4</p> <p>heading 32:19 215:20</p> <p>headlines 225:13</p> <p>health 229:5</p> <p>hear 234:23 284:13</p> <p>heard 16:19 57:19 57:21 224:16</p> <p>hearing 284:8</p> <p>heed 70:13</p> <p>held 14:19 298:9</p> <p>helmuth 105:4</p> <p>help 19:4,25 33:8 33:24,25 38:6 49:24 53:22 74:12 79:2 272:5 297:17</p> <p>helpful 47:19 54:22 108:6 173:12</p>	<p>helping 204:12</p> <p>henry 104:1</p> <p>hey 134:24</p> <p>high 21:25 22:1,8 22:16 44:16 63:9 68:7 93:24 102:15 102:18,24 120:21 121:3 159:13 195:10,22,23 202:7 203:21 213:9,9 214:10,12 214:17,21 235:8 235:16 237:23 246:11</p> <p>higher 22:14 34:17,20 36:11 87:14 108:18 197:9 278:24 279:2</p> <p>highlight 226:7 227:3</p> <p>highly 195:19 196:18 225:23 226:12 227:8,12</p> <p>hindsight 267:3</p> <p>hire 250:3,24</p> <p>hired 48:15,18</p> <p>hit 112:20</p> <p>hmm 30:16,22 31:23 33:3 51:10 62:7 86:16 135:25 221:18 239:23 276:18</p> <p>hold 189:14 208:16</p> <p>holding 158:18 290:11</p> <p>home 67:3,6,9 120:3,6,9,11,15,18 120:25 121:4,14 122:1,10,15,20,24</p>
--	---	--	--

122:25 123:6	ideas 104:8	impression 122:14	37:10 39:14 92:7
homes 112:4	identified 29:21	170:25	95:17 98:10
honest 73:13,22	30:2,8 33:6 50:17	improve 89:8,10	108:11 112:16
140:1	97:7 125:22	91:15 98:2 103:17	129:14 132:13,23
hope 70:8 213:17	127:10 128:25	106:9 108:14,21	138:13,19 146:1
hopefully 101:3,16	129:21,24 130:7	112:22 240:11	149:16 150:3
112:21	140:11 142:20	improves 90:20	154:3 159:15
horrible 96:16	148:17 163:18	improving 38:20	171:1 172:6 182:6
horse 185:8	165:11 172:19,24	103:21	249:5 264:21,22
hourly 113:7	173:2,7 175:9	inaccurate 21:11	increased 169:25
114:9	181:16 183:10	119:22 247:12	170:2 263:14
hours 166:3,4,9,20	184:6 211:4 212:8	266:16	increases 88:8
166:25 220:17	identifies 154:23	inappropriate	95:24 138:6
224:4 305:3,10,11	184:15	194:25	149:12,13 150:9
305:14	identify 127:18	inc.'s 118:3	156:22 167:24
house 4:14 40:22	176:1 184:10,11	incentives 90:15	171:13
44:24 45:7,12	185:22 186:4	91:10	increasing 149:9
159:13 222:2	ignore 23:9	include 38:10,11	160:18 170:8
262:17	illustrating 55:3	80:25 83:21	incredible 45:21
houses 53:7	illustrative 184:15	113:25 114:3	incredibly 104:8
hr 77:16 78:25	184:23	118:16 157:2,4	incremental
hsr 304:11	image 44:24	included 47:12	152:24 160:10
huffman 3:6 15:15	imagine 238:4	96:13 97:1,4,9	incumbent 101:19
15:15 217:14	immaterial 69:5,7	116:18 119:2	independent 200:2
294:15	immediate 262:3	including 81:17	204:14,16 245:21
huge 110:22	immediately 67:8	83:18 106:20	270:15 279:3
human 70:8 131:7	67:22 74:20	247:10,18 269:18	indicate 33:4
hundred 72:21	immense 104:7	289:13	78:13 138:22
hundreds 48:24	impact 45:1 68:24	inclusive 84:1	139:7 177:16
hurry 229:18	impeach 230:24	income 7:23 141:7	179:1 224:17
hurt 236:9	implying 124:5	141:8 156:14	indicated 17:20
i	import 88:4	159:16 160:8	113:1 201:18
icarus 9:4 183:11	importance 17:18	228:6	indicates 50:25
idea 24:11 35:25	important 38:23	inconsistent	118:15 238:23
56:24 94:19 96:9	44:23 68:14 76:12	120:12	indicating 34:5
104:25 139:15	101:21 109:17	incorrect 24:2	indicative 171:23
220:3 223:19	233:23 234:3,13	118:20 119:18	indicator 17:22
226:13 235:2	234:15 235:4,18	151:10 167:2	18:1,5,9 20:10,23
282:12,15 305:24	235:21 237:21	293:16	21:3,9,20 22:8,10
ideally 45:5	238:19 275:24,24	increase 35:5,10	22:21 23:1,17,23
	290:15	35:19,23 36:1	24:20

individual 47:7 induce 124:10,11 industrial 63:5,8 63:24 64:21 79:13 industry 40:19 106:21 117:21 235:17 inefficiency 22:10 inflation 199:9 informally 220:6 information 122:5 124:6 126:24 128:6,8 185:4 206:19 230:18 231:6,21,23 232:24 243:13 270:12 276:22 285:2 295:1,3 informed 141:13 infusion 150:24 151:9 152:25 inherited 190:21 inheriting 145:17 initial 54:14,16 105:24,25 innovative 104:7 inquiries 245:1 insiders 299:23 insight 192:4 inspected 6:6 16:20,21,23 17:2 30:8 inspection 8:24 inspections 17:11 inspectors 16:22 install 87:8 246:8 installation 21:25 38:24 39:3 40:7,9 41:6,16 42:5,9 44:5 60:10 89:8,9 90:19 91:15 98:2	98:3 99:11 116:19 116:22 117:3 118:17,21,23 240:14 256:9 installations 47:8 63:9,20 79:13 87:8 88:6 92:8 155:22 installed 17:6 19:8 20:4,16 61:1 239:18 240:7,11 installers 22:5,13 22:14,15,17 43:9 installing 22:7 50:12 instantaneously 274:13,25 instruct 25:8 27:23 instructions 49:14 74:19 75:10,11 76:25 83:1 instrument 159:1 191:17 256:7 instrumental 47:20,23 instruments 247:19 256:6,21 insult 144:23 167:15 insulted 144:17,19 144:20 insured 197:7 integrated 267:23 268:6 intent 94:22 115:25,25 116:14 intention 142:7 inter 148:23,24 189:1	interactions 133:24 interest 156:16 191:20 192:9,10 198:17 199:8 200:1,9 246:6 256:24 278:1 interested 15:3 200:21 207:24 307:17 interesting 40:10 interests 101:20 interference 14:9 interim 243:3 299:10 300:6 304:10,12 intermediate 259:20 internal 118:24,25 interpret 198:8 interpretation 225:20 interrogatories 7:14 125:21 128:14,25 139:23 161:17,19 164:25 173:9 185:9,14,18 211:4 interrogatory 127:10 129:10 140:2,24 142:20 161:13,20 167:21 169:2 173:17 185:11 186:16 interrupt 48:3,4,5 80:23 94:18 126:10 178:3 interrupting 112:4 interviewing 24:6 24:9	intra 148:2 259:20 invest 187:8 191:24 invested 16:17,20 16:21 17:1 187:22 207:13,17,18 233:15 investigation 261:4 investing 190:11 191:13,14 247:9 investment 88:3,5 88:17 99:12 187:20 188:1,12 190:17 191:15 194:6,17,22 196:3 196:19,25 198:2,7 198:21 199:22 202:4 206:17 208:1 250:3,24 251:13,14 262:21 280:18 292:19 investments 191:5 194:20 195:3,14 196:24 197:25 200:11 236:20 237:1 investor 152:5 investors 162:17 192:20 193:20 212:22 213:13 263:16 involved 40:7,24 246:24 251:2,3 284:22,22,23 285:4,24 286:3,16 298:14 iphone 111:14 ira 24:7,9 irell 1:15 2:8 14:20
---	--	--	---

iron 43:13	january 221:12	138:6 142:18,21	knew 94:10 95:9
ironic 238:6	jason 10:8 154:15	142:23,24 143:9	109:22 112:18
276:13	219:1,8 220:20	161:20 163:23	122:11 150:19
irony 209:17	226:4 287:5	165:16 171:5	214:9 295:1
238:4,9	jason's 227:2	173:20,21 176:5	298:24 300:3
irrelevant 242:13	jayson 117:18	176:10 179:19,20	knock 46:3
issue 25:13 72:17	jeffrey 8:9 151:23	180:19 181:4,11	knocking 64:14
189:21 205:22	152:2,11	184:4,23 207:12	know 17:16 29:25
227:23 242:22	jerk 300:3	207:17,19,20	35:14 39:21 42:25
247:2,5 304:11	jerks 299:16	244:1,3,8 249:24	43:1 48:24 53:8
issued 66:8,11	job 1:25 90:8	251:19 252:2,19	57:12 59:16 64:20
71:19,20 97:1	144:15 145:1,3,5	252:20,23 257:8	67:19 70:16 72:18
201:20 245:10	165:5 226:6 227:2	257:11 259:2,25	75:13,23 92:2,19
issues 68:2 109:12	227:3	260:3,11 266:5	94:5 95:11,17
147:7 202:2 214:7	john 10:21 233:4	267:14 269:24	96:3 100:11 101:7
229:22 233:23	233:11	274:7,10 277:3	101:8 103:12
234:3,13,15 235:5	johnsen 9:7,11	282:25 283:5	105:4,20,21
235:11,18,22	188:11 208:2	288:3	106:11,22,25
240:18 244:22	joke 142:11	jurisdiction 166:6	107:2 109:4,6
270:3 271:13	jonathan 4:14	k	112:1 114:12
283:11 289:12	7:16,20 15:22	k 11:8	115:16 117:5
295:6	77:12 130:20	karp 287:7,8,9	119:8,19 120:11
issuing 124:2	287:6	keep 27:14 43:20	123:9 125:4 130:9
itc 88:12,21 89:5	july 61:1 167:23	54:17 106:1,1	133:14,20 134:6
98:4 100:4,16	168:12 169:8	115:14 165:2	135:9 136:19
103:1 104:21	179:20 267:14	167:11 215:23	137:15,16,21
108:1 109:22,23	270:19 272:10	265:21	143:25 146:11
255:13	273:6 275:22	keeping 242:7	147:3,22 151:24
itcs 88:2 96:10,12	277:1,3 283:3	keeps 46:11,22	151:25 152:2,12
96:22 97:21 98:21	286:22 287:18	kendall 289:8	153:12 154:5
107:9 109:2 110:7	288:3,23 291:18	kept 107:22	169:3,8,22 174:2
255:10	293:14 297:2,7,9	kessler 3:14 15:17	175:18,24 176:4
item 60:11 181:15	300:17,21 303:20	key 44:4 182:10	176:14,16,18,21
items 287:13,20	jump 189:14	183:18	176:22 179:21,23
iterating 54:17	jumps 135:11	kibosh 282:18	182:15,21,21
iteration 105:13	june 1:13 2:10 8:5	kind 93:5,15 94:12	183:17 185:2
iterations 57:5	14:2,6 112:25	95:8 112:23 129:6	189:25 191:23,25
j	113:22,25 118:1	229:3	192:11,17,18
j 3:5	120:7 130:22	king 3:17	198:12 201:22
jaden 187:10,13	131:2 135:5,16	kiosk 120:11	203:17,18 204:10
	136:10,24 137:23		206:15 209:10

210:16,23 212:3 212:19 213:3 217:13 218:8 227:21 231:14 234:2,20,25,25 240:2 246:21 249:25 250:25 252:21 254:1,2,15 257:1 259:20 260:23 264:16 266:20 267:4 269:1,2 270:16,23 277:22 279:9 280:15 287:9 288:12 289:5 291:13 293:2 299:16 300:11 303:6 306:3 knowledge 88:18 106:7 126:24 218:4 278:4 known 97:20 99:25 276:23 knows 55:17	lasts 166:25 late 51:19 123:15 219:16 latest 252:5 laugh 144:11 laughing 190:19 launch 43:15,15 101:13 launching 191:11 law 3:8,16 4:6 57:17 166:5 205:19,20 laws 127:1 167:3 lawsuit 206:8 299:17 lawsuits 189:19 lawyers 285:6 291:21 laying 113:21,25 layoff 115:10 leading 24:3 27:6 leak 246:21 learn 76:24 learned 158:5 243:15 295:2 lease 227:24,25 228:1,5,14 229:1,6 255:17,23 256:2 leases 147:22 228:12,22,25 229:9 255:14,22 256:5 leasing 256:10 ledanois 1:24 2:11 14:25 307:1,24 left 31:20 158:18 176:25 211:18 legal 14:23,25 25:13 27:7 57:20 77:10,16 78:25 306:13	legally 230:25 280:2,22,25 299:9 300:5 303:10 legs 268:3 lend 178:14 276:1 276:2,6 277:11,14 277:15 lender 298:13 lenders 298:10 letter 11:7 32:7,14 33:4 50:14,19 59:3 62:10 63:3 67:19,20 68:15,19 70:20 80:4 81:1 85:4,8 243:21,25 244:4,7,10,15,16 244:20 248:23 letting 113:3 level 48:22 105:22 154:2,3,4 159:12 198:1 203:21 219:20 240:13 247:6 254:16 lever 129:15 132:13 138:13 146:2,10 150:3 153:1,11,12 leverage 138:19 146:12 leveraged 150:5 156:8 levers 150:10 liabilities 295:11 libor 188:25 189:23 life 73:12 74:3 98:16 134:16 143:4 likes 120:13 liminary 8:23	limit 160:1 limited 80:3 284:7 limits 198:1 line 35:1,2,10,11 36:14,17,18 37:20 51:6 60:2,2 81:18 104:2 147:11 149:1 171:19 214:24 237:9 269:9 308:8,10,12 308:14,16,18,20 linearly 55:19 lines 30:7 147:24 148:1 liquidity 168:8,20 204:1,3 212:11 213:21,22 214:7 229:22 230:6 262:4 269:9 270:3 270:21 271:2,8 276:15,22 295:6 297:24 298:5 303:15,16,18 list 118:24 119:2 196:24 listed 128:11 165:10 194:23 listen 196:7 listening 205:21 litany 54:24 literally 48:11,24 77:16 187:15 211:13 265:9 litigation 1:3 2:3 14:16 278:8 308:2 little 37:11 60:20 102:9 106:8 155:8 155:12,16,16 160:14 215:18 228:23 262:17
I			
I 3:15 lab 53:19 lack 92:18,20 108:4 257:12 298:17 299:3 laid 109:9 lake 221:6 222:2 224:25 large 63:12,20 64:21 68:8 75:12 148:2,5 largely 89:13 124:18 larger 114:14 lasting 79:17			

live 142:12	182:10 186:11	losses 104:21	m
llp 3:4,14 4:4	190:1,6,13 191:20	lot 39:2,9 43:2	m 5:1 307:1
loan 274:15	194:6,14,21 196:8	45:24 47:15 99:18	machine 307:7
279:15 280:8,18	197:5,14 199:5	101:2,13,14	magnitude 151:2
281:15,17,18,20	200:15 202:1,9,13	103:10,19,20	mail 152:10
281:23,25	202:21 204:15,17	104:8,12 105:18	main 208:5 274:4
loans 147:22	208:20 210:4	106:2,12 109:13	major 99:7 175:1
277:19	228:6 232:14	110:25 115:7	majority 270:14
located 14:20	234:5 235:23	128:16 133:13	maker 118:3
148:10	236:16 244:19	137:24 146:7,12	making 55:8 80:21
location 1:15	250:22 252:2	152:21 170:5	92:15 106:6
locations 119:2	253:21 257:2	188:21 201:9	119:24 136:24
locks 221:25	269:14 277:23	204:13 205:23	137:22 140:23
logistics 115:7	279:9 296:6 302:5	228:14 229:6	141:4,9,10 142:10
london 189:1	looked 139:24,25	235:17 261:15	161:21 176:19
long 37:5 57:21	155:7 164:20	267:11 278:7	213:10 241:14
89:15,17 122:11	165:10 177:1	loud 249:14	251:4
123:11 166:9	252:24 266:7	love 46:4	man 44:2 99:7
186:9 203:22	276:19 277:25	loves 238:9	191:20
206:2,24 207:1	278:18	low 63:12 124:19	manage 275:11
220:25 224:11	looking 21:16 32:1	147:13 148:13	management 6:8
226:16 253:20	32:4 37:7 146:22	213:7,7 272:12,19	29:7 30:11 35:1
279:11 304:13	156:21 157:12	272:22 276:10,10	36:19,21 37:2
longer 37:11 71:22	161:18 171:19	lower 22:16	38:12 48:8,9,20,21
79:17 102:9	178:25 179:24	103:25 160:20	51:6 59:18 85:22
261:14 268:11	183:10 211:5	211:22 258:21	107:17,24 113:14
275:6	220:17 226:2	lowered 22:13	113:14 270:19,25
longstanding	237:10 240:18	lowest 85:15 86:19	296:1,9
229:9	255:8 302:17	87:5	managers 114:7
look 19:10,25 20:3	looks 60:9 206:24	lucky 40:12	managing 246:13
20:7 30:5 39:18	228:7,10 234:14	lunch 125:5,6	manella 1:15 2:8
46:17 66:22 80:9	235:4 274:6	lyndon 10:11	14:20
81:5,14 85:11	293:20	11:11,22 12:3	manic 262:10
87:23 98:13	lord 294:6	24:6,8 221:19,23	manner 115:15
111:13 120:10,15	los 1:16 2:9 14:1	248:19 272:11	198:5 224:5
126:3 129:24	14:21	274:10 275:22	manufacture
134:20,24 145:13	lose 98:21 192:2	276:8	55:22 58:14,19
146:14 156:5,8,9	216:2,4,19,20	lynne 1:24 2:11	manufactured
157:24 160:16,17	loss 103:1 107:9	14:24 307:1,24	53:6
160:23 162:8	108:1 109:2		manufacturing
163:20,22 182:4,8	213:10		52:12 53:4,8,10,13

53:16,18 54:7,10 54:11,18,19,25 55:2,5,10,13 56:5 57:7,11,13,17 58:15,17 68:8 75:1 92:19,21 216:7,10,14,15 295:11 march 123:16 165:8 188:6,10 199:14 201:4 207:19 margin 63:13,13 63:22 87:11 160:15,21 margins 67:1 marie 307:24 mark 18:20 28:24 29:1,2,8 32:9 39:24 58:22 61:25 74:7 82:3 85:3 86:7 117:16 125:14 130:14 137:4 142:1 151:18 154:11 162:12 181:19 209:9,14 210:18 216:22 223:5 233:8 248:15 265:23 271:16,25 292:2 293:6 301:24 marked 18:22,25 19:17 29:3,9 32:11,13 50:15 58:24 62:2 65:20 65:22 74:10 77:21 82:5 84:11 85:5 86:8 117:23 125:16,19 130:16 130:19 135:18	137:6 142:3,15 151:19,21 154:12 162:14 172:16 175:4,6 181:20 188:7,9 199:16 201:14 209:16 210:21 216:24 217:2 219:3 221:13 223:7 232:11 233:9 234:9 244:5 248:17 251:24 265:25 266:2 271:18 275:19 287:2 288:24 292:11 293:8,10 297:4,6 301:19 market 78:15 79:22 89:20 90:1 122:1 196:19 197:7 213:2,2 223:1 241:23 262:9,9,10,23 263:8,10 264:2,3,7 264:8,9,10,17,21 265:5,10,12 292:25 293:4 marketed 255:21 marketing 121:3 markets 203:7,23 208:15 209:23 240:6,10,10 246:1 257:20,23 258:3 259:5,12,14 260:25 261:12,14 261:15,19,24 262:3 263:1,14 265:22 266:13 270:2 292:7,7 295:17,20	marks 69:17,21 125:8,11 183:2,6 247:24 248:3 maron 10:7 12:7 219:9 287:5 massive 91:18 150:14 master 94:25 match 60:2 matches 41:1 material 79:6 81:13,24 82:1 83:12 158:19 materiality 68:23 materialize 109:10 materially 149:13 218:12 materials 143:15 251:15 252:5,6,13 301:2 math 257:3 mathematician 155:14 matter 227:11 241:8 242:5,8,11 271:22 285:22 matters 140:13,14 156:23 226:16 maturities 148:17 148:22 max 15:15 maxwell 3:6 mcbean 11:15 12:8 287:7 mcdonald's 235:9 235:14 mcmullan 11:16 251:22 mean 16:22 17:14 22:9 32:3 35:4 42:17 48:20,23	53:15,25 60:10 61:8 63:6 67:2 68:21 72:3 76:15 77:7,10 78:23 79:11 80:3 88:7 88:16,23 94:2,17 95:9 97:5 98:6 99:3 101:2 105:2 107:24 108:5 110:15,23 112:17 114:6,13 115:19 116:23,24 118:8 119:5,15 127:20 128:10,15 130:12 130:21 133:5,13 133:20 145:22 146:4,6 149:10 150:1 152:19 153:11 154:18,22 163:2 165:2,9 167:25 168:1 170:4 173:19 183:16 188:16,18 189:15 190:20 193:4 202:6,10 203:1,21 209:21 212:1 219:19 220:5 230:2 232:3 244:17 245:15,15 247:6 253:5,25 254:15 256:25 270:5,24 273:7,9 288:9 290:5 294:3 296:6,20 297:15 301:5 302:4 304:8 meaning 156:12 158:17 168:4 194:23 200:21 meaningful 156:18 158:17 181:7,24
---	--	---	---

means 40:2 53:23 56:11 100:2 107:8 145:25 153:12 155:11 168:8 169:4,23 264:12 271:7,10 280:15 303:7 meant 17:2 53:10 53:12 83:18 124:4 127:24 149:22 161:9 163:1,4,7 247:17 257:15 274:6 measure 40:22 43:1 303:11 measuring 43:2 media 14:13 69:18 69:22 125:12 183:3,7 247:25 248:4 306:12 meet 195:4,13,17 197:2 224:9 244:23 meeting 8:5,16 9:17,23 10:14,18 11:18 12:11,19,21 13:3 44:2 142:16 142:18 143:1,7,12 162:10 163:19,25 184:5,23 209:2,8 209:12,13 210:7 210:15 222:14,17 222:18,18,19 223:11,15,20,21 224:3 230:15 232:1,13,15 233:4 242:21 243:3,4,6 243:15 250:1 252:4 257:8,9,10 257:11,14,14 259:1,1 266:4,10	269:8 276:16 282:25 283:3,5 289:2 297:8,14,15 297:18 301:2 meetings 232:18 232:23 283:15 286:14 297:16 megawatt 17:9,21 20:9,21 21:8 32:23 240:7 290:19,24 megawatts 16:17 16:17,18,20,23 17:1,4,8,9,14,15 17:25 18:4,8 19:7 19:8 20:3,4,16,16 21:3,20 22:20,25 23:13,16 24:21,21 25:4 26:11 27:10 30:8 31:11,25 33:6,7,24 34:6,17 37:3,5,10,17 39:15 50:25 59:8 60:8 62:4,5 63:9,17 64:6 65:8 66:5,24 71:1 74:14 79:25 82:7 84:4,16 85:15 86:13,14,20 88:21 98:11 111:21 112:16 115:13 171:13,21 239:18 240:11 295:16 meltzer 3:14 15:18 member 200:20 233:12 270:4 members 200:2,9 200:23 memory 97:16 131:7 138:1 164:22	men 109:9 mentioned 64:18 109:7 116:5 181:12 215:2 273:14 mentioning 99:5 mercedes 236:11 236:23 merger 152:7 283:14 286:9,10 300:16,20 302:1 302:18 303:21 304:1 mergers 184:17 merit 222:23 messing 59:21 met 151:25 metadata 201:18 217:14,15,21 metal 117:15 methodology 256:6 metric 18:3,12,13 mice 109:9 micro 184:19 microchip 184:17 micromanage 116:8 micromanaging 116:6,7 microphones 14:7 microsemi 184:18 mid 60:16 61:16 65:2,17 76:2 267:17 middle 55:1 66:2 87:9 118:15 258:7 278:5,20 million 55:12 98:25 139:5 151:9 151:13,14 153:8	172:4,5 179:22 180:7 188:12 190:8,8 207:18,20 211:9,23 212:12 218:16 226:21 238:12 240:21 255:2 274:15 mind 36:3 272:15 minimus 69:9 minor 65:11,15 89:16 minus 211:23 minute 28:8 294:12 minutes 9:17 10:14,19 11:18 12:10,21 13:3 223:10 231:19 232:10 250:21,23 266:3,6 289:1,2 297:3,7,8 301:18 301:22 mirror 202:10,19 mischaracterizat... 174:20 177:8 285:19 mischaracterized 23:21 mischaracterizes 149:19 mischaracterizing 213:23 misleading 90:25 163:6,12 214:1 missed 98:25 missing 230:10 mission 61:4 misspeak 138:16 misspoke 17:3 30:24 149:6
--	--	--	--

misstate 259:6	95:6,12,14,15,23	244:24 261:10,10	50:18 73:14,22
misstated 138:9	96:3 99:4,5,8,15	266:20 269:10	100:13 125:20
misstatement	102:8 104:2,16,17	moody's 196:7,20	142:8,18 144:17
171:9 172:2	106:5,16,20,24	196:21 202:8	144:19 145:4
misstates 100:7	115:5 116:4,7	moore 4:4 15:20	178:4,6 196:3
mistake 124:15	122:7 204:12	morally 231:1	205:11 305:16
129:6 268:7	205:5 215:5	280:3,22,25 299:9	306:11 308:4
mistaken 128:18	219:10 249:12	300:5 303:10	musk's 7:12
misunderstanding	267:9 268:9 296:1	morgan 226:20	mutual 197:7
92:17,18 124:3	296:2 301:11	morning 14:5	mw 6:6,6 32:23
127:23 228:5	moderate 89:17	mortgage 159:14	77:24
misunderstood	moltke 105:4	159:18,25	n
256:18	moment 24:18	motivates 73:18	n 5:1,1,1 6:1 7:1
mm 30:16,22	88:1 272:9 303:21	73:21	8:2 9:1 10:1 11:1
31:23 33:3 51:10	monday 220:9	motivation 73:11	12:1 13:1
62:7 86:16 135:25	money 45:9 73:11	motors 1:3 2:3	name 14:22
221:18 239:23	73:18 151:4 153:5	11:20 12:23 13:5	126:19 187:3
276:18	168:5 197:7	14:16 15:24 266:5	307:21 308:1,4
mode 258:21	203:23 214:10	mount 17:17	named 118:25
model 6:8 29:7,7	239:9,10 242:7	move 27:3 48:9	names 48:25
29:21 30:18 37:21	246:23 260:20,25	49:10,14,22 50:9	native 29:15,18
37:24 38:3,13,18	263:2,19 265:6,17	61:24 74:1,4 84:9	217:22
47:8,12,14,15 48:1	270:6,7,8 271:10	111:19 118:3	natural 63:11
48:8,10,16,19 49:4	271:10,11 276:1,2	125:3 133:16	230:3
49:10,23 51:17	276:5,7 277:11,12	145:11 161:1	nature 62:23
52:1 60:13 61:1	277:14,15 304:16	165:23 166:23	75:12 103:9
61:10,15,20 65:4,5	month 44:10	186:18 206:11	246:10
66:10,17 67:13,21	148:7,8,9,23	257:7	near 45:5 52:21
67:25 68:2,5	179:25 232:4	moved 47:8,11,25	297:24 298:4
71:14,24 72:8,12	239:4 259:23	48:7,11,19 49:4,15	necessarily 21:13
72:16 74:17,22,24	275:10,11 276:15	57:11 76:9,10	63:18,19 96:7
74:25 75:9,18	months 67:23	moving 61:9 104:1	153:8 204:19
76:1,5,11 77:1,8	161:15,25 162:19	186:21,25 249:24	228:13 290:5
78:21 79:1,2,7,15	164:4 165:20,21	mueller 293:21	necessary 36:6
80:8 81:8,11,19,23	168:18,18,24	multiple 303:15	154:1 194:23
82:18 83:6,11,19	171:7,25 172:6,10	municipal 197:9	267:21
83:22 84:1,7,22	172:22 173:4	musk 1:11 2:7 9:7	necessity 153:6
86:2 87:21 88:24	174:18 175:12	10:7,22 11:11	154:6
90:11 91:19,23	177:5,18 178:17	12:3 14:14 15:21	need 38:2 41:15
92:11,14 93:4,14	179:19,23 180:5	15:24 16:3,8	47:14 68:12 89:8
94:11,19,20,20,22	224:10,10 239:7	18:20 29:2 31:20	89:9 101:21 106:8

109:13 153:8 161:7 182:25 214:9 229:19 245:18,18 257:2,4 257:18 258:5,6 259:19 260:19 262:3,3 265:19 267:25,25 268:1,2 269:6,15,16 270:8 274:15 276:1,3 277:15 288:9 289:13 292:14 304:10 needed 114:14 154:7 205:2 239:9 239:10 257:13,15 258:2,3,7 259:24 260:1,17 261:3 263:2 268:5 273:10,14,16,19 284:3 295:9 needing 71:22 151:9 needs 99:11 152:24 182:25 245:7 271:5,9,10 275:10 297:24 298:5 negative 63:13,21 138:24 139:5,11 163:16 177:25 179:9,9,11,21 180:6 199:11 206:16,17 211:9 226:20,25 228:10 228:15 negligible 63:21 negotiation 229:16 negotiations 283:13 286:9	neither 35:3,11 115:25 170:22 175:1 197:6 307:16 nervous 277:17 net 42:6 44:6,14 44:14 158:10,11 158:13 160:3,8,9 160:12,19 161:4,7 170:13,20 177:25 177:25 nets 209:25 nevada 119:13 never 68:6 93:23 110:3 163:1,8 new 4:8,8 54:12 75:2 101:13 125:4 154:24 160:20 186:4 187:4 235:17 243:2,13 news 7:9 117:21 241:23,23 nice 154:1 160:5 260:5 night 304:24 nine 7:11 non 202:4 nonpublic 191:16 nonrecourse 140:14 146:5 159:3 256:15,16 256:22 nonsense 205:9 nonsequential 271:23 nonstop 111:15 nope 236:13 normal 128:1 208:14 304:7 normally 81:17 213:5 278:24	279:2 north 290:1 note 14:7 272:6 noted 295:19 297:25 notes 207:7 notice 305:20 noticeable 181:8 181:24 november 168:19 number 14:13,18 19:3 22:14,16 29:20 32:4,5 33:6 36:2 37:17 49:13 53:19 62:15,21 63:9 69:18,22 85:18 92:16 97:1 114:19 115:22 119:6,19 121:16 121:21 125:12,23 127:9 129:11,20 135:15,23 139:6 140:24 141:6,14 141:24 144:7,20 145:22 161:20 162:9 167:22 172:15 180:19,23 183:3,7 184:2 190:15 200:8 212:1 226:5 233:15 239:2 241:7 247:25 248:4 252:24 258:16 266:7 271:17 282:22 306:12 numbers 19:13 52:3 114:13 177:22 201:21	o o 5:1,1 6:1 7:1 8:2 9:1 10:1 11:1 12:1 13:1 oath 16:2 object 25:18 26:7 140:7 195:6 224:7 272:2 285:18 298:17 299:2 objected 27:21 objecting 23:6 25:11 27:7 objection 23:3 24:24 25:7,24 26:14 27:13 36:7 53:11 61:12 64:9 68:20 82:21 86:24 88:15 90:16 91:11 96:15 97:24 99:2 100:6,17,21 103:3 104:22 105:1 108:3 110:8 114:24 115:3 116:12 123:19 131:23 132:25 133:12 136:25 139:1,9,17 141:17 147:5 149:18,24 151:6 153:9,21 157:21 162:2 163:10,13 164:17 168:6,9,25 169:4 169:17 170:24 171:8 172:1 174:10,19 176:6 177:7,20 178:22 191:6 193:8,17 194:11 196:5 198:25 212:15 214:19 219:17 221:8 223:23
--	--	--	--

225:9,16 226:14 227:1,13,22 231:8 231:12 234:18 242:1,24 243:8 247:14,20 250:5 250:11 252:15 255:5 261:17 283:25 285:7,12 286:17 288:20 291:2,10,24 295:12 299:25 objections 7:13 15:5 125:20 objective 264:12 292:9 obligations 148:24 195:20 197:10 228:15 229:6 245:12 obscure 130:12 observer 111:10 obtained 281:18 obvious 45:4 91:14 99:13 208:14 270:9 obviously 17:4 18:13 36:15 39:9 75:5,22 79:11 81:1 83:24 93:20 93:25 94:14 95:18 95:19,20,25 115:21 119:17 131:16 140:13 145:18 146:6,13 170:10 172:6 189:23 203:6 208:12 213:1 215:6 223:2 227:4 231:3 240:1 258:9 260:22 270:7 284:1,4 290:6	300:24 301:12 occasions 83:16 94:3 occupied 22:18 occur 102:13 184:24 193:23 224:11 301:7 occurred 51:19 52:2 83:2 184:25 302:13 occurring 52:3 oceans 89:18 october 151:22 168:19 offer 230:17 281:24 offering 189:1 240:20 241:11,16 242:20 265:3 offset 104:20 107:8 108:1 109:2 110:3,7 267:11 oh 44:2 70:4 104:1 135:11 142:11 189:6 237:4 238:17 304:12 okay 19:10,13,16 19:18 20:17 26:24 28:24 34:12,19 35:20 38:10 42:13 49:2,9 51:4,21 52:18 53:3 54:14 54:22 56:8,17,25 57:3 58:12 60:18 61:8 63:3,23 72:1 77:4 79:10 80:13 80:22,25 86:19 90:6,10 94:24 96:24 97:17 102:17 110:15,17 112:10 113:8,16	114:4 118:14,22 119:18 121:25 125:2 129:2,19,22 130:2 134:18 140:7 141:1 147:2 147:6 148:16 149:21 157:1 163:18 167:25 168:15 171:3,23 182:17 183:17 186:11,24 187:13 189:10 192:13 193:14 194:19 195:12 196:15 198:10 200:14 201:7,10,25 202:18 203:5 205:21 206:23 208:3 231:2,25 232:3 233:20 236:14 237:24 242:17 255:8 259:8 261:11 265:7 272:14 273:17,22 274:14 278:10 281:11,19 282:3 286:14 287:11 296:11 300:23 304:9,24 305:8 okayed 200:6 old 275:25 277:13 once 77:14 144:17 144:20 145:17 204:16 242:21 ones 59:19,24 124:18 190:1 255:20 ongoing 297:20 online 112:22 123:17 124:1,4,11	125:1 open 29:17 31:18 118:23 124:18 130:4 operate 120:13 159:4 205:2,3 operating 81:18 178:25 179:5,8 304:20 operational 246:13 operations 18:7 23:24 110:21 168:2,2 170:8,12 170:19,20 246:11 271:13 opinion 71:21 102:13 118:9 123:2,3,5 195:8,22 209:22 218:11 225:6 265:8,9 284:4,7 300:16 opinions 39:20 opportunity 261:15 opposed 27:25 104:24 124:12 281:1 opposite 76:18 ops 206:16 optimistic 68:11 180:14 209:25 240:2 275:5 options 199:6 240:25 241:4,5,7 order 84:7 89:18 114:15 124:24,25 125:15 129:22 137:5 179:15 198:3 200:23 214:10 241:1,3,13
---	--	--	---

263:4 271:16 293:7 ordered 28:6 ordering 124:11 124:12 orders 167:6 original 94:19 307:12 originally 274:8 275:1 orthogonal 76:19 outcome 15:4 36:9 101:6,16 226:17 output 17:6 95:17 outside 28:7 161:15,25 171:25 172:11,22 173:5 174:18 175:12 177:6,18 178:18 180:5 outstanding 218:19,23 outwater 3:7 15:13,13 overall 87:24 152:23 157:17 overused 181:14 overview 235:24 236:17,18 253:10 253:21 254:14 overwhelming 270:13 owned 159:12 254:19	package 293:13 294:1 packaged 155:20 packaging 155:22 page 5:3 6:2 7:2 7:15,19 8:3 9:2,6 9:10 10:2,6,10 11:2,3,10,14 12:2 12:6 13:2 18:24 19:1,1,3,10,14,15 19:17,19,25 29:4 32:18 50:23 52:9 59:7,10 60:21,24 62:9,13 66:2,3 77:21 82:9 84:15 85:13 86:11,17 119:10 120:2 121:2 126:4,19 129:11 130:5 131:12 132:11 137:3 140:12 144:1,6 145:14,14 145:23 146:15,16 146:22 148:21 152:10,12,15,16 152:23 161:12,18 161:19 167:23 170:17,17,22 171:16,18 172:13 177:9 178:13 179:6,7 182:5,8,9 182:11 183:22 184:12 194:22 195:5 196:23 197:5 200:17 211:5 212:7,8,9 214:7 235:25 236:21,22 237:25 238:8,11,22 239:17 244:19 247:1 253:7,9,13	253:17 276:17 294:8,12,14,17,20 295:24 297:18 308:8,10,12,14,16 308:18,20 pages 19:11 131:18 143:14 152:14 186:8,11 212:9 227:10 293:18 paid 193:2,3,4,6 193:15,20 194:5 214:12 pain 93:1 panel 103:15 108:18 panels 17:6,16 44:17 49:17 147:21 175:25 paper 197:8 paragraph 20:8 20:14,15 33:5,16 33:19 52:10,14 59:9 60:22 66:22 67:11 71:1,4 77:23 78:3,16 80:15 82:10 85:12 118:2,14,16,22 119:11 197:14,15 197:19 244:9,12 297:18 302:6,10 pardon 23:4 172:25 part 36:6 52:22 62:21,22 63:7 74:23 79:6,6,9 116:9 137:16 139:16 157:3,15 170:11 205:14 208:8 228:4 231:18 256:14	268:7 289:11 291:19 297:13 partially 228:21 participant 284:14 284:19 participate 283:13 participated 232:15 participating 284:18 particular 129:12 145:8 194:22 203:20 particularly 54:9 parties 14:11 201:20 partnership 120:3 120:7 121:4 parts 79:12 84:6 party 15:2 307:18 pass 68:22 path 174:15 208:14 260:24 261:24 281:1,3 304:6,7 paths 281:2 299:12 303:15 patience 224:12 257:12 pay 156:10,23 157:8 159:3,24 241:1,3,7,13 245:12 279:4 payables 290:11 paying 159:14 242:9 payment 160:3 payments 156:16 158:20 159:8 paypal 190:24
p			
p.m. 125:9,13 126:13,16 183:4,8 248:1,5 305:13 306:10,16 pack 77:8 187:4			

peculiarities 41:25 penalty 126:25 133:8 164:11,16 165:6 pending 178:9,11 pennies 103:13,18 pennsylvania 3:18 penny 103:19 people 19:5 39:10 43:1 47:6 48:24 49:2,16,22 54:8 55:4 57:12 65:4 75:23 76:14 78:21 81:17 100:14 104:1,8,9,12 106:2 106:13,19 109:14 110:25 112:2,4 122:13 124:7,25 132:6 134:3,15,19 134:24 142:4 144:13,23 196:14 205:17,18 209:18 209:24 210:1 262:24 265:14,14 269:1 306:6 people's 53:6 64:14 percent 22:17 43:5 49:11 57:19 68:24 113:4,21 114:10 115:11 116:9,21 118:4 121:17 188:20,21 191:20 192:8,10,14 198:17 199:4,7,8 199:10 218:18 239:11 254:19 percentage 21:24 66:15 121:13 122:3 189:19 192:17	perfect 97:16 perfected 58:13 period 6:4 17:12 18:5,7,9 22:25 23:14,17,24 58:11 76:1,5,8 84:22 112:19 148:24 169:24 218:13 240:4 272:22 273:23 277:20 287:23 periods 76:6 perjury 126:25 133:8 164:11,16 165:7 permitted 194:16 196:25 person 50:4 55:17 70:7 73:4 107:2 144:3,4 220:2 232:20 257:6 person's 265:9 personal 154:2 159:12 personally 88:24 123:1 pertains 307:12 pessimistic 209:25 phase 88:17,20 89:5 phased 88:13 phillip 287:6 phone 125:1 220:19 phrase 80:5 81:12 102:18,24 115:14 247:3,10 249:10 phrased 24:2 phrases 146:3 pick 14:8 83:7	picture 228:24 pieces 56:22,23 pile 176:23,25 piles 253:6 pilot 52:11 53:3,10 53:13,15,17 56:9 56:11 pipe 277:25 278:2 278:18 pithy 103:24 place 14:11 67:7 75:16,20 307:5 placed 75:18 places 117:4 plaintiff's 7:13 plaintiffs 3:3 14:15 15:12,14,16 15:18 125:21 plan 36:23 52:11 94:25 98:19,20,24 100:3 104:19,24 105:3,6,8,11,20 106:6 107:5,7,11 107:14,18,23 108:24 109:1,3,4 110:3,5,11 150:22 152:7 planned 245:4 274:9 305:11 planning 34:11 274:1,5 plans 107:20 109:6,8,9,16 110:13 274:3 plate 133:14 played 88:23 please 14:7 15:6,9 16:2 18:21 28:17 28:19 29:8 32:10 48:3,4 50:14 62:1 65:19 82:4 85:2	125:15 130:15 132:15 142:2 144:2 151:18 167:20 178:10 181:19 205:7 209:15 210:5 216:18,23 219:2 232:10 244:4 251:23 253:5 275:18 291:18 293:7 plenty 276:12 plus 170:20 197:9 218:17 pmc 184:18 point 55:3 58:13 63:16 65:12 69:2 75:6 77:15 79:5 79:16 80:20 87:5 87:19 93:12 106:6 114:14 134:21 139:22 150:8 155:5 162:24 176:8 182:1 189:22 192:24 203:20 206:12 208:18 226:4,23 230:10 238:16,23 239:8 248:21 277:1 282:4 289:18 294:11 295:7 301:24 303:9 304:8 points 33:18 77:10 155:4 policies 187:20 194:17 policy 188:1 190:18 194:7,10 196:3,25 198:7,22 199:22,23 200:7
---	--	--	---

<p>200:10,11 208:1</p> <p>pooch 196:8</p> <p>portfolio 192:14 192:15</p> <p>portion 146:11</p> <p>position 129:15 132:13,24 138:7 138:13,19 146:1 149:9,16 150:3,5,9 150:19 169:7,25 170:2 171:5 218:16</p> <p>positive 160:8,9 161:14,24 162:19 162:20,25 163:7,8 164:4 165:17 168:1,4,23 169:12 169:16,21 170:1,3 170:4 171:6,24 172:9,21 173:3 174:8,15,17 175:11,22 177:4 177:17 178:16 179:2,16 180:4 248:12,22,25 249:3,11</p> <p>possibility 222:10 222:11,12 289:13</p> <p>possible 80:14 128:17 129:6 131:16 152:21 183:14 218:3 230:22 252:22 275:3 278:19 290:13</p> <p>possibly 38:8,13 47:11 48:12 49:15 75:8</p> <p>post 152:7 259:14 259:17</p>	<p>potential 205:3,5 213:8,9 298:4,10</p> <p>potentially 95:7 168:16 246:21</p> <p>power 17:6 42:7 77:7 79:1 84:17 101:19 124:23,25 268:2</p> <p>powerco 254:22 255:9</p> <p>powerful 101:20</p> <p>pre 8:22 285:25</p> <p>precedent 208:17 213:15</p> <p>precise 32:3 254:6</p> <p>precisely 39:17 123:9 188:16 281:9</p> <p>precision 219:20 254:4</p> <p>predict 36:9 39:16</p> <p>predicting 37:13 101:6</p> <p>prediction 92:8 98:11,13</p> <p>prefab 42:5</p> <p>preferable 303:24</p> <p>preliminary 224:5 231:20,23 298:11</p> <p>premise 204:25 205:1 208:4,8,23 212:18 222:23 243:10 282:23</p> <p>premium 279:5</p> <p>preparation 272:7</p> <p>preparations 260:20</p> <p>prepare 183:13 219:14 221:1,5 222:8 224:4</p>	<p>prepared 29:12 36:20 107:14,23 137:18,19 143:16 219:10 296:8,11</p> <p>preparing 219:24</p> <p>present 4:12 15:9 52:4 212:23 231:20 282:20 286:19 301:23</p> <p>presentation 137:17 143:13,19 143:22 144:1,7 163:20,22 177:2 178:13 181:17 183:11,13 185:6 186:8 210:14,16 210:24 214:8 219:14,25 220:25 221:5 222:8 227:7 227:9 234:5,8 235:23 239:8 252:19,23 253:1 253:18,19 266:7 269:20 288:3 290:23 293:15 296:5 301:8</p> <p>presentations 232:23 276:20</p> <p>presented 109:7 229:14,14 231:19 231:22 269:22 270:11</p> <p>preserve 26:1 246:7 290:12,16</p> <p>preset 41:21 42:4</p> <p>press 47:17 61:23</p> <p>pressing 107:22</p> <p>pressures 215:18</p> <p>presupposes 106:7</p> <p>pretend 146:19</p>	<p>pretty 42:25 46:19 61:19 102:15,17 102:24 150:13 199:7 207:5 261:13</p> <p>previous 47:10</p> <p>price 89:18,22 209:23 242:6,10 262:5,25 263:3,9 263:11,13,19 264:3,10,11,12,16 264:17,21 265:2,5 265:14,15,16,16 265:17 278:22,23 279:2 304:17</p> <p>priced 90:1</p> <p>prices 123:24 262:16</p> <p>pricing 89:25</p> <p>primarily 47:4 136:2 255:14</p> <p>primary 51:19 192:20</p> <p>principle 99:10 103:7,8</p> <p>principles 228:11</p> <p>print 134:19 173:16,23 174:3 293:18</p> <p>printed 32:7 132:5 134:15 136:18</p> <p>printer 45:9</p> <p>prints 19:15</p> <p>prior 33:10 34:1 90:4,12 91:4 107:18 127:4 136:9 137:22 163:23 181:11 201:1 232:23 265:9 286:10 296:4</p>
---	--	---	--

priority 290:2,3,4 290:8 private 14:8 264:14 279:14 299:14 probability 195:9 202:6 probably 42:20,24 49:12 55:6 62:20 70:10 76:4 81:25 83:8,15 84:24 89:16 94:7,13 101:1 115:22 121:21 131:14 143:21 145:19 155:4 195:23 196:9 207:22 208:2 209:10 227:4 229:25 230:1 232:6 241:21 254:8 260:23 261:19 267:5 268:10 272:1 273:8 275:5 296:7 problem 25:25 39:11 49:8 50:1 83:6 106:2,13 109:12 149:25 202:10 240:5 275:12 problematic 277:9 problems 47:18,20 68:5 208:21 213:21,22 216:7 216:10,16 229:22 230:6 procedure 304:20 proceeded 208:13 proceeding 15:6	proceedings 306:15 307:4,6,14 proceeds 238:13 process 39:3 57:7 112:22 207:24 230:22 246:19,24 252:11 253:10,22 253:24 256:10,11 261:1,5 266:17 269:21 270:7 277:21 283:23 286:10 290:16 procure 246:9 produce 55:20,21 305:16 produced 29:19 32:15 99:1 product 36:9 37:19 39:7,7,8 53:21,23,24 54:1,3 54:4,5,16,17,20 55:20 56:4,4,20 58:4,5 95:19 101:13 108:13 229:1 255:17 267:24 268:6 production 17:9 17:21 20:9,22 47:13 48:10 50:1 55:23 60:25 61:3 61:18 72:21 75:1 93:1,23,24 104:2 104:10 products 61:3 82:10 84:15 85:12 108:10 professional 144:18,25 145:9 165:4 professor 205:22	profile 153:2 206:14 profitable 114:22 212:21 295:21 program 37:21,24 38:3,14 65:5 71:14,24 72:9,12 74:22,24,25 75:9 79:8,15 83:19 84:1,8 88:12,25 91:20,23 92:11 93:4,14 94:11 95:6,8 96:6 99:4,8 99:16 100:15,16 106:5,16,20,24 109:23 112:23 116:4,6,7 215:5 267:9 268:9 programs 77:9,9 progress 215:7 287:14,20 289:21 progresses 33:20 project 6:8 9:3 66:25 183:11 246:5 projected 33:9 34:1 177:11,14 178:12 246:13 projecting 211:8 226:20 projection 96:13 179:22 projections 29:22 31:1,4 36:20 96:12,18 projects 63:5,12 63:25 64:2,22 295:21 prominent 44:20 prompted 287:24 288:4,11	prompting 289:20 properly 25:12 200:1 property 262:15 prophecy 276:9 proportion 147:17 proportionate 55:13 242:10 proposal 298:12 302:7,15 proposed 302:7 proposition 93:15 prospect 93:5 prototype 54:5,25 55:1 56:5 58:7,10 prototypes 55:21 provide 112:15 125:24 251:14 279:18,21 280:22 299:10 300:6 303:15,19,25 304:10 provided 36:21 90:18 96:19 109:3 162:8 234:6 251:15 252:13 253:2 303:16,18 provides 246:11 providing 298:2 299:13 proxy 29:22 31:1 31:5 96:11,12 prudent 198:5 prussia 3:17 public 17:7,19 97:5,11 125:23 187:22 190:9 191:16 203:7,23 208:15 209:22 240:20 241:15 246:1 247:10
---	--	--	---

257:20,23 258:3 259:5,12,14 264:2 264:2,8,15 265:5 265:10,12,21 266:13 270:2 279:14 292:7,7,25 293:4 299:14 publicly 93:6 153:18 262:8,14 263:7 publish 293:23 published 71:16 86:6 pull 176:22 253:4 purchase 194:15 197:20 198:20 200:7 201:12 206:20 225:7,8 purchased 192:15 192:20 purchases 303:12 purchasing 214:16 289:14 purpose 31:3 34:13,14 73:12,13 74:3 111:8 purposes 223:16 pursuant 126:5 pursue 64:3 92:4 pursued 281:1 push 261:9 274:10 pushed 206:20 put 17:16 40:4 42:2 43:10 45:3 49:6 56:22 66:10 67:18 68:15,19 72:2 74:17 75:9 80:4 103:14 107:12 109:8 123:15 150:4 186:5 271:21	282:18 puts 233:19 putting 31:4 q q1 8:16 9:23 34:10 50:13 51:17 54:23 56:5 58:3,20,20 60:7 75:7 78:8 79:4 86:7 87:6,10 87:13,14 89:3 115:8 162:10 163:19 210:15 214:8 q2 52:12 58:21 60:8 82:8 83:4,22 84:19 115:6 174:8 q3 31:11,13 52:2,3 61:25 62:4 75:6 79:4 84:10,19 115:6 q4 31:24 32:24 52:5 65:18 66:11 66:15 85:1,3,9 87:6,11,13,14 115:6 qualify 197:12 quality 10:4 159:13 202:2 203:13 217:3 218:5,9,12 quarter 6:11,13,15 6:17,19,21,23 7:3 7:5,7 19:24 22:21 25:5 30:9,13,14,19 30:20,23 32:16 34:7 37:17 50:10 50:20 58:7,9 59:2 61:11,25 65:23 66:20 69:4 70:11 70:20 71:2,12,15 74:8 76:4 79:19	81:12,22 82:2 83:7 86:6,6,10 147:12,14 148:2,6 148:12 160:10 162:25 163:8 169:14,15 199:20 236:19 237:2,5,11 237:11,14,15,25 259:17,20 260:2 260:16,18 quarterly 235:24 236:16,17 259:14 259:21 260:21 quarters 30:13 67:23 206:7 215:11 question 21:14 23:6,8 24:3 25:3 25:12,15,20,25 26:2,7,16,19,21,25 27:1,2,4,5,6,15,18 27:20,23 28:18 35:8 40:11 42:15 43:18,20,23 45:15 45:19 46:5,11,22 46:23 47:10 52:8 61:14 63:10 73:24 73:25 81:20 82:22 96:17 97:14 100:9 100:23 103:4 107:5 115:17 129:17 131:8,9,24 134:22 138:12 139:2,14 140:3,7 141:1,6 143:5,6 145:4,7 149:5,12 149:15,25 151:7 153:10,17,22 156:11,20 163:14 164:18 168:10 169:1,18 172:2	174:11,20 176:7 178:4,8,9,11,23 182:13,17,18 186:10 193:9,18 194:12 195:7 199:1 205:11,12 205:13,14,15 212:16,22 213:25 214:2,3,5 219:18 221:9,21 223:24 224:8 225:4,17,21 230:1 231:9 234:19 242:2 245:3,9 250:6,12 251:1 259:8 262:19,20 263:21 265:20 278:15 283:20,20 288:21 291:3,11 300:1 questioning 243:22 questions 24:4 28:6 55:7 57:14 107:3 115:15 124:21,23 129:14 132:12 135:23 144:16,24 145:6 165:3 167:11 186:7 197:22 204:3 205:8 230:4 250:18 257:1 284:11 294:25 298:14 quick 152:12 184:9 quicksand 282:24 quite 39:1 40:16 81:6 98:14 99:3 102:12 115:5 120:19,21 147:9 171:13 180:10
---	---	---	--

226:8 229:2,4 275:23,24 299:5 303:23 quote 17:20 20:20 66:8 171:9 172:3 177:8 248:21,22	range 29:5,19 129:24 130:8,10 135:16 137:9 162:9 294:14 ranges 127:11 271:23 rapid 179:1 rate 17:22 18:1 20:11 21:4 55:14 61:3 89:10 90:20 96:4 98:3 189:1 196:18 197:10 199:9 239:12 rated 195:19,21 196:4,18 197:9 rates 196:20,20 286:1 rating 195:25 ratio 213:14 291:23 292:6,15 292:21,24 293:3 rationales 64:18 ratios 297:12 reached 72:21 93:23 199:21 react 246:12 read 28:17,20 65:9 127:5 186:12 197:15 205:16 249:19,22 294:7 reading 33:13,14 104:6 135:12 249:16 ready 53:5 real 44:25 55:22 109:12 151:4 189:25 229:5 230:6 256:10 realistic 274:24 reality 105:12	realize 33:9 34:1 40:11 68:7 72:10 72:19 267:8 realized 68:6 93:13 109:18 271:21 reallocating 61:14 really 44:20 57:11 69:10 80:5 103:16 105:14 108:16 112:24 129:14,16 132:14 138:6,12 138:14,18 140:12 146:1 149:21,22 150:2,14 154:25 157:2 158:9 170:5 183:21 189:15 191:8 198:15 199:8 208:20 212:6 221:21 238:4 253:19 278:10 292:5 294:3 reapplied 39:14 rearview 202:10 202:19 reason 23:8 27:7 51:13 63:23 64:5 67:15,16 74:13 80:1 84:3 92:24 104:4 119:23 216:21 229:19 248:24 271:4,5,6 271:20 274:5 302:5 308:5,8,10 308:12,14,16,18 308:20 reasonably 74:19 74:21 82:25 95:2 reasons 67:16 107:13 109:7	225:14 rebates 90:14 91:9 recall 30:3 58:8,9 66:18,21 97:3,12 109:6 110:13 119:5 121:11,16 121:20 123:18 124:2 126:1 129:3 131:4,15 132:1,4 132:17 133:9 134:5,11,12 135:8 136:21 137:1,20 137:25 138:4,18 138:21 140:8,25 141:3,5,9,11,23 143:18 151:1,5,8 152:19 163:3 164:1,19 176:3,15 176:17 183:12 184:1 185:1,7 186:9 193:24 201:24 202:5,5 203:19 206:22 210:20,25 211:13 211:14 212:17 217:6 218:24 219:13,20 220:22 221:2,10 222:9 229:20 230:2 232:21 233:5 234:4 243:17,20 243:24,25 247:2,5 247:21 248:14 249:18,22 250:15 251:4,18 252:25 253:3 254:24 260:11 266:15 269:11 275:21 281:9,13 283:7 286:25 288:6,19 288:22 291:1,4,7
r			
r 3:6 r&d 53:19 175:20 175:24 rack 41:14,20 42:17 43:3 radnor 3:18 raise 203:7,23 214:9 222:24 239:9,10 245:6,19 246:4,16,19,23 257:19,24 258:6,7 258:10,16,22 259:18,23 260:25 263:10 264:16 265:6,17 266:18 270:6,7,8 271:5,10 271:10,11 273:10 273:14 278:21 280:3,5 295:9 304:16 305:21 raised 194:3 208:13 230:12 247:2 261:8 263:19 raising 222:25 260:20 264:19 269:15 273:1 278:25 279:5,6,8 279:20 ramp 61:18 ramping 61:3 randall 3:5 15:11 randy 33:12			

291:25 292:4 293:17 294:1,5 297:1,13 300:25 302:4,25 303:4 recalled 248:8 recalling 134:11 297:15 recalls 135:9 receive 75:24 244:25 252:18 received 185:5 233:4 243:21 244:10 285:10 receiving 143:18 275:21 294:1 301:1 recess 28:14 69:20 125:10 126:14 183:5 248:2 recitation 55:25 recognize 19:22 32:13 50:18 59:1 65:25 85:7 154:17 223:10 253:17 recollection 188:14,19 212:4 230:19 232:2 249:9,19 252:10 266:9,15 291:15 292:17 301:4 recommend 98:8 198:12 292:16 recommendation 153:6 291:8 292:15,20 recommendations 291:22 recommended 153:7 reconsider 143:3 167:18	record 14:6,12 15:10 28:12,16 69:18,23 70:1 99:21 125:7,9,13 126:11,12,16 128:6 183:3,8 187:17 217:18 247:25 248:5 285:19 305:12,16 306:5,8,9 307:6,9 308:6 recorded 14:14 recording 14:10 recourse 140:13 140:17 146:4 147:19,23 156:3 157:17 158:17 159:25 170:21 recusal 283:9,17 285:1 recused 283:6,23 283:23 284:1,2 redacted 293:18 293:24 redeploy 68:3,11 76:25 112:7 redeployed 48:17 66:16 77:1,8 78:24 82:24,25 83:11 112:8 redeploying 51:14 52:5 60:17 65:2,4 77:15,18 78:20,21 79:24 80:7 81:7 81:16 83:17 redeployment 51:18,25 60:13 62:19,22 64:7 65:9,14 67:12 69:3 77:5,6 79:7 79:15 81:11,23	83:10,21 113:9 redirected 38:13 38:14 reduce 38:24 89:6 107:21 114:14 153:14 239:19,20 290:18,24 reduces 256:8 reducing 114:18 reduction 66:23 89:11,12 98:4 123:8 238:12 reductions 119:16 119:24 reexamined 64:1 reexamining 64:20 refactor 37:19 refactoring 204:20 reference 93:18 130:13 207:7 300:24 referral 112:23 referring 23:18 59:22 237:9 refined 58:18 reform 25:15 refresh 164:20 249:8 252:10 292:17 refreshes 249:19 refusing 27:8 305:16 regard 195:10 regarding 185:3 188:12 219:9,15 253:1 283:11,13 283:15 286:9 289:21 297:11 298:10	regardless 149:7 regret 70:9 regular 144:14,21 144:22 223:21 242:21 250:1 reiterated 252:8 rejected 279:25 282:10,11 298:6 298:15,21,23 303:25 rejection 304:6 related 15:2 64:6 121:14 175:21 relating 32:15 247:3 relations 152:5 relative 95:16 146:12 307:18 relatively 54:5 148:13 184:8 287:22 release 43:12 260:21 relevant 203:19 relied 128:8 136:24 140:22 176:18 relying 141:3,9 remain 118:23 124:18 remaining 123:25 remains 89:1 268:6 remember 77:12 107:20 117:18 133:4,5,22 135:11 155:9 201:8 232:5 254:20,25 290:21 remind 69:12 301:9
---	--	---	--

rent 159:14	required 17:11 104:7 140:16	restructure 37:20	revolver 254:12 254:23 255:3
reorienting 215:4	requirement 101:8 197:3,4	result 38:4 42:6 88:8 121:22 123:10 264:20	revolving 147:10 147:23,25 148:5 148:19 149:1,2 270:21 271:3
repaid 194:1 195:9 201:4	requirements 203:16 244:24 246:14	results 86:12 103:21 297:20	rf 184:19
repay 203:25	requires 39:1,9 41:6 131:7 153:5 204:19	resume 70:21 71:8	rid 67:3 103:16
repayment 158:20 202:7	resale 44:25 45:11	retain 251:9	right 19:19 31:18 31:24 32:6 38:14 45:14 50:9,22 55:8 57:6,7,22 59:15,23 62:17 72:5 75:4 78:11 82:14 84:10,14 89:1 98:13 100:20 109:24 111:2 116:20 127:4 132:9 145:11 151:4 153:15 155:7,11 156:10 157:4,6,10,11 158:3 168:15 170:16,23 179:15 179:22 184:17 185:20 186:6,25 189:16 190:4,7 191:13,18 192:16 192:25 193:2 196:23 197:13,14 198:19,24 201:3 206:9 207:12 208:24,25 209:2 210:2,14 211:22 214:18 216:5 218:14 225:2 229:19 231:1,3,15 237:8,17 240:6 241:15,18 242:19 242:25 248:7 249:24 254:18
repeatedly 81:7	resembles 51:24	retained 171:13 171:21 250:25 251:6 306:13	
rephrase 27:25 28:2	residential 116:10 118:5,10 295:16 295:22	retrofit 38:20,22 38:23 39:4,5,25 40:3,15,19 43:8 46:18,20 47:1,4,25	
repo 8:12 154:15 155:18 287:5	residual 157:9 159:22,23 161:4	return 33:7,23 199:11	
report 71:18,19 293:21	resolve 198:4	reuters 7:9 117:8 117:10,14,21,25 118:25 119:21 132:21	
reported 1:24 86:10 297:19	resonate 245:16	revenue 156:14	
reporter 2:12 14:24 28:21 182:25 307:2	resources 21:24 21:24 22:4 39:13 51:25 61:9,15 62:22 68:3,11 83:17,25 98:8 103:10 104:15,17 204:11 215:4	review 127:14 128:23 164:6 185:16 186:16 297:21 307:14	
reporters 136:2	respect 289:25	reviewed 118:24 128:13,16,18 152:13 185:10,12 185:17 298:7	
reprehensible 70:2,4	responded 244:1	reviewing 126:1 285:5	
represent 71:17 156:2 218:17 252:3 253:25	responding 266:11	revise 291:9,14 292:15	
representation 133:11 247:12 253:23	response 125:20 180:23 244:15 274:18 275:14	revised 29:7 30:18 35:2 51:5 85:22 296:1,11,16,17,23 296:24	
representatives 298:1,8	responses 7:12 126:23	revision 291:16	
represented 214:7	rest 40:19 159:24 245:10 251:16 252:13 263:4 284:21 286:15 289:14	revisions 296:18 296:18	
repurchase 197:11	restate 178:10		
repurposed 204:11			
request 252:8 298:21 303:25			
requested 28:20 298:1 307:15			
requests 298:5			
require 199:24 200:12			

256:17,19 257:9	56:6	63:6 64:7,11,15	138:18 143:9
258:8 264:6	roofs 17:16 42:4,8	66:24 67:3,6,9	150:12 153:5
268:17 269:3	61:2,9 155:22	78:15 79:14,21	157:6 158:3,9,22
273:2 275:13	rothenberg 287:6	108:15,17 111:25	158:23 159:20
280:3,25,25	rough 43:14	112:3,15,22	179:18 189:18
283:18 288:13	188:19	113:16,17,18,25	193:22 197:12
289:25 299:10	roughly 55:13	114:3 115:1,2,5	205:15 214:15
300:22,25 302:13	95:22	120:10,11,15	234:21 241:9
rings 144:10 294:7	round 194:3 245:6	121:5,9,11,12,13	248:23 249:4
rises 101:3	rounds 155:5	121:22 122:3,12	265:18 275:25
risk 97:1,4,7,9,9	row 42:19	123:7,17,21 124:1	276:8,21 277:13
97:19,21 99:5	rudman 3:4 15:12	124:10,11 160:9	280:20 306:3
101:14 153:1	15:14,16	160:10,22 204:18	says 18:4 20:8,15
158:1,16,19 159:4	rules 69:13	240:15	20:19 23:13,25
159:16,23 160:1,2	run 189:25 230:7	salesmen 112:7,12	32:22 34:8 35:5
160:4 161:5 204:7	running 272:12,25	salespeople 115:1	66:4,24 71:7
226:8 227:5	276:5,10	salesperson	86:13 118:2,22
238:24 264:19	s	124:12	121:4 123:24
risked 263:15	s 6:1 7:1 8:2 9:1	san 3:11 42:23	131:13 132:11
risks 159:9 226:7	10:1 11:1 12:1	sanjay 48:14	139:10 146:4
227:3	13:1 77:8 79:1	satisfy 203:15	148:20,21 152:11
risky 195:10	94:20 95:14,23	saturday 1:13	154:25 155:1
rive 10:12 11:11	96:3	2:10 14:2 220:18	161:13,23 162:21
11:22 12:4 221:19	s&p 196:20,21	220:19	170:17,17 194:21
221:23 222:6	202:8	save 186:1 236:4	197:24 198:20
road 3:17 50:3	s4 96:25	savile 42:19	200:11,25 202:22
202:11,13	sad 57:10,11 70:10	saw 107:15 131:21	204:2 217:15
roadster 95:13,22	142:5,5,7 145:12	135:4 136:14	218:20 220:16
robbins 3:4 15:11	146:19 262:11	137:21,24 138:1	222:16,17 226:19
15:13,15	saddest 57:21	152:18,20,21	232:14 233:22
rocket 236:8	sake 271:9	155:8 176:4 182:3	234:12 248:20
rockets 191:11	salaried 113:6,10	203:1 210:24	249:16,17 252:4
rocks 235:13	113:13,14,17	211:2 218:3	265:2 272:24
roger 12:16 252:4	114:5	226:19 227:7,8	274:4,14 287:11
role 88:23	salary 113:20	254:18 258:4	292:13 298:20,20
rolled 201:5,6	114:8	269:17 285:15	302:24
ron 252:6	sale 120:20 241:22	290:21 303:21	sc 8:22
roof 38:19 39:6	242:19	saying 26:20 36:21	scale 18:6 23:2,23
40:4,5,23 41:1,2	sales 38:12 42:9	50:4 72:6 82:23	58:19 68:8 72:13
41:24,25 42:2,3,6	47:12 49:2,9,11	97:12 115:10	75:1 92:25 95:16
44:18,22 45:4,10	53:8 62:23 63:1,2	121:8 133:7	95:21 242:9

scales 58:17 scar 99:7 scared 276:6 scenario 160:17 160:18 214:11,13 schedule 61:1 school 205:19,20 scope 283:16,21 screwed 196:8 scty 6:8 29:6 se 106:6 search 186:3 seasonality 87:7 87:16,17 sec 11:7 19:9 21:12 217:13 243:21 244:7,10 244:15,16,21 245:1,10,23,24 247:3,12 248:12 248:23 second 6:15,23 19:6 32:18 33:5 33:18 37:17 50:23 59:2 60:15 61:10 76:4 77:23 82:2 95:11 98:6 118:14 119:10 126:4,10 129:23 130:5 172:19 182:12 183:22 185:11 187:19 208:15 213:13 276:17 secret 109:25 110:1 section 42:3 44:18 45:4 126:6 207:3 207:3 secured 155:19 securities 187:23 197:10 278:8	securitization 147:21 155:24 170:7,9,10,13 256:11 securitized 155:20 156:12 157:2,7,23 157:24,25 158:4 159:7 160:7 security 155:23 156:15 158:21 190:10 see 19:4,6,14,21 20:5,8,13,18,25 23:12,15,19 29:14 30:6,10,12,15,17 30:21 31:10,13,18 31:21 32:5,19,22 33:1,7,11,12,21,23 34:3 37:9 39:12 44:19 50:24 51:2 51:8 52:10,14 59:7,9,12 60:1,22 60:23 61:6 62:6,8 62:11,15 66:4 69:3 70:23 71:7,9 73:23 77:22 78:1 78:16 82:8 85:13 86:11,12,15 87:14 92:7 98:10 99:22 102:10 107:6,9,11 118:2,15 126:6 127:8,12 129:17 129:20,23 130:6 130:18,23 135:21 135:24 136:4,9 137:8,11 139:4,6 140:18 142:17 143:15 146:25 147:6 148:25 152:6,8,15,22 153:3 161:16	172:18 174:9,12 176:9 180:21 184:8,14 190:16 194:19 200:3 202:25 203:12 204:2,5 206:7 215:10 217:5,24 218:2 220:9 223:9 223:13 226:23 228:17 232:16 233:7,25 236:17 236:21,24 237:3,8 237:12 238:11,14 238:15,22 239:1 239:22 244:8,11 249:6 250:22 253:9 260:9 262:12 273:3 276:14,17 287:4 287:15 289:9 301:14 302:9 305:1 seeing 107:20 110:13 152:19 seeking 31:6 96:20 seen 30:1 130:25 201:23 269:19 295:25 296:4 segments 78:15 79:22 selected 201:20 self 276:9 sell 49:3 108:13 122:23 229:1 235:14 241:3 242:5 255:15 sellers 264:10 selling 108:7 121:23 255:18 semiconductor 184:19	senay 8:10 151:23 151:24 152:11 287:5 send 117:21 sense 35:12,20 63:12 64:3,17 100:13,19 102:22 122:6 156:18 212:19 225:15,21 245:5 257:21 258:1 259:3 260:24 261:7 267:1 271:14 sensible 63:22 64:23 sensitive 14:8 sensitivity 35:2 51:5 59:17 85:22 296:2,12,23 sent 200:19 236:8 248:23 252:6,7 275:15 293:13 sentence 23:11,13 23:15 33:11 34:3 34:5,14 61:6 80:6 80:7,14,18,19 81:3 81:4 separate 160:24 separately 175:19 september 18:17 19:24 212:12 series 123:12 serious 187:16 seriously 205:8 serra 7:16 130:21 132:20 135:17 173:6 174:14 served 164:25 service 38:12 47:12 49:16,24 50:3 61:19 114:4
--	---	---	--

114:4,6,9,11 119:12 120:1 services 57:20 set 7:14 29:22 31:1 36:19 97:10 125:21 128:14 156:17 159:6 185:12 191:4 195:14 215:3 222:14 251:12 252:11 253:24 264:10 299:16 301:21 307:5 sets 99:1 264:3 265:5 setting 262:9 263:8 264:12 293:4 seven 146:17 166:3,4,8,20,25 239:5 305:11,14 seventy 146:17 severe 271:13 shah 48:14 shake 249:15 shameful 73:4 shape 41:2 213:4 share 263:10,13 263:19 264:11 269:13 270:2 304:17 shared 108:25 123:3 shareholder 31:6 32:7,14 50:14,19 62:10 63:3 68:19 74:9 85:3,8 96:25 261:5 270:13 281:4 shareholders 64:5 68:16 79:20 85:21	96:19 97:18 214:16 246:7 263:4 270:15 302:21 303:2 308:1 shares 241:7,10,12 241:16 sharply 116:10 118:4,10 sheer 93:1 sheet 7:24 129:16 132:14 138:14 146:7,10 150:4,10 156:5,22 157:18 158:7,15,24,25 201:16 220:10,11 228:7,9,18 277:22 279:10 shenanigans 189:3 189:24 190:1 shifting 123:16 124:1 295:16 shocking 106:17 106:18 224:15 short 37:8 46:18 98:16 112:19 121:22 214:23 226:17 227:14 230:7 236:19,25 236:25 287:23 298:2 302:2,22 303:2,7,11 shorthand 2:12 307:2,7 shortly 220:24 show 24:12,14 29:12 32:6 97:13 117:6 124:25 141:25 168:11 173:16 178:20 179:4 185:21	186:2 188:4 206:4 218:25 221:11 226:1 269:5 291:17 300:13 304:4 showed 31:16 150:23 269:5,7,8 290:22 showing 50:17 65:21 125:18 135:20 137:3 142:14 151:21 154:14 171:24 175:6 179:8 188:9 217:2 244:7 266:2 289:1 293:10 297:6 301:21 shown 131:25 170:22 shows 85:15 147:2 168:15 177:24,25 180:6 239:3 269:14 shut 231:5,11 shutter 78:14 shuttered 79:21 side 45:7 97:6 157:5,6 158:24 sierra 184:18 signature 126:7,20 307:23 308:25 signed 32:15 50:20 59:3 65:24 85:9 126:22 128:21 133:8 164:11,15 165:6 173:17 185:13,17 302:19 significant 37:6 52:3 60:11 68:15 68:18 87:11 89:14 89:14 160:12	173:11 212:25 228:25 271:12 significantly 95:7 108:11 signing 127:4 128:22 207:25,25 silence 186:19 silevo 52:19,22,25 53:1,2 139:10 175:17,20,22 216:7,10 282:4,16 289:14 295:10 silly 39:18 80:20 98:14 115:21 similarly 22:24 simple 17:17 21:14 103:11 149:6 156:10,21 255:12 278:16 simply 35:18 37:7 131:9 200:12 241:6,13 242:9 303:24 single 55:20 56:4 129:4 137:3 290:6 sir 80:24 190:5 sit 21:15 305:19 sitting 305:13 situation 53:20 67:22 71:17 75:25 161:14,24 168:23 171:6 172:10,21 173:4 174:17 175:11 177:5,17 178:17 180:4 191:21 213:24 254:17 278:25 301:14 situations 246:13 288:14
---	--	---	---

six 161:15,25 162:19 164:4 165:18,20,21 168:24 171:7,25 172:5,10,22 173:4 174:18 175:12 177:5,18 178:17 179:18 180:5 239:4 261:10	63:5,24 66:9,16 67:13 68:3,3,12 71:13,23 73:7 74:22,24 75:8,17 76:10 77:6,6,19,24 78:21 79:7 80:8 81:23 83:18,18,22 84:2,17,21 86:23 87:8,9 88:5,6 89:9 92:7 99:18 101:18 102:10 103:15 104:12,15,17 106:5 108:7,18 109:20 111:21 114:20 116:2,3,6 116:11,15 117:4 118:5,10 120:1,15 120:20,22 121:6 121:23 122:12,14 122:25 124:8,23 124:25 139:13 147:21 155:21,22 156:1,13 160:7,15 175:25 189:17 193:20 194:9 195:21 198:20 200:6 202:3,22 206:20 207:13,19 214:22 215:7 218:16,20,22 229:8 238:1,3 240:14,14 246:8 254:11,18 255:15 255:18,21 256:9 267:23 268:2,15 268:17,18 280:24 281:5,7,8 282:2 299:20 300:7,10 301:13 302:8,12 303:12,18,24	solarcity 6:3 8:15 9:14,19,22 10:18 11:7 12:10 16:10 16:13 17:19 18:17 18:18 19:23 21:12 21:16,19 22:20 24:22 25:6 26:13 27:12 29:23 30:11 31:7 35:1 36:19 36:20 43:9 47:2,5 47:19,24 51:6,16 51:25 52:23 60:7 64:7,8,19 71:23 72:8 73:3,5 74:15 74:16 85:21 88:14 90:2,3,11 91:1,2 95:5 96:21 97:8 100:1 102:22 107:16,19,21,24 109:22 110:2,2,15 112:16,17 114:11 115:12 138:23 140:15 141:16,20 145:17 147:2,16 147:18 149:8 150:18 151:8 153:1,5,7 154:7,21 155:13,18 160:13 161:13,23 162:11 164:3 171:5 172:9 172:20 173:3 175:10,18,21 177:4,16 178:16 183:15 187:21 188:12,13 190:9 192:3,5,13,21 193:3,4,21 194:1,2 195:1,4 197:1,2,5 200:24 202:1 203:6,22 205:1,4 205:23,25 208:7	208:12,21 209:7 210:8 211:8 212:20 213:8 214:9 219:12,16 220:4 222:20,24 223:17 224:20 225:8 229:17,23 230:6,11,17 232:1 232:19 233:12 235:7 238:5 239:9 242:22 243:5,6,11 243:14,16,21 244:8 245:4,18 247:9,11 250:2 253:10 254:3 257:16,18 261:13 263:2 266:13,18 267:1,5,16 268:19 268:21 269:4,8,20 270:4,5,19 273:10 273:25 276:16 277:3 280:7 281:21 282:17 288:18 289:4,19 290:11,18 292:8 295:5,8,15 296:1,9 297:21,25 298:2,9 298:11 299:11 301:2 302:2 303:3 solarcity's 10:3 17:7 37:1 97:10 155:8 202:23 204:11 217:3 218:5,9,11,18 249:11 253:23 263:13 297:24 solarcity.com 7:21 8:19 sold 75:2 240:21 241:6,10 242:12
--	---	---	--

solution 40:25 41:14,17 226:17 solutions 14:23 15:1 298:11 306:13 solve 39:12 47:14 68:2 74:25 75:1 91:20,23 106:12 109:15 solved 47:18 92:1 229:23 230:7 240:5 solving 47:19 somebody 40:3,21 70:2 102:23 103:14 122:9 124:20 132:5 134:2,18 136:18 181:5 195:25 somebody's 137:18 265:8 son 187:10 soon 99:17 sorry 16:20,21 17:2 30:23 36:18 41:10 51:12 58:20 59:22 62:12 64:24 70:24 94:16 105:10 112:11 113:24 121:19 123:21 126:9 141:19 146:16 151:14 153:23 161:18 180:22 188:22 193:3 209:6 217:10 224:22 225:3 240:19 244:1 256:23 283:1,4 296:3	sort 41:13 42:4 43:15 44:19 45:3 45:6 54:23 64:14 76:13 92:3 96:3 98:5 100:22,23 103:13,23,24 105:3,17,20 113:18 120:11,12 120:13 122:6 144:14 164:21 165:3 175:1,20 208:5 215:3 245:1 245:2 259:22 267:10 279:15 290:12 sorts 244:25 sound 201:2 sounds 157:11 233:22 234:12 241:18 242:25 275:5,13 300:22 source 219:24 292:9 sources 244:22 245:11 246:4 247:18 space 80:3 190:16 194:16 236:8 254:8 spacecraft 191:12 spacex 187:20,22 187:25 188:13 190:10,14,24 191:3,9 192:7,15 192:19 194:9 196:3 198:16 201:13,21 204:8 216:17 254:19 spacex's 218:15 spacex000783 10:23	spacex001029-0... 9:9 spacex002289 9:13 spacex004003-0... 9:16 spacex004120-1... 10:5 spacex005083 10:13 spacex009508-5... 10:20 spacex009657-6... 11:13 spanion 184:19 speak 247:9 254:16 speaking 54:6 68:22 153:18 169:4 special 10:14 11:18 12:11,21 13:3 128:2 136:13 222:14,18,19 223:11 224:3 235:19 257:9,11 257:13 259:1,19 260:12 266:3 288:18 289:2,2,8 289:18 297:8 specific 36:2 41:1 46:14 90:24 104:19 109:19 126:2 131:4,5 152:20 274:3 301:5 302:6 specifically 114:12 119:25 134:12 154:20 183:16 222:20 223:15 248:9,11 249:10	285:9 289:12 291:21 292:13 300:3 speeches 46:17 spend 16:8 164:8 165:25 167:8 171:11 230:20 spending 168:5 222:1 spent 175:25 spot 186:4 spreadsheet 30:4 59:25 238:17 spreadsheets 59:19 60:1 186:12 squirrly 192:1 staffers 119:12 stage 56:14 stamp 29:5 172:15 stand 16:12 262:15 standard 205:22 304:20 standing 235:5,19 standpoint 147:20 202:16 204:17 stands 119:23 271:4 stanley 226:20 stare 28:1 stars 1:15 2:8 14:21 start 16:11 52:11 52:11 53:7,24 60:17 105:5 129:10 187:7 215:14 221:5 289:20 started 52:2,5 60:12,14,25 65:2,4 65:17 85:19 92:11
--	--	--	---

95:5,23 96:3 165:9 286:22 287:18 290:10 starting 93:3,17 101:11 187:12 286:22 287:18 starts 121:3 169:24 171:21 state 1:1 2:1 14:17 15:6,9 93:21 127:1 235:12 246:17 255:19 307:2 stated 24:5,8 66:9 93:6 103:8 statement 7:23 21:12,18 23:20 24:1 29:23 31:2 35:4,17 52:17 68:13 74:13 91:5 93:10 118:6,7,12 118:18,19 119:3 119:20 121:7 129:13 131:2,9,12 131:22 132:11,16 133:9,10 135:5 136:10,24 137:22 138:5,10 139:15 139:16 140:5,12 140:18,23 141:4,7 141:8,10,12,14 142:22 149:19 161:11,16 162:1 162:22 163:4,24 165:8,12,16 166:23 167:16,21 172:20 173:2,19 173:21 174:24 175:10,14 176:5 176:10,20 177:3 177:12,14 178:12	178:15,21 179:17 180:3,17,18,20 181:4 184:7 185:3 185:14 228:6,10 255:12 273:18 281:16 284:20 287:17 statements 31:5 119:22 125:23,25 127:19 128:9,14 128:20,24 142:20 161:2,22 165:15 states 7:11 73:1 stating 93:21 100:23 stationary 268:1 stay 263:3 288:9 steady 235:12 step 28:7 95:1 105:14 stepping 98:5 steps 105:14,15,15 steven 4:13 14:22 stock 97:1 107:12 109:8 111:13 213:11,11 214:14 240:22,25 241:3 241:22,24 242:6 242:10,12,19 263:2 265:16 278:22,23 279:2 stockholder 1:3 2:3 14:16 stop 111:12 112:2 150:17 205:7 206:5 215:9 stopped 111:24 storage 77:7,7 117:4 267:24 268:2	store 122:15 124:13,20 stores 49:6 64:16 108:7,8,9,11,13 112:21 121:24 123:6 124:5,6,10 124:17 story 205:6 206:10 263:1 264:15 straight 202:14 strategic 267:1 stream 111:15,15 156:14,15 159:16 159:22,24 160:4,8 160:12 161:6 strife 273:24 strong 224:12 structural 41:5 structure 135:6 157:18 254:3 stu 252:4 stuart 12:15 287:7 stuck 261:14 273:12 stuff 189:21,23 sub 226:5 subject 125:4 252:9 271:22 submitted 302:21 subordinate 202:23 subscribed 307:21 subsequently 270:10 subsidiary 52:22 substance 69:14 substantial 141:15 147:3 245:17 substantially 24:23 26:12 27:11 28:23 84:4 85:19	85:20 substantive 28:18 succeed 84:8 106:24 107:1 280:21 succeeded 39:8,11 280:16 success 47:20 239:12 successful 73:15 239:11 successive 105:13 sue 189:6 sued 189:4 196:9 196:13 suffered 38:4 84:7 sufficient 194:24 244:23 245:11 suggest 180:12 215:9,14,19 suggested 290:20 suggesting 239:19 suggestion 229:15 282:3,20 suit 40:20 41:3,14 41:20 42:17,17,18 42:19,22 43:4 224:12 300:4 301:10 suite 2:9 3:10 suits 41:20 42:21 summary 9:15 148:21 152:22 294:9 sun 93:22 101:3 super 43:8 196:9 270:14 272:12 supply 47:13 56:21 61:18 support 61:4 127:22,24,25
---	---	--	---

128:1,3 133:8 140:12 158:12 172:8 174:16,24 180:17 184:7 185:23 supported 125:25 127:19 140:5 164:12 165:7,12 165:16 171:4 172:14 175:10,14 181:23 supporting 172:19 173:2 supportive 174:25 supports 136:23 139:15 164:2 167:21 171:4 180:3 suppose 57:25 222:11 252:21 supposed 70:16 139:21 272:2 sure 18:14 27:6 39:24 46:1 47:16 49:13 50:21 51:23 52:24 53:14,17 59:20 64:22 70:12 70:12 84:14,20 86:3,4 87:7 92:15 94:3 97:16,25 100:14,24,25 101:1,2 108:14,20 111:6,8 121:10 128:10 129:8 152:13 154:18 155:10 162:3 163:3 170:15 173:11,12 180:8 186:6 193:11 201:17 203:4 204:6,24,25	219:21 220:13 222:4 225:5 230:21,25 232:25 233:1 234:25 240:16 241:14 242:16 244:13 249:23 250:7,13 253:8 256:13,19 257:1,5 258:15 269:17 272:23 273:7,21 281:12 284:11 287:10 294:23 295:13 surgery 115:2 surprised 272:11 272:17 276:24 susan 8:12 154:15 287:5 suspect 42:24 80:11 sustainable 32:20 33:17 50:24 60:23 61:5 66:3 70:6 71:3 77:23 78:4 101:22 123:25 267:24 swaine 4:4 15:20 swear 166:7,22 swing 104:13 147:12 swings 148:2,5 sworn 16:4 synergies 33:9 34:1 180:20 181:6 181:8,13,25 183:21 184:8,15 184:16,21,23,24 185:3,5 synergy 181:14 182:12	system 20:10 44:16 54:7,18,19 89:20 99:18 103:22 251:12 systems 17:10,22 17:23 18:2,10 20:12,20,22,24 22:7 49:3 50:12 53:19 121:6 156:13 246:8 255:16,18,21 t t 5:1 6:1 7:1 8:2 9:1 10:1 11:1 12:1 13:1 104:2 tabbed 18:25 table 257:17 tabs 29:20 30:1 tackle 106:2 109:11 tahoe 221:6 222:2 224:25 tailor 43:3 tailored 40:20 41:3 take 14:11 20:3,7 28:9 37:23 41:4,5 69:11 75:7,16 80:9 87:17 104:16 123:12 125:2 126:3 145:13 156:13 157:14 166:8,22 182:23 186:19 190:13 194:14 220:7 232:14 235:23 244:19 247:22 252:2 263:23 275:6 279:11 283:1,4 302:5 304:13 305:20	taken 2:7 14:14 28:14 38:8 69:20 75:8,17,20 125:10 126:14 183:5 248:2 261:25 307:5 takes 37:19,20 52:6 103:19 talents 57:16 talk 46:25 158:4 187:19 189:16 201:10 220:3 234:22 talked 24:20 58:16 99:14 184:22 198:22 199:2 204:9 243:6 262:20 268:16,19 268:24 269:1 295:8,19 talking 16:9 24:11 43:20 46:11 56:14 70:3 113:9 123:20 123:22 128:3 141:14 148:23 179:19 180:22 184:16 234:16,21 234:23 235:1 237:4 249:11 256:19 269:24 281:5 286:12 289:12 talks 52:11 71:1 77:23 182:12 183:21 206:15 244:9 tanguy 7:16 130:21 173:6 tape 125:9 task 36:6
---	---	---	--

tasks 50:6	telling 21:2 26:18	14:15 15:22,24	300:9 303:15
taught 205:20	27:1 43:25 47:9	16:13 24:22 25:6	304:9 308:1
tax 88:3,5,9,17	73:6 162:17	26:13 27:11 32:15	tesla's 32:8 47:20
89:10,12,15,16,17	165:18,22 254:25	37:22,25 40:17	80:16 149:8
89:24 90:14,21	306:4	49:6 50:2,19	tesla.com 8:13
91:9,13,16 99:12	tells 23:9	52:21 59:2,4	tesla00001346-3...
241:2,4 255:9,11	template 190:21	64:13,16 65:22,24	10:17
255:12,18,25	temporarily 68:12	72:8 74:8 75:3	tesla00001446-1...
256:4,8,14	102:3	80:6,14 83:13	9:5
taxes 241:7,13	temporary 79:17	89:1 90:3,9,12	tesla00001459-4...
242:9,9	ten 54:20 55:23	91:4,6,7 94:14,23	11:21
taylor 8:18	tenant 159:13	95:1,10 97:8,18	tesla00001473-1...
teach 205:19	tends 147:13	102:4,21 104:13	12:24
team 43:9 47:19	228:6	107:19,24 108:25	tesla00001757-1...
77:11,16,19 78:25	term 16:19,24	110:24 111:1	13:6
78:25,25 79:1,1	17:1,5 37:5 89:15	118:3 120:11,13	tesla00001866-8...
92:22 107:17	89:17 112:19	121:24 122:12,14	12:14
124:24 272:25	121:22 122:11	122:23 123:21,25	tesla00002047-0...
teams 61:2	123:11 206:2	130:8 135:21	9:21
technical 25:25	214:23 226:16,17	137:4 141:19,22	tesla00002323-2...
technically 52:5	227:14 236:19,25	145:16 146:7,13	8:17
193:25	236:25 253:14	147:4,7 148:3,4	tesla00002323-3...
technician 114:9	256:16 267:17	149:9 150:4 152:5	9:24
technologies	294:4 297:24	155:24 175:3	tesla00022462-4...
194:16	298:2,4 302:2,22	177:10 181:16,18	12:5
technology 184:18	303:2,7,11	182:5 184:4	tesla000302036
190:17	terminate 120:6	190:25 193:2,21	8:25
telephone 232:19	terminated 120:4	193:25 194:2	tesla00038955-9...
tell 26:4 27:24	terms 120:19	203:8 204:12	8:11
43:17 87:4 111:13	203:14 256:20	205:2,3,23 206:1	tesla00066924
111:20 117:7,13	292:5 293:4	208:6 209:18	8:21
126:8 132:9,20	terrible 208:17	211:6 212:20	tesla00080754-7...
136:2,23 140:21	209:18	213:3,9 214:16	7:18
144:11 167:17,20	territory 68:9	215:5 219:11	tesla00083765
181:22 194:14	72:15	240:1,20,22 261:2	11:24
201:25 202:3	tesla 1:3 2:3 4:14	263:18 266:4	tesla00531141-1...
230:16 235:20	6:10,11,13,15,17	267:1,6,20 268:8	11:6
263:1 272:16	6:19,21,23 7:3,5,7	269:14,19 275:17	tesla00598138-1...
273:5,19 278:17	7:9 8:4 10:16	279:21 283:4,5	7:22
305:6	11:17,20 12:9,17	287:1 292:8	tesla00605435
	12:18,23 13:5	298:16,22 299:12	7:25

tesladir0080593... 10:9	63:11,16 65:3 76:21 91:16 93:19	128:2,15 129:5,13 130:12 131:25	293:3 294:6 299:4 305:3 306:6
tesladir0084652... 8:7	98:17 100:24,25 101:6 103:9,25	132:11 134:2,8,9 135:8 136:12	thinking 230:20 259:24,25 260:15
tesladir0087768... 12:20	104:13 105:19,21 106:8,11 107:12	138:9,11 140:21 143:3 146:2,18	260:17 293:23 thinks 121:9 174:7
tesladir0099791... 8:14	108:6,16 111:19 113:2 120:23	147:17,18 154:7 158:22 160:4	174:15 196:4 273:1
test 53:8 124:22	129:4 142:9,10,25 154:1 160:5,23	161:2 163:15 167:18 171:4,12	third 6:17 7:3 22:21 33:5,16,19
testified 16:4	175:16 180:15 189:22 228:23	173:25 174:25 175:15 176:11,12	52:10 59:7,9,10 66:2 78:3 82:9,10
testimony 21:5 28:20 82:20 100:7 180:9 205:16 306:11 307:10	232:6 235:12,17 255:20 267:11,25 268:5 279:23	176:23 178:24 180:16 181:9,12 182:2 183:1	87:14 118:22 135:22 175:9 260:18 265:19
text 75:24	282:8,13 289:24 290:15 292:5 293:5 299:5	184:10 189:19 192:23 193:10 194:15 195:4,17	297:18 302:6,9 thirty 224:21
thank 16:1 28:11 58:1 93:12 211:19 225:2 305:9	think 16:25 24:7 25:11 26:6,7,15 27:5 28:22 31:8 34:8 35:4,12,17,22	195:19 197:19 199:3 201:19,21 203:18 205:25 206:5 208:23	thought 35:18,25 36:10 64:12 65:6 68:1 69:9 70:4
thanks 229:11	36:2 37:4 42:16 45:18,20 46:19 49:12 52:17 55:3 57:10,16 58:9	209:18 211:3 212:7 217:12,13 217:20 226:10,15	72:15 79:16 81:25 83:5 92:22 93:16 93:19 94:14 95:10
theirs 277:23	59:20 60:14 61:13 62:20 64:17 65:11 66:8 67:7,19,20 68:1 69:6 73:10	228:19 230:2 232:25 235:21 239:8 243:9 245:2	104:9 108:6 119:6 121:10,17,21 122:13 129:4
thing 29:16 42:20 44:3 53:1 60:3 63:18 72:25 73:20 89:15,17 91:14 101:18,21 103:11 105:5,7 106:10,17 106:18 108:20 111:23 112:3 119:9 122:12,22 190:25 198:16 204:15 206:9,25 207:1 215:2 219:21 224:16 240:8 249:16,22 250:25 272:18 275:24 277:24 283:19 294:7 296:6 299:18,23 301:11,13	73:11 74:2 76:21 80:9,20 81:15,25 87:2 89:24 90:17 91:12 93:4 94:7,9 94:13 95:9 98:6 99:16 105:2,5 107:14 110:9,11 110:25 112:8 114:2,2 115:4,18 116:13,22,24 118:11 122:22	245:3 250:14,17 251:5,11,17,18 252:16 254:2 258:23 259:11 260:3 261:11,18 264:7 267:16 269:6,25 271:1 272:13 273:21 275:14 276:10,12 277:13 278:3,20 284:23 285:13,17 287:21,22 288:9 290:22 292:5,22	122:13 129:4 162:3 163:15 198:15 202:6 214:25 220:6 224:18,22 240:3 258:9 259:3 261:7 266:25 268:8,13 268:21 269:3 271:24 282:1 283:17 292:24 299:15
things 35:13 39:13 39:17 50:8 59:23			thousand 22:4,5 55:11 131:6 thousands 42:18 106:10 133:1,5,22 133:23,23 134:13

134:14,17 thread 141:3 three 30:6 41:4 79:11 105:15 140:10 145:19 148:9 152:20 161:15,24 162:19 163:2 164:4,5 165:18,20,21 168:18,18,23 171:7,25 172:10 172:21 173:4 174:17 175:12 177:5,18 178:17 179:18,22 180:5 209:11 224:9 232:4 239:4 260:23 261:9,10 266:14 267:25 268:5 297:16 298:14 301:6,25 305:4 threshold 68:23 thrones 294:18 thrusters 208:5 tick 84:19 tiles 52:12 53:5 till 25:22 258:25 time 1:14 15:6,8 16:9 21:18 22:23 22:24 34:6,16,23 37:8,19,20 39:19 52:6 57:8,21 61:10 65:16 69:10 71:20 72:10 74:20 74:20 75:6,19 76:7 83:4 84:22 87:20 88:13 89:5 90:20 91:1,13 92:6,10 93:3,7 94:3,9 95:4 98:7	98:15 99:24 100:12 102:20,20 104:18 106:3 108:4 109:22 110:4,7,16 111:1 112:7,19 115:24 120:4 124:24 128:13 136:3 141:12 144:13 150:18 162:24 163:21,23 164:7 164:21 165:24 166:9 167:8,13 169:25 171:11 174:5,5 180:16 182:25 186:2,5 189:4 196:8,22 200:5 206:6 215:3 215:10,15,18 218:13 219:5 220:6,21 221:1 222:7 223:4,17 224:11,19 225:7 230:20 232:5 240:4,12 241:10 265:19 266:25 270:1,17 272:21 274:24 277:19 278:9 279:12 280:10,13 281:10 282:4 283:6 287:23 289:18 290:10 295:25 301:12,15,24 304:22,24 305:2,5 307:5 timeline 56:3 152:13 timely 198:1,4 times 54:20 55:23 68:1,10 72:15	99:6 116:5 144:20 190:21 202:9 203:7 230:13 245:7 252:24 262:18 263:17 266:8 269:9 285:1 timing 193:24 240:18 241:15 242:19 300:13 tire 50:7 tired 111:17 tissue 99:7 title 154:22 today 16:9,12 21:15 30:2 40:17 42:23 167:6 224:16 305:19 today's 306:10 todd 10:7 12:7 219:8 287:4 togami 4:13 14:22 told 46:19 85:20 116:25 121:11 146:23 214:16 216:3 220:20,23 221:4 222:13 245:23 247:8 248:8,11 249:9,20 254:21 255:23 269:25 270:18 272:24 273:15 274:14 305:10 tolerance 198:1 tomorrow 93:22 101:3 252:6 292:16 ton 304:18 tonight 199:21 tonight's 292:14 top 50:8 109:25 110:1 130:20	148:21 188:11 232:14 288:9 topaz 3:14 15:17 topic 94:7 total 17:5 42:8 68:24 89:9 90:19 91:15 98:2 99:10 146:4 154:24 155:12 171:12,21 211:17,21 218:20 218:22 241:11 306:11 traced 97:19 track 17:8 18:4 23:13,16 72:16 254:6 tracking 17:20 20:9,21,21 traded 262:8,14 263:7 traditionally 40:14 traffic 124:19 tragic 57:10 92:17 144:5 transaction 193:23 213:12 225:22 227:20 278:1,19 280:7 289:22 299:14 300:24 304:15 transactions 278:2 transcribed 307:8 transcript 81:6,15 307:9,12,14 transcription 308:7 transcripts 80:10 transition 33:20 61:5 63:1 64:15 179:1
--	--	--	---

transitioned 112:20	229:7 230:9 260:4 268:6 273:5 275:9	132:6 142:19,22 142:23 148:8	256:2 281:12
translate 56:19	285:16 307:9	160:25 177:3	282:15 283:9,10
transport 60:23	truth 191:18	179:25 200:8	283:16,22 296:14
treasuries 197:6	try 46:7,7 54:15	224:21 239:4	296:17,20,21
tree 150:16 198:13	56:18,23 57:1	267:15 271:23	understanding
198:14 204:23	73:13,21 74:1	293:2 296:15	17:13 40:1 117:2
207:10,10,11,14	95:21 102:1	type 42:20 53:19	120:21 127:24
tremendous 61:17	103:23 106:11	88:9 178:13,19	128:4 166:24
trend 34:22,24	207:9 225:8 260:5	196:24 225:24	167:1 169:5
trended 26:12	304:9	types 195:14	183:24 203:2
27:10 28:23	trying 34:14 43:19	typical 87:10	262:22 296:22
trending 24:23	46:5,21 49:3 53:9	148:4	understands 264:2
25:5 74:14	53:20 58:2 63:15	typically 232:18	understood 88:12
trial 215:20 216:1	63:16 90:23 92:25	232:22	90:10 121:15
trick 24:9 205:18	101:12,12 103:6	u	145:16 196:2
trickster 165:4	115:14 157:16	u.s. 57:20 197:6,6	263:24 276:21
trickstery 100:23	165:2 186:1 192:6	ugly 44:22	undertaken 181:5
tricky 115:15,18	213:12 230:24	ultimately 73:1	undertaking
165:3 205:8,10	256:12 260:6	96:4 103:20	229:23 294:10
250:17,22 260:6,9	272:15 274:9	200:14,18 230:23	undertook 295:5
284:10	280:1,21 283:18	275:14 280:17,24	underwrite
tried 39:10,10	290:12 294:13	282:10	262:24
72:22 120:14	299:8	unable 246:4	underwritten
262:21 271:25	tserra 7:20 8:19	unaided 131:15	262:5
280:7	tuck 44:18	unchartered 68:9	undue 273:24
trigger 255:2	tucked 42:24	72:14	unfortunately
tripping 238:24	turn 18:24 32:18	understand 25:16	19:8 68:4 72:16
triquint 184:20	65:3 143:14	26:2,4 27:2,4,5,18	91:18 124:15
trophy 117:22	152:12 156:15	27:19,20,24 30:25	unimpeachable
trouble 47:15 65:6	179:16 202:14	31:3 34:9 35:6,14	230:23
190:3,5 213:18	295:24	36:13,17,24 46:2,6	uniquely 22:2
277:18	turnaround 99:20	53:9 55:4,15	unit 14:13 96:4
true 24:7,10 89:1	102:11	57:13 58:2 67:24	united 73:1
100:11 103:7,8	turned 189:2	72:13 92:3 129:8	units 96:5
109:19,20,21	turning 155:23	132:18 148:16	unknown 101:14
118:6,18 126:23	turns 180:1	149:2 180:8	unnecessary
127:2 144:10	tweet 113:3	182:20 184:21	293:17
162:1 203:3,17	two 21:6 29:4 41:4	191:8 204:25	unpriced 89:20,23
207:22 208:10,12	60:19 61:16	229:4,5 242:4,14	unreal 93:2
216:13 228:13,16	105:13,15 120:23	253:8 255:23	unreasonable
			164:23

unsecured 155:20	value 35:17 44:25	view 37:10 44:20	want 25:1 27:14
unsuccessful	45:11 158:10,11	83:10 132:10	29:14,16 41:18,22
280:9	158:13 160:3	168:21 169:16	42:1 44:1,2,21
untenable 150:19	210:1 212:23	171:23 172:8	45:2 46:1,7 52:24
untricky 103:6	292:8,25	180:2 181:3,23	59:20 62:13 70:12
unusual 134:18,22	values 293:5	204:18 253:23	84:13 92:3 94:6
135:1,3 279:13	variable 197:10	254:10 292:8	96:9 97:14 100:11
288:15	256:24	views 284:8,13	112:2,24 122:23
update 6:12,14,16	variance 197:25	violate 199:23	122:25 124:22
6:18,20,22,24 7:4	200:12	200:7	125:5,5,6 154:3
7:6,8 59:3 65:19	varies 20:20	violation 194:9	160:24 165:25
65:23 71:15 74:9	various 68:1,10	198:21	166:7,21 167:13
83:23 217:4	77:10 109:6	virtually 202:23	171:10 173:8
272:19 286:6	120:14	visits 41:5	175:23 178:3
289:7	vcs 1:3 2:3 14:18	voice 284:4	180:8 182:7,21
updated 272:22	vehicle 77:9	voicing 284:7	186:6 187:19
updates 272:23	vehicles 155:25	volume 68:7 72:21	198:23 200:1
uptick 60:7	156:1 268:1	93:23,24 293:25	212:3 215:22
urgency 257:15	venture 233:14	vote 96:25 270:14	217:17 218:7,8
urgent 223:22	verge 209:19	281:4 283:6,11,24	223:20 230:17,25
224:1	verification 126:5	284:2 302:1	231:6 243:4
use 22:5 43:10	126:19 127:5	303:20	248:10 249:3
52:25 84:3 92:6	veritext 14:23,25	votes 261:6	253:8 256:19
115:19 161:5	306:13	w	257:5 276:1,2,4,6
206:16 247:10	versus 155:20	wachtell 251:6,10	276:11,13 277:11
248:9,12,21,24	viable 100:2	251:13,14 252:7	277:14,15,16
249:4,10 258:20	vibes 122:17	252:12 287:8	279:4 281:11
useful 47:11 119:7	vice 28:5 46:13	wait 25:22 27:25	283:16 288:12,12
119:9 142:9	video 2:7 14:10,14	41:8 46:10 117:17	294:25 301:23
usual 240:4	videographer 4:13	206:6 216:1	304:3 305:19
usually 57:3	14:5,24 16:1	223:20 224:12	wanted 46:18
105:23 109:16	28:12,15 69:17,21	258:25 267:22	62:25 64:15 67:5
226:12 232:25	125:8,11 126:12	275:10 294:12	120:9,20 129:8
utah 119:13	126:15 183:2,6	waiting 27:17	152:13 187:11
utility 44:9	247:24 248:3	224:10	230:19 241:4
v	306:9	waive 198:6	244:21 260:15
v 6:6	videotaped 1:11	walk 167:11	267:23 281:20
vague 147:19	vie 161:6 256:23	walked 123:17	war 105:5
valid 245:3	vies 157:8,15	walking 69:25	warehouses
valuation 292:10	159:22 247:18	wall 79:1 124:23	116:23,25 117:1,5
	256:15,21	125:1	118:21 119:7,8

warranted 67:19 warranting 69:10 warren 262:13 waste 167:13 189:4 301:12,14 wasted 39:18 98:15 wasting 98:7 206:6 215:9,15 219:4 223:3 270:16 water 97:15 187:4 187:11,15 way 19:9,15 24:2 26:8,10,16,21 27:8 40:14 41:12 43:6 59:21 76:21,22,23 89:24 100:19,24 104:9 107:21 110:24 120:13,17 124:6 158:7 174:7 189:2 198:8 205:17 206:24 207:1,6,8 228:10 228:21 230:15 231:1,15 235:4 253:25 254:1 272:16 280:3,4,22 280:25 282:1 284:7,11 287:8 291:19 294:16 299:10 300:5,7 303:17 ways 104:10 120:14 255:21 284:11 we've 18:25 27:21 29:1 64:18 252:24 263:19 266:7 305:13	weaken 218:12 weakened 10:4 218:10 wearing 42:22 website 19:9 32:8 50:19 59:4 65:24 85:8 wednesday 130:21 week 118:3 301:10 301:11 weekend 221:3 222:1,2 weeks 179:17 302:1 weighty 253:14 294:4 weird 160:14 weirdly 160:16 welcome 117:13 229:12 250:21 went 31:25 69:25 92:25 93:1 97:22 124:20 140:11 170:14 198:18 199:21 236:20,24 237:1,3,11,12 242:19 248:7 259:4,10 268:16 275:1,2 285:10 304:17 west 3:9 148:9 wheeler 10:8 154:15 219:1,8,13 219:24 220:20,24 221:4 222:8,13 224:17,23 225:6 226:4 229:13 231:19 287:5 297:19,22,23,25 298:7	wheeler's 225:13 whereof 307:20 whispers 14:8 win 189:8 213:17 216:5 wind 67:5 267:4 winding 202:11 window 257:25 258:1,8,14,15 259:9,16,17,22 262:23 264:6 265:4 269:25 wisely 167:8 wish 106:15 withdraw 87:25 witness 4:3 15:21 15:24 23:4 24:25 25:14,18 26:6,15 27:14,23 28:1,18 28:22 33:14 36:8 43:25 48:23 61:13 64:10 68:21 71:5 77:12,14 78:5 82:23 88:16 90:17 91:12 97:25 99:3 100:22 105:2 108:5 110:9 111:12 115:4 116:13 117:10,17 117:20 123:20 130:2 131:13,25 133:1,13,20 137:1 139:10,18 140:8 142:4 144:9 146:18 147:6 150:1 151:5,8 153:11,23,25 157:22 162:3 163:15 164:19 166:13,24 167:8 168:11 169:5	170:25 171:10 172:4 174:12 177:21 178:24 181:1 187:3,9 193:10 195:8 199:2 209:17 210:12 212:17 214:20 216:19 218:24 219:4,19 220:13 221:10 223:25 224:9 225:10 226:6,15 227:2,14,23 231:13 234:20 238:9 242:3,25 243:9 247:21 250:7,13 252:16 253:14 255:6 260:11 261:18 284:1 285:13,21 286:18 288:22 291:4,25 292:4 293:22 294:18,22 295:13 299:4 300:2 307:20 308:4 wonderful 39:21 wondering 258:24 word 99:5 127:22 127:25 128:1 156:19 181:13 247:13,16 248:9 248:12,21 270:25 293:23 words 39:24 74:17 198:6 248:24 249:4 273:8,23 work 38:3 48:1 49:4 56:23 74:24 89:21 103:20 105:18 110:6
---	---	--	--

155:3 215:13 268:5 285:5 worked 16:13 193:1 workforce 67:13 115:11 118:4 working 33:18 38:2,19,21 40:8 58:7,10 92:14 104:8 109:14 110:12,14 114:19 120:24 211:1 246:5 285:5 299:20 workload 133:21 works 265:12 world 39:21 73:2 73:6,8 74:5 101:21 148:4 world's 61:5 worldwide 113:23 113:24 115:11 124:1 worry 300:2 worse 87:18 88:11 worst 83:7 117:11 worth 104:5 116:25 240:21 wound 109:23 wrapped 170:5 256:10 write 80:7 249:15 writer 132:21 written 19:5 107:6 117:14 wrong 21:18 36:15 57:4,23 98:12 105:6,8,12,24 106:1 117:7 150:16 196:7,21 202:9,12 204:23	210:2 wrote 94:25 x x 1:2,5 2:2,5 5:1,1 6:1,1 7:1,1 8:2,2 9:1,1 10:1,1 11:1 11:1 12:1,1 13:1,1 77:8 79:1 95:15 307:15 x.com 190:23 y yeah 23:20 135:11 153:14,20 155:19 188:18 196:6 year 6:12,20 7:6 11:8 33:8,24 34:8 34:18,21 35:19,24 37:9,16,21 44:7,15 47:16,21 49:8 52:6 65:19,23 66:14,25 67:8 70:22 71:8 72:3 76:3,4 85:9 92:5 95:22,24 96:4,5,7 98:9 102:12 115:6 115:8 169:6 179:13 211:9,24 215:12,21 226:21 235:15,15 237:6 258:7 267:11,12 267:15 268:11 years 39:15,17 60:19 61:16 72:22 93:25 94:4 131:6 145:19 152:20 163:2 164:5 165:18 188:17 203:15 206:16 209:11 220:6 232:4 260:23	266:14 297:16 301:6 yell 262:16 271:24 272:1 yelling 306:7 yesterday 57:19 york 4:8,8 z zagar 3:15 15:17 15:17 166:16 224:25 305:15,22 zero 106:24,25 115:21 139:13 188:20,24,25 191:20 192:8,10 198:16 199:4,7,8 zip2 190:23
---	---	---

1 DELAWARE RULES OF CIVIL PROCEDURE

2 Part V. Depositions and Discovery

3 Title V, Rule 30

4
5 (e) Submission to witness; changes; signing. When
6 the testimony is fully transcribed, the deposition
7 shall be submitted to the witness for examination
8 and shall be read to the witness, unless such
9 examination and reading are waived by the witness
10 and by the parties. Any changes in form or
11 substance which the witness desires to make shall
12 be entered upon the deposition by the officer with
13 a statement of the reasons given by the witness for
14 making them. The deposition shall then be signed by
15 the witness, unless the parties by stipulation
16 waive the signing or the witness is ill or cannot
17 be found or refuses to sign. If the deposition is
18 not signed by the witness within 30 days after the
19 date when the reporter notifies the witness and
20 counsel by mail of the availability for examination
21 by the witness, the officer shall sign it and state
22 on the record the fact of the waiver or of the
23 illness or absence of the witness or the fact of
24 the refusal to sign together with the reason, if
25 any, given therefor; and the deposition may then be

1 used as fully as though signed, unless on a motion
2 to suppress under Rule 32(d) the Court holds that
3 the reasons given for the refusal to sign require
4 rejection of the deposition in whole or in part.

5
6
7
8
9
10 DISCLAIMER: THE FOREGOING CIVIL PROCEDURE RULES
11 ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY.
12 THE ABOVE RULES ARE CURRENT AS OF APRIL 1,
13 2019. PLEASE REFER TO THE APPLICABLE STATE RULES
14 OF CIVIL PROCEDURE FOR UP-TO-DATE INFORMATION.

VERITEXT LEGAL SOLUTIONS
COMPANY CERTIFICATE AND DISCLOSURE STATEMENT

Veritext Legal Solutions represents that the foregoing transcript is a true, correct and complete transcript of the colloquies, questions and answers as submitted by the court reporter. Veritext Legal Solutions further represents that the attached exhibits, if any, are true, correct and complete documents as submitted by the court reporter and/or attorneys in relation to this deposition and that the documents were processed in accordance with our litigation support and production standards.

Veritext Legal Solutions is committed to maintaining the confidentiality of client and witness information, in accordance with the regulations promulgated under the Health Insurance Portability and Accountability Act (HIPAA), as amended with respect to protected health information and the Gramm-Leach-Bliley Act, as amended, with respect to Personally Identifiable Information (PII). Physical transcripts and exhibits are managed under strict facility and personnel access controls. Electronic files of documents are stored in encrypted form and are transmitted in an encrypted fashion to authenticated parties who are permitted to access the material. Our data is hosted in a Tier 4 SSAE 16 certified facility.

Veritext Legal Solutions complies with all federal and State regulations with respect to the provision of court reporting services, and maintains its neutrality and independence regardless of relationship or the financial outcome of any litigation. Veritext requires adherence to the foregoing professional and ethical standards from all of its subcontractors in their independent contractor agreements.

Inquiries about Veritext Legal Solutions' confidentiality and security policies and practices should be directed to Veritext's Client Services Associates indicated on the cover of this document or at www.veritext.com.

THE COURT OF CHANCERY OF THE STATE OF DELAWARE

- - - - -x

IN RE TESLA MOTORS, INC. Consolidated

STOCKHOLDER LITIGATION C.A. No. 12711-VCS

- - - - -x

VIDEOTAPED DEPOSITION OF ELON MUSK

Los Angeles, California

Saturday, August 24, 2019

Volume II

Reported by:

NADIA NEWHART

CSR No. 8714

Page 310

1 THE COURT OF CHANCERY OF THE STATE OF DELAWARE

2 -----x

3 IN RE TESLA MOTORS, INC. Consolidated

4 STOCKHOLDER LITIGATION C.A. No. 12711-VCS

5 -----x

6

7

8 Videotaped deposition of ELON MUSK,

9 Volume II, taken on behalf of Plaintiffs, at

10 1800 Avenue of the Stars, Ninth Floor, Los Angeles,

11 California, beginning at 11:32 a.m. and ending at

12 1:53 p.m. on Saturday, August 24, 2019, before

13 NADIA NEWHART, Certified Shorthand Reporter

14 No. 8714.

15

16

17

18

19

20

21

22

23

24

25

Page 312

1 INDEX

2 WITNESS EXAMINATION

3 ELON MUSK

4 Volume II

5

6 BY MR. BARON 317

7

8

9 EXHIBITS

10 NUMBER DESCRIPTION PAGE

11 Exhibit 1A Document entitled "Forecasted 319

12 MW Inspected v. Actual MW

13 Deployed"; 1 page

14

15 Exhibit 50 Complaint in Wal-Mart v. 321

16 Tesla Energy case; 114 pages

17

18 Exhibit 51 Business Insider document dated 323

19 8/23/19; 4 pages

20

21 Exhibit 52 Tesla Motors, Inc. Form 10-K 334

22 for fiscal year ended

23 December 31, 2015; 109 pages

24

25

Page 311

1 APPEARANCES:

2

3 For Plaintiffs:

4 ROBBINS GELLER RUDMAN & DOWD, LLP

5 BY: RANDALL J. BARON

6 BY: ALEX OUTWATER

7 Attorneys at Law

8 655 West Broadway, Suite 1900

9 San Diego, California 92101

10 619-231-1058

11 randyb@rgrdlaw.com

12

13

14 For the Witness and Director Defendants:

15 CRAVATH, SWAINE & MOORE LLP

16 BY: EVAN CHESLER

17 Attorney at Law

18 825 Eighth Avenue

19 New York, New York 10019-7475

20 212-474-1438

21 echesler@cravath.com

22

23 Videographer:

24 RICHARD FOSTER

25

Page 313

1 INDEX (Continued):

2

3 EXHIBITS

4 NUMBER DESCRIPTION PAGE

5 Exhibit 53 E-mail chain dated 2/13/16 336

6 through 2/14/16;

7 TESLA00724810-814

8

9 Exhibit 54 E-mail chain dated 4/18/16 339

10 through 4/23/16;

11 TESLA00724073-075

12

13 Exhibit 55 Transcription of Q1 2016 Tesla 343

14 Motors, Inc. Earnings Call -

15 Final dated 5/4/16; 18 pages

16

17 Exhibit 56 Tesla Motors, Inc. Form 10-K 352

18 for fiscal year ended

19 March 31, 2016; 51 pages

20

21 Exhibit 57 E-mail chain dated 6/20/16; 361

22 TESLA00094317-318

23

24

25

2 (Pages 310 - 313)

Page 314

1 INDEX (Continued):

2

3 EXHIBITS

4 NUMBER	DESCRIPTION	PAGE
5 Exhibit 58	Transcription of Q2 2016 Tesla	381
6	Motors, Inc. Earnings Call -	
7	Final dated 8/3/16; 17 pages	
8		
9 Exhibit 59	E-mail dated 7/21/16;	402
10	TESLADIR0089140	
11		
12 Exhibit 60	Tesla Board of Directors	402
13	Meeting presentation dated	
14	7/22/16; TESLA00001360-445	
15		
16 Exhibit 61	E-mail dated 7/24/16;	404
17	EVR-TESLA_00164011	
18		
19 Exhibit 62	Tesla Board of Directors	405
20	Meeting presentation dated	
21	7/30/16; TESLA00001112-322	
22		
23 Exhibit 63	E-mail chain dated 8/9/16;	406
24	EVR-TESLA_00085390-391	
25		

Page 315

1 INDEX (Continued):

2

3 EXHIBITS

4 NUMBER	DESCRIPTION	PAGE
5 Exhibit 64	E-mail dated 11/17/16;	416
6	TESLA00095530-531	
7		
8 Exhibit 65	E-mail dated 9/16/16;	421
9	TESLA00010088	
10		
11		
12		
13	PREVIOUSLY MARKED EXHIBITS	
14		
15 NUMBER	PAGE	
16 Exhibit 9	376	
17 Exhibit 46	399	
18		
19		
20		
21		
22		
23		
24		
25		

Page 316

1 Los Angeles, California, Saturday, August 24, 2019

2 11:32 a.m.

3

4 THE VIDEOGRAPHER: Good morning. We're on

5 the record, and the time is 11:32 a.m., and today's

6 date is August 24th, 2019. And this begins the

7 video-recorded deposition of Elon Musk being taken

8 by counsel for plaintiff in re Tesla Motors,

9 Incorporated stockholder litigation filed in the

10 Chancery -- Court of Chancery of the State of

11 Delaware, case number 12711-VCS.

12 This deposition is being held at the office

13 of Irell & Manella located at 1800 Avenue of the

14 Stars, Suite 900, Los Angeles, California. My name

15 is Richard Foster from the firm Veritext Legal

16 Solutions, and I am the videographer. The court

17 reporter is Nadia Newhart from the firm Veritext

18 Legal Solutions. I am not related to any party in

19 this matter, nor do I have any financial interest in

20 its outcome.

21 Will all counsel present please state your

22 appearances for the record.

23 MR. BARON: Randall Baron, Robbins Geller

24 Rudman & Dowd for plaintiffs.

25 MR. OUTWATER: Alex Outwater, Robbins Geller

Page 317

1 Rudman & Dowd for plaintiffs.

2 MR. CHESLER: Evan Chesler with Cravath,

3 Swaine & Moore for defendants.

4 THE VIDEOGRAPHER: Thank you.

5 And could the court reporter please swear in

6 the witness.

7 THE REPORTER: Please raise your right hand.

8

9 ELON MUSK,

10 having been first duly sworn, was examined and

11 testified as follows:

12

13 EXAMINATION

14 BY MR. BARON:

15 Q Mr. Musk, I -- I think we have a deal, but I

16 want to confirm that on the record. Our deal is

17 that you are going to respond to my questions, not

18 be insulting, not go on diatribes, and I'm going to

19 try to get this done in two hours.

20 Is that how you understand our deal today?

21 A Actually, I -- I wasn't aware of that, but if

22 you would like to get it done in two hours, that

23 sounds great.

24 [REDACTED]

25 [REDACTED]

Page 318

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 Do me a favor. Already we're sort of talking
14 over each other, and she'll get mad at us if we do
15 that. So again, I'll try to finish my question
16 before you answer if you try to finish -- or wait
17 until I finish my question and I'll try to wait
18 until you finish your answer.
19 Can you do that?
20 A Let's move on.
21 MR. BARON: I want to start off, sort of,
22 updating where we were last time.
23 Can I have this updated chart. I'm going to
24 mark this exhibit as Musk Exhibit 1A. Here I go. I
25 have to get used to working with my left hand.

Page 319

1 (Exhibit 1A was marked for identification
2 by the court reporter and is attached hereto.)
3 BY MR. BARON:
4 Q Exhibit 1A is an updated chart. You
5 recognize this as being the chart that we spent some
6 time with on your last deposition, comparing the
7 megawatts employed at SolarCity -- or at Tesla now,
8 versus what was in the projections that were
9 provided to shareholders in the proxy?
10 Do you recognize this?
11 A Yes.
12 Q Okay. And you can see that the current
13 quarter -- the current quarter, Q2 2019, you
14 reported 29 megawatts deployed.
15 Do you see that?
16 A Yes.
17 Q Is that accurate?
18 A Yes.
19 Q And -- and last time, you told me I should
20 just wait a couple of quarters and I'm going to see
21 a vast improvement.
22 A I believe that's correct.
23 Q And, in fact, there was no improvement. In
24 fact, there was about a 40 percent decline from the
25 quarter before, correct?

Page 320

1 A I said the -- the -- when -- when we last
2 talked, that the quarters ahead, not -- not Q2,
3 would show a significant improvement. I believe
4 that still to be the case.
5 Q There was a 40 percent decline or so from --
6 from Q1 to Q2, correct?
7 A That is correct.
8 Q Okay. And is that because you were still not
9 prepared to do what it takes in order to grow the
10 business because of the Model 3, or was there some
11 other reason that megawatts continued to decline?
12 MR. CHESLER: Objection to the form.
13 THE WITNESS: We spent time reallocating
14 resources to Solar and rethinking the best way to
15 sell and install and execute on Solar. And so with
16 regard to Q2 as a period of reorganization and
17 reallocation of resources, and I expect that -- that
18 we will see the results significantly in Q3 and Q4.
19 BY MR. BARON:
20 Q Okay. So you'll have reall- -- you'll have
21 now reall- -- you have now reallocated resources to
22 improve Solar; is that what you're telling us?
23 A Yes. So the -- the resources that I -- I
24 took from Solar to help with the Model 3 program I
25 have restored to the Solar program. So the

Page 321

1 results -- we will see what the results are, but I
2 am confident that they will be good.
3 MR. BARON: Okay. Let me show you another
4 document. I'd like to mark as Exhibit 51 a
5 complaint from the Supreme Court of the State of New
6 York in Wal-Mart v. Tesla Energy.
7 Mark that as Exhibit 51, please.
8 THE REPORTER: 51 or 50? I --
9 MR. BARON: Is it 50 or 51?
10 MR. OUTWATER: 50.
11 MR. BARON: 50, sorry.
12 MR. CHESLER: She's going to give --
13 THE WITNESS: Oh, okay. Sorry.
14 MR. CHESLER: Did you -- yeah, she's going to
15 put a sticker on it and give you her copy.
16 THE WITNESS: Oh, okay.
17 (Exhibit 50 was marked for identification
18 by the court reporter and is attached hereto.)
19 THE WITNESS: Thank you.
20 BY MR. BARON:
21 Q I'm showing you what's been marked Exhibit 50
22 which is a complaint against Tesla from Wal-Mart
23 regarding fires and other problems caused by in- --
24 installation of solar systems.
25 Have you seen this document before?

Page 322

1 A I have not read the full document, but I'm
2 aware of it.
3 Q Okay. The problem that this addresses is
4 that a problem that has caused you to have to
5 allocate resources away from production and
6 deployment towards remediation of problems?
7 A In -- in this case, the -- this was a
8 long-running dispute where Wal-Mart's solar system's
9 were de-energized, I think, 16 or 17 months ago.
10 And the re- -- re-energizing those was dependent
11 upon achieving resolution with the Wal-Mart.
12 The -- I have been led to believe by my legal
13 team that we were close to achieving resolution.
14 And so I was quite surprised to see this lawsuit
15 filed on -- on Monday. I -- I talked to the CEO of
16 Wal-Mart on Tuesday. We figured out a resolution,
17 and this -- this lawsuit is going to be withdrawn.
18 Q The question was, did you have to reallocate
19 resources from increasing deployment in order to
20 account for problems you were having with your Solar
21 systems catching on fire?
22 A No, not yet, no. In fact, with -- in fact,
23 one of the -- one of the elements of the
24 agreement with Wal-Mart --
25 THE REPORTER: "One of the" what?

Page 323

1 THE WITNESS: Sorry. One of the -- the
2 elements of the agreement with Wal-Mart is that the
3 inspection and any -- anything that needs to be
4 fixed or repaired will be done by a -- a third
5 party.
6 BY MR. BARON:
7 Q Who's going to pay that third party?
8 A Tesla will pay for the third party.
9 Q So you don't have to reallocate your internal
10 resources; you just have to spend money, correct?
11 A Yes. I don't think a lot of money, but yes.
12 MR. BARON: All right.
13 Can I see the Project Titan, please.
14 MR. OUTWATER: Yes.
15 MR. BARON: We'll mark this as Exhibit 52,
16 please.
17 MR. CHESLER: Isn't this 51?
18 MR. BARON: Oh, yeah, 51. I'll do that all
19 day long.
20 (Exhibit 51 was marked for identification
21 by the court reporter and is attached hereto.)
22 BY MR. BARON:
23 Q I'm showing you an article that was published
24 yesterday --
25 A Uh-huh.

Page 324

1 Q -- in the Business Insider about a Project
2 Titan which they identify as a stealth nationwide
3 program to replace so -- sono- -- solar panel parts
4 that cause fires.
5 Have you seen this article before?
6 A I haven't read the article, but Business
7 Insider will frequently -- does attack pieces like
8 this.
9 Q Okay. Is it true that there is a -- there's
10 such a thing called Project Titan that was a stealth
11 nationwide program to replace solar panel parts that
12 caused fires?
13 A It is accurate that there's a thing called
14 Project Titan. I wouldn't call it stealth.
15 Q Okay. And --
16 A This not possible to have such a program --
17 program to be -- be stealth.
18 Q And what is Project Titan?
19 A Proj- -- Project Titan is going back and
20 inspecting all the roofs that had Amphenol
21 connectors, to determine whether they're -- they're
22 operating safely and -- and correctly.
23 Q Okay. And again, did that require you to
24 deploy people from the process of actively
25 increasing megawatts in order to inspect prior

Page 325

1 commercial installations?
2 A These are not commercial; these are primarily
3 residential.
4 Q Okay.
5 A But in -- in this case, this -- this was an
6 impact on -- on deployment of Solar, yes. And like
7 the Wal-Mart situation, this -- this had a -- and I
8 can't say the exact magnitude, but it had an unusual
9 impact on our ability for deployments, because we
10 reallocated our -- our team to prioritize inspecting
11 the existing systems.
12 Q And when did you start Project Titan?
13 A I'm not sure of the exact date, and I think
14 it really just got going before it had a name. But
15 I -- I think it's been somewhere a year and a year
16 and a half.
17 Q Okay. And is that -- is that -- are you
18 inspecting installations that Tesla made -- put
19 forth, or are you inspecting legacy SolarCity
20 installations?
21 A I believe these are primarily -- possibly all
22 legacy SolarCity, but I'm not certain. I think -- I
23 think they're all legacy SolarCity.
24 Q Right. And when did you learn that you had
25 problems of fires starting from these legacy

<p style="text-align: right;">Page 326</p> <p>1 SolarCity installations?</p> <p>2 A I think it was around -- around 12 to</p> <p>3 18 months ago.</p> <p>4 Q How did you learn about it?</p> <p>5 A I was informed by the team that we were</p> <p>6 having trouble with some of the Amphenol connectors</p> <p>7 and that -- that in some cases they posed a fire</p> <p>8 risk. I asked about the magnitude of the fire risk.</p> <p>9 They said this was not something that would cause a</p> <p>10 house to burn down, but it would cause a solar</p> <p>11 system to fail and would, obviously, be alarming to</p> <p>12 the homeowner.</p> <p>13 Q Last time when we spoke, you told me that</p> <p>14 because of the deployments going significantly down</p> <p>15 was because you redeployed to Model 3.</p> <p>16 Is there a reason you didn't tell me that you</p> <p>17 also had deployments towards Project Titan to</p> <p>18 remediate problems?</p> <p>19 A Well, there's -- there's two elements to --</p> <p>20 there's -- there's demand generation, and then</p> <p>21 there's installation. And this was mostly in- --</p> <p>22 installation as opposed to demand generation, yeah.</p> <p>23 Q Again, when you were talk- -- talking about</p> <p>24 that you did not have sufficient resources to</p> <p>25 continue to keep your megawatts deployed consistent</p>	<p style="text-align: right;">Page 328</p> <p>1 resources to -- to grow the business; is that a fair</p> <p>2 statement?</p> <p>3 MR. CHESLER: Objection to the form.</p> <p>4 THE WITNESS: I -- I believe we will see a</p> <p>5 rapid turnaround in Solar deployment.</p> <p>6 BY MR. BARON:</p> <p>7 Q Because you think it's a better time now than</p> <p>8 it was in 2017 when you bought the company?</p> <p>9 A Yes. At this point, I feel like the Model 3</p> <p>10 program is doing well. Our vehicle program is doing</p> <p>11 well. And, in fact, I -- I gave -- when I -- I gave</p> <p>12 a talk for the company's -- for the company every</p> <p>13 three months. And I, a few weeks ago when I gave my</p> <p>14 talk, made it clear that it is -- it's time to turn</p> <p>15 our focus to solar and energy storage but Tesla</p> <p>16 Energy essentially and -- because we are now in good</p> <p>17 shape on the vehicle side.</p> <p>18 Q Okay. And just so that we're clear, that --</p> <p>19 from what SolarCity was doing to today, a number of</p> <p>20 programs -- in fact, most of the programs that would</p> <p>21 lead to demand in megawatts have been canceled,</p> <p>22 correct?</p> <p>23 A No. I'm not sure what you mean.</p> <p>24 Q Let's -- let's go through it.</p> <p>25 SolarCity's door-to-door sales, those got</p>
<p style="text-align: right;">Page 327</p> <p>1 with what the projections were, you -- you blamed</p> <p>2 that all on Model 3 which you said was above the</p> <p>3 company number, and it was not the right time to</p> <p>4 spend the money on Solar. It was the time to spend</p> <p>5 the time and resources on Model 3, correct?</p> <p>6 A Yeah. And just organizational attention</p> <p>7 overall. That -- that was alarmingly the -- the</p> <p>8 factor in the declining solar sales and</p> <p>9 installation.</p> <p>10 Q Is there a reason you didn't tell me about</p> <p>11 Project Titan at the time, or did you just not think</p> <p>12 about it?</p> <p>13 MR. CHESLER: Objection to the form.</p> <p>14 THE WITNESS: I did not think it's -- it's --</p> <p>15 I did not think it's the -- enough of -- of an</p> <p>16 effect on the solar demand generation especially to</p> <p>17 be a factor in this. The -- I would regard the --</p> <p>18 the, overwhelmingly, the issue being organizational</p> <p>19 attention, organizational resources in general as</p> <p>20 for the -- for the client Solar.</p> <p>21 And as I mentioned earlier, I expect that to</p> <p>22 turn around in Q3 and Q4 and Q1 and to be steadily</p> <p>23 increasing after that.</p> <p>24 BY MR. BARON:</p> <p>25 Q So now is a better time to deploy those</p>	<p style="text-align: right;">Page 329</p> <p>1 canceled after Tesla acquired SolarCity, correct?</p> <p>2 A Yes.</p> <p>3 Q Tesla -- Tesla -- or SolarCity had outside</p> <p>4 sales in big box stores like Home Depot, Best Buy,</p> <p>5 other location -- other locations. Tesla canceled</p> <p>6 that, correct?</p> <p>7 A Yes.</p> <p>8 Q The -- SolarCity had an outside sales</p> <p>9 department where they would actually go and do</p> <p>10 in-home appointments and meet with people. Tesla</p> <p>11 canceled that, correct?</p> <p>12 A I don't think that's correct.</p> <p>13 Q Do you still think that you do outside sales?</p> <p>14 Do you still have a team of people that go -- go</p> <p>15 and -- and actually go to people's houses and do</p> <p>16 sales? I thought that you announced that all you</p> <p>17 did anymore was online or coming in to a Tesla</p> <p>18 store.</p> <p>19 A No. We have -- it actually -- the term</p> <p>20 you're actually looking for is inside sales.</p> <p>21 Essentially, if somebody calls Tesla, we have an</p> <p>22 inside sales team that can help them with solar.</p> <p>23 And if they would like to have somebody visit their</p> <p>24 house, well, they're -- we're happy to do that.</p> <p>25 Q So you do have an outside sales team?</p>

6 (Pages 326 - 329)

Page 330

1 A It's technically an inside sales team.
2 Q How many people do you have available to go
3 out and meet with people?
4 A I actually don't know the exact number.
5 Q Okay.
6 A But it's -- it's meaningful.
7 Q Does Tesla -- does -- does SolarCity usually
8 do significant digital marketing -- does Tesla do
9 digital marketing for solar?
10 A We don't do advertising, but we do -- it's
11 fair to say we do additional market- -- marketing
12 via social media.
13 Q How is that? In what way -- in what matter
14 do you do digital marketing for SolarCity?
15 A Through our social media channels, we -- we
16 promote solar and talk about the benefits of the
17 solar, you know, through YouTube, Instagram,
18 Twitter, through conventional media stories,
19 essentially, you know, press communications and
20 social media communications.
21 Q Okay.
22 THE REPORTER: What was the first
23 communication?
24 THE WITNESS: Just sort of conventional
25 press, as well as social media.

Page 331

1 BY MR. BARON:
2 Q SolarCity used to sell -- sell through
3 kiosks. Tesla doesn't do that anymore either,
4 correct?
5 A Well, we -- we -- we did -- we have
6 effectively transferred those kiosks to Tesla
7 stores.
8 Q Okay. So there are no more kiosks. The
9 answer to that is yes, you don't do kiosks.
10 A No. The answer is we do do kiosks in Tesla
11 stores --
12 Q All right.
13 A -- which we said at the time of the
14 acquisition that we do.
15 Q You don't do -- you don't do outbound calls
16 anymore?
17 A We don't call people randomly.
18 Q And you don't do mail drop campaigns anymore,
19 correct?
20 A It's -- it's accurate to say if -- if
21 somebody has made an expression of interest by
22 signing up for a newsletter or some indication or
23 interest in solar, that we do outbound calls. We --
24 we don't send people physical mail. We do send
25 people e-mail.

Page 332

1 Q Okay. All right. Spam e-mail or just
2 e-mails in response to people signing up and --
3 or -- signing up online?
4 A They have to have some expression of interest
5 in -- in solar.
6 Q All right. By the way, Project Titan wasn't
7 disclosed in SEC filings. Do you know why?
8 A I assumed it was not known at the time.
9 Q Project Titan?
10 A Yes.
11 Q Do you know how much is being spent on
12 Project Titan?
13 A I don't know the exact number.
14 Q Do you have a general idea?
15 A I don't have, no. It's -- it's -- I don't
16 believe it is material enough to show up in our
17 financial statements.
18 Q Okay. I'd like to sort of move on to -- to
19 be consistent with what we're talking about, about
20 the right time to buy SolarCity.
21 Last time you made it very clear that mak- --
22 making a car or getting a car up to --
23 A Uh-huh.
24 Q -- production was very, very difficult. You
25 said that, you know, in a hundred years, many have

Page 333

1 tried, and they have all failed.
2 So you -- you acknowledged how important that
3 was and how hard it was.
4 A Uh-huh.
5 Q And it's true that you were well aware of how
6 important that was and how hard it was at the time
7 you were considering buying SolarCity and throughout
8 the process of the acquisition, correct?
9 A Yes. I -- I, obviously, thought it would be
10 difficult. It was -- I thought it would be very
11 difficult. It turned out to be extraordinarily
12 difficult.
13 If I -- if I thought, perhaps, it would be a
14 difficulty like 9 out of 10 difficulty, I actually
15 had the scale wrong. It was more like 11 out of 10.
16 Q But you were sure it was going to be a
17 significant, significant problem -- difficulty well
18 back in -- sorry, in 2016, right?
19 Even as early as February 2016, you were
20 already telling, you know, the market and telling
21 investors and the SEC how hard it was going to be,
22 correct?
23 A Yes.
24 Q All right. As early as -- to make sure I
25 have -- I may not need it. We'll see -- as

Page 334

1 February 24th, 2016 in a 10-K, you un- -- unveiled
2 and you publicly talked about that your plan was to
3 start production and deliveries of the Model 3 in
4 late 2017, correct?
5 So that was your --
6 A Uh-huh.
7 Q -- original goal, correct?
8 A Sorry. March of 20- -- we've -- we've had at
9 various times different goals for the Model 3
10 production. It also depends on what you mean by
11 start a production versus volume production. Those
12 are two different things.
13 THE REPORTER: "Start a production versus"
14 what?
15 THE WITNESS: Volume production.
16 MR. BARON: Can you mark this as Exhibit 52.
17 Right?
18 THE REPORTER: Yes.
19 MR. BARON: It will be the only time I get it
20 right all day.
21 (Exhibit 52 was marked for identification
22 by the court reporter and is attached hereto.)
23 BY MR. BARON:
24 Q If you'd go to Exhibit 52. And what you'll
25 see is this is a Form 10-K that was filed by Tesla

Page 335

1 Motors. I am assuming that you had some say or
2 oversight in this filing.
3 Is that an accurate statement?
4 A Some say, yeah. I wouldn't say it's a
5 detailed recollection of every element of it, but I
6 certainly had some say in it.
7 Q All right. If you'd go to page 5 of this
8 document, in- -- internal page 5.
9 A Okay.
10 Q Do you see that?
11 A Okay. Yeah.
12 Q Where it talks about the Model 3, do you
13 say -- see where it says (as read):
14 "We plan to unveil Model 3 in March
15 of 2016 and expect to start
16 production and deliveries of this
17 vehicle in late 2017?"
18 Do you see that?
19 A Yes.
20 Q At the time, did you believe that to be an
21 accurate statement?
22 A Yes.
23 Q All right. So at the time in -- in, again,
24 February of 2016, you understood that -- that you
25 were trying to do something that had not yet been

Page 336

1 achieved in over a hundred years in the United
2 States, correct?
3 A Yes.
4 MR. BARON: Can I -- I'd like to show you an
5 e-mail chain from, again, February 2016.
6 Can we mark this as Exhibit 53, please.
7 THE REPORTER: 5- --
8 MR. CHESLER: -3.
9 MR. BARON: What are we at?
10 MR. CHESLER: 53.
11 MR. BARON: I was right again.
12 (Exhibit 53 was marked for identification
13 by the court reporter and is attached hereto.)
14 BY MR. BARON:
15 Q So again, I'm showing you a document, an
16 e-mail chain. The first page of the e-mail chain is
17 from -- an e-mail from Mark Lipscomb to Jon McNeill.
18 But if you go down to what is TESLA -- and you'll
19 see the Bates number on the bottom 724813.
20 Can you go to that, please, and there's an
21 e-mail between you and Mr. Lipscomb and Jon McNeill,
22 subject, "Top salespeople weekend."
23 Do you see that e-mail?
24 A Yes.
25 Q Okay. And in this e-mail, as of

Page 337

1 February 14th --
2 MR. CHESLER: Wait a minute. He's on the
3 wrong page. Sorry.
4 THE WITNESS: Oh, sorry. Which page?
5 MR. CHESLER: 81- -- look for the 813.
6 THE WITNESS: Oh, got it. Okay. It's
7 towards the end.
8 BY MR. BARON:
9 Q Okay. February 14th, you wrote (as read):
10 "I just made it" -- "I just gave a
11 company talk making it clear that we
12 need to save costs or we are fucking
13 doomed. This words need to be taken
14 to heart. There is zero appetite
15 for invest-" -- "investors to give
16 Tesla more money."
17 Do you see that?
18 A Yes.
19 Q In what way was Tesla fucking doomed if they
20 did not save costs in February of 2016?
21 A Well, I mean, I -- I tend to use your
22 colorful language to make a point.
23 Q It's your language, not mine.
24 A Yes, yes. I mean, so, you know, there's some
25 hyperbole here. To be clear, you know, it's not --

Page 338

1 I'm -- I'm trying to make a point. I'm trying to
 2 make sure people take action. So this language
 3 would be more hyperbolic than, you know, calm
 4 language. But calm language gets less done.
 5 Q What's your point?
 6 A My point is I -- I don't think we're --
 7 fucking doomed is -- I -- I think we probably would
 8 have -- would have made it. I just -- this was -- I
 9 was trying to inspire -- inspire action here. So --
 10 but, obviously, we need to save costs, and we need
 11 to take it seriously.
 12 Q What you're saying is that where the company
 13 was with the amount of cash that you had, the amount
 14 of loans that you needed to take, that if you aren't
 15 saving costs, that -- it is a critical time in the
 16 company.
 17 Isn't that what you're saying?
 18 A Yes. Yeah, that's accurate.
 19 Q And it was a critical time in the company
 20 that needed to focus on the core business of the
 21 company which was selling cars and finding a way to
 22 get to Model 3 up to full production, correct?
 23 A Yes, definitely. I mean, it's certainly
 24 not -- it's not a time to spend money on a
 25 boondoggle as a resort.

Page 339

1 THE REPORTER: On a what?
 2 THE WITNESS: On a boondoggle.
 3 MR. CHESLER: Boondoggle.
 4 THE WITNESS: Not -- not a good time for
 5 boondoggle resort expenses, you know...
 6 MR. BARON: Can you mark that as Exhibit 54,
 7 please. Sorry about that.
 8 (Exhibit 54 was marked for identification
 9 by the court reporter and is attached hereto.)
 10 BY MR. BARON:
 11 Q I'm showing you an e-mail chain from, again,
 12 now April 2016. And in this e-mail chain, there
 13 appears to be discussions of warehouse line issues,
 14 et cetera.
 15 Do you see the e-mail between Mr. Jeff Brown
 16 and you dated April 18th? Can you tell me what the
 17 e-mail exchange was about.
 18 A Are you talking about the first page, or
 19 something --
 20 Q No. The last page --
 21 A Okay.
 22 Q So -- so the way -- and -- and I apologize.
 23 A Okay.
 24 Q When I give you e-mail document chains --
 25 A You start backwards.

Page 340

1 Q -- you start backwards and go forward.
 2 A Yeah, I understand.
 3 MR. CHESLER: So it's the last e-mail in the
 4 chain.
 5 THE WITNESS: Yes. It was (unintelligible.)
 6 THE REPORTER: "Yes, it was" what?
 7 THE WITNESS: Oh, sorry. I was just
 8 clarifying. Is it the e-mail that starts with --
 9 yeah, the -- from Jeff Brown, yeah.
 10 BY MR. BARON:
 11 Q Yeah. Tell me what the -- what the nature of
 12 that conversation was.
 13 MR. CHESLER: Take a minute just to read it.
 14 THE WITNESS: Yeah, I just need to read it
 15 for a second.
 16 Oh, yeah. This was with respect to more bank
 17 financing for automotive leases.
 18 BY MR. BARON:
 19 Q All right. And then above, you talk about --
 20 and again, it is in the e-mail from -- what were you
 21 laughing about?
 22 A I'm just looking -- laughing at my own
 23 language, at this (as read):
 24 "Are we being too aggressive in our
 25 residual assumptions?" That would

Page 341

1 obviously make any financial
 2 institution with a brain not want to
 3 work with us."
 4 Q That's sort of where I was going. So let's
 5 talk about that -- that -- sort of that -- the
 6 sentence that is on the top of page 724074. And
 7 that is an e-mail from Jon that says first (as
 8 read):
 9 "I'd like to get an investment
 10 banker or two in to talk about
 11 securitization and the" --
 12 MR. CHESLER: I -- I'm sorry, Randy. I don't
 13 mean to interrupt you. Are you talking about the
 14 e-mail that begins on the bottom of the page before?
 15 MR. BARON: Yeah.
 16 Q And I -- I think that's from Jon -- that's
 17 from Jon McNeill, right?
 18 MR. CHESLER: It's the e-mail that begins at
 19 the bottom of the first page and carries over.
 20 THE WITNESS: All right. Okay.
 21 BY MR. BARON:
 22 Q And there's a discussion here about getting
 23 an investment banker to talk about securitization
 24 and the ADS option.
 25 Do you know what that is?

Page 342

1 A Yes. It's -- shall I explain or --

2 Q Yes, please.

3 A This is with respect to Model 3 leases as

4 well as Model 3 vehicles that have been completed

5 and are en route to customers.

6 Q Okay. And it says (as read):

7 "In our current situation, we need

8 to move beyond warehouse lines and

9 especially for Model 3, ABS needs to

10 be part of our solution."

11 A Yeah.

12 Q Do you see that?

13 A Yes.

14 Q What do you mean -- or what did he mean, if

15 you know?

16 A It -- it -- what he's referring to is

17 asset-backed securitization needs to be part of our

18 solution. So when creating -- issuing a series of

19 leases, in order to take the leases off our books,

20 which is a standard practice of car -- car

21 companies, you package the leases and turn them into

22 a security. And then you -- you sell that security

23 to -- as a -- as a bond to bond buyers.

24 Q Okay. And was that active program that you

25 started in April and tried to build up in order to,

Page 343

1 again, make sure that you had enough cash moving

2 forward?

3 A Yes.

4 Q Was it complicated?

5 A I wouldn't say it's especially complicated,

6 no. It's pretty simple actually.

7 MR. BARON: I'd like to show you another

8 document. Now, this is in May of 2016.

9 THE WITNESS: Sorry to trouble you. Do you

10 have a tissue or something?

11 MR. CHESLER: Sure.

12 MR. BARON: And -- and we can go off the

13 record at any time you want. You are not a prisoner

14 here.

15 MR. CHESLER: Hold on. I'll get you

16 something.

17 MR. BARON: Mark that as Exhibit 54.

18 THE REPORTER: 55.

19 (Exhibit 55 was marked for identification

20 by the court reporter and is attached hereto.)

21 MR. BARON: See what happens?

22 (Mr. Chesler left the proceedings.)

23 THE REPORTER: Should we go off?

24 MR. BARON: Yeah. Why don't we go off.

25 THE VIDEOGRAPHER: Off the record. The time

Page 344

1 is 12:05 p.m.

2 (Recess.)

3 (Mr. Chesler re-entered the proceedings.)

4 THE VIDEOGRAPHER: Back on --

5 THE REPORTER: Go ahead.

6 THE VIDEOGRAPHER: Back on the record. The

7 time is 12:08 p.m.

8 BY MR. BARON:

9 Q I -- I'm showing you a document which is a

10 transcription of -- on earning calls --

11 A Oh, sorry, uh-huh.

12 Q -- from May 4th, 2016.

13 And in this earning call -- and you can go

14 down to the bottom of the first page -- do you see

15 that you --

16 A Uh-huh.

17 Q -- indicated that Tesla was now aiming to get

18 half a million unit per year run rate at -- in 2018

19 instead of 2020?

20 Do you see that?

21 A I'm sorry. Is that the first page or --

22 MR. CHESLER: Yeah, bottom of the first page.

23 MR. BARON: Bottom of the first page.

24 THE WITNESS: Yeah, yeah.

25 BY MR. BARON:

Page 345

1 Q And is that because -- and is that statement

2 saying that you think things are going so well in

3 Model 3 that you're going to be able to move things

4 up, or are you at this point realizing that Model 3

5 was -- how do you say it? Instead of a 9 or a 10 on

6 the scale, more like an 11, 12 on difficulty?

7 A I'd say 11. Let's not get crazy with the 12.

8 Q All right. 11. I'm trying to keep the

9 scale, just so we -- we can keep our scale right.

10 A Sure. It's like "Spinal Tap," you know.

11 Q One louder?

12 A 11 is louder than 10?

13 Q With one louder.

14 A Yes, one louder.

15 MR. OUTWATER: This one goes to 11.

16 THE WITNESS: This one goes to 11, because,

17 yeah, 11 is actually louder than 10.

18 BY MR. BARON:

19 Q Is one louder.

20 A The Model S -- the Model SX and 3, the volume

21 goes to 11.

22 THE REPORTER: The --

23 BY MR. BARON:

24 Q Does it really?

25 A Yes.

Page 346

1 Q That's really funny.
 2 A Yeah.
 3 Q I -- I -- that's -- that's nice. I like
 4 that.
 5 So let's -- so I -- I just want to make sure
 6 that I understand the scale.
 7 Back in February when we -- you talked about
 8 it and you knew it was difficult, at that point it
 9 was a nine or a ten. At some point --
 10 A Yes.
 11 Q -- it moved to an 11.
 12 As of April of 2016, had it moved to an 11
 13 yet?
 14 A No.
 15 Q Okay. Had you thought that it was going to
 16 be easier than you thought? Had it moved down in
 17 your -- your estimation that it was going to be
 18 easier?
 19 A Actually, probably, it had -- I probably -- I
 20 probably thought at some -- I probably thought it
 21 was like maybe eight out of ten. The -- and I --
 22 and I mean, at -- at the risk of giving -- giving
 23 answers that are longer than I should and making
 24 myself vulnerable, the -- the -- I -- I thought if
 25 we -- if we are more aggressive in the schedule --

Page 347

1 but essentially, schedules -- it's rare for -- for
 2 any complex manufacturer product to be on schedule,
 3 because you're going to go as fast as the slowest
 4 item.
 5 And so it's kind of like the term paper
 6 problem. I was a TA in college, and no matter what
 7 date you set for the term paper, some people were
 8 going to be late.
 9 Q Really?
 10 A Yes.
 11 Q Not in my classes.
 12 A Well, maybe you just had a very --
 13 Q No, I -- I teach a class. I'm not letting
 14 people be late no matter what, so...
 15 A Okay. Well, you're -- you're hard core. If
 16 you have a big class and especially if it's an
 17 under- -- undergrad class, I've never seen it happen
 18 where they all came in on time.
 19 Q That's fair. So let -- I think you said
 20 that. So if you turn to page 3 of your conference
 21 call, you fundamental -- look to the la- -- or the
 22 one, two, three, fourth full paragraph down where
 23 you say (as read):
 24 "Nonetheless, we need to, both
 25 internally and with suppliers, take

Page 348

1 that date seriously, and there needs
 2 to be some penalties for anyone
 3 internally or externally who does
 4 not meet the timeframes. This has
 5 to be the case because there's just
 6 no way that you can have several
 7 thousand components, all of whom
 8 make it on a particular date. The
 9 reality is that volume production
 10 will then be some number of months
 11 later, as we solve the supply chain
 12 and internal production issues."
 13 So that's what you meant?
 14 A Exactly, yes.
 15 Q All right. So again, you were pushing the
 16 date forward, but even at the time you understood
 17 that with thousands of components and, in fact,
 18 trying to build a machine to build machines --
 19 A Uh-huh.
 20 Q -- it was still going to be exceedingly
 21 complicated?
 22 A Absolutely.
 23 Q And difficult?
 24 A Yes.
 25 Q And expensive?

Page 349

1 A Yes. Yeah, that's a -- yeah, especially
 2 2018, worst year of my career by far.
 3 Q Well, and just so that we're clear, you
 4 thought you would get to -- and again, we saw the
 5 one in February. You were hoping to get to
 6 production by end of -- production and delivery by
 7 end of 2017.
 8 Now, by Q1 2016, in the conference call, now
 9 you're pretty sure that that's not going to happen
 10 in 2017. It's going to be sometime in 2018,
 11 correct?
 12 MR. CHESLER: I think it's Q2, Randy.
 13 MR. BARON: This -- I'm sorry. This is the
 14 Q1 conference call.
 15 MR. CHESLER: Oh, oh, I'm sorry. Okay.
 16 THE WITNESS: I -- I think it's important to
 17 distinguish start of production versus volume
 18 production. So start of production is relatively
 19 easy. But volume production is -- is -- is hard.
 20 And this is because for production of any
 21 large complex item -- perhaps even small less
 22 complex items, it tends to follow an S curve where
 23 the production is at first slow, and then it ramps
 24 up exponentially, goes linear and then tails off.
 25 BY MR. BARON:

Page 350

1 Q So again, I -- I guess my question is much
2 simpler than that, though.
3 As of May 2016, did you believe that you were
4 still going to be able to begin production and
5 delivery in 2017?
6 A Yes.
7 Q Okay.
8 A We -- we did.
9 Q Turn, if you would, to page 7 of this
10 document. And there's -- Mr. Straubel, on the very
11 bottom under the second to the last paragraph, is
12 talking about (as read):
13 "We've discussed previously, this
14 is a small part of why Gigafactory
15 was, we accelerate some of our plans
16 there, and we're still on track to
17 have the first cell production
18 starting at the end of the year."
19 Do you see that?
20 A Yes.
21 Q All right. So simultaneously to the project
22 with Model 3 was also Gigafactory, which was, in
23 large part, associated with Model 3, correct?
24 A Yes. Gigafactory, in fact, is almost
25 entirely about supplying battery -- batteries and

Page 351

1 power trains to Model 3. For all intents and
2 purposes, Gigafactory is entirely driven by Model 3.
3 The other items there are not material.
4 Q All right. So in your, you know, scale of
5 one to ten, how hard it is on the nine to ten level,
6 is the Gigafactory, in your mind, part of that --
7 A Yes.
8 Q -- or the Gigafactory another problem --
9 another issue that you actually have to do that has
10 its own challenges?
11 A Gigafactory is -- is part of that 9 out of 10
12 or 11 out of 10 difficulty issue.
13 Q Okay. Now -- it's funny. I -- I just
14 thought I'd show you that the -- you are at least
15 consistent with your analogies. If you go to page 9
16 of this --
17 A Yes.
18 Q -- document, you -- actually, on the third to
19 the last paragraph, you say just like a college term
20 paper, they always -- there are always late papers.
21 You made the same analogy.
22 A Yes.
23 Q Actually, what I wrote was, did they really
24 let you do that in college? Because they didn't let
25 me. So I had the same -- I had the same question.

Page 352

1 But again, I think that the point that you were
2 making is that you understood that the Model 3
3 required, I guess, some 6,000 to 7,000 unique
4 components and that you understood that that was
5 going to be difficult to get them all there on time,
6 correct?
7 A Yes. And that is actually, I would say, an
8 underestimate. The number of unit components is
9 probably closer to 9,000.
10 MR. BARON: Okay. So can you give my the
11 next document.
12 Again, it's the 10-Q on the -- from that
13 date. I'd like to mark this as Exhibit 56, please.
14 It sounded bad.
15 (Exhibit 56 was marked for identification
16 by the court reporter and is attached hereto.)
17 BY MR. BARON:
18 Q So now this is still -- this is the 10-Q
19 filed in -- on -- for quarter end March 31st, but it
20 was filed in May.
21 MR. CHESLER: No. The quarterly period ended
22 June 30th.
23 MR. BARON: Yeah, but it was filed on May
24 10th.
25 THE WITNESS: Sure, sure.

Page 353

1 BY MR. BARON:
2 Q Anyway, I -- I can show you where in the
3 document, but trust me, it was filed on May 10th.
4 A Sure.
5 Q So again, this -- is this a document that you
6 would have at least some say in?
7 A Yes.
8 MR. OUTWATER: I might have pulled the wrong
9 one.
10 MR. BARON: I think you pulled the wrong one.
11 MR. CHESLER: I'm sitting here thinking have
12 I ever seen a June 30th, 10-Q filed on May -- in
13 May?
14 MR. BARON: No. Sorry. I -- he pulled the
15 wrong one, and I didn't look at what he --
16 THE WITNESS: Oh.
17 MR. BARON: So put that to the side for a
18 second.
19 THE WITNESS: You mean it was filed before it
20 existed?
21 MR. CHESLER: Yeah.
22 THE WITNESS: Yeah, yeah.
23 MR. CHESLER: That would be cool. That might
24 make SEC history.
25 THE WITNESS: Yeah.

Page 354

1 MR. BARON: All right. Q1 2016.
2 Q Let me ask -- while he's looking at --
3 looking for them, I'll ask you some questions.
4 Now, in the -- assuming in -- in the Q you
5 noted that (as read):
6 "Given under the overview" -- "given
7 the demand for Model 3 we expect to
8 achieve volume production and
9 deliveries in late 2017."
10 So again, in -- in the Q, there seems to be
11 reference to volume production. Is it still true
12 that you believed as of May of 2016, that you still
13 thought you could achieve volume production of the
14 Model 3 by late 2017?
15 A Yes.
16 Q When did you actually get model production
17 of -- or get volume production of the Model 3?
18 A In December of 2017. I -- I -- when I say
19 "volume," I -- I refer to on the order of a thousand
20 units a week. So it's not -- it's not full volume,
21 but it is volume.
22 Q Well, when you as -- when you tried to
23 clarify for me the difference between starting
24 production and volume production, were you talking
25 about that volume production a thousand per week?

Page 355

1 A Yes.
2 Q All right. Is that what you thought when you
3 were talking about the bell curve? Is that what you
4 thought would be hard, to get to a thousand, or is
5 there some number above a thousand that was -- you
6 thought was what -- that sort of difficult
7 no-one-in-a-hundred-years-has-achieved-standard was?
8 A No. The -- I would say the no-one-in-a-
9 hundred-years, it's -- it's actually closer to
10 5,000.
11 Q Okay.
12 A Yeah.
13 Q And when did you get to 5,000?
14 A In June of 2018.
15 Q Was it easier or harder to get to 5,000 than
16 you thought it would be?
17 A It was definitely harder.
18 Q Okay. And when did you start to realize it
19 was going to be harder to get to 5,000 than you
20 thought?
21 A Well, I started to become concerned about
22 this, which is far from reaching a conclusion, but
23 become concerned about it in October of 2017. But I
24 did not realize the full magnitude of the
25 difficulties, actually, probably until March 2018.

Page 356

1 Q Okay. In -- in addition to sort of the --
2 the challenges and the difficulty of getting parts,
3 et cetera, you also realized in -- by Q1 of 2016
4 that it was going to cost substantially more than
5 you had originally planned, correct, to get the
6 Model 3 up to production, volume production?
7 MR. CHESLER: I'm sorry. I'm going to object
8 to the form.
9 Randy, did you mean to ask if he rec --
10 recognized that by Q1 of 2016?
11 BY MR. BARON:
12 Q I'm saying in 20 -- by 2016, you realized
13 that it was going to cost you more than you had
14 originally planned to get the Model 3 up to volume
15 production, correct?
16 A In 2016, I did not think it would be -- at
17 that point in 2016, I did not think it would be --
18 cost materially more than estimated for Model 3
19 production.
20 Q There is a trends and cash flow section of
21 the Q -- of the Q1 --
22 You never found it, right?
23 MR. OUTWATER: Right.
24 BY MR. BARON:
25 Q And, you know, at some point I can get it for

Page 357

1 you if we need it, but there's a statement that says
2 (as read):
3 "We decided" -- "we decided to
4 advance our 500,000 total unit build
5 plan by two years to 2018, which is
6 approx-" -- "approximately double
7 our prior growth. Given this plan,
8 we currently are in the process of
9 evaluating our capital expenditure
10 needs but expect it will be
11 approximately 50 percent higher than
12 the 1.5 billion we previously
13 estimated for the full year of
14 2016."
15 Again, does that sound like an accurate
16 statement?
17 A Yes.
18 Q Okay. And so if I understand it correctly,
19 at that point in 2016 or in March 2016, you realized
20 you -- you wanted to get to try to get -- get to
21 that 5,000 -- that 5,000-car production level and it
22 was going to cost you 50 percent more to get there?
23 A No, that -- that is not an accurate
24 understanding of the situation. The -- if you
25 advance the -- the deadline, the -- the expenses per

Page 358

1 year will increase, but the total amount may
 2 actually decrease or stay the same.
 3 Q Okay.
 4 A In fact, I should say I actually thought
 5 advancing it would decrease our -- our costs.
 6 Q In connection with, again, the Q, you were of
 7 the opinion, again, that the Gigafactory was -- you
 8 know, given the size and complexity of the
 9 undertaking, the cost of the building, the operating
 10 the Gigafactory would -- could exceed our current
 11 expectations, and the Gigafactory may take longer to
 12 bring online than you anticipated.
 13 So you already understood that the
 14 Gigafactory, as -- as part of the overall process,
 15 could be difficult to bring online, correct?
 16 A Yes. I mean, in -- in these, you know,
 17 quarterly disclosures, it is customary to be -- you
 18 know, be -- be conservative in -- in risk
 19 estimation.
 20 So you'll typically see the language being
 21 more conservative than is -- is believed at the
 22 time, on the conservative side of things, mean --
 23 meaning, you err on the side of -- aspirationally
 24 err -- err on the side of, you know, overestimating
 25 costs and risks than underestimating them.

Page 359

1 Q You also noted that -- that one of the
 2 risks -- in talking about the risk factors, one of
 3 the things that was a challenge in the Model 3 at
 4 the time was that (as read):
 5 "We have limited experience in
 6 delivering a high volume of vehicles
 7 and no experience in delivering
 8 vehicles at a significantly higher
 9 volumes we anticipate for Model 3."
 10 That's an accurate statement, correct?
 11 A Yes.
 12 Q Okay. Again, so -- again -- that's fine.
 13 And again, as of that time, it was -- you
 14 knew plaintiff understood the challenge that you
 15 were facing with the Model 3 and what you were
 16 trying to achieve with the company, correct?
 17 A Yes. I -- well, just so -- it would not be
 18 accurate to say that I understood the Model 3 risks
 19 and challenges until they were addressed, which was
 20 really -- I think they really only got fully
 21 addressed around June of last year -- not even
 22 fully. July maybe.
 23 Q I mean, there was enough for you to put in
 24 your SEC filings that you knew you had limited
 25 experience, you didn't have experience in achieving

Page 360

1 that --
 2 A Uh-huh.
 3 Q -- so that was going to make it a significant
 4 challenge at the time?
 5 A Yes. But as I mentioned, it's customary
 6 to -- to express the risks in -- in language that is
 7 conservative, mean- -- meaning it's -- it's -- this
 8 was true, I think, of -- of all companies that you
 9 aspire to -- to err on the side of overstating the
 10 risks rather than understating them.
 11 This is -- this is sometimes misunderstood in
 12 the -- in the media where you could have some
 13 risks -- the risk that's like the moral equivalent
 14 of we could be hit by a meteor. Yes, this is true.
 15 It's very unlikely, but it's -- it's a risk.
 16 Q Again, you also stated when talking about the
 17 Ener- -- the Model 3 and the -- the Tesla Energy
 18 products that as of, again, May of 2016, that (as
 19 read):
 20 "We have no direct experience in
 21 production of lithium ion cells,"
 22 correct?
 23 A Correct.
 24 Q All right. So again, that was a challenge
 25 that you were facing in that -- in the early -- in

Page 361

1 the first quarter of 2016, correct?
 2 A Yes.
 3 Q You also noted in there that you had
 4 experience in 2012 and 2016 in connection with
 5 slower-than-planned Model S and Model X ramps,
 6 correct?
 7 A Yes.
 8 THE REPORTER: "Model X" what?
 9 MR. BARON: Model S and Model X ramps.
 10 Q So again, when trying to wrap up Model 3 --
 11 A Yes.
 12 Q -- again, you understood the challenges that
 13 even at the time that you can't even anticipate the
 14 kind of challenges that you may have because you had
 15 them with the Model X and the Model S, correct?
 16 A You can't know the unknown, not to borrow a
 17 Rumsfeld statement, but..
 18 MR. BARON: Can I have the June '16 e-mail,
 19 please.
 20 (Exhibit 57 was marked for identification
 21 by the court reporter and is attached hereto.)
 22 MR. CHESLER: So this is 57?
 23 THE REPORTER: Yes.
 24 BY MR. BARON:
 25 Q I'm showing you a e-mail, again, from June of

Page 362

1 2016. The top e-mail is from you to Jason Wheeler
2 who was your CFO at the time, about "Project
3 Daedalus - Capital Structure Considerations."
4 Do you see that?
5 A Uh-huh.
6 Q What is Project Daedalus?
7 A I -- the SolarCity acquisition. I --
8 Q I don't know. Do you know?
9 A I didn't really call it Project Daedalus, so
10 I think that was more something other people called
11 it.
12 Q All right.
13 A I just called it the SolarCity acquisition.
14 Q Now, you got some information in June from
15 Mr. Wheeler about concerns about trying to buy
16 SolarCity at the same time you were trying to reach
17 Model 3 production, correct?
18 A Yes.
19 Q All right. And specifically, he noted some
20 problems, and I want to make sure that you were
21 aware of those problems as well. His immediate
22 issues was that the revolving debt, the ABL at
23 SolarCity, would have to be amended or else it would
24 be -- you would be in default of that, correct?
25 A Yes.

Page 363

1 Q All right. It -- you were aware that
2 SolarCity's 2019 converts had a -- had a call
3 spread, correct?
4 He had told you that, and you were aware that
5 that was something that had to be dealt with
6 immediately for the acquisition, correct?
7 A Yes.
8 Actually, I'm just curious, though, if -- if
9 there's a privileged discussion, is that -- I
10 thought that was something that wouldn't -- you
11 know, was not subject to a deposition. But maybe --
12 I must be mistaken, obviously.
13 Q That's why you have a lawyer.
14 MR. CHESLER: It was -- it was produced -- I
15 assume it was vetted during the production.
16 THE WITNESS: I --
17 MR. CHESLER: It was before our time, so I
18 don't know, but -- but it's produced, and we should
19 answer the questions now. And I'll -- I'll look
20 into it. I see it says -- I was just looking and it
21 says "Privileged and Confidential" on the document.
22 Let's answer the questions but --
23 THE WITNESS: Yeah.
24 MR. CHESLER: -- since I didn't -- I wasn't
25 involved in the production, I will look into it, and

Page 364

1 if we need to pull it back, we will do that.
2 THE WITNESS: Yeah, I'm happy to answer the
3 questions. This is really just a, you know, a
4 question of -- I've always been told if it's
5 privileged, it's -- you know, that's like a private
6 conversation with our legal counsel, but if --
7 MR. CHESLER: Generally --
8 THE WITNESS: -- if that's -- if that's not
9 true, then it would be helpful to know for the
10 future.
11 MR. CHESLER: Generally, it is true, but --
12 but I don't want to stop the deposition. But I will
13 note for the record, that the document says
14 privileged and confidential. We're not intending to
15 waive anything by allowing you to answer the
16 questions. And if it turns out that it shouldn't
17 have been produced, I'll take care of that.
18 THE WITNESS: Sounds good.
19 BY MR. BARON:
20 Q All right. So again, you were also told
21 those were immediate issues, that there were
22 near-term issues that were a concern, again, as --
23 given the Model 3 CapEx age, one of which was that
24 SolarCity would need cash in early 2017.
25 Were you aware of that at the time -- as of

Page 365

1 June 20th, 2016?
2 A Yes.
3 Q All right. And that it would need cash at
4 the same time that CapEx would also need -- or that
5 the Model 3 CapEx would also need cash in early
6 2017, correct?
7 A Yes.
8 Q Were you aware that -- that there was also a
9 significant debt maturity -- debt maturity issue
10 starting in 2018 for SolarCity?
11 A Yes. I mean, sure, yes.
12 Q Were you aware, again, in -- in June, again,
13 in connection with needs on the -- your Model 3
14 that -- when you go to the next page, the first
15 bullet point on page 2, that you were in the process
16 of opening a warehouse line for NA leasing capacity
17 and that you will hit the cap with U.S. Bank in the
18 next couple of weeks.
19 So that there -- so again, you had capital
20 needs that were happening with Model 3 that were at
21 risk because of SolarCity, correct?
22 MR. CHESLER: Objection to the form.
23 THE WITNESS: I -- I wouldn't say that there
24 were cap rates that were at risk because of
25 SolarCity but that both companies had capital needs.

Page 366

1 Actually, my -- my opinion was that if --
2 actually, as a combined entity, we would need to
3 raise less capital because we could combine our
4 reserves.
5 BY MR. BARON:
6 Q Did you actually have somebody do that --
7 that math for you, or was that just your personal
8 belief?
9 A I -- I think that's just a basic principle of
10 finance. If -- if you have two -- you can either
11 have two pools of reserve or one pool of reserve.
12 Q That wasn't my question.
13 My question to you was specifically, is that
14 just your belief based on your sense of basic rule
15 of financing, or did you actually have somebody
16 prepare a report with actual numbers to show that
17 you would be better off combined than you would be
18 independently?
19 A This is -- this is basic math.
20 Q Now, that's not what -- what Mr. Wheeler told
21 the board when you had him prepare the first
22 presentation on February -- in February of 2016. He
23 said the acquisition of SolarCity would be highly
24 dilutive, didn't he?
25 MR. CHESLER: Objection to the form of the

Page 367

1 question.
2 THE WITNESS: That's -- that's a different
3 statement. I -- I don't know -- I can't speak to
4 whether he said highly dilutive or not. But
5 obviously, if we acquire a company, we will need to
6 issue shares and that -- those shares will be
7 dilutive and -- meaning there will be more shares
8 issued obviously.
9 And then the question is, does -- does -- is
10 the -- is the whole worth more than the sum of the
11 parts?
12 BY MR. BARON:
13 Q Is that what you understand dilutive to mean,
14 just the -- the acquisition through shares is going
15 to require additional shares in dilution; it has
16 nothing to -- you don't know what the difference
17 between an accretive and a dilutive acquisition is?
18 MR. CHESLER: Objection to the form.
19 THE WITNESS: It sounds like you don't.
20 BY MR. BARON:
21 Q Do you know the difference between an
22 accretive and a dilutive acquisition?
23 A For -- in -- in practical terms, if you -- if
24 you have a -- if your prior company and you issue
25 shares and the -- the value of the combined entity

Page 368

1 is worth more than the sum of the parts, it would
2 be, I guess, probably, in your terms, accretive.
3 And if it is not, it would be -- you could
4 call it dilutive, although this is -- this is, I
5 think, a -- a play on words that is not sensible
6 from a mathematical standpoint.
7 Q So if you acquire a company that has more
8 debt and adds debt to your company --
9 A Uh-huh.
10 Q -- is that accretive or dilutive?
11 MR. CHESLER: Objection to the form.
12 THE WITNESS: It's -- it adds -- it increases
13 the total debt. If you -- if you say it is -- does
14 it increase your debt, I think you're being
15 imprecise with your language. If you say does --
16 does your debt increase if you -- if you add two
17 amounts of debt, obviously.
18 BY MR. BARON:
19 Q If your overall debt increases through an
20 acquisition, is that an accretive acquisition or a
21 dilutive acquisition --
22 MR. CHESLER: Objection --
23 BY MR. BARON:
24 Q -- whether you pay for it in cash or stock?
25 MR. CHESLER: Objection to the form.

Page 369

1 THE WITNESS: Your language is imprecise.
2 BY MR. BARON:
3 Q Can you not answer my question?
4 A I cannot --
5 Q If you tell me you can't answer my question,
6 I'll move on.
7 A I can't answer a question that is -- is
8 incorrectly posed.
9 Q All right. Do you know whether from your
10 own -- from your own understanding, was the
11 acquisition of SolarCity accretive or dilutive?
12 A You're asking the question in a way that is
13 ambiguous. So if I may -- maybe I -- let --
14 Q No. You can tell me yes or no or say you
15 don't understand the question.
16 MR. CHESLER: No. He can also give you an
17 explanation.
18 THE WITNESS: I'm saying your question is --
19 is -- is imprecise, so, yeah.
20 BY MR. BARON:
21 Q Okay. So you can't answer the question as
22 it's posed, which is, was the acquisition of
23 SolarCity by Tesla accretive or dilutive in the
24 normal terms used in acquisitions?
25 MR. CHESLER: Objection to form.

Page 370

1 THE WITNESS: If I was grading your paper, I
2 wouldn't give you a good grade.
3 BY MR. BARON:
4 Q Okay. Can you -- are you saying you can't
5 answer the question as asked?
6 A I'm saying you don't understand the question
7 you're asking.
8 Q That may well be true, Mr. Musk. The
9 question is -- is still the same. Are you telling
10 me you cannot answer the question as posed, was the
11 acquisition of SolarCity by Tesla in 2017 accretive
12 or dilutive?
13 MR. CHESLER: Objection to the form.
14 THE WITNESS: Do you want me to restate your
15 question correctly or --
16 MR. BARON: Not at all.
17 THE WITNESS: -- or not?
18 BY MR. BARON:
19 Q I want to know whether or not you can answer
20 the question as I posed it.
21 A No one can answer a question that is
22 ambiguously posed, as you have done.
23 Q Okay. Mr. Wheeler also identified
24 medium-term issues which was noting that SolarCity
25 does not generate any cash from operations and has

Page 371

1 massive CapEx needs.
2 Did you understand that to be true as of
3 June 2016?
4 A Yes.
5 Q And he also said that SolarCity will need
6 2 billion plus in financing every year for the
7 foreseeable future.
8 Do you see that?
9 MR. CHESLER: Where is that? On the
10 back of --
11 MR. BARON: No. It's under "Medium-Term
12 Issues," first bullet point.
13 MR. CHESLER: At the end of the document?
14 MR. BARON: Yeah.
15 MR. CHESLER: He's at the back of this page.
16 Yeah.
17 THE WITNESS: It says (as read):
18 "The public forecasts don't show
19 that changing anytime soon."
20 BY MR. BARON:
21 Q Yep.
22 A Okay.
23 Q And did you understand that to be true, that
24 SolarCity -- that the SolarCity that you were
25 acquiring would need 2 billion plus in financing

Page 372

1 every year for the foreseeable future?
2 A Yes. I think he is not correctly stating it
3 as CapEx. He is -- it should be just -- he is -- he
4 is mistaken here. It has -- it has massive
5 financing needs, but this is --
6 THE REPORTER: "It has" what financing needs?
7 THE WITNESS: It has -- it has massive
8 financing needs, but it does -- actually does not
9 have massive CapEx needs.
10 BY MR. BARON:
11 Q Yeah. But it did need 2 billion in financing
12 every year for a foreseeable year; you understood
13 that?
14 A Yes, but the nature of the financing is
15 for -- that -- for consumer debt related to the
16 solar panel systems as opposed to CapEx. It
17 wouldn't really be CapEx in -- in a -- in a
18 sensible -- CapEx, it's more -- it's more like lease
19 and loan financing.
20 Just as -- as Tesla needs to raise debt for
21 leases and loans of vehicles, SolarCity would need
22 to raise debt for leases and loans of solar panels,
23 which is not CapEx. CapEx would be factory,
24 equipment and that kind of thing.
25 Q Yeah. You just think that Wheeler didn't

Page 373

1 understand the difference between CapEx and
2 financing, or you just think he was being sloppy?
3 What -- what's your thought on that?
4 A I -- I think his language was -- is not quite
5 correct there. It has massive financing needs.
6 There is not -- CapEx would be the wrong
7 categorization of that.
8 Q There's also -- he also notes that there --
9 the elimination of investment tax credit in the
10 future could cause a problem, correct? Were you
11 aware of that?
12 A Yes.
13 Q Just so -- you understood that at the time
14 that you acquired SolarCity, a lot of it -- cash
15 generation was through the VIEs, through variable
16 interest entities, correct?
17 A Yes.
18 Q Okay. You stopped that as well. You don't
19 do -- you have not done any variable interest
20 entities for solar assets since Tesla acquired it,
21 correct?
22 A Actually, I'm not -- you may know better than
23 I. I'm not sure.
24 Q Okay. They would have to be reported, and
25 they're -- they would have to be in public

Page 374

1 reportings, correct?

2 A Presumably. This is not -- I -- I -- I

3 actually am not certain if -- if this has occurred.

4 Q Okay. Was that not your -- did you give a

5 directive to stop that or continue that one way or

6 the other?

7 A I did say that we need to make sure that

8 whatever financing methods are chosen, they should

9 not involve large amounts of legal fees.

10 MR. CHESLER: Thanks.

11 THE WITNESS: Yeah, you're welcome. It was

12 effectively increasing the cost to the consumer to

13 have the -- to have very lengthy legal contracts.

14 Essentially, you don't want to spend, you know,

15 potentially 5 percent of the cost of the solar on --

16 literally on legal fees and -- and have each of them

17 be a unique work of art. That was my main concern

18 is it -- it was raising the cost to the consumer.

19 BY MR. BARON:

20 Q You don't have -- you don't have any

21 understanding one way or the other whether or not

22 you are continuing the VIE program or not, correct?

23 THE REPORTER: "Whether or not you are

24 continuing"?

25 MR. BARON: The VIE program or not.

Page 375

1 THE WITNESS: I -- I think we may be using

2 potentially different terminology. The -- we -- we

3 are continuing to provide or have continued to

4 provide solar systems that are -- that are financed

5 but through -- through a third party instead of

6 directly by Tesla.

7 BY MR. BARON:

8 Q Okay. You are not securitizing the tax

9 equity assets and the fees from them any longer,

10 correct?

11 A We -- we certainly will be doing that in the

12 future.

13 Q You have not done that since you acquired

14 SolarCity, correct?

15 A I -- I cannot say with certainty one way or

16 the other, but we certainly will be doing that in

17 the future.

18 Q So you have no knowledge, as you sit here

19 today, whether or not you continued the process --

20 the -- the methodology of secure -- securitizing

21 solar assets as SolarCity did prior to the

22 acquisition, correct?

23 MR. CHESLER: Objection to the form.

24 BY MR. BARON:

25 Q I'm just saying you have -- as you sit

Page 376

1 here --

2 A I don't want to misspeak.

3 Q -- you don't know one way or the other?

4 A I don't want to misspeak. There -- there is

5 securitization taking place, and I'm actually not

6 certain if this is -- I know it is primarily through

7 third parties instead of with Tesla. I don't know

8 with certainly if Tesla has -- has done any of

9 these.

10 And it's possible that they may not -- that

11 we may have done them, but they have not -- that

12 they did not pass the materiality threshold for

13 public reporting.

14 THE REPORTER: Want me to remark that?

15 MR. BARON: No.

16 Q This is -- I'm showing you what was Exhibit 9

17 in Mr. Wheeler's deposition.

18 MR. CHESLER: Do you have another copy of

19 that?

20 MR. BARON: He does.

21 MR. CHESLER: Oh, sorry. I didn't see it.

22 Thank you.

23 BY MR. BARON:

24 Q This is some materials that were purportedly

25 shared with you in July of 2016.

Page 377

1 Do you recognize these materials?

2 A Yes. Actually, if I may, you know, if it is

3 accurate that privileged communications with general

4 counsel are not admissible in a deposition, I -- I

5 think we should as -- just as a matter of principle,

6 strike it so as not to create any precedent for the

7 future.

8 MR. CHESLER: Yeah, the -- the issue -- let's

9 talk about it off the record. The issue --

10 THE WITNESS: Yeah.

11 MR. CHESLER: -- is not whether the

12 general --

13 MR. BARON: Want to go off the record?

14 MR. CHESLER: I can say it on the record.

15 It's a question of whether it's, in fact, subject to

16 an attorney-client privilege.

17 THE WITNESS: Exactly.

18 MR. CHESLER: And we'll -- we'll figure it

19 out.

20 THE WITNESS: If -- if -- if it is, I think

21 we should not -- we should adhere to the principle.

22 MR. CHESLER: Absolutely.

23 THE WITNESS: Yeah, whether it's material or

24 not.

25 MR. CHESLER: No, it doesn't matter whether

Page 378

1 it's material or not. I agree.
 2 MR. BARON: Okay.
 3 MR. CHESLER: I'm reserving our rights. This
 4 was marked at another deposition --
 5 THE WITNESS: Yeah.
 6 MR. CHESLER: -- it was produced. I'll
 7 figure it out.
 8 BY MR. BARON:
 9 Q I'm showing you a document. And can you tell
 10 me what the document is.
 11 A Model 3 investment updates, July 2016.
 12 Q And who put this together?
 13 A I'm not sure who wrote this, but it may be
 14 Chris Jenny, or just the e-mail is from Chris Jenny.
 15 I don't know.
 16 Q Okay.
 17 A I'm not sure who -- who the -- the author of
 18 this three-year old PowerPoint presentation is.
 19 Q All right. But presumably, this was done
 20 based upon internal records and internal discussions
 21 with management, correct?
 22 A Yes.
 23 Q And did you disagree with any of the
 24 information that was provided in this -- this to
 25 you?

Page 379

1 A May I take a moment to read this?
 2 Q Of course.
 3 A There's a lot -- there's a lot here.
 4 Q I -- I know.
 5 A Is there something specific that --
 6 Q Yeah, there is.
 7 A Okay.
 8 Q And I really was just trying to make sure
 9 that, you know, you didn't say, oh, I saw this and I
 10 thought this was complete BS and I yelled at people
 11 and told them to -- you know, you're fired for --
 12 for preparing it.
 13 A You're all fired, you're all fired.
 14 Q Yeah. I really want to focus just on one
 15 page, which is page 5, if you would.
 16 This -- this is -- there's an indication here
 17 that because of Model 3 and the production, that you
 18 were going -- that -- that the Model 3 production
 19 was going to significantly challenge Tesla on a cash
 20 level, you know, in early -- or by September 2017 to
 21 the extent of being 1.7 billion below their minimum
 22 cash balances that they hoped to achieve; is that
 23 correct?
 24 A That is what this forecast says.
 25 Q And you understood that to be an accurate

Page 380

1 assessment of what the plan was, that it was going
 2 to be a serious challenge to the cash needs?
 3 A I mean, there was a certain amount of error
 4 in any -- any forecast, but I didn't think this
 5 forecast was substantially off. But yeah, I
 6 think -- actually, I think it might have been a
 7 little pessimistic on the -- on the -- on both the
 8 down and a little optimistic on -- on the up.
 9 Q Okay. And just so that we understand, that
 10 specifically notes that it doesn't include SolarCity
 11 cash balance issues, correct?
 12 A Yes.
 13 Q But you -- at the time that this was done,
 14 everybody understood that SolarCity did not -- was
 15 not generating any cash, so that would cause the
 16 overall cash balance to be even lower, correct?
 17 MR. CHESLER: Objection to the form.
 18 BY MR. BARON:
 19 Q It was expected that SolarCity would cause a
 20 cash balance to be even lower, correct?
 21 A Yes.
 22 MR. BARON: All right. All right. Can I --
 23 we can put that to the side. We'll mark this next,
 24 please.
 25 THE REPORTER: 58.

Page 381

1 (Exhibit 58 was marked for identification
 2 by the court reporter and is attached hereto.)
 3 BY MR. BARON:
 4 Q I want to show you what -- again, this is
 5 your earnings call from Q2 2016. The date is
 6 August 3rd. Again, I really only have one question
 7 in this document. If you could turn to page 14.
 8 In the middle of the page, you -- you say (as
 9 read):
 10 "I think we want to postpone
 11 anything that is a heavy capital
 12 impact until after the Model 3
 13 production is ramped."
 14 Do you see that?
 15 A Sorry. Whereabouts is this?
 16 Q Middle of the page on page 14.
 17 A Okay.
 18 Yes.
 19 Q Okay. Now, what you were -- why -- why did
 20 you decide at that point in time or say that you
 21 wanted to postpone anything of any capital impact
 22 until after the Model 3?
 23 A I think it would -- we -- we didn't want to
 24 place unnecessary capital needs on -- on top of the
 25 Model 3. There's another factor, which is that we

Page 382

1 wouldn't have enough battery cells in any case to --
 2 there would be no point in adding complexity to the
 3 product line, because we would not have enough
 4 battery cells to supply it for the vehicle side.
 5 Q By this point in time when you were
 6 postponing anything of heavy capital impact, had
 7 your concerns about getting Model 3 up to production
 8 moved up towards the 10 or 11 phase in your scale of
 9 1 to 10?
 10 A Not at this time.
 11 Q All right. Now, you understood that buying
 12 SolarCity was going to be a heavy capital impact,
 13 correct? We just showed you documents. You knew it
 14 was \$2 billion, correct, or more of capital impacts
 15 per year?
 16 MR. CHESLER: Objection to the form.
 17 THE WITNESS: I think that's not quite
 18 correct. I think that SolarCity would -- I'm not
 19 sure that the net capital needs of SolarCity would
 20 be 2 billion -- well, there's -- there's equity
 21 capital needs, and then there's -- then there's
 22 securitization and bank financing capital needs.
 23 The -- the 2 billion a year for SolarCity
 24 would be primarily securitization and bank financing
 25 needs as opposed to equity raising needs. And so

Page 383

1 these are -- I would say should not be conflated.
 2 BY MR. BARON:
 3 Q You were told, though, that there would need
 4 to be an immediately -- and we showed you a
 5 document -- at least 200 million of an immediate
 6 cash infusion to SolarCity upon acquisition,
 7 correct?
 8 A Yes. SolarCity was going to be -- was going
 9 to raise equity capital on their -- of their own
 10 accord. And they -- my understanding was they
 11 needed on the order of \$200 million. And if we were
 12 in acquisition discussions, it's very difficult
 13 to -- to raise that money.
 14 Q And 200 million is -- wouldn't be a heavy
 15 capital impact in your view?
 16 A Not -- not when the -- the total, you know,
 17 revenue throughput is on the order of 10 billion.
 18 It's at 2 percent.
 19 MR. BARON: Why don't we take a quick break
 20 so that we can -- you know, this will probably be
 21 the only break we'll take, and then we'll try to
 22 finish up.
 23 THE WITNESS: Sounds good.
 24 THE VIDEOGRAPHER: Off the record. The time
 25 is 12:54 p.m.

Page 384

1 (Recess.)
 2 THE VIDEOGRAPHER: Back on the record. The
 3 time is 1:02 p.m.
 4 BY MR. BARON:
 5 Q I just want to sort of run through some --
 6 some of this stuff and sort of jump around a little
 7 bit but in order to get through.
 8 First off, I want to talk about early in -- a
 9 bit ago was December of 2015. Do you recall there
 10 being a problem that was discussed around SolarCity
 11 about fire code restrictions preventing from --
 12 preventing the ability to fill in an entire roof
 13 with a -- a solar tile or -- yeah, exactly, a solar
 14 tile?
 15 A Oh, yeah, yeah.
 16 Q What -- what did you learn about that? Did
 17 you understand that there were -- that, you know,
 18 you were having issues with local fire co -- fire
 19 jurisdictions saying, you know, it's dangerous;
 20 we're not going to approve those?
 21 A No, not at all.
 22 Q What did you understand?
 23 A I mean, I don't -- I don't agree with this,
 24 because I do not think this is a fire risk.
 25 Q I wasn't asking your opinion. I was asking

Page 385

1 whether or not fire -- you know, fire marshals and
 2 fire -- firemen were telling you it was a risk.
 3 A Actually, I think -- I think probably most of
 4 them would agree that it is, in fact, not a risk.
 5 But for longstanding legacy reasons, this goes
 6 back -- it might go back 80 years or something.
 7 There's a rule that you have to have
 8 approximately 3-foot clear around the edge of a roof
 9 with no active -- no active electrical system. And
 10 so it simply means that for the solar tile roof, the
 11 tiles that are close to the edge, within 3 feet of
 12 the edge would -- would -- cannot -- cannot contain
 13 active solar cells.
 14 Q When you said most -- you just said that most
 15 of the fire marshals or fire jurisdictions aren't --
 16 don't think it's a fire hazard. What's your basis
 17 for that? Is that just sort of your guess, or have
 18 you actually seen somebody who's done that study for
 19 you?
 20 A There's no logical basis for it. It's a --
 21 it's a -- a very old rule, you know, and it -- it's
 22 premised upon electrocution danger, but there
 23 actually isn't electrocution danger. The voltage is
 24 far too low to represent the danger.
 25 Q But that really wasn't my question. My

Page 386

1 question was, when you said you don't believe that
2 most fire code officials believe it is a danger or a
3 risk, what is your basis for that? Just because you
4 think that the rationale for that is stupid or
5 because somebody's actually gone and done a survey
6 and talked to these people and said it's actually
7 fine?
8 A Physics.
9 Q Okay.
10 A Yeah.
11 Q So -- so what are they actually saying? What
12 are -- what -- what your people who actually go and
13 actually lobby and talk to -- talk to fire marshals,
14 what are -- what are they telling you the fire
15 marshals are saying?
16 A First of all, I think you're -- you're
17 barking up the wrong tree in terms of -- this is
18 neither here nor there. It's simply -- it's simply
19 a -- a slight reduction in the amount of active
20 solar cells you can have on the roof.
21 But honestly, it's neither here nor there,
22 but the -- the voltage in question is simply not
23 enough to electrocute somebody.
24 Q And you're not answering my question.
25 My question was, what are the fire marshals

Page 387

1 saying? What are the firemen saying?
2 A I -- I think any -- any logical firefighter
3 would not have an issue with -- if they -- if it is
4 not actually a -- a risk. I have not had
5 conversations with them directly, but if you have
6 something that is very low voltage -- and you're
7 more likely to be electrocuted by your iPhone -- I
8 can't imagine any rational person objecting to that.
9 Q Again, not my question. My question is, have
10 you heard any feedback one way or the other
11 specifically from firemen or fire marshals, or are
12 you telling me that you just think they would be
13 stupid if they found there to be a problem?
14 A I haven't talked directly to them --
15 Q That's fine.
16 MR. CHESLER: Wait, wait. Let him finish his
17 answer.
18 BY MR. BARON:
19 Q Okay. Have you ever heard from them? Has
20 anybody else talked to them directly?
21 A Yes. Many people have talked to them
22 directly.
23 Q And you have some reports that says what they
24 said?
25 A I -- if -- if the voltage is too low to

Page 388

1 represent any risk, no reason -- no logical person
2 would be concerned with it. But it doesn't matter.
3 The 3-foot offset is irrelevant. We haven't
4 bothered fighting it because it doesn't make that
5 much of a difference.
6 Q Were you aware -- you were aware that prior
7 to the acquisition of SolarCity, that Tesla, through
8 your director of engineering at Tesla, believed that
9 the engineering talent at SolarCity was subpar,
10 correct?
11 A I heard one comment in that regard, yes.
12 Q No. You said you were going to fire them
13 all, right?
14 A What? If -- if -- if somebody is a subpar
15 engineer and not -- doesn't meet the Tesla standard,
16 then, obviously, we would part ways with them.
17 Q You were --
18 A That doesn't mean they -- they all -- it is
19 not accurate to state that, therefore, they are all
20 subpar and, therefore, they will all be fired. This
21 is not the case.
22 Q You were specifically told that -- that the
23 SolarCity engineers would probably rate on a two to
24 three, on a scale of one to ten, and that there was
25 only one engineer that Mr. Snyder would even

Page 389

1 consider hiring, correct?
2 A I guess that -- that's -- that's his opinion.
3 I don't agree with his opinion.
4 Q Then why did you say in response to it (as
5 read):
6 "We are going to part ways with a
7 lot of SolarCity personnel"?
8 A Well, as part of an acquisition, you find
9 where there is redundancy, where there's overlap and
10 you find cost savings -- and this is normal for an
11 acquisition. You would expect in any acquisition to
12 part ways with personnel where the -- there's
13 overlap.
14 Q Did -- did you fire -- did you fire the
15 engineers or a good portion of the engineers from
16 SolarCity after it was acquired?
17 A I think some number were -- were let go,
18 yeah.
19 Q How many?
20 A I don't know.
21 Q Have you rehired --
22 A It's --
23 Q Have you rehired new engineers to replace
24 them?
25 A We've -- we've hired many engineers over --

Page 390

1 over the last two years.

2 Q Is that for the solar company or for the --

3 overall for the -- for the Model 3 program?

4 A They -- they were hired overall -- because

5 the Model 3 was the primary thing that needed to get

6 sold, they were hired primarily for the Model 3

7 program. And now -- now we're turning our attention

8 to solar, and we're going to fix it.

9 Q At one point in time, did you propose buying

10 Silevo prior to the acquisition for the purposes of

11 getting cash to SolarCity sufficient to make it

12 through the acquisition?

13 A That was one of the things under

14 consideration.

15 Q Okay. You -- you actually came up with that

16 idea yourself?

17 A This was one idea.

18 Q And Lyndon actually believed that that wasn't

19 not just an idea, though, that you would actually

20 decided to do so, correct?

21 MR. CHESLER: Objection to the form.

22 THE WITNESS: I don't think so. I think

23 if -- if there's an idea, we look at it. We

24 consider it, as a team, relative to other ideas.

25 And then if it's the -- the best path, we take it.

Page 391

1 In the case of Silevo, this did not turn out to be

2 the best path, so we took another path.

3 BY MR. BARON:

4 Q So tell me about the team that purportedly

5 decided not to do Silevo. Who was that team?

6 A That was essentially the Tesla board and

7 senior management team. We were simply trying to

8 find what -- what actually is the -- what is the --

9 what is the -- what is the most right way to solve

10 this problem, what is the most defensible, what is

11 the most appropriate way to solve this problem.

12 Q And by the problem, you mean what?

13 A That we had entered into discussions to

14 acquire SolarCity, thus making it difficult for them

15 to raise equity capital as they had planned.

16 Q Well, you knew they couldn't -- they were

17 trying to raise equity capital even before the

18 announcement of the acquisition and they couldn't do

19 so, correct?

20 A Wrong. They -- it was fully capable of

21 raising equity capital if we had not made an -- an

22 acquisition offer.

23 Q And --

24 A They absolutely would have -- they had done

25 so before.

Page 392

1 May I please finish?

2 Q Sure.

3 A Okay. The SolarCity had raised equity

4 capital on many occasions. They would have done so

5 again, but they were prevented from doing so because

6 of the acquisition discussions.

7 Q So if they were told by somebody that they

8 didn't have the ability to raise equity capital, you

9 just weren't told about it? Is that what you're

10 telling me?

11 MR. CHESLER: Objection to the form.

12 THE WITNESS: I --

13 BY MR. BARON:

14 Q If there -- if there are investment bankers

15 who are saying it's not a good time, there's not a

16 way to raise equity capital prior to the

17 announcement of the Tesla deal, you just don't know

18 about it?

19 MR. CHESLER: Objection to the form.

20 THE WITNESS: I am very confident that they

21 would have succeeded in raising equity capital if --

22 if Tesla had not made an acquisition offer. There's

23 simply a debate as to what the price would be, but

24 they're a publicly traded company.

25 A publicly traded company can always raise

Page 393

1 capital in the equity markets. It's just a question

2 of what the discount is relative to the -- the

3 market cap.

4 BY MR. BARON:

5 Q Again, is this just your view because you

6 know finance, or is this something you actually got

7 by talking to an investment banker?

8 A This is -- this is finance 101.

9 Q That's not -- so it is. It's just your view.

10 You don't -- you didn't talk to any investment

11 bankers who said sure, we'd be more than happy to do

12 it, and it wouldn't come at a price that was

13 prohibitive to doing a public equity offering,

14 right?

15 MR. CHESLER: Objection to the form.

16 THE WITNESS: I mean, this is -- this is

17 just -- I mean, it sounds like perhaps you don't

18 have the best understanding of basic finance.

19 BY MR. BARON:

20 Q It's always possible, but that's not my

21 question.

22 A Yeah.

23 Q My question is simple, Mr. Musk.

24 My question is, rather than it just be your

25 simple view of finance 101, which I understand you

Page 394

1 believe you know better than anyone else --

2 A Uh-huh.

3 Q -- did you have any conversations with any

4 investment banker who said yes, it would be easy for

5 us to find -- to do an equity offering and it would

6 not be at a price that was prohibitive?

7 MR. CHESLER: Objection to the form of the

8 question.

9 MR. BARON: I don't think that's --

10 THE WITNESS: A -- a fundamental term of

11 public -- of the public markets is the public

12 markets set the price for a publicly traded equity.

13 So stock is being bought and sold regularly, and

14 this is what sets the price in a public market.

15 Finance 101.

16 BY MR. BARON:

17 Q I'll ask you the question, again.

18 The question is, did you speak to any

19 investment banker to say, can we do a public equity

20 offering at SolarCity at a price that would not be

21 prohibitive?

22 A Can you talk in a civil tone --

23 Q Well, I --

24 A -- and not yell at me?

25 Q -- have asked you this question three times,

Page 395

1 and each time I asked you the question you want to

2 tell me about finance 101.

3 A Yes. You're --

4 MR. CHESLER: Randy -- Randy, don't yell.

5 THE WITNESS: What's the deal, dude?

6 MR. CHESLER: Just ask --

7 THE WITNESS: Just chill.

8 BY MR. BARON:

9 Q Have you spoken to an investment banker who

10 told you, yes, we can do a financing at SolarCity --

11 we could do a financing at SolarCity at a price that

12 was not prohibitive?

13 A No, but there would be no need to have such a

14 discussion because, obviously, it could be done.

15 Q And you have never seen a document -- a

16 document that says yes, we could have done a public

17 equity offering at SolarCity that was not

18 prohibitive, correct?

19 MR. CHESLER: Objection to the form of the

20 question.

21 THE WITNESS: What do you mean by

22 prohibitive?

23 BY MR. BARON:

24 Q Meaning that the price would not be so low as

25 it would make it a ridiculous effort to try to do a

Page 396

1 public equity offering.

2 A Correct. I absolutely -- I absolutely think

3 SolarCity could have raised equity capital at -- at

4 a price very close to what their publicly traded

5 price was before there were any -- any acquisition

6 discussions.

7 Q But you never saw anything in writing from

8 any banker or finance person who said that that was

9 an accurate assessment, correct? I'm just asking

10 about whether you have anything to back you up,

11 Mr. Musk.

12 A It would, in my view, be a silly question.

13 Q Okay. So the answer to that is no, you did

14 not see anything to back up your views?

15 MR. CHESLER: Objection to the form.

16 THE WITNESS: If people are buying stock at

17 a -- at a given publicly traded price, you can

18 obviously raise money at close to that price.

19 BY MR. BARON:

20 Q And that is still, again, you have nothing to

21 back up those views other than Mr. Musk says so?

22 A Yeah, except like 200 years of public -- how

23 public markets work. Apart from that, no. By the

24 way, also gravity goes down. I don't know if you

25 are aware of that. You never know. Should you ask

Page 397

1 an expert? Maybe you should ask an expert.

2 Q So it's also -- you also knew that in

3 addition, the company was actually looking at PIPEs,

4 private equity offerings, right?

5 A Sure.

6 Q Did you know that or not? Did you know that

7 SolarCity, prior to the acquisition, was looking

8 into doing a PIPE?

9 A I -- I know that was one of the things under

10 discussion.

11 Q Okay. And did you know that no one would

12 agree to do a PIPE for the -- for SolarCity?

13 A A PIPE is a much harder thing to do than

14 a -- than -- than raising money in the public

15 markets.

16 Q Okay. And is this, again, your -- your

17 professional experience, or did you actually speak

18 to someone who does these to know this?

19 A This is a -- a basic element of money

20 finance.

21 Q So once again, this is finance -- on this --

22 Mr. Musk on finance and no one else, correct?

23 MR. CHESLER: Objection to the form.

24 THE WITNESS: I wouldn't give you a very good

25 grade on finance 101, I have to say.

Page 398

1 BY MR. BARON:
2 Q Okay. So again, the answer is, you didn't
3 speak to anybody who told you that -- someone that
4 told you that it's easier to get a PIPE than it is
5 to get a public equity offering -- or harder? I'm
6 sorry.
7 MR. CHESLER: Objection to the form.
8 THE WITNESS: A PIPE is always harder to do
9 than raising money in the public markets.
10 BY MR. BARON:
11 Q Okay. At least in your view?
12 A In -- this is accepted common knowledge.
13 Q All right. Can you tell me who said that?
14 Can you give me some expert, some professional who's
15 ever told you that?
16 A This -- this is typically like asking, does
17 gravity go down? Of course, this is something that
18 is common knowledge in the finance industry. You
19 could ask anyone.
20 Q See, I could actually answer who told me that
21 gravity went down. But can you answer -- tell --
22 can you tell me somebody who told me that a PIPE --
23 A I bet you don't actually know.
24 Q Can you tell me, have you ever heard somebody
25 tell you that it's easier to -- it's easier to get

Page 399

1 public equity financing than it is a PIPE?
2 A A PIPE is inherently more restrictive than
3 a -- than a general -- general public equity raise.
4 Q All right. So --
5 A It is --
6 Q So the answer is no --
7 A Obviously --
8 Q -- you can't identify somebody who told you
9 that?
10 A Any -- basically, anyone who understands
11 public markets would tell you this. It would be
12 like literally asking, does gravity go down? They
13 would be like, what a silly question.
14 Q In July of 20 -- on July 21st, 2016, you were
15 specifically involved in discussions about the
16 revised exchange ratio for the acquisition of
17 SolarCity, correct?
18 A Are you referring to an exhibit or something?
19 Q Sure. I can show it to you.
20 A That would be helpful.
21 MR. OUTWATER: This was previously marked
22 MR. BARON: Yeah. Actually, it was already
23 marked. That's fine.
24 Q This has already been marked as Musk
25 Exhibit 46. We looked at it last time.

Page 400

1 Do you need to take a break so you can look
2 at your phone?
3 A No. I was just waiting for the exhibit.
4 MR. CHESLER: I can just look over the
5 witness's shoulder --
6 MR. BARON: Sure.
7 MR. CHESLER: -- unless you have another
8 copy?
9 MR. BARON: I'm sorry, I didn't bring other
10 copies.
11 Q This indicates that there was a call -- that
12 there was supposed to be a call with you on the 21st
13 to find out your recommendations on a revised
14 exchange ratio.
15 Do you recall being on a call with Evercore
16 discussing the revised exchange ratio in connection
17 with the acquisition of SolarCity?
18 MR. CHESLER: Objection to the
19 characterization. That's not what the document
20 says.
21 THE WITNESS: According to this e-mail, it
22 just says (as read):
23 "On tonight's call with Elon, we
24 need to make a recommendation.
25 Also, the revised exchange ratio

Page 401

1 which we will recommend to the full
2 board tomorrow" --
3 MR. BARON: Yep.
4 THE WITNESS: (As read):
5 -- "at the moment I am not quite
6 sure what that should be."
7 MR. BARON: Yep.
8 THE WITNESS: Yeah, that's just what the
9 e-mail says.
10 BY MR. BARON:
11 Q And were you on -- and that -- that night,
12 you did have a call with Evercore, correct?
13 A I -- I think so.
14 Q And on that call, you discussed a revised
15 exchange ratio, correct?
16 A I don't recall the exact contents of that
17 call.
18 Q And prior to that call, you had actually
19 gotten a draft of the presentation that was going to
20 be given to the board of directors on the 22nd,
21 correct?
22 A I am not sure if I did.
23 MR. BARON: Okay. Can I have the cover
24 e-mail for July 21st. And also, I'll take the
25 pertinent documents in the presentation too.

Page 402

1 Q Let me make sure I understand. You're not
2 saying that you were not on a call to discuss the
3 exchange ratio with Evercore before a recommendation
4 was made to the board. You just don't recall
5 whether you were or not; is that fair?
6 A I mean, this is -- this is three years ago.
7 I don't recall exactly what happened on that. My
8 memory is not that good.
9 MR. BARON: Is this 58?
10 MR. CHESLER: This is 59.
11 MR. BARON: Can you mark it. This is 59.
12 (Exhibit 59 was marked for identification
13 by the court reporter and is attached hereto.)
14 MR. BARON: And can you mark this as 60,
15 please.
16 (Exhibit 60 was marked for identification
17 by the court reporter and is attached hereto.)
18 BY MR. BARON:
19 Q Sir, would you look at Exhibit 62 next to
20 you.
21 A I'm sorry. Exhibit 62? 60.
22 Q 60. So this is a cover e-mail that goes to
23 the board of director. It includes your e-mail on
24 it, and then there is a presentation to the board of
25 directors on -- dated July 22nd which, in my

Page 403

1 understanding, is the presentation that was e-mailed
2 out in the cover e-mail.
3 Do you recall that prior to your convo- --
4 prior to a conversation with Evercore, that you --
5 A It just says "Redacted."
6 Q -- had this conversation?
7 A I'm sorry?
8 Q Do you recall that you received the
9 presentation that was to be given to the board of
10 directors on the 22nd on the evening of the 21st?
11 A I -- I -- I don't recall that precisely, no.
12 Q Okay. Do you have any reason to believe that
13 you didn't receive that presentation that was
14 e-mailed to you?
15 A No.
16 Q If it was e-mailed to you, would you have
17 reviewed it?
18 A Not necessarily.
19 Q Why do you say that?
20 A I get a lot of e-mails.
21 It says "Redacted."
22 Okay. Is there another page that I should go
23 to?
24 Q No. You can put it aside. I'm going to show
25 you -- give me this one.

Page 404

1 MR. CHESLER: 61.
2 (Exhibit 61 was marked for identification
3 by the court reporter and is attached hereto.)
4 BY MR. BARON:
5 Q I'm showing you an e-mail that you're not on,
6 but it's an e-mail between Evercore bankers. On the
7 bottom is "just buying Silevo" (as read):
8 "Whoever's idea of just buying
9 Silevo wasn't on his or her game."
10 Again, do you recall whose idea it was to
11 just buy Silevo in order to fund cash?
12 A I -- I think it was probably mine.
13 Q Okay. And did someone ever tell you that --
14 that the view of the investment bankers was that
15 buying Silevo could be a significant negative?
16 A No. I -- I -- that was not my impression.
17 Q Okay.
18 A My understanding was that Silevo was -- at
19 the time, was -- was an asset.
20 Q Okay. What happened to Silevo?
21 A Since then?
22 Q Yeah.
23 A Since then, it's the -- unfortunately, the
24 competitiveness of the Silevo panels did not match
25 the competitiveness of the --

Page 405

1 THE REPORTER: "Silevo" what?
2 THE WITNESS: Sorry. The -- the
3 competitiveness of the Silevo panels was not -- did
4 not match the competitiveness of the panels from
5 China.
6 BY MR. BARON:
7 Q So?
8 A So we did not continue with the Silevo
9 panels.
10 Q So you shut it down?
11 A Yes.
12 Q When did you shut it down?
13 A I -- as I recall, about a year and a half
14 later, a year, year and a half later.
15 Q After the acquisition?
16 A Yes. Although, we are still using some of
17 their equipment and facilities. In fact, we're
18 using all of their facilities and a bunch of their
19 equipment but for a different purpose.
20 MR. BARON: Can you mark this next in order,
21 please.
22 THE REPORTER: 62.
23 (Exhibit 62 was marked for identification
24 by the court reporter and is attached hereto.)
25 BY MR. BARON:

25 (Pages 402 - 405)

Page 406

1 Q I'm showing you what's been marked
2 Exhibit 62. It's a presentation that was given to
3 the Tesla board of directors on July 30th.
4 Were you given a copy of this presentation
5 before that meeting?
6 A I -- I am not sure.
7 Q Okay.
8 A It's quite a -- this is quite a big document.
9 Q You can't -- you don't -- you can't identify
10 whether you have or have not; is that fair?
11 A I'm not certain.
12 Q Okay.
13 A I mean, it is accurate to say that we are
14 making extensive use of the Silevo Buffalo factory.
15 (Exhibit 63 was marked for identification
16 by the court reporter and is attached hereto.)
17 BY MR. BARON:
18 Q Showing you what's been marked Exhibit --
19 THE REPORTER: 63.
20 BY MR. BARON:
21 Q -- 63. In there, there seems to be an
22 indication that -- on the SolarCity call on
23 August 9th that you announced the solar roof.
24 Do you recall there being an issue about
25 being -- people being surprised that you announced a

Page 407

1 solar roof on a conference call when nobody expected
2 you to do so?
3 A I mean, I -- we -- that's, aspirationally, we
4 like to make our product announcements without
5 people knowing that -- that they're going to happen.
6 Q Okay. You didn't let the Evercore bankers
7 know you were doing it, correct?
8 A I don't know. I guess, maybe.
9 Q Those are the bankers who were actually there
10 to advise you on the trans- -- advise Tesla on the
11 transaction, right?
12 A Sure, yeah. I mean, I don't know if -- if
13 they -- they knew or did not know. I...
14 Q Well, again, the Evercore bankers note in the
15 second e-mail from the bottom that they thought you
16 were going to await the announcement of the solar
17 roof, and the response was (as read):
18 "It's Elon's world. We just live in
19 it."
20 Again --
21 A That is not true, and it's Wayne's world.
22 Q Party on, Garth.
23 A Yes, exactly.
24 MR. CHESLER: It's pretty funny. It says
25 this call is far more interesting than the Tesla

Page 408

1 call. It says a lot about the Tesla calls.
2 MR. BARON: Well, the Tesla call on the
3 acquisition.
4 Q I want to move on quickly to -- because I
5 think we're going to come -- run out of time soon --
6 solar bonds that you bought in order to fund the
7 liquidity issues that were at SolarCity prior to the
8 acquisition.
9 A Uh-huh.
10 Q Whose idea was that?
11 A I'm not sure if it was -- I think it may have
12 been either my idea or -- or Lyndon's idea. I am
13 not sure. Or -- or it may have been someone else's
14 idea. I'm not sure who originally came up with it.
15 Q All right. And you under- -- from --
16 initial -- was it originally the plan that you were
17 going to buy 65 million of the SolarCity bonds,
18 Lyndon was going to buy 17 and a half million, and
19 Peter was going to buy 17 and a half million?
20 A As I recall, yes.
21 Q Okay. Is there a reason that when the
22 prospectus was first made public, that there was no
23 disclosure of the fact that the -- that 80 percent
24 of the bond issuances in that disclosure were going
25 to be bought by you, Lyndon and Peter?

Page 409

1 A I am not certain.
2 Q Okay. Now, you understood that you had the
3 ability, if you made this solar purchase, to have
4 Tesla pay you back for that investment almost
5 immediately, correct?
6 A No --
7 MR. CHESLER: Objection to the form.
8 THE WITNESS: -- I don't think so.
9 BY MR. BARON:
10 Q Well, that's what happened, right? When
11 the -- by the -- in the first quarter after the
12 acquisition, despite the bonds being -- you know,
13 not lasting for 18 months, you were actually paid
14 back your investment in the bonds in the first
15 quarter, correct?
16 A If -- that sounds correct. I'm not sure if
17 that's the exact timing, but if you say it is, I
18 suspect your correct.
19 Q And Lyndon was paid back, and Peter was paid
20 back too, correct?
21 A That -- it -- it sounds like you have -- it
22 sounds like you're correct. I do not know if those
23 are the exact dates, but I assume if you've
24 researched it, they are correct.
25 Q Well, if in the Q1 Form 10-Q it says that

<p style="text-align: right;">Page 410</p> <p>1 they were paid back, that would be an accurate 2 representation that they were paid back, correct? 3 A Yes. 4 Q All right. And whose decision was it to pay 5 you back? 6 A I think there was a -- I think there was a 7 board discussion to this effect, but I'm not sure. 8 I think the -- the intent of the -- of those solar 9 bonds was essentially a bridge financing for the 10 acquisition. They were trying to -- actually trying 11 to figure out the most morally defensible way to do 12 it. 13 That's -- the final conclusion was like, 14 well, we'll just do it ourselves and take the risk 15 ourselves. There was no certainty of payment, you 16 know. 17 Q But there wasn't any risk because you -- you 18 controlled solar -- you controlled Tesla afterwards, 19 and they could just pay you back, so wasn't that 20 just a -- just a facade? 21 A I did not control Tesla. 22 MR. CHESLER: Objection to the form of the 23 question. 24 THE WITNESS: It is incorrect to say that I 25 controlled Tesla. That's false.</p>	<p style="text-align: right;">Page 412</p> <p>1 THE WITNESS: Yeah, I -- I guess so. I -- I 2 think it was -- it was generally thought that it's 3 better to reduce the cross-holdings or like have -- 4 it's -- it's not -- it was not ideal to have 5 personal and corporate things mixed up, so better to 6 minimize that. 7 BY MR. BARON: 8 Q Well, nobody thought that was a problem when 9 you actually gave the -- bought the solar bond in 10 the first place, correct? 11 MR. CHESLER: Objection to the form. 12 THE WITNESS: There was -- there were no -- 13 obviously, there was no ideal way to do it, but 14 this -- the Tesla board concluded that this was 15 probably the -- the -- of the various paths, this 16 was the best one to provide bridge financing. But 17 the goal was simply to provide bridge financing 18 through the acquisition. 19 BY MR. BARON: 20 Q Are you saying you got board approval to buy 21 the solar bonds? 22 A It was -- as I recall, it was board 23 discussion. Certainly, it wasn't without the board 24 awareness. 25 Q That's not my question.</p>
<p style="text-align: right;">Page 411</p> <p>1 BY MR. BARON: 2 Q Well, did somebody do an analysis and say, 3 well, it would really help Tesla to pay back that 4 200 million in the first quarter rather than to wait 5 until they mature in 18 months? 6 A Was it 200 or 100? 7 Q Hundred -- I -- 100 million. 8 A I'm not -- I'm not certain. I mean, it -- it 9 was simply intended as a bridge financing, as a 10 temporary financing, but I -- I can't say there 11 was -- I'm not sure exactly what the reasoning was 12 for paying it back at that time. 13 Q Help me with my finance 101. 14 A Sure. 15 Q Why is it better to pay off those bonds in 16 the first quarter rather than to let them mature for 17 18 months? 18 A Actually, I'm not sure. I think -- I do not 19 recall the reason at this time. 20 Q Okay. And you also prepaid the Space X 21 bond -- solar bond purchase too, correct -- 22 MR. CHESLER: Objection -- 23 BY MR. BARON: 24 Q -- before those were mature? 25 MR. CHESLER: Objection to the form.</p>	<p style="text-align: right;">Page 413</p> <p>1 Was the decision to -- did the board have any 2 authority in approving or not approving your 3 purchase of solar bonds? 4 A My recollection is that this was discussed, 5 and the board thought that this was the best way to 6 go. That's my recollection. 7 Q Do you know why KPMG was hired in connection 8 with the merger? 9 A I don't. 10 Q Do you know whether or not KPMG had an 11 obligation to conduct due diligence for Tesla? 12 A Probably, yeah. They probably did. 13 Q Do you recall whether KPMG was concerned that 14 they had -- that they did not have sufficient due 15 diligence prior to the time that the merger was 16 consummated or the merger agreement was signed? 17 A I was -- I am not, no. 18 Q Let me -- let's talk about the solar roof for 19 a moment. 20 You were aware that -- well, let me ask you 21 whether or not you agree with the testimony from 22 other people about the solar roof. 23 Do you believe -- do you agree that at the 24 time of the acquisition, that the solar roof was 25 still in development, at its very early stages of</p>

Page 414

1 development?

2 A Yes.

3 Q Do you agree that the solar roof was a

4 nascent, n-a-s-c-e-n-t, nascent product and there

5 hadn't been a ton of financial modeling done on the

6 solar roof as of the time of the acquisition?

7 A Well, I'm not sure that the unit of --

8 that -- that everyone doesn't measure diligence in

9 tonnage.

10 THE REPORTER: That what --

11 BY MR. BARON:

12 Q No. I said "nascent." Was a nascent product

13 that there hadn't been -- I agree. Okay. I

14 understand that.

15 A I mean, it's hard to weigh -- it's hard to

16 weigh diligence. You know, it's not -- it's not

17 going to weigh, you know, somewhere between 2,000

18 and 2,200 pounds. There would be a lot of

19 diligence.

20 Q Okay.

21 A But it was early, yes.

22 Q You agree that SolarCity finance had zero

23 visibility on how much it was going to cost to make

24 the solar roof, to install the solar roof, the R&D

25 on the solar roof and where it would be manufactured

Page 415

1 and the buildup costs of materials, correct?

2 MR. CHESLER: Objection to the form.

3 BY MR. BARON:

4 Q There's a lot of questions there. Do you

5 want me to break it down?

6 A I think you probably need to parse the

7 questions.

8 Q Sure.

9 A Yeah.

10 Q Do you agree that at the time of the

11 acquisition, SolarCity finance had zero visibility

12 on how much it would cost to make this solar roof,

13 correct?

14 A No.

15 Q You don't agree with that?

16 A No. Zero is a small number. I think there

17 was limited visibility but not zero.

18 MR. BARON: All right. Can you show -- can I

19 have 1117.

20 THE WITNESS: I mean, necessarily, if it's

21 early in the product, you have -- there's a lot of

22 uncertainty, but zero is far too low.

23 MR. BARON: Okay. Showing you what's being

24 marked as 68.

25 MR. CHESLER: 64.

Page 416

1 MR. BARON: Jeez, not even close.

2 MR. CHESLER: You weren't even close. You

3 weren't within a rounding error that time.

4 MR. BARON: Not even within the first decile.

5 MR. CHESLER: It was less than a ton, though.

6 MR. BARON: Less than a ton, yeah.

7 (Exhibit 64 was marked for identification

8 by the court reporter and is attached hereto.)

9 BY MR. BARON:

10 Q This is an --

11 A Two tons.

12 Q This is an e-mail --

13 A (Unintelligible) every morning.

14 Q This is an e-mail chain from Marianne

15 Borenstein to Jason Wheeler and a response from

16 Jason Wheeler below or -- sorry, a -- an exchange

17 between Jason Wheeler and Marianne Borenstein.

18 And on the first page, you can see on the

19 one, two, three, fourth bullet point down, it says

20 (as read):

21 "The SolarCity Finance has zero

22 visibility on how much it's going to

23 cost the solar roof."

24 Do you see that? Is that an inaccurate

25 statement in your view?

Page 417

1 A Who's Marianne Borenstein?

2 Q She worked for you.

3 A I don't know her. I'm not sure I would

4 put -- it's difficult for me to calibrate her

5 opinion since I do not know her.

6 Q She was the director of new programs at

7 Tesla.

8 A I did not have -- I had close to zero

9 interaction with Marianne Borenstein.

10 Q Okay. Now, if Mr. Wheeler agreed that it was

11 accurate, would you think it was wrong?

12 MR. CHESLER: Wait a minute. There's no --

13 you said there's a response --

14 THE WITNESS: So what are you referring to?

15 MR. CHESLER: -- from Wheeler here, but it's

16 not here.

17 MR. BARON: No. He was deposed on it, and he

18 said that they were accurate. That was an accurate

19 statement.

20 Q If Mr. Wheeler says that it's an accurate

21 statement that SolarCity had zero visibility on

22 finance, do you think he was wrong?

23 A Yes.

24 MR. CHESLER: Objection to form.

25 BY MR. BARON:

Page 418

1 Q Okay. When he said that they had zero
2 visibility on how much it was going to cost to
3 install the solar roof, do you think he was wrong?
4 A Yes, definitely.
5 MR. CHESLER: Objection to form.
6 BY MR. BARON:
7 Q Do you think when he agreed that they had
8 zero visibility as to the R&D necessary for the
9 solar roof that he was wrong?
10 MR. CHESLER: Same objection.
11 THE WITNESS: Yes. He -- necessarily, at the
12 beginning of a product, you have low visibility.
13 But to say it's zero is absolutely wrong.
14 BY MR. BARON:
15 Q Do you think when he said -- when he agreed
16 that it was zero visibility as to where the solar
17 roof would be manufactured, is he right or wrong on
18 that?
19 A I'd say completely wrong on that one. We
20 knew that it would be at the -- the Buffalo
21 facility, which -- and that's where it is.
22 Q When he said SolarCity had zero visibility on
23 the buildup costs of getting raw materials, was he
24 right or wrong on that?
25 A It's definitely wrong to say zero. Limited

Page 419

1 would be accurate but not zero.
2 Q When Mr. Wheeler was asked fundamentally, do
3 you agree with the concept that there was really no
4 real product yet to model and he said yes, that's
5 correct, do you agree with that --
6 MR. CHESLER: Objection to form.
7 BY MR. BARON:
8 Q -- that there was no real product to model?
9 A Well, I think precisely I know what you're
10 saying, like the uncertainty of the model would
11 be -- would be significant because it is early in
12 the product planning cycle.
13 Q But nonetheless, despite -- and you knew
14 all -- so you were aware of all of that information
15 prior to the acquisition of SolarCity, correct?
16 A When you say "all of that information," what
17 do you mean?
18 Q You were aware of the status of the solar
19 roof prior to the acquisition, correct?
20 A I was aware that it -- that we were early in
21 the product, that this was, as you said, a nascent
22 product. And so necessarily the uncertainties were
23 significant.
24 Q Okay. Now, you were also aware after the
25 merger -- after a possible merger was announced that

Page 420

1 you were getting some significant major shareholder
2 pushback, correct?
3 A From some shareholders, yes.
4 Q And your view was that the way to counter
5 that was for three things to happen. One is get
6 money for SolarCity in the short term solving its
7 immediate liquidity crisis, correct?
8 A I think you're connecting the -- the
9 shareholder support and what -- and things that are
10 important to get done. They're not quite the same
11 thing. Obviously, we needed to have bridge
12 financing for SolarCity. I don't think this was a
13 factor with investors. I don't recall this being a
14 significant part of any investor discussion.
15 Q All right. I will -- what I'm saying is that
16 in order to get investor -- investors on board, you
17 believed three things had to happen, which was
18 SolarCity solving its liquidity crisis, letter of
19 intent with Panasonic and a joint product demo for
20 the solar roof, correct?
21 A I think the second two, yes. The first one I
22 think was not related to investors. It was simply
23 either we need to provide bridge financing or we
24 need to call off the acquisition discussions. Those
25 were the two options.

Page 421

1 Q Okay. And in order to -- in order to, again,
2 get investors' sentiment on your side, you decided
3 to push up the demonstration of the solar roof,
4 correct?
5 MR. CHESLER: Objection to the form.
6 THE WITNESS: I -- I thought it was important
7 to explain to investors the -- the product rationale
8 for the combination.
9 BY MR. BARON:
10 Q But you made a decision to push -- you
11 unilaterally made a decision to push up the solar
12 roof presentation, correct?
13 A I -- I think this -- unilateral is incorrect.
14 The -- and there were many discussions about this.
15 But it stands to reason that if you are trying to
16 explain to investors why the combination makes
17 sense, then you have to explain the products and the
18 synergies that will result from the -- from the
19 combination. Otherwise, they will not understand
20 why it should be done.
21 (Exhibit 65 was marked for identification
22 by the court reporter and is attached hereto.)
23 BY MR. BARON:
24 Q I'm showing you what's been marked
25 Exhibit 65. And in there, there's an e-mail from

Page 422

1 Peter Rive that says (as read):
2 "Elon, just heard from Lyndon that
3 you'd like to move up the launch
4 event to early November."
5 Do you see that?
6 A Yes.
7 Q Okay. Is that an accurate statement, that
8 you told Lyndon that you wanted to move up the
9 launch event?
10 A Yes.
11 Q And that the moving up the launch event was
12 specifically in response to feedback from major
13 investors that were very negative on SolarCity,
14 correct?
15 A Yes.
16 Q And you believed you needed to do this to
17 show them what the integrated product looks like,
18 correct?
19 A Yes.
20 MR. BARON: Let me take a minute and make
21 sure I'm done, and then we can be done.
22 THE WITNESS: Sounds good. Cool. Great.
23 MR. CHESLER: Why don't we just stay here
24 unless you need something.
25 THE VIDEOGRAPHER: Off the record. The time

Page 423

1 is 1:49 p.m.
2 (Recess.)
3 THE VIDEOGRAPHER: Okay. We're back on the
4 record. The time is 1:52 p.m.
5 MR. BARON: I have no further questions.
6 THE WITNESS: Great. Thank you.
7 THE VIDEOGRAPHER: Okay. This concludes
8 today's testimony given by Elon Musk. The total
9 number of media units today was one and will be
10 retained by Veritext Legal Solutions, and we're off
11 the record at 1:53 p.m.
12 (TIME NOTED: 1:53 p.m.)
13 _____
14 ELON MUSK
15
16 Subscribed and sworn to before me
17 this ____ day of _____, 2019.
18 _____
19 _____
20 NOTARY PUBLIC
21
22
23
24
25

Page 424

1 I, the undersigned, a Certified Shorthand
2 Reporter of the State of California, do hereby
3 certify:
4 That the foregoing proceedings were taken
5 before me at the time and place herein set forth;
6 that any witnesses in the foregoing proceedings,
7 prior to testifying, were administered an oath; that
8 a record of the proceedings was made by me using
9 machine shorthand which was thereafter transcribed
10 under my direction; that the foregoing transcript is
11 a true record of the testimony given.
12 Further, that if the foregoing pertains to the
13 original transcript of a deposition in a Federal
14 Case, before completion of the proceedings, review
15 of the transcript [] was [] was not requested.
16 I further certify that I am neither financially
17 interested in the action nor a relative or employee
18 of any attorney or any party to this action.
19 IN WITNESS WHEREOF, I have this date subscribed
20 my name.
21
22 Dated: August 25, 2019
23
24 *Nadia Newhart*
NADIA NEWHART
25 CSR NO. 8714

Page 425

1 ERRATA SHEET
2 VERITEXT LEGAL SOLUTIONS
3 330 OLD COUNTRY ROAD
4 MINEOLA, NEW YORK 11501
5 516-608-2400
6 NAME OF CASE: IN RE TESLA MOTORS, INC.
7 DATE OF DEPOSITION: AUGUST 24, 2019
8 NAME OF DEPONENT: ELON MUSK
9 PAGE LINE(S) CHANGE REASON
10
11
12
13
14
15
16
17
18
19
20
21
22 ELON MUSK
23 SUBSCRIBED AND SWORN TO BEFORE ME
24 THIS ____ DAY OF _____, 20__.
25 (NOTARY PUBLIC) MY COMMISSION EXPIRES:

30 (Pages 422 - 425)

&	12:05 344:1	349:8 350:3 354:1	342:3,4,9 345:3,4
& 311:4,15 316:13	12:08 344:7	354:12 356:3,10	345:20 347:20
316:24 317:1,3	12:54 383:25	356:12,16,17	350:22,23 351:1,2
0	14 381:7,16	357:14,19,19	352:2 354:7,14,17
00085390-391	14th 337:1,9	360:18 361:1,4	356:6,14,18 359:3
314:24	16 322:9 361:18	362:1 365:1	359:9,15,18
00164011 314:17	17 314:7 322:9	366:22 371:3	360:17 361:10
1	408:18,19	376:25 378:11	362:17 364:23
1 312:13 382:9	18 313:15 326:3	381:5 399:14	365:5,13,20
411:7	409:13 411:5,17	2017 328:8 334:4	378:11 379:17,18
1.5 357:12	1800 310:10	335:17 349:7,10	381:12,22,25
1.7 379:21	316:13	350:5 354:9,14,18	382:7 385:8,11
10 312:21 313:17	18th 339:16	355:23 364:24	388:3 390:3,5,6
333:14,15 334:1	1900 311:8	365:6 370:11	30th 352:22
334:25 345:5,12	1:02 384:3	379:20	353:12 406:3
345:17 351:11,12	1:49 423:1	2018 344:18 349:2	31 312:23 313:19
352:12,18 353:12	1:52 423:4	349:10 355:14,25	317 312:6
382:8,9 383:17	1:53 310:12	357:5 365:10	319 312:11
409:25	423:11,12	2019 309:12	31st 352:19
100 411:6,7	1a 312:11 318:24	310:12 316:1,6	321 312:15
10019-7475	319:1,4	319:13 363:2	323 312:18
311:19	2	423:17 424:22	330 425:2
101 393:8,25	2 365:15 371:6,25	425:4	334 312:21
394:15 395:2	372:11 382:14,20	2020 344:19	336 313:5
397:25 411:13	382:23 383:18	20th 365:1	339 313:9
109 312:23	2,000 414:17	212-474-1438	343 313:13
10th 352:24 353:3	2,200 414:18	311:20	352 313:17
11 333:15 345:6,7	2/13/16 313:5	21st 399:14 400:12	361 313:21
345:8,12,15,16,17	2/14/16 313:6	401:24 403:10	376 315:15
345:21 346:11,12	20 334:8 356:12	22nd 401:20	381 314:5
351:12 382:8	399:14 425:23	402:25 403:10	399 315:16
11/17/16 315:5	200 383:5,11,14	24 309:12 310:12	3rd 381:6
1117 415:19	396:22 411:4,6	316:1 425:4	4
114 312:16	2012 361:4	24th 316:6 334:1	4 312:19
11501 425:2	2015 312:23 384:9	25 424:22	4/18/16 313:9
11:32 310:11	2016 313:13,19	29 319:14	4/23/16 313:10
316:2,5	314:5 333:18,19	3	40 319:24 320:5
12 326:2 345:6,7	334:1 335:15,24	3 320:10,24 326:15	402 314:9,12
12711 309:4 310:4	336:5 337:20	327:2,5 328:9	404 314:16
316:11	339:12 343:8	334:3,9 335:12,14	405 314:19
	344:12 346:12	336:8 338:22	

406 314:23	60 314:12 402:14	9,000 352:9	acknowledged
416 315:5	402:16,21,22	9/16/16 315:8	333:2
421 315:8	61 314:16 404:1,2	900 316:14	acquire 367:5
46 315:16 399:25	619-231-1058	92101 311:9	368:7 391:14
4th 344:12	311:10	9th 406:23	acquired 329:1
5	62 314:19 402:19	a	373:14,20 375:13
5 335:7,8 336:7	402:21 405:22,23	a.m. 310:11 316:2	389:16
374:15 379:15	406:2	316:5	acquiring 371:25
5,000 355:10,13,15	63 314:23 406:15	ability 318:4,10	acquisition 331:14
355:19 357:21,21	406:19,21	325:9 384:12	333:8 362:7,13
5/4/16 313:15	64 315:5 415:25	392:8 409:3	363:6 366:23
50 312:15 321:8,9	416:7	abl 362:22	367:14,17,22
321:10,11,17,21	65 315:8 408:17	able 345:3 350:4	368:20,20,21
357:11,22	421:21,25	abs 342:9	369:11,22 370:11
500,000 357:4	655 311:8	absolutely 348:22	375:22 383:6,12
51 312:18 313:19	68 415:24	377:22 391:24	388:7 389:8,11,11
321:4,7,8,9 323:17	7	396:2,2 418:13	390:10,12 391:18
323:18,20	7 350:9	accelerate 350:15	391:22 392:6,22
516-608-2400	7,000 352:3	accepted 398:12	396:5 397:7
425:3	7/21/16 314:9	accord 383:10	399:16 400:17
52 312:21 323:15	7/22/16 314:14	account 322:20	405:15 408:3,8
334:16,21,24	7/24/16 314:16	accretive 367:17	409:12 410:10
53 313:5 336:6,10	7/30/16 314:21	367:22 368:2,10	412:18 413:24
336:12	7136 424:24	368:20 369:11,23	414:6 415:11
54 313:9 339:6,8	724074 341:6	370:11	419:15,19 420:24
343:17	724813 336:19	accurate 319:17	acquisitions
55 313:13 343:18	8	324:13 331:20	369:24
343:19	8/23/19 312:19	335:3,21 338:18	action 338:2,9
56 313:17 352:13	8/3/16 314:7	357:15,23 359:10	424:17,18
352:15	8/9/16 314:23	359:18 377:3	active 342:24
57 313:21 361:20	80 385:6 408:23	379:25 388:19	385:9,9,13 386:19
361:22	81 337:5	396:9 406:13	actively 324:24
58 314:5 380:25	813 337:5	410:1 417:11,18	actual 312:12
381:1 402:9	825 311:18	417:18,20 419:1	366:16
59 314:9 402:10,11	8714 309:18	422:7	add 368:16
402:12	310:14 424:25	achieve 354:8,13	adding 382:2
6	9	359:16 379:22	addition 356:1
6,000 352:3	9 315:15 333:14	achieved 336:1	397:3
6/20/16 313:21	345:5 351:11,15	355:7	additional 330:11
	376:16	achieving 322:11	367:15
		322:13 359:25	

addressed 359:19 359:21 addresses 322:3 adds 368:8,12 adhere 377:21 administered 424:7 admissible 377:4 ads 341:24 advance 357:4,25 advancing 358:5 advertising 330:10 advise 407:10,10 affect 318:4 age 364:23 aggressive 340:24 346:25 ago 322:9 326:3 328:13 384:9 402:6 agree 378:1 384:23 385:4 389:3 397:12 413:21,23 414:3 414:13,22 415:10 415:15 419:3,5 agreed 417:10 418:7,15 agreement 322:24 323:2 413:16 ahead 320:2 344:5 aiming 344:17 alarming 326:11 alarmingly 327:7 alex 311:6 316:25 allocate 322:5 allowing 364:15 ambiguous 369:13 ambiguously 370:22	amended 362:23 amount 338:13,13 358:1 380:3 386:19 amounts 368:17 374:9 amphenol 324:20 326:6 analogies 351:15 analogy 351:21 analysis 411:2 angeles 309:11 310:10 316:1,14 announced 329:16 406:23,25 419:25 announcement 391:18 392:17 407:16 announcements 407:4 answer 318:16,18 331:9,10 363:19 363:22 364:2,15 369:3,5,7,21 370:5 370:10,19,21 387:17 396:13 398:2,20,21 399:6 answering 386:24 answers 346:23 anticipate 359:9 361:13 anticipated 358:12 anybody 387:20 398:3 anymore 329:17 331:3,16,18 anytime 371:19 anyway 353:2 apart 318:6 396:23	apologize 339:22 appearances 311:1 316:22 appears 339:13 appetite 337:14 appointments 329:10 appropriate 391:11 approval 412:20 approve 384:20 approving 413:2,2 approx 357:6 approximately 357:6,11 385:8 april 339:12,16 342:25 346:12 art 374:17 article 323:23 324:5,6 aside 403:24 asked 326:8 370:5 394:25 395:1 419:2 asking 369:12 370:7 384:25,25 396:9 398:16 399:12 aspirationally 358:23 407:3 aspire 360:9 assessment 380:1 396:9 asset 342:17 404:19 assets 373:20 375:9,21 associated 350:23 assume 363:15 409:23	assumed 332:8 assuming 335:1 354:4 assumptions 340:25 attached 319:2 321:18 323:21 334:22 336:13 339:9 343:20 352:16 361:21 381:2 402:13,17 404:3 405:24 406:16 416:8 421:22 attack 324:7 attention 327:6,19 390:7 attorney 311:17 377:16 424:18 attorneys 311:7 august 309:12 310:12 316:1,6 381:6 406:23 424:22 425:4 author 378:17 authority 413:2 automotive 340:17 available 330:2 avenue 310:10 311:18 316:13 await 407:16 aware 317:21 322:2 333:5 362:21 363:1,4 364:25 365:8,12 373:11 388:6,6 396:25 413:20 419:14,18,20,24 awareness 412:24
--	--	---	---

b	349:25 352:10,17	batteries 350:25	board 314:12,19
back 324:19	352:23 353:1,10	battery 350:25	366:21 391:6
333:18 344:4,6	353:14,17 354:1	382:1,4	401:2,20 402:4,23
346:7 364:1	356:11,24 361:9	beginning 310:11	402:24 403:9
371:10,15 384:2	361:18,24 364:19	418:12	406:3 410:7
385:6,6 396:10,14	366:5 367:12,20	begins 316:6	412:14,20,22,23
396:21 409:4,14	368:18,23 369:2	341:14,18	413:1,5 420:16
409:19,20 410:1,2	369:20 370:3,16	behalf 310:9	bond 342:23,23
410:5,19 411:3,12	370:18 371:11,14	belief 366:8,14	408:24 411:21,21
423:3	371:20 372:10	believe 319:22	412:9
backed 342:17	374:19,25 375:7	320:3 322:12	bonds 408:6,17
backwards 339:25	375:24 376:15,20	325:21 328:4	409:12,14 410:9
340:1	376:23 377:13	332:16 335:20	411:15 412:21
bad 352:14	378:2,8 380:18,22	350:3 386:1,2	413:3
balance 380:11,16	381:3 383:2,19	394:1 403:12	books 342:19
380:20	384:4 387:18	413:23	boondoggle
balances 379:22	391:3 392:13	believed 354:12	338:25 339:2,3,5
bank 340:16	393:4,19 394:9,16	358:21 388:8	borenstein 416:15
365:17 382:22,24	395:8,23 396:19	390:18 420:17	416:17 417:1,9
banker 341:10,23	398:1,10 399:22	422:16	borrow 361:16
393:7 394:4,19	400:6,9 401:3,7,10	bell 355:3	bothered 388:4
395:9 396:8	401:23 402:9,11	benefits 330:16	bottom 336:19
bankers 392:14	402:14,18 404:4	best 320:14 329:4	341:14,19 344:14
393:11 404:6,14	405:6,20,25	390:25 391:2	344:22,23 350:11
407:6,9,14	406:17,20 408:2	393:18 412:16	404:7 407:15
barking 386:17	409:9 411:1,23	413:5	bought 328:8
baron 311:5 312:6	412:7,19 414:11	bet 398:23	394:13 408:6,25
316:23,23 317:14	415:3,18,23 416:1	better 327:25	412:9
318:21 319:3	416:4,6,9 417:17	328:7 366:17	box 329:4
320:19 321:3,9,11	417:25 418:6,14	373:22 394:1	brain 341:2
321:20 323:6,12	419:7 421:9,23	411:15 412:3,5	break 383:19,21
323:15,18,22	422:20 423:5	beyond 342:8	400:1 415:5
327:24 328:6	based 366:14	big 329:4 347:16	bridge 410:9
331:1 334:16,19	378:20	406:8	411:9 412:16,17
334:23 336:4,9,11	basic 366:9,14,19	billion 357:12	420:11,23
336:14 337:8	393:18 397:19	371:6,25 372:11	bring 358:12,15
339:6,10 340:10	basically 399:10	379:21 382:14,20	400:9
340:18 341:15,21	basis 385:16,20	382:23 383:17	broadway 311:8
343:7,12,17,21,24	386:3	bit 384:7,9	brown 339:15
344:8,23,25	bates 336:19	blamed 327:1	340:9
345:18,23 349:13			

bs 379:10 buffalo 406:14 418:20 build 342:25 348:18,18 357:4 building 358:9 buildup 415:1 418:23 bullet 365:15 371:12 416:19 bunch 405:18 burn 326:10 business 312:18 320:10 324:1,6 328:1 338:20 buy 329:4 332:20 362:15 404:11 408:17,18,19 412:20 buyers 342:23 buying 333:7 382:11 390:9 396:16 404:7,8,15	called 324:10,13 362:10,13 calls 329:21 331:15,23 344:10 408:1 calm 338:3,4 campaigns 331:18 ██████████ ██████████ cap 365:17,24 393:3 capable 391:20 capacity 365:16 capex 364:23 365:4,5 371:1 372:3,9,16,17,18 372:23,23 373:1,6 capital 357:9 362:3 365:19,25 366:3 381:11,21 381:24 382:6,12 382:14,19,21,22 383:9,15 391:15 391:17,21 392:4,8 392:16,21 393:1 396:3 car 332:22,22 342:20,20 357:21 care 364:17 career 349:2 carries 341:19 cars 338:21 case 312:16 316:11 320:4 322:7 325:5 348:5 382:1 388:21 391:1 424:14 425:4 cases 326:7 cash 338:13 343:1 356:20 364:24	365:3,5 368:24 370:25 373:14 379:19,22 380:2 380:11,15,16,20 383:6 390:11 404:11 catching 322:21 categorization 373:7 cause 324:4 326:9 326:10 373:10 380:15,19 caused 321:23 322:4 324:12 cell 350:17 cells 360:21 382:1 382:4 385:13 386:20 ceo 322:15 certain 325:22 374:3 376:6 380:3 406:11 409:1 411:8 certainly 335:6 338:23 375:11,16 376:8 412:23 certainty 375:15 410:15 certified 310:13 424:1 certify 424:3,16 cetera 339:14 356:3 cfo 362:2 chain 313:5,9,21 314:23 336:5,16 336:16 339:11,12 340:4 348:11 416:14 chains 339:24	challenge 359:3,14 360:4,24 379:19 380:2 challenges 351:10 356:2 359:19 361:12,14 chancery 309:1 310:1 316:10,10 change 425:6 changing 371:19 channels 330:15 characterization 400:19 chart 318:23 319:4,5 chesler 311:16 317:2,2 320:12 321:12,14 323:17 327:13 328:3 336:8,10 337:2,5 339:3 340:3,13 341:12,18 343:11 343:15,22 344:3 344:22 349:12,15 352:21 353:11,21 353:23 356:7 361:22 363:14,17 363:24 364:7,11 365:22 366:25 367:18 368:11,22 368:25 369:16,25 370:13 371:9,13 371:15 374:10 375:23 376:18,21 377:8,11,14,18,22 377:25 378:3,6 380:17 382:16 387:16 390:21 392:11,19 393:15 394:7 395:4,6,19 396:15 397:23
c 414:4 c.a. 309:4 310:4 calibrate 417:4 california 309:11 310:11 311:9 316:1,14 424:2 call 313:14 314:6 324:14 331:17 344:13 347:21 349:8,14 362:9 363:2 368:4 381:5 400:11,12,15,23 401:12,14,17,18 402:2 406:22 407:1,25 408:1,2 420:24			

398:7 400:4,7,18 402:10 404:1 407:24 409:7 410:22 411:22,25 412:11 415:2,25 416:2,5 417:12,15 417:24 418:5,10 419:6 421:5 422:23 chill 395:7 china 405:5 chosen 374:8 chris 378:14,14 civil 394:22 clarify 354:23 clarifying 340:8 class 347:13,16,17 classes 347:11 clear 328:14,18 332:21 337:11,25 349:3 385:8 client 327:20 377:16 close 322:13 385:11 396:4,18 416:1,2 417:8 closer 352:9 355:9 code 384:11 386:2 college 347:6 351:19,24 colorful 337:22 combination 421:8,16,19 combine 366:3 combined 366:2 366:17 367:25 come 393:12 408:5 coming 329:17 comment 388:11 commercial 325:1 325:2	commission 425:25 common 398:12 398:18 communication 330:23 communications 330:19,20 377:3 companies 342:21 360:8 365:25 company 327:3 328:8,12 337:11 338:12,16,19,21 359:16 367:5,24 368:7,8 390:2 392:24,25 397:3 company's 328:12 comparing 319:6 competitiveness 404:24,25 405:3,4 complaint 312:15 321:5,22 complete 379:10 completed 342:4 completely 418:19 completion 424:14 complex 347:2 349:21,22 complexity 358:8 382:2 complicated 343:4 343:5 348:21 components 348:7 348:17 352:4,8 concept 419:3 concern 364:22 374:17 concerned 355:21 355:23 388:2 413:13	concerns 362:15 382:7 concluded 412:14 concludes 423:7 conclusion 355:22 410:13 conduct 413:11 conference 347:20 349:8,14 407:1 confident 321:2 392:20 confidential 363:21 364:14 confirm 317:16 conflated 383:1 connecting 420:8 connection 358:6 361:4 365:13 400:16 413:7 connectors 324:21 326:6 conservative 358:18,21,22 360:7 consider 389:1 390:24 consideration 390:14 considerations 362:3 considering 333:7 consistent 326:25 332:19 351:15 consolidated 309:3 310:3 consumer 372:15 374:12,18 consummated 413:16 contain 385:12	contents 401:16 continue 326:25 374:5 405:8 continued 313:1 314:1 315:1 320:11 375:3,19 continuing 374:22 374:24 375:3 contracts 374:13 control 410:21 controlled 410:18 410:18,25 conventional 330:18,24 conversation 340:12 364:6 403:4,6 conversations 387:5 394:3 converts 363:2 convo 403:3 cool 353:23 422:22 copies 400:10 copy 321:15 376:18 400:8 406:4 core 338:20 347:15 corporate 412:5 correct 319:22,25 320:6,7 323:10 327:5 328:22 329:1,6,11,12 331:4,19 333:8,22 334:4,7 336:2 338:22 349:11 350:23 352:6 356:5,15 358:15 359:10,16 360:22 360:23 361:1,6,15 362:17,24 363:3,6
--	--	---	---

365:6,21 373:5,10 373:16,21 374:1 374:22 375:10,14 375:22 378:21 379:23 380:11,16 380:20 382:13,14 382:18 383:7 388:10 389:1 390:20 391:19 395:18 396:2,9 397:22 399:17 401:12,15,21 407:7 409:5,15,16 409:18,20,22,24 410:2 411:21 412:10 415:1,13 419:5,15,19 420:2 420:7,20 421:4,12 422:14,18 correctly 324:22 357:18 370:15 372:2 cost 356:4,13,18 357:22 358:9 374:12,15,18 389:10 414:23 415:12 416:23 418:2 costs 337:12,20 338:10,15 358:5 358:25 415:1 418:23 counsel 316:8,21 364:6 377:4 couter 420:4 country 425:2 couple 319:20 365:18 course 379:2 398:17	court 309:1 310:1 316:10,16 317:5 319:2 321:5,18 323:21 334:22 336:13 339:9 343:20 352:16 361:21 381:2 402:13,17 404:3 405:24 406:16 416:8 421:22 cover 401:23 402:22 403:2 cravath 311:15 317:2 cravath.com 311:21 crazy 345:7 create 377:6 creating 342:18 credit 373:9 crisis 420:7,18 critical 338:15,19 cross 412:3 csr 309:18 424:25 curious 363:8 current 319:12,13 342:7 358:10 currently 357:8 curve 349:22 355:3 customary 358:17 360:5 customers 342:5 cycle 419:12 d daedalus 362:3,6,9 danger 385:22,23 385:24 386:2 dangerous 384:19 date 316:6 325:13 347:7 348:1,8,16	352:13 381:5 424:19 425:4 dated 312:18 313:5,9,15,21 314:7,9,13,16,20 314:23 315:5,8 339:16 402:25 424:22 dates 409:23 day 323:19 334:20 423:17 425:23 de 322:9 deadline 357:25 deal 317:15,16,20 392:17 395:5 dealt 363:5 debate 392:23 debt 362:22 365:9 365:9 368:8,8,13 368:14,16,17,19 372:15,20,22 december 312:23 354:18 384:9 decide 381:20 decided 357:3,3 390:20 391:5 421:2 decile 416:4 decision 410:4 413:1 421:10,11 decline 319:24 320:5,11 declining 327:8 decrease 358:2,5 default 362:24 defendants 311:14 317:3 defensible 391:10 410:11 definitely 338:23 355:17 418:4,25	delaware 309:1 310:1 316:11 deliveries 334:3 335:16 354:9 delivering 359:6,7 delivery 349:6 350:5 demand 326:20,22 327:16 328:21 354:7 demo 420:19 demonstration 421:3 department 329:9 dependent 322:10 depends 334:10 deploy 324:24 327:25 deployed 312:13 319:14 326:25 deployment 322:6 322:19 325:6 328:5 deployments 325:9 326:14,17 deponent 425:5 deposed 417:17 deposition 309:10 310:8 316:7,12 319:6 363:11 364:12 376:17 377:4 378:4 424:13 425:4 depositions 317:25 depot 329:4 description 312:10 313:4 314:4 315:4 despite 409:12 419:13 detailed 335:5
---	---	--	---

determine 324:21 development 413:25 414:1 diatribes 317:18 diego 311:9 difference 354:23 367:16,21 373:1 388:5 different 334:9,12 367:2 375:2 405:19 difficult 332:24 333:10,11,12 346:8 348:23 352:5 355:6 358:15 383:12 391:14 417:4 difficulties 355:25 difficulty 333:14 333:14,17 345:6 351:12 356:2 digital 330:8,9,14 diligence 413:11 413:15 414:8,16 414:19 dilution 367:15 dilutive 366:24 367:4,7,13,17,22 368:4,10,21 369:11,23 370:12 direct 360:20 direction 424:10 directive 374:5 directly 375:6 387:5,14,20,22 director 311:14 388:8 402:23 417:6 directors 314:12 314:19 401:20 402:25 403:10	406:3 disagree 378:23 disclosed 332:7 disclosure 408:23 408:24 disclosures 358:17 discount 393:2 discuss 402:2 discussed 350:13 384:10 401:14 413:4 discussing 400:16 discussion 341:22 363:9 395:14 397:10 410:7 412:23 420:14 discussions 339:13 378:20 383:12 391:13 392:6 396:6 399:15 420:24 421:14 dispute 322:8 distinguish 349:17 document 312:11 312:18 321:4,25 322:1 335:8 336:15 339:24 343:8 344:9 350:10 351:18 352:11 353:3,5 363:21 364:13 371:13 378:9,10 381:7 383:5 395:15,16 400:19 406:8 documents 382:13 401:25 doing 328:10,10 328:19 375:11,16 392:5 393:13 397:8 407:7	doomed 337:13,19 338:7 door 328:25,25 double 357:6 dowd 311:4 316:24 317:1 draft 401:19 driven 351:2 drop 331:18 dude 395:5 due 413:11,14 duly 317:10	easy 349:19 394:4 echesler 311:21 edge 385:8,11,12 effect 327:16 410:7 effectively 331:6 374:12 effort 395:25 eight 346:21 eighth 311:18 either 318:8 331:3 366:10 408:12 420:23 electrical 385:9 electrocute 386:23 electrocuted 387:7 electrocution 385:22,23 element 335:5 397:19 elements 322:23 323:2 326:19 elimination 373:9 elon 309:10 310:8 312:3 316:7 317:9 400:23 422:2 423:8,14 425:5,21 elon's 407:18 else's 408:13 employed 319:7 employee 424:17 en 342:5 ended 312:22 313:18 352:21 ener 360:17 energized 322:9 energizing 322:10 energy 312:16 321:6 328:15,16 360:17
		e e 313:5,9,21 314:9 314:16,23 315:5,8 331:25 332:1,2 336:5,16,16,17,21 336:23,25 339:11 339:12,15,17,24 340:3,8,20 341:7 341:14,18 361:18 361:25 362:1 378:14 400:21 401:9,24 402:22 402:23 403:1,2,14 403:16,20 404:5,6 407:15 414:4 416:12,14 421:25 earlier 327:21 early 333:19,24 360:25 364:24 365:5 379:20 384:8 413:25 414:21 415:21 419:11,20 422:4 earning 344:10,13 earnings 313:14 314:6 381:5 easier 346:16,18 355:15 398:4,25 398:25	

engineer 388:15 388:25 engineering 388:8 388:9 engineers 388:23 389:15,15,23,25 entered 344:3 391:13 entire 384:12 entirely 350:25 351:2 entities 373:16,20 entitled 312:11 entity 366:2 367:25 equipment 372:24 405:17,19 equity 375:9 382:20,25 383:9 391:15,17,21 392:3,8,16,21 393:1,13 394:5,12 394:19 395:17 396:1,3 397:4 398:5 399:1,3 equivalent 360:13 err 358:23,24,24 360:9 errata 425:1 error 380:3 416:3 especially 327:16 342:9 343:5 347:16 349:1 essentially 328:16 329:21 330:19 347:1 374:14 391:6 410:9 estimated 356:18 357:13 estimation 346:17 358:19	et 339:14 356:3 evaluating 357:9 evan 311:16 317:2 evening 403:10 event 422:4,9,11 evercore 400:15 401:12 402:3 403:4 404:6 407:6 407:14 everybody 380:14 evr 314:17,24 exact 325:8,13 330:4 332:13 401:16 409:17,23 exactly 348:14 377:17 384:13 402:7 407:23 411:11 examination 312:2 317:13 examined 317:10 exceed 358:10 exceedingly 348:20 exchange 339:17 399:16 400:14,16 400:25 401:15 402:3 416:16 execute 320:15 exhibit 312:11,15 312:18,21 313:5,9 313:13,17,21 314:5,9,12,16,19 314:23 315:5,8,15 315:16 318:24,24 319:1,4 321:4,7,17 321:21 323:15,20 334:16,21,24 336:6,12 339:6,8 343:17,19 352:13 352:15 361:20	376:16 381:1 399:18,25 400:3 402:12,16,19,21 404:2 405:23 406:2,15,18 416:7 421:21,25 exhibits 312:9 313:3 314:3 315:3 315:13 existed 353:20 existing 325:11 expect 320:17 327:21 335:15 354:7 357:10 389:11 expectations 358:11 expected 380:19 407:1 expenditure 357:9 expenses 339:5 357:25 expensive 348:25 experience 359:5 359:7,25,25 360:20 361:4 397:17 expert 397:1,1 398:14 expires 425:25 explain 342:1 421:7,16,17 explanation 369:17 exponentially 349:24 express 360:6 expression 331:21 332:4 extensive 406:14	extent 379:21 externally 348:3 extraordinarily 333:11 f facade 410:20 facilities 405:17 405:18 facility 418:21 facing 359:15 360:25 fact 319:23,24 322:22,22 328:11 328:20 348:17 350:24 358:4 377:15 385:4 405:17 408:23 factor 327:8,17 381:25 420:13 factors 359:2 factory 372:23 406:14 fail 326:11 failed 333:1 fair 328:1 330:11 347:19 402:5 406:10 false 410:25 far 349:2 355:22 385:24 407:25 415:22 fast 347:3 favor 318:13 february 333:19 334:1 335:24 336:5 337:1,9,20 346:7 349:5 366:22,22 federal 424:13 feedback 387:10 422:12
---	---	---	---

feel 328:9 feeling 318:2 fees 374:9,16 375:9 feet 385:11 fighting 388:4 figure 377:18 378:7 410:11 figured 322:16 filed 316:9 322:15 334:25 352:19,20 352:23 353:3,12 353:19 filing 335:2 filings 332:7 359:24 fill 384:12 final 313:15 314:7 410:13 finance 366:10 393:6,8,18,25 394:15 395:2 396:8 397:20,21 397:22,25 398:18 411:13 414:22 415:11 416:21 417:22 financed 375:4 financial 316:19 332:17 341:1 414:5 financially 424:16 financing 340:17 366:15 371:6,25 372:5,6,8,11,14,19 373:2,5 374:8 382:22,24 395:10 395:11 399:1 410:9 411:9,10 412:16,17 420:12 420:23	find 389:8,10 391:8 394:5 400:13 finding 338:21 fine 318:7 359:12 386:7 387:15 399:23 finish 318:15,16 318:17,18 383:22 387:16 392:1 fire 322:21 326:7,8 384:11,18,18,24 385:1,1,2,15,15,16 386:2,13,14,25 387:11 388:12 389:14,14 fired 379:11,13,13 388:20 firefighter 387:2 firemen 385:2 387:1,11 fires 321:23 324:4 324:12 325:25 firm 316:15,17 first 317:10 330:22 336:16 339:18 341:7,19 344:14,21,22,23 349:23 350:17 361:1 365:14 366:21 371:12 384:8 386:16 408:22 409:11,14 411:4,16 412:10 416:4,18 420:21 fiscal 312:22 313:18 fix 390:8 fixed 323:4 floor 310:10	flow 356:20 focus 328:15 338:20 379:14 follow 349:22 follows 317:11 foot 385:8 388:3 forecast 379:24 380:4,5 forecasted 312:11 forecasts 371:18 foregoing 424:4,6 424:10,12 foreseeable 371:7 372:1,12 form 312:21 313:17 320:12 327:13 328:3 334:25 356:8 365:22 366:25 367:18 368:11,25 369:25 370:13 375:23 380:17 382:16 390:21 392:11,19 393:15 394:7 395:19 396:15 397:23 398:7 409:7,25 410:22 411:25 412:11 415:2 417:24 418:5 419:6 421:5 forth 325:19 424:5 forward 340:1 343:2 348:16 foster 311:24 316:15 found 356:22 387:13 fourth 347:22 416:19	frequently 324:7 fucking 337:12,19 338:7 full 322:1 338:22 347:22 354:20 355:24 357:13 401:1 fully 359:20,22 391:20 fund 404:11 408:6 fundamental 347:21 394:10 fundamentally 419:2 funny 346:1 351:13 407:24 further 423:5 424:12,16 future 364:10 371:7 372:1 373:10 375:12,17 377:7
g			
game 404:9 garth 407:22 geller 311:4 316:23,25 general 327:19 332:14 377:3,12 399:3,3 generally 364:7,11 412:2 generate 370:25 generating 380:15 generation 326:20 326:22 327:16 373:15 getting 332:22 341:22 356:2 382:7 390:11 418:23 420:1			

gigafactory 350:14,22,24 351:2,6,8,11 358:7 358:10,11,14 give 321:12,15 337:15 339:24 352:10 369:16 370:2 374:4 397:24 398:14 403:25 given 354:6,6 357:7 358:8 364:23 396:17 401:20 403:9 406:2,4 423:8 424:11 giving 346:22,22 go 317:18 318:24 328:24 329:9,14 329:14,15 330:2 334:24 335:7 336:18,20 340:1 343:12,23,24 344:5,13 347:3 351:15 365:14 377:13 385:6 386:12 389:17 398:17 399:12 403:22 413:6 goal 334:7 412:17 goals 334:9 goes 345:15,16,21 349:24 385:5 396:24 402:22 going 317:17,18 318:23 319:20 321:12,14 322:17 323:7 324:19 325:14 326:14 333:16,21 341:4 345:2,3 346:15,17	347:3,8 348:20 349:9,10 350:4 352:5 355:19 356:4,7,13 357:22 360:3 367:14 379:18,19 380:1 382:12 383:8,8 384:20 388:12 389:6 390:8 401:19 403:24 407:5,16 408:5,17 408:18,19,24 414:17,23 416:22 418:2 good 316:4 321:2 328:16 339:4 364:18 370:2 383:23 389:15 392:15 397:24 402:8 422:22 gotten 401:19 grade 370:2 397:25 grading 370:1 gravity 396:24 398:17,21 399:12 great 317:23 422:22 423:6 grow 320:9 328:1 growth 357:7 guess 350:1 352:3 368:2 385:17 389:2 407:8 412:1 h half 325:16 344:18 405:13,14 408:18 408:19 hand 317:7 318:25 happen 347:17 349:9 407:5 420:5 420:17	happened 402:7 404:20 409:10 happening 365:20 happens 343:21 happy 329:24 364:2 393:11 hard 333:3,6,21 347:15 349:19 351:5 355:4 414:15,15 harder 355:15,17 355:19 397:13 398:5,8 hazard 385:16 heard 387:10,19 388:11 398:24 422:2 heart 337:14 heavy 381:11 382:6,12 383:14 held 316:12 help 320:24 329:22 411:3,13 helpful 364:9 399:20 hereto 319:2 321:18 323:21 334:22 336:13 339:9 343:20 352:16 361:21 381:2 402:13,17 404:3 405:24 406:16 416:8 421:22 high 359:6 higher 357:11 359:8 highly 366:23 367:4 hinder 318:9	hired 389:25 390:4,6 413:7 hiring 389:1 history 353:24 hit 360:14 365:17 hold 343:15 holdings 412:3 home 329:4,10 homeowner 326:12 honestly 318:5,10 386:21 hoped 379:22 hoping 349:5 hours 317:19,22 house 326:10 329:24 houses 329:15 huh 323:25 332:23 333:4 334:6 344:11,16 348:19 360:2 362:5 368:9 394:2 408:9 hundred 332:25 336:1 355:7,9 411:7 [REDACTED] hyperbole 337:25 hyperbolic 338:3 i idea 332:14 390:16,17,19,23 404:8,10 408:10 408:12,12,14 ideal 412:4,13 ideas 390:24 identification 319:1 321:17 323:20 334:21 336:12 339:8 343:19 352:15
---	---	--	---

361:20 381:1 402:12,16 404:2 405:23 406:15 416:7 421:21 identified 370:23 identify 324:2 399:8 406:9 ii 309:13 310:9 312:4 imagine 387:8 immediate 362:21 364:21 383:5 420:7 immediately 363:6 383:4 409:5 impact 325:6,9 381:12,21 382:6 382:12 383:15 impacts 382:14 important 333:2,6 349:16 420:10 421:6 imprecise 368:15 369:1,19 impression 404:16 improve 320:22 improvement 319:21,23 320:3 inaccurate 416:24 include 380:10 includes 402:23 incorporated 316:9 incorrect 410:24 421:13 incorrectly 369:8 increase 358:1 368:14,16 increases 368:12 368:19	increasing 322:19 324:25 327:23 374:12 independently 366:18 index 312:1 313:1 314:1 315:1 indicated 344:17 indicates 400:11 indication 331:22 379:16 406:22 industry 398:18 information 362:14 378:24 419:14,16 informed 326:5 infusion 383:6 inherently 399:2 initial 408:16 inside 329:20,22 330:1 insider 312:18 324:1,7 inspect 324:25 inspected 312:12 inspecting 324:20 325:10,18,19 inspection 323:3 inspire 338:9,9 instagram 330:17 install 320:15 414:24 418:3 installation 321:24 326:21,22 327:9 installations 325:1 325:18,20 326:1 institution 341:2 insulting 317:18 integrated 422:17 intended 411:9	intending 364:14 intent 410:8 420:19 intents 351:1 interaction 417:9 interest 316:19 331:21,23 332:4 373:16,19 interested 424:17 interesting 407:25 internal 323:9 335:8 348:12 378:20,20 internally 347:25 348:3 interrupt 341:13 invest 337:15 investment 341:9 341:23 373:9 378:11 392:14 393:7,10 394:4,19 395:9 404:14 409:4,14 investor 420:14,16 investors 333:21 337:15 420:13,16 420:22 421:2,7,16 422:13 involve 374:9 involved 363:25 399:15 ion 360:21 iphone 387:7 irell 316:13 irrelevant 388:3 issuances 408:24 issue 327:18 351:9 351:12 365:9 367:6,24 377:8,9 387:3 406:24	issued 367:8 issues 339:13 348:12 362:22 364:21,22 370:24 371:12 380:11 384:18 408:7 issuing 342:18 item 347:4 349:21 items 349:22 351:3
j			
j 311:5 jason 362:1 416:15,16,17 jeez 416:1 jeff 339:15 340:9 jenny 378:14,14 joint 420:19 jon 336:17,21 341:7,16,17 july 359:22 376:25 378:11 399:14,14 401:24 402:25 406:3 jump 384:6 june 352:22 353:12 355:14 359:21 361:18,25 362:14 365:1,12 371:3 jurisdictions 384:19 385:15			
k			
k 312:21 313:17 334:1,25 keep 326:25 345:8 345:9 kind 347:5 361:14 372:24			

kiosks 331:3,6,8,9 331:10	I	limited 359:5,24 415:17 418:25	looks 422:17
knew 346:8 359:14,24 382:13 391:16 397:2 407:13 418:20 419:13	la 347:21	line 339:13 365:16 382:3 425:6	los 309:11 310:10 316:1,14
know 330:4,17,19 332:7,11,13,25 333:20 337:24,25 338:3 339:5 341:25 342:15 345:10 351:4 356:25 358:8,16 358:18,24 361:16 362:8,8 363:11,18 364:3,5,9 367:3,16 367:21 369:9 370:19 373:22 374:14 376:3,6,7 377:2 378:15 379:4,9,11,20 383:16,20 384:17 384:19 385:1,21 389:20 392:17 393:6 394:1 396:24,25 397:6,6 397:9,11,18 398:23 407:7,8,12 407:13 409:12,22 410:16 413:7,10 414:16,17 417:3,5 419:9	language 337:22 337:23 338:2,4,4 340:23 358:20 360:6 368:15 369:1 373:4	linear 349:24	lot 323:11 373:14 379:3,3 389:7 403:20 408:1 414:18 415:4,21
	large 349:21 350:23 374:9	lines 342:8	louder 345:11,12 345:13,14,17,19
	lasting 409:13	lipscomb 336:17 336:21	low 385:24 387:6 387:25 395:24 415:22 418:12
	late 334:4 335:17 347:8,14 351:20 354:9,14	liquidity 408:7 420:7,18	lower 380:16,20
	laughing 340:21 340:22	literally 374:16 399:12	lyndon 390:18 408:18,25 409:19 422:2,8
	launch 422:3,9,11	lithium 360:21	lyndon's 408:12
	law 311:7,17	litigation 309:4 310:4 316:9	m
	lawsuit 322:14,17	live 407:18	machine 348:18 424:9
	lawyer 363:13	llp 311:4,15	machines 348:18
	lead 328:21	loan 372:19	mad 318:14
	learn 325:24 326:4 384:16	loans 338:14 372:21,22	magnitude 325:8 326:8 355:24
	lease 372:18	lobby 386:13	mail 313:5,9,21 314:9,16,23 315:5 315:8 331:18,24 331:25 332:1 336:5,16,16,17,21 336:23,25 339:11 339:12,15,17,24 340:3,8,20 341:7 341:14,18 361:18 361:25 362:1 378:14 400:21 401:9,24 402:22 402:23 403:2 404:5,6 407:15 416:12,14 421:25
	leases 340:17 342:3,19,19,21 372:21,22	local 384:18	mailed 403:1,14 403:16
	leasing 365:16	located 316:13	
	led 322:12	location 329:5	
	left 318:25 343:22	locations 329:5	
	legacy 325:19,22 325:23,25 385:5	logical 385:20 387:2 388:1	
	legal 316:15,18 322:12 364:6 374:9,13,16 423:10 425:1	long 322:8 323:19	
	lengthy 374:13	longer 346:23 358:11 375:9	
	letter 420:18	longstanding 385:5	
	letting 347:13	look 337:5 347:21 353:15 363:19,25 390:23 400:1,4 402:19	
	level 351:5 357:21 379:20	looked 399:25	
		looking 329:20 340:22 354:2,3 363:20 397:3,7	
knowing 407:5			
knowledge 375:18 398:12,18			
known 332:8			
kpmg 413:7,10,13			

mails 332:2 403:20 main 374:17 major 420:1 422:12 mak 332:21 making 332:22 337:11 346:23 352:2 391:14 406:14 management 378:21 391:7 manella 316:13 manufactured 414:25 418:17 manufacturer 347:2 march 313:19 334:8 335:14 352:19 355:25 357:19 marianne 416:14 416:17 417:1,9 mark 318:24 321:4,7 323:15 334:16 336:6,17 339:6 343:17 352:13 380:23 402:11,14 405:20 marked 315:13 319:1 321:17,21 323:20 334:21 336:12 339:8 343:19 352:15 361:20 378:4 381:1 399:21,23 399:24 402:12,16 404:2 405:23 406:1,15,18 415:24 416:7 421:21,24	market 330:11 333:20 393:3 394:14 marketing 330:8,9 330:11,14 markets 393:1 394:11,12 396:23 397:15 398:9 399:11 marshals 385:1,15 386:13,15,25 387:11 mart 312:15 321:6 321:22 322:11,16 322:24 323:2 325:7 mart's 322:8 massive 371:1 372:4,7,9 373:5 match 404:24 405:4 material 332:16 351:3 377:23 378:1 materiality 376:12 materially 356:18 materials 376:24 377:1 415:1 418:23 math 366:7,19 mathematical 368:6 matter 316:19 330:13 347:6,14 377:5,25 388:2 mature 411:5,16 411:24 maturity 365:9,9 mcneill 336:17,21 341:17	mean 328:23 334:10 337:21,24 338:23 341:13 342:14,14 346:22 353:19 356:9 358:16,22 359:23 360:7 365:11 367:13 380:3 384:23 388:18 391:12 393:16,17 395:21 402:6 406:13 407:3,12 411:8 414:15 415:20 419:17 meaning 358:23 360:7 367:7 395:24 meaningful 330:6 means 385:10 meant 348:13 measure 414:8 media 330:12,15 330:18,20,25 360:12 423:9 <div style="background-color: black; width: 100px; height: 1em; margin: 5px 0;"></div> <div style="background-color: black; width: 40px; height: 1em; margin: 5px 0;"></div> medium 370:24 371:11 meet 329:10 330:3 348:4 388:15 meeting 314:13,20 406:5 megawatts 319:7 319:14 320:11 324:25 326:25 328:21 memory 402:8 mentioned 327:21 360:5 merger 413:8,15 413:16 419:25,25	meteor 360:14 methodology 375:20 methods 374:8 middle 381:8,16 million 344:18 383:5,11,14 408:17,18,19 411:4,7 mind 351:6 mine 337:23 404:12 mineola 425:2 minimize 412:6 minimum 379:21 minute 337:2 340:13 417:12 422:20 misspeak 376:2,4 mistaken 363:12 372:4 misunderstood 360:11 mixed 412:5 model 320:10,24 326:15 327:2,5 328:9 334:3,9 335:12,14 338:22 342:3,4,9 345:3,4 345:20,20 350:22 350:23 351:1,2 352:2 354:7,14,16 354:17 356:6,14 356:18 359:3,9,15 359:18 360:17 361:5,5,8,9,9,10 361:15,15 362:17 364:23 365:5,13 365:20 378:11 379:17,18 381:12 381:22,25 382:7
--	--	--	---

390:3,5,6 419:4,8 419:10 modeling 414:5 moment 379:1 401:5 413:19 monday 322:15 money 323:10,11 327:4 337:16 338:24 383:13 396:18 397:14,19 398:9 420:6 months 322:9 326:3 328:13 348:10 409:13 411:5,17 moore 311:15 317:3 moral 360:13 morally 410:11 morning 316:4 416:13 motors 309:3 310:3 312:21 313:14,17 314:6 316:8 335:1 425:4 move 318:20 332:18 342:8 345:3 369:6 408:4 422:3,8 moved 346:11,12 346:16 382:8 moving 343:1 422:11 musk 309:10 310:8 312:3 316:7 317:9,15 318:24 370:8 393:23 396:11,21 397:22 399:24 423:8,14 425:5,21	mw 312:12,12 n n 414:4,4 nadia 309:17 310:13 316:17 424:24 name 316:14 325:14 424:20 425:4,5 nascent 414:4,4,12 414:12 419:21 nationwide 324:2 324:11 nature 340:11 372:14 near 364:22 necessarily 403:18 415:20 418:11 419:22 necessary 418:8 [REDACTED] need 333:25 337:12,13 338:10 338:10 340:14 342:7 347:24 357:1 364:1,24 365:3,4,5 366:2 367:5 371:5,25 372:11,21 374:7 383:3 395:13 400:1,24 415:6 420:23,24 422:24 needed 338:14,20 383:11 390:5 420:11 422:16 needs 323:3 342:9 342:17 348:1 357:10 365:13,20 365:25 371:1 372:5,6,8,9,20 373:5 380:2	381:24 382:19,21 382:22,25,25 negative 404:15 422:13 neither 386:18,21 424:16 net 382:19 never 347:17 356:22 395:15 396:7,25 new 311:19,19 321:5 389:23 417:6 425:2 newhart 309:17 310:13 316:17 424:24 newsletter 331:22 nice 346:3 night 401:11 nine 346:9 351:5 ninth 310:10 normal 369:24 389:10 notary 423:20 425:25 note 364:13 407:14 noted 354:5 359:1 361:3 362:19 423:12 notes 373:8 380:10 noting 370:24 november 422:4 number 312:10 313:4 314:4 315:4 315:14 316:11 327:3 328:19 330:4 332:13 336:19 348:10 352:8 355:5 389:17 415:16	423:9 numbers 366:16 o oath 424:7 object 356:7 objecting 387:8 objection 320:12 327:13 328:3 365:22 366:25 367:18 368:11,22 368:25 369:25 370:13 375:23 380:17 382:16 390:21 392:11,19 393:15 394:7 395:19 396:15 397:23 398:7 400:18 409:7 410:22 411:22,25 412:11 415:2 417:24 418:5,10 419:6 421:5 obligation 413:11 obviously 326:11 333:9 338:10 341:1 363:12 367:5,8 368:17 388:16 395:14 396:18 399:7 412:13 420:11 occasions 392:4 occurred 374:3 october 355:23 offer 391:22 392:22 offering 393:13 394:5,20 395:17 396:1 398:5 offerings 397:4 office 316:12
--	--	---	--

officials 386:2 offset 388:3 oh 321:13,16 323:18 337:4,6 340:7,16 344:11 349:15,15 353:16 376:21 379:9 384:15 okay 318:8 319:12 320:8,20 321:3,13 321:16 322:3 324:9,15,23 325:4 325:17 328:18 330:5,21 331:8 332:1,18 335:9,11 336:25 337:6,9 339:21,23 341:20 342:6,24 346:15 347:15 349:15 350:7 351:13 352:10 355:11,18 356:1 357:18 358:3 359:12 369:21 370:4,23 371:22 373:18,24 374:4 375:8 378:2 378:16 379:7 380:9 381:17,19 386:9 387:19 390:15 392:3 396:13 397:11,16 398:2,11 401:23 403:12,22 404:13 404:17,20 406:7 406:12 407:6 408:21 409:2 411:20 414:13,20 415:23 417:10 418:1 419:24 421:1 422:7 423:3 423:7	old 378:18 385:21 425:2 once 397:21 online 329:17 332:3 358:12,15 opening 365:16 operating 324:22 358:9 operations 370:25 opinion 358:7 366:1 384:25 389:2,3 417:5 opposed 326:22 372:16 382:25 optimistic 380:8 option 341:24 options 420:25 order 320:9 322:19 324:25 342:19,25 354:19 383:11,17 384:7 404:11 405:20 408:6 420:16 421:1,1 organizational 327:6,18,19 original 334:7 424:13 originally 356:5 356:14 408:14,16 outbound 331:15 331:23 outcome 316:20 outside 329:3,8,13 329:25 outwater 311:6 316:25,25 321:10 323:14 345:15 353:8 356:23 399:21	overall 327:7 358:14 368:19 380:16 390:3,4 overestimating 358:24 overlap 389:9,13 oversight 335:2 overstating 360:9 overview 354:6 overwhelmingly 327:18	paper 347:5,7 351:20 370:1 papers 351:20 paragraph 347:22 350:11 351:19 parse 415:6 part 342:10,17 350:14,23 351:6 351:11 358:14 388:16 389:6,8,12 420:14 particular 348:8 parties 376:7 parts 324:3,11 356:2 367:11 368:1 party 316:18 323:5,7,8 375:5 407:22 424:18 pass 376:12 path 390:25 391:2 391:2 paths 412:15 pay 323:7,8 368:24 409:4 410:4,19 411:3,15 paying 411:12 payment 410:15 penalties 348:2 people 324:24 329:10,14 330:2,3 331:17,24,25 332:2 338:2 347:7 347:14 362:10 379:10 386:6,12 387:21 396:16 406:25 407:5 413:22 people's 329:15 percent 319:24 320:5 357:11,22
---	--	---	---

374:15 383:18 408:23 period 320:16 352:21 person 387:8 388:1 396:8 personal 366:7 412:5 personnel 389:7 389:12 pertains 424:12 pertinet 401:25 pessimistic 380:7 peter 408:19,25 409:19 422:1 phase 382:8 phone 400:2 physical 331:24 physics 386:8 pieces 324:7 pipe 397:8,12,13 398:4,8,22 399:1,2 pipes 397:3 place 376:5 381:24 412:10 424:5 plaintiff 316:8 359:14 plaintiffs 310:9 311:3 316:24 317:1 plan 334:2 335:14 357:5,7 380:1 408:16 planned 356:5,14 361:5 391:15 planning 419:12 plans 350:15 play 368:5 please 316:21 317:5,7 321:7 323:13,16 336:6	336:20 339:7 342:2 352:13 361:19 380:24 392:1 402:15 405:21 plus 371:6,25 point 328:9 337:22 338:1,5,6 345:4 346:8,9 352:1 356:17,25 357:19 365:15 371:12 381:20 382:2,5 390:9 416:19 pool 366:11 pools 366:11 portion 389:15 posed 326:7 369:8 369:22 370:10,20 370:22 possible 324:16 376:10 393:20 419:25 possibly 325:21 postpone 381:10 381:21 postponing 382:6 potentially 374:15 375:2 pounds 414:18 power 351:1 powerpoint 378:18 practical 367:23 practice 342:20 precedent 377:6 precisely 403:11 419:9 premised 385:22 prepaid 411:20 prepare 366:16,21	prepared 320:9 preparing 379:12 present 316:21 presentation 314:13,20 366:22 378:18 401:19,25 402:24 403:1,9,13 406:2,4 421:12 press 330:19,25 presumably 374:2 378:19 pretty 343:6 349:9 407:24 prevented 392:5 preventing 384:11 384:12 previously 315:13 350:13 357:12 399:21 price 392:23 393:12 394:6,12 394:14,20 395:11 395:24 396:4,5,17 396:18 primarily 325:2 325:21 376:6 382:24 390:6 primary 390:5 principle 366:9 377:5,21 prior 324:25 357:7 367:24 375:21 388:6 390:10 392:16 397:7 401:18 403:3,4 408:7 413:15 419:15,19 424:7 prioritize 325:10 prisoner 343:13 private 364:5 397:4	privilege 377:16 privileged 363:9 363:21 364:5,14 377:3 probably 338:7 346:19,19,20,20 352:9 355:25 368:2 383:20 385:3 388:23 404:12 412:15 413:12,12 415:6 problem 322:3,4 333:17 347:6 351:8 373:10 384:10 387:13 391:10,11,12 412:8 problems 321:23 322:6,20 325:25 326:18 362:20,21 proceedings 343:22 344:3 424:4,6,8,14 process 324:24 333:8 357:8 358:14 365:15 375:19 produced 363:14 363:18 364:17 378:6 product 347:2 382:3 407:4 414:4 414:12 415:21 418:12 419:4,8,12 419:21,22 420:19 421:7 422:17 production 322:5 332:24 334:3,10 334:11,11,13,15 335:16 338:22 348:9,12 349:6,6
--	--	---	---

349:17,18,18,19 349:20,23 350:4 350:17 354:8,11 354:13,16,17,24 354:24,25 356:6,6 356:15,19 357:21 360:21 362:17 363:15,25 379:17 379:18 381:13 382:7 products 360:18 421:17 professional 397:17 398:14 program 320:24 320:25 324:3,11 324:16,17 328:10 328:10 342:24 374:22,25 390:3,7 programs 328:20 328:20 417:6 prohibitive 393:13 394:6,21 395:12 395:18,22 proj 324:19 project 323:13 324:1,10,14,18,19 325:12 326:17 327:11 332:6,9,12 350:21 362:2,6,9 projections 319:8 327:1 promote 330:16 propose 390:9 prospectus 408:22 provide 375:3,4 412:16,17 420:23 provided 319:9 378:24 proxy 319:9	public 371:18 373:25 376:13 393:13 394:11,11 394:11,14,19 395:16 396:1,22 396:23 397:14 398:5,9 399:1,3,11 408:22 423:20 425:25 publicly 334:2 392:24,25 394:12 396:4,17 published 323:23 pull 364:1 pulled 353:8,10,14 purchase 409:3 411:21 413:3 purportedly 376:24 391:4 purpose 405:19 purposes 351:2 390:10 push 421:3,10,11 pushback 420:2 pushing 348:15 put 321:15 325:18 353:17 359:23 378:12 380:23 403:24 417:4 q q1 313:13 320:6 327:22 349:8,14 354:1 356:3,10,21 409:25 q2 314:5 319:13 320:2,6,16 349:12 381:5 q3 320:18 327:22 q4 320:18 327:22 quarter 319:13,13 319:25 352:19	361:1 409:11,15 411:4,16 quarterly 352:21 358:17 quarters 319:20 320:2 question 318:15 318:17 322:18 350:1 351:25 364:4 366:12,13 367:1,9 369:3,5,7 369:12,15,18,21 370:5,6,9,10,15,20 370:21 377:15 381:6 385:25 386:1,22,24,25 387:9,9 393:1,21 393:23,24 394:8 394:17,18,25 395:1,20 396:12 399:13 410:23 412:25 questions 317:17 354:3 363:19,22 364:3,16 415:4,7 423:5 quick 383:19 quickly 408:4 quite 322:14 373:4 382:17 401:5 406:8,8 420:10 r r&d 414:24 418:8 raise 317:7 366:3 372:20,22 383:9 383:13 391:15,17 392:8,16,25 396:18 399:3 raised 392:3 396:3 raising 374:18 382:25 391:21	392:21 397:14 398:9 ramped 381:13 ramps 349:23 361:5,9 randall 311:5 316:23 randomly 331:17 randy 341:12 349:12 356:9 395:4,4 randyb 311:11 rapid 328:5 rare 347:1 rate 344:18 388:23 rates 365:24 ratio 399:16 400:14,16,25 401:15 402:3 rational 387:8 rationale 386:4 421:7 raw 418:23 reach 362:16 reaching 355:22 read 322:1 324:6 335:13 337:9 340:13,14,23 341:8 342:6 347:23 350:12 354:5 357:2 359:4 360:19 371:17 379:1 381:9 389:5 400:22 401:4 404:7 407:17 416:20 422:1 real 419:4,8 reality 348:9 realize 355:18,24 realized 356:3,12 357:19
--	---	--	---

realizing 345:4 reall 320:20,21 reallocate 322:18 323:9 reallocated 320:21 325:10 reallocating 320:13 reallocation 320:17 really 325:14 345:24 346:1 347:9 351:23 359:20,20 362:9 364:3 372:17 379:8,14 381:6 385:25 411:3 419:3 reason 320:11 326:16 327:10 388:1 403:12 408:21 411:19 421:15 425:6 reasoning 411:11 reasons 385:5 rec 356:9 recall 384:9 400:15 401:16 402:4,7 403:3,8,11 404:10 405:13 406:24 408:20 411:19 412:22 413:13 420:13 receive 403:13 received 403:8 recess 344:2 384:1 423:2 recognize 319:5 319:10 377:1 recognized 356:10	recollection 335:5 413:4,6 recommend 401:1 recommendation 400:24 402:3 recommendations 400:13 record 316:5,22 317:16 343:13,25 344:6 364:13 377:9,13,14 383:24 384:2 422:25 423:4,11 424:8,11 recorded 316:7 records 378:20 redacted 403:5,21 redeployed 326:15 reduce 412:3 reduction 386:19 redundancy 389:9 refer 354:19 reference 354:11 referring 342:16 399:18 417:14 regard 320:16 327:17 388:11 regarding 321:23 regularly 394:13 rehired 389:21,23 related 316:18 372:15 420:22 relative 390:24 393:2 424:17 relatively 349:18 remark 376:14 remediate 326:18 remediation 322:6 reorganization 320:16	repaired 323:4 replace 324:3,11 389:23 report 366:16 reported 309:17 319:14 373:24 reporter 310:13 316:17 317:5,7 319:2 321:8,18 322:25 323:21 330:22 334:13,18 334:22 336:7,13 339:1,9 340:6 343:18,20,23 344:5 345:22 352:16 361:8,21 361:23 372:6 374:23 376:14 380:25 381:2 402:13,17 404:3 405:1,22,24 406:16,19 414:10 416:8 421:22 424:2 reporting 376:13 reportings 374:1 reports 387:23 represent 385:24 388:1 representation 410:2 requested 424:15 require 324:23 367:15 required 352:3 researched 409:24 reserve 366:11,11 reserves 366:4 reserving 378:3 residential 325:3	residual 340:25 resolution 322:11 322:13,16 resort 338:25 339:5 resources 320:14 320:17,21,23 322:5,19 323:10 326:24 327:5,19 328:1 respect 340:16 342:3 respond 317:17 response 332:2 389:4 407:17 416:15 417:13 422:12 restate 370:14 restored 320:25 restrictions 384:11 restrictive 399:2 result 421:18 results 320:18 321:1,1 retained 423:10 rethinking 320:14 revenue 383:17 review 424:14 reviewed 403:17 revised 399:16 400:13,16,25 401:14 revolving 362:22 rgrdlaw.com 311:11 richard 311:24 316:15 ridiculous 395:25 right 317:7,24 323:12 325:24
---	---	--	---

327:3 331:12 332:1,6,20 333:18 333:24 334:17,20 335:7,23 336:11 340:19 341:17,20 345:8,9 348:15 350:21 351:4 354:1 355:2 356:22,23 360:24 362:12,19 363:1 364:20 365:3 369:9 378:19 380:22,22 382:11 388:13 391:9 393:14 397:4 398:13 399:4 407:11 408:15 409:10 410:4 415:18 418:17,24 420:15 rights 378:3 risk 326:8,8 346:22 358:18 359:2 360:13,15 365:21,24 384:24 385:2,4 386:3 387:4 388:1 410:14,17 risks 358:25 359:2 359:18 360:6,10 360:13 rive 422:1 road 425:2 robbins 311:4 316:23,25 roof 384:12 385:8 385:10 386:20 406:23 407:1,17 413:18,22,24 414:3,6,24,24,25 415:12 416:23	418:3,9,17 419:19 420:20 421:3,12 roofs 324:20 rounding 416:3 route 342:5 rudman 311:4 316:24 317:1 rule 366:14 385:7 385:21 rumsfeld 361:17 run 344:18 384:5 408:5 running 322:8 s s 345:20 349:22 361:5,9,15 414:4 425:6 safely 324:22 sales 327:8 328:25 329:4,8,13,16,20 329:22,25 330:1 salespeople 336:22 san 311:9 saturday 309:12 310:12 316:1 save 337:12,20 338:10 saving 338:15 savings 389:10 saw 349:4 379:9 396:7 saying 338:12,17 345:2 356:12 369:18 370:4,6 375:25 384:19 386:11,15 387:1,1 392:15 402:2 412:20 419:10 420:15 says 335:13 341:7 342:6 357:1	363:20,21 364:13 371:17 379:24 387:23 395:16 396:21 400:20,22 401:9 403:5,21 407:24 408:1 409:25 416:19 417:20 422:1 scale 333:15 345:6 345:9,9 346:6 351:4 382:8 388:24 schedule 346:25 347:2 scheduled 317:25 schedules 347:1 sec 332:7 333:21 353:24 359:24 second 317:24 318:2 340:15 350:11 353:18 407:15 420:21 section 356:20 secure 375:20 securitization 341:11,23 342:17 376:5 382:22,24 securitizing 375:8 375:20 security 342:22,22 see 319:12,15,20 320:18 321:1 322:14 323:13 328:4 333:25 334:25 335:10,13 335:18 336:19,23 337:17 339:15 342:12 343:21 344:14,20 350:19 358:20 362:4 363:20 371:8	376:21 381:14 396:14 398:20 416:18,24 422:5 seen 321:25 324:5 347:17 353:12 385:18 395:15 sell 320:15 331:2,2 342:22 selling 338:21 send 331:24,24 senior 391:7 sense 366:14 421:17 sensible 368:5 372:18 sentence 341:6 sentiment 421:2 september 379:20 series 342:18 serious 380:2 seriously 338:11 348:1 set 347:7 394:12 424:5 sets 394:14 shape 328:17 shared 376:25 shareholder 420:1 420:9 shareholders 319:9 420:3 shares 367:6,6,7 367:14,15,25 she'll 318:14 sheet 425:1 short 420:6 shorthand 310:13 424:1,9 shoulder 400:5 show 320:3 321:3 332:16 336:4
--	---	---	---

343:7 351:14 353:2 366:16 371:18 381:4 399:19 403:24 415:18 422:17 showed 382:13 383:4 showing 321:21 323:23 336:15 339:11 344:9 361:25 376:16 378:9 404:5 406:1 406:18 415:23 421:24 shut 405:10,12 side 328:17 353:17 358:22,23,24 360:9 380:23 382:4 421:2 signature 424:24 signed 413:16 significant 320:3 330:8 333:17,17 360:3 365:9 404:15 419:11,23 420:1,14 significantly 320:18 326:14 359:8 379:19 signing 331:22 332:2,3 silevo 390:10 391:1,5 404:7,9,11 404:15,18,20,24 405:1,3,8 406:14 silly 396:12 399:13 simple 343:6 393:23,25 simpler 350:2 simply 385:10 386:18,18,22	391:7 392:23 411:9 412:17 420:22 simultaneously 350:21 sir 402:19 sit 375:18,25 sitting 353:11 situation 325:7 342:7 357:24 size 358:8 slight 386:19 sloppy 373:2 slow 349:23 slower 361:5 slowest 347:3 small 349:21 350:14 415:16 snyder 388:25 social 330:12,15 330:20,25 solar 320:14,15,22 320:24,25 321:24 322:8,20 324:3,11 325:6 326:10 327:4,8,16,20 328:5,15 329:22 330:9,16,17 331:23 332:5 372:16,22 373:20 374:15 375:4,21 384:13,13 385:10 385:13 386:20 390:2,8 406:23 407:1,16 408:6 409:3 410:8,18 411:21 412:9,21 413:3,18,22,24 414:3,6,24,24,25 415:12 416:23 418:3,9,16 419:18	420:20 421:3,11 solarcity 319:7 325:19,22,23 326:1 328:19 329:1,3,8 330:7,14 331:2 332:20 333:7 362:7,13,16 362:23 364:24 365:10,21,25 366:23 369:11,23 370:11,24 371:5 371:24,24 372:21 373:14 375:14,21 380:10,14,19 382:12,18,19,23 383:6,8 384:10 388:7,9,23 389:7 389:16 390:11 391:14 392:3 394:20 395:10,11 395:17 396:3 397:7,12 399:17 400:17 406:22 408:7,17 414:22 415:11 416:21 417:21 418:22 419:15 420:6,12 420:18 422:13 solarcity's 328:25 363:2 sold 390:6 394:13 solution 342:10,18 solutions 316:16 316:18 423:10 425:1 solve 348:11 391:9 391:11 solving 420:6,18 somebody 329:21 329:23 331:21 366:6,15 385:18	386:23 388:14 392:7 398:22,24 399:8 411:2 somebody's 386:5 sono 324:3 soon 371:19 408:5 sorry 321:11,13 323:1 333:18 334:8 337:3,4 339:7 340:7 341:12 343:9 344:11,21 349:13 349:15 353:14 356:7 376:21 381:15 398:6 400:9 402:21 403:7 405:2 416:16 sort 318:13,21 330:24 332:18 341:4,5 355:6 356:1 384:5,6 385:17 sound 357:15 sounded 352:14 sounds 317:23 364:18 367:19 383:23 393:17 409:16,21,22 422:22 space 411:20 spam 332:1 speak 367:3 394:18 397:17 398:3 specific 379:5 specifically 362:19 366:13 380:10 387:11 388:22 399:15 422:12
--	--	---	---

spend 323:10 327:4,4 338:24 374:14 spent 319:5 320:13 332:11 spinal 345:10 spoke 326:13 spoken 395:9 spread 363:3 stages 413:25 standard 342:20 355:7 388:15 standpoint 368:6 stands 421:15 stars 310:10 316:14 start 318:21 325:12 334:3,11 334:13 335:15 339:25 340:1 349:17,18 355:18 started 342:25 355:21 starting 325:25 350:18 354:23 365:10 starts 340:8 state 309:1 310:1 316:10,21 321:5 388:19 424:2 stated 360:16 statement 328:2 335:3,21 345:1 357:1,16 359:10 361:17 367:3 416:25 417:19,21 422:7 statements 332:17 states 336:2 stating 372:2	status 419:18 stay 358:2 422:23 steadily 327:22 stealth 324:2,10 324:14,17 sticker 321:15 stock 368:24 394:13 396:16 stockholder 309:4 310:4 316:9 stop 364:12 374:5 stopped 373:18 storage 328:15 store 329:18 stores 329:4 331:7 331:11 stories 330:18 straubel 350:10 strike 377:6 structure 362:3 study 385:18 stuff 384:6 stupid 386:4 387:13 subject 336:22 363:11 377:15 subpar 388:9,14 388:20 subscribed 423:16 424:19 425:22 substances 318:9 substantially 356:4 380:5 succeeded 392:21 sufficient 326:24 390:11 413:14 suite 311:8 316:14 sum 367:10 368:1 suppliers 347:25 supply 348:11 382:4	supplying 350:25 support 420:9 supposed 400:12 supreme 321:5 sure 318:3 325:13 328:23 333:16,24 338:2 343:1,11 345:10 346:5 349:9 352:25,25 353:4 362:20 365:11 373:23 374:7 378:13,17 379:8 382:19 392:2 393:11 397:5 399:19 400:6 401:6,22 402:1 406:6 407:12 408:11,13 408:14 409:16 410:7 411:11,14 411:18 414:7 415:8 417:3 422:21 surprised 322:14 406:25 survey 386:5 suspect 409:18 swaine 311:15 317:3 swear 317:5 sworn 317:10 423:16 425:22 sx 345:20 synergies 421:18 system 326:11 385:9 system's 322:8 systems 321:24 322:21 325:11 372:16 375:4	t t 414:4 ta 347:6 tails 349:24 take 338:2,11,14 340:13 342:19 347:25 358:11 364:17 379:1 383:19,21 390:25 400:1 401:24 410:14 422:20 taken 310:9 316:7 337:13 424:4 takes 320:9 talent 388:9 talk 326:23 328:12 328:14 330:16 337:11 340:19 341:5,10,23 377:9 384:8 386:13,13 393:10 394:22 413:18 talked 320:2 322:15 334:2 346:7 386:6 387:14,20,21 talking 318:13 326:23 332:19 339:18 341:13 350:12 354:24 355:3 359:2 360:16 393:7 talks 335:12 tap 345:10 tax 373:9 375:8 teach 347:13 team 322:13 325:10 326:5 329:14,22,25 330:1 390:24 391:4,5,7
---	---	---	--

technically 330:1	379:19 388:7,8,15	think 317:15	413:5 421:6
tell 326:16 327:10	391:6 392:17,22	322:9 323:11	thousand 348:7
339:16 340:11	406:3 407:10,25	325:13,15,22,23	354:19,25 355:4,5
369:5,14 378:9	408:1,2 409:4	326:2 327:11,14	thousands 348:17
391:4 395:2	410:18,21,25	327:15 328:7	three 328:13
398:13,21,22,24	411:3 412:14	329:12,13 338:6,7	347:22 378:18
398:25 399:11	413:11 417:7	341:16 345:2	388:24 394:25
404:13	425:4	347:19 349:12,16	402:6 416:19
telling 320:22	tesla00001112-3...	352:1 353:10	420:5,17
333:20,20 370:9	314:21	356:16,17 359:20	threshold 376:12
385:2 386:14	tesla00001360-4...	360:8 362:10	throughput
387:12 392:10	314:14	366:9 368:5,14	383:17
temporary 411:10	tesla00010088	372:2,25 373:2,4	tile 384:13,14
ten 346:9,21 351:5	315:9	375:1 377:5,20	385:10
351:5 388:24	tesla00094317-3...	380:4,6,6 381:10	tiles 385:11
tend 337:21	313:22	381:23 382:17,18	time 316:5 318:22
tends 349:22	tesla00095530-5...	384:24 385:3,3,16	319:6,19 320:13
term 329:19 347:5	315:6	386:4,16 387:2,12	326:13 327:3,4,5
347:7 351:19	tesla00724073-0...	389:17 390:22,22	327:11,25 328:7
364:22 370:24	313:11	394:9 396:2	328:14 331:13
371:11 394:10	tesla00724810-8...	401:13 404:12	332:8,20,21 333:6
420:6	313:7	408:5,11 409:8	334:19 335:20,23
terminology 375:2	tesladir0089140	410:6,6,8 411:18	338:15,19,24
terms 367:23	314:10	412:2 415:6,16	339:4 343:13,25
368:2 369:24	testified 317:11	417:11,22 418:3,7	344:7 347:18
386:17	testify 318:4,10	418:15 419:9	348:16 352:5
tesla 309:3 310:3	testifying 424:7	420:8,12,21,22	358:22 359:4,13
312:16,21 313:13	testimony 413:21	421:13	360:4 361:13
313:17 314:5,12	423:8 424:11	thinking 353:11	362:2,16 363:17
314:17,19,24	thank 317:4	third 323:4,7,8	364:25 365:4
316:8 319:7 321:6	321:19 376:22	351:18 375:5	373:13 380:13
321:22 323:8	423:6	376:7	381:20 382:5,10
325:18 328:15	thanks 374:10	thought 329:16	383:24 384:3
329:1,3,3,5,10,17	thing 324:10,13	333:9,10,13	390:9 392:15
329:21 330:7,8	372:24 390:5	346:15,16,20,20	395:1 399:25
331:3,6,10 334:25	397:13 420:11	346:24 349:4	404:19 408:5
336:18 337:16,19	things 334:12	351:14 354:13	411:12,19 413:15
344:17 360:17	345:2,3 358:22	355:2,4,6,16,20	413:24 414:6
369:23 370:11	359:3 390:13	358:4 363:10	415:10 416:3
372:20 373:20	397:9 412:5 420:5	373:3 379:10	422:25 423:4,12
375:6 376:7,8	420:9,17	407:15 412:2,8	424:5

timeframes 348:4	transcript 424:10	341:10 347:22	understating
times 334:9	424:13,15	357:5 366:10,11	360:10
394:25	transcription	368:16 388:23	understood
timing 409:17	313:13 314:5	390:1 416:11,19	335:24 348:16
tissue 343:10	344:10	420:21,25	352:2,4 358:13
titan 323:13 324:2	transferred 331:6	typically 358:20	359:14,18 361:12
324:10,14,18,19	tree 386:17	398:16	372:12 373:13
325:12 326:17	trends 356:20	u	379:25 380:14
327:11 332:6,9,12	tried 333:1 342:25	u.s. 365:17	382:11 409:2
today 317:20	354:22	uh 323:25 332:23	undertaking 358:9
318:5,12 328:19	trouble 326:6	333:4 334:6	unfortunately
375:19 423:9	343:9	344:11,16 348:19	404:23
today's 316:5	true 324:9 333:5	360:2 362:5 368:9	unilateral 421:13
423:8	354:11 360:8,14	394:2 408:9	unilaterally
told 319:19 326:13	364:9,11 370:8	un 334:1	421:11
363:4 364:4,20	371:2,23 407:21	uncertainties	unintelligible
366:20 379:11	424:11	419:22	340:5 416:13
383:3 388:22	trust 353:3	uncertainty	unique 352:3
392:7,9 395:10	truthfully 318:4	415:22 419:10	374:17
398:3,4,15,20,22	318:10	underestimate	unit 344:18 352:8
399:8 422:8	try 317:19 318:15	352:8	357:4 414:7
tomorrow 401:2	318:16,17 357:20	underestimating	united 336:1
ton 414:5 416:5,6	383:21 395:25	358:25	units 354:20 423:9
tone 394:22	trying 335:25	undergrad 347:17	unknown 361:16
tonight's 400:23	338:1,1,9 345:8	undersigned 424:1	unnecessary
tonnage 414:9	348:18 359:16	understand	381:24
tons 416:11	361:10 362:15,16	317:20 318:1	unusual 325:8
top 336:22 341:6	379:8 391:7,17	340:2 346:6	unveil 335:14
362:1 381:24	410:10,10 421:15	357:18 367:13	unveiled 334:1
total 357:4 358:1	tuesday 322:16	369:15 370:6	updated 318:23
368:13 383:16	turn 327:22	371:2,23 373:1	319:4
423:8	328:14 342:21	380:9 384:17,22	updates 378:11
track 350:16	347:20 350:9	393:25 402:1	updating 318:22
traded 392:24,25	381:7 391:1	414:14 421:19	use 337:21 406:14
394:12 396:4,17	turnaround 328:5	understanding	usually 330:7
trains 351:1	turned 333:11	357:24 369:10	v
trans 407:10	turning 390:7	374:21 383:10	v 312:12,15 321:6
transaction	turns 364:16	393:18 403:1	value 367:25
407:11	twitter 330:18	404:18	variable 373:15,19
transcribed 424:9	two 317:19,22,24	understands	various 334:9
	326:19 334:12	399:10	412:15

vast 319:21	356:6,14 359:6	we've 334:8,8	378:5 382:17
vcs 309:4 310:4	volumes 359:9	350:13 389:25,25	383:23 390:22
316:11	vulnerable 346:24	week 354:20,25	392:12,20 393:16
vehicle 328:10,17	w	weekend 336:22	394:10 395:5,7,21
335:17 382:4	wait 318:16,17	weeks 328:13	396:16 397:24
vehicles 342:4	319:20 337:2	365:18	398:8 400:21
359:6,8 372:21	387:16,16 411:4	weigh 414:15,16	401:4,8 405:2
veritext 316:15,17	417:12	414:17	409:8 410:24
423:10 425:1	waiting 400:3	welcome 374:11	412:1,12 415:20
versus 319:8	waive 364:15	went 398:21	417:14 418:11
334:11,13 349:17	wal 312:15 321:6	west 311:8	421:6 422:22
vetted 363:15	321:22 322:8,11	wheeler 362:1,15	423:6 424:19
video 316:7	322:16,24 323:2	366:20 370:23	witness's 400:5
videographer	325:7	372:25 416:15,16	witnesses 424:6
311:23 316:4,16	want 317:16 318:2	416:17 417:10,15	words 337:13
317:4 343:25	318:21 341:2	417:20 419:2	368:5
344:4,6 383:24	343:13 346:5	wheeler's 376:17	work 341:3 374:17
384:2 422:25	362:20 364:12	whereabouts	396:23
423:3,7	370:14,19 374:14	381:15	worked 417:2
videotaped 309:10	376:2,4,14 377:13	whereof 424:19	working 318:25
310:8	379:14 381:4,10	whoever's 404:8	world 407:18,21
vie 374:22,25	381:23 384:5,8	withdrawn 322:17	worst 349:2
vies 373:15	395:1 408:4 415:5	witness 311:14	worth 367:10
view 383:15 393:5	wanted 357:20	312:2 317:6	368:1
393:9,25 396:12	381:21 422:8	320:13 321:13,16	wrap 361:10
398:11 404:14	warehouse 339:13	321:19 323:1	writing 396:7
416:25 420:4	342:8 365:16	327:14 328:4	wrong 333:15
views 396:14,21	way 320:14 330:13	330:24 334:15	337:3 353:8,10,15
visibility 414:23	332:6 337:19	337:4,6 339:2,4	373:6 386:17
415:11,17 416:22	338:21 339:22	340:5,7,14 341:20	391:20 417:11,22
417:21 418:2,8,12	348:6 369:12	343:9 344:24	418:3,9,13,17,19
418:16,22	374:5,21 375:15	345:16 349:16	418:24,25
visit 329:23	376:3 387:10	352:25 353:16,19	wrote 337:9
voltage 385:23	391:9,11 392:16	353:22,25 363:16	351:23 378:13
386:22 387:6,25	396:24 410:11	363:23 364:2,8,18	x
volume 309:13	412:13 413:5	365:23 367:2,19	x 309:2,5 310:2,5
310:9 312:4	420:4	368:12 369:1,18	361:5,8,9,15
334:11,15 345:20	wayne's 407:21	370:1,14,17	411:20
348:9 349:17,19	ways 388:16 389:6	371:17 372:7	
354:8,11,13,17,19	389:12	374:11 375:1	
354:20,21,24,25		377:10,17,20,23	

y	yesterday 323:24
yeah 321:14	york 311:19,19
323:18 326:22	321:6 425:2
327:6 335:4,11	youtube 330:17
338:18 340:2,9,9	z
340:11,14,16	zero 337:14
341:15 342:11	414:22 415:11,16
343:24 344:22,24	415:17,22 416:21
344:24 345:17	417:8,21 418:1,8
346:2 349:1,1	418:13,16,22,25
352:23 353:21,22	419:1
353:22,25 355:12	
363:23 364:2	
369:19 371:14,16	
372:11,25 374:11	
377:8,10,23 378:5	
379:6,14 380:5	
384:13,15,15	
386:10 389:18	
393:22 396:22	
399:22 401:8	
404:22 407:12	
412:1 413:12	
415:9 416:6	
year 312:22	
313:18 325:15,15	
344:18 349:2	
350:18 357:13	
358:1 359:21	
371:6 372:1,12,12	
378:18 382:15,23	
405:13,14,14	
years 332:25	
336:1 355:7,9	
357:5 385:6 390:1	
396:22 402:6	
yell 394:24 395:4	
yelled 379:10	
yep 371:21 401:3	
401:7	

1 DELAWARE RULES OF CIVIL PROCEDURE

2 Part V. Depositions and Discovery

3 Title V, Rule 30

4
5 (e) Submission to witness; changes; signing. When
6 the testimony is fully transcribed, the deposition
7 shall be submitted to the witness for examination
8 and shall be read to the witness, unless such
9 examination and reading are waived by the witness
10 and by the parties. Any changes in form or
11 substance which the witness desires to make shall
12 be entered upon the deposition by the officer with
13 a statement of the reasons given by the witness for
14 making them. The deposition shall then be signed by
15 the witness, unless the parties by stipulation
16 waive the signing or the witness is ill or cannot
17 be found or refuses to sign. If the deposition is
18 not signed by the witness within 30 days after the
19 date when the reporter notifies the witness and
20 counsel by mail of the availability for examination
21 by the witness, the officer shall sign it and state
22 on the record the fact of the waiver or of the
23 illness or absence of the witness or the fact of
24 the refusal to sign together with the reason, if
25 any, given therefor; and the deposition may then be

1 used as fully as though signed, unless on a motion
2 to suppress under Rule 32(d) the Court holds that
3 the reasons given for the refusal to sign require
4 rejection of the deposition in whole or in part.

5
6
7
8
9
10 DISCLAIMER: THE FOREGOING CIVIL PROCEDURE RULES
11 ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY.
12 THE ABOVE RULES ARE CURRENT AS OF APRIL 1,
13 2019. PLEASE REFER TO THE APPLICABLE STATE RULES
14 OF CIVIL PROCEDURE FOR UP-TO-DATE INFORMATION.

VERITEXT LEGAL SOLUTIONS
COMPANY CERTIFICATE AND DISCLOSURE STATEMENT

Veritext Legal Solutions represents that the foregoing transcript is a true, correct and complete transcript of the colloquies, questions and answers as submitted by the court reporter. Veritext Legal Solutions further represents that the attached exhibits, if any, are true, correct and complete documents as submitted by the court reporter and/or attorneys in relation to this deposition and that the documents were processed in accordance with our litigation support and production standards.

Veritext Legal Solutions is committed to maintaining the confidentiality of client and witness information, in accordance with the regulations promulgated under the Health Insurance Portability and Accountability Act (HIPAA), as amended with respect to protected health information and the Gramm-Leach-Bliley Act, as amended, with respect to Personally Identifiable Information (PII). Physical transcripts and exhibits are managed under strict facility and personnel access controls. Electronic files of documents are stored in encrypted form and are transmitted in an encrypted fashion to authenticated parties who are permitted to access the material. Our data is hosted in a Tier 4 SSAE 16 certified facility.

Veritext Legal Solutions complies with all federal and State regulations with respect to the provision of court reporting services, and maintains its neutrality and independence regardless of relationship or the financial outcome of any litigation. Veritext requires adherence to the foregoing professional and ethical standards from all of its subcontractors in their independent contractor agreements.

Inquiries about Veritext Legal Solutions' confidentiality and security policies and practices should be directed to Veritext's Client Services Associates indicated on the cover of this document or at www.veritext.com.