

Twitter shareholders approve Musk's \$44 billion buyout offer

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A court in the U.S. state of Delaware will hear arguments in October in a legal battle between Twitter and Elon Musk [File: Dado Ruvic/Illustration/Reuters]

New York, September 14 (RHC)-- Shareholders at Twitter have approved Tesla CEO Elon Musk's \$44 billion offer to buy the company, effectively leaving the deal's outcome up to a looming court battle over the billionaire's purchase of the social media giant.

The tally came during a shareholder meeting on Tuesday that lasted just minutes, with most of the votes having been cast online.

Musk said in July that he was terminating the agreement to buy Twitter, accusing the company of failing to provide information about fake or spam accounts on its platform. Twitter has rejected his claims and filed a lawsuit asking a court in Delaware to hold Musk to the deal. A trial is set for next month.

“Musk apparently believes that he – unlike every other party subject to Delaware contract law – is free to change his mind, trash the company, disrupt its operations, destroy stockholder value, and walk away,” Twitter’s lawsuit reads.

Twitter’s board unanimously agreed to sell the platform to Musk for \$44bn in April, in a deal that stirred controversy and questions about free speech and misinformation on the popular social media platform.

But months later, Musk’s lawyers said Twitter failed or refused to respond to multiple requests for information on so-called “spam bot” accounts, which is fundamental to the company’s business performance – and they moved to back out of the purchase.

“Sometimes Twitter has ignored Mr. Musk’s requests, sometimes it has rejected them for reasons that appear to be unjustified, and sometimes it has claimed to comply while giving Mr. Musk incomplete or unusable information,” they said in a July filing with the United States Securities and Exchange Commission (SEC).

The company has said for years in regulatory filings that it believes about 5 percent of the accounts on the platform are fake. If Twitter prevails at trial, the judge could order the Tesla chief to pay billions of dollars to the company, or even complete the purchase.

As the court date nears, Musk has sought to use revelations by a Twitter whistle-blower as part of his justification for abandoning his bid. In his report on alleged security flaws at the company, Peiter Zatko directly refers to questions asked by Musk about bot accounts, saying Twitter’s tools and teams for finding such accounts are insufficient.

Zatko testified before a U.S. Congressional committee on Tuesday, accusing the company of “misleading the public, lawmakers, regulators and even its own board of directors” and failing to protect user data. “They don’t know what data they have, where it lives and where it came from and so, unsurprisingly, they can’t protect it,” Zatko told the lawmakers. “It doesn’t matter who has keys if there are no locks.”

Twitter has dismissed the claims by Zatko, the company’s former head of security who was dismissed earlier this year, as being “a false narrative ... riddled with inconsistencies and inaccuracies” and lacking important context.

The company also said Zatko was sacked for “ineffective leadership and poor performance”, and that his allegations appeared designed to harm the company.

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