

# 13. The Coup

In September 2000, significant tensions emerged at PayPal, stemming from the founders' growing dissatisfaction with Elon Musk, the then CEO. Max Levchin, frustrated by Musk's dismissive responses to his concerns about fraud, contemplated leaving the company. This sentiment was shared by Peter Thiel, Luke Nosek, David Sacks, Reid Hoffman, and others who were disillusioned with Musk's leadership style and decisions, notably his lack of interest in combatting fraud and his insistence on diminishing the PayPal brand in favor of X.com.

The group decided to act when Musk, unaware of the brewing discontent, left for his delayed honeymoon and a trip to the Olympics. They rallied support from key stakeholders within and outside the company, securing a temporary CEO agreement from Thiel and enlisting the board's support for their coup. The move was particularly bold given Musk's deep personal and financial investment in the company, which he had prioritized at significant personal cost.

Upon learning of the coup, Musk unsuccessfully attempted to regain control, appealing to the board and individual employees. Despite his efforts, including an emotional lunch with Hoffman to sway opinion, the board voted him out. Musk's response was notably gracious, indicating a willingness to step down for the company's betterment, though he harbored dreams of a more expansive future for PayPal beyond its current scope.

Musk's reaction highlighted a fundamental difference in risk tolerance and vision between him and his PayPal colleagues. His subsequent ventures, SpaceX and Tesla, exemplified his unorthodox approach to risk and innovation, challenging conventional wisdom and achieving significant successes that many had deemed impossible.

Post-PayPal, Musk sought reconciliation with his former colleagues, reflecting on the ouster as a pivotal moment that freed him to pursue even more ambitious projects. His enduring interest in integrating payments with broader digital platforms persisted, as evidenced by his musings on what X.com could have become and his plans for Twitter, suggesting a persistent vision that spans beyond the immediate controversies and setbacks he faced.