

47. Open-Loop Warning

During Kimbal Musk's honeymoon in July 2018, Antonio Gracias informed him that Elon Musk was experiencing a meltdown, despite Tesla's significant production achievements and SpaceX's successful launches. This period marked the onset of Musk's erratic behavior amidst accomplishments. Simultaneously, Musk responded to a tweet about rescuing the trapped Thai soccer team, proposing a mini-submarine for the mission. Collaboratively working with SpaceX and The Boring Company engineers, they developed the sub, though it ultimately remained unused due to a successful diver-based rescue.

The situation escalated when Musk insulted Vernon Unsworth, a cave rescuer, calling him "pedo guy" and further aggravated the situation with unfounded accusations. This led to Tesla's stock dropping and Musk facing backlash, including legal actions from Unsworth. Musk's erratic behavior, partly attributed to his breakup with Amber Heard, prompted his brother Kimbal to caution him, marking an example of Musk's "open-loop" crises moments.

Simultaneously, Musk considered taking Tesla private, encouraged by discussions with Saudi Arabia's investment fund. After tweeting about securing funds for privatization at \$420 per share—a figure selected partly in jest—Tesla's stock soared but also triggered a regulatory investigation. Musk's tweet caught Tesla's board and management off-guard, leading to a mix of concern and discomfort among stakeholders, including the Saudis. Despite initial enthusiasm, Musk abandoned the privatization plan following pushback from investors and criticism over his unconventional behavior.

This chapter highlights Musk's propensity for dramatic and impulsive actions amidst significant corporate milestones, illustrating a volatile period marked by innovation, confrontation, and regulatory scrutiny.