

The Curious Case of Tesla

By Peter Gutman, J.D. Candidate 2021 | March 9, 2019

Tesla had a very public and turbulent 2018. Tesla has always been a unique company. When the Model S first came out, most people had never seen anything like it: an all-electric car with a computer sized display screen, and speed, matching or beating the top sports cars on the market. While Tesla has always seemed to be at the forefront of innovation, its founder, Elon Musk, as well as issues with production and reliability have plagued the company.

Most recently, Tesla announced that it would be [closing most of their retail shops](#) and focusing on online sales. This comes after a seemingly endless array of bad news coverage. In August and September of 2018, Musk began to create waves in the media with his increasingly erratic behavior. He was filmed smoking weed on a podcast, he had a very public relationship called into question, tweeted baseless and derogatory statements about a Thai rescue diver, and caught the eye of the SEC with his tweets about taking Tesla private.

As a result of this, Tesla's stock tumbled to [more than 30% below](#) the all-time high they hit in 2017. In addition, the Chief Accounting Officer, Dave Morton, resigned after only a month on the job, citing concerns about the [public attention the company garnered](#). While Tesla finally announced the long promised \$35k Model 3, this news was delivered alongside plans to make price cuts on all of their models and the announcement of retail closings. Tesla shares closed Monday [down 10% just in the past month](#). While they have expanded and begun to [deliver model 3 orders in Europe](#), they simultaneously lost the Consumer Reports recommendation due to [Model 3 reliability issues](#).

Through all of the turmoil, Tesla remains a groundbreaking company and Musk recently revealed plans of a new crossover car in their lineup, the [Model Y](#). It remains to be seen which force will prevail: Musk's erratic behavior and Tesla's inability to sustain consistent and reliable growth, or Tesla's forward thinking and innovative work product which continues to push the boundaries of society's views on the car industry. With the onslaught of Tesla stories in the news daily, it may not take too long to find our answer.

