

Elon Musk Aims to Resolve \$258 Billion Dogecoin Lawsuit



Elon Musk has asked a U.S. judge to dismiss a \$258 billion racketeering lawsuit accusing him of running a pyramid scheme to support the cryptocurrency Dogecoin. In a filing in Manhattan federal court, Musk, and Tesla's lawyers called the lawsuit a "fanciful work of fiction" over Musk's "innocuous and often silly tweets" about Dogecoin. The investors never explained how Musk intended to defraud anyone, what risks he concealed, and that his statements were too vague to support a fraud claim. The lawyers rejected the investors' claim that Dogecoin qualified as a security.

Investors accused Musk of deliberately driving up Dogecoin's price by more than 36,000% over two years and then letting it crash. They said this generated billions of dollars of profit at other Dogecoin investors' expense, even as Musk knew the currency lacked intrinsic value. Investors also pointed to Musk's appearance on a "Weekend Update" segment of NBC's "Saturday Night Live" where, portraying a fictitious financial expert, he called Dogecoin "a hustle."

The investors' lawyer, Evan Spencer, said in an email that they were more confident than ever that their case would be successful. However, Musk's lawyers argued nothing was unlawful about tweeting words of support for a legitimate cryptocurrency with a market cap of nearly \$10 billion. They said the court should stop the plaintiffs' fantasy and dismiss the complaint.

The \$258 billion damages figure is triple the estimated decline in Dogecoin's market value in the 13 months before the lawsuit was filed. The nonprofit Dogecoin Foundation is also a defendant seeking the lawsuit's dismissal.

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This is not the first time Musk's posts on Twitter have prompted lawsuits. He won a court victory on Feb. 3 when a San Francisco jury found him not liable for tweeting in August 2018 that he had arranged financing to take Tesla private.

How the court will rule on this latest lawsuit remains to be seen. While Musk's tweets have been known to affect cryptocurrency prices, it is unclear whether he did anything illegal or fraudulent about Dogecoin. The case could set a precedent for how public figures can discuss and promote cryptocurrencies on social media, and it will be watched closely by investors and legal experts alike.