

ALL AROUND THE CHANCERY COURT ELMO CHASED TO WEASEL [UPDATE-1]

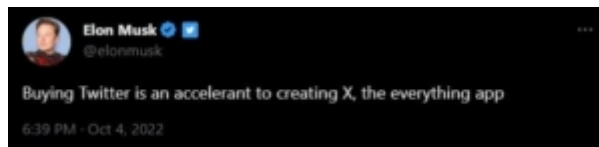
[NB: check the byline, thanks! Update(s) will appear at bottom of post. /~Rayne]

This isn't going to be a very long post because others have already covered the news that Twitter, Inc. is no more having been subsumed by its successor, X Corporation.

See Slate's coverage which has one of the earliest and more thorough reports, or TechCrunch's report.

Elmo has been stuck on name X for decades; he named his online bank business launched in 1999 x.com. That business merged in 2000 with rival Confinity, an online bank founded by Peter Thiel and others. The merged entity became PayPal.

Before Elmo closed on the purchase of Twitter, he'd said that Twitter was a path toward a new online business based on an application.



The intention was to create an “everything app” as popular as TikTok and as encompassing as WeChat – both of which are Chinese apps.

The X naming convention is in head-to-head competition with Google's X company founded in 2010 – “X, the moonshot company” as Google styles and tags the entity. Funny, that; both Musk and Google wanting off-world exploration.

It's possible the move to dissolve Twitter, Inc. and reconstitute it under X corp is merely consolidation of Musk-helmed businesses in Nevada where parent organization X Holdings is

already incorporated. Twitter was already a subset of a Special Purpose Acquisition Company (SPAC) under the April 25, 2022 terms of sale.

Item 1.05. Entry into a Material Definitive Agreement.
Merger Agreement
On April 25, 2022, Twitter, Inc. ("Twitter") entered into an Agreement and Plan of Merger (the "Merger Agreement") with X Holdings I, Inc. ("Parent"), X Holdings II, Inc., a wholly owned subsidiary of Parent ("Acquisition Sub"), and, solely for the purpose of certain provisions of the Merger Agreement, Elon R. Musk. The Merger Agreement provides that, subject to the terms and conditions set forth in the Merger Agreement, Acquisition Sub will merge with and into Twitter (the "Merger"), with Twitter surviving the Merger and becoming a wholly owned subsidiary of Parent (the "Surviving Corporation"). Parent is wholly owned by Mr. Musk.
Twitter's Board of Directors (the "Board") unanimously determined that the transactions contemplated by the Merger Agreement, including the Merger, are in the best interests of Twitter and its stockholders, and approved the Merger Agreement and the transactions contemplated by the Merger Agreement. The Board also unanimously resolved to recommend that Twitter's stockholders vote to adopt and approve the Merger Agreement and the Merger.
Under the Merger Agreement, at the effective time of the Merger, each issued and outstanding share of Twitter's common stock (subject to certain exceptions set forth in the Merger Agreement) will be canceled and converted into the right to receive \$14.20 in cash, without interest (the "Merger Consideration").

The dissolution of Twitter as a Delaware corporation is merely the next step of the acquisition process.

However it's an open question why Musk moved the entire corporation to Nevada instead of leaving Twitter in Delaware as Tesla, Inc. remains.

Could it be that Elmo is so afraid of Delaware's Chancery Court and discovery should a lawsuit be filed against Twitter that he chose to weasel the corporation into Nevada to avoid it?

Here's a list of advantages to incorporating a business in Nevada as compared to other states:

- Nevada law protects both directors and officers from individual liability for any acts committed by or on behalf of the business (with the exception of fraud).
- Jurisdiction for legal suits is in the state where the business incorporated.
- Nevada has significant privacy rights and doesn't share any company information with the IRS. Therefore, no one will know the owner's name of the corporation.
- You don't have to identify the shareholders of the corporation.
- Unlimited stock is allowed.
- Nominee shareholders are allowed.

Could it be that Elmo is so concerned about his own personal liability that he moved the corporation to Nevada to avail himself of protections for owners/principals?

Or is one of these other advantages paramount – like the privacy rights which may be extended to investors like Prince Al Waleed bin Talal Al Saud or Marc Andreessen’s a16z?

How will we know if/when the microblogging platform formerly known as Twitter becomes the agent of a foreign government should ownership shift even more substantially to foreign entities through a combination of equity and debt?

Whatever Musk has up his sleeve he certainly didn’t tip in his interview this week with the BBC, which the Beeb summarized in six points:

1. He denies hate speech on Twitter has spiked
2. He voted for Joe Biden
3. He says Twitter is beating the bots in war on disinfo
4. He’s against banning TikTok
5. He would turn down \$44bn for Twitter
6. He will back down on how BBC is labelled

I don’t know about you but I don’t believe most of this; it reads like the Liar’s Paradox.

Whatever this corporate shell game is about, I know Elmo is still burning Twitter down a bit more each day, including his labeling NPR as a “state-affiliated media” outlet after the GOP has ensured for decades public broadcasting must be starved of funding. Receiving but 1% of its annual revenues from the federal government, NPR has now left Twitter.

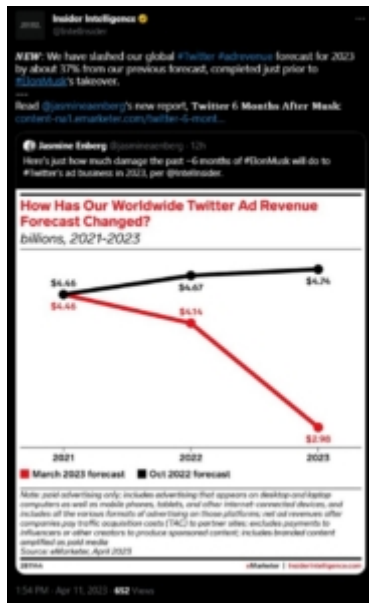
The departure of NPR and its 52 feeds makes this revenue forecast appear more reliable:



Twitter has been merged into X Corp, a Nevada corporation, allowing Elon to legally gamble away what remains of his investment.

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Oops, I mean this forecast:



Though it still looks like gambling, yes?

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UPDATE-1 – 2:30 P.M. ET 13-APR-2023 –

And there it is, the birth of X Corp's "everything app."

CNBC: Twitter partners with eToro to let users trade stocks, crypto as Musk pushes app into finance

Who in their right mind would trust their financial information to Elon Musk's latest Rube Goldberg machine?

Knowing the exposure this business has to foreign investors located in countries which have questionable affinities with the U.S., why would anyone do this if they weren't a crackpot Elmo fanboi?