

Ex-Twitter executives sue Elon Musk for \$128m in unpaid severance

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Elon Musk is facing a \$128m lawsuit from four former Twitter executives who allege the billionaire tech mogul failed to pay them severance after buying the social network. The suit, filed on Monday in California, follows a separate legal complaint last year by rank-and-file employees seeking \$500m in unpaid severance. “Because Musk decided he didn’t want to pay Plaintiffs’ severance benefits, he simply fired them without reason, then made up fake cause and appointed employees of his various companies to uphold his decision,” the suit alleges. The four plaintiffs in the case include Twitter’s former CEO Parag Agrawal, former CFO Ned Segal, former general counsel Sean Edgett and former chief legal officer Vijaya Gadde. Musk fired all of them amid a string of mass layoffs after he acquired Twitter for \$44bn in 2022, claiming at the time he did not need to pay the executives severance because they were terminated for cause. “‘Cause’ is not ‘board-approved business decisions that Musk dislikes’,” the complaint reads. “He claimed in his termination letters that each Plaintiff committed ‘gross negligence’ and ‘willful misconduct’ without citing a single fact in support of this claim.” Musk and X have not issued any public comments on the case. Musk’s frequent legal representative, the lawyer Alex Spiro, did not immediately return request for comment. The lawsuit is one of several legal actions related to Musk’s unwilling takeover of Twitter and subsequent operation of the platform, which he renamed X. The National Labor Relations Board also issued a complaint earlier this year alleging that Musk’s SpaceX rocket company illegally fired eight workers because they issued a letter criticizing his leadership. Musk laid off about 80% of Twitter staff after he took over the company, he told the BBC in an interview last year. The site has struggled in numerous ways since his acquisition, including facing declining ad revenues and researchers documenting a surge in hate speech as Musk rolled back content moderation efforts. He originally tried to back out of the acquisition, but Twitter sued to force its completion. Musk has blamed the decline of ad revenue on anti-hate monitoring groups that published reports detailing racist and extremist content on the platform. He launched suits against two of the organizations, Media Matters and the Center For Countering Digital Hate, which are currently ongoing. A California judge is expected to decide this week on whether to dismiss the suit against the Center For Countering Digital Hate.