

Legal Trouble Accelerating for Tesla Motors



New car pickup at Tesla's Fremont, CA factory. December 8, 2012. Credit: Steve Jurvetson. (Per Wikimedia Commons).

Legal trouble is brewing for Tesla Motors Inc.

The family of a man who [died in a crash](#) while his Tesla Model S was driving itself has hired a personal injury attorney, and regulators are reportedly looking into the company's financial disclosures related to the accident.

The family of Joshua Brown, a 40-year-old who died in the May 7 crash in Williston, Florida, hired Cleveland personal injury attorney [Jack Landskroner](#). His firm, Landskroner Grieco Merriman, confirmed its representation of the Brown family to The Am Law Daily on Tuesday.

[Fortune reported Monday](#) that the firm is currently investigating the crash and has not ruled out suing the upstart Palo Alto, California-based car company founded by [patent-averse billionaire Elon Musk](#). Brown was a resident of [Canton, Ohio, and a high-ranking member of the U.S. Navy](#).

Tesla is also facing a U.S. Securities and Exchange Commission inquiry into financial disclosures related to the fatal crash, [according to The Wall Street Journal](#). The company did not disclose the

autopilot feature's role in the fatal crash in securities filings related to a [\\$2 billion stock sale in mid-May](#). ([Securities filings show](#) that Wilson Sonsini Goodrich & Rosati advised on that stock sale.)

A Tesla spokeswoman declined to respond to questions for this story, including whether it had hired outside counsel for potential legal matters stemming from the fatal crash. Irell & Manella, which has represented Tesla in past securities litigation, did not return a request for comment.

In blog posts responding to the crash, [Tesla said](#) the May fatality was the first of its kind under its autopilot feature. The feature had been used in more than 130 million miles of driving, which the company said proves it has a “[better-than-human](#)” driving capability. U.S. drivers average a fatality every 94 million miles, the company said.

“News of a statistical inevitability did not materially change any statements previously made about the Autopilot system, its capabilities, or net impact on roadway safety,” according to Tesla.

The company said it was not immediately aware that the autopilot feature was engaged during Brown's crash, which it reported to highway safety authorities on May 16. On May 18, Tesla filed a [financial prospectus](#) with the SEC as it prepared to sell about \$2 billion in stock. That filing did not disclose that Brown's autopilot was engaged during his crash. Tesla said it obtained data for the first time from Brown's car on the same day.

In past securities litigation in California resulting from a stock drop after battery fires in its cars, Tesla turned to Irell & Manella partner David Siegel, [according to a report by sibling publication The Recorder](#). The firm's legal team was successful in getting that suit dismissed, but a federal judge in San Francisco [declined a request](#) for fees from plaintiffs' attorneys.

Irell & Manella did not return a request for comment about its work for Tesla. The company's general counsel, Todd Maron, was once an associate at the firm.

Tesla has reshuffled its in-house legal ranks in recent months, as former deputy general counsel and vice president of regulatory affairs James Chen [left in January](#) and subsequently joined auto startup rival Faraday Future as its new top in-house lawyer, [according to sibling publication Corporate Counsel](#).

January also [saw Tesla hire](#) Baker, Donelson, Bearman, Caldwell & Berkowitz partner Wendy Padilla-Madden as senior corporate counsel for global immigration in Fremont, California. Tesla, which late last year [recalled 90,000 Model S cars](#) due to a seat belt problem, also hired Skadden, Arps, Slate, Meagher & Flom earlier this year to handle [a suit against a Swiss auto parts supplier](#) over a faulty door prototype.

Topics: Baker, Donelson, Bearman, Caldwell & Berkowitz, Skadden, Arps, Slate, Meagher & Flom, Irell & Manella, James Chen, TSLA, Tesla defects, tesla investigation, elon musk investigation,