
Hughes Hubbard & Reed

Hughes Hubbard Assists Daimler in Unwind of Equity Collar Transaction and Sale of Tesla Stake

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Hughes Hubbard & Reed helped German automaker Daimler AG unwind the equity collar transaction that it had entered into in 2013 with respect to its four percent stake in California-based electric car maker Tesla Motors Inc. and the sale of such stake.

Daimler announced the sale on Oct. 21 and said it will use the proceeds to strengthen its operational business.

"We are extremely satisfied with the development of our investment in Tesla, but it is not necessary for our partnership and cooperation," Daimler CFO Bodo Uebber said in a statement. "For this reason, we have decided to divest of our shares."

Daimler said it will continue to cooperate with Tesla on automotive projects, including the purchase of Tesla batteries for the current Mercedes B-Class electric car.

Hughes Hubbard represented Daimler in its initial purchase of a 9.1 percent stake in Tesla in 2009, in subsequent equity-raising rounds by Tesla and in the 2013 equity collar deal.

The sale made headlines across the globe, including in The Wall Street Journal, The New York Times, USA Today and Bloomberg.

Ken Lefkowitz and Michael Traube led the representation of Daimler with respect to the initial investment in Tesla. Andrew Fowler and Arinze Ike represented Daimler in connection with the collar and sale transaction.

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Kenneth A. Lefkowitz



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