

THE OPEN AI SCAM

The \$134 Billion Betrayal: Inside Elon Musk's Explosive Lawsuit With OpenAI



BY TYLER DURDEN

Elon Musk's lawsuit against OpenAI and Microsoft has evolved into a high-stakes dispute over whether OpenAI stayed true to the mission it was founded on or quietly outgrew it while relying on that original promise.

Musk is seeking between \$79 billion and \$134 billion in damages, a figure derived from an expert valuation that treats his early funding and contributions as foundational to what OpenAI later became. While the number is enormous, the heart of the case is simpler: Musk argues he helped create and fund a nonprofit dedicated to AI for the public good, and that OpenAI later abandoned that commitment in a way that amounted to fraud.

According to Musk's filings, his roughly \$38 million in early funding was not just a donation but the financial backbone of OpenAI's formative years, supplemented by recruiting help, strategic guidance, and credibility. His damages theory, prepared by financial economist C. Paul Wazzan, ties those early inputs to OpenAI's current valuation of around \$500 billion.

The claim is framed as disgorgement rather than repayment, with Musk arguing that the vast gains realized by OpenAI and Microsoft flowed from a nonprofit story that attracted support and trust, only to be discarded once the company reached scale, according to [TechCrunch](#).

Much of the public attention has centered on internal documents uncovered during discovery, particularly private notes from OpenAI co-founder Greg Brockman in 2017.

One line has become central to Musk's argument: "I cannot believe that we committed to non-profit if three months later we're doing b-corp then it was a lie."

They openly discuss their conspiracy to commit fraud and steal the charity <https://t.co/AI6oFI2yV>

— Elon Musk (@elonmusk) [January 16, 2026](#)

Musk's legal team treats this as evidence that OpenAI's leadership understood the nonprofit commitment was being undermined and worried about how that would look to Musk, the organization's biggest early backer. In Musk's telling, OpenAI used the nonprofit identity to get off the ground, then pivoted toward for-profit structures and a deep partnership with Microsoft that fundamentally changed who the company served.

The scale of the damages also feeds Musk's narrative. Given his immense personal wealth, OpenAI has argued that the lawsuit is about money. Musk counters, implicitly, that the size of the claim reflects the size of what was built on the original promise, not personal need. OpenAI, for its part, has characterized the case as part of an "ongoing pattern of harassment" and a tactic to slow a competitor while Musk builds his own AI company.

Sam Altman had indirect stake in OpenAI through YC fund

Board later learned he also secretly owned OpenAI Startup Fund

All while serving as "independent director" of the non-profit he ran as CEO pic.twitter.com/mzEkycUJqK

— NIK (@ns123abc) [January 16, 2026](#)

OpenAI's response disputes both the facts and the framing. In a blog post responding to Musk's filings, the company said, "In his latest court filing, Elon cherry-picks and publishes snippets from Greg Brockman's private journal entries ... which, when read with the surrounding context, tell a very different story from what Elon claims." OpenAI argues that as early as 2017, it was openly discussed that developing advanced AI would require far more capital than a nonprofit could realistically raise, and that Musk was involved in those conversations.

According to OpenAI, Musk agreed that some form of for-profit structure would be necessary, as long as the nonprofit mission continued in some form, [OpenAI said in a blog post responding to the lawsuit.](#)

OpenAI also says the relationship unraveled over control, not deception. As the company puts it, "The truth is that we and Elon agreed in 2017 that a for-profit structure would be the next phase for OpenAI; negotiations ended when we refused to give him full control; we rejected his offer to merge OpenAI into Tesla; we tried to find another path to achieve the mission together; and then he quit OpenAI." From this perspective, Musk left because he could not dictate OpenAI's future, not because he was misled about it. OpenAI has gone further, calling

the lawsuit Musk's "fourth attempt" at similar claims and "part of a broader strategy of harassment."

At trial, the fight will hinge on how a jury interprets those internal notes and conversations. Musk says they reveal leaders who knew the nonprofit promise could not survive and worried about admitting it. OpenAI says they show a team struggling honestly with how to fund an ambitious mission without surrendering it, while resisting Musk's demand for dominance.

The outcome will shape not just who wins or loses billions, but how far Silicon Valley founders can stretch lofty missions before courts decide they crossed the line from evolution into deception.