

# SEC Charges Founder of Nikola Corp. With Fraud

### FOR IMMEDIATE RELEASE

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Washington D.C., July 29, 2021 — The Securities and Exchange Commission today announced charges against Trevor R. Milton, the founder, former CEO and former executive chairman of Nikola Corporation, for repeatedly disseminating false and misleading information – typically by speaking directly to investors through social media – about Nikola’s products and technological accomplishments.

The SEC’s complaint, filed in U.S. District Court for the Southern District of New York, alleges that Milton founded Nikola in 2015 with the primary goal of manufacturing trucks that run on alternative fuels with low or zero emissions, and building an alternative fuel station infrastructure to support those vehicles. Milton allegedly helped Nikola raise more than \$1 billion in private offerings and go public through a business combination conducted by a special purpose acquisition company (SPAC). According to the SEC’s complaint, during that time and after Nikola was publicly traded, Milton acted as Nikola’s primary spokesperson appearing regularly on national media and communicating directly with investors through social media. Milton allegedly encouraged investors to follow him on social media to get “accurate information” about the company “faster than anywhere else.” Instead, however, Milton allegedly used his extensive media platform to repeatedly mislead investors about, among other things, Nikola’s technological advancements, products, in-house production capabilities, and commercial achievements. The complaint further alleges that Milton ultimately reaped tens of millions of dollars in personal benefits as a result of his misconduct.

“Having chosen to promote Nikola through social media, Milton was obligated under the securities laws to communicate completely, accurately and truthfully,” said Gurbir S. Grewal, Director of the SEC’s Division of Enforcement. “That obligation exists for all public company officials, even those whose companies have only recently entered the public markets through SPAC transactions.”

“We allege that Milton repeatedly made claims, mostly through social media, that either misstated or far exceeded what Nikola and its products actually did or could do,” said David Peavler, Regional Director of the SEC’s Fort Worth Regional Office. “Public company officials cannot say whatever they want on social media without regard for the federal securities laws. The same rules apply, and the SEC will hold those who make materially false and misleading statements accountable regardless of the communication channel they use.”

The SEC’s complaint charges Milton with violating the anti-fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. The complaint seeks a permanent injunction, a conduct-based injunction, an officer and director bar, disgorgement with prejudgment interest, and civil penalties.

Rebecca Fike, Sarah Mallett, and Ty Martinez of the SEC’s Fort Worth Regional Office are conducting the investigation under the supervision of Scott Mascianica and Eric Werner. Nikolay Vydashenko and Keefe Bernstein will lead the litigation against Milton, under David Fraser’s supervision. The SEC appreciates the assistance from the United States Attorney’s Office from the Southern District of New York and the U.S. Postal Inspection Service. The SEC’s investigation is ongoing.

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## Related Materials

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- [SEC Complaint](#)