

Tesla Falls Amid California Factory Probe: San Francisco Mover

2013-11-18 21:24:17.786 GMT

By Alan Ohnsman

Nov. 18 (Bloomberg) -- Tesla Motors Inc., the electric-car maker led by Elon Musk, fell as safety officials in California investigate an industrial accident at the company's sole Model S plant that injured three workers.

Tesla dropped 10 percent to \$121.58 at the close in New York, the lowest since July 19. The decline was the third in a row for the Palo Alto, California-based company, which has slid 37 percent since reaching a closing peak of \$193.37 on Sept. 30.

"The investigation is continuing," said Peter Melton, a spokesman for California's Division of Occupational Safety and Health, in a phone interview. The agency can take as long as six months to make an official determination of a cause in industrial accidents, he said.

The company said Nov. 13 that three employees at its Fremont, California, plant were injured by hot metal resulting from a failure in a low-pressure aluminum casting press. The incident, which Tesla has said won't cause production delays, is the latest in a string of mishaps for the electric-auto maker. Those include three Model S fires as well as its reported third-quarter deliveries that were lower than some analysts expected.

"The shares are performing poorly because there is a perceived lack of near-term catalysts and so the stock is giving

up momentum, she said Andrea James, an equity analyst at Dougherty & Co. in Minneapolis, who rates Tesla a buy. "It's not really tied to any news event."

Disclosure Scrutiny

Separately, Wohl & Fruchter LLP, a New York-based law firm, said in a statement today that it's investigating what it called "potential federal securities law claims against officers and directors of Tesla concerning disclosure of financial results and compliance with generally accepted accounting principles."

Liz Jarvis-Shean, a Tesla spokeswoman, didn't return a telephone call seeking comment on the safety review and on the statement by Wohl & Fruchter.

Tesla's decline doesn't appear related to the law firm's statement, James said.

The stock's drop may be the result of a "piling on" of the bad news, she said Ben Kallo, a San Francisco-based equity analyst for Robert W. Baird & Co., who rates Tesla neutral, the equivalent of hold.

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