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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Southern Division

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

JOSEPH NEAL SANBERG,
Defendant.

Case No.

COMPLAINT

DEMAND FOR JURY TRIAL

Plaintiff Securities and Exchange Commission (“SEC” or the “Commission”) alleges:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), and 27(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),

1 78u(d)(3)(A), 78u(e) & 78aa(a).

2 2. Defendant Joseph Sanberg (“Defendant” or “Sanberg”) has, directly or
3 indirectly, made use of the means or instrumentalities of interstate commerce, of the
4 mails, or of the facilities of a national securities exchange in connection with the
5 transactions, acts, practices, and courses of business alleged in this complaint.

6 3. Venue is proper in this district pursuant to Section 22(a) of the Securities
7 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a),
8 because certain of the transactions, acts, practices and courses of conduct constituting
9 violations of the federal securities laws occurred within this district. In addition,
10 venue is proper in this district because Defendant resides in this district.

11 SUMMARY

12 4. Between in or about January 2021 and December 2022, Sanberg, the co-
13 founder, board member, and shareholder of an environmental sustainability services
14 company, Aspiration Partners, Inc. (“Aspiration”), engaged in a scheme to artificially
15 inflate the company’s revenue in order to attract investors and increase the value of
16 its stock. To carry out the scheme, Sanberg made materially false and misleading
17 statements to investors and engaged in other deceptive acts.

18 5. To make it appear as though Aspiration’s business was rapidly growing,
19 Sanberg recruited friends, associates, small businesses, and religious organizations
20 and presented them to Aspiration as bona fide customers who were fully committed
21 to paying large sums of money for Aspiration’s services. These purported customers
22 signed “letters of intent” or other one-to-two-page agreements (“LOIs”) promising to
23 pay \$25,000 to \$750,000 on a recurring basis in return for the company’s
24 reforestation services.

25 6. In reality, however, these LOIs were a sham because the purported
26 customers (the “LOI Customers”) had no intention of paying for the sustainability
27 services they received from Aspiration. In fact, Sanberg made it clear to the LOI
28 Customers that they did not actually have to pay for the services Aspiration provided.

1 7. Sanberg just needed the LOI Customers to sign the sham LOIs so that
2 Aspiration could recognize the amounts in them as revenue, creating the false
3 appearance that Aspiration was experiencing “explosive growth” and allowing
4 Sanberg to tout Aspiration’s performance to investors looking to buy its stock.

5 8. To add apparent legitimacy to these sham LOIs and ensure that
6 Aspiration would continue recognizing the amounts on the LOIs as revenue, Sanberg
7 paid the initial payment obligations of the LOI Customers by either sending funds to
8 LOI Customers directly or sending funds to an entity that would then transfer those
9 funds to Aspiration. Sanberg made these payments in a way to avoid detection by
10 Aspiration.

11 9. Even as Sanberg stopped paying LOI Customer obligations, and
12 Aspiration was left with a ballooning uncollected and aging receivable LOI balance,
13 the company continued to recognize the amounts on the LOIs as revenue.

14 10. Sanberg took several steps in furtherance of this fraudulent scheme.
15 Using his influence as a co-founder, large shareholder, and board member of the
16 company, he limited the access that Aspiration employees had to the LOI Customers
17 to avoid detection and continue his secret payments on their behalf. Sanberg also
18 vouched for the LOI Customers and pushed for the amounts in the LOIs to be
19 recognized as revenue, even though the LOI Customers had no intention of making
20 payments and large portions of the purported revenue went uncollected. In addition,
21 Sanberg made false and misleading statements about Aspiration’s revenue to
22 investors, saying things like the LOI Customers were “recurring, sticky and value-
23 add” when, in fact, the LOI Customers had no intention of paying for the
24 sustainability services they received from Aspiration. Sanberg also led certain
25 investors to believe—falsely—that Aspiration’s revenue projections for fiscal year
26 2022 were over \$100 million higher than what the company had stated publicly.

27 11. The purported LOI Customer revenue artificially increased Aspiration’s
28 revenue by approximately \$44 million for fiscal year 2021, even though

1 approximately \$33,875,000 of that amount remained uncollected by December 31,
2 2021, and the rest had been paid by Sanberg.

3 12. In total, Sanberg's scheme resulted in his recruiting approximately 27
4 LOI Customers between 2021 and 2022, all of whom were ostensibly required to pay
5 between \$25,000 and \$750,000 to Aspiration on a recurring basis.

6 13. Through his fraud, Sanberg raised more than \$300 million from
7 investors who falsely believed Aspiration had a thriving environmental sustainability
8 services business.

9 14. By engaging in this conduct, Sanberg violated Section 17(a) of the
10 Securities Act, 15 U.S.C. § 77q(a)(3), and Section 10(b) of the Exchange Act, 15
11 U.S.C. § 78j(b), and Rule 10b-5 thereunder.

12 15. Accordingly, the SEC seeks an order against Defendant: permanently
13 enjoining him from future violations of these provisions and from participating in the
14 issuance, purchase, offer, or sale of any security other than for his own personal
15 accounts; requiring him to pay disgorgement of ill-gotten gains and prejudgment
16 interest; requiring him to pay civil monetary penalties; and imposing an officer-and-
17 director bar against him.

18 THE DEFENDANT

19 16. **Joseph Neal Sanberg**, age 46, resides in Anaheim, California. He is a
20 co-founder and, until March 2025, was a member of the board of directors of
21 Aspiration. Sanberg also controls several other entities. Sanberg and his entities held
22 29.82% of Aspiration's shares as of September 2021.

23 RELATED ENTITIES

24 17. **Aspiration Partners, Inc.** (n/k/a CTN Holdings, Inc.), a Delaware
25 corporation based in Marina del Rey, California, was formed in 2013 to provide
26 consumer banking services to consumers focused on environmental sustainability. In
27 early 2024, Aspiration sold its financial services business and rebranded its carbon
28 business as Catona Climate Solutions LLC ("Catona"). In or about March 2025,

1 CTN Holdings, the parent company of Catona, filed for bankruptcy. Neither
2 Aspiration nor its securities have been registered with the Commission in any
3 capacity.

4 18. **InterPrivate Financial Partners III** (“InterPrivate”), a Delaware
5 corporation based in New York, New York, was formed as a blank check company,
6 or Special Purpose Acquisition Company (“SPAC”), to pursue a business
7 combination. InterPrivate’s securities are registered under Section 12(b) of the
8 Exchange Act and its common stock is quoted on the New York Stock Exchange
9 (ticker symbol: IPVF). Starting in around August 2021, InterPrivate sought to
10 acquire Aspiration through a merger agreement that was ultimately terminated.

11 **THE ALLEGATIONS**

12 **A. The Fraudulent Scheme**

13 **1. Sanberg’s Influence and Control Over Aspiration**

14 19. In 2013, Sanberg co-founded Aspiration, a privately held financial
15 services company focused on environmental sustainability.

16 20. Sanberg was a large shareholder in and board member of Aspiration, and
17 exercised decision-making authority over its business operations and fund-raising
18 activities.

19 21. Sanberg was also personally and financially tied to the success of
20 Aspiration.

21 22. From March 2020 through at least November 2021, Sanberg obtained
22 more than \$100 million in loans by pledging over ten million Aspiration shares as
23 collateral.

24 23. Sanberg made clear to others that maintaining and increasing the value
25 of Aspiration’s shares was important to him personally, and would also benefit
26 Aspiration.

27 24. For example, on November 29, 2020, Sanberg texted Aspiration’s co-
28 founder and Chief Executive Officer (“CEO”): “Figure out how to get me the money

1 tomorrow or I'll be in default. It's your turn to do what needs to be done. . . . But if
2 you don't get me the money tomorrow we are all f...ed. Get me the money. Your
3 turn to figure it out like I have for so long. Wire it to the [Sanberg-entity] account. If
4 you don't then [the lender] will foreclose. This will give you a good taste of what I
5 have to experience every day. I hate you and I hate this company and I don't want to
6 work anymore with you []. You are so oblivious to what you've forced me to have
7 to do."

8 **2. Sanberg Takes Advantage of a New Line of Business**

9 25. In late 2020, Aspiration began offering environmental sustainability
10 services directly to individual and corporate customers under a wholly owned
11 subsidiary called Aspiration Sustainable Impact Services, LLC ("ASIS").

12 26. This new line of business offered carbon offsets and reforestation
13 services, i.e., tree-planting, where customers would pay Aspiration, which in turn
14 would pay a third party to plant trees.

15 27. Starting in or around December 2020, Sanberg began to recruit the LOI
16 Customers, including those friends and associates he directly communicated with and
17 those who heard about the opportunity from those friends and associates.

18 28. Sanberg made it clear to the LOI Customers he communicated with
19 directly that they could receive reforestation and carbon footprint reduction services
20 from Aspiration at no charge, through subsidies or "sponsorships."

21 29. Specifically, Sanberg told them that he or his entities would pay
22 Aspiration, or provide the LOI Customers funds to pay Aspiration, for these services.

23 30. As a result of Sanberg's representations, the LOI Customers believed
24 that they did not have to pay for Aspiration's reforestation services, and had no
25 intention of paying for them.

26 **3. Sanberg Has His Customers Sign Bogus "Letters of Intent"**

27 31. Despite his verbal assurances to the LOI Customers that they need not
28 pay for the services they received from Aspiration, starting in or around January

2021, Sanberg prepared, or caused others to prepare, LOIs that made it appear like those customers were financially obligated to purchase a certain number of “trees per month” in return for a monthly/quarterly fee to Aspiration.

32. These LOIs were illusory because they did not indicate that customers were not actually obligated or expected to pay the monthly/quarterly fees.

33. The LOI Customers signed the LOIs, and Aspiration’s CEO counter-signed them on behalf of Aspiration.

34. In 2021, Aspiration entered into approximately 27 LOIs and each of the LOI Customers purportedly agreed to pay amounts ranging from \$25,000 to \$750,000 to Aspiration on a monthly/quarterly basis.

35. The chart below contains the initials of the LOI Customers, the effective dates of the LOIs, and the purported monthly or quarterly payment obligations:

INITIALS	DATES	AMOUNT
A.P.M.	1/1/2021	\$500,000
D.	1/1/2021	\$250,000
G.P.M.S.	1/1/2021	\$50,000
G.B. (assigned to S.B.)	1/1/2021	\$350,000
3.E.	2/1/2021	\$250,000
C.M.	2/1/2021	\$50,000
C.E.	2/1/2021	\$100,000
E.L.F.	2/1/2021	\$50,000
F.A.V.R.	2/1/2021	\$50,000
F.A.	2/1/2021	\$50,000
J.M.	2/1/2021	\$50,000
Y.I.N.B.H.	2/1/2021	\$25,000
E.P.	3/1/2021 (amended from 2/1/2021 LOI)	\$425,000
M.E.	3/1/2021 (amended from 2/1/2021 LOI)	\$100,000
5.N.A.V.	3/1/2021	\$50,000
D.D.C.	3/1/2021	\$150,000
G.R.	3/1/2021	\$50,000
N.C.	3/1/2021	\$25,000
O.C.	3/1/2021	\$50,000

O.	3/1/2021	\$50,000
S.S.E.	3/1/2021	\$75,000
V.	3/1/2021	\$50,000
W.	3/1/2021	\$50,000
W.P.	3/1/2021	\$50,000
A.C.D.	6/1/2021	\$750,000
H.L.I.	6/1/2021	\$300,000
S.I.	6/1/2021	\$50,000

4. Sanberg Limits Access to the LOI Customers

36. Sanberg tightly controlled Aspiration's communications with the LOI Customers, preventing Aspiration from conducting onboarding procedures designed to, *inter alia*, ensure that Aspiration's customers could meet their financial obligations.

37. Sanberg even had to approve the process by which invoices were sent to LOI Customers.

38. For example, on February 17, 2021, when Aspiration's CEO emailed Sanberg asking for an LOI Customer's address to send an invoice, Sanberg replied: "You should send it to me. And for all my relationships with [the LOI Customers] please email me the invoices to pass on."

39. Similarly, on March 26, 2021, when Aspiration's CEO asked Sanberg for his permission to send February and March 2021 invoices to an LOI Customer, Sanberg permitted the executive to send only one of the two invoices.

5. Sanberg Secretly Makes Payments for the LOI Customers

40. Despite the purportedly binding payment obligations imposed on LOI Customers, Sanberg made any and all payments on their behalf.

41. Sanberg did this by sending funds from bank accounts he controlled to either the LOI Customer or Aspiration.

42. As one example, Sanberg paid the LOI Customer obligations by sending funds to the LOI Customer, as follows:

- a. On June 4, 2021, Aspiration emailed the March invoice to E.P. for \$425,000;
- b. On June 14, 2021, Aspiration emailed the April invoice to E.P. for \$425,000;
- c. On June 14, 2021, Sanberg wired \$450,000 from a bank account he controlled to E.P.;
- d. On June 15, 2021, E.P. wired \$425,000 to Aspiration;
- e. On June 15, 2021, Sanberg wired \$450,000 from a bank account he controlled to E.P.; and
- f. On June 15, 2021, E.P. wired \$425,000 to Aspiration.

43. As another example, Sanberg paid the LOI Customer obligations by sending funds first to a separate entity, which would then send those funds to Aspiration, as follows:

- a. On March 19, 2022, Aspiration emailed a September 2021 invoice to S.B.;
- b. On March 22, 2022, Sanberg wired \$350,000 from a bank account he controlled to a separate entity affiliated with Sanberg;
- c. On March 22, 2022, that entity transferred the \$350,000 to Aspiration, with a description indicating that the funds were for S.B.'s invoice.

44. In these ways, Sanberg provided and sent the funds for every payment that was made by an LOI Customer to Aspiration from 2021 to 2022. These payments totaled approximately \$33,575,000.

6. Aspiration's Artificially Inflated Revenues Are Recognized and Disseminated to the Public

45. In or around March 2021, Aspiration sought to become a public company through a SPAC merger. In pursuit of this goal, Aspiration hired KPMG to conduct an audit of Aspiration's finances.

1 46. KPMG considered Aspiration’s expected revenue stream from LOI
2 Customers an important factor in its audit.

3 47. With Sanberg’s support, Aspiration recognized the revenue purportedly
4 generated by the LOI Customers as actual revenue, despite the fact that Sanberg had
5 agreed to cover their payments and despite concerns among Aspiration’s finance
6 department regarding the collectability of such payments.

7 48. The revenue recognized from LOI Customers represented a significant
8 portion of Aspiration’s overall revenue for fiscal year 2021.

9 49. Specifically, for fiscal year 2021, LOI Customer revenue accounted for
10 approximately \$44 million of Aspiration’s \$100.6 million in recognized revenue.
11 Aspiration recognized this approximate \$44 million in LOI Customer revenue, even
12 though approximately \$33,875,000 million remained uncollected as of December 31,
13 2021.

14 50. On August 18, 2021, Aspiration announced the proposed SPAC merger
15 with InterPrivate in a joint press release that was attached to a publicly filed Form
16 8-K.

17 51. In an August 2021 investor presentation, which was attached to
18 Aspiration’s Form 8-K filed on August 18, 2021, Aspiration titled a slide “Explosive
19 growth from a standing start” and noted its “Corporate ESG [or Environmental,
20 Social, and Governance] Business has Scaled Rapidly . . .”

21 52. The slide showed significant growth in Aspiration’s annual recurring
22 revenue in the first two quarters of 2021, referring to the number of “corporate
23 clients” (i.e., primarily the LOI Customers) and revenue from the same.

24 53. In a Form S-4 filed on February 15, 2022, InterPrivate included
25 Aspiration’s results of operations for the nine months ended September 30, 2021,
26 which compared to the nine months ended September 30, 2020, showing that
27 “[e]nterprise sustainability services revenue” went from \$0 in 2020 to \$33.7 million
28 in 2021.

1 54. The same Form S-4 showed that Aspiration’s total revenue went from
2 \$9.2 million for the nine months ended September 30, 2020 to \$62 million for the
3 nine months ended September 30, 2021.

4 55. In a press release a few days later, Aspiration’s CEO stated: “Our results
5 for the fourth quarter and full year 2021 demonstrate Aspiration’s key role at the
6 forefront of driving the sustainability revolution” and “Aspiration’s strong, ongoing
7 growth in revenues and gross profits reinforces the power of our differentiated
8 business model”

9 56. In the same press release, Aspiration announced that its total revenue in
10 2021 was \$100.6 million, “up 584%” from 2020 due in part to “Enterprise
11 Sustainability Services.”

12 **7. Sanberg Solicits Investors by Touting the Artificially Inflated**
13 **Revenues**

14 57. Between September and December 2021, Investor 1 purchased over \$50
15 million in Aspiration stock.

16 58. Before Investor 1 made this investment, Sanberg touted Aspiration’s
17 successes and profitability in the corporate ESG sector to Investor 1’s Chief
18 Investment Officer (“CIO”) in person and over the phone, making materially false
19 and misleading statements to Investor 1 in the process.

20 59. As an example, Sanberg touted how Aspiration’s ESG business
21 “represented a large area of profitability” for the company.

22 60. Further, on February 17, 2022, shortly after the investment and as a
23 lulling tactic, Sanberg emailed Investor 1’s CIO with a subject line “analysis of
24 Aspiration 4Q results,” noting that “Aspiration produced \$100mm of revenue” in
25 2021, and touting how Aspiration was “growing as fast/faster” and “a lot more
26 efficiently and profitably than projected.”

27 61. Investor 1’s CIO considered these representations about Aspiration’s
28 successes in the corporate ESG sector and rapid growth to be “extremely important”

1 in Investor 1's decision to purchase Aspiration stock, as it made the company look
2 "incredibly well" financially.

3 62. On December 15, 2021, Investor 2 purchased \$250 million in Aspiration
4 stock through a special purpose entity.

5 63. Prior to this investment, on September 2, 2021, Aspiration shared
6 detailed financials with Investor 2, including the purported revenue from LOI
7 Customers for the first half of 2021.

8 64. On September 8, 2021, after reviewing the financials, Investor 2's
9 managing director asked, among other things, about the average term of the
10 agreements that LOI Customers were signed up to and whether they were "one-off
11 consulting agreements."

12 65. On the same day, Sanberg emailed a reply to Investor 2's question,
13 saying that the agreements with LOI Customers were "definitely not one-off
14 consulting agreements" and "we are engaging our corporate clients in long term
15 relationship[s]."

16 66. In that same email, Sanberg said he "wanted to call out this point
17 because I think it's such a big deal" and noted that Aspiration's relationship with the
18 LOI Customers was "recurring, sticky and value-add" in nature.

19 67. In an October 12, 2021 email, Sanberg told Investor 2 about a specific
20 LOI Customer, E.P., saying that it was "carbon neutral through Aspiration" and that
21 he expected "more opportunities for deals like this."

22 68. Investor 2 considered these representations regarding the purported
23 success, long-term relationship, and revenue generated from the LOI Customers to be
24 important in its decision to invest.

25 **8. Sanberg Further Inflates the Already Inflated Revenues**

26 69. At the start of 2022, Aspiration hoped to take advantage of its
27 purportedly strong 2021 financial performance, based in large part on "revenue"
28 generated by the LOI Customers, and use it to attract even more investors.

1 70. InterPrivate included in its February 15, 2022 Form S-4 that Aspiration
2 expected an estimated \$254 million in total revenue for fiscal year 2022. The Form
3 S-4 also contained a “Letter from the Co-Founders” of Aspiration—identified as the
4 CEO and Sanberg—to “Prospective Shareholders,” stating that the enterprise
5 sustainability services revenue for the nine months ended September 30, 2021
6 “represents a significant avenue for future growth.”

7 71. Despite these estimates in the Form S-4, Sanberg wanted to separately
8 present much higher projections (i.e., \$385-to-\$386 million) to select, potential
9 investors who had signed confidentiality agreements.

10 72. Aspiration’s Chief Financial Officer (“CFO”) disagreed with Sanberg on
11 this approach, due to issues with recognizing and collecting LOI Customer revenue,
12 and expressed a preference for sharing the publicly disclosed, lower projection.

13 73. Specifically, on March 14, 2022, the CFO informed Sanberg: “We do
14 have some revenue recognition risk that I wanted to outline for you. . . . As such, we
15 may not be able to recognize all the revenues outlined [in Sanberg’s higher
16 projections].”

17 74. In that same email, the CFO told Sanberg: “There is also risk with the
18 existing Enterprise business.[] Our collection has been poor and KPMG may push us
19 to reverse or write off some revenue. But our main challenge today is revenue
20 recognition. . . . Considering the revenue recognition risk, my recommendation is to
21 go out with one set of projections (\$255M).”

22 75. On March 31, 2022, the Aspiration board, which included Sanberg,
23 received the company’s 2022 budget, which forecasted the lower \$255 million in
24 revenue for fiscal year 2022, largely driven by a forecast of \$150 million in
25 “[e]nterprise sustainability revenue.”

26 76. However, Sanberg still insisted on showing select investors the higher
27 projections.
28

1 77. After the March 31, 2022 email to Aspiration’s board with the lower
2 forecast, Sanberg went forward with circulating the higher projections to prospective
3 investors who had signed confidentiality agreements.

4 78. On April 6, 2022, Sanberg emailed a prospective investor this
5 confidential “Investor Addendum,” which projected that Aspiration would achieve
6 “\$386 million in total revenues in 2022” and discussed “strong demand generated by
7 our Enterprise business.”

8 79. In the same April 6, 2022 email, Sanberg told the potential investor that
9 the Investor Addendum contained “internal projections” that were “substantially
10 ahead of the public projections that Aspiration disclosed to the marketplace.”

11 80. Sanberg was also copied on an April 25, 2022 email from an Aspiration
12 executive to another prospective investor containing the higher 2022 revenue
13 projections—i.e., more than \$385 million in revenue for fiscal year 2022 based on
14 expected revenue of over \$280 million in “Enterprise Sustainability Services”—and
15 purported actual revenue from LOI Customers in 2021. In this email, the executive
16 similarly told this prospective investor that the higher projections were “based on our
17 internal targets rather than the more conservative numbers we’ve shared publicly.”

18 81. The prospective investors who received these inflated projections
19 considered them important in deciding whether to invest in Aspiration.

20 **9. Sanberg Obtained Money and Shares from Aspiration as a**
21 **Result of the Artificially Inflated Revenue**

22 82. Sanberg received significant compensation from Aspiration between
23 2021 and 2022 for his work recruiting LOI Customers.

24 83. For example, on April 12, 2021, an Aspiration board resolution granted
25 Sanberg an option to purchase 3,338,809 shares of Aspiration stock.

26 84. Aspiration’s CEO later memorialized this grant by signing an Aspiration
27 services contract dated September 13, 2021, which stated that “in exchange for
28 Joseph Sanberg’s advisory services related to Aspiration Sustainable Impact Services

1 LLC . . . the Company has offered 3,338,809 common stock options of the Company
2 to Joseph Sanberg [] in consideration for these services.”

3 85. In September 2021, Aspiration internally valued 3,338,809 in its
4 common stock at tens of millions of dollars.

5 86. Aspiration’s CEO signed another services contract dated July 29, 2021,
6 which obligated Aspiration to pay one of Sanberg’s entities \$475,000 “in exchange
7 for Joseph Sanberg’s services related to Aspiration’s Sustainable Impact Services
8 LLC.”

9 87. Aspiration’s CEO signed another services contract dated August 30,
10 2021, which obligated Aspiration to pay one of Sanberg’s entities \$550,000 and
11 specified that the payment was “related to Aspiration Sustainable Impact Services
12 LLC.”

13 88. Aspiration’s CEO signed another Aspiration services contract dated
14 September 30, 2021, which obligated Aspiration to pay one of Sanberg’s entities
15 \$525,316 “in exchange for Joseph Sanberg’s services related to [Aspiration’s]
16 sustainability impact business.” An identical contract dated October 22, 2021, for
17 \$512,476, was also signed by the CEO.

18 89. In all, in 2021, Aspiration paid Sanberg and his entities over \$3.6 million
19 in cash.

20 90. In addition, during its January 2022 meeting, the Aspiration board
21 granted Sanberg a one-time cash bonus of \$8,000,000, deeming such a grant
22 “advisable and in the in best interests of the Company.”

23 91. In the same January 2022 meeting, the Aspiration board approved the
24 grant of “9,000,000 shares of fully vested Restricted Stock to Joseph Sanberg . . . to
25 reward Mr. Sanberg for his service to the Company and in order to incent Mr.
26 Sanberg to continue his service to the Company.”

27 92. In all, in 2022, Aspiration paid Sanberg and his entities approximately
28 \$8 million in cash.

1 93. As of December 31, 2022, Sanberg and his entities owned more than 33
2 million shares of Aspiration stock, representing 24.8% of all outstanding shares of the
3 company.

4 94. Aspiration made these lucrative payouts to Sanberg despite having low
5 cash reserves and employees expressing concerns over Aspiration's ballooning
6 accounts receivable and accounts payable balances.

7 95. Moreover, Sanberg used a portion of millions of dollars he obtained
8 from Aspiration to pay the monthly/quarterly fees owed by the LOI Customers.

9 96. For example, Sanberg used nearly \$2.3 million of his aforementioned \$8
10 million cash bonus from January 2022 to pay invoices for approximately five LOI
11 Customers in early February 2022.

12 **10. Sanberg's Inflated Revenue Scheme Falls Apart**

13 97. In 2022, revenue from the LOI Customers accounted for over \$40
14 million of Aspiration's \$216,764,449 in recognized revenue.

15 98. However, Aspiration's accounts receivable balance had increased to
16 approximately \$104 million by June 2022, higher than the entirety of the company's
17 2021 revenue.

18 99. On March 18, 2022, an Aspiration accountant lodged an internal
19 complaint to express concerns about "related party transactions" pertaining to
20 Aspiration's reforestation services business, lack of supporting documentation for
21 LOI Customer revenue, Aspiration's uncollected balances, and invoicing issues.

22 100. As a result, the Aspiration board agreed to form a Special Committee to
23 investigate these concerns. By April 5, 2022, all board members, including Sanberg,
24 signed the "Action by Written Consent of the Board" establishing the Special
25 Committee.

26 101. On or about July 5, 2022, after the creation of the Special Committee,
27 KPMG resigned as Aspiration's outside auditor, citing, among other factors, "revenue
28 transactions that had characteristics of fraud."

1 102. In late 2022, Aspiration's new management launched a revenue
2 remediation project that resulted in Aspiration restating its financial statements for
3 fiscal years 2021 and 2022.

4 103. In August 2023, InterPrivate announced that it was abandoning its SPAC
5 merger with Aspiration.

6 **B. Sanberg's False and Misleading Statements**

7 104. In furtherance of and in connection with the fraudulent scheme to
8 artificially inflate Aspiration's revenue, Sanberg made various false and misleading
9 representations to investors.

10 105. Sanberg was the maker of these false and misleading statements because
11 he had ultimate authority over their content and/or approved their dissemination.

12 106. Sanberg's false and misleading statements were material in that they
13 would have been viewed by a reasonable investor as important in making an
14 investment decision and as having significantly altered the total mix of information
15 made available to the investor.

16 107. First, Sanberg represented to investors that Aspiration's LOI Customer
17 business—which was referred to as Aspiration's corporate ESG business, Enterprise
18 Sustainability business, or ASIS business—was highly successful and profitable.

19 108. Second, he represented to investors that LOI Customers were long-term
20 customers.

21 109. Third, he specifically identified a few specific LOI Customers for
22 investors, to prove that they existed.

23 110. Fourth, he circulated to investors inflated 2022 projections that were
24 premised on revenue from the LOI Customers.

25 111. All of these representations were materially false and misleading
26 because Sanberg omitted the fact that he assured the LOI Customers they would not
27 have to pay for Aspiration's services, that the LOI Customer revenue was predicated
28 on Sanberg paying the monthly/quarterly fees on behalf of the LOI Customers, that

1 Sanberg was partially relying on money he obtained from Aspiration to cover those
2 monthly/quarterly payments, and that a significant portion of the LOI Customer
3 revenue remained uncollected.

4 112. In addition, with respect to the 2022 projections, Sanberg omitted that
5 Aspiration's CFO expressed concerns about the collectability of the projected
6 revenue and its ability to be recognized as revenue.

7 **C. Sanberg Acted with Scienter and Negligently**

8 113. Sanberg acted with scienter in carrying out the scheme to defraud and in
9 making the false and misleading statements to investors. Sanberg also acted
10 negligently in carrying out his scheme and in making the false and misleading
11 statements, that is, Sanberg failed to exercise the level of care that a reasonable
12 person would have exercised under the same circumstances.

13 114. Sanberg's scienter and failure to act reasonably under the circumstances
14 is demonstrated, in part, by the following:

15 (a) Sanberg knew, or was reckless and negligent for not knowing, that
16 the LOIs were artificially inflating Aspiration's revenue, both internally and to the
17 public, because he assured LOI Customers they did not actually have to make the
18 payments set forth in the LOIs.

19 (b) Sanberg paid the invoices sent to the LOI Customers by either
20 paying Aspiration or by wiring money to the LOI Customers for the customers to pay
21 Aspiration.

22 (c) Sanberg limited Aspiration's communication with the LOI
23 Customers, controlling who could send invoices to them, and how many invoices
24 could be sent at one time.

25 (d) Sanberg ensured that little to no due diligence was done on the
26 LOIs themselves, including on the identity and paying ability of the LOI Customers.

27 (e) Despite knowing that he told LOI Customers they would not have
28 to pay for Aspiration's services, and that most of the LOI Customer

1 monthly/quarterly payments were not actually being made, Sanberg touted the LOI
2 Customers to Aspiration investors, calling them “a big deal” and claiming they were
3 “recurring, sticky and value-add.”

4 (f) Despite knowing that his inflated 2022 projections were based on
5 LOI Customer revenue that he financed and was largely uncollected, Sanberg created,
6 advocated for, and disseminated to investors those inflated projections.

7 (g) Sanberg knew, or was reckless and negligent for not knowing, that
8 the inflated 2022 projections were riddled with revenue recognition issues, as
9 specifically outlined for him by Aspiration’s CFO, before he sent them out to
10 investors.

11 **FIRST CLAIM FOR RELIEF**

12 **Fraud in Connection with the Purchase or Sale of Securities**

13 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**

14 115. The SEC realleges and incorporates by reference paragraphs 1 through
15 114 above.

16 116. In connection with the purchase or sale of securities, Sanberg engaged in
17 a scheme to defraud and made material misstatements, false statements, and
18 omissions to investors. Specifically, Sanberg (1) recruited LOI Customers to buy
19 Aspiration’s tree-planting services and maintained exclusive relationships with them;
20 (2) had LOI Customers sign LOIs that purportedly obligated them to pay Aspiration
21 over a long period of time but assured them that they would not actually have to do
22 so; (3) made those payments himself through accounts he controlled and, in some
23 cases, with money Aspiration paid him; (4) ensured that Aspiration recognized such
24 payments and uncollected LOI Customer payments as revenue even though LOI
25 Customers did not pay the amounts due and the LOIs themselves were not properly
26 vetted; (5) made false statements to investors that such “revenue” was a sign of
27 Aspiration’s long-term success; and (6) lulled investors with financials showing such
28 purported revenue.

117. By engaging in the conduct described above, Sanberg, with scienter, directly or indirectly, in connection with the purchase or sale of a security, and by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

118. By engaging in the conduct described above, Sanberg violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

SECOND CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities

Violations of Sections 17(a) of the Securities Act

119. The SEC realleges and incorporates by reference paragraphs 1 through 114 above.

120. In the offer or sale of securities, Sanberg engaged in a scheme to defraud and made material misstatements, false statements, and omissions to investors. Specifically, Sanberg (1) recruited LOI Customers to buy Aspiration's tree-planting services and maintained exclusive relationships with them; (2) had LOI Customers sign LOIs that purportedly obligated them to pay Aspiration over a long period of time but assured them that they would not actually have to do so; (3) made those payments himself through accounts he controlled and, in some cases, with money Aspiration paid him; (4) ensured that Aspiration recognized such payments and uncollected LOI Customer payments as revenue even though LOI Customers did not pay the amounts due and the LOIs themselves were not properly vetted; (5) made false statements to investors that such "revenue" was a sign of Aspiration's long-term

1 success; (6) lulled investors with financials showing the purported revenue; and (7)
2 disseminated false, unsupported, and inflated projections to prospective investors.

3 121. By engaging in the conduct described above, Sanberg, with scienter,
4 directly or indirectly, in the offer or sale of securities by the use of means or
5 instruments of transportation or communication in interstate commerce or by use of
6 the mails (a) employed devices, schemes, or artifices to defraud; (b) obtained money
7 or property by means of untrue statements of a material fact or by omitting to state a
8 material fact necessary in order to make the statements made, in light of the
9 circumstances under which they were made, not misleading; or (c) engaged in
10 transactions, practices, or courses of business which operated or would operate as a
11 fraud or deceit upon the purchaser.

12 122. By engaging in the conduct described above, Sanberg violated, and
13 unless restrained and enjoined will continue to violate, Section 17(a) of the Securities
14 Act, 15 U.S.C. § 77q(a).

15 **PRAYER FOR RELIEF**

16 WHEREFORE, the SEC respectfully requests that the Court:

17 **I.**

18 Issue findings of fact and conclusions of law that Defendant committed the
19 alleged violations.

20 **II.**

21 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
22 Civil Procedure, permanently enjoining Defendant and his agents, servants,
23 employees, and attorneys, and those persons in active concert or participation with
24 any of them, who receive actual notice of the judgment by personal service or
25 otherwise, and each of them, from violating Sections 17(a) of the Securities Act [15
26 U.S.C. § 77q(a)], and Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)] and
27 Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].
28

III.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Defendant from directly or indirectly, including, but not limited to, through any entity he owns or controls, participating in the issuance, purchase, offer, or sale of any security, provided, however, that such injunction shall not prevent him from purchasing or selling securities for his own personal accounts.

IV.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and/or Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], prohibiting Defendant from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

V.

Order Defendant to disgorge all funds received from his illegal conduct, together with prejudgment interest thereon, pursuant to Exchange Act Sections 21(d)(3), 21(d)(5) and 21(d)(7) [15 U.S.C. §§ 78u(d)(3); 78u(d)(5) and 78u(d)(7)].

VI.

Order Defendant to pay civil penalties under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] for their violations of the federal securities laws.

VII.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VIII.

Grant such other and further relief as this Court may determine to be just and necessary.

Dated: August 21, 2025

/s/ Daniel S. Lim
Daniel S. Lim
Attorney for Plaintiff
Securities and Exchange Commission

Jury Demand

The SEC demands trial by jury on liability.

Dated: August 21, 2025

/s/ Daniel S. Lim
Daniel S. Lim
Attorney for Plaintiff
Securities and Exchange Commission

Complaints and Other Initiating Documents

[8:25-cv-01848 Securities and Exchange Commission v. Sanberg](#)

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Notice of Electronic Filing

The following transaction was entered by Lim, Daniel on 8/21/2025 at 7:33 AM PDT and filed on 8/21/2025

Case Name: Securities and Exchange Commission v. Sanberg

Case Number: [8:25-cv-01848](#)

Filer: Securities and Exchange Commission

Document Number: [1](#)

Docket Text:

COMPLAINT No Fee Required - US Government, filed by Plaintiff Securities and Exchange Commission. (Attorney Daniel S. Lim added to party Securities and Exchange Commission(pty:pla))(Lim, Daniel)

8:25-cv-01848 Notice has been electronically mailed to:

Daniel S. Lim limda@sec.gov, haackk@sec.gov, irwinma@sec.gov, LAROfiling@sec.gov, LeungG@SEC.GOV

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The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:C:\fakepath\2025.08.21 Complaint (FINAL).pdf

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