

JASON H. LEE (Cal. Bar No. 253140)  
DAVID ZHOU (NY Bar No. 4926523)  
ANTHONY MORENO (Cal. Bar No. 299220)  
morenoa@sec.gov  
YOONA KIM (Cal. Bar No. 314641)  
kimyoona@sec.gov

Attorneys for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
44 Montgomery Street, Suite 700  
San Francisco, CA 94104  
(415) 705-2500 (Telephone)  
(415) 705-2501 (Facsimile)

**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE COMMISSION,  
  
Plaintiff,  
  
vs.  
  
MATTHEW DERRICK HUDSON,  
  
Defendant.

Case No. 3:25-cv-08106

**COMPLAINT**  
**DEMAND FOR JURY TRIAL**

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

**SUMMARY OF THE ACTION**

1. From at least October 2020 through January 2022, Defendant Matthew Derrick Hudson (“Hudson”) fraudulently raised approximately \$120 million from six U.S.-based investors for Invenia Technical Computing Corporation (“Invenia”), a private Canadian technology company Hudson co-founded in 2006 and led as its then-chief executive officer. Hudson conducted his fraudulent scheme through two Series B funding rounds: (i) an initial Series B (“Series B-1”) funding round that raised approximately \$86.2 million between at least October 2020 and March 2021; and (ii) a Series B-2 funding round that raised approximately \$33.5 million between around the end of March 2021 and January 2022.

1           2.       During both Series B funding rounds, Hudson made materially false and  
2       misleading statements to investors concerning Invenia’s financial condition and performance,  
3       including by providing investors with falsified financial statements, invoices, and other documents.  
4       Hudson knowingly or recklessly falsified documents he received from Invenia’s outside auditor,  
5       internal finance team, and external vendor to dramatically inflate key financial metrics such as the  
6       company’s gross revenue, net income, and cash on hand. For example, Hudson altered Invenia’s  
7       audited financial statements for fiscal year 2019 to inflate the company’s actual gross revenue of  
8       approximately \$20 million<sup>1</sup> to about \$227 million, and to flip the company’s actual net income of  
9       approximately negative \$10 million into a positive \$114 million. Hudson then provided the  
10      falsified financials to investors, as well as to members of Invenia’s board of directors (the  
11      “board”), to support his claims about the company’s financial condition.

12           3.       Furthermore, Hudson knowingly or recklessly fabricated virtually everything about  
13      the Series B-2 funding round, which was never authorized by Invenia’s board. Hudson falsely  
14      promoted the Series B-2 round as a legitimate funding round to prospective investors, and he  
15      provided the two Series B-2 investors that eventually invested in the round with offering  
16      documents that purported to identify certain lead institutional investors and other additional  
17      investors participating with them in that round. In reality, there never were any other committed  
18      investors. Hudson later sent one of the Series B-2 investors a set of closing documents containing  
19      forged signatures of the other purported investors.

20           4.       In or around late February or early March 2022, Invenia’s board learned of the  
21      Series B-2 funding round that Hudson had conducted and closed without its knowledge or  
22      authorization. As a result, the board formed a special committee (the “special committee”) to  
23      conduct an internal investigation into the Series B-2 round, which eventually also investigated  
24      Invenia’s financial activities and practices. Hudson was terminated by Invenia in October 2022,  
25

---

26  
27      <sup>1</sup> Numerical figures originally presented in Canadian dollars (CAD), such as figures from  
28      Invenia’s financial statements prepared by its Canadian outside auditor, have been converted to  
    U.S. dollars using the exchange rate for the applicable quarter-end.

1 and the company ceased most of its operations around the end of that year. Invenia subsequently  
 2 filed for bankruptcy in January 2025 in a Canadian court to liquidate any remaining assets.

3 5. As a result of the conduct alleged in this complaint, Hudson violated Section 10(b)  
 4 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5  
 5 thereunder [17 C.F.R. § 240.10b-5], and Section 17(a) of the Securities Act of 1933 (“Securities  
 6 Act”) [15 U.S.C. § 77q(a)].

7 6. In this action, the SEC seeks against Hudson: permanent injunctions; disgorgement  
 8 of ill-gotten gains with prejudgment interest; and civil monetary penalties. The SEC also seeks an  
 9 order prohibiting Hudson from participating in the issuance, purchase, offer, or sale of any  
 10 securities, and imposing an officer and director bar against Hudson.

### 11 JURISDICTION AND VENUE

12 7. The SEC brings this action pursuant to Sections 20(b), 20(d), and 22(a) of the  
 13 Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)], and Sections 21(d), 21(e), and 27 of the  
 14 Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

15 8. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1),  
 16 and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a)], and Sections 21(d),  
 17 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

18 9. Defendant, directly or indirectly, made use of the means and instrumentalities of  
 19 interstate commerce or of the mails in connection with the acts, transactions, practices, and courses  
 20 of business alleged in this complaint.

21 10. Venue is proper in this District pursuant to Section 22(a) of the Securities Act [15  
 22 U.S.C. § 77v(a)], and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)]. Acts, transactions,  
 23 practices, and courses of business that form the basis for the violations alleged in this complaint  
 24 occurred in this District. For example, Hudson participated in the offer and sale of Series B-1 and  
 25 Series B-2 securities of Invenia in this District, including to three institutional investors that were  
 26 then based in this District—two Series B-1 investors in San Francisco, California and a Series B-2  
 27 investor in South San Francisco, California. Hudson also promoted the Series B-2 funding round to  
 28 an investment firm based in San Francisco, California, that ultimately did not invest in the funding

round. Furthermore, venue lies in this District pursuant to Title 28, United States Code, Section 1391(c)(3) because Defendant is not a resident in the United States.

### INTRADISTRICT ASSIGNMENT

11. Under Civil Local Rule 3-2(d), this civil action should be assigned to the San Francisco Division because a substantial part of the events and omissions which give rise to the claims alleged herein, including Defendant's participation in the offer and sale of Invenia's securities during the Series B funding rounds to investors, occurred in the counties of San Francisco and San Mateo.

### DEFENDANT

12. **Matthew Derrick Hudson**, age 41, is a Canadian citizen and is believed to reside in Cambridge, England. Hudson co-founded Invenia in July 2006 and served as its CEO until he was terminated in October 2022. Hudson also served as one of Invenia's board members from July 2006 until he resigned from the board in December 2022.

### RELATED ENTITY

13. **Invenia Technical Computing Corporation** was, at all relevant times, a Canadian corporation with its principal place of business in Winnipeg, Canada. Invenia was a private technology company from its founding in 2006 until it ceased most of its operations around the end of 2022. In January 2025, Invenia filed for bankruptcy in Canada to liquidate any remaining assets.

### FACTUAL ALLEGATIONS

#### A. Background

14. Hudson co-founded Invenia in July 2006 to develop technology for analyzing complex data systems. By around 2012, Invenia was applying its technology, which the company sometimes referred to as its proprietary "energy intelligence system" or "machine learning platform," to U.S. electricity markets with a stated goal of increasing energy efficiency and optimizing electrical grids. Invenia used its technology to analyze data inputs related to daily electricity consumption in various U.S. regions to predict how much electricity needed to be produced to satisfy the next day's demands, and then applied those predictions to its participation in U.S. electricity markets.

1           15.     The majority of the U.S. electrical grid is served by several regional electricity  
2 markets that are run by federally regulated entities known as independent system operators or  
3 regional transmission organizations (collectively, “grid operators”). Because most of the electricity  
4 generated by power plants each day generally cannot be stored for future use and thus must be  
5 either consumed or wasted, grid operators manage day-ahead and real-time electricity markets to  
6 help energy systems plan for producing, dispatching, and pricing electricity efficiently each day. In  
7 addition to market players like power plants and load-serving entities that generate or manage  
8 reserves of the physical electricity that eventually goes to end-users, there are market participants  
9 that engage in “virtual bidding,” also known as convergence bidding, in the electricity markets to  
10 buy or sell electricity without any physical power exchange. Virtual bidding in the day-ahead  
11 markets affects how grid operators determine day-ahead pricing and coordinate with other market  
12 players to plan for operations the next day. In the real-time markets the following day, the day-  
13 ahead bids are settled based on the actual pricing and delivery of electricity across electrical grids.  
14 All virtual day-ahead bids must be closed out with offsetting trades in the real-time markets, so  
15 virtual bidders can profit from cash payments based on the difference between their day-ahead  
16 predictions and corresponding real-time pricing.

17           16.     At all relevant times, Invenia’s business involved applying the forecasts generated  
18 by its technology to submit virtual bids in U.S. electricity markets with certain grid operators. For  
19 the most part, starting from around 2012 and at all times relevant to this complaint, Invenia  
20 engaged a third-party intermediary, a U.S. vendor based in Bismarck, North Dakota (the “ND  
21 vendor”), to submit the virtual bids on its behalf. In essence, Invenia’s business involved  
22 transacting through its virtual bids in U.S. electricity markets, and its ability to generate revenue  
23 and profits was based on the accuracy of the electricity-usage forecasts generated by its  
24 technology.

25           17.     Hudson, as Invenia’s CEO, managed the company’s day-to-day operations from its  
26 inception in July 2006 until early June 2022, when his activities were restricted during the special  
27 committee’s investigation after the Series B-2 funding round. In the years leading up to and  
28 throughout the Series B funding rounds, Hudson was also in effect the company’s acting chief

1 financial officer because that position remained vacant from around June 2017 until November  
2 2021, about a month before the final closing of the Series B-2 round, during which time Invenia's  
3 internal finance team reported directly to Hudson. During that period, Hudson received the  
4 company's unaudited monthly financial reports prepared by Invenia's internal finance team as well  
5 as annual audited financial statements prepared by its outside auditor, a Canadian accounting firm  
6 based in Winnipeg, Canada. Hudson also had full access to invoices and other data from the ND  
7 vendor showing, among other things, revenues and net profits or losses from the company's virtual  
8 bids with grid operators. Additionally, in the years leading up to, during, and following the Series  
9 B funding rounds, Hudson directly provided financial documents to other members of the  
10 company's board and presented on all finance-related updates at board meetings. In sum,  
11 throughout both Series B funding rounds, including for several years leading up to, and several  
12 months following, the funding rounds, Hudson controlled Invenia's operations and finances.

13 18. Furthermore, at all relevant times, Hudson controlled investor relations at the  
14 company. Hudson was Invenia's main point of contact for prospective and existing investors,  
15 including throughout the Series B funding rounds. Hudson actively promoted and participated in  
16 the offer and sale of Invenia's securities in both Series B funding rounds. During both rounds, he  
17 directly participated in presentations with, and made phone calls and sent e-mails to, actual and  
18 potential investors to promote the funding rounds and to address investors' due diligence inquiries.  
19 He also created, approved, and personally sent written fundraising materials to actual and potential  
20 investors, including presentation slides, financial statements, and other offering documents.

21 19. The Series B-1 funding round raised approximately \$86.2 million between at least  
22 October 2020 and March 2021 from five U.S. investors, with the Series B-1 investments all  
23 closing in March 2021. The subsequent Series B-2 funding round raised approximately \$33.5  
24 million between around the end of March 2021 and January 2022 from two U.S. investors, one of  
25 which was also a Series B-1 investor. The closing dates for the two Series B-2 investments were  
26 staggered, with one closing in October 2021 and the other in or around January 2022. Collectively,  
27 the two funding rounds raised approximately \$120 million.  
28

20. The approximately \$33.5 million from the unauthorized Series B-2 funding round was returned to the two investors in 2022. However, the Series B-1 investments have not been returned, and the Series B-1 investors have lost the value of their equity.

**B. During the Series B-1 and Series B-2 Funding Rounds, Hudson Misled Investors by Misrepresenting Invenia's Financial Condition and Performance**

21. Hudson made materially false and misleading statements to investors about Invenia's financial condition and performance during both Series B funding rounds. In support of his misrepresentations, Hudson knowingly or recklessly created and provided investors, including via emails he personally transmitted, with falsified versions of the company's audited financial statements and unaudited monthly financial reports, as well as fake invoices from its ND vendor, that inflated key financial metrics. The inflated numbers made it appear that Invenia was consistently generating impressive profits and obtaining upwards of hundreds of millions of dollars in annual gross revenue. In reality, Invenia experienced little or no growth in revenue, with revenue figures representing very small fractions of the inflated numbers, and suffered consecutive net losses in the years leading up to the funding rounds.

22. During both Series B funding rounds, Hudson misled investors with falsified audited financial statements that he created. Rather than sharing with investors the actual audited financial statements he received from Invenia's outside auditor, Hudson provided versions he falsified by significantly inflating Invenia's gross revenue, net income, cash flow, and other financial measures. For example, Hudson altered the 2018 audited financial statements he provided to investors to inflate Invenia's annual gross revenue from approximately \$25 million to about \$71 million, an inflation of around 184%, and Invenia's net loss of about \$7 million to a positive net income of approximately \$24 million, an inflation of about 433%. Similarly, Hudson altered Invenia's actual 2019 audited financial statements, inflating key metrics by an even greater magnitude than the prior year, and then provided those altered audited financial statements to investors. The falsified 2019 audited financials changed Invenia's annual gross revenue of approximately \$20 million to about \$227 million, an inflation of approximately 1,035%, and turned Invenia's net loss of nearly \$10 million into a positive net income of approximately \$114

1 million, an inflation of approximately 1,240%. Hudson also deleted references to the company's  
2 "shareholder deficiency" (or negative shareholder equity) in the audit opinion as well as references  
3 to certain deficits in the applicable notes to the financial statements, such that the altered versions  
4 respectively referenced positive shareholder equity and retained earnings.

5 23. Later, Hudson provided at least one of the Series B-2 investors with falsified 2020  
6 audited financial statements. In this instance as well, Hudson altered Invenia's actual audited  
7 financials that he received from the company's outside auditor. Among other things, Hudson  
8 changed the 2020 year-end cash balance from approximately \$9 million to nearly \$300 million, an  
9 inflation of approximately 3,233%.

10 24. Hudson also altered unaudited monthly financial reports and provided the altered  
11 versions of those documents to investors of both Series B funding rounds. In numerous instances,  
12 prospective investors asked Hudson to provide monthly financial updates so that they could  
13 consider Invenia's ongoing performance and potential to grow its business before deciding to  
14 invest. During the period leading up to and throughout the Series B funding rounds, Invenia's  
15 director of finance, who reported directly to Hudson, often worked with the company's external  
16 bookkeeper, a Canadian firm based in Winnipeg, Canada, to put together a monthly financial  
17 reporting package that he sent directly to Hudson, which included, among other things, monthly  
18 and year-to-date gross revenues, profit and loss statements, and a cash flow summary. Hudson  
19 subsequently inflated financial metrics in those monthly reports, and then personally emailed the  
20 falsified reports to investors.

21 25. For example, on May 17, 2021, Invenia's director of finance sent Hudson the  
22 monthly financial reporting package for April 2021, which showed a net loss for that month of  
23 approximately \$270,000. Hudson subsequently altered the financial results for April 2021, and  
24 included the inflated results in falsified monthly financials he personally emailed to a Series B-2  
25 investor on August 24, 2021. The altered financials falsely reported a positive net income of  
26 approximately \$17 million for the month of April 2021, an inflation of over 6000% from the actual  
27 net loss that month. Throughout both Series B funding rounds, Hudson repeatedly created and  
28 disseminated to actual and prospective investors falsified unaudited financial reports.



1           26. Hudson also misled investors by providing them with inflated metrics from the ND  
2 vendor, including falsified daily profit-and-loss data and monthly invoices. For example, during  
3 the Series B-1 funding round, Hudson provided an investor with daily profit-and-loss data to  
4 support his claims regarding Invenia's profitable performance in the electricity markets. As part of  
5 its due diligence process, the investor reviewed that data and determined that the data sufficiently  
6 backed up Invenia's reported financials and performance. Unbeknownst to the investor, that data  
7 had been falsified by Hudson who altered the original data from the ND vendor to align with the  
8 falsified financials he created and provided to the investor.

9           27. Furthermore, Hudson altered several monthly invoices from the ND vendor that  
10 were provided to another investor that went on to invest in both Series B funding rounds. That  
11 investor previously requested copies of the ND vendor's invoices, which summarized the  
12 company's performance with grid operators with metrics like the applicable month's gross  
13 transaction results (or revenue), net proceeds, and cash available to serve as collateral for  
14 additional bids. For example, one of the invoices Hudson falsified for September 2020 changed the  
15 actual negative gross revenue of approximately \$99,000 into a positive gross revenue of nearly \$31  
16 million, the actual net loss of approximately \$279,000 into a nearly \$20 million net profit, and the  
17 actual cash collateral balance of around \$677,000 into a balance of approximately \$267 million.

18           28. In addition, Hudson replaced the ND vendor's real office phone number on its  
19 monthly invoices with a false phone number with the same area code. Hudson used his personal  
20 credit card to purchase the false phone number from a U.S. call-forwarding company based in  
21 Cerritos, California, presumably so that he could intercept any attempts by investors to call the ND  
22 vendor about information in the falsified invoices. Similarly, Hudson replaced the real fax number  
23 and employee email address listed on the ND vendor's invoices with fake ones.

24           29. Hudson knew, or was reckless in not knowing, that his numerous  
25 misrepresentations to investors concerning Invenia's financial results and condition were false and  
26 misleading and would help perpetuate his fraudulent scheme. Hudson, who at all relevant times  
27 controlled Invenia's operations and finances and managed its internal financial team, falsified a  
28 variety of financial documents, including the company's audited financial statements from

1 Invenia's outside auditor, unaudited monthly financial reports prepared by Invenia's internal  
2 finance team, and monthly invoices and data from the ND vendor. He then sent falsified versions  
3 of those records to investors, even though he received the true materials from their respective  
4 sources and thus knew, or was reckless in not knowing, that the information he provided to  
5 investors was not accurate.

6 30. Hudson's misstatements concerning Invenia's financial results and condition were  
7 important to investors because it was critical to investors to know the true financial condition of the  
8 company and the viability of its business, as well as to know whether key financial metrics in  
9 financial documents they received from the company had been falsified or inflated. Indeed,  
10 Invenia's impressive financial profile as depicted in the company's falsified financial statements  
11 was important to investors' decisions to invest in Invenia. Moreover, investors reasonably expected  
12 to receive genuine and accurate financial information from the company, not fraudulent documents  
13 altered by the company's CEO, and would not have invested in Invenia with the knowledge that  
14 the financial records they received were fabricated and false.

15 31. Hudson's deceptive conduct—including, among other things, his falsification of  
16 Invenia's audited and unaudited financial statements, the ND vendor's invoices, and transaction  
17 data, as well as his purchase and use of a fake phone number on the invoices that he altered—  
18 created a false and misleading picture of Invenia's financial and business condition that was  
19 important to investors in deciding whether to invest in the company.

20 **C. During the Series B-2 Funding Round, Hudson Further Misled Investors by**  
21 **Fabricating False and Misleading Offering Documents and Providing Them to**  
22 **Investors**

23 32. During the Series B-2 funding round, Hudson also provided prospective investors  
24 with falsified offering and closing documents that contained numerous misrepresentations.  
25 Invenia's board did not authorize the Series B-2 round and was not aware of it when it was taking  
26 place. Instead, Hudson led the Series B-2 round with prospective investors, including two U.S.  
investor entities that ultimately wired funds to Invenia.

27 33. Throughout the Series B-2 funding round, Hudson represented to the two Series B-  
28 2 investors that at least two other institutional investors were leading the funding round and

collectively investing over \$45 million. This representation was false—in fact, one of the purported lead investors, which was an existing shareholder that had invested in the prior Series B-1 round, was not even aware that the Series B-2 round was underway, and the other purported lead investor, while it had been in contact with Hudson about the Series B-2 round, never committed to making an investment. Nevertheless, Hudson included the purported leads, along with the names of other false purported investors, on investor lists in Series B-2 documents that Hudson repeatedly shared and referenced with the two Series B-2 investors. During the Series B-2 round, each of the Series B-2 investors inquired directly with Hudson about the purported lead investors' involvement, including to confirm the latest status of their involvement and whether their respective investments were confirmed for the funding round.

34. Hudson also shared with both Series B-2 investors a legal opinion he reused from the prior Series B-1 funding round, which he altered to reference a purported Series B-2 funding round without seeking approval or authorization from the legal counsel who drafted the original opinion, as well as fake board resolutions that he had created purporting to approve the Series B-2 funding round.

35. Further, Hudson personally emailed the Series B-2 investor that closed its investment in or around January 2022 with executed closing documents that included signatures of the other purported investors, including the two purported lead institutional investors, all of whose signatures Hudson forged. The fake executed closing documents also included the purported signature of another Invenia board member, which Hudson also forged, on the fake board resolutions, which Hudson had created.

36. The Series B-2 investor that closed its investment a few months earlier, in October 2021, received a closing set without signatures; that investor expected to subsequently receive executed documents with future rolling closings. Hudson separately represented to that investor prior to the October 2021 closing that the Series B-2 transaction documents were final, approved, and not changing.

37. Hudson, knew, or was reckless in not knowing, that his representations about the purported lead investors were false, and that the offering and closing documents falsely contained

1 the names of those lead investors and other purported investors, because he created the falsified  
2 documents, was the primary point of contact for all investors, and controlled the Series B-2  
3 funding round. Furthermore, as a member of Invenia's board, Hudson knew, or was reckless in not  
4 knowing, that the board had not authorized the Series B-2 round.

5 38. Hudson's misrepresentations concerning the Series B-2 funding round were  
6 important to investors because it was critical to investors that the funding round was a legitimate  
7 round authorized by the company's board, and that the transaction documents, investor lists, and  
8 any executed signatures on documents were genuine and true. Investors reasonably expected that  
9 Invenia's CEO was presenting them with accurate information and documents concerning the  
10 Series B-2 round, and investors would not have invested with the knowledge of Hudson's  
11 numerous deceptive acts, including, but not limited to, his creation of unauthorized Series B-2  
12 transaction documents containing false investor lists and other fake closing deliverables like the  
13 fabricated Series B-2 legal opinion.

14 **D. Hudson Took Steps to Perpetuate His Fraudulent Scheme by Concealing it from**  
15 **Invenia's Board and Outside Auditor**

16 39. In addition to Hudson's false and misleading statements to investors, Hudson took  
17 additional actions to conceal his fraudulent scheme from Invenia's board and outside auditor. For  
18 example, in the period leading up to, during, and following the Series B funding rounds, Hudson  
19 sent other members of the board copies of inflated audited and unaudited financial statements, and  
20 as a result, they believed the company was earning upwards of hundreds of millions of dollars in  
21 revenue by the end of fiscal year 2019 and was significantly profitable leading up to and during the  
22 Series B funding rounds. Hudson also presented on the false financials during board meetings.

23 40. Meanwhile, during the period leading up to and throughout the Series B funding  
24 rounds, Hudson concealed from Invenia's outside auditor that he had altered the audited financial  
25 statements the outside auditor had finalized for the company. Indeed, each year, he signed a  
26 representation letter as Invenia's CEO that the outside auditor required before finalizing and  
27 releasing the audited financial statements to the company. In those letters, he falsely represented,  
28

1 among other things, that the Invenia board had approved the audited financial statements as  
2 prepared by the outside auditor.

3 **E. Hudson's Fraudulent Scheme Unraveled as the Board Formed a Special**  
4 **Committee to Conduct an Internal Investigation**

5 41. After both Series B funding rounds closed, Hudson continued to provide investors  
6 with misleading financial documents and updates in order to keep his fraudulent scheme from  
7 being uncovered. For example, around the end of March and in early April 2022, Hudson sent  
8 investors and their representatives false email confirmations containing inflated cash collateral  
9 balances with grid operators by impersonating at least two of the ND vendor's employees using  
10 fake email addresses that he created. At least one of those emails included a falsified "confirmation  
11 letter" file attachment purporting to verify the inflated balances that Hudson created with the  
12 forged signature of another ND vendor employee.

13 42. Despite his efforts, however, Hudson's fraudulent scheme began to unravel soon  
14 after the second and final closing of the Series B-2 funding round. In or around late February or  
15 early March 2022, one of the Series B-2 investors raised concerns to an Invenia board member  
16 about representations Hudson had made about the Series B-2 round. As a result, the rest of  
17 Invenia's board learned for the first time that Hudson had conducted and closed an entire funding  
18 round without their knowledge or authorization.

19 43. The board formed a special committee in April 2022 to investigate issues related to  
20 the Series B-2 funding round and then subsequently expanded the scope of its investigation to  
21 include the company's financial activities and practices. Meanwhile, at Hudson's direction, all of  
22 the funds invested during the Series B-2 round were returned to the two Series B-2 investors in  
23 March 2022 and August 2022, respectively.

24 44. In October 2022, the board terminated Hudson, and a month later, in November  
25 2022, the special committee's findings concluded that Hudson had, among other things, conducted  
26 the unauthorized Series B-2 funding round with forged and falsified documents, including inflated  
27 versions of Invenia's financial records. The special committee also found that Hudson significantly  
28 interfered with the internal investigation process by, among other things, directing third parties to

1 not communicate with the special committee's counsel leading the investigation and by actively  
 2 obstructing the document collection process by destroying or failing to disclose relevant records on  
 3 Invenia's server.

4 45. Furthermore, the special committee found that Hudson had, without board  
 5 authorization, paid himself approximately \$312,000 in excess of what he was entitled to under his  
 6 employment agreement, specifically, approximately \$79,000 around November 2021 and  
 7 approximately \$233,000 around May 2022. To date, Hudson has not returned any of those funds to  
 8 the company. Without proceeds from the Series B funding rounds, Invenia would have been cash  
 9 flow negative by the end of 2021 by approximately \$26 million and thus would not have had the  
 10 extra cash on hand to fund the extra payments that Hudson made to himself.

11 46. Around the end of 2022, Invenia suffered significant losses in the electricity  
 12 markets that undermined the viability of its business. The company then ceased most of its  
 13 operations. In January 2025, the company filed for bankruptcy in a Canadian court to liquidate any  
 14 remaining assets. Invenia's bankruptcy filing indicates that the company's total assets amount to  
 15 approximately \$27,000 while its liabilities are over \$1.3 million. Accordingly, equity investors'  
 16 investments, including all Series B-1 investments, appear to be unrecoverable from the company.

#### 17 **FIRST CLAIM FOR RELIEF**

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

19 47. The SEC re-alleges and incorporates by reference Paragraph Nos. 1 through 46.

20 48. Defendant, by engaging in the conduct described above, directly or indirectly, in  
 21 connection with the purchase or sale of securities, by use of means or instrumentalities of interstate  
 22 commerce, or of the mails, with scienter:

- 23 a. Employed devices, schemes, or artifices to defraud;
- 24 b. Made untrue statements of material facts or omitted to state material facts
- 25 necessary in order to make the statements made, in the light of the
- 26 circumstances under which they were made, not misleading; and
- 27
- 28

- 1 c. Engaged in acts, practices, or courses of business which operated or would  
 2 operate as a fraud or deceit upon other persons, including purchasers of  
 3 securities.

4 49. By reason of the foregoing, Defendant violated, and unless restrained and enjoined  
 5 will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5  
 6 thereunder [17 C.F.R. § 240.10b-5].

## 7 **SECOND CLAIM FOR RELIEF**

### 8 *Violations of Section 17(a) of the Securities Act*

9 50. The SEC re-alleges and incorporates by reference Paragraph Nos. 1 through 46.

10 51. Defendant, by engaging in the conduct described above, directly or indirectly, in  
 11 the offer or sale of securities, by use of the means or instruments of transportation or  
 12 communication in interstate commerce or by use of the mails:

- 13 a. with scienter, employed devices, schemes, or artifices to defraud;  
 14 b. obtained money or property by means of untrue statements of material fact  
 15 or by omitting to state a material fact necessary in order to make the  
 16 statements made, in light of the circumstances under which they were  
 17 made, not misleading; and  
 18 c. engaged in transactions, practices, or courses of business which operated or  
 19 would operate as a fraud or deceit upon purchasers.

20 52. By reason of the foregoing, Defendant violated, and unless restrained and enjoined  
 21 will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

## 22 **PRAYER FOR RELIEF**

23 WHEREFORE, the SEC respectfully requests that the Court:

### 24 **I.**

25 Permanently enjoin Defendant from directly or indirectly violating Section 10(b) of the  
 26 Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder, and  
 27 Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].  
 28

**II.**

Permanently enjoin Defendant from directly or indirectly, including, but not limited to, through any entity owned or controlled by him, participating in the issuance, purchase, offer, or sale of any security, provided however, that such injunction shall not prevent Defendant from purchasing or selling securities for his own personal accounts.

**III.**

Enter an order prohibiting Defendant from serving as an officer or director of any issuer having a class of securities registered with the SEC 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)], pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)].

**IV.**

Issue an order requiring Defendant to disgorge all ill-gotten gains received as a result of his unlawful conduct plus prejudgment interest thereon pursuant to Sections 21(d)(3), 21(d)(5), and 21(d)(7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3), 78u(d)(5), and 78u(d)(7)].

**V.**

Issue an order requiring Defendant to pay civil monetary penalties pursuant to 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)].

**VI.**

Retain jurisdiction over 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.

**VII.**

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



**JURY DEMAND**

Pursuant to Federal Rule of Civil Procedure 38 and L.R. 3-6, the Commission demands a trial by jury on all issues so triable.

Dated: September 24, 2025

Respectfully submitted,

/s/ Yoona Kim

Yoona Kim

Attorney for Plaintiff

SECURITIES AND EXCHANGE COMMISSION