

2022, which provided him the right to acquire Canoo stock through July 15, 2025. Sondhi's call options were "out-of-the-money" because he bought options to buy Canoo stock at a strike price of \$2.50, when the closing price that day was just \$2.03.

3. Days later, on July 12, 2022, Canoo publicly announced the Retailer Transaction and Canoo's stock price soared 53%. Sondhi quickly liquidated his call options on that same day, realizing a profit of \$43,271.56. He did not sell the common stock he had purchased on June 24 and July 5, but his unrealized gain totaled \$11,693.67, resulting in a total ill-gotten gain of \$54,965.23.

4. By engaging in this conduct, Sondhi violated Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and unless restrained and enjoined, will continue to violate the federal securities laws.

5. The SEC seeks a final judgment: (a) permanently enjoining Defendant from violating Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; (b) ordering Defendant to disgorge any ill-gotten gains he received with prejudgment interest thereon pursuant to Exchange Act Sections 21(d)(3), (5), and (7) [15 U.S.C. §§ 78u(d)(3), (5) and (7)]; (c) ordering Defendant to pay civil money penalties pursuant to Exchange Act Section 21A [15 U.S.C. § 78u-1]; and (d) ordering any other and further relief the Court may deem just and proper.

JURISDICTION AND VENUE

6. The SEC brings this action pursuant to authority conferred upon it by Exchange Act Sections 21(d) and 21A [15 U.S.C. §§ 78u(d) and 78u-1].

7. This Court has jurisdiction over this action pursuant to Exchange Act Sections 21(d), 21(e), 21A, and 27(a) [15 U.S.C. §§ 78u(d), 78u(e), 78u-1, and 78aa].

8. Venue is proper in this Northern District of Texas pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Sondhi resides in this District, and certain of the acts, practices, courses of business, and transactions constituting the violations alleged herein occurred within the District, including that Canoo's offices were located in this District at the time of the events at issue and Sondhi executed the securities trades alleged herein from a location within this District.

DEFENDANT

9. Jai Sondhi, age 37, is a resident of Dallas, Texas. From February to December 2022, he was employed by Canoo as Senior Director of Internal Audit and Controls assigned to the Justin, TX office. Sondhi is presently employed as an independent consultant for a publicly traded company. Sondhi is licensed as a certified public accountant in Texas

OTHER RELEVANT ENTITY

10. Canoo was an electric vehicle startup company incorporated in Delaware and with principal executive offices in Torrance, California. Canoo maintained an office in Justin, Texas. Its common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act. Canoo filed periodic reports with the Commission pursuant to Section 13(a) of

the Exchange Act and related rules thereunder. Canoo's common stock traded on the Nasdaq Global Select Market ("Nasdaq") under the trading symbol GOEV.

11. On January 17, 2025, Canoo and certain of its subsidiaries filed for liquidation under Chapter 7 of Title 11 of the United States Code (the "Bankruptcy Code") in U.S. Bankruptcy Court, in Wilmington, Delaware. On June 3, 2025, following delisting proceedings, Nasdaq filed a Form 25 on Canoo's behalf that terminated the registration of its securities.

FACTS

I. Canoo and Retailer Negotiate Confidential Strategic Transaction

12. In the fall of 2021, Canoo began discussions with Retailer concerning, among other things, a possible sale of Canoo electric vehicles to Retailer for the Retailer's delivery service. Obtaining an agreement with a large purchaser like Retailer was very significant because Canoo considered Retailer among the most sophisticated buyers in the world, and its enormous store footprint represented an unparalleled opportunity for a company selling electric vehicles.

13. On October 5, 2021, Canoo and Retailer representatives signed a Mutual Nondisclosure Agreement regarding their discussions. On October 20, 2021, representatives of Canoo and Retailer signed a Mutual Confidentiality Agreement in connection with the "investigation, evaluation and negotiation . . . of a possible business relationship and equity investment." This agreement included a provision regarding the prohibition of insider trading by those in possession of material, nonpublic material information about a company. This provision was included because Canoo considered information about this potential transaction material, nonpublic information.

14. On May 31, 2022, after further negotiations, representatives of Canoo and Retailer entered into a Non-Binding Letter of Intent dated May 27, 2022 (the “Letter of Intent”). The Letter of Intent contemplated two transactions: An agreement concerning Retailer’s purchase of 4,500 Canoo electric vehicles over a five-year period, and a simultaneous warrant agreement in which Canoo would issue Retailer a warrant to purchase certain Canoo shares at a discount. The Letter of Intent was “submitted to Canoo in strict confidence” and expressly subject to the October 20, 2021 Mutual Confidentiality Agreement.

15. In June 2022 the Letter of Intent was signed and the parties conducted due diligence for the electric vehicle and warrant transactions. Specifically, on June 2, 2022, Canoo and Retailer representatives had a kickoff meeting, and on June 4, 2022, Canoo gave Retailer access to its due diligence materials. Due diligence was completed on or about June 16, 2022.

16. On June 14, 2022, Retailer provided Canoo with an initial draft of the warrant agreement, and on June 17, Retailer provided Canoo with an initial draft of the electric vehicle purchase agreement. By June 20, Canoo and the Retailer were planning to announce the transaction by July 1..

17. The Retailer Transaction was material because Retailer is one of the largest companies in the world and the potential purchase of thousands of Canoo electric vehicles by Retailer was a significant development for the company, which had no significant revenue in 2020 and 2021.

II. Sondhi Duty of Confidentiality to Canoo and its Shareholders

18. Sondhi began his employment at Canoo on February 7, 2022 as Senior Director of Internal Audit and Controls. His duties included, among other things, guiding Canoo’s internal controls with respect to information technology and accounting as well as testing controls as required under the Sarbanes Oxley Act.

19. On February 8, 2022, Sondhi acknowledged and electronically accepted several company policies, including the Insider Trading Policy. The Insider Trading Policy explained that Sondhi was a “covered person” subject to a variety of trading restrictions. First and foremost, he was forbidden from engaging in insider trading:

Q. What is insider trading?

A. Generally speaking, insider trading is the buying or selling of stocks, bonds, futures or other securities by someone who possesses or is otherwise aware of material nonpublic information about the securities or the issuer of the securities. Insider trading also includes trading in derivatives (such as put or call options).... It does not matter whether the decision to buy or sell was influenced by the material nonpublic information, how many shares you buy or sell, or whether it has an effect on the stock price. Bottom line: If you are aware of material nonpublic information about the Company ... and you trade in the Company’s [securities] ... you have broken the law.

20. The Insider Trading Policy defined material nonpublic information:

Q. What is material information?

A. It is not always easy to figure out whether you are aware of material nonpublic information. But there is one important factor to determine whether nonpublic information you know about a public company is material: whether the information could be expected to affect the market price of that company’s securities or to be considered important by investors who are considering trading that company’s securities. If the information makes

you want to trade, it would probably have the same effect on others....

21. Significantly, the insider Trading Policy also contained a list of examples of information likely to be material, including: “strategic transactions,” “major contracts,” and “gain or loss of a significant customer.”

22. Canoo’s insider trading policy also expressly prohibited company insiders like Sondhi from trading in options:

Q. Am I allowed to trade derivative securities of the Company’s common stock?

A. No. You may not trade in derivative securities relating to the Company’s common stock, **which include publicly traded call and put options....** [Emphasis Added]

23. Sondhi knew that Canoo’s policy prohibited him from trading in Canoo stock if he possessed material nonpublic information.

III. Sondhi Learns of the Proposed Canoo-Retailer Transaction

24. As part of Sondhi’s job duties as Senior Director of Internal Audit and Controls beginning in February 2022, he regularly attended a weekly Monday meeting that included the leaders of each accounting group at Canoo, including Canoo’s CFO.

25. Sondhi learned about the highly confidential Retailer Transaction from Canoo’s CFO at the June 20, 2022 weekly meeting, and that the company was planning to announce the transaction by July 1.

26. As was his practice, the CFO reminded those present, including Sondhi, that the Retailer Transaction was important material nonpublic information.

27. At the June 27, 2022 weekly meeting, Sondhi learned that the announcement date for the Retailer Transaction had been postponed to on or around July 11.

**IV. Sondhi Unlawfully Purchases Canoo Stock
On The Basis of Material Nonpublic Information**

28. On June 24, when Sondhi knew about the Retailer Transaction, which constituted material, nonpublic information, Sondhi purchased 2,500 shares of Canoo common stock and 58 call options expiring on July 8 on the basis of such information.

29. Call options, like the ones traded by Sondhi, give the buyer the right, but not the obligation, to purchase a company's stock at a set price (the “strike price”) for a certain period of time (through “expiration”). In general, one buys a call option, or call, when one expects the stock price to rise, or sells a call when one expects the stock price to fall. If at the time of purchase the call strike price is above the price at which the stock is then trading, the call is “out of the money” because it would be unprofitable to exercise the call and pay more for the stock than if it were purchased on a stock market. The call options purchased by Sondhi on June 24 were “out-of-the-money” meaning that one of them was at a strike price of \$3.50 and the rest were at a strike price of \$2.50 on a day when Canoo stock had opened at \$2.25 and closed at \$2.03.

30. On June 27, he purchased 50 additional “out of the money” call options expiring on July 8. The options were “out of the money” because they were at a strike price of \$2.50 on a day when Canoo’s stock had opened at \$2.25 and closed at \$2.13.

31. By the time of the weekly meeting on June 27, 2022, Sondhi knew the proposed joint announcement date for the Retailer Transaction had been moved to on or around July 11. As a result, Sondhi’s previously purchased July 8 call options were likely to expire “out of the money”—that is at a price where the strike price was higher than the market price and thus the exercise of the options would not be profitable. Undeterred, on June 29, Sondhi purchased an additional 200 Canoo “out-of-the-money” call options expiring July 15—several days after the

new announcement date. The options were “out of the money” because they were at a strike price of \$2.50 on a day when Canoo’s stock had opened and closed at \$2.03.

32. On July 5, he bought 4,500 additional shares of Canoo common stock.

33. Each of the above purchases were made by Sondhi on the basis of material, nonpublic information about the Retailer transaction.

34. On July 11, 2022, the Retailer transaction, which was set to be announced the next day, was again discussed in the Monday accounting group meeting at which Sondhi was present.

35. On July 12, 2022 at 6:00 a.m. Canoo publicly announced the Retailer Transaction and its stock price soared fifty-three percent (53%). Sondhi liquidated his July 15 call options that day, realizing a profit of approximately \$43,271.56. He did not sell the common stock he had purchased on June 24 and July 5, but his unrealized gain totaled approximately \$11,693.67, resulting in a total ill-gotten gain of \$54,965.23.

V. Sondhi Acted with Scienter

36. Sondhi knew, or was reckless in not knowing, that he owed Canoo and its shareholders a duty not to use confidential company information for his personal gain.

37. Sondhi knew, or was reckless in not knowing, that the information he possessed about the Retailer Transaction, and upon which he traded, was material and nonpublic. Retailer is one of the largest companies in the world and the potential purchase of thousands of Canoo electric vehicles by Retailer was a significant development for the company, which did not have significant revenue in 2020 or 2021. Moreover, the Canoo Insider Trading Policy, which Sondhi agreed to follow when he joined the company contained a list of examples of information likely to be material, including: “strategic transactions,” “major contracts,” and “gain or loss of a significant customer.” Further, the CFO reminded those present at the weekly meetings in which

the Retailer Transaction was discussed, including Sondhi, that the proposed transaction was material and nonpublic.

CLAIM FOR RELIEF

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

38. The SEC realleges and incorporates by reference paragraphs 1 through 36, as though fully set forth herein.

39. As set forth above, Sondhi traded in Canoo securities on the basis of material nonpublic information about Canoo in violation of Sondhi's duty of confidentiality to Canoo and its shareholders. Defendant knew, or was reckless in not knowing, that this information was material and nonpublic.

40. By virtue of the foregoing, Sondhi, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce, or of the mails, or a facility of a national securities exchange, directly or indirectly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices, or courses of business which operated or would have operated as a fraud or deceit upon persons.

41. By virtue of the foregoing, Sondhi directly or indirectly violated and, unless enjoined, will again violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] a Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

PRAYER FOR RELIEF

I.

Find that Defendant Sondhi violated the provisions of the federal securities laws as alleged herein;

II.

Issue a judgment, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Defendant Sondhi and his officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from directly or indirectly engaging in conduct in violation of 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];

III.

Order Defendant Sondhi to disgorge all ill-gotten gains received during the period of the violative conduct, plus prejudgment interest thereon, pursuant to Section 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)];

IV.

Order Defendant Sondhi to pay civil monetary penalties pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1];

V.

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; and

VI.

Grant such other and further relief as this Court may deem just, equitable, and proper.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the SEC demands trial by jury in this action of all issues so triable.

Dated: April 28, 2026

Respectfully submitted,

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