

## *Wilhoite, et al. v. Hou, et al.*

**COURT:** United States District Court for the Southern District of California  
**CASE NUMBER:** 23-cv-2333 GPB MSB  
**CASE LEADERS:** Jeroen van Kwawegen, Thomas James, Eric J. Riedel  
**CASE TEAM:** Eric J. Riedel, James Janison

On December 22, 2023, BLB&G filed a stockholder derivative complaint in the Southern District of California on behalf of plaintiffs Judith and Norman Wilhoite ("Plaintiffs"), derivatively on behalf of TuSimple Holdings, Inc. (n/k/a CreateAI Holdings Inc.) ("TuSimple"). Plaintiffs challenged misappropriation of trade secrets by Mo Chen, TuSimple's controlling stockholder, along with former and current board members and a third-party affiliate of Chen called Hydron, Inc. ("Hydron"). The complaint can be found under the **Case Documents** header on this page.

TuSimple was—until recently—a self-driving truck technology company. On February 18, 2022, in connection with an investigation by the Committee on Foreign Investments in the United States, TuSimple entered into a National Security Agreement with the United States requiring the creation of a Government Security Committee of TuSimple's Board of Directors. Based upon disclosures made by TuSimple, however, it appeared that Chen and the other defendants had thereafter wrongfully transferred at least part of TuSimple's trade secrets to its China-based business and to Hydron, a rival company Chen had formed to operate in the same autonomous trucking space as TuSimple.

On January 5, 2024, Plaintiffs moved for a temporary restraining order ("TRO") and expedited discovery on the basis that, absent injunctive relief, the defendants could continue expatriating TuSimple's trade secrets to Hydron and to China. On January 23, 2024, the Court entered a TRO that, among other things, restricted the flow of TuSimple's U.S.-based trade secrets to Hydron and TuSimple's China-based business and limited the use of TuSimple's U.S.-based assets. After further briefing, the Court modified the TRO on February 2, 2024. The decision can be found under the **Case Documents** header on this page.

On December 18, 2024, the parties to the Action entered into the Stipulation of Settlement (the "Stipulation") setting forth the terms and conditions of the settlement of the Action for \$42,500,000 in cash and additional governance reforms (the "Settlement"). You can find the Stipulation under the **Case Documents** header on this page.

On January 27, 2025, the Court held a hearing to consider preliminary approval of the Settlement and related matters. Following the hearing, the Court entered an order preliminarily approving the Settlement on April 16, 2025.

The Court will consider final approval of the Settlement and related matters at a hearing currently scheduled for July 9, 2025.

### **Case Documents**

- Notice of Pendency and Proposed Settlement of Derivative Actions
- April 17, 2025 - Order Preliminarily Approving Settlement and Providing for Notice
- December 19, 2024 - Stipulation of Settlement

- February 2, 2024 - Order Modifying the January 23, 2024 Temporary Restraining Order
- December 22, 2023 - Verified Shareholder Derivative Complaint