

1 David E. Azar (SBN 218319)
2 DAzar@milberg.com
3 **MILBERG COLEMAN BRYSON**
4 **PHILLIPS GROSSMAN PLLC**
5 2355 Westwood Blvd., #311
6 Los Angeles, CA 90064
7 (213) 617-1200

8 RICHARD LIU (SBN 308050)
9 richard.liu@consultils.com
10 EDWARD WELLS (SBN 321696)
11 ted.wells@consultils.com
12 **Innovative Legal Services, P.C.**
13 355 S. Grand Avenue, Suite 2450
14 Los Angeles, CA 90071
15 (626) 344-8949

16 *Attorneys for Defendant Dr. Xiaodi Hou*

17 **UNITED STATES DISTRICT COURT**
18 **SOUTHERN DISTRICT OF CALIFORNIA**

19 NORMAN WILHOITE and JUDITH
20 WILHOITE, derivatively on behalf of
21 TuSimple Holdings, Inc.,

22 Plaintiffs,

23 vs.

24 XIAODI HOU, MO CHEN, CHENG LU,
25 GUOWEI "CHARLES" CHAO, and
26 HYDRON, INC,

27 Defendants,

28 and

TUSIMPLE HOLDINGS, INC.,

Nominal Defendant.

CASE NO.: 23CV2333-GPC-MSB
**DECLARATION OF DR.
XIAODI HOU IN SUPPORT OF
HIS AMENDED OMNIBUS
REPLY FOR APPLICATION OF
TEMPORARY RESTRAINING
ORDER, MOTION FOR
EXPEDITED DISCOVERY, AND
ORDER TO SHOW CAUSE RE
PRELIMINARY INJUNCTION**

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355 S Grand Ave, Suite 2450
Los Angeles, CA. 90071
Tel: (626)344-8949

1 I, Xiaodi Hou, declare as follows:

2 1. I am the former Chief Technology Officer of TuSimple Holdings Inc.
3 (“TuSimple” or the “Company”) and served in this role from 2015 to 2022. I have
4 a PhD degree in Computation and Neural Systems from California Institute of
5 Technology. I make this declaration based on my personal knowledge. If called as
6 a witness, I could and would testify competently to the matters set forth herein.

7 **Cheng Lu’s Current Claims v. His Prior Swore Statements**

8 2. I have reviewed Mr. Cheng Lu’s declarations and statements
9 regarding TuSimple’s technology, including his January 2024 declaration to this
10 Court (Doc No. 28-1) (“Lu’s January Declaration”) and his recent declaration
11 about technology transfer to animation and gaming filed on November 25, 2024 in
12 this case (Doc No. 268-1) (“Lu’s Current Declaration”). Based upon my review, I
13 find many of Mr. Lu’s statements are misleading, caused by either his fundamental
14 misunderstanding of the technology or his deliberate misrepresentation to this
15 Court, or both.

16 **On Specificity of the Technology in January 2024**

17 3. In January 2024, Mr. Lu represented to this Court that TuSimple’s
18 technology is highly specialized that it could not be used by other companies, not
19 even TuSimple China. See Lu’s January Declaration ¶ 23 (“Proprietary
20 information of TuSimple U.S. that is useful to the autonomous control of trucks in
21 the United States is not useful to TuSimple China”) and ¶ 25 (“The hardware in
22 which the TuSimple on-board software resides is different in each region, and
23 therefore, so is the software itself”). Mr. Lu made these statements so that he could
24 convince this Court to permit transfer of assets from the U.S. to China.

25 4. In stark contrast, Mr. Lu now claims that this **same technology** is
26 somehow general enough to be transferred to animation and gaming development.
27 See Lu’s Current Declaration ¶ 32 (“TuSimple’s Bird’s Eye View (BEV)
28 technology employs neural networks based on transformer architecture. Such

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1 technologies, while developed for autonomous driving, *are also applicable in*
2 *other fields such as generative AI for creating video games and animations*”)
3 (emphasis added) and ¶ 33 (“Other aspects of TuSimple’s autonomous driving
4 technology can be leveraged for generative AI used to create video games and
5 animation”).

6 5. Mr. Lu’s current statements that TuSimple’s autonomous driving
7 technology, particularly its AI components, can be readily adapted for creating
8 animated content and video games directly contradict his prior sworn statements
9 about the technology’s highly specialized nature.

10 6. These contradictory positions are troubling. When needing to deny the
11 technology transfer allegations, Cheng Lu emphasized a narrower nature of its
12 technology. When justifying new business activities, he suddenly portrays the
13 same technology as broadly applicable.

14 7. Both representations cannot be true. If TuSimple’s technology is so
15 specialized that it cannot be utilized even by its Chinese subsidiary, it cannot
16 logically be versatile enough to be used in an entirely different industry like
17 animation and gaming.

18 **“Oyster Farming is Not the Same Autonomous Driving”**

19 8. The autonomous driving industry has established clear patterns: when
20 companies face strategic changes (such as when Ike was acquired by Nuro,
21 Embark acquired by Applied Intuition, or Argo AI assimilated by Ford and
22 Volkswagen), their technology assets remain within the automotive sector.

23 9. Not once in the industry’s history has a company attempted to pivot to
24 gaming or animation - this isn’t about technical complexity, it’s about basic
25 business common sense.

26 10. In my entire career in the autonomous driving industry, I have never
27 seen any autonomous driving company even attempting to “pivot” its core
28 technology to animation or video game development.

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1 11. To claim TuSimple’s autonomous driving technology is suitable for
2 animation and gaming would be equivalent to claiming it could be repurposed for
3 digitizing or automating an oyster farming business.

4 12. Oyster farming is not the same as autonomous driving, just like video
5 gaming is not the same as autonomous driving. The similarities are scant.

6 13. The reason TuSimple chose to engage in video gaming/animation is
7 not because of TuSimple’s technology. It is because the Company’s current
8 Chairman Mo Chen (renamed himself as the “Chief Producer”) holds large stakes
9 in various video gaming/animation companies, which, as discovery will reveal, are
10 currently engaging in business with TuSimple through self-interested transactions.
11 The purpose is simple: to move TuSimple’s cash to China and then to those
12 personally affiliated entities – at the expense of the U.S. shareholders.

13 14. To achieve this purpose, Mo Chen bought Mr. Lu by granting him \$15
14 million in severance compensation package, together with 6 million shares of
15 Company stock, even provides him with an indemnity for any excise tax imposed
16 pursuant to Section 4999 of the IRS. See SEC filing dated December 13, 2022
17 (accessible at
18 [https://www.sec.gov/ix?doc=/Archives/edgar/data/1823593/000119312522306410/
19 d432307d8k.htm](https://www.sec.gov/ix?doc=/Archives/edgar/data/1823593/000119312522306410/d432307d8k.htm)).

20 **BEVFormer is Not “BEV”**

21 15. Mr. Lu’s claims about technology comingling demonstrate a
22 concerning pattern of his fundamental misunderstanding regarding TuSimple’s
23 technology. At best, his declaration reveals a surface-level familiarity with
24 technical terminology without actual comprehension of the underlying concepts -
25 akin to someone claiming medical expertise by using words like “stethoscope” in
26 casual conversations.

27 16. For instance, Mr. Lu confusingly characterizes “BEV” as a
28 technology. See Lu’s Current Declaration ¶ 32 (“TuSimple’s Bird’s Eye View

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1 (BEV) technology”). But the problem is, “BEV” is not a technology. It’s the
2 acronym for “Bird’s Eye View” - a simple concept, equivalent to “top-down
3 view.” There is no such thing as “BEV technology.”

4 17. By reviewing Lu’s Current Declaration, I think Mr. Lu intended to use
5 the term “BEVFormer,” which is an actual technology, first published in 2022.
6 This basic confusion highlights the superficial nature of Mr. Lu’s technical
7 understanding and undermines the credibility of his representations. This is
8 because Mr. Lu was brought into the Company not because of his technological
9 expertise, but to act as Mo Chen’s pawn within the Company.

10 18. Mr. Lu’s lack of technical expertise becomes even more apparent in
11 his attempt to draw equivalence through a long chain of buzzwords: “autonomous
12 driving” → “BEVFormer” → “Transformer” → “ChatGPT” → “generative
13 model.” This represents a fundamental misunderstanding of these technologies.
14 Having never directly developed any technologies, Mr. Lu appears to be stringing
15 together trending technical terms without fully understanding their distinct
16 applications.

17 19. The technical reality is straightforward as I have stated in my previous
18 declaration (Doc No. 255-2 ¶ 63): there are two distinct categories of AI models -
19 **generative models** (used in content creation) and **discriminative models** (used in
20 autonomous driving). While both may utilize Transformer (not referring to
21 “autobots”, but a type of neural network architecture) as the building block, their
22 architectures are fundamentally different. This is analogous to how humans and
23 oysters share some fundamental DNA sequences – yet no reasonable person would
24 claim the two are the same.

25 20. Based on my technical expertise, I know that BEVFormer is a
26 discriminative model and **cannot** generate creative content in video gaming and
27 animation contexts.

28 \\\

Autonomous Driving is Not Akin to Video Gaming

21. TuSimple’s core autonomous driving technology consists of highly specialized components developed specifically for vehicle operation and safety. As much as Mr. Lu may lead the Court to believe, the overwhelming majority of TuSimple technology components, such as long range perception, adaptive & robust vehicle control, or automated mapping solution are just completely inapplicable to producing video gaming and animation.

22. Despite what appears to be his most diligent effort to establish any technological overlap, Mr. Lu’s declaration fails to identify how the core of TuSimple’s technology can be applied to producing video games. His efforts show that he is starting a new business while attempting to create the *appearance* of technological continuity.

23. Based on my technical expertise, I can state unequivocally that any claim of technology transfer from TuSimple’s autonomous driving stack to animation and gaming development is technically incompatible. Mr. Lu’s selective representation demonstrates either a fundamental misunderstanding of the technology stack or a deliberate attempt to mislead this Court.

Mr. Lu Even Misrepresents a Texas Court’s Order

24. In his declaration, Ms. Lu boldly represents to this Court that “TuSimple obtained a temporary restraining order and is seeking a preliminary injunction (“PI”) to prevent trade secret misappropriation,” Lu’s Current Declaration ¶ 12 (emphasis added), as if the Texas Court has found any likelihood of wrongdoing by me. However, that is also misleading as it is incomplete.

25. Attached as **Exhibit 1** is a true and correct copy of the entire order issued by the Texas Court in the matter TuSimple Holdings, Inc. v. Bot Auto TX INC., Case No. 24-BC11A-0007 on October 29, 2024.

26. What Mr. Lu omitted to notify this Court is that:

INNOVATIVE LEGAL SERVICES, P.C.
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- It was a stipulated order through “stipulation” between TuSimple and Bot.Auto, not a merits finding by the Court. Exhibit 1 at 1.
- The Texas Court specifically held that it is only issuing the order “on a temporary basis and to preserve status quo only and based on the agreement of the parties and not independent findings or for purpose of liability.” Exhibit 1 at 2.
- The Texas Court specifically held that any restrictions “shall not restrict [Bot.Auto] from working in the ordinary course of business.” Exhibit 1 at 3.
- The Texas Court specifically held that “**by entering into this Stipulation and Order, Bot Auto does not admit, and the Court does not find, liability or wrongdoing.**” Exhibit 1 at 3 (emphasis added).

Mr. Lu’s False Statement Regarding Mo Chen’s Stake in Related Entities

27. Another examples comes from Paragraph 35 of his Current Declaration, where Mr. Cheng Lu declares that “Beijing BearBear Nation Cultural Media Co., Ltd. was organized by TuSimple prior to TuSimple’s IPO, but never used. Mo Chen does not have an interest in that company, either.” Lu’s Current Declaration ¶ 35.

28. This is another patently false statement. It's not just misleading - it's demonstrably, factually incorrect on its face, because Mo Chen is the legal representative and CEO of Beijing BearBear Nation Cultural Media Co., Ltd., as shown through publicly filed information, as demonstrated in **Figure A** below, the sources of which is from China’s National Enterprise Credit Information Publicity System (similar to the Secretary of State online entity lookup system in California).

29. Figure A, in Chinese, shows that Mo Chen is the “legal representative” of “Beijing BearBear Nation Cultural Media Co., Ltd.”



国家企业信用信息公示系统 NATIONAL ENTERPRISE CREDIT INFORMATION PUBLICITY SYSTEM

企业信用信息公示报告

企业名称 北京熊熊国文化传媒有限公司
报告生成时间 2024/11/24 14:39:55

(报告内容仅供参考，具体内容请以国家企业信用信息公示系统查询页面为准)

政府部门公示信息

■ 照面信息

统一社会信用代码: 91110105MA01XJX423 企业名称: 北京熊熊国文化传媒有限公司
类型: 有限责任公司(自然人投资或控股) 法定代表人: 陈默
注册资本: 50.000000万人民币 成立日期: 2020年11月26日
营业期限自: 2020年11月26日 营业期限至: 2050年11月25日
登记机关: 北京市朝阳区市场监督管理局 核准日期: 2024年11月21日
登记状态: 存续(在营、开业、在册)
住所: 北京市朝阳区广顺北大街33号院1号楼10层1101室5868号
经营范围: 组织文化艺术交流活动(不含演出);组织体育赛事;设计、制作、代理、发布广告;承办展览展示活动;会议服务;包装装潢设计;模型设计;工艺美术设计;健身服务;销售文具用品、体育用品、工艺品。(市场主体依法自主选择经营项目,开展经营活动;依法须经批准的项目,经相关部门批准后依批准的内容开展经营活动;不得从事国家和本市产业政策禁止和限制类项目的经营活动。)

(以上信息仅供参考，具体内容请以国家企业信用信息公示系统查询页面为准)

Figure A

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on the undersigned date in Houston, Texas.

/s/ Xiaodi Hou

XIAODI HOU

Dated: December 2, 2024

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355 S Grand Ave, Suite 2450
Los Angeles, CA. 90071
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