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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

11 MICHAEL J. BUTALA, Individually
12 and on Behalf of All Others Similarly
13 Situated,

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Plaintiff,

v.

11 OWLET, INC. f/k/a SANDBRIDGE
12 ACQUISITION CORPORATION,
13 KURT WORKMAN, KATE
14 SCOLNICK, KEN SUSLOW,
15 DOMENICÓ DE SOLE, RAMEZ
16 TOUBASSY, JAMIE WEINSTEIN,
17 KRYSTAL KAHLER, and MICHAEL
18 F. GOSS,
19

Defendants.

Case No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

1 Plaintiff Michael J. Butala (“Plaintiff”), individually and on behalf of all
2 others similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon personal knowledge. Plaintiff’s information and belief is based upon,
5 among other things, his counsel’s investigation, which includes without limitation:
6 (a) review and analysis of regulatory filings made by Owlet, Inc. (“Owlet” or the
7 “Company”) f/k/a Sandbridge Acquisition Corporation (“Sandbridge”) with the
8 United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review
9 and analysis of press releases and media reports issued by and disseminated by
10 Owlet; and (c) review of other publicly available information concerning Owlet.

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities: (a) that
13 purchased or otherwise acquired Owlet securities between March 31, 2021 and
14 October 4, 2021, inclusive (the “Class Period”); and/or (b) held Sandbridge common
15 stock held as of June 1, 2021 and were eligible to vote at Sandbridge’s special
16 meeting on July 14, 2021. Plaintiff pursues claims against the Defendants under the
17 Securities Exchange Act of 1934 (the “Exchange Act”).

18 2. Sandbridge was a special purpose acquisition company formed for the
19 purpose of effecting a merger, capital stock exchange, asset acquisition, stock
20 purchase, reorganization, or similar business combination with one or more
21 businesses.

22 3. On July 15, 2021, Sandbridge combined with Owlet Baby Care Inc., a
23 company that designs and sells products and services for parents to proactively
24 monitor the health and wellness of their children, and the combined company was
25 renamed Owlet (the “Business Combination”).

26 4. Owlet’s flagship product is called Smart Sock, which is a baby monitor
27 that allows parents to track an infant’s oxygen levels, heart rate, and sleep trends in
28 real time using the Owlet application.

1 5. On October 4, 2021, Owlet revealed that it had received a warning
2 letter from the U.S. Food and Drug Administration (“FDA”), which stated that “the
3 Company’s marketing of its Owlet Smart Sock product . . . renders [it] a medical
4 device requiring premarket clearance or approval from FDA.” Owlet has not
5 obtained such clearance or approval. Moreover, the FDA “requests the Company
6 cease commercial distribution of the Smart Sock for uses in measuring blood
7 oxygen saturation and pulse rate where such metrics are intended to identify or
8 diagnose desaturation and bradycardia using an alarm functionality to notify users
9 that measurements are outside of preset values.”

10 6. On this news, Owlet’s stock price fell \$1.29, or 23%, to close at \$4.19
11 per share on October 4, 2021, on unusually heavy trading volume. As a result,
12 Sandbridge investors who could have voted against the Business Combination and
13 redeemed their shares at \$10.00 per share suffered a loss of \$5.81 per share.

14 7. Throughout the Class Period, Defendants made materially false and/or
15 misleading statements, as well as failed to disclose material adverse facts about the
16 Company’s business, operations, and prospects. Specifically, Defendants failed to
17 disclose to investors: (1) that Owlet was reasonably likely to be required to obtain
18 marketing authorization for the Smart Sock because the FDA concluded it was a
19 medical device; (2) that, as a result, Owlet was reasonably likely to cease
20 commercial distribution of the Smart Sock in the U.S. until it obtained the requisite
21 approval; and (3) that, as a result of the foregoing, Defendants’ positive statements
22 about the Company’s business, operations, and prospects were materially
23 misleading and/or lacked a reasonable basis.

24 8. As a result of Defendants’ wrongful acts and omissions, and the
25 precipitous decline in the market value of the Company’s securities, Plaintiff and
26 other Class members have suffered significant losses and damages.

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1 **JURISDICTION AND VENUE**

2 9. The claims asserted herein arise under Sections 10(b), 14(a), and 20(a)
3 of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rules 10b-5 and 14a-4
4 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5 and 17 C.F.R. §
5 240.14a-4).

6 10. This Court has jurisdiction over the subject matter of this action
7 pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. §
8 78aa).

9 11. Venue is proper in this Judicial District pursuant to 28 U.S.C. §
10 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts
11 in furtherance of the alleged fraud or the effects of the fraud have occurred in this
12 Judicial District. Many of the acts charged herein, including the dissemination of
13 materially false and/or misleading information, occurred in substantial part in this
14 Judicial District. In addition, Sandbridge’s principal executive offices were located
15 in this District.

16 12. In connection with the acts, transactions, and conduct alleged herein,
17 Defendants directly and indirectly used the means and instrumentalities of interstate
18 commerce, including the United States mail, interstate telephone communications,
19 and the facilities of a national securities exchange.

20 **PARTIES**

21 13. Plaintiff Michael J. Butala, as set forth in the accompanying
22 certification, incorporated by reference herein, purchased Owlet securities during
23 the Class Period, and suffered damages as a result of the federal securities law
24 violations and false and/or misleading statements and/or material omissions alleged
25 herein.

26 14. Defendant Owlet is incorporated under the laws of Delaware with its
27 principal executive offices located in Lehi, Utah. Owlet’s common stock trades on
28 the New York Stock Exchange (“NYSE”) under the symbol “OWLT” and its

1 warrants trade under the symbol “OWLT WS.” Prior to the Business Combination,
2 the Company’s Class A common stock traded under the symbol “SBG,” and its
3 redeemable warrants traded under the symbol “SBG WS.” Also, prior to the
4 Business Combination, the Company’s principal executive offices were located in
5 Los Angeles, California.

6 15. Defendant Kurt Workman (“Workman”) was the Company’s Chief
7 Executive Officer (“CEO”) at all relevant times.

8 16. Defendant Kate Scolnick (“Scolnick”) was the Company’s Chief
9 Financial Officer (“CFO”) at all relevant times.

10 17. Defendants Workman and Scolnick (collectively the “Individual
11 Defendants”), because of their positions with the Company, possessed the power
12 and authority to control the contents of the Company’s reports to the SEC, press
13 releases and presentations to securities analysts, money and portfolio managers and
14 institutional investors, i.e., the market. The Individual Defendants were provided
15 with copies of the Company’s reports and press releases alleged herein to be
16 misleading prior to, or shortly after, their issuance and had the ability and
17 opportunity to prevent their issuance or cause them to be corrected. Because of their
18 positions and access to material non-public information available to them, the
19 Individual Defendants knew that the adverse facts specified herein had not been
20 disclosed to, and were being concealed from, the public, and that the positive
21 representations which were being made were then materially false and/or
22 misleading. The Individual Defendants are liable for the false statements pleaded
23 herein.

24 18. Defendant Ken Suslow (“Suslow”) was the Chairman of the Board of
25 Directors of Sandbridge. He solicited and/or permitted the use of his name to solicit
26 consent or authorization for the Business Combination by issuing the Proxy
27 Statement.

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1 of Sandbridge Class A common stock and one-half of one public warrant of
2 Sandbridge.

3 26. Sandbridge had considerable discretion in identifying and
4 consummating a business combination, subject to three general limitations imposed
5 by the Amended and Restated Certificate of Incorporation dated September 14,
6 2020:

- 7 • *First*, Sandbridge must acquire a target business with a fair market
8 value equal to at least 80% of the net assets held in the trust account
9 following the IPO (excluding the deferred underwriting discounts and
10 commissions and taxes payable on the interest earned on the trust
11 account).
- 12 • *Second*, Sandbridge only had 24 months from the closing date of the
13 IPO to complete a business combination, or else its corporate existence
14 would cease, except for purposes of winding up its affairs and
15 liquidating. Thus, Sandbridge was required to hold the approximately
16 \$230 million of proceeds from its IPO in a trust account, which were to
17 be released only upon the consummation of a business combination or
18 liquidation.
- 19 • *Third*, if Sandbridge's stockholders approved an amendment to the
20 Certificate of Incorporation that would affect the substance or timing of
21 Sandbridge's obligation to redeem 100% of the public shares if
22 Sandbridge did not complete a business combination on time,
23 Sandbridge was required to provide the holders of its public shares with
24 the opportunity to redeem all or a portion of their public shares upon
25 approval of any such amendment.

26 27. On July 15, 2021, Sandbridge combined with Owlet Baby Care Inc., a
27 company that designs and sells products and services for parents to proactively
28

1 monitor the health and wellness of their children, and the combined company was
2 renamed Owlet (the “Business Combination”).

3 28. Owlet’s flagship product is called Smart Sock, which is a baby monitor
4 that allows parents to track an infant’s oxygen levels, heart rate, and sleep trends in
5 real time using the Owlet application.

6 **Materially False and Misleading**
7 **Statements Issued During the Class Period**

8 29. The Class Period begins on March 31, 2021. On that day, Owlet filed
9 its Registration Statement on Form S-1 in connection with the Business
10 Combination. It stated that for the period ended December 31, 2020, Owlet
11 recognized \$71.128 million in revenue from sales in the United States and \$4.275
12 million Internationally. It purported to warn that “the FDA . . . *may not agree* with
13 that conclusion [that the Smart Sock is not a medical device] and *could* require us to
14 obtain marketing authorization” to sell the Smart Sock:

15 *If the FDA or any other governmental authority were to require*
16 *clearance, approval, certification or other form of marketing*
17 *authorization for the Owlet Smart Sock, or for any other product that*
18 *we sell and which we do not believe requires such clearance,*
19 *approval, certification or marketing authorization, we could be*
20 *required to cease selling or recall the product pending receipt of such*
21 *clearance, approval, certification or marketing authorization from*
22 *the FDA or such other governmental authority, which can be a*
23 *lengthy and time-consuming process, and we may also be subject to*
24 *regulatory enforcement action.*

25 We currently sell the Owlet Smart Sock, which we market for use by
26 parents of healthy babies to provide peace of mind, and for which we
27 have not sought or obtained any marketing authorization from the FDA
28 or similar authorization, approval, or certification from any other
governmental authority. In response to inquiries from the FDA and
regulatory authorities in other jurisdictions regarding the marketing of
the Owlet Smart Sock, we have communicated our belief that the Owlet
Smart Sock is not a medical device and does not require marketing
authorization from the FDA or approval/certification from such other
regulatory authorities. *However, the FDA and certain regulatory*
authorities have expressed they may not agree with that conclusion
and could require us to obtain marketing authorization (or
approval/certification) to continue to sell the product. Obtaining
authorization to sell the Owlet Smart Sock as a medical device is a
time-consuming and costly process and we may be precluded from
selling the Owlet Smart Sock if we are required to obtain marketing

1 authorization. If granted, a marketing authorization could require
2 conditions to sale, for example, a prescription requirement. ***If the FDA***
3 ***or other regulatory authorities require such marketing authorization***
4 ***(or approval/certification, respectively) for the Owlet Smart Sock,*** or
5 for any other product that we sell and which we do not believe requires
6 such clearance, approval, certification or marketing authorization, ***we***
7 ***could be required to cease selling or recall the product in the***
8 ***corresponding jurisdiction pending receipt of marketing***
9 ***authorization*** (or approval/certification), which can be a lengthy and
10 time-consuming process, and we may also be subject to regulatory
11 enforcement action. In addition, we may be required to modify the
12 product’s functionality or limit our marketing claims for the product,
13 whether or not we obtain such clearance, approval, certification or
14 marketing authorization. In any such event, our business could be
15 substantially harmed.

9 30. On June 21, 2021, Owlet filed its proxy statement on Form 424b3
10 soliciting votes in favor of the Business Combination (the “Proxy Statement”). It
11 stated that, for the period ended March 31, 2021, Owlet recorded \$20.534 million
12 revenue from sales in the United States and \$1.377 million from sales
13 Internationally. The Proxy Statement purported to warn that “the FDA . . . ha[s]
14 expressed they do not agree with that conclusion [that the Smart Sock is not a
15 medical device] and ***could*** require us to obtain marketing authorization” to sell the
16 Smart Sock:

17 ***If the FDA or any other governmental authority were to require***
18 ***clearance, approval, certification or other form of marketing***
19 ***authorization for the Owlet Smart Sock, or for any other product that***
20 ***we sell and which we do not believe requires such clearance,***
21 ***approval, certification or marketing authorization, we could be***
22 ***required to cease selling or recall the product pending receipt of such***
23 ***clearance, approval, certification or marketing authorization from***
24 ***the FDA or such other governmental authority, which can be a***
25 ***lengthy and time-consuming process, and we may also be subject to***
26 ***regulatory enforcement action.***

23 We currently sell the Owlet Smart Sock, which we market for use by
24 parents of healthy babies to provide peace of mind, and for which we
25 have not sought or obtained any marketing authorization from the FDA
26 or similar authorization, approval, or certification from any other
27 governmental authority. In response to inquiries from the FDA and
28 regulatory authorities in other jurisdictions regarding the marketing of
the Owlet Smart Sock, we have communicated our belief that the Owlet
Smart Sock is not a medical device and does not require marketing
authorization from the FDA or approval/certification from such other
regulatory authorities. ***However, the FDA and/or certain regulatory***
authorities have expressed they do not agree with that conclusion and
could require us to obtain marketing authorization (or

1 **approval/certification) to continue to sell the product.** For example,
2 the Medicines and Healthcare products Regulatory Agency, the
3 regulatory authority responsible for the UK medical device market, has
4 asserted that the Owlet Smart Sock requires (CE mark) certification and
5 subsequent registration as a medical device in the UK, but has indicated
6 they will allow us to continue to market the Owlet Smart Sock until
7 May 2022 without such certification or registration. Obtaining
8 authorization to sell the Owlet Smart Sock as a medical device is a
9 time-consuming and costly process and we may be precluded from
10 selling the Owlet Smart Sock if we are required to obtain marketing
11 authorization. If granted, a marketing authorization could require
12 conditions to sale, for example, a prescription requirement. **If the FDA
13 or other regulatory authorities require such marketing authorization
(or approval/certification, respectively) for the Owlet Smart Sock, or
for any other product that we sell and which we do not believe
requires such clearance, approval, certification or marketing
authorization, we could be required to cease selling or recall the
product in the corresponding jurisdiction pending receipt of
marketing authorization (or approval/certification),** which can be a
lengthy and time-consuming process, and we may also be subject to
regulatory enforcement action. In addition, we may be required to
modify the product's functionality or limit our marketing claims for the
product, whether or not we obtain such clearance, approval,
certification or marketing authorization. In any such event, our business
could be substantially harmed.

14 (First emphasis in original.)

15 31. On August 12, 2021, Owlet announced its second quarter 2021
16 financial results in a press release, reporting revenue of \$24.9 million and gross
17 margin of 54.2%. The Company also reiterated its full year 2021 guidance of \$107
18 million and gross margin of 54-55%.

19 32. The above statements identified in ¶¶ 29-31 were materially false
20 and/or misleading, and failed to disclose material adverse facts about the Company's
21 business, operations, and prospects. Specifically, Defendants failed to disclose to
22 investors: (1) that Owlet was reasonably likely to be required to obtain marketing
23 authorization for the Smart Sock because the FDA concluded it was a medical
24 device; (2) that, as a result, Owlet was reasonably likely to cease commercial
25 distribution of the Smart Sock in the U.S. until it obtained the requisite approval;
26 and (3) that, as a result of the foregoing, Defendants' positive statements about the
27 Company's business, operations, and prospects were materially misleading and/or
28 lacked a reasonable basis.

1 will be satisfied with the Company's actions taken in response to the
2 matters raised in the Warning Letter. The Company also cannot give
any assurances as to the timing of the resolution of such matters.

3 35. On this news, Owlet's stock price fell \$1.29, or 23%, to close at \$4.19
4 per share on October 4, 2021, on unusually heavy trading volume. As a result,
5 Sandbridge investors who could have voted against the Business Combination and
6 redeemed their shares at \$10.00 per share suffered a loss of \$5.81 per share.

7 36. On October 25, 2021, Owlet stated that it had ceased distribution of the
8 Smart Sock in the U.S. as of October 22, 2021. The Company stated that the
9 "suspension is specific to shipments by the Company to customers and retailers in
10 the United States, and operations in other countries remain unaffected."

11 **CLASS ACTION ALLEGATIONS**

12 37. Plaintiff brings this action as a class action pursuant to Federal Rule of
13 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
14 entities: (a) that purchased or otherwise acquired Owlet securities between March
15 31, 2021 and October 4, 2021, inclusive; and/or (b) held Sandbridge common stock
16 held as of June 1, 2021 and were eligible to vote at Sandbridge's special meeting on
17 July 14, 2021, and who were damaged thereby (the "Class"). Excluded from the
18 Class are Defendants, the officers and directors of the Company, at all relevant
19 times, members of their immediate families and their legal representatives, heirs,
20 successors, or assigns, and any entity in which Defendants have or had a controlling
21 interest.

22 38. The members of the Class are so numerous that joinder of all members
23 is impracticable. Throughout the Class Period, Owlet's shares actively traded on the
24 NYSE. While the exact number of Class members is unknown to Plaintiff at this
25 time and can only be ascertained through appropriate discovery, Plaintiff believes
26 that there are at least hundreds or thousands of members in the proposed Class.
27 Millions of Owlet shares were traded publicly during the Class Period on the NYSE.
28 Record owners and other members of the Class may be identified from records

1 maintained by Owlet or its transfer agent and may be notified of the pendency of
2 this action by mail, using the form of notice similar to that customarily used in
3 securities class actions.

4 39. Plaintiff's claims are typical of the claims of the members of the Class
5 as all members of the Class are similarly affected by Defendants' wrongful conduct
6 in violation of federal law that is complained of herein.

7 40. Plaintiff will fairly and adequately protect the interests of the members
8 of the Class and has retained counsel competent and experienced in class and
9 securities litigation.

10 41. Common questions of law and fact exist as to all members of the Class
11 and predominate over any questions solely affecting individual members of the
12 Class. Among the questions of law and fact common to the Class are:

13 (a) whether the federal securities laws were violated by Defendants'
14 acts as alleged herein;

15 (b) whether statements made by Defendants to the investing public
16 during the Class Period omitted and/or misrepresented material facts about the
17 business, operations, and prospects of Owlet; and

18 (c) to what extent the members of the Class have sustained damages
19 and the proper measure of damages.

20 42. A class action is superior to all other available methods for the fair and
21 efficient adjudication of this controversy since joinder of all members is
22 impracticable. Furthermore, as the damages suffered by individual Class members
23 may be relatively small, the expense and burden of individual litigation makes it
24 impossible for members of the Class to individually redress the wrongs done to
25 them. There will be no difficulty in the management of this action as a class action.

26 **UNDISCLOSED ADVERSE FACTS**

27 43. The market for Owlet's securities was open, well-developed and
28 efficient at all relevant times. As a result of these materially false and/or misleading

1 statements, and/or failures to disclose, Owlet's securities traded at artificially
2 inflated prices during the Class Period. Plaintiff and other members of the Class
3 purchased or otherwise acquired Owlet's securities relying upon the integrity of the
4 market price of the Company's securities and market information relating to Owlet,
5 and have been damaged thereby.

6 44. During the Class Period, Defendants materially misled the investing
7 public, thereby inflating the price of Owlet's securities, by publicly issuing false
8 and/or misleading statements and/or omitting to disclose material facts necessary to
9 make Defendants' statements, as set forth herein, not false and/or misleading. The
10 statements and omissions were materially false and/or misleading because they
11 failed to disclose material adverse information and/or misrepresented the truth about
12 Owlet's business, operations, and prospects as alleged herein.

13 45. At all relevant times, the material misrepresentations and omissions
14 particularized in this Complaint directly or proximately caused or were a substantial
15 contributing cause of the damages sustained by Plaintiff and other members of the
16 Class. As described herein, during the Class Period, Defendants made or caused to
17 be made a series of materially false and/or misleading statements about Owlet's
18 financial well-being and prospects. These material misstatements and/or omissions
19 had the cause and effect of creating in the market an unrealistically positive
20 assessment of the Company and its financial well-being and prospects, thus causing
21 the Company's securities to be overvalued and artificially inflated at all relevant
22 times. Defendants' materially false and/or misleading statements during the Class
23 Period resulted in Plaintiff and other members of the Class purchasing the
24 Company's securities at artificially inflated prices, thus causing the damages
25 complained of herein when the truth was revealed.

26 **LOSS CAUSATION**

27 46. Defendants' wrongful conduct, as alleged herein, directly and
28 proximately caused the economic loss suffered by Plaintiff and the Class.

1 of the Company were materially false and/or misleading; knew that such statements
2 or documents would be issued or disseminated to the investing public; and
3 knowingly and substantially participated or acquiesced in the issuance or
4 dissemination of such statements or documents as primary violations of the federal
5 securities laws. As set forth elsewhere herein in detail, the Individual Defendants,
6 by virtue of their receipt of information reflecting the true facts regarding Owlet,
7 their control over, and/or receipt and/or modification of Owlet's allegedly materially
8 misleading misstatements and/or their associations with the Company which made
9 them privy to confidential proprietary information concerning Owlet, participated in
10 the fraudulent scheme alleged herein.

11 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

12 **(FRAUD-ON-THE-MARKET DOCTRINE)**

13 52. The market for Owlet's securities was open, well-developed and
14 efficient at all relevant times. As a result of the materially false and/or misleading
15 statements and/or failures to disclose, Owlet's securities traded at artificially inflated
16 prices during the Class Period. On August 13, 2021, the Company's share price
17 closed at a Class Period high of \$10.32 per share. Plaintiff and other members of the
18 Class purchased or otherwise acquired the Company's securities relying upon the
19 integrity of the market price of Owlet's securities and market information relating to
20 Owlet, and have been damaged thereby.

21 53. During the Class Period, the artificial inflation of Owlet's shares was
22 caused by the material misrepresentations and/or omissions particularized in this
23 Complaint causing the damages sustained by Plaintiff and other members of the
24 Class. As described herein, during the Class Period, Defendants made or caused to
25 be made a series of materially false and/or misleading statements about Owlet's
26 business, prospects, and operations. These material misstatements and/or omissions
27 created an unrealistically positive assessment of Owlet and its business, operations,
28 and prospects, thus causing the price of the Company's securities to be artificially

1 inflated at all relevant times, and when disclosed, negatively affected the value of
2 the Company shares. Defendants' materially false and/or misleading statements
3 during the Class Period resulted in Plaintiff and other members of the Class
4 purchasing the Company's securities at such artificially inflated prices, and each of
5 them has been damaged as a result.

6 54. At all relevant times, the market for Owlet's securities was an efficient
7 market for the following reasons, among others:

8 (a) Owlet shares met the requirements for listing, and was listed and
9 actively traded on the NYSE, a highly efficient and automated market;

10 (b) As a regulated issuer, Owlet filed periodic public reports with the
11 SEC and/or the NYSE;

12 (c) Owlet regularly communicated with public investors via
13 established market communication mechanisms, including through regular
14 dissemination of press releases on the national circuits of major newswire services
15 and through other wide-ranging public disclosures, such as communications with the
16 financial press and other similar reporting services; and/or

17 (d) Owlet was followed by securities analysts employed by
18 brokerage firms who wrote reports about the Company, and these reports were
19 distributed to the sales force and certain customers of their respective brokerage
20 firms. Each of these reports was publicly available and entered the public
21 marketplace.

22 55. As a result of the foregoing, the market for Owlet's securities promptly
23 digested current information regarding Owlet from all publicly available sources and
24 reflected such information in Owlet's share price. Under these circumstances, all
25 purchasers of Owlet's securities during the Class Period suffered similar injury
26 through their purchase of Owlet's securities at artificially inflated prices and a
27 presumption of reliance applies.

28

1 **FIRST CLAIM**

2 **Violation of Section 10(b) of The Exchange Act and**

3 **Rule 10b-5 Promulgated Thereunder**

4 **Against All Defendants**

5 58. Plaintiff repeats and re-alleges each and every allegation contained
6 above as if fully set forth herein.

7 59. During the Class Period, Defendants carried out a plan, scheme and
8 course of conduct which was intended to and, throughout the Class Period, did: (i)
9 deceive the investing public, including Plaintiff and other Class members, as alleged
10 herein; and (ii) cause Plaintiff and other members of the Class to purchase Owlet's
11 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan
12 and course of conduct, Defendants, and each defendant, took the actions set forth
13 herein.

14 60. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
15 made untrue statements of material fact and/or omitted to state material facts
16 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
17 and a course of business which operated as a fraud and deceit upon the purchasers of
18 the Company's securities in an effort to maintain artificially high market prices for
19 Owlet's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5.
20 All Defendants are sued either as primary participants in the wrongful and illegal
21 conduct charged herein or as controlling persons as alleged below.

22 61. Defendants, individually and in concert, directly and indirectly, by the
23 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
24 and participated in a continuous course of conduct to conceal adverse material
25 information about Owlet's financial well-being and prospects, as specified herein.

26 62. Defendants employed devices, schemes and artifices to defraud, while
27 in possession of material adverse non-public information and engaged in acts,
28 practices, and a course of conduct as alleged herein in an effort to assure investors of

1 Owlet's value and performance and continued substantial growth, which included
2 the making of, or the participation in the making of, untrue statements of material
3 facts and/or omitting to state material facts necessary in order to make the
4 statements made about Owlet and its business operations and future prospects in
5 light of the circumstances under which they were made, not misleading, as set forth
6 more particularly herein, and engaged in transactions, practices and a course of
7 business which operated as a fraud and deceit upon the purchasers of the Company's
8 securities during the Class Period.

9 63. Each of the Individual Defendants' primary liability and controlling
10 person liability arises from the following facts: (i) the Individual Defendants were
11 high-level executives and/or directors at the Company during the Class Period and
12 members of the Company's management team or had control thereof; (ii) each of
13 these defendants, by virtue of their responsibilities and activities as a senior officer
14 and/or director of the Company, was privy to and participated in the creation,
15 development and reporting of the Company's internal budgets, plans, projections
16 and/or reports; (iii) each of these defendants enjoyed significant personal contact
17 and familiarity with the other defendants and was advised of, and had access to,
18 other members of the Company's management team, internal reports and other data
19 and information about the Company's finances, operations, and sales at all relevant
20 times; and (iv) each of these defendants was aware of the Company's dissemination
21 of information to the investing public which they knew and/or recklessly
22 disregarded was materially false and misleading.

23 64. Defendants had actual knowledge of the misrepresentations and/or
24 omissions of material facts set forth herein, or acted with reckless disregard for the
25 truth in that they failed to ascertain and to disclose such facts, even though such
26 facts were available to them. Such defendants' material misrepresentations and/or
27 omissions were done knowingly or recklessly and for the purpose and effect of
28 concealing Owlet's financial well-being and prospects from the investing public and

1 supporting the artificially inflated price of its securities. As demonstrated by
2 Defendants' overstatements and/or misstatements of the Company's business,
3 operations, financial well-being, and prospects throughout the Class Period,
4 Defendants, if they did not have actual knowledge of the misrepresentations and/or
5 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
6 refraining from taking those steps necessary to discover whether those statements
7 were false or misleading.

8 65. As a result of the dissemination of the materially false and/or
9 misleading information and/or failure to disclose material facts, as set forth above,
10 the market price of Owlet's securities was artificially inflated during the Class
11 Period. In ignorance of the fact that market prices of the Company's securities were
12 artificially inflated, and relying directly or indirectly on the false and misleading
13 statements made by Defendants, or upon the integrity of the market in which the
14 securities trades, and/or in the absence of material adverse information that was
15 known to or recklessly disregarded by Defendants, but not disclosed in public
16 statements by Defendants during the Class Period, Plaintiff and the other members
17 of the Class acquired Owlet's securities during the Class Period at artificially high
18 prices and were damaged thereby.

19 66. At the time of said misrepresentations and/or omissions, Plaintiff and
20 other members of the Class were ignorant of their falsity, and believed them to be
21 true. Had Plaintiff and the other members of the Class and the marketplace known
22 the truth regarding the problems that Owlet was experiencing, which were not
23 disclosed by Defendants, Plaintiff and other members of the Class would not have
24 purchased or otherwise acquired their Owlet securities, or, if they had acquired such
25 securities during the Class Period, they would not have done so at the artificially
26 inflated prices which they paid.

27 67. By virtue of the foregoing, Defendants violated Section 10(b) of the
28 Exchange Act and Rule 10b-5 promulgated thereunder.

1 Complaint. By virtue of their position as controlling persons, Individual Defendants
2 are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate
3 result of Defendants' wrongful conduct, Plaintiff and other members of the Class
4 suffered damages in connection with their purchases of the Company's securities
5 during the Class Period.

6 **THIRD CLAIM**

7 **Violation of Section 14(a) of the Exchange Act**

8 **Against Owlet, the Individual Defendants, and the Sandbridge Defendants**

9 73. Plaintiff repeats and realleges each and every allegation contained
10 above as if fully set forth herein.

11 74. The claims set forth herein do not sound in fraud and are based on
12 negligent conduct by the Defendants named herein (the "Section 14 Defendants").

13 75. The Section 14 Defendants violated Section 14(a) of the Exchange Act
14 and Rule 14a-9 thereunder in that these Defendants solicited proxies from Plaintiff
15 and other members of the Class by means of a proxy statement that, through
16 Defendants' negligence, contained statements which, at the time and in light of the
17 circumstances under which they were made, were false and misleading with respect
18 to material facts, and omitted to state material facts necessary in order to make the
19 statements therein not false or misleading.

20 76. Plaintiff and other members of the Class were misled by the Section 14
21 Defendants' false and misleading statements and omissions, were denied the
22 opportunity to make an informed decision in voting on the merger, and approved the
23 merger without having been advised of material facts. Accordingly, Plaintiff and
24 other members of the Class did not receive their fair share of the value of the assets
25 and business of the combined entity, suffered damages when the Company's stock
26 price decreased, and were prevented from benefiting from a value-maximizing
27 transaction.

28

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: November 17, 2021

GLANCY PRONGAY & MURRAY LLP

By: /s/ Pavithra Rajesh

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Attorneys for Plaintiff Michael J. Butala

**SWORN CERTIFICATION OF PLAINTIFF
Owlet, Inc. (OWLT) SECURITIES LITIGATION**

I, Michael J. Butala, certify that:

1. I have reviewed the Complaint, adopt its allegations, and authorize its filing and/or the filing of a lead plaintiff motion on my behalf.
2. I did not purchase the Owlet, Inc. securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Owlet, Inc. securities during the period set forth in the Complaint are as follows:

(See attached transactions)
5. I have not sought to serve, nor served, as a representative party on behalf of a class under this title during the last three years, except for the following:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing are true and correct statements.

11/12/2021

Date



Michael J. Butala

Michael J. Butala 's Transactions in Owlet, Inc. (OWLT)

Date	Transaction Type	Quantity	Unit Price
7/28/2021	Bought	50	\$9.5400