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

Case No.

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

DEMAND FOR JURY TRIAL

Plaintiff,

v.

MAXEON SOLAR TECHNOLOGIES, LTD.,
WILLIAM MULLIGAN, and KAI
STROHBECKE,

Defendants.

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

10 **NATURE OF THE ACTION AND OVERVIEW**

11 1. This is a class action on behalf of persons and entities that purchased or otherwise
12 acquired Maxeon securities between November 15, 2023 and May 29, 2024, inclusive, (the "Class
13 Period"). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of
14 1934 (the "Exchange Act").

15 2. Maxeon is a global manufacturer and marketer of solar technology. Maxeon went
16 public in August 2020 through a strategic spin off from SunPower Corp. ("SunPower"). SunPower
17 was Maxeon's largest customer, representing 26.7% of the Company's total revenue for fiscal year
18 2022. Maxeon and SunPower maintained a supply agreement under which, among other things,
19 SunPower was obligated to purchase certain minimum product volumes; and Maxeon was
20 prohibited from selling certain modules to customers other than SunPower and could not
21 circumvent that exclusivity provision via SunPower dealers (the "Master Supply Agreement").

22 3. In mid-2023, Maxeon and SunPower engaged in a dispute wherein Maxeon alleged
23 SunPower was withholding approximately \$29 million in past due invoices and SunPower alleged
24 that Maxeon was in breach of the Master Supply Agreement's non-circumvention clause. As a
25 result, Maxeon ceased shipments to SunPower in July 2023. By November 2023, the two
26 companies settled their dispute but terminated the Master Supply Agreement.

27 4. On May 30, 2024, before the market opened, Maxeon announced financial results
28 for first quarter 2024 in a press release, reporting a 41% year-over-year decline in revenue to

1 \$187.5 million. The Company disclosed that it was “facing a serious cash flow challenge” as the
2 result of, in part, the termination of the SunPower supply agreement. The Company revealed that,
3 as a result, it was forced to “negotiate[] commitments for significant liquidity support” which will
4 result in “substantial dilution to existing public shareholders, with TZE [TCL Zhonghuan
5 Renewable Energy Technology Co. Ltd.] ultimately becoming a controlling shareholder.”

6 5. On this news, the Company’s share price fell 34.7%, or \$1.08, to close at \$2.03 per
7 share on May 30, 2024, on unusually heavy trading volume.

8 6. Throughout the Class Period, Defendants made materially false and/or misleading
9 statements, as well as failed to disclose material adverse facts about the Company’s business,
10 operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Maxeon
11 relied on the exclusive sales of certain products to SunPower; (2) that, following the termination
12 of the Master Supply Agreement, the Company was unable to “aggressively ramp sales”; (3) that,
13 as a result, revenue substantially declined; (4) that, as a result, the Company suffered a “serious
14 cash flow” crisis; and (5) that, as a result of the foregoing, Defendants’ positive statements about
15 the Company’s business, operations, and prospects were materially misleading and/or lacked a
16 reasonable basis.

17 7. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline
18 in the market value of the Company’s securities, Plaintiff and other Class members have suffered
19 significant losses and damages.

20 **JURISDICTION AND VENUE**

21 8. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange
22 Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17
23 C.F.R. § 240.10b-5).

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

26 10. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and
27 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the
28 alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts

1 charged herein, including the dissemination of materially false and/or misleading information,
2 occurred in substantial part in this Judicial District.

3 11. In connection with the acts, transactions, and conduct alleged herein, Defendants
4 directly and indirectly used the means and instrumentalities of interstate commerce, including the
5 United States mail, interstate telephone communications, and the facilities of a national securities
6 exchange.

7 **PARTIES**

8 12. Plaintiff Trevor Wayne, as set forth in the accompanying certification, incorporated
9 by reference herein, purchased Maxeon securities during the Class Period, and suffered damages
10 as a result of the federal securities law violations and false and/or misleading statements and/or
11 material omissions alleged herein.

12 13. Defendant Maxeon is incorporated under the laws of Singapore with its principal
13 executive offices located in Singapore. The Company's domestic executive office is located in San
14 Jose, California. Maxeon's ordinary shares trade on the NASDAQ exchange under the symbol
15 "MAXN."

16 14. Defendant William Mulligan ("Mulligan") was the Company's Chief Executive
17 Officer ("CEO") at all relevant times.

18 15. Defendant Kai Strohbecke ("Strohbecke") was the Company's Chief Financial
19 Officer ("CFO") at all relevant times.

20 16. Defendants Mulligan and Strohbecke (collectively the "Individual Defendants"),
21 because of their positions with the Company, possessed the power and authority to control the
22 contents of the Company's reports to the SEC, press releases and presentations to securities
23 analysts, money and portfolio managers and institutional investors, i.e., the market. The
24 Individual Defendants were provided with copies of the Company's reports and press releases
25 alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and
26 opportunity to prevent their issuance or cause them to be corrected. Because of their positions and
27 access to material non-public information available to them, the Individual Defendants knew that
28 the adverse facts specified herein had not been disclosed to, and were being concealed from, the

1 public, and that the positive representations which were being made were then materially false
2 and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

3 **SUBSTANTIVE ALLEGATIONS**

4 **Background**

5 17. Maxeon is a global manufacturer and marketer of solar technology. Maxeon went
6 public in August 2020 through a strategic spin off from SunPower. SunPower remained Maxeon’s
7 largest customer, representing 26.7% of the Company’s total revenue for fiscal year 2022. Maxeon
8 and SunPower maintained a Master Supply Agreement under which, among other things,
9 SunPower was obligated to purchase certain minimum product volumes; and Maxeon was
10 prohibited from selling certain modules to customers other than SunPower and could not
11 circumvent that exclusivity provision via SunPower dealers.

12 18. In mid-2023, Maxeon and SunPower engaged in a dispute wherein Maxeon alleged
13 SunPower was withholding approximately \$29 million in past due invoices and SunPower alleged
14 that Maxeon was in breach of the parties’ master supply agreement’s non-circumvention clause.
15 As a result, Maxeon ceased shipments to SunPower in July 2023. By November 2023, the two
16 companies reached a settlement on their dispute, but terminated the Master Supply Agreement.

17 **Materially False and Misleading**

18 **Statements Issued During the Class Period**

19 19. The Class Period begins on November 15, 2023. On that day, Maxeon issued a
20 press release announcing the Company’s third quarter 2023 financial results, including that the
21 dispute with SunPower was resolved, thereby “clearing the way for Maxeon to aggressively ramp
22 sales into the US market.” Specifically, the press release stated: ¹

23 Maxeon's Chief Executive Officer Bill Mulligan commented, “As indicated in our
24 preliminary results announcement of our third quarter financials, *the third quarter*
25 *was significantly impacted by the absence of shipments to SunPower* for a
majority of the quarter as well as by the industry-wide supply and demand

26 _____
27 ¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes
28 are omitted.

1 imbalance in Europe. *Maxeon has responded by taking decisive action to adjust*
2 *its market focus and manufacturing footprint to reposition Maxeon for success.*”

3 * * *

4 “In DG, our business was negatively impacted by SunPower falling behind on
5 payments, which caused Maxeon to suspend shipments to them starting in July. I
6 am pleased to announce that we have reached a settlement with SunPower that has
7 allowed us to resume shipments, while mutually releasing all outstanding claims.
8 The settlement calls for SunPower to purchase 85 MW of IBC panels at contracted
9 pricing through February 2024 and to post a \$30 million payment security bond.
10 *Under the settlement terms, both existing supply agreements with SunPower will*
11 *be terminated.* The settlement also contemplates Maxeon receiving a warrant to
12 purchase 1.7 million shares of SunPower's common stock, resolves outstanding
13 claims and contract breaches, and *ends constraints on Maxeon product sales to*
14 *SunPower installers at the end of this quarter, clearing the way for Maxeon to*
15 *aggressively ramp sales into the US market by leveraging its acquisition of*
16 *Solaria Corporation and accelerated ramp plans for Maxeon 7 capacity.”*

17 Fourth Quarter 2023 and Fiscal Year 2023 Outlook

18 For the fourth quarter of 2023, the Company anticipates
19 the following results:

(In millions, except shipments)	Outlook
Shipments, in MW	610 - 650
Revenue ⁽⁵⁾	\$220 - \$260
Gross loss ⁽⁵⁾	\$5 - \$15
Non-GAAP gross loss ⁽¹⁾⁽⁵⁾	\$5 - \$15
Operating expenses	\$113 ± \$4
Non-GAAP operating expenses ⁽²⁾	\$38 ± \$2
Adjusted EBITDA ⁽³⁾⁽⁵⁾	\$(27) - \$(37)
Capital expenditures ⁽⁴⁾	\$10 - \$20

20 * * *

21
22 20. On November 15, 2023, the Company submitted its quarterly report for the period
23 ended October 1, 2023 on a Form 6-K filed with the SEC. Attached as Exhibit 99.2 were the
24 financial results for the third quarter ended October 1, 2023, which stated the following about the
25 Company’s liquidity:

26 **Liquidity and Capital Resources**

27 ***Current Sources of Liquidity and Capital Resources***

1 As of October 1, 2023, we had unrestricted cash and cash equivalents of \$208.1
2 million, restricted cash of \$9.2 million and short-term securities representing a 6-
3 months time deposit of \$60.0 million as compared to \$227.4 million of unrestricted
cash and cash equivalents, \$40.5 million of restricted cash and short-term securities
representing a 4-month time deposit of \$76.0 million as of January 1, 2023.

4 * * *

5 ***Anticipated Sources of Funds***

6 ***We believe that our current cash, cash equivalents, along with cash expected to***
7 ***be generated from operations will be sufficient to meet our obligations over the***
next 12 months.

8 21. On April 8, 2024, the Company published a press release announcing its
9 preliminary fourth quarter and fiscal year 2023 results, reporting preliminary revenue of \$229
10 million and gross loss of \$32 million. The press release also stated in relevant part:

11 Maxeon's CEO Bill Mulligan commented, "In the fourth quarter, ***Maxeon delivered***
12 ***financial results largely in line with our expectations.*** Our U.S utility-scale
business accounted for the majority of revenues in the fourth quarter, with stable
13 ASPs."

14 * * *

15 "The Maxeon team is highly focused on reducing manufacturing costs, OPEX
16 rationalization and ***liquidity-management*** to enable a return to profitability. ***Our***
strategy continues to be to focus on designing and building premium,
17 ***differentiated products and delivering a superior customer experience across a***
balanced portfolio of global DG and U.S. utility scale markets. The Company
plans to file its annual 20-F report by April 30, 2024."

18 22. On April 30, 2024, the Company submitted to the SEC a Form NT 20-F, stating
19 that it could not timely file its 2023 annual report because the Company required "additional time
20 to complete its financial statement preparation and review process" and, continued, stating in
21 relevant part:

22 ***Factors which have affected the timing of the preparation and review of the***
23 ***financial statements include the additional ongoing work required in connection***
24 ***with the assessment of the Company's ability to continue as a going concern,***
including the ongoing analysis of the Company's strategic options with the
assistance of external advisors.

25 23. The above statements identified in ¶¶ 19-22 were materially false and/or
26 misleading, and failed to disclose material adverse facts about the Company's business,
27 operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that
28 Maxeon relied on the exclusive sales of certain products to SunPower; (2) that, following the

1 termination of the Master Supply Agreement, the Company was unable to “aggressively ramp
2 sales”; (3) that, as a result, its revenue substantially declined; (4) that, as a result, the Company
3 suffered a “serious cash flow” crisis; and (5) that, as a result of the foregoing, Defendants’ positive
4 statements about the Company’s business, operations, and prospects were materially misleading
5 and/or lacked a reasonable basis.

6 **Disclosures at the End of the Class Period**

7 24. On May 30, 2024, before the market opened, Maxeon announced its financial
8 results for first quarter 2024, including \$187.5 million revenue, a decline of over 41% year-over-
9 year. The Company disclosed that it was “facing a serious cash flow challenge” as the result of, in
10 part, the termination of the SunPower supply agreement. The Company revealed that, as a result, it
11 was forced to “negotiate[] commitments for significant liquidity support” which will result in
12 “substantial dilution to existing public shareholders, with TZE [TCL Zhonghuan Renewable
13 Energy Technology Co. Ltd.] ultimately becoming a controlling shareholder.” Specifically, the
14 Company issued a press release, stating in relevant part:

15 Maxeon has been facing a very difficult market environment since the third quarter
16 of last year, with challenging industry pricing conditions and demand disruptions in
17 our DG business due to higher interest rates and policy changes, as well as *project*
18 *pushouts by two of our large-scale customers in the US*. These external factors led
19 to underutilized manufacturing operations, increased product costs, and lower
20 revenue and profit than planned. While the Company is making progress on our
21 announced restructuring initiatives and we are seeing some positive trends in the
22 market, *we determined that Maxeon requires additional capital to support its*
23 *continuing operations*. After conducting a thorough analysis with the help of
24 financial advisors, management and the board determined that the most viable
25 financing option to support our immediate liquidity needs was from our largest
26 shareholder, TCL Zhonghuan Renewable Energy Technology Co. Ltd. (TZE).”

27 “TZE has agreed to invest \$97.5 million via a debt investment and has committed
28 to an additional \$100 million equity investment, in each case subject to regulatory
approvals. In addition, substantially all of the holders of the \$200 million 2025
convertible notes have agreed to exchange their bonds and accrued interest into
new bonds due in 2028, which are convertible into equity at the noteholders’ option
starting July 2nd and \$137.2 million of which must be converted into equity upon
TZE’s equity investment. We believe that these transactions are necessary to
provide sufficient liquidity to enable the Company to return to profitability. *These*
transactions, however, will result in substantial dilution to existing public
shareholders, with TZE ultimately becoming a controlling shareholder, subject to
regulatory approvals.”

* * *

On April 8, 2024, the Company issued a press release and furnished a Report on Form 6-K announcing its preliminary unaudited financial results for the fourth quarter and fiscal year ended December 31, 2023. *Subsequent to the issuance of such preliminary financial information, the Company revised the presentation of gross loss, GAAP operating expenses, GAAP net loss attributable to the stockholders, non-GAAP gross loss, non-GAAP operating expenses and Adjusted EBITDA as follows:*

- *Additional inventory reserve of \$2.3 million to write down inventories to market value which affected gross loss, GAAP net loss attributable to the stockholders, non-GAAP gross loss and Adjusted EBITDA*
- Adjustment of estimate on employee compensation based on final payout which resulted in lower gross loss of \$0.3 million, lower GAAP operating expenses of \$0.5 million, lower GAAP net loss attributable to stockholders of \$0.8 million, higher non-GAAP operating expenses and Adjusted EBITDA of \$0.4 million
- Adjustment of uncertain tax position which resulted in higher GAAP net loss attributable to stockholders of \$0.5 million.

25. The same Press Release reported the Company’s fiscal fourth quarter 2023 revenue, excerpted in relevant part:

(In thousands, except shipments)	Fiscal Q1 2024	Fiscal Q4 2023	Fiscal Q1 2023
Shipments, in MW	488	653	774
Revenue	\$ 187,456	\$ 228,775	\$ 318,332
Gross (loss) profit ⁽¹⁾	(14,871)	(34,461)	53,625
GAAP Operating expenses	48,668	141,007	41,921
GAAP Net (loss) income attributable to the stockholders ⁽¹⁾	(80,148)	(186,334)	20,271
Capital expenditures	19,216	11,656	16,500
Other Financial Data⁽¹⁾			
(In thousands)	Fiscal Q1 2024	Fiscal Q4 2023	Fiscal Q1 2023
Non-GAAP Gross (loss) profit	\$ (12,888)	\$ (9,675)	\$ 54,142
Non-GAAP Operating expenses	38,520	36,654	38,056
Adjusted EBITDA	(38,977)	(37,631)	30,984

26. On this news, the Company’s share price fell 34.7%, or \$1.08, to close at \$2.03 on May 30, 2024, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

27. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Maxeon securities between November 15, 2023 and May 29, 2024, inclusive, and who were damaged thereby (the “Class”). Excluded from the Class are

1 Defendants, the officers and directors of the Company, at all relevant times, members of their
2 immediate families and their legal representatives, heirs, successors, or assigns, and any entity in
3 which Defendants have or had a controlling interest.

4 28. The members of the Class are so numerous that joinder of all members is
5 impracticable. Throughout the Class Period, Maxeon's shares actively traded on the NASDAQ.
6 While the exact number of Class members is unknown to Plaintiff at this time and can only be
7 ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or
8 thousands of members in the proposed Class. Millions of Maxeon shares were traded publicly
9 during the Class Period on the NASDAQ. Record owners and other members of the Class may be
10 identified from records maintained by Maxeon or its transfer agent and may be notified of the
11 pendency of this action by mail, using the form of notice similar to that customarily used in
12 securities class actions.

13 29. Plaintiff's claims are typical of the claims of the members of the Class as all
14 members of the Class are similarly affected by Defendants' wrongful conduct in violation of
15 federal law that is complained of herein.

16 30. Plaintiff will fairly and adequately protect the interests of the members of the Class
17 and has retained counsel competent and experienced in class and securities litigation.

18 31. Common questions of law and fact exist as to all members of the Class and
19 predominate over any questions solely affecting individual members of the Class. Among the
20 questions of law and fact common to the Class are:

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

23 (b) whether statements made by Defendants to the investing public during the
24 Class Period omitted and/or misrepresented material facts about the business, operations, and
25 prospects of Maxeon; and

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

28

1 other members of the Class purchasing the Company's securities at artificially inflated prices, thus
2 causing the damages complained of herein when the truth was revealed.

3 **LOSS CAUSATION**

4 36. Defendants' wrongful conduct, as alleged herein, directly and proximately caused
5 the economic loss suffered by Plaintiff and the Class.

6 37. During the Class Period, Plaintiff and the Class purchased Maxeon's securities at
7 artificially inflated prices and were damaged thereby. The price of the Company's securities
8 significantly declined when the misrepresentations made to the market, and/or the information
9 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,
10 causing investors' losses.

11 **SCIENTER ALLEGATIONS**

12 38. As alleged herein, Defendants acted with scienter since Defendants knew that the
13 public documents and statements issued or disseminated in the name of the Company were
14 materially false and/or misleading; knew that such statements or documents would be issued or
15 disseminated to the investing public; and knowingly and substantially participated or acquiesced
16 in the issuance or dissemination of such statements or documents as primary violations of the
17 federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by
18 virtue of their receipt of information reflecting the true facts regarding Maxeon, their control over,
19 and/or receipt and/or modification of Maxeon's allegedly materially misleading misstatements
20 and/or their associations with the Company which made them privy to confidential proprietary
21 information concerning Maxeon, participated in the fraudulent scheme alleged herein.

22 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

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

24 39. The market for Maxeon's securities was open, well-developed and efficient at all
25 relevant times. As a result of the materially false and/or misleading statements and/or failures to
26 disclose, Maxeon's securities traded at artificially inflated prices during the Class Period. On
27 December 26, 2023, the Company's share price closed at a Class Period high of \$7.55 per share.
28 Plaintiff and other members of the Class purchased or otherwise acquired the Company's

1 securities relying upon the integrity of the market price of Maxeon's securities and market
2 information relating to Maxeon, and have been damaged thereby.

3 40. During the Class Period, the artificial inflation of Maxeon's shares was caused by
4 the material misrepresentations and/or omissions particularized in this Complaint causing the
5 damages sustained by Plaintiff and other members of the Class. As described herein, during the
6 Class Period, Defendants made or caused to be made a series of materially false and/or misleading
7 statements about Maxeon's business, prospects, and operations. These material misstatements
8 and/or omissions created an unrealistically positive assessment of Maxeon and its business,
9 operations, and prospects, thus causing the price of the Company's securities to be artificially
10 inflated at all relevant times, and when disclosed, negatively affected the value of the Company
11 shares. Defendants' materially false and/or misleading statements during the Class Period resulted
12 in Plaintiff and other members of the Class purchasing the Company's securities at such
13 artificially inflated prices, and each of them has been damaged as a result.

14 41. At all relevant times, the market for Maxeon's securities was an efficient market for
15 the following reasons, among others:

16 (a) Maxeon shares met the requirements for listing, and was listed and actively
17 traded on the NASDAQ, a highly efficient and automated market;

18 (b) As a regulated issuer, Maxeon filed periodic public reports with the SEC
19 and/or the NASDAQ;

20 (c) Maxeon regularly communicated with public investors via established
21 market communication mechanisms, including through regular dissemination of press releases on
22 the national circuits of major newswire services and through other wide-ranging public
23 disclosures, such as communications with the financial press and other similar reporting services;
24 and/or

25 (d) Maxeon was followed by securities analysts employed by brokerage firms
26 who wrote reports about the Company, and these reports were distributed to the sales force and
27 certain customers of their respective brokerage firms. Each of these reports was publicly available
28 and entered the public marketplace.

1 and/or the forward-looking statement was authorized or approved by an executive officer of
2 Maxeon who knew that the statement was false when made.

3 **FIRST CLAIM**

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

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

6 **Against All Defendants**

7 45. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
8 set forth herein.

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

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

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

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

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

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

19 51. Defendants had actual knowledge of the misrepresentations and/or omissions of
20 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to
21 ascertain and to disclose such facts, even though such facts were available to them. Such
22 defendants' material misrepresentations and/or omissions were done knowingly or recklessly and
23 for the purpose and effect of concealing Maxeon's financial well-being and prospects from the
24 investing public and supporting the artificially inflated price of its securities. As demonstrated by
25 Defendants' overstatements and/or misstatements of the Company's business, operations, financial
26 well-being, and prospects throughout the Class Period, Defendants, if they did not have actual
27 knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain
28

1 such knowledge by deliberately refraining from taking those steps necessary to discover whether
2 those statements were false or misleading.

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

12 53. At the time of said misrepresentations and/or omissions, Plaintiff and other
13 members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff
14 and the other members of the Class and the marketplace known the truth regarding the problems
15 that Maxeon was experiencing, which were not disclosed by Defendants, Plaintiff and other
16 members of the Class would not have purchased or otherwise acquired their Maxeon securities, or,
17 if they had acquired such securities during the Class Period, they would not have done so at the
18 artificially inflated prices which they paid.

19 54. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act
20 and Rule 10b-5 promulgated thereunder.

21 55. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the
22 other members of the Class suffered damages in connection with their respective purchases and
23 sales of the Company's securities during the Class Period.

24 **SECOND CLAIM**

25 **Violation of Section 20(a) of The Exchange Act**

26 **Against the Individual Defendants**

27 56. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
28 set forth herein.

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

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

4 **JURY TRIAL DEMANDED**

5 Plaintiff hereby demands a trial by jury.

6 DATED: June 27, 2024

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