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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Plaintiffs,

v.

MAISON SOLUTIONS INC., JOHN
XU, ALEXANDRIA M. LOPEZ, TAO
HAN, BIN WANG, MARK WILLIS,
XIAOXIA ZHANG, JOSEPH STONE
CAPITAL, LLC, and AC SUNSHINE
SECURITIES LLC,

Defendants.

Case No.

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

JURY TRIAL DEMANDED

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

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Maison (a) Class A common stock pursuant and/or traceable to
14 the registration statement and prospectus (collectively, the “Registration Statement”)
15 issued in connection with the Company’s October 2023 initial public offering
16 (“IPO” or the “Offering”); and/or (b) securities between October 5, 2023 and
17 December 15, 2023, inclusive (the “Class Period”). Plaintiffs pursue claims under
18 the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of
19 1934 (the “Exchange Act”).

20 2. Maison is a specialty grocery retailer offering Asian food and
21 merchandise to U.S. consumers.

22 3. On October 5, 2023, the Company filed its prospectus on Form 424B4
23 with the SEC, which forms part of the Registration Statement. In the IPO, the
24 Company sold 2,500,000 shares of Class A common stock at a price of \$4.00 per
25 share. The Company received net proceeds of approximately \$10 million from the
26 Offering. The proceeds from the IPO were purportedly to be used for new store
27 acquisitions and expansion, including opening new stores and the acquisition of
28 businesses and supermarkets that complement the business, including to acquire

1 “90% equity interests in (a) the Alhambra Store from Ms. Grace Xu, spouse of John
2 Xu, our chief executive officer, and (b) Dai Cheong from Mr. Xu, by paying off the
3 SBA loans held by each entity of approximately \$2.0 million and \$2.4 million,
4 respectively, as partial consideration for such acquisitions[.]”

5 4. On December 15, 2023, at approximately 2:30 p.m. Eastern Standard
6 Time, Hindenburg Research published a report about Maison, alleging a number of
7 “red flags” concerning potentially illegal activities. Hindenburg reported that
8 Defendant John Xu, the Company’s Chief Executive Officer, is also the President of
9 J&C International Group (“J&C”) a company which “support[s] immigration
10 services for high-net-worth Chinese investors” and that J&C, John Xu and an
11 alleged related entity, Hong Kong Supermarkets, allegedly used supermarkets as a
12 front to defraud the EB-5 visa program. Hindenburg’s investigation further revealed
13 that the Company may be “being pumped by WhatsApp chat rooms” with
14 screenshots of chatrooms showing “trading plans.”

15 5. On this news, Maison's stock price fell \$12.71 per share, or 83.6%, to
16 close at \$2.50 per share on Friday, December 15, 2023, on unusually heavy trading
17 volume.

18 6. By the commencement of this action, Maison stock has traded as low as
19 \$1.50 per share, a more than 62% decline from the \$4 per share IPO price.

20 7. In the Registration Statement and throughout the Class Period,
21 Defendants made materially false and/or misleading statements, as well as failed to
22 disclose material adverse facts about the Company’s business, operations, and
23 prospects. Specifically, Defendants failed to disclose to investors: (1) that the
24 Company’s vendor XHJC Holdings Inc., is a related party; (2) that the Company’s
25 CEO and related entities were alleged to have used supermarkets as a front to
26 defraud the EB-5 visa program; and (3) that, as a result of the foregoing,
27 Defendants’ positive statements about the Company’s business, operations, and
28 prospects were materially misleading and/or lacked a reasonable basis.

1 8. As a result of Defendants' wrongful acts and omissions, and the
2 precipitous decline in the market value of the Company's securities, Plaintiffs and
3 other Class members have suffered significant losses and damages.

4 **JURISDICTION AND VENUE**

5 9. The claims asserted herein arise under and pursuant to Sections 11 and
6 15 of the Securities Act (15 U.S.C. §§ 77k and 77o), Sections 10(b) and 20(a) of the
7 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated
8 thereunder by the SEC (17 C.F.R. § 240.10b-5).

9 10. This Court has jurisdiction over the subject matter of this action
10 pursuant to 28 U.S.C. § 1331, Section 22 of the Securities Act (15 U.S.C. § 77v) and
11 Section 27 of the Exchange Act (15 U.S.C. § 78aa).

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

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

23 **PARTIES**

24 13. Plaintiff _____, as set forth in the accompanying certification,
25 incorporated by reference herein, purchased or otherwise acquired Maison Class A
26 common stock pursuant and/or traceable to the Registration Statement issued in
27 connection with the Company's IPO and/or Maison securities during the Class
28

1 Period, and suffered damages as a result of the federal securities law violations and
2 false and/or misleading statements and/or material omissions alleged herein.

3 14. Plaintiff _____, as set forth in the accompanying
4 certification, incorporated by reference herein, purchased or otherwise acquired
5 Maison Class A common stock pursuant and/or traceable to the Registration
6 Statement issued in connection with the Company's IPO and/or Maison securities
7 during the Class Period, and suffered damages as a result of the federal securities
8 law violations and false and/or misleading statements and/or material omissions
9 alleged herein.

10 15. Defendant Maison is incorporated under the laws of Delaware with its
11 principal executive offices located in Monterey Park, California. Maison's Class A
12 common stock trades on the NASDAQ exchange under the symbol "MSS."

13 16. Defendant John Xu ("Xu") was, at all relevant times, the Chief
14 Executive Officer ("CEO"), Chairman of the Board of Directors, and President, and
15 signed or authorized the signing of the Company's Registration Statement filed with
16 the SEC.

17 17. Defendant Alexandria M. Lopez ("Lopez") was the Chief Financial
18 Officer ("CFO") of the Company at all relevant times, and signed or authorized the
19 signing of the Company's Registration Statement filed with the SEC.

20 18. Defendants Xu and Lopez (collectively, the "Individual Defendants"),
21 because of their positions with the Company, possessed the power and authority to
22 control the contents of the Company's reports to the SEC, press releases and
23 presentations to securities analysts, money and portfolio managers and institutional
24 investors, i.e., the market. The Individual Defendants were provided with copies of
25 the Company's reports and press releases alleged herein to be misleading prior to, or
26 shortly after, their issuance and had the ability and opportunity to prevent their
27 issuance or cause them to be corrected. Because of their positions and access to
28 material non-public information available to them, the Individual Defendants knew

1 that the adverse facts specified herein had not been disclosed to, and were being
2 concealed from, the public, and that the positive representations which were being
3 made were then materially false and/or misleading. The Individual Defendants are
4 liable for the false statements pleaded herein.

5 19. Defendant Tao Han (“Han”) was, at all relevant times, the Chief
6 Operating Officer of the Company and signed or authorized the signing of the
7 Company’s Registration Statement filed with the SEC.

8 20. Defendant Bin Wang (“Wang”) signed or authorized the signing of the
9 Company’s Registration Statement filed with the SEC as a “director nominee.”

10 21. Defendant Mark Willis (“Willis”) signed or authorized the signing of
11 the Company’s Registration Statement filed with the SEC as a “director nominee.”

12 22. Defendant Xiaoxia Zhang (“Zhang”) signed or authorized the signing
13 of the Company’s Registration Statement filed with the SEC as a “director
14 nominee.”

15 23. Defendants Xu, Lopez, Han, Wang, Willis, and Zhang are also
16 collectively referred to hereinafter as the “Securities Act Individual Defendants.”

17 24. Defendant Joseph Stone Capital, LLC (“Joseph Stone”) served as an
18 underwriter for the Company’s IPO. In the IPO, Joseph Stone agreed to purchase
19 2,000,000 shares of the Company’s common stock, exclusive of the over-allotment
20 option.

21 25. Defendant AC Sunshine Securities LLC (“AC Sunshine”) served as an
22 underwriter for the Company’s IPO. In the IPO, AC Sunshine agreed to purchase
23 500,000 shares of the Company’s common stock, exclusive of the over-allotment
24 option.

25 26. Defendants Joseph Stone and AC Sunshine are collectively referred to
26 hereinafter as the “Underwriter Defendants.”

SUBSTANTIVE ALLEGATIONS

Background

27. Maison is a specialty grocery retailer offering Asian food and merchandise to U.S. consumers. Soon after its founding in 2019, the Company acquired three retail Asian supermarkets in Los Angeles, California and subsequently rebranded them as “HK Good Fortune Supermarkets” or “Hong Kong Supermarkets.” The Company has since acquired a fourth supermarket as well as a wholesale supplier. Three of the Company’s acquisitions, GF Supermarket of MP, Inc., HKGF Market of Alhambra, Inc, and Dai Cheong Trading Inc., were acquired in whole or in part as related party transactions between the Company’s CEO, Defendant John Xu and/or his wife, Grace Xu.

The Company’s False and/or Misleading

Registration Statement and Prospectus

28. On June 14, 2023, the Company filed its final amendment to the Registration Statement with the SEC on Form S-1/A, which forms part of the Registration Statement.

29. On September 13, 2023, the Company filed a post-effective amendment for the registration statement with the SEC on Form POS AM, which forms part of the Registration Statement. The Registration Statement was declared effective September 29, 2023.

30. On October 5, 2023, the Company filed its prospectus on Form 424B4 with the SEC, which forms part of the Registration Statement. In the IPO, the Company sold 2,500,000 shares of Class A common stock at a price of \$4.00 per share. The Company received net proceeds of approximately \$10 million from the Offering. The proceeds from the IPO were purportedly to be used for new store acquisitions and expansion, including opening new stores and the acquisition of businesses and supermarkets that complement the business. Specifically, the net proceeds of the IPO would be used to complete the acquisition and expansion of the

1 “90% equity interests in (a) the Alhambra Store from Ms. Grace Xu, spouse of John
2 Xu, our chief executive officer, and (b) Dai Cheong from Mr. Xu, by paying off the
3 SBA loans held by each entity of approximately \$2.0 million and \$2.4 million,
4 respectively, as partial consideration for such acquisitions[.]”

5 31. The Registration Statement was negligently prepared and, as a result,
6 contained untrue statements of material facts or omitted to state other facts
7 necessary to make the statements made not misleading, and was not prepared in
8 accordance with the rules and regulations governing its preparation.

9 32. Under applicable SEC rules and regulations, the Registration Statement
10 was required to disclose all transactions with related parties, all relevant on-going
11 litigation and all known trends, events or uncertainties that were having, and were
12 reasonably likely to have, an impact on the Company’s continuing operations.

13 33. The Registration Statement stated that the Company’s affiliation with
14 XHJC Holding Inc. (“XHJC”) was limited to a vendor and supplier relationship,
15 stating in relevant part:

16 ***Maison believes that a centralized and efficient vendor and supply***
17 ***management system is the key to profitability. Maison has major***
18 ***vendors***, including Drop in The Ocean, Inc., ONCO Food Corp., GF
19 ***Distribution, Inc. and XHJC Holding Inc.*** For the year ended April 30,
20 2023, three suppliers accounted for 20%, 18% and 14% of the
21 Company’s total purchases, respectively. For the year ended April 30,
22 2022, three suppliers accounted for 23%, 21% and 14% of the
23 Company’s total purchases, respectively. For the three months ended
24 July 31, 2023, two suppliers accounted for 34% and 19% of the
25 Company’s total purchases, respectively. For the three months ended
26 July 31, 2022, three suppliers accounted for 21%, 20%, and 19% of the
27 Company’s total purchases, respectively.

28 * * *

29 The Company entered a promissory note with its vendor XHJC
30 Holding Inc. on January 1, 2022, with a total loan amount of up to
31 \$1,000,000 with 4% interest. On November 4, 2022, XHJC Holding
32 Inc. repaid the remaining \$433,136 in full to the Company.

33 * * *

34 As of April 30, 2023, the prepayment mainly consists of \$1,527,243
35 paid to XHJC Holding Inc which is the Company’s new centralized

1 vendor and \$20,000 paid to GF distribution, the Company's major
2 vendor.

3 As of April 30, 2022, the \$656,917 prepayment is the amount the
4 company paid to XHJC Holding Inc. This vendor requires
5 approximately one month prepayment for purchases. The prepayment
6 balance, as of April 30, 2022, was used for the Company's May 2022
7 purchase. The \$70,737 prepaid expense is the amount the Company
8 paid to its insurance company to purchase next term general liability
9 insurance.

10 34. The Company disclosed only the following names associated with
11 Related Party transactions: The United Food LLC, GF Supermarket of MP, Inc.,
12 Hong Kong Supermarket of Monterey Park, Ltd, HKGF Market of Alhambra, Inc.,
13 Dai Cheong Trading Co Inc., J&C International Group LLC, Good Fortune CA3,
14 LP, Ideal Investment, and Ideal City Capital. The Company did disclose a due on
15 demand, non-interest bearing payable loan of \$108,361 from J&C International
16 Group LLC, a related party transaction with Defendant Xu, who holds majority
17 ownership of this entity.

18 35. The Company claimed that *"there is no pending litigation or*
19 *proceeding involving any of our directors, officers or employees for which*
20 *indemnification is sought, and we are not aware of any threatened litigation that*
21 *may result in claims for indemnification."* Moreover, the Company purported to
22 disclose ongoing legal proceedings, stating in relevant part:

23 The Company is otherwise periodically involved in various legal
24 proceedings that are incidental to the conduct of its business, including,
25 but not limited to, employment discrimination claims, customer injury
26 claims, and investigations.

27 * * *

28 In May 2020, Maison El Monte was named as a co-defendant in a
complaint filed by a consumer advocacy group alleging violations of a
California health and safety regulation. The case is pending in the
Superior Court of the State of California, and as such, the Company has
not made any accruals of possible loss for the year ended April 30,
2023 related to this case.

* * *

In June 2022, Maison San Gabriel entered into a confidential settlement
agreement with the plaintiff in connection with a California

1 employment law case whereby Maison San Gabriel agreed to pay
2 \$98,500 to plaintiff in full settlement of all claims in the case. As a
3 result of the settlement agreement, the Company accrued \$98,500 as a
4 loss relating to the case for the fiscal year ended April 30, 2022. During
the year ended April 30, 2023, the Company accrued additional
\$40,000 litigation loss. This settlement amount is subject to reduction
by a court proceeding scheduled in 2023.

5 36. The Registration Statement was materially false and misleading and
6 omitted to state: (1) that the Company's vendor, XHJC, is a related party; (2) that
7 the Company's CEO and related entities were alleged to have used supermarkets as
8 a front to defraud the EB-5 visa program; and (3) that, as a result of the foregoing,
9 Defendants' positive statements about the Company's business, operations, and
10 prospects were materially misleading and/or lacked a reasonable basis..

11 **Materially False and Misleading**
12 **Statements Issued During the Class Period**

13 37. The Class Period begins on October 5, 2023. On that day, Maison's
14 common stock began publicly trading pursuant to the Registration Statement,
15 including the statements identified in ¶¶33-35.

16 38. On November 29, 2023, the Company filed a registration statement on
17 Form S-1 for the sale of up to 1,190,476 shares of Class A common stock by certain
18 selling shareholders from time to time. Therein, Maison stated that it "has major
19 vendors, including . . . XHJC Holding Inc.," but the list of related party transactions
20 did not identify XHJC. Moreover, the Company stated: "At present, there is no
21 pending litigation or proceeding involving any of our directors, officers or
22 employees for which indemnification is sought, and we are not aware of any
23 threatened litigation that may result in claims for indemnification."

24 39. On December 11, 2023, the Company filed its prospectus related to the
25 stock offered for sale by certain shareholders, which made substantially the same
26 statements identified in the November 29, 2023 registration statement.

27 40. The above statements identified in ¶¶ 37-39 were materially false
28 and/or misleading, and failed to disclose material adverse facts about the Company's

1 business, operations, and prospects. Specifically, Defendants failed to disclose to
2 investors: (1) that the Company’s vendor, XHJC, is a related party; (2) the
3 Company’s CEO and related entities were alleged to have used supermarkets as a
4 front to defraud the EB-5 visa program; and (3) that, as a result of the foregoing,
5 Defendants’ positive statements about the Company’s business, operations, and
6 prospects were materially misleading and/or lacked a reasonable basis.

7 **The Subsequent Disclosures**

8 41. On December 15, 2023, at approximately 2:30 p.m. Eastern Standard
9 Time, Hindenburg Research published a report (the “Hindenburg Report”) alleging
10 that Maison exhibited “multiple red flags” and concluding that there is a high
11 probability that Maison “has become bloated in size due to illegal and nefarious
12 pumping/manipulation.”

13 42. The Hindenburg Report alleged that Maison’s vendor, XHJC, “is an
14 undisclosed related party.” The Hindenburg report shows the principal address for
15 XHJC Holdings Inc is a business associated with Defendant Xu, the Company’s
16 CEO, showing the address of XHJC Holding Inc is 2026 Huntington Drive, San
17 Marino, CA 91108, and that located at that address is a restaurant named “Masamitu
18 Japanese Cuisine.” The Hindenburg Report showed that Masamitu Japanese Cuisine
19 lists Defendant Xu as part of the registration statement:

20 [image on following page]
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FICTITIOUS BUSINESS NAME STATE-
MENT FILE NO. 2022054029 FIRST FIL-
ING.

The following person(s) is (are) doing
business as MASAMITSU JAPANESE
CUISINE, 2026 Huntington Drive , San
Marino, CA 91108. Mailing Address, 127
N Garfield Ave, Monterey Park, Ca 91754.
This business is conducted by a corpora-
tion. Registrant commenced to transact
business under the fictitious business
name or names listed herein on Febru-
ary 2022. Signed: LVL Management Inc
(CA- 4170030), 2026 Huntington Drive
, San Marino, CA 91108; John Jun Xu,
Secretary. The statement was filed with
the County Clerk of Los Angeles on March
9, 2022. NOTICE: This fictitious business
name statement expires five years from
the date it was filed in the office of the
County Clerk. A new fictitious business
name statement must be filed prior to that
date. The filing of this statement does not
of itself authorize the use in this state of a
fictitious business name in violation of the
rights of another under federal, state or
common law (See Section 14400 et seq.,
Business and Professional Code).
Pub. Monrovia Weekly March 17, 2022,
March 24, 2022, March 31, 2022, April 7,
2022

43. The Hindenburg Report also alleged that Maison is embroiled in a
previously undisclosed, ongoing litigation set for trial related to Defendant Xu's
alleged use of supermarkets as a front to defraud the EB-5 visa program:

In \$MSS IPO prospectus, Chairman, CEO and key holder John Xu is
also listed as President of J&C International Group, LLC, "a cross-
border investment firm" since 2013. J&C's website says it "support[s]
immigration services for high-net-worth Chinese investors and
institutions".

* * *

J&C International, \$MSS CEO John Xu and related entity Hong Kong
Supermarkets were named as defendants in 2020 litigation alleging
they used supermarkets as a front to defraud the EB-5 visa program.

1 structure. Defendants made no mention of Plaintiff's salary or payroll. Plaintiff was told to
2 simply to sit in the executive office during his work hours. Plaintiff was given no tasks to
3 perform. Defendants did not provide Plaintiff with a written employment agreement between
4 Plaintiff and ZHL or Hong Kong Supermarket, nor any other writing establishing Plaintiff as a

7
8
9 *bona fide* employee, manager or executive of either entity.

10 39. The next day, Emily told plaintiff that there are other "executives" do not come in
11 to work at all, and plaintiff could do the same. Plaintiff is informed and believes and thereon
12 alleges that Emily's statement about other "executives" at the same location who perform no
13 work whatsoever evidences Defendants' use of Hong Kong Supermarket as a front for a scheme
14 of immigration fraud, and as the spurious work location of other purported "managers" and
15 "executives" on whose behalf Defendants are preparing and submitting documents to defraud
16 USCIS.

17 * * *

18 The plaintiff alleged that *J&C International took a \$500k investment in Hong Kong Supermarket from him to help him get his Visa.*

19 *He alleged that \$MSS CEO John Xu and J&C forged his Visa application, and listed him as a fake employee of a supermarket location now owned by \$MSS.*

20
21 9 62. Plaintiff is informed and believes and thereon alleges that at all times herein
22 10 mentioned J&C International is in the "investment for green card business" targeting Chinese
23 11 immigrant investors including Plaintiff; and the many businesses associated with John Xu are
24 12 fake companies and sham corporations for the purpose of obtaining work visa and green card for
25 13 J&C International's victims.

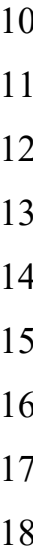
26 * * *

27 The plaintiff alleged that when he asked for copies of his visa application, he was threatened with retaliation by J&C and John Xu.

28 *The court found in favor of the plaintiff, and defendants lost an appeal.*

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1 45. On this news, Maison's stock price fell \$12.71 per share, or 83.6%, to
2 close at \$2.50 per share on Friday, December 15, 2023, on unusually heavy trading
3 volume.

4 46. By the commencement of this action, Maison stock has traded as low as
5 \$1.50 per share, a more than 62% decline from the \$4 per share IPO price.

6 **CLASS ACTION ALLEGATIONS**

7 47. Plaintiffs bring this action as a class action pursuant to Federal Rule of
8 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
9 entities that purchased or otherwise acquired Maison: (a) Class A common stock
10 pursuant and/or traceable to the Company's false and/or misleading Registration
11 Statement issued in connection with the Company's IPO; and/or (b) securities
12 between October 5, 2023 and December 15, 2023, inclusive, and who were damaged
13 thereby (the "Class"). Excluded from the Class are Defendants, the officers and
14 directors of the Company, at all relevant times, members of their immediate families
15 and their legal representatives, heirs, successors, or assigns, and any entity in which
16 Defendants have or had a controlling interest.

17 48. The members of the Class are so numerous that joinder of all members
18 is impracticable. While the exact number of Class members is unknown to Plaintiffs
19 at this time and can only be ascertained through appropriate discovery, Plaintiffs
20 believe that there are at least hundreds or thousands of members in the proposed
21 Class. The Company sold 2,500,000 shares of Class A common stock in the IPO.
22 Moreover, record owners and other members of the Class may be identified from
23 records maintained by Maison or its transfer agent and may be notified of the
24 pendency of this action by mail, using the form of notice similar to that customarily
25 used in securities class actions.

26 49. Plaintiffs' claims are typical of the claims of the members of the Class
27 as all members of the Class are similarly affected by Defendants' wrongful conduct
28 in violation of federal law that is complained of herein.

1 50. Plaintiffs will fairly and adequately protect the interests of the members
2 of the Class and has retained counsel competent and experienced in class and
3 securities litigation.

4 51. Common questions of law and fact exist as to all members of the Class
5 and predominate over any questions solely affecting individual members of the
6 Class. Among the questions of law and fact common to the Class are:

7 (a) whether the federal securities laws was violated by Defendants'
8 acts as alleged herein;

9 (b) whether the Registration Statement, statements made by
10 Defendants to the investing public in connection with the Company's IPO, and
11 statements made by Defendants to the investing public during the Class Period
12 omitted and/or misrepresented material facts about the business, operations, and
13 prospects of Maison; and

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

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

22 **UNDISCLOSED ADVERSE FACTS**

23 53. The market for Maison's securities was open, well-developed and
24 efficient at all relevant times. As a result of these materially false and/or misleading
25 statements, and/or failures to disclose, Maison's securities traded at artificially
26 inflated prices during the Class Period. Plaintiffs and other members of the Class
27 purchased or otherwise acquired Maison's securities relying upon the integrity of
28

1 the market price of the Company's securities and market information relating to
2 Maison, and have been damaged thereby.

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

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

23 **LOSS CAUSATION**

24 56. Defendants' wrongful conduct, as alleged herein, directly and
25 proximately caused the economic loss suffered by Plaintiffs and the Class.

26 57. During the Class Period, Plaintiffs and the Class purchased Maison's
27 securities at artificially inflated prices and were damaged thereby. The price of the
28 Company's securities significantly declined when the misrepresentations made to

1 the market, and/or the information alleged herein to have been concealed from the
2 market, and/or the effects thereof, were revealed, causing investors' losses.

3 **SCIENTER ALLEGATIONS**

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

16 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

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

18 59. The market for Maison's securities was open, well-developed and
19 efficient at all relevant times. As a result of the materially false and/or misleading
20 statements and/or failures to disclose, Maison's securities traded at artificially
21 inflated prices during the Class Period. On December 14, 2023, the Company's
22 share price closed at a Class Period high of \$15.21 per share. Plaintiffs and other
23 members of the Class purchased or otherwise acquired the Company's securities
24 relying upon the integrity of the market price of Maison's securities and market
25 information relating to Maison, and have been damaged thereby.

26 60. During the Class Period, the artificial inflation of Maison's shares was
27 caused by the material misrepresentations and/or omissions particularized in this
28 Complaint causing the damages sustained by Plaintiffs and other members of the

1 Class. As described herein, during the Class Period, Defendants made or caused to
2 be made a series of materially false and/or misleading statements about Maison's
3 business, prospects, and operations. These material misstatements and/or omissions
4 created an unrealistically positive assessment of Maison and its business, operations,
5 and prospects, thus causing the price of the Company's securities to be artificially
6 inflated at all relevant times, and when disclosed, negatively affected the value of
7 the Company shares. Defendants' materially false and/or misleading statements
8 during the Class Period resulted in Plaintiffs and other members of the Class
9 purchasing the Company's securities at such artificially inflated prices, and each of
10 them has been damaged as a result.

11 61. At all relevant times, the market for Maison's securities was an
12 efficient market for the following reasons, among others:

13 (a) Maison shares met the requirements for listing, and was listed
14 and actively traded on the Nasdaq, a highly efficient and automated market;

15 (b) As a regulated issuer, Maison filed periodic public reports with
16 the SEC and/or the Nasdaq;

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

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

27 62. As a result of the foregoing, the market for Maison's securities
28 promptly digested current information regarding Maison from all publicly available

1 sources and reflected such information in Maison's share price. Under these
2 circumstances, all purchasers of Maison's securities during the Class Period suffered
3 similar injury through their purchase of Maison's securities at artificially inflated
4 prices and a presumption of reliance applies.

5 63. A Class-wide presumption of reliance is also appropriate in this action
6 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United*
7 *States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded
8 on Defendants' material misstatements and/or omissions. Because this action
9 involves Defendants' failure to disclose material adverse information regarding the
10 Company's business operations and financial prospects—information that
11 Defendants were obligated to disclose—positive proof of reliance is not a
12 prerequisite to recovery. All that is necessary is that the facts withheld be material
13 in the sense that a reasonable investor might have considered them important in
14 making investment decisions. Given the importance of the Class Period material
15 misstatements and omissions set forth above, that requirement is satisfied here.

16 **NO SAFE HARBOR**

17 64. The statutory safe harbor provided for forward-looking statements
18 under certain circumstances does not apply to any of the allegedly false statements
19 pleaded in this Complaint. The statements alleged to be false and misleading herein
20 all relate to then-existing facts and conditions. In addition, to the extent certain of
21 the statements alleged to be false may be characterized as forward looking, they
22 were not identified as "forward-looking statements" when made and there were no
23 meaningful cautionary statements identifying important factors that could cause
24 actual results to differ materially from those in the purportedly forward-looking
25 statements. In the alternative, to the extent that the statutory safe harbor is
26 determined to apply to any forward-looking statements pleaded herein, Defendants
27 are liable for those false forward-looking statements because at the time each of
28 those forward-looking statements was made, the speaker had actual knowledge that

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

4 **FIRST CLAIM**

5 **Violation of Section 11 of the Securities Act**

6 **(Against All Defendants)**

7 65. Plaintiffs repeat and re-allege each and every allegation contained
8 above as if fully set forth herein.

9 66. This claim is brought pursuant to Section 11 of the Securities Act, 15
10 U.S.C. § 77k, on behalf of the Class, against the Defendants.

11 67. The Registration Statement for the IPO was inaccurate and misleading,
12 contained untrue statements of material facts, omitted to state other facts necessary
13 to make the statements made not misleading, and omitted to state material facts
14 required to be stated therein.

15 68. Maison is the registrant for the IPO. Defendants named herein were
16 responsible for the contents and dissemination of the Registration Statement.

17 69. As issuer of the shares, Maison is strictly liable to Plaintiffs and the
18 Class for the misstatements and omissions.

19 70. None of the Defendants named herein made a reasonable investigation
20 or possessed reasonable grounds for the belief that the statements contained in the
21 Registration Statement was true and without omissions of any material facts and
22 were not misleading.

23 71. By reasons of the conduct herein alleged, each Defendant violated,
24 and/or controlled a person who violated Section 11 of the Securities Act.

25 72. Plaintiffs acquired Maison shares pursuant and/or traceable to the
26 Registration Statement for the IPO.

73. Plaintiffs and the Class have sustained damages. The value of Maison Class A common stock has declined substantially subsequent to and due to the Defendants' violations.

SECOND CLAIM

Violation of Section 15 of the Securities Act

(Against the Securities Act Individual Defendants)

74. Plaintiffs repeat and re-allege each and every allegation contained above as if fully set forth herein.

75. This claim is asserted against the Securities Act Individual Defendants and is based upon Section 15 of the Securities Act.

76. The Securities Act Individual Defendants, by virtue of their offices, directorship, and specific acts were, at the time of the wrongs alleged herein and as set forth herein, controlling persons of Maison within the meaning of Section 15 of the Securities Act. The Securities Act Individual Defendants had the power and influence and exercised the same to cause Maison to engage in the acts described herein.

77. The Securities Act Individual Defendants' positions made them privy to and provided them with actual knowledge of the material facts concealed from Plaintiffs and the Class.

78. By virtue of the conduct alleged herein, the Securities Act Individual Defendants are liable for the aforesaid wrongful conduct and are liable to Plaintiffs and the Class for damages suffered.

THIRD CLAIM

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

Rule 10b-5 Promulgated Thereunder

Against Maison and the Individual Defendants

79. Plaintiffs repeat and re-allege each and every allegation contained above as if fully set forth herein.

1 80. During the Class Period, Defendants carried out a plan, scheme and
2 course of conduct which was intended to and, throughout the Class Period, did: (i)
3 deceive the investing public, including Plaintiffs and other Class members, as
4 alleged herein; and (ii) cause Plaintiffs and other members of the Class to purchase
5 Maison's securities at artificially inflated prices. In furtherance of this unlawful
6 scheme, plan and course of conduct, Defendants, and each defendant, took the
7 actions set forth herein.

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

16 82. Defendants, individually and in concert, directly and indirectly, by the
17 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
18 and participated in a continuous course of conduct to conceal adverse material
19 information about Maison's financial well-being and prospects, as specified herein.

20 83. Defendants employed devices, schemes and artifices to defraud, while
21 in possession of material adverse non-public information and engaged in acts,
22 practices, and a course of conduct as alleged herein in an effort to assure investors of
23 Maison's value and performance and continued substantial growth, which included
24 the making of, or the participation in the making of, untrue statements of material
25 facts and/or omitting to state material facts necessary in order to make the
26 statements made about Maison's and its business operations and future prospects in
27 light of the circumstances under which they were made, not misleading, as set forth
28 more particularly herein, and engaged in transactions, practices and a course of

1 business which operated as a fraud and deceit upon the purchasers of the Company's
2 securities during the Class Period.

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

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

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

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

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

22 88. By virtue of the foregoing, Defendants violated Section 10(b) of the
23 Exchange Act and Rule 10b-5 promulgated thereunder.

24 89. As a direct and proximate result of Defendants' wrongful conduct,
25 Plaintiffs and the other members of the Class suffered damages in connection with
26 their respective purchases and sales of the Company's securities during the Class
27 Period.

1 **FOURTH CLAIM**

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

3 **Against the Individual Defendants**

4 90. Plaintiffs repeat and re-allege each and every allegation contained
5 above as if fully set forth herein.

6 91. The Individual Defendants acted as controlling persons of Maison
7 within the meaning of Section 20(a) of the Exchange Act as alleged herein. By
8 virtue of their high-level positions and their ownership and contractual rights,
9 participation in, and/or awareness of the Company's operations and intimate
10 knowledge of the false financial statements filed by the Company with the SEC and
11 disseminated to the investing public, the Individual Defendants had the power to
12 influence and control and did influence and control, directly or indirectly, the
13 decision-making of the Company, including the content and dissemination of the
14 various statements which Plaintiffs contends are false and misleading. The
15 Individual Defendants were provided with or had unlimited access to copies of the
16 Company's reports, press releases, public filings, and other statements alleged by
17 Plaintiffs to be misleading prior to and/or shortly after these statements were issued
18 and had the ability to prevent the issuance of the statements or cause the statements
19 to be corrected.

20 92. In particular, the Individual Defendants had direct and supervisory
21 involvement in the day-to-day operations of the Company and, therefore, had the
22 power to control or influence the particular transactions giving rise to the securities
23 violations as alleged herein, and exercised the same.

24 93. As set forth above, Maison and the Individual Defendants each violated
25 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this
26 Complaint. By virtue of their position as controlling persons, the Individual
27 Defendants are liable pursuant to Section 20(a) of the Exchange Act.
28

1 94. As a direct and proximate result of Defendants' wrongful conduct,
2 Plaintiffs and other members of the Class suffered damages in connection with their
3 purchases of the Company's securities during the Class Period.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

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

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

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

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

15 **JURY TRIAL DEMANDED**

16 Plaintiffs hereby demand a trial by jury.
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1 DATED: January 4, 2024

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