

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

_____, Individually and On Behalf of
All Others Similarly Situated,

Plaintiff,

v.

RAIN ONCOLOGY INC., AVANISH
VELLANKI, NELSON CABATUAN,
FRANKLIN BERGER, AARON DAVIS,
GORJAN HRUSTANOVIC, TRAN
NGUYEN, PETER RADOVICH, and
STEFANI A. WOLFF,

Defendants.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff _____ (“Plaintiff”), individually and on behalf of all others similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by Defendants, United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Rain Oncology Inc. (“Rain” or the “Company”), analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired: (a) Rain common stock pursuant and/or traceable to the Offering Documents (defined below) issued in connection with the Company's initial public offering conducted on or about April 22, 2021 (the "IPO" or "Offering"); and/or (b) Rain securities between April 22, 2021 and May 21, 2023, both dates inclusive (the "Class Period"). Plaintiff pursues claims against the Defendants under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act").

2. Rain, a late-stage precision oncology company, engages in developing therapies that target oncogenic drivers to genetically select patients in the United States.

3. On April 2, 2021, Rain filed a registration statement on Form S-1 with the SEC in connection with the IPO, which, after several amendments, was declared effective by the SEC on April 22, 2021 (the "Registration Statement").

4. On or about April 22, 2021, pursuant to the Offering Documents, Rain conducted the IPO, issuing more than 7.35 million shares priced at \$17.00.

5. On April 23, 2021, Rain filed a prospectus on Form 424B4 with the SEC in connection with the IPO, which incorporated and formed part of the Registration Statement (the "Prospectus" and, together with the Registration Statement, the "Offering Documents").

6. The Offering Documents were negligently prepared and, as a result, contained untrue statements of material fact or omitted to state other facts necessary to make the statements made not misleading and were not prepared in accordance with the rules and regulations governing their preparation. Additionally, throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operations, and prospects.

Specifically, the Offering Documents and Defendants made false and/or misleading statements and/or failed to disclose that: (i) the results of Rain’s Phase 3 MANTRA trial of milademetan for the treatment of dedifferentiated liposarcoma did not meet its primary endpoint of progression free survival by blinded independent central review compared to the standard of care, trabectedin; (ii) accordingly, Rain had overstated the clinical and/or commercial prospects of Rain’s Phase 3 MANTRA trial of milademetan for the treatment of dedifferentiated liposarcoma; and (iii) as a result, the Offering Documents and Defendants’ public statements throughout the Class Period were materially false and/or misleading and failed to state information required to be stated therein.

7. On May 22, 2023, Rain issued a press release announcing topline results from its Phase 3 MANTRA trial of milademetan for the treatment of dedifferentiated liposarcoma (“DD LPS”). In the press release, Rain reported that “[t]he trial, evaluating the efficacy, safety, and tolerability of milademetan in patients with dedifferentiated (DD) liposarcoma (LPS), did not meet its primary endpoint of progression free survival (PFS) by blinded independent central review compared to the standard of care, trabectedin” and stated that “[b]ased upon these topline data, Rain does not expect to pursue further development of milademetan in DD LPS.”

8. On this news, Rain’s stock price fell \$8.71 per share, or 87.71%, to close at \$1.22 per share on May 22, 2023.

9. As of the time this Complaint was filed, Rain’s securities continue to trade below the \$8 per share Offering price, damaging investors.

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

JURISDICTION AND VENUE

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

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

13. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Rain is headquartered in this Judicial District, Defendants conduct business in this Judicial District, and a significant portion of Defendants' actions took place within this Judicial District.

14. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

15. Plaintiff, as set forth in the attached Certification, purchased or otherwise acquired Rain common stock pursuant and/or traceable to the Offering Documents issued in connection with the IPO, and/or Rain securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

16. Defendant Rain is a Delaware corporation with principal executive offices located at 8000 Jarvis Avenue, Suite 204, Newark, California 94560. The Company's securities trade in an efficient market on the Nasdaq Global Select Market ("NASDAQ") under the ticker symbol "RAIN".

17. Defendant Avanish Vellanki ("Vellanki") has served as Rain's Chief Executive Officer and a Member of the Company's Board of Directors at all relevant times. Vellanki signed or authorized the signing of the Registration Statement filed with the SEC.

18. Defendant Nelson Cabatuan ("Cabatuan") served as Rain's Senior Vice President of Finance at all relevant times. Cabatuan signed or authorized the signing of the Registration Statement filed with the SEC.

19. Defendants Vellanki and Cabatuan are sometimes referred to herein collectively as the "Exchange Act Individual Defendants."

20. The Exchange Act Individual Defendants possessed the power and authority to control the contents of Rain's SEC filings, press releases, and other market communications. The Exchange Act Individual Defendants were provided with copies of Rain's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with Rain, and their access to material information available to them but not to the public, the Exchange Act Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Exchange Act Individual Defendants are liable for the false statements and omissions pleaded herein.

21. Rain and the Exchange Act Individual Defendants are sometimes referred to herein collectively as the “Exchange Act Defendants.”

22. Defendant Franklin Berger (“Berger”) served as a Director of Rain at the time of the IPO. Berger signed or authorized the signing of the Registration Statement filed with the SEC.

23. Defendant Aaron Davis (“Davis”) served as a Director of Rain at the time of the IPO. Davis signed or authorized the signing of the Registration Statement filed with the SEC.

24. Defendant Gorjan Hrustanovic (“Hrustanovic”) served as a Director of Rain at the time of the IPO. Hrustanovic signed or authorized the signing of the Registration Statement filed with the SEC.

25. Defendant Tran Nguyen (“Nguyen”) served as a Director of Rain at the time of the IPO. Nguyen signed or authorized the signing of the Registration Statement filed with the SEC.

26. Defendant Peter Radovich (“Radovich”) served as a Director of Rain at the time of the IPO. Radovich signed or authorized the signing of the Registration Statement filed with the SEC.

27. Defendant Stefani A. Wolff (“Wolff”) served as a Director of Rain at the time of the IPO. Wolff signed or authorized the signing of the Registration Statement filed with the SEC.

28. The Exchange Act Individual Defendants and Defendants Berger, Davis, Hrustanovic, Nguyen, Radovich, and Wolff are sometimes referred to herein collectively as the “Securities Act Individual Defendants.”

29. As directors, executive officers, and/or major shareholders of the Company, the Securities Act Individual Defendants participated in the solicitation and sale of Rain common stock in the IPO for their own benefit and the benefit of the Company. The Securities Act Individual

Defendants were key members of the IPO working group and executives of the Company who pitched investors to purchase the shares sold in the IPO.

30. Rain and the Securities Act Individual Defendants are sometimes referred to herein collectively as the “Securities Act Defendants.”

31. The Exchange Act Defendants and the Securities Act Defendants are sometimes collectively, in whole or in part, referred to herein as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Background

32. Rain, a late-stage precision oncology company, engages in developing therapies that target oncogenic drivers to genetically select patients in the United States.

33. On April 2, 2021, Rain filed a registration statement on Form S-1 with the SEC in connection with the IPO, which, after several amendments, was declared effective by the SEC on April 22, 2021.

34. On or about April 22, 2021, pursuant to the Offering Documents, Rain conducted the IPO, issuing more than 7.35 million shares priced at \$17.00.

35. On April 23, 2021, Rain filed a prospectus on Form 424B4 with the SEC in connection with the IPO, which incorporated and formed part of the Registration Statement.

Materially False and Misleading Statements Issued in the Offering Documents

36. In providing an overview of the Company’s business, the Offering Documents stated, in relevant part:

We are a clinical-stage precision oncology company developing therapies that target oncogenic drivers for which we are able to genetically select patients we believe will most likely benefit. This approach includes using a tumor-agnostic strategy to select patients based on their tumors’ underlying genetics rather than histology. We have in-licensed product candidates, each with a differentiated profile relative to available therapies, and we intend to continue strengthening our

pipeline through focused business development and internal research efforts. Our lead product candidate, RAIN-32 (milademetan, formerly known as DS-3032), is a small molecule, oral inhibitor of mouse double minute 2 (MDM2), which is oncogenic in numerous cancers. We in-licensed RAIN-32 in September 2020 based on the results of a Phase 1 clinical trial, which demonstrated meaningful antitumor activity in an MDM2-amplified subtype of liposarcoma (LPS) and other solid tumors. This trial also validated a rationally-designed dosing schedule that has been shown to mitigate safety concerns and widen the therapeutic window of MDM2 inhibition, unlocking the potential for RAIN-32 in a broad range of MDM2-dependent cancers. Based on these data, we anticipate commencing a pivotal Phase 3 trial in LPS in the second half of 2021, a Phase 2 tumor-agnostic basket trial in certain solid tumors in the second half of 2021 and a Phase 2 trial in intimal sarcoma by early 2022. In addition to RAIN-32, we are also developing a preclinical program that is focused on inducing synthetic lethality in cancer cells by inhibiting RAD52.

37. The statements referenced in ¶ 36 were materially false and misleading because the Offering Documents were negligently prepared and, as a result, contained untrue statements of material fact or omitted to state other facts necessary to make the statements made not misleading and were not prepared in accordance with the rules and regulations governing their preparation. Specifically, the Offering Documents made false and/or misleading statements and/or failed to disclose that: (i) the results of Rain's Phase 3 MANTRA trial of milademetan for the treatment of dedifferentiated liposarcoma did not meet its primary endpoint of progression free survival by blinded independent central review compared to the standard of care, trabectedin; (ii) accordingly, Rain had overstated the clinical and/or commercial prospects of Rain's Phase 3 MANTRA trial of milademetan for the treatment of dedifferentiated liposarcoma; and (iii) as a result, the Offering Documents were materially false and/or misleading and failed to state information required to be stated therein.

Materially False and Misleading Statements Issued During the Class Period

38. The Class Period begins on April 22, 2021, when Rain’s common stock began publicly trading on the NASDAQ pursuant to the materially false or misleading statements or omissions contained in the Offering Documents, as referenced in ¶ 36, *supra*.

39. On May 4, 2022, Rain issued a press release announcing the Company’s Q1 2022 financial results. The press release stated, in relevant part:

“Rain continues to make strong progress in its ongoing milademetan trials, with topline data from the Phase 3 MANTRA liposarcoma trial now anticipated in the first half of 2023. With a cash runway into the first half of 2024, we expect the milademetan clinical program to be well-funded. Additionally, we continue to anticipate interim data for the MANTRA-2 basket trial in MDM2-amplified advanced cancers in the fourth quarter of this year, and reporting patient responses, duration of response and safety in approximately 10 evaluable patients. Based upon our enrollment progress for MANTRA and MANTRA-2 thus far, we expect to commence the MANTRA-3 and MANTRA-4 studies in the fourth quarter of this year,” said Avanish Vellanki, co-founder and chief executive officer of Rain.

40. On August 4, 2022, Rain issued a press release announcing the Company’s Q2 2022 financial results. The press release stated, in relevant part:

“Rain’s focus on clinical execution of the milademetan program was evidenced by the completion of enrollment of our Phase 3 MANTRA trial five months ahead of previous guidance. We believe the rapid enrollment in MANTRA reflects a patient population in LPS that may be larger than expected, and that exhibits a significant unmet medical need,” said Avanish Vellanki, co-founder and chief executive officer of Rain. “With the ongoing enrollment in the pan-tumor MANTRA-2 study, additional clinical studies anticipated to commence before year-end, and alongside a cash runway into mid-2024, we believe Rain is in a strong position to generate significant new data for the milademetan franchise.”

41. The statements referenced in ¶¶ 38-40 were materially false and misleading because the Exchange Act Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, the Exchange Act Defendants made false and/or misleading statements and/or failed to disclose that:

(i) the results of Rain’s Phase 3 MANTRA trial of milademetan for the treatment of

dedifferentiated liposarcoma did not meet its primary endpoint of progression free survival by blinded independent central review compared to the standard of care, trabectedin; (ii) accordingly, Rain had overstated the clinical and/or commercial prospects of Rain's Phase 3 MANTRA trial of milademetan for the treatment of dedifferentiated liposarcoma; and (iii) as a result, the Company's public statements during the Class Period were materially false and misleading at all relevant times.

The Truth Emerges

42. On May 22, 2023, Rain issued a press release announcing topline results from its Phase 3 MANTRA trial of milademetan for the treatment of dedifferentiated liposarcoma ("DD LPS"). In the press release, Rain reported that "[t]he trial, evaluating the efficacy, safety, and tolerability of milademetan in patients with dedifferentiated (DD) liposarcoma (LPS), did not meet its primary endpoint of progression free survival (PFS) by blinded independent central review compared to the standard of care, trabectedin" and stated that "[b]ased upon these topline data, Rain does not expect to pursue further development of milademetan in DD LPS."

43. On this news, Rain's stock price fell \$8.71 per share, or 87.71%, to close at \$1.22 per share on May 22, 2023.

44. As of the time this Complaint was filed, Rain's securities continue to trade below the \$8 per share Offering price, damaging investors.

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

PLAINTIFF'S CLASS ACTION ALLEGATIONS

46. 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 other than Defendants that purchased or otherwise acquired Rain common stock pursuant and/or traceable to the Offering Documents issued in connection with the IPO, and/or Rain securities during the Class Period; and were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

47. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Rain securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Rain or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

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

49. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

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

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public in the Offering Documents for the IPO, or during the Class Period, misrepresented material facts about the business, operations and management of Rain;
- whether the Securities Act Individual Defendants negligently prepared the Offering Documents for the IPO and, as a result, the Offering Documents contained untrue statements of material fact or omitted to state other facts necessary to make the statements made not misleading, and were not prepared in accordance with the rules and regulations governing their preparation;
- whether the Exchange Act Individual Defendants caused Rain to issue false and misleading financial statements during the Class Period;
- whether certain Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Rain securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

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

52. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Rain securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Rain securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

53. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

54. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against the Exchange Act Defendants)

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

56. This Count is asserted against the Exchange Act Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

57. During the Class Period, the Exchange Act Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Rain securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Rain securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, the Exchange Act Defendants, and each of them, took the actions set forth herein.

58. Pursuant to the above plan, scheme, conspiracy, and course of conduct, each of the Exchange Act Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Rain securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Rain's finances and business prospects.

59. By virtue of their positions at Rain, the Exchange Act Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative,

the Exchange Act Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to the Exchange Act Defendants. Said acts and omissions of the Exchange Act Defendants were committed willfully or with reckless disregard for the truth. In addition, each of the Exchange Act Defendants knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

60. Information showing that the Exchange Act Defendants acted knowingly or with reckless disregard for the truth is peculiarly within the Exchange Act Defendants' knowledge and control. As the senior managers and/or directors of Rain, the Exchange Act Individual Defendants had knowledge of the details of Rain's internal affairs.

61. The Exchange Act Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Exchange Act Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Rain. As officers and/or directors of a publicly-held company, the Exchange Act Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Rain's businesses, operations, future financial condition, and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Rain securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Rain's business and financial condition which were concealed by the Exchange Act Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Rain securities at artificially inflated prices and relied upon the price of the

securities, the integrity of the market for the securities and/or upon statements disseminated by the Exchange Act Defendants, and were damaged thereby.

62. During the Class Period, Rain securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the Exchange Act Defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Rain securities at prices artificially inflated by the Exchange Act Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Rain securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Rain securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

63. By reason of the conduct alleged herein, the Exchange Act Defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

64. As a direct and proximate result of the Exchange Act Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions, and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT II

(Violations of Section 20(a) of the Exchange Act Against the Exchange Act Individual Defendants)

65. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

66. During the Class Period, the Exchange Act Individual Defendants participated in the operation and management of Rain, and conducted and participated, directly and indirectly, in the conduct of Rain's business affairs. Because of their senior positions, they knew the adverse non-public information about Rain's misstatement of income and expenses and false financial statements.

67. As officers and/or directors of a publicly owned company, the Exchange Act Individual Defendants had a duty to disseminate accurate and truthful information with respect to Rain's financial condition and results of operations, and to correct promptly any public statements issued by Rain which had become materially false or misleading.

68. Because of their positions of control and authority as senior officers, the Exchange Act Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Rain disseminated in the marketplace during the Class Period concerning Rain's results of operations. Throughout the Class Period, the Exchange Act Individual Defendants exercised their power and authority to cause Rain to engage in the wrongful acts complained of herein. The Exchange Act Individual Defendants, therefore, were "controlling persons" of Rain within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Rain securities.

69. Each of the Exchange Act Individual Defendants, therefore, acted as a controlling person of Rain. By reason of their senior management positions and/or being directors of Rain, each of the Exchange Act Individual Defendants had the power to direct the actions of, and exercised the same to cause, Rain to engage in the unlawful acts and conduct complained of herein. Each of the Exchange Act Individual Defendants exercised control over the general operations of Rain and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

70. By reason of the above conduct, the Exchange Act Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Rain.

COUNT III

(Violations of Section 11 of the Securities Act Against the Securities Act Defendants)

71. Plaintiff repeats and incorporates each and every allegation contained above as if fully set forth herein, except any allegation of fraud, recklessness, or intentional misconduct.

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

73. The Offering Documents for the IPO were inaccurate and misleading, contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

74. Rain is the registrant for the IPO. Defendants named herein were responsible for the contents and dissemination of the Offering Documents.

75. As issuer of the shares, Rain is strictly liable to Plaintiff and the Class for the misstatements and omissions in the Offering Documents.

76. None of the Defendants named herein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Offering Documents were true and without omissions of any material facts and were not misleading.

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

78. Plaintiff acquired Rain shares pursuant and/or traceable to the Offering Documents for the IPO.

79. Plaintiff and the Class have sustained damages. The value of Rain securities has declined substantially subsequent to and because of Defendants' violations.

COUNT IV

(Violations of Section 15 of the Securities Act Against the Securities Act Individual Defendants)

80. Plaintiff repeats and incorporates each and every allegation contained above as if fully set forth herein, except any allegation of fraud, recklessness, or intentional misconduct.

81. This Count is asserted against the Securities Act Individual Defendants and is based upon Section 15 of the Securities Act, 15 U.S.C. § 77o.

82. 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 Rain 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 Rain to engage in the acts described herein.

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

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

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: _____, 2023