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

\_\_\_\_\_, Individually and On Behalf of  
All Others Similarly Situated,

Plaintiff,

v.

RAIN ONCOLOGY INC., AVANISH  
VELLANKI, and RICHARD BRYCE,

Defendants.

Case No. 3:23-cv-03518

**CLASS ACTION**

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

Demand for Jury Trial

Plaintiff \_\_\_\_\_ (“Plaintiff”) alleges the following upon information and belief, except as to those allegations concerning himself, which are alleged upon personal knowledge. Plaintiff’s information and belief is based on the investigation of his undersigned counsel, which included, among other things, review and analysis of: (a) public statements made by or on behalf of Rain Oncology Inc. (“Rain” or the “Company”), including public filings with the U.S. Securities and Exchange Commission (“SEC”); (b) press releases; (c) reports of securities and financial analysts; (d) news articles; and (e) industry reports. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

**NATURE OF THE CLAIM**

1. Plaintiff brings this action pursuant to of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §78a, et seq., and Rule 10b-5 promulgated thereunder, on behalf of

1 himself and all persons similarly situated who purchased or otherwise acquired Rain securities  
2 between July 20, 2021 to May 19, 2023, inclusive (the “Class Period”).

3 2. Rain’s lead drug candidate was milademetan, a drug designed to treat  
4 dedifferentiated liposarcoma (“DD LPS”). Rain first licensed milademetan from Daiichi Sankyo  
5 Company, Limited, in September 2020 based on positive results from a Phase 1 clinical trial.  
6 Instead of conducting additional trials to test the safety and dosing of milademetan, Rain proceeded  
7 straight to a Phase 3 clinical trial. Rain referred to the Phase 3 trial as the “MANTRA” trial.

8 3. Rain commenced the MANTRA trial in July 2021. For nearly two years, Rain  
9 provided the market with false and misleading information about the trial’s design quality and  
10 approval risks for milademetan related to its clinical development strategy. Then, on Monday, May  
11 22, 2023, Defendants announced topline data from the MANTRA trial, revealing that milademetan  
12 had failed to show statistical significance on the trial’s primary endpoint and that the Company  
13 was abandoning further pursuit of milademetan for treating DD LPS.

14 4. During the Class Period, Plaintiff and other similarly situated investors bought Rain  
15 securities at artificially inflated prices due to Defendants’ false and/or materially misleading  
16 statements. When the truth concerning the MANTRA trial emerged, Rain’s stock price decreased  
17 resulting in significant losses to investors. This action seeks to compensate those investors and  
18 recover the damages they sustained because of Defendants’ fraudulent conduct.

19 **JURISDICTION AND VENUE**

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

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

25 7. In connection with the acts, conduct and other wrongs alleged in this Complaint,  
26 Defendants, directly and/or indirectly, used the means and instrumentalities of interstate  
27 commerce, including but not limited to, the United States mail, interstate telephone  
28 communications and the facilities of the national securities exchange.



1 Pharmaceuticals Ltd., a pharmaceutical company, and Servier Laboratories, a pharmaceutical  
2 company.

3 13. Defendants Vellanki and Bryce are collectively referred to herein as the “Individual  
4 Defendants.”

5 14. Each of the Individual Defendants:

6 (a) directly participated in the management of Rain;

7 (b) was directly involved in the day-to-day operations of Rain at the highest  
8 levels;

9 (c) was directly or indirectly involved in drafting, producing, reviewing and/or  
10 disseminating the false and misleading statements and information alleged  
11 herein;

12 (d) was directly or indirectly involved in the oversight or implementation of  
13 Rain’s business and/or finances, medical, or scientific research;

14 (e) was aware of or deliberately recklessly disregarded the fact that the false  
15 and misleading statements were being issued concerning Rain; and/or

16 (f) approved or ratified these statements in violation of the federal securities  
17 laws.

18 15. Because of the Individual Defendants’ positions within Rain, they had access to  
19 undisclosed information about the true nature of and risks inherent in the Company’s Phase 3  
20 MANTRA study.

21 16. As officers of a publicly-held company whose common stock was, and is, registered  
22 with the SEC pursuant to the federal securities laws of the United States, the Individual Defendants  
23 each had a duty to disseminate prompt, accurate and truthful information with respect to the  
24 Company’s scientific study evaluating the use of milademetan and to correct any previously-issued  
25 statements that had become materially misleading or untrue.

26 17. The Individual Defendants, because of their positions with Rain, possessed the  
27 power and authority to control the contents of Rain’s reports to the SEC, press releases, and  
28 presentations to securities analysts, money and portfolio managers, and institutional investors, *i.e.*,

1 the market. Each Individual Defendant had the ability and opportunity to prevent their issuance or  
2 cause them to be corrected. Because of their positions and access to material non-public  
3 information available to them, each of these defendants knew that the adverse facts specified herein  
4 had not been disclosed to, and were being concealed from, the public, and that the positive  
5 representations which were being made were then materially false and/or misleading. The  
6 Individual Defendants are liable for the false statements pleaded herein, as those statements were  
7 each “group-published” information, the result of the collective actions of the Individual  
8 Defendants.

9 18. Each of the Individual Defendants is liable as a participant in a fraudulent scheme  
10 and course of business that operated as a fraud or deceit on purchasers of Rain’s securities by  
11 disseminating materially false and misleading statements and/or concealing material adverse facts.  
12 This scheme caused Plaintiff and other shareholders to purchase Rain’s securities at artificially  
13 inflated prices.

14 **FACTUAL BACKGROUND**

15 19. Rain is a biopharmaceutical company that develops oncology therapeutics. Rain’s  
16 lead product candidate, milademetan, is an oral, small molecule inhibitor of the MDM2-p53  
17 complex that reactivates p53. Milademetan (also known as RAIN-32) is an oral small molecule  
18 inhibitor of the MDM2-p53 complex that reactivates p53.

19 20. Rain first in-licensed milademetan in September 2020 based on the results of a  
20 Phase 1 clinical trial. These results, according to RAIN, demonstrated meaningful antitumor  
21 activity in an MDM2-amplified subtype of liposarcoma (LPS) and other solid tumors. Rain further  
22 represented that the Phase 1 trial results “validated a rationally-designed dosing schedule that ha[d]  
23 been shown to mitigate safety concerns and widen the therapeutic window of MDM2 inhibition,  
24 unlocking the potential for RAIN-32 in a broad range of MDM2-dependent cancers.” Based on  
25 the Phase 1 data, Rain skipped additional clinical testing and proceeded straight to a pivotal Phase  
26 3 trial (*i.e.*, the MANTRA trial), meaning that it would use the results of the Phase 3 trial to support  
27 any New Drug Application filed on behalf of milademetan.

28



1 in patients with unresectable or metastatic DD LPS with or without  
2 a WD LPS component that has progressed on one or more prior  
3 systemic therapies, including at least one anthracycline-based  
4 therapy. 175 patients were enrolled and randomized in a 1:1 ratio to  
5 receive milademetan or trabectedin. The primary objective of the  
6 trial was to compare PFS by blinded independent central review  
7 between the milademetan treatment arm and the trabectedin control  
8 arm. Secondary endpoints included overall survival, PFS by  
9 investigator assessment, objective response rate, duration of  
10 response, disease control rate, safety and patient reported outcomes.

7 25. Commenting on the announcement, Dr. Bryce said: “The start of our Phase 3  
8 MANTRA study evaluating milademetan marks an important step forward in addressing a high  
9 unmet need for patients with DD LPS [and that the Company was] proud to have advanced  
10 milademetan into a pivotal study less than 12 months after acquiring the program, and believe it  
11 has the potential to be the best-in-class MDM2 inhibitor.”

12 August 10, 2021

13 26. On August 10, 2021, Rain released its financial results, key developments, business  
14 operations, and upcoming milestones for the quarter ended June 30, 2021, by submitting them in  
15 Form 10-Q with the SEC. In a press release issued simultaneously with the Form 10-Q (and filed  
16 with the SEC with an 8-K), the Company highlighted some of its key developments, including:

17 First Patient Dosed in Phase 3 MANTRA Clinical Trial of  
18 Milademetan (RAIN-32) for DD LPS. In July 2021, Rain announced  
19 that the first patient was randomized in the multicenter, open-label,  
20 Phase 3 registrational trial (MANTRA) evaluating milademetan, an  
21 oral mouse double minute 2 (“MDM2”) inhibitor, for the treatment  
22 of DD LPS. Rain anticipates data from this trial in 2023.

22 27. Vellanki summarized the Company’s the quarterly results as: “Rain has made  
23 strong progress in the second quarter and six months ended 2021,” highlighting that “Patients with  
24 dedifferentiated liposarcoma are in desperate need of new therapies, and we are proud to have been  
25 able to dose the first patient in a pivotal Phase 3 trial in under 12 months from acquiring the  
26 program.

March 3, 2022

1  
2 28. On March 3, 2022, Rain released its financial results, key developments, business  
3 operations, and upcoming milestones for the quarter ended December 31 and full year 2021, by  
4 submitting them in Form 10-K with the SEC. In a press release issued simultaneously with the  
5 Form 10-K (and filed with the SEC with an 8-K), the Company listed some of its milestones  
6 successfully reached. For instance, Vellanki noted that in 2021:

7 Rain ha[d] achieved a number of important clinical milestones for  
8 milademetan including commencing two of the four planned trials  
9 in MDM2-dependent cancers. Rain dosed the first patient in the  
10 third quarter of last year and exceeded year-end 2021 targets for site  
11 activations for the pivotal, Phase 3 MANTRA trial in patients with  
12 liposarcoma.

13 29. Key developments continued to include highlights that the Phase 3 MANTRA was  
14 enrolling on schedule and that “Global site activations exceeded the target for year-end 2021, and  
15 all sites anticipated to be activated by the end of the first quarter of 2022. Enrollment in MANTRA  
16 trial on schedule.”

17 30. Vellanki summarized the Company’s the quarterly results as: “Rain has made  
18 strong progress in the second quarter and six months ended 2021,” highlighting that “Patients with  
19 dedifferentiated liposarcoma are in desperate need of new therapies, and we are proud to have been  
20 able to dose the first patient in a pivotal Phase 3 trial in under 12 months from acquiring the  
21 program.”

May 4, 2022

22 31. On May 4, 2022, Rain released its financial results, key developments, business  
23 operations, and upcoming milestones for the quarter ended March 31, 2022, by submitting them  
24 in Form 10-Q with the SEC. In a press release issued simultaneously with the Form 10-Q (and  
25 filed with the SEC with an 8-K), the Company updated its forecasts relating to Phase 3 of the  
26 MANTRA study, noting that enrollment was anticipated to be completed by the end of 2022,  
27 earlier than expected, and, thus, “top-line data were also anticipated to be earlier than previously  
28 guide, now in the first half of 2023.”



1 32. Vellanki characterized these developments very positively, noting that:

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

14 August 4, 2022

15 33. On August 4, 2022, Rain issued a press release announcing that enrollment in Phase  
16 3 MANTRA Trial for Milademetan had been completed. As the press release notes, the trial  
17 targeted an enrollment of 160 patients and completed enrollment five months ahead of schedule  
18 with 175 patients. Vellanki said that the Company was “excited to have achieved a milestone in  
19 our milademetan clinical program. [They believed] the rapid enrollment in MANTRA reflects a  
20 patient population in LPS that may be larger than expected, and that exhibits a significant unmet  
21 medical need.”

22 34. Defendant Bryce continued, “The rapid enrollment five months ahead of schedule,  
23 across 70 international sites, also reflects the ability of the Rain team to expedite milademetan  
24 development for patients in significant need.”

25 35. That same day, Rain released its financial results, key developments, business  
26 operations, and upcoming milestones for the quarter ended June 30, 2022, by submitting them in  
27 Form 10-Q with the SEC. In a press release issued simultaneously with the Form 10-Q (and filed  
28 with the SEC with an 8-K), the Company highlighted key developments it had announced in the  
separate press release noted above, including that enrollment in Phase 3 MANTRA Trial for  
Milademetan had been completed ahead of schedule.

36. Defendants’ statements referenced in ¶¶ 24 – 35 constituted violations of the  
securities laws because the statements were false and/or misleading as well as failed to disclose

1 material adverse facts about one of the Company's pivotal scientific studies. Specifically,  
2 Defendants made false and/or misleading statements and/or failed to disclose that: (i) the Company  
3 concealed risks inherent in the design of its Phase 3 MANTRA study particularly with regard to  
4 proceeding directly to Phase 3 from Phase 1; and, (ii) as a result, the Company's statements about  
5 the trial and the likelihood of FDA approval were materially misleading during the Class Period.

6 **B. *The Truth Emerges***

7 May 22, 2023

8 37. On May 22, 2023, Rain presented the long-anticipated results of its Phase 3  
9 MANTRA trial. In its press release, Rain admitted that:

10 [t]he trial, evaluating the efficacy, safety, and tolerability of  
11 milademetan in patients with dedifferentiated (DD) liposarcoma  
12 (LPS), *did not meet its primary endpoint* of progression free  
13 survival (PFS) by blinded independent central review compared to  
14 the standard of care, trabectedin.

15 The median PFS for milademetan was 3.6 months vs 2.2 months for  
16 trabectedin, with a hazard ratio of 0.89,  $p=0.53$ . The most common  
17 treatment emergent adverse events (TEAEs) in the milademetan arm  
18 included nausea, thrombocytopenia, anemia, vomiting and  
19 neutropenia. The most common Grade 3/4 TEAEs were  
20 thrombocytopenia (39.5%), neutropenia (25.5%) and anemia  
21 (18.6%). Dose reductions in the milademetan arm were 44.2% vs  
22 29.1% in the trabectedin arm. Discontinuation in the milademetan  
23 arm due to AEs were 11.6% vs 19.0% for trabectedin. Based upon  
24 these topline data, Rain does not expect to pursue further  
25 development of milademetan in DD LPS. Rain hopes to present the  
26 MANTRA data in an upcoming medical conference.

27 38. Rain Co-founder and CEO Vellanki characterized Rain's reaction to the study's  
28 results by admitting that they:

[were] very disappointed in the outcome of the MANTRA trial, as  
the results did not closely mirror prior clinical results in patients  
with DD LPS. We are truly saddened we will not likely be able to  
offer patients new treatment options for this challenging disease.  
However, the quality and robustness of the global MANTRA trial  
reflects an unambiguous data set. ... Based on the MANTRA topline  
results, we will also re-evaluate the path forward for milademetan.

1           39.     Analysts quickly understood that the problems underlying the clinical trial’s design  
2 affected the Phase 3 MANTRA study’s topline data readout. Later in the afternoon of May 22, Citi  
3 Research explained:

4                     The Ph3 MANTRA failure has unfortunately disproven the  
5 milademetan hypothesis in DD LPS, highlighting the risks of  
6 proceeding directly to Ph3 even when equipped with an unusually  
7 compelling clinical hypothesis anchored on Ph1 data. We had  
8 expected degradation of PFS, however the high ~50% erosion (7.4  
9 months Ph1 to 3.6 months Ph3) was surprising given the trabectedin  
10 control performed directly in line with expectations (2.2 months)  
11 and we felt the greater PFS risk was inflation of control. Enrollment  
12 of patients with more aggressive disease vs. Ph1 may have  
13 contributed to the milademetan underperformance. Gr3/4  
14 hematologic AEs (thrombocytopenia/anemia/neutropenia) were  
15 much greater than expected (39.5%/25.5%/18.6% vs. 15%/0%/5%  
16 in Ph1), which raises questions about the robustness of the  
17 dose/schedule optimization established in Ph1 to manage  
18 hematologic AEs.

19           40.     Oppenheimer’s Equity Research reported that they were downgrading RAIN shares  
20 to “Perform” from “Outperform” and concluded that the take-away from Rain’s report included  
21 that the

- 22                     • The Pivotal readout was negative and held other surprises;
- 23                     • The Fate of milademetan in DD LPS was definitive and the Company was not  
24 anticipated to be conducting its MANTRA 4 study in CDKN2A amplified tumors;
- 25                     • Given Rain’s cash assets, the Company’s strategic options included M&A activity  
26 even though the market had basically written off the Company; and
- 27                     • Oppenheimer had rescinded its price target and revised its model to remove  
28 milademetan value for DD LPS tumors.

29           41.     When the smoke cleared at the end of the trading day, Rain’s stock price had  
30 dropped from Friday, May 19<sup>th</sup>’s closing price of \$9.93 to Monday, May 22<sup>nd</sup>’s closing price of  
31 \$1.22—a *staggering loss of \$8.71 per share representing nearly 88% of its value*. The volume of  
32 shares traded that day was more than 100 times as high as the daily average volume during the  
33 Class Period.

1 **C. *Loss Causation***

2 42. The market for Rain common stock was open, well-developed, and efficient at all  
3 relevant times. As a result of these materially false and/or misleading statements, and/or failures  
4 to disclose, Rain stock traded at artificially inflated prices during the Class Period. Plaintiff and  
5 other members of the Class purchased or otherwise acquired Rain stock relying upon the integrity  
6 of the market of Rain, and market information related to the Company and have been damaged  
7 thereby.

8 43. During the Class Period, Defendants named in this Action materially misled the  
9 investing public, thereby inflating the price of Rain stock, by publicly issuing false and/or  
10 misleading statements and/or omitting to disclose material facts necessary to make their own  
11 statements, as set forth herein, not false and/or misleading. Said statements and omissions were  
12 materially false and/or misleading in that they failed to disclose material adverse information  
13 and/or misrepresented the truth about Rain's business, operations, and prospects as alleged herein.

14 44. At all relevant times, the material misrepresentations and omissions particularized  
15 in this Complaint directly or proximately caused or were a substantial contributing cause of the  
16 damages sustained by Plaintiff and other members of the Class. As described herein, during the  
17 Class Period, Defendants made or caused to be made a series of materially false and/or misleading  
18 statements about Rain's clinical prospects. These material misstatements and/or omissions had the  
19 cause and effect of creating and/or maintaining in the market an unrealistically positive assessment  
20 of the Company and its operations, thus causing the Company's stock to be overvalued and  
21 artificially inflated at all relevant times. The materially false and/or misleading statements made  
22 by Defendants named in this Action during the Class Period resulted in Plaintiff and other members  
23 of the Class purchasing the Company's common stock at artificially inflated prices, thus causing  
24 the damages complained of herein.

25 45. During the Class Period, as detailed herein, Defendants engaged in a scheme to  
26 deceive the market and a course of conduct that caused the price of Rain stock to be artificially  
27 inflated by failing to disclose and/or misrepresenting the adverse facts detailed herein. As  
28 Defendants' misrepresentations and fraudulent conduct were gradually disclosed and became

1 apparent to the market, the artificial inflation in the price of Rain's stock was removed, and the  
2 price of Rain stock fell.

3 46. As a result of their purchases of Rain stock during the Class Period at artificially  
4 inflated prices, Plaintiff and the other Class members suffered economic loss, *i.e.*, damages, under  
5 the federal securities laws.

6 47. The timing and magnitude of the price decline in Rain stock negate any inference  
7 that the loss suffered by Plaintiff and the other Class members was caused by changed market  
8 conditions, macroeconomic or industry factors, or Company-specific facts unrelated to the Rain  
9 Defendants' fraudulent conduct.

10 **D. *Presumption Of Reliance; Fraud-On-The-Market***

11 48. At all relevant times, the market for Rain stock was an efficient market for the  
12 following reasons:

- 13 (a) Rain stock met the requirements for listing, and was listed and actively  
14 traded on the Nasdaq, a highly efficient and automated market;
- 15 (b) As a regulated issuer, Rain filed periodic public reports with the SEC and  
16 the Nasdaq;
- 17 (c) Rain communicated with public investors via established market  
18 communication mechanisms, including through regular dissemination of  
19 press releases on the national circuits of major newswire services and  
20 through other wide-ranging public disclosures, such as communications  
21 with the financial press and other similar reporting services; and
- 22 (d) During the Class Period, on average, millions of Rain shares were traded on  
23 a weekly basis. On news days, the Company's trading volume increased  
24 into the millions, reflecting an active trading market for Rain stock and  
25 investors' expectations being impounded into the stock price.

26 49. As a result of the foregoing, the market for Rain's securities promptly digested  
27 current information regarding Rain from all publicly available sources and reflected such  
28 information in Rain's stock price. Under these circumstances, all purchasers of Rain securities

1 during the Class Period suffered similar injury through their purchase of Rain securities at  
2 artificially inflated prices, and a presumption of reliance applies.

3 50. Alternatively, reliance need not be proven in this action because the action involves  
4 omissions and deficient disclosures. Positive proof of reliance is not a prerequisite to recovery  
5 pursuant to ruling of the United States Supreme Court in *Affiliated Ute Citizens of Utah v. United*  
6 *States*, 406 U.S. 128 (1972). All that is necessary is that the facts withheld be material in the sense  
7 that a reasonable investor might have considered the omitted information important in deciding  
8 whether to buy or sell the subject security.

9 **E. No Safe Harbor; Inapplicability of Bespeaks Caution Doctrine**

10 51. The statutory safe harbor provided for forward-looking statements under certain  
11 circumstances does not apply to any of the material misrepresentations and omissions alleged in  
12 this Complaint.

13 52. To the extent certain of the statements alleged to be misleading or inaccurate may  
14 be characterized as forward looking, they were not identified as “forward-looking statements”  
15 when made and there were no meaningful cautionary statements identifying important factors that  
16 could cause actual results to differ materially from those in the purportedly forward-looking  
17 statements.

18 53. Defendants are also liable for any false or misleading “forward-looking statements”  
19 pleaded because, at the time each “forward-looking statement” was made, the speaker knew the  
20 “forward-looking statement” was false or misleading and the “forward-looking statement” was  
21 authorized and/or approved by an executive officer of Rain who knew that the “forward-looking  
22 statement” was false. The statements alleged to be false and misleading herein all relate to then-  
23 existing facts and conditions.

24 54. The statutory safe harbor provided for forward-looking statements under certain  
25 circumstances does not apply to any of the allegedly false statements pleaded in this Class Action  
26 Complaint. The statements alleged to be false and misleading herein all relate to then- existing  
27 facts and conditions. In addition, to the extent certain of the statements alleged to be false may be  
28 characterized as forward looking, they were not identified as “forward-looking statements” when

1 made and there were no meaningful cautionary statements identifying important factors that could  
2 cause actual results to differ materially from those in the purportedly forward-looking statements.  
3 In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-  
4 looking statements pleaded herein, Defendants are liable for those false forward-looking  
5 statements because at the time each of those forward-looking statements was made, the speaker  
6 had actual knowledge that the forward-looking statement was materially false or misleading,  
7 and/or the forward-looking statement was authorized or approved by an executive officer of Rain  
8 who knew that the statement was false when made.

9 **CLASS ACTION ALLEGATIONS**

10 55. Plaintiff brings this action on behalf of all individuals and entities who purchased  
11 acquired Rain securities on the public market during the Class Period, and were damaged,  
12 excluding Rain, the Individual Defendants and each of their immediate family members, legal  
13 representatives, heirs, successors or assigns, and any entity in which any of the Defendants have  
14 or had a controlling interest (the “Class”).

15 56. The Class members are so numerous that joinder of all members is impracticable.  
16 Throughout the Class Period, shares of Rain common stock were actively traded on the Nasdaq.  
17 While the exact number of Class members is unknown at this time and can be ascertained only  
18 through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members  
19 in the proposed Class. Record owners and other Class members may be identified from records  
20 maintained by Rain or its transfer agent and may be notified of the pendency of this action by mail,  
21 using the form of notice similar to that customarily used in securities class actions. As of the filings  
22 of its most recent quarterly report—May 11, 2023, Rain had over 36 million shares of common  
23 stock outstanding. Upon information and belief, these shares are held by thousands of individuals  
24 located throughout the entire world. Joinder would be highly impracticable.

25 57. Plaintiff’s claims are typical of the claims of the Class members as all Class  
26 members are similarly affected by the Defendants’ respective wrongful conduct in violation of the  
27 federal laws complained of herein.

28





1 other Class members to purchase Rain securities at artificially inflated prices. In furtherance of  
2 this unlawful scheme, plan and course of conduct, each of the Defendants took the actions set forth  
3 herein.

4 63. Defendants: (a) employed devices, schemes, and artifices to defraud; (b) made  
5 untrue statements of material fact and/or omitted to state material facts necessary to make the  
6 statements not misleading; and (c) engaged in acts, practices, and a course of business that operated  
7 as a fraud and deceit upon the purchasers of Rain securities in an effort to maintain artificially high  
8 market prices for Rain securities in violation of Section 10(b) of the Exchange Act and Rule 10b-  
9 5 promulgated thereunder. All Defendants are sued either as primary participants in the wrongful  
10 and illegal conduct charged herein or as controlling persons as alleged below.

11 64. Defendants, individually and in concert, directly and indirectly, by the use, means  
12 or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a  
13 continuous course of conduct to conceal adverse material information about the Company's Phase  
14 3 MANTRA study results as specified herein.

15 65. These Defendants employed devices, schemes, and artifices to defraud while in  
16 possession of material adverse non-public information, and engaged in acts, practices, and a course  
17 of conduct as alleged herein in an effort to assure investors of Rain's value, performance, and  
18 continued substantial growth, which included the making of, or participation in the making of,  
19 untrue statements of material facts and omitting to state material facts necessary in order to make  
20 the statements made about Rain's Phase 3 MANTRA study results of the circumstances under  
21 which they were made, not misleading, as set forth more particularly herein, and engaged in  
22 transactions, practices and a course of business that operated as a fraud and deceit upon the  
23 purchasers of Rain securities during the Class Period.

24 66. Individual Defendants' primary liability, and controlling person liability, arises  
25 from the following facts: (1) Individual Defendants were high-level executives, directors, and/or  
26 agents at Rain during the Class Period and members of Rain's management team or had control  
27 thereof; (2) each Individual Defendant, by virtue of his responsibilities and activities as a senior  
28 officer and/or director of Rain, was privy to and participated in the creation, development and

1 reporting of Rain's SEC filings and public statements concerning Rain's Phase 3 MANTRA study  
2 results; (3) each Individual Defendant enjoyed significant personal contact and familiarity with the  
3 other Individual Defendants and was advised of and had access to other members of Rain's  
4 management team, internal reports, and other data and information about Rain's Phase 3  
5 MANTRA study results, at all relevant times; and (4) each Individual Defendant was aware of  
6 Rain's dissemination of information to the investing public which they knew or recklessly  
7 disregarded was materially false and misleading.

8           67. Defendants had actual knowledge of the misrepresentations and omissions of  
9 material facts set forth herein or acted with reckless disregard for the truth in that they failed to  
10 ascertain and to disclose such facts, even though such facts were available to them. Such  
11 Defendants' material misrepresentations and/or omissions were done knowingly or recklessly and  
12 for the purpose and effect of concealing fundamental problems with Rain's Phase 3 MANTRA  
13 study that led to disappointing results from the investing public and supporting the artificially  
14 inflated price of its common stock. As demonstrated by Defendants' misrepresentations  
15 concerning the fundamental problems and risks inherent in Rain's Phase 3 MANTRA study  
16 throughout the Class Period, Defendants, if they did not have actual knowledge of the  
17 misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by  
18 deliberately refraining from taking those steps necessary to discover whether those statements  
19 were false or misleading.

20           68. As a result of the dissemination of materially false and misleading information and  
21 failure to disclose material facts, as set forth above, the market price of Rain securities was  
22 artificially inflated during the Class Period. In ignorance of the fact that market prices of Rain  
23 securities were artificially inflated, and relying directly or indirectly on the false and misleading  
24 statements made by Defendants, or upon the integrity of the market in which the common stock  
25 trades, and/or on the absence of material adverse information that was known to or recklessly  
26 disregarded by Defendants but not disclosed in public statements by Defendants during the Class  
27 Period, Plaintiff and the other Class members acquired Rain securities during the Class Period at  
28 artificially high prices and were or will be damaged thereby.



1 issued and had the ability to prevent the issuance of the statements or to cause the statements to be  
2 corrected.

3 75. In particular, each of the Individual Defendants had direct and supervisory  
4 involvement in the day-to-day operations of Rain and, therefore, is presumed to have had the power  
5 to control or influence the particular transactions giving rise to the securities violations as alleged  
6 herein and exercised the same.

7 76. As set forth above, Rain and the Individual Defendants each violated Section 10(b),  
8 and Rule 10b-5 promulgated thereunder, by their acts and omissions as alleged in this Complaint.

9 77. By virtue of their positions as controlling persons, the Individual Defendants are  
10 liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of  
11 Defendants' wrongful conduct, Plaintiff and other Class members suffered damages in connection  
12 with their purchases of Rain's common stock during the Class Period.

13 78. This action was filed within two years of discovery of the fraud and within five  
14 years of each Plaintiff's purchases of common stock giving rise to the cause of action.

15 **PRAYER FOR RELIEF**

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

17 (a) Determining that this action is a proper class action, certifying Plaintiff as class  
18 representative under Federal Rule of Civil Procedure 23 and Plaintiff's counsel as class counsel;

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

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

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

25 **JURY TRIAL DEMANDED**

26 In accordance with Fed. R. Civ. P. 38(b), Plaintiff demands a jury trial of all issues  
27 involved, now, or in the future, in this action.

28