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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

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

Plaintiff,

v.

ELAUWIT CONNECTION, INC., BARRY
RUBENS, SEAN ARNETTE, DAN
MCDONOUGH, JR., TAYLOR JONES,
SCOTT BARTON, ELBERT GENE BASOLIS,
JR., FREDERICK BERK, LESLIE
GOODMAN, GLENN JOSEPHS, DAVID
O'BRIEN, ROGER SHANNON, and CRAIG-
HALLUM CAPITAL GROUP LLC,

Defendants.

Case No.

CLASS ACTION COMPLAINT FOR
VIOLATION OF THE FEDERAL
SECURITIES LAWS

JURY TRIAL DEMANDED

CLASS ACTION

Plaintiff _____ (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and upon information and belief as to all other matters based on the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of U.S. Securities and Exchange Commission (“SEC”) filings by Elauwit Connection, Inc. (“Elauwit” or the “Company”), as well as media and analyst

reports about the Company and Company press releases. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein.

NATURE OF THE ACTION

1. Plaintiff brings this securities class action on behalf of persons who purchased or otherwise acquired Elauwit securities pursuant and/or traceable to the registration statement and related prospectus issued in connection with Elauwit's November 2025 initial public offering (the "IPO" or "Offering") and suffered compensable damages caused by Defendants' violations of the Securities Act of 1933 (the "Securities Act").

2. In November 2025, Defendants (defined herein) held the IPO, offering approximately 1,667,000 shares of common stock to the investing public at \$9.00 per share before underwriter exercised its over-allotment option.

3. By the commencement of this action, Elauwit's shares trade below its IPO price. As a result, investors were damaged.

JURISDICTION AND VENUE

4. The claims alleged herein arise under and pursuant to Sections 11, 12(a)(2) and 15 of the Securities Act, 15 U.S.C. §§77k, 771(a)(2) and 77o.

5. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and §22 of the Securities Act.

6. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and §22(a) of the Securities Act (15 U.S.C. §77v(a)) as a significant portion of the Defendants' actions, and the subsequent damages took place within this District.

7. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce,

including but not limited to, the United States mails, interstate telephone communications and the facilities of a national securities exchange. Defendants disseminated the statements alleged to be false and misleading herein into this District, and Defendants solicited purchasers of Elauwit securities in this District.

PARTIES

8. Plaintiff, as set forth in the accompanying Certification, purchased the Company's securities pursuant and/or traceable to the IPO and was damaged thereby.

9. Defendant Elauwit purports to be a provider of broadband Internet networks for the multifamily and student housing property sector. Defendant Elauwit is incorporated in the state of Delaware and its head office is located at 1700 Alta Vista Drive, Suite 130, Columbia, SC, 29223. Elauwit securities trade on the NASDAQ Exchange ("NASDAQ") under the ticker symbol "ELWT."

10. Defendant Barry Rubens ("Rubens") was at the time of the IPO the Company's Chief Executive Officer ("CEO") and a Director and signed or authorized the signing of the Company's Registration Statement.

11. Defendant Sean Arnette ("Arnette") was at the time of the IPO the Company's Chief Financial Officer ("CFO") and Treasurer and signed or authorized the signing of the Company's Registration Statement.

12. Defendant Dan McDonough, Jr., ("McDonough") was at the time of the IPO the Executive Chairman and signed or authorized the signing of the Company's Registration Statement.

13. Defendant Taylor Jones (“Jones”) was at the time of the IPO the Company’s President, Chief Technology Officer, and a Director and signed or authorized the signing of the Company’s Registration Statement.

14. Defendant Scott Barton, (“Barton”) was at the time of the IPO a Director and signed or authorized the signing of the Company’s Registration Statement.

15. Defendant Elbert Gene Basolis, Jr., (“Basolis”) was at the time of the IPO a Director and signed or authorized the signing of the Company’s Registration Statement.

16. Defendant Frederick Berk, (“Berk”) was at the time of the IPO a Director and signed or authorized the signing of the Company’s Registration Statement.

17. Defendant Leslie Goodman, (“Goodman”) was at the time of the IPO a Director and signed or authorized the signing of the Company’s Registration Statement.

18. Defendant Glenn Josephs, (“Josephs”) was at the time of the IPO a Director and signed or authorized the signing of the Company’s Registration Statement.

19. Defendant David O’Brien, (“O’Brien”) was at the time of the IPO a Director and signed or authorized the signing of the Company’s Registration Statement.

20. Defendant Roger Shannon, (“Shannon”) was at the time of the IPO a Director and signed or authorized the signing of the Company’s Registration Statement.

21. The Defendants named in ¶¶ 10-20 are sometimes referred to herein as the “Individual Defendants.”

22. Each of the Individual Defendants signed the Registration Statement, solicited the investing public to purchase securities issued pursuant thereto, hired and assisted the underwriters, planned and contributed to the IPO and Registration Statement, and promotions to

meet with and present favorable information to potential Elauwit investors, all motivated by their own and the Company's financial interests.

23. Defendant Craig-Hallum Capital Group LLC ("Craig-Hallum") is an investment banking firm that acted as the sole representative underwriter of the Company's IPO, helping to draft and disseminate the IPO documents. Defendant Craig-Hallum's primary address is 323 N Washington Ave, Suite 300, Minneapolis, MN 55401.

24. Defendant Craig-Hallum is sometimes referred to herein as the as the "Underwriter Defendant."

25. Pursuant to the Securities Act, the Underwriter Defendant is liable for the false and misleading statements in the Registration Statement as follows:

(a) The Underwriter Defendant is an investment banking house that specialize in, among other things, underwriting public offerings of securities. It served as the underwriter of the IPO and received approximately \$1,050,210 in fees. The Underwriter Defendant arranged a roadshow prior to the IPO during which it, and representatives from Elauwit, met with potential investors and presented highly favorable information about the Company, its operations and its financial prospects.

(b) The Underwriter Defendant also demanded and obtained an agreement from Elauwit and the Individual Defendants that Elauwit would indemnify and hold the Underwriter Defendant harmless from any liability under the federal securities laws.

(c) Representatives of the Underwriter Defendant also assisted Elauwit and the Individual Defendants in planning the IPO, and purportedly conducted an adequate and reasonable investigation into the business and operations of Elauwit, an undertaking known as a "due diligence" investigation. The due diligence investigation was required of the Underwriter

Defendant in order to engage in the IPO. During the course of their “due diligence,” the Underwriter Defendant had continual access to internal, confidential, current corporate information concerning the Company’s most up-to-date operational and financial results and prospects.

(d) In addition to availing themselves of virtually unlimited access to internal corporate documents, agents of the Underwriter Defendant met with Elauwit’s lawyers, management and top executives and engaged in “drafting sessions.” During these sessions, understandings were reached as to: (i) the strategy to best accomplish the IPO; (ii) the terms of the IPO, including the price at which Elauwit securities would be sold; (iii) the language to be used in the Registration Statement; what disclosures about Elauwit would be made in the Registration Statement; and (iv) what responses would be made to the SEC in connection with its review of the Registration Statement. As a result of those constant contacts and communications between the Underwriter Defendant’s representatives and Elauwit’s management and top executives, the Underwriter Defendant knew of, or in the exercise of reasonable care should have known of, Elauwit’s existing problems as detailed herein.

(e) The Underwriter Defendant caused the Registration Statement to be filed with the SEC and declared effective in connection with the offers and sales of securities registered thereby, including those to Plaintiff and the other members of the Class.

26. Elauwit, the Individual Defendants, and the Underwriter Defendant, are referred to collectively as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements

27. On or about August 29, 2025, Elauwit filed with the SEC a Registration Statement on Form S-1 (the “Registration Statement”), which in combination with subsequent

amendments on Form S-1/A and filed pursuant to Rule 424(b)(4), would be used for the IPO.

28. On November 4, 2025, Elauwit filed with the SEC its final prospectus for the IPO on Form 424B4, which forms part of the Registration Statement (the “Prospectus” and, in combination with the Registration Statement, the “Offering Documents”). In the IPO, Elauwit sold approximately 1,667,000 share of common stock at \$9.00 per share, before exercise of over-allotments by the Underwriter Defendant.

29. Through the IPO, Elauwit raised over \$15 million before underwriting discounts and commissions and before expenses.

30. The Offering Documents was negligently prepared and, as a result, contained untrue statements of material facts or omitted to state other facts necessary to make the statements made not misleading, and was not prepared in accordance with the rules and regulations governing its preparation.

31. The Registration Statement included the following financial figures:

ELAUWIT CONNECTION, INC Condensed Consolidated Statements of Operations (in thousands, except share and per value data) (UNAUDITED)		
	Six Months Ended June 30,	
	2025	2024
Revenues		
Revenues	\$ 11,691	\$ 3,298
Cost of revenues		
Cost of revenue	8,707	2,628
Gross profit	2,984	670
Operating expenses		
General and administrative	3,109	1,941
Sales and marketing	64	28
Research and development	—	1
Total operating expenses	3,173	1,970
Operating loss	(189)	(1,300)
Other expense, net		
Interest expense, net	(186)	(112)
Total other expense, net	(186)	(112)
Loss from operations before income taxes	(375)	(1,412)
Income tax expense	4	1
Net loss	\$ (379)	\$ (1,413)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.08)	\$ (0.50)
Weighted average common shares used in computing net loss per share, basic and diluted	5,000,000	2,800,206

32. The statement referenced in ¶31 above was materially false and/or misleading because it misrepresented and/or failed to disclose the following adverse facts pertaining to the Company’s business, operational and financial results. Specifically, the Registration Statement

contained false and/or misleading statements and/or failed to disclose that: (1) Elauwit provided false financial figures in its Registration Statement; (2) Elauwit would need to amend its financial figures; (3) Elauwit, among other things, had overstated its revenue, gross profit, operating income/(loss) and net loss for the six months ended June 30, 2025; and (4) as a result, Defendants' public statements were materially false and misleading at all relevant times and negligently prepared.

33. Then, on February 27, 2026, Elauwit filed with the SEC an 8-K. Elauwit stated, in pertinent part, in the 8-K, that:

On February 25, 2026, the Audit Committee (the "Audit Committee") of the Board of Directors of Elauwit Connection, Inc. (the "Company"), after discussion with management, determined that the Company's previously issued interim financial statements included in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, filed on December 10, 2025 (the "Previous Filing"), should no longer be relied upon and should be restated because of accounting errors in revenue recognition for certain network design and installation contracts. ***Similarly, any previously furnished or filed reports, related earnings releases, investor presentations or similar communications of the Company describing the Company's financial results or other financial information contained in the Previous Filing should no longer be relied upon.***

The accounting errors were identified during the course of management's review of the Company's financial statements in conjunction with the year-end audit. The errors were due in part to the inadequate design and implementation of internal controls and procedures to evaluate and monitor the accounting for the percentage-of-completion cost-to-cost input method for revenue recognition for certain network design and installation contracts. ***As a result, revenue, gross profit, operating income (loss) and net loss were overstated for the quarter ended September 30, 2025 by an estimated \$471 thousand and for the nine months ended September 30, 2025 by an estimated \$1.4 million.*** As of September 30, 2025, the Company estimates that its total assets were overstated by \$1.4 million.

34. Put differently, the financial statements for the six months ended June 30, 2025 – which were included in Elauwit's Offering Documents pursuant to the IPO – overstated revenue, gross profit, operating income/(loss) and net loss by almost \$1 million.

35. On this news, Elauwit shares fell \$0.52 per share, or approximately 6.8%, to close at \$7.12 per share on March 2, the next trading day, damaging investors.

36. By the commencement of this action, Elauwit's shares trade below its IPO price. As a result, investors were damaged.

37. 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

38. Plaintiff brings this action as a class action on behalf of all those who purchased Elauwit securities pursuant and/or traceable to the Registration Statement (the "Class"). Excluded from the Class are Defendants and their families, the officers and directors and affiliates of Defendants, 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.

39. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Elauwit 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.

40. 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.

41. 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.

42. 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:

- a) whether Defendants violated the federal securities laws;
- b) whether the Registration Statement contained false or misleading statements of material fact and omitted material information required to be stated therein; and
- c) to what extent the members of the Class have sustained damages and the proper measure of damages.

43. 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.

COUNT I

Violations of Section 11 of the Securities Act Against All Defendants

44. Plaintiff incorporates all the foregoing by reference.

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

46. The Registration Statement 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.

47. Defendants are strictly liable to Plaintiff and the Class for the misstatements and omissions.

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

49. By reason of the conduct herein alleged, each Defendant violated or controlled a person who violated §11 of the Securities Act.

50. Plaintiff acquired Elauwit securities pursuant to the Registration Statement.

51. At the time of their purchases of Elauwit securities, Plaintiff and other members of the Class were without knowledge of the facts concerning the wrongful conduct alleged herein and could not have reasonably discovered those facts prior to the disclosures herein.

52. This claim is brought within one year after discovery of the untrue statements and/or omissions in the Offering that should have been made and/or corrected through the exercise of reasonable diligence, and within three years of the effective date of the Offering. It is therefore timely.

COUNT II

Violations of Section 12(a)(2) of the Securities Act Against All Defendants

53. Plaintiff incorporates all the foregoing by reference.

54. By means of the defective Prospectus, Defendants promoted, solicited, and sold the Company's securities to Plaintiff and other members of the Class.

55. The Prospectus for the IPO contained untrue statements of material fact, and concealed and failed to disclose material facts, as detailed above. Defendants owed Plaintiff and the other members of the Class who purchased Elauwit securities pursuant to the Prospectus the duty to make a reasonable and diligent investigation of the statements contained in the Prospectus to ensure that such statements were true and that there was no omission to state a material fact required to be stated in order to make the statements contained therein not misleading. Defendants, in the exercise of reasonable care, should have known of the misstatements and omissions contained in the Prospectus as set forth above.

56. Plaintiff did not know, nor in the exercise of reasonable diligence could Plaintiff have known, of the untruths and omissions contained in the Prospectus at the time Plaintiff acquired Elauwit securities.

57. By reason of the conduct alleged herein, Defendants violated §12(a)(2) of the Securities Act, 15 U.S.C. §771(a)(2). As a direct and proximate result of such violations, Plaintiff and the other members of the Class who purchased Elauwit securities pursuant to the Prospectus sustained substantial damages in connection with their purchases of the securities. Accordingly, Plaintiff and the other members of the Class who hold the securities issued pursuant to the Prospectus have the right to rescind and recover the consideration paid for their securities, and hereby tender their securities to Defendants sued herein. Class members who have sold their securities seek damages to the extent permitted by law.

58. This claim is brought within one year after discovery of the untrue statements and/or omissions in the Offering that should have been made and/or corrected through the

exercise of reasonable diligence, and within three years of the effective date of the Offering. It is therefore timely.

COUNT III

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

59. Plaintiff incorporates all the foregoing by reference.

60. This cause of action is brought pursuant to §15 of the Securities Act, 15 U.S.C. §77o against all Defendants except the Underwriter Defendants.

61. The Individual Defendants were controlling persons of Elauwit by virtue of their positions as directors or senior officers of Elauwit. The Individual Defendants each had a series of direct and indirect business and personal relationships with other directors and officers and major shareholders of Elauwit. The Company controlled the Individual Defendants and all of Elauwit's employees.

62. Elauwit and the Individual Defendants were culpable participants in the violations of §§11 and 12(a)(2) of the Securities Act as alleged above, based on their having signed or authorized the signing of the Registration Statement and having otherwise participated in the process which allowed the IPO to be successfully completed.

63. This claim is brought within one year after discovery of the untrue statements and/or omissions in the Offering that should have been made and/or corrected through the exercise of reasonable diligence, and within three years of the effective date of the Offering. It is therefore timely.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself and the Class, prays for judgment and relief as follows:

A. declaring this action to be a proper class action, designating Plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead Counsel;

B. awarding damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

C. awarding Plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. awarding Plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: __, 2026

Respectfully submitted,

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