EFiled: Apr 28 2023 12:25PM EDT
Transaction ID 69917426
Case No. 2023-0469-

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

JOHN SOLAK, Plaintiff, v. MOUNTAIN CREST CAPITAL LLC, SUYING LIU, DONG LIU, NELSON HAIGHT, TODD MILBOURN, AND WENHUA ZHANG, Defendants.	C.A. No.: 2023-

VERIFIED CLASS ACTION COMPLAINT

Plaintiff, John Solak ("Plaintiff"), on behalf of himself and similarly situated current and former stockholders of Mountain Crest Acquisition Corp. II ("MCAD" or the "Company"), brings this Verified Class Action Complaint asserting: (i) breach of fiduciary duty claims stemming from MCAD's merger with MCAD Merger Sub, Inc. and Better Therapeutics, Inc. (the "Merger") against (a) Suying Liu, Dong Liu, Nelson Haight, Todd Milbourn, and Wenhua Zhang, in their capacities as members of MCAD's board of directors (the "Board") and/or MCAD officers, and (b) Mountain Crest Capital LLC ("Sponsor") and Suying Liu, in their capacity as MCAD's controller; and (ii) unjust enrichment of Sponsor and Suying Liu.

The allegations are based on Plaintiff's knowledge as to himself, and on information and belief, including counsel's investigation and review of publicly available information.

NATURE AND SUMMARY OF THE ACTION

1. MCAD, now renamed Better Therapeutics, Inc. ("New Better Therapeutics"), is a Delaware corporation formed as a special purpose acquisition company ("SPAC") by Suying Liu. MCAD completed its initial public offering ("IPO") of units on January 12, 2021, selling 5 million units to public investors, for gross proceeds of $50 million. Those units, priced at $10, consisted of one share of common stock, and one right. Each right entitled the holder thereof to receive, at no cost, one-tenth (1/10) of one share of common stock upon the consummation of the Company's initial business combination.

2. SPACs, like MCAD, are corporations that are solely formed for the purpose of effecting a merger, share exchange, acquisition, reorganization, or similar business combination with one or more businesses. Over the past few years, the use of SPACs has significantly increased, with numerous private companies going public through reverse mergers with SPACs, rather than an IPO.

3. MCAD's use of the SPAC structure to effectuate the Merger can be characterized as part of the disturbing trend of SPAC transactions in which financial conflicts of interest of sponsors and insiders override good corporate governance and the interests of SPAC stockholders.

4. Unfortunately, MCAD's Merger failed to observe the most basic principle of Delaware corporate governance–*i.e.*, a corporation's governance

structure should be designed to protect and promote the interests of public stockholders, not the financial interests of its insiders and controllers.

5. Like all SPAC transactions, MCAD was formed and taken public as a shell company by a "sponsor," Mountain Crest Capital LLC, through which Suying Liu ("Liu") (i) selected MCAD's directors, (ii) dominated MCAD's management, (iii) made an investment in MCAD's common stock to cover its underwriting fees and working capital, and (iv) for only a nominal investment received a 20% equity stake in MCAD. Under its charter, MCAD had a nine-month window to consummate a merger, though the Company extended this deadline to provide for a 15-month window. The Company's only asset was the cash it raised in its IPO and proceeds of the private placement units purchased by the Sponsor and the underwriters, which were used to cover the underwriting fee for the IPO and other expenses. If MCAD failed to complete a deal during the 15-month window, MCAD's charter required that it liquidate and return its public stockholders' funds, with interest. A liquidation would have rendered the Sponsor's investment and its 20.8% stake worthless. Thus, Liu was strongly incentivized to get any deal done, even a bad deal for MCAD's public stockholders, rather than liquidate.

6. Although SPAC sponsors can neutralize this inherent conflict of interest by establishing a governance structure that protects the interests of public

stockholders, Liu and the Sponsor's other officers and directors instead opted for a governance structure that would protect his own financial interests.

7. Liu owned and controlled the Sponsor and served as the CEO and Executive Chairman of MCAD. The Sponsor, in turn, was the controller of MCAD. This chain of control was cemented through (i) the appointment of MCAD directors that had multiple, long-standing relationships with Liu; (b) compensation of the purportedly independent directors by granting them a direct or indirect economic interest in founder shares and private placement units, thereby aligning their interests with those of Liu and the Sponsor, and (c) along with other initial stockholders, holding 20.9% of MCAD outstanding shares as of the record date, and (d) stating at the time of its IPO that it would not hold an annual stockholders' meeting to elect directors, which it recognized "may not be in compliance with Section 211(b) of the DGCL."

8. Consistent with the general practice among SPACS, Liu caused MCAD to issue 1,431,500 Founder Shares to the Sponsor for an aggregate of $25,000 (or approximately $.017 per share). Those Founder Shares were described as having a value of $14,315,000 at the time of the Merger. Further, Sponsor purchased 142,500 private units for $1,425,000, the proceeds of which would be used to cover the IPO underwriting fee and MCAD's working capital.

9. Also consistent with general SPAC practice, the rights of holders of Founder Shares differed from the rights of public stockholders in two important respects. First, if MCAD failed to merge and instead liquidated, the public stockholders would receive, *pro rata*, all proceeds of the IPO plus accrued interest. The IPO proceeds were put in trust for the benefit of the stockholders to ensure they would be available for this purpose. This would amount to approximately $10 per share. Second, each public stockholder had a right to redeem its shares on those same terms rather than participate in a proposed merger. The redemption price was $10 per share. The Sponsor and other holders of Founder Shares, by contrast, waived their right to redeem their shares or to participate in a liquidation. Consequently, if MCAD did not merge, the Founder Shares and Private Placement Units would be worthless in a liquidation. Liu, the Sponsor and others that held economic interests in the Founder Shares and Private Placement Units would get nothing, and the Sponsor would lose its initial investment.

10. Liu served as chairman of the MCAD Board and, through the Sponsor, selected MCAD's four other Board members–Dong Liu ("D. Liu"), Nelson Haight ("Haight"), Todd Milbourn ("Milbourn"), and Wenhua Zhang ("Zhang"). Although MCAD contends that three of these directors, Haight, Milbourn, and Zhang, are independent, their ties to Liu and/or their financial interests in achieving a merger rather than liquidating render this contention untenable. All three of the purportedly

independent directors, had pre-existing and continuing loyalties to Liu based on numerous lucrative financial and professional ties to Liu. Among these financial ties, all three of these purportedly independent directors have served and/or currently serve as a director of one or more Liu-sponsored SPACs.

11. Liu further secured the loyalty of the purportedly independent directors by having them hold "direct or indirect economic interests" in the Founder Shares and certain Private Placement Units held by the Sponsor. As a result of these holdings, the purportedly independent directors' financial interests were tightly linked to those of Liu and the Sponsor–and poorly aligned with the interests of MCAD's public stockholders.

12. Liu, D. Liu, the Sponsor, and the three purportedly independent directors were thus strongly incentivized to get *any* deal done, because any deal (even a knowingly bad one) was virtually certain to make them a lot of money. By contrast, a failure to merge would mean MCAD would liquidate and return the public stockholders' investment–in which case the Sponsor, Liu and the other directors would receive nothing, and the Sponsor would lose its $1.45 million investment.

13. Liu and the Board were not about to allow MCAD to liquidate. So they orchestrated the Merger with Better Therapeutics, which closed on October 21, 2021. As the market would quickly reveal, this transaction was a losing proposition for MCAD's public stockholders. Liu dominated the negotiations with Better

Therapeutics and with the investors in a PIPE transaction that would provide additional financing to the combined company. The Board provided no meaningful oversight, serving instead as a rubberstamp. There were no fairness opinions and no special committee. The members of the Board were deeply conflicted and breached their duty of loyalty by approving the Merger and its financing, and recommending the transaction to stockholders.

14. The Board failed to consider the fact that the transaction it was contemplating was likely a far worse alternative for public stockholders than a liquidation in which the stockholders would receive $10 per share. The Board did not consider how deeply diluted MCAD's shares were, nor did it consider the extent to which the transaction costs of the Merger would further dissipate what little cash the SPAC held. At the time of the proxy, MCAD had less than $7.50 in net cash to contribute to the combined company. And with $14 million in transaction costs, the MCAD shareholders' cash would be dissipated further still.

15. The merger agreement between MCAD and Better Therapeutics valued MCAD's shares at $10 per share, but with less than $7.50 in net cash underlying those shares (and the $14 million in transaction costs to be paid by MCAD), that valuation was severely inflated.

16. Furthermore, with so little cash underlying each share of MCAD stock, a loyal and diligent board would consider what its stockholders were likely to receive

in return from Better Therapeutics. By merging with MCAD, Better Therapeutics was in effect exchanging its shares for MCAD's cash. Consequently, there was an obvious possibility that Better Therapeutics would be willing to exchange no more in value than the amount of net cash MCAD would contribute to the combined company. That is, in order to get a fair deal in a share exchange with MCAD, Better Therapeutics reasonably could have determined that it would have to overvalue its shares just as MCAD overvalued its shares at $10.

17. The Board approved the Merger agreement on October 12, 2021, and the public stockholders voted to approve the Merger at a special meeting on October 27, 2021. And, the Board overwhelmingly secured this vote, disclosing that same day that only 587 stockholders voted against the Merger, while 5,225,591 stockholders voted for the Merger.

18. By approving the Merger and retaining their shares in New Better Therapeutics, MCAD stockholders saw their shares initially increase in price to $10.97 per share on October 27, 2021, before declining in price to $3.68 by January 27, 2021, three months following the Merger–a period during which the Nasdaq remained essentially flat. Now, New Better Therapeutics' stock price is $1.28 per share, and MCAD stockholders have lost 87.2% of their initial investment of $10 per share.

19. Although the Merger was a terrible deal for MCAD public stockholders, it was a windfall for Liu, the Sponsor, D. Liu, and the purportedly independent directors. Indeed, on the day of the Merger, Liu and the Sponsor, who had made an initial $1.45 million investment, held stock and units worth more than $14.5 million, which are still worth approximately $1.86 million as of April 24, 2023.

20. Accordingly, while the Company's stock price has plummeted, and public stockholders have lost 87.2% of their initial investment, Liu, the Sponsor, D. Liu, and the purportedly independent directors have all made a positive return of more than 28% on their initial investment.

21. Due to the conflicts of interest on the part of the Board and the Sponsor, which drove the Board's decision to approve the Merger, the Merger requires judicial review for entire fairness. Considering the conflicts of interest, the fact that MCAD failed to disclose that MCAD had far less cash per share to invest in the Merger than it purported to have, and the disastrous results for the public stockholders, the Merger cannot meet the exacting entire fairness test.

PARTIES

22. Plaintiff John Solak purchased MCAD shares on July 13, 2021, and has held those shares since that date.

23. Mountain Crest Capital LLC (previously defined as the "Sponsor"), is a Delaware limited liability company that serves as MCAD's sponsor. The Sponsor's managing member is Liu. For an aggregate nominal price of $25,000 (approximately $0.017 per share), the Sponsor purchased 1,431,500 founder shares and units. As set forth below, Liu's membership interest in the Sponsor, and indirectly, in the founder shares, gave him the opportunity to make tens of millions of dollars as long as MCAD merged with another business within nine months (later extended to 15 months), as opposed to liquidating as its charter required if it did not merge.

24. Liu is CEO and Chairman of the Board of MCAD, and the managing member of the Sponsor, along with D. Liu. He is also the founder and/or CEO of many other entities affiliated with the Sponsor. Liu has been the managing member of the sponsor of at least three related SPACs.[1]

25. D. Liu is the CFO of MCAD, and has been a member of the Board since MCAD's inception. Along with Liu, D. Liu is the other member of the Sponsor.

26. Nelson Haight ("Haight") has been a member of the Board since October 2020. Haight has also served as a member of the board of directors of three other Liu-sponsored related SPACs.[2]

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[1] Mountain Crest Acquisition Corp. ("MCAC"), Mountain Crest Acquisition Corp. III ("MCAC3"), and Mountain Crest Acquisition Corp. IV ("MCAC4").

[2] MCAC, MCAC3, and MCAC4.

27. Todd Milbourn ("Milbourn") has been a member of the Board since October 2020. Milbourn has also served as a member of the board of directors of three other Liu-sponsored related SPACs.[3]

28. Wenhua Zhang ("Zhang") has been a member of the Board since October 2020. Zhang has also served as a member of the board of directors of three other Liu-sponsored related SPACs.[4]

29. Defendants Liu, D. Liu, Haight, Milbourn, and Zhang are referred to herein as the "Director Defendants."

30. Defendants Liu, D. Liu, and the Sponsor are referred to herein as the "Controller Defendants."

RELEVANT NON-PARTIES

31. MCAD was a Delaware corporation formed as a special purpose acquisition company ("SPAC") by Liu. A SPAC, often referred to as a "blank check" corporation, is publicly traded but has no operations, and must merge with an operating company or liquidate within a specified period after its initial public offering ("IPO").

32. Better Therapeutics was a private operating company. The "de-SPAC" merger of MCAD and Better Therapeutics closed on October 27, 2021. The

[3] MCAC, MCAC3, and MCAC4.
[4] MCAC, MCAC3, and MCAC4.

surviving entity is New Better Therapeutics, a publicly-traded operating company, that is listed on Nasdaq under the symbol BTTX.

SUBSTANTIVE ALLEGATIONS

I. Liu Forms MCAD and Raises $50 Million in its IPO

33. Liu is a serial founder of SPACs, corporations that by the terms of their charter have a limited period within which to either merge with a private company–through a "de-SPAC" transaction–and thereby bring the private company public, or to liquidate.

34. MCAD was Liu's second SPAC, and, at the time of the Complaint, Liu has founded at least five SPACs (*i.e.*, MCAC, MCAD, MCAC3, MCAC4, and Mountain Crest Acquisition Corp. V ("MCAC5")). None has been a success for stockholders.

35. MCAD (now New Better Therapeutics) closed its merger in October 2021, and was trading at $1.28 per share at the time of the Complaint, or about 87.2% below its $10 redemption price.

36. MCAC (now Plby Group Inc.) closed its merger in February 2021, and was trading at $1.67 per share at the time of the Complaint, or 83.3% below its $10 redemption price.

37. MCAC3 (now ETAO International Group) closed its merger in February 2023, and was trading at $.76 per share at the time of the Complaint, or 92.4% below its $10 redemption price.

38. MCAC4, and MCAC5 have not yet completed mergers with their target companies.

39. Liu and D. Liu were the sole members of the Sponsor, and on July 31, 2020, caused the Sponsor to incorporate MCAD under the laws of Delaware. Liu served as MCAD's CEO and Chairman, and D. Liu served as its CFO and as a member of the Board. Consistent with common practice among SPAC sponsors, before MCAD went public, Liu and D. Liu caused MCAD to issue to the Sponsor 1,437,500 founder shares, amounting to 20% of MCAD's post-IPO equity for a nominal cost of $25,000.

40. MCAD completed its IPO on January 8, 2021, selling 5 million units to public investors for $10 per unit and raising proceeds totaling $50 million. The underwriters exercised their over-allotment of 750,000 units issued for an aggregate amount of $7,500,000. Each unit consisted of one share of common stock, and one right to receive, at no cost, 1/10 of a share of common stock upon consummation of a merger. Also, consistent with common practice, the shares of common stock were redeemable for $10–the IPO price of the units–plus interest. Investors in units could

redeem their shares and keep the rights. Hence, for a purchaser of units, the rights were free.

41. As with all SPACs, the funds raised in MCAD's IPO (an aggregate of $57.5 million) were retained in a trust account for the benefit of the public stockholders. The funds in the trust could be used only to redeem shares, to contribute to a merger, or to return the public stockholders' investment if MCAD were to liquidate rather than merge.

42. Simultaneously with the IPO, MCAD consummated the sale of 185,000 private placement units to the Sponsor and Chardan Capital Markets, LLC, generating gross proceeds of $1,850,000. The proceeds from the private placement units would be used for the initial underwriting fee for MCAD's IPO and for operating expenses between the time of the IPO and MCAD's eventual Merger.

II. Liu Packed the Board with Loyalists and Ensured That Their Financial Interests Were Aligned with His

43. Rather than establishing a governance structure that addressed the conflicting interests of the public stockholders, on the one hand, and the Sponsor, Liu, and D. Liu, on the other, Liu did the opposite. He built a board with loyalty to himself and the Sponsor. Liu appointed himself as chairman of the MCAD Board, and he appointed D. Liu, the Sponsor's other member, as the other inside Board member. The purportedly independent Board members were Haight, Milbourn, and Zhang.

44. All of the purportedly independent Board members have served on the boards of directors at Liu's other SPACs, and they continue to do so today. They are in no way independent. Haight, Milbourn, and Zhang were all members of the boards of directors at MCAC, MCAC3, and MCAC4, selected by Liu, and they either remain in those positions or financially benefited from those positions in connection with their respective de-SPAC transactions.

45. Additionally, all three purportedly independent directors had direct financial interests aligned with the financial interests of Liu, D. Liu, and the Sponsor. All MCAD directors held direct or indirect economic interests in the units and founder shares owned by the Sponsor, though the magnitude of these economic interests was not disclosed in the proxy statement–beyond 2,000 shares beneficially owned by each of the purportedly independent directors.

46. It is clear that the purportedly independent directors lacked independence. Reciting the Nasdaq definition of director independence, the MCAD proxy statement claims that Haight, Milbourn, and Zhang had no relationships that would interfere with their exercise of independent judgment. This was clearly not true.

47. The MCAD Board, like any SPAC board, has only one decision to make: whether to merge or to liquidate. In light of the extent to which the Board members have worked for, and continue to work for, Liu through other related

entities, and in light of their direct and/or indirect financial interest in having MCAD merge rather than liquidate, the claim that these directors could exercise independent judgment defies belief.

III. The Merger

48. On January 13, 2021, MCAD filed with the SEC a Form 8-K that attached as an exhibit the Company's amended certificate of incorporation, extending the deadline to consummate a merger from within nine months of the Company's IPO to within 15 months of the IPO.

49. On April 7, 2021, MCAD and Better Therapeutics announced that they had entered into a merger agreement, under which MCAD and Better Therapeutics stockholders would receive shares in the combined company, New Better Therapeutics.

50. On October 12, 2021, MCAD filed with the SEC and mailed to its stockholders a definitive proxy statement recommending that stockholders vote to approve the Merger. The proxy statement informed the stockholders of a special meeting to be held on October 27, 2021, at which stockholders would vote whether to approve or disapprove the Merger. It also informed the stockholders that the deadline for them to redeem their shares was October 25, 2021, two business days before the special meeting.

51. On October 27, 2021, the stockholders approved the Merger by a majority and redeemed 4,826,260 shares (79.1% of outstanding shares) for the total cash value of $48,273,000.

52. In a Form 8-K filed after the Merger, New Better Therapeutics reported a balance in its trust account of $50.76 million, including proceeds from PIPE financing through subscription agreements and the issuance of SAFEs to new and existing investors.

IV. The Board Followed a Flawed Process in Approving the Merger

53. The process by which MCAD negotiated the Merger was severely flawed. Liu and D. Liu dominated the negotiations, and the Board provided no meaningful oversight–serving solely as a rubberstamp. There was also no special committee–though a special committee would have been illusory in light of each purportedly independent directors' interest in having the Merger close.

54. Furthermore, there was no fairness opinion, because, according to the proxy statement:

> MCAD is not required to obtain an opinion from an unaffiliated third party that the price it is paying in the Business Combination is fair to its public stockholders from a financial point of view. MCAD's public stockholders therefore, must rely solely on the judgment of the Board.

55. However, given the directors' financial interests in pushing the Merger through, as well as all directors' substantial ties to Liu, their judgment was not a substitute for a fairness opinion from a bank with no stake in the Merger.

V. The Board Knew or Should Have Known that the Merger Was a Bad Deal for Stockholders

56. The Board knew or should have known that the Merger would be a losing proposition for MCAD stockholders, but nevertheless approved and recommended the Merger because it was highly lucrative for the Sponsor, Liu, D. Liu, and the Board members themselves.

57. The MCAD stockholders had the option of redeeming their shares for $10 per share in lieu of participating in the Merger. Alternatively, they could invest far less in the Merger. After accounting for, *inter alia*, the dilutive effect of redemptions, founder shares, and transaction costs, MCAD had less than $7.50 in net cash per share to invest in the Merger.

58. Despite the Board's knowledge of these costs associated with the Merger, there is no indication in the proxy statement that, in approving or recommending the Merger, the Board took them into account. The merger agreement and the proxy statement attribute an inflated value of $10 to each MCAD share, which was materially false.

59. MCAD's only asset was cash, and it would contribute to the Merger less than $7.50 in net cash per share.

60. The Board and its financial advisors knowingly turned a blind eye to the dilution of MCAD's shares and the dissipation of its cash. The Board failed to consider how much better off the stockholders would be with $10 per share in a

liquidation, compared to the Merger, in which it could only invest less than $7.50 per share.

61. But neither the Board, nor the Sponsor, nor Liu, nor D. Liu would be better off with a liquidation. To the contrary, they made millions of dollars from the Merger.

62. The Board thus breached its duty of loyalty, and approved and recommended the Merger at the expense of MCAD stockholders.

VI. The Board Failed to Inform the Stockholders' Vote on the Merger and Their Decision to Redeem Their Shares or Remain Invested in the Merger

63. Just as the Board breached its duty of loyalty by acting with perverse incentives and ignoring the effect of dilution on the value of the Merger for stockholders, it breached its duty of candor by failing to inform stockholders of this regrettable aspect of the Merger.

64. First, the proxy statement failed to quantify the economic interests of the Board in seeing a transaction occur. Such information would have been material to a MCAD stockholder in deciding how to vote.

65. Second, instead of disclosing the amount of cash underlying MCAD shares prior to the Merger–and hence the amount of cash it could contribute to a combined company, the proxy statement affirmatively misled MCAD's stockholders by attributing a value of $10 to their shares.

66. Due to the dilution and cash dissipation discussed above, this was demonstrably false. The only respect in which MCAD shares were worth $10 is that the publicly traded shares could be redeemed for that amount (plus interest) by stockholders that chose not to participate in the Merger.

67. The proxy statement does not meaningfully address the dilution of MCAD shares.

68. The issuance of rights in connection with units, the dilutive effect of redemptions, founder shares, and the transaction costs associated with the Merger, reduced the net cash underlying the public stockholders' shares.

69. The proxy statement failed to inform the stockholders of this fact or its importance in terms of what those shares might buy in the Mergers with Better Therapeutics.

70. This was a material omission that violated the Board's duty of candor and prevented the stockholders from making informed decisions in voting their shares or exercising their redemption rights.

71. The Board further breached its duty of candor in presenting the stockholders the choice between approving the Merger and redeeming or liquidating. As stated above, the Board had one decision to make: to merge or to liquidate. The Board breached its duty of loyalty by choosing to merge. Each stockholder had a parallel right: to invest in the Merger by retaining shares, or to redeem their shares

for $10. The Board breached its duty of candor by failing to provide the stockholders with the information they needed to make that decision.

72. The reason behind the Board's failure to do so is clear. The Board had no interest in seeing stockholders redeem their shares and drain cash from MCAD–risking the failure of the Merger to go through, and their loss of the opportunity to recover a financial windfall from the Merger's completion. In short, from the perspective of Liu, D. Liu, the Sponsor and the Board, it was imperative for MCAD to discourage additional redemptions, whether or not that might have been in the best interest of MCAD's public stockholders.

VII. New Better Therapeutics' Post-Merger Performance

73. The redemption deadline was October 25, 2021. As a practical matter, shares had to be purchased well before that, for the transactions to clear and then be submitted before the redemption deadline. On October 21, 2021, two trading days before the redemption deadline, MCAD's stock price closed at $10 per share. By the October 25, 2021 redemption deadline, the share price had fallen to $9.57 per share.

74. By October 27, 2021, the date the Merger closed, the stock price was $10.97 per share, before declining in price to $3.68 by January 27, 2021, three months following the Merger–a period during which the Nasdaq remained essentially flat.

75. Now, New Better Therapeutics' stock price is $1.28 per share, and MCAD stockholders have lost 87.2% of their initial investment of $10 per share.

76. Although the Merger was a terrible deal for MCAD public stockholders, it was a windfall for Liu, the Sponsor, D. Liu, and the purportedly independent directors. Indeed, on the day of the Merger, Liu and the Sponsor, who had made an initial $1.45 million investment, held stock and units worth more than $14.5 million, which are still worth approximately $1.86 million as of April 24, 2023.

77. Accordingly, while the Company's stock price has plummeted, and public stockholders have lost 87.2% of their initial investment, the Sponsor, Liu, D. Liu, and the purportedly independent directors have all made a positive return of more than 28% on their initial investment.

78. Had the Merger not occurred, the Sponsor, Liu, D. Liu, and the purportedly independent directors would have received nothing. The public stockholders, however, would have received $10 per share.

79. In sum, the Board breached its duties of loyalty by turning a blind eye to the dilution of the public shares and its implications for the Merger, and it breached its duty of candor by leaving the public stockholders in the dark as well.

80. The Board's abdication of its duties stemmed from the desire of Liu, D. Liu, the Sponsor, and the Board to consummate any deal, even a value-destroying deal.

81. In light of these conflicts and the windfall reaped by the Defendants at the public stockholders' expense–the Merger cannot meet the test of entire fairness.

CLASS ACTION ALLEGATIONS

82. Plaintiff, a stockholder in MCAD, brings this action individually and as a class action pursuant to Rule 23 of the Rules of the Court of Chancery of the State of Delaware on behalf of himself and all record and beneficial holders of MCAD common stock (the "Class") who held such stock during the time period from the Record Date through the Closing Date (except the Defendants herein, and any person, firm, trust, corporation, or other entity related to or affiliated with any of the Defendants) and who were injured by the Defendants' breaches of fiduciary duties and other violations of law, and their successors in interest.

83. This action is properly maintainable as a class action.

84. A class action is superior to other available methods of fair and efficient adjudication of this controversy.

85. The Class is so numerous that joinder of all members is impracticable. The number of Class members is believed to be in the thousands, and they are likely scattered across the United States. Moreover, damages suffered by individual Class

members may be small, making it overly expensive and burdensome for individual Class members to pursue redress on their own.

86. There are questions of law and fact which are common to all Class members and which predominate over any questions affecting only individuals, including, without limitation:

a. whether Defendants owed fiduciary duties to Plaintiff and the Class;

b. whether the Controller Defendants controlled MCAD;

c. whether "entire fairness" is the applicable standard of review;

d. which party or parties bear the burden of proof;

e. whether Defendants breached their fiduciary duties to Plaintiff and the Class;

f. the existence and extent of any injury to the Class or Plaintiff caused by any breach;

g. the availability and propriety of equitable re-opening of the redemption period; and

h. the proper measure of the Class's damages.

87. Plaintiff's claims and defenses are typical of the claims and defenses of other Class members, and Plaintiff has no interests antagonistic or adverse to the

interests of other Class members. Plaintiff will fairly and adequately protect the interests of the Class.

88. Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature.

89. Defendants have acted in a manner that affects Plaintiff and all members of the Class alike, thereby making appropriate injunctive relief and/or corresponding declaratory relief with respect to the Class as a whole.

90. The prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for Defendants; or adjudications with respect to individual members of the Class would, as a practical matter, be dispositive of the interest of other members or substantially impair or impede their ability to protect their interests.

COUNT I

(Direct Claim for Breach of Fiduciary Duty Against the Director Defendants)

91. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

92. As directors of MCAD, the Director Defendants owed Plaintiff and the Class the utmost fiduciary duties of care and loyalty, which subsume an obligation

to act in good faith, and to make accurate material disclosures to MCAD's stockholders.

93. These duties required them to place the interests of MCAD stockholders above their personal interests and the interests of the Controller Defendants.

94. Through the events and actions described herein, the Director Defendants breached their fiduciary duties to Plaintiff and the Class by prioritizing their own personal and financial interests and approving the Merger, which was unfair to MCAD's public stockholders.

95. The Director Defendants also breached their duty of candor by issuing the false and misleading proxy statement.

96. As a result, Plaintiff and the Class were harmed by being deprived of the information they needed to exercise, or to choose not to exercise, their redemption rights in an informed manner prior to the Merger.

97. In addition, by virtue of misstatements and omissions in the proxy statement, members of the Class could not exercise their vote in an informed manner and approved the merger with Better Therapeutics based on false and misleading information.

98. Plaintiff and the Class suffered damages in an amount to be determined at trial.

COUNT II

(Direct Claim for Breach of Fiduciary Duty Against the Controller Defendants)

99. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

100. The Controller Defendants were Liu, D. Liu, and the Sponsor. The Sponsor–and Liu and D. Liu through the Sponsor–selected (and could remove at any time) the members of the Board, had deep personal and financial ties to the members of the Board they selected–through direct or indirect interests in the founder shares and the private placement units, and through positions in other business, including other SPACs, affiliated with Liu.

101. As such, the Controller Defendants owed Plaintiff and the Class fiduciary duties of care and loyalty, which include an obligation to act in good faith, and to provide accurate material disclosures to MCAD stockholders.

102. At all relevant times, the Controller Defendants had the power to control, influence, and cause–and actually did control, influence, and cause–MCAD to enter into the Merger.

103. The Merger was unfair, reflecting an unfair price and unfair process.

104. Through the events and actions described herein, the Controller Defendants breached their fiduciary duties to Plaintiff and the Class by agreeing to and entering into the Merger without ensuring that it was entirely fair to Plaintiff and

the Class, thereby breaching their duty of loyalty to Plaintiff and the Class. As a result, Plaintiff and the Class were harmed.

105. Further, by failing to inform shareholders to allow them to make an informed redemption decision, Defendants breached their duty of candor. As a result, Plaintiff and the Class were harmed by not exercising their redemption rights prior to the Merger.

106. In addition, members of the Class approved the merger with Better Therapeutics based on false and misleading information.

107. Plaintiff and the Class suffered damages in an amount to be determined at trial.

COUNT III

(Direct Claim for Unjust Enrichment Against Sponsor and the Director Defendants)

108. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

109. As a result of the conduct described above, the Sponsor and the Director Defendants breached their fiduciary duties to MCAD public stockholders and were disloyal by putting their own financial interests above those of MCAD public stockholders.

110. Defendants were unjustly enriched by their disloyalty.

111. All unjust profits realized by the Sponsor and the Director Defendants should be disgorged and recouped by the affected stockholders.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment and relief in his favor and in favor of the Class, and against Defendants, as follows:

A. Declaring that this Action is properly maintainable as a class action;

B. Finding the Director Defendants liable for breaching their fiduciary duties owed to Plaintiff and the Class;

C. Finding the Controller Defendants liable for breaching their fiduciary duties, in their capacity as the controllers of MCAD, owed to Plaintiff and the Class;

D. Finding that the Sponsor and the Director Defendants were disloyal fiduciaries that were unjustly enriched;

E. Certifying the proposed Class;

F. Awarding Plaintiff and the other members of the Class damages in an amount which may be proven at trial, together with interest thereon;

G. Ordering disgorgement of any unjust enrichment to the plaintiff class.

H. With respect to Class members who had the right to seek redemption and still hold their shares, equitably re-opening the redemption window to allow them to redeem their shares, as per the terms of MCAD's foundational documents.

I. Awarding Plaintiff and the members of the Class pre-judgment and post-judgment interest, as well as their reasonable attorneys' and experts' witness fees and other costs; and

J. Awarding Plaintiff and the Class such other relief as this Court deems just and equitable.

Dated: April 28, 2023

COOCH AND TAYLOR, P.A.

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